



Steve Reed MP, Secretary of State for Housing, Communities and Local Government

Ministry of Housing, Communities & Local Government

2 Marsham Street

London

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8 December 2025

Dear Secretary of State,

I am writing to ask you to address gaps in legislation and statutory guidance regarding Tenant Management Organisations ("TMOs"). The detrimental operations of some TMOs have led to serious negative impacts for tenants and the current legal framework binds the hands of local authorities to take decisive action against poorly operating TMOs.

We support the intention behind the TMO model to put residents at the heart of decisions about the delivery of housing services. However, whilst there are a number of examples of good practice and efficient service by TMOs, Lambeth's experience is that this is not always the case. Many of these issues are illustrated by the difficulties Lambeth is currently facing in addressing the significant and ongoing failures by one TMO in the borough, Loughborough Estate Management Board ("LEMB").

An audit review of LEMB has identified significant concerns regarding financial management, governance, procurement and value for money, including large amounts of money spent on foreign travel and gifts without adequate justification. We have referred LEMB to the Financial Conduct Authority (FCA), regarding the potential misappropriation of funds but the council's actions have been heavily constrained by current TMO legislation.

As with all our TMOs, Lambeth's relationship with LEMB is governed by the current Modular Management Agreement ("MMA") for TMOs published by the government in December 2013. The terms of this are now out of date and do not take into account the raft of safety-related legislation in the last decade. There are significant changes that need to be made to the MMA to ensure that residents can be confident that their housing management is fit for purpose and so that they are not left to suffer in the same way as residents living on the estate managed by LEMB.

Lambeth therefore has several asks of government:

- Strengthening the democratic requirements around continuation ballots and, where a TMO fails to comply with these, providing the local authority with a straightforward, contractual remedy
- Reforming the mechanisms via which the local authority can enforce against performance failures so that these mechanisms become quicker and less unwieldy
- Provide adequate powers for a local authority to terminate an agreement with a TMO for material contractual breaches
- Empower local authorities to act when a TMO has failed to comply with its governing documents
- Limit the length of time an individual may sit on a TMO Committee
- Provide a local authority the power to vary the MMA with a TMO when this is necessary to reflect any change to primary or secondary legislation

These changes would help us to overcome the significant challenges caused by unfit TMOs, and would help improve the experiences and accountability for residents in Lambeth and across the country. I have asked council officers to write to your officials with more details of the specific legislative and regulatory restrictions that we would be keen to work with your department to address.

I hope that this information is helpful to the Secretary of State and officials, please do let us know if you need anything more.

Yours sincerely,

Cllr Danny Adilypour

Deputy Leader and Cabinet Member for Housing, Investment and New Homes