



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** on **WEDNESDAY 11 FEBRUARY 2015**.

The decisions will come into force and may be implemented from **MONDAY 23 FEBRUARY 2015** unless the Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

Housing Stock Transfer – Final Update Prior to Transfer Completion [Key Decision: R&ED/10/14]

Summary

The Cabinet considered a joint report of the Corporate Director, Regeneration and Economic Development and Corporate Director, Resources which sought approval to complete the transfer of ownership of the Council's housing stock to the new County Durham Housing Group Ltd (CDHG) and its component housing management organisations; Dale and Valley Homes, Durham City Homes and East Durham Homes before the Government's deadline of 31 March 2015. The report highlighted issues arising from the project work completed so far and summarised the position prior to transfer which is scheduled for 23 March 2015.

The Department for Communities and Local Government approved the Council's application to transfer its homes to a group structure of the existing housing providers in March 2014 and allowed the Council to proceed to formal consultation with its secure and introductory tenants. Formal consultation began in June 2014 and concluded with a ballot of tenants in July and August 2014. On 10 September 2014 Cabinet received a report which outlined the consultation and ballot process and Cabinet agreed to proceed with the transfer process in accordance with the positive ballot outcome with 82% of tenants voting in favour of the transfer. At the same meeting, Cabinet also approved a report which set out the proposed principles around the transfer negotiations and agreed the appropriate delegations to enable progress towards completing the housing stock transfer within the timetable required by the Department for Communities and Local Government (DCLG).

Transfer of the Council's housing stock to the County Durham Housing Group represents a significant opportunity to increase investment in homes, local neighbourhoods and housing services to further improve the lives of tenants. The new group of landlords will also include a "parent" organisation (County Durham Housing Group Ltd) which will lead on all governance and financial viability issues for the group and will provide support services to the three new landlords.

This parent organisation will pass ownership of the housing stock from the Council to each of these three new landlords at the point of transfer.

There has remained an overriding need to maintain service to tenants and the Council and CDHG have continued to sustain this duty and there has been a significant amount of communication to keep tenants informed of progress and prepare them for transfer day.

The transfer of assets and land is a major aspect of the proposal and in September 2014 the Council agreed a transparent and balanced approach to their transfer.

The principles behind this work were based upon the principles and experiences evidenced within former district councils who have already pursued housing stock transfer in County Durham, for example Sedgefield Borough Homes (now livin), as well as best practice examples from other authorities.

The Cabinet agreed that the land and assets listed below should transfer to the new Group as part of the transfer agreement:-

- the housing stock and land within the curtilage of individual properties (including the freehold reversion of any Right to Buy disposals)
- garages and garage sites within or adjoining council housing estates
- shops and other leasehold land and / or property within council housing estates
- areas of land which could be subject to garden land transfers under Right to Buy provisions
- areas of land between open plan dwellings
- incidental areas of open space adjacent to housing
- areas of land where housing has previously been demolished within council housing estates and
- unadopted car parking areas, roads and footpaths within council housing estates.

It is also proposed that the following areas of Council ownership and responsibility would be retained by the Council should the transfer go ahead:-

- Areas of open space separated from houses by adopted roads and footpaths within Council housing estates
- Larger areas of open space located between main roads and dwellings in Council housing estates
- Play areas
- Land beneath adopted highways.

The report provided details of the sale price of stock to CDHG. The cost to the General Fund is £3.550m and this has been accommodated into the MTFP and annual budget for 2015/16.

In September 2014, Cabinet agreed to provide delegated authority to the Corporate Director Regeneration and Economic Development and Corporate Director Resources, in consultation with the Portfolio Holder for Regeneration and Economic Development and the Portfolio Holder for Finance, to negotiate the final transfer agreement in the best interests of the authority.

Transfer can only proceed with the formal consent of the Secretary of State for Communities and Local Government under the terms of sections 32-34 and 43 of the Housing Act 1985. A formal application to seek that consent must be submitted by the Council a minimum of four weeks prior to the proposed transfer date. In Durham's case that creates a deadline of 23 February 2015.

Additionally in Durham's case consent needs to be sought at the same time to transfer any remaining assets in the Housing Revenue Account (to General Fund accounts and authorities) and to close the Housing Revenue Account. Engagement with both the DCLG and HCA has been maintained by the Council, both throughout the lengthy options appraisal process prior to the DCLG granting consent for the Council to commence formal consultation with tenants, and onwards from the announcement of the tenants' ballot result in late August 2014.

The housing transfer project has made significant progress towards achieving completion before the end of March 2015. Major changes and new organisations have been established for delivery of the commitments made in the Council's offer document upon which tenants favourably voted in August 2014. Processes and delegations are in place to address the remaining administrative matters and negotiating points.

Decision

The Cabinet:

- a) Noted progress made in moving toward stock transfer by 23 March 2015.
- b) Confirmed approval to complete the transfer of ownership of the Council's housing stock to the new County Durham Housing Group Ltd (CDHG) and its component housing management organisations; Dale & Valley Homes, Durham City Homes and East Durham Homes.
- c) Authorised the submission to the Secretary of State for Communities and Local Government the application for consent to transfer.
- d) Provided joint delegated authority to the Corporate Director Regeneration and Economic Development and Corporate Director Resources, in consultation with the Portfolio Holder for Regeneration and Portfolio Holder for Finance to authorise completion of all agreements necessary to implement stock transfer.
- e) Agreed to receive a further report detailing the final outcome after conclusion of the transfer.

Decision made in Part B of the meeting – report containing exempt or confidential information

Atom HQ Inward Investment [Key Decision: R&ED/15/14]

Summary

The Cabinet considered a joint report of the Corporate Director, Resources and Corporate Director, Regeneration and Economic Development regarding Atom HQ Inward Investment.

Decision

The Cabinet approved the recommendations contained in the report.

Colette Longbottom
Head of Legal and Democratic Services
13 February 2015