



<p><b>TITLE: Proposed Voluntary Transfer of the Housing Stock</b></p> <p><b>TO/ON: Cabinet 12<sup>th</sup> October 2005</b></p> <p><b>BY: Director of Housing Management Services</b></p> <p><b>PORTFOLIO HOLDER: Councillor Duncan Ruddick</b></p> <p><b>STATUS: For publication</b></p>
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**1. PURPOSE OF THE REPORT**

- 1.1. To advise Members on the progress to date in relation to the Stock Transfer process.
- 1.2 To consider potential amendments to the offer made to tenants in stage 1 of the consultation process.
- 1.3 To seek approval from Cabinet to ballot council tenants on the proposed voluntary transfer of the housing stock and proceed to stage 2 of the consultation process.

**2. RECOMMENDATIONS**

- 2.1. The Cabinet are recommended to:
  - a) Note the responses of tenants as set out in this report.
  - b) Approve that a formal stage 2 letter be issued to the Council's secure tenants confirming the terms of the Council's offer as set out in the formal (stage 1) consultation document.
  - c) Note tenant's right to communicate objections to the Council's proposals to the Office of the Deputy Prime Minister within 28 days from the stage 2 letter.
  - d) Note the ability of the Deputy Prime Minister as First Secretary of State to withhold consent if a majority of tenants do not wish the transfer to proceed.
  - e) Approve that the Electoral Reform Ballot Services Ltd be commissioned to carry out a formal ballot of tenants in respect of a transfer to Green Vale Homes.

### 3. REPORT AND REASONS FOR RECOMMENDATIONS AND TIMETABLE FOR IMPLEMENTATION

- 3.1 At its meeting on the 13<sup>th</sup> October 2004 the Council considered a report on the options for the future of council housing in Rossendale. The Council endorsed the recommendation of the Home Choice Steering Group and resolved to consult tenants in respect of a large scale voluntary transfer of the Housing Stock.
- 3.2 Prior to the commencement of formal consultation with stakeholders it was decided to promote the formation of Green Vale Homes Ltd as the new landlord. This has been done in conjunction with the Council's preferred partner Pennine Housing 2000 as part of a newly formed group structure.
- 3.3 The proposed transfer of council housing to Green Vale Homes has been the subject of wide ranging consultations with council housing tenants and leaseholders. The purpose of this consultation has been.
1. to make tenants and leaseholders aware of the proposed transfer and provide opportunity to voice opinions, concerns and queries.
  2. To gauge an expressed preference of tenants and leaseholders so the Council can decide whether to proceed to formally ballot tenants.
  3. To establish if there are terms of the proposals in the offer document which should and can be amended to clarify the proposal or make the proposal more acceptable.
- 3.4 The formal consultation or stage 1 offer document contained a tear off response card which allowed tenants to express their view and express a preference for or against the proposed transfer. The stage 1 offer document was posted on 5<sup>th</sup> September 2005 and tenants were allowed a period of four week, ending the 10<sup>th</sup> October 2005 to provide comments.
- 3.5 The table below sets out the preference of tenants recorded from those return slips.

FOR	AGAINST	NOT SURE	TOTAL (%)
194 (84%)	25 (10.8%)	12 (5.2%)	231 (5.1%)

The views of tenants ordered by 'For', 'Against', 'Not Sure' are reproduced anonymously in Appendix 1.

- 3.6 The formal consultation document was also provided to the Council's Right to Buy leaseholders which allowed them to express their views and preferences for or against the proposed transfer.

We have not received any returns from leaseholders.

3.7 The Council opened its Home Choice Shop in the Valley Centre, Rawtenstall on 21<sup>st</sup> July 2005. This gives tenants an opportunity to see the types of improvements stock transfer would offer them and to ask staff questions. Specially arranged trips to bring tenants from sheltered schemes to the Home Choice Shop were organised. During the opening hours of 10am – 4pm Tuesday, Thursday, Friday and Saturday 968 tenants have visited the Home Choice Shop (As up to 1<sup>st</sup> October 2005).

3.8 In addition the Council has had a mobile unit visiting different parts of the borough on a regular basis. This allows less mobile people to see the types of improvements stock transfer would offer and receive the same opportunity to seek advice from staff in a convenient location.

During the 56 sessions 741 tenants have visited the mobile unit (As up to 3<sup>rd</sup> October 2005).

3.9 P S Consultants, the Tenants Independent Advisors, who were appointed by the Rossendale Tenants forum, have so far had 60 meetings, and received approximately 80 calls to the free phone.

3.10 From the 14<sup>th</sup> September 2005 staff from the Council Housing Department started a programme of visiting all Council tenants homes within the Borough. The results of the survey show a majority of tenants in favour of stock transfer. The latest position is reproduced in the table below.

FOR	AGAINST	NOT SURE	TOTAL
1821 (62.81%)	174 (6%)	904 (31.18%)	2899

3.11 A video has been produced and widely distributed to tenants. The video has been continuously playing during opening hours in Neighbourhood Offices, the Town Hall, the Home Choice Shop and Mobile Unit.

3.12 The Council and P S Consultants have each operated a free phone telephone help line throughout the consultation. The Council help line has received calls, mainly concerning rent issues.

3.13 In summary the consultation process has been comprehensive. All tenants and leaseholders were sent the formal proposal documents and had the opportunity to return their written views on a pre-paid card. The Council can be confident that every reasonable opportunity has been given to tenants and leaseholders to express their views and fully understand the basis of the proposed transfer.

3.14 The comments listed in the appendices have no indicative theme which would indicate any requirement to change the proposed offer as set out in the formal (stage 1) consultation document

- 3.15 In conclusion whilst indicative figures need to be viewed with caution it would appear that there is significant support from tenants for transfer.
- 3.16 On this basis the Electoral Reform Ballot Services Ltd have been commissioned , pending the outcome of Cabinets decision to carry out a formal ballot of tenants at a cost of £11,500.

## **4. CORPORATE IMPROVEMENT PRIORITIES**

### **4.1 FINANCE AND RISK MANAGEMENT**

- 4.1.1. The budget for the ballot costs is contained within the overall stock transfer budget. The Councils draft medium term financial strategy makes assumptions about stock transfer for the Council in its future financial planning and management. However if the ballot is positive a final report will be brought to Council seeking a decision to transfer Rossendale Councils housing stock to Green Vale Homes early in 2006.

### **4.2 MEMBER DEVELOPMENT AND POLITICAL ARRANGEMENTS**

- 4.2.1 Briefings for elected member have been arranged for early November 2005. It is envisaged a further briefing will be held prior to the Councils final decision in early 2006.

### **4.3 HUMAN RESOURCES**

- 4.3.1 In the event that stock transfer to Green Vale Homes takes place there will be a significant transfer of staff currently working in Housing Management Services under TUPE regulations and potentially some staff providing services from other Departments.

The Council is reviewing its approach to delivering its strategic housing function post transfer and this may also have some impact on staff. This is likely to be on a relatively small scale.

### **4.4 ANY OTHER RELEVANT CORPORATE PRIORITIES**

- 4.4.1 Housing Stock Transfer is ranked as the fourth of the Councils eight priorities for improvement. The decision to proceed to ballot tenants is a key milestone in achieving this priority

## **5. RISK**

- 5.1.1 If the outcome of the ballot is negative the Council would have to meet some of the pre-ballot costs. Pennine Housing 2000, have, as part of their partnership bid offered to meet a proportion of these costs. Provision has been made for this eventuality. The new company would meet these costs if the ballot was positive.

5.1.2 If the Council decides not to proceed with stock transfer in addition to meeting the pre-ballot costs there would be impacts on service quality as the necessary savings are realised to ensure minimum balances are maintained on the HRA.

## **6. LEGAL IMPLICATIONS ARISING FROM THE REPORT**

6.1 The Council must comply with statutory requirements when consulting the tenants on the detail of the stock transfer. The key elements of compliance are:-

- Stage 1 – Serve notice on all tenants in the form of a detailed offer document, allowing a 28 day period for comments.
- Consideration of comments received and any potential changes required to the offer resulting.
- Stage 2- A second written notice is served on tenants informing them of any significant changes and their right to contact the Secretary of State with any objections or comments

## **7. EQUALITIES ISSUES ARISING FROM THE REPORT**

7.1 There are no specific equalities implications arising from the approval of the recommendations contained in this report.

## **8. WARDS AFFECTED**

8.1 The proposal set out in the report do not differentially affect any particular ward.

## **9. CONSULTATIONS**

Chief Executive, Green Vale Homes Shadow Board  
Executive Director of Resources

## **10. Background documents:**

Report to Corporate Services Committee 10<sup>th</sup> November 2003  
Report to Executive Committee 13<sup>th</sup> October 2004  
Report to Council 6<sup>th</sup> July 2005  
Report to Executive 21<sup>st</sup> July 2005  
Stage 1 Offer Document

For further information on the details of this report, please contact: