



**Chester-le-Street**  
District Council

Report to: Council  
Date of Meeting: 22 March 2007  
Report From: Chief Executive  
Title of the Report: LSVT of Council Housing  
Agenda Item Number: **11**

**1. Purpose and Summary**

- 1.1 The purpose of this report is to advise the Council of the outcome of the ballot of all tenants on the proposal to transfer all of the existing Council housing to Cestria Community Housing Association.
- 1.2 Council is recommended to:
1. Note the outcome of the ballot result.
  2. Authorise the Chief Executive to commence negotiations with Cestria Community Housing Association with a view to concluding negotiations and securing agreement on land, assets, staff, services, and all other related issues relevant to the transfer.
  3. Resolve to proceed with the proposed transfer subject to the successful outcome of negotiations and securing consent of the Secretary of State.
  4. Authorise the Chief Executive to submit in due course a formal application for Consent to Transfer to the Secretary of State.
  5. Authorise the Head of Regeneration to be provided with delegated powers to appoint the Council's post-ballot consultants as detailed in paragraph 5.1.7.
  6. Authorise the Executive to take decisions on matters related to the above negotiated position and the form of contractor prior to transfer

## **2. Consultation**

2.1 The following service areas and stakeholders have been consulted in connection with this report:

1. The Director of Community Services
2. The Director of Resources
3. The Head of Regeneration
4. The Head of Organisational Development

## **3. Corporate Plan and Priorities**

3.1 This report is fundamental to the Council's ability to meet Corporate Priority 3 (Meeting the Decent Homes Standard).

## **4. Implications**

### 4.1 Financial Implications and Value for Money

4.1.1 The detailed financial implications associated with transfer are dealt with in a confidential report elsewhere on the agenda. All of the Council's post ballot costs will be funded from a combination of 2007/2008 retained Right to Buy Receipts and the 2006/2007 Local Authority Business Growth Incentive Scheme income. This has no impact on the 2007-2008 budget decisions that have recently been agreed by Council.

### 4.2 Legal

4.2.1 Housing transfer is a complex legal process which requires the consent of the Secretary of State. Our proposals include appointing experienced Lead Consultants and Legal Advisors to support the Council through this process.

### 4.3 Personnel

4.3.1 The personnel issues linked to transfer are dealt with in the confidential annex to this report.

### 4.4 Other Services

4.4.1 The proposed transfer and associated work is likely to impact on many of the Council's other services. These affected services are fully involved in the process, through the joint Council/RSL project team that has been established to deliver the detailed project plan for transfer that exists, and which guides all future work.

4.4.2 The effect on other services will to a large extent depend on what services and assets are transferred to the new Association. This is a matter for detailed negotiations during the post ballot period.

#### 4.5 Diversity

4.5.1 The Council will need to ensure that all tenants, including those with specific needs, are kept fully informed during the transfer process.

4.5.2 The Offer Document approved by Council at the November 2006 meeting contains promises that:

1. All new kitchens and bathrooms would be tailored to meet tenants aids and adaptation needs.
2. Cestria Community Housing Association would spend up to £1.5 million on aids and adaptations in the first five years after transfer.
3. Cestria Community Housing Association would seek to employ an occupational therapist to reduce waiting times for assessment.

#### 4.6 Risk

4.6.1 There are inevitably substantial risks surrounding housing transfer. The Project Plan includes for the development of a detailed Risk Management Strategy. Now that the ballot result is clear, work on this has begun.

4.6.2 It is proposed that the Executive will receive a formal Risk Management Register on transfer related issues at the April 2007 meeting.

#### 4.7 Crime and Disorder

4.7.1 The transfer and subsequent modernisation of homes and estates will have substantial implications on crime and disorder - not only in terms of reducing the opportunity for crime through the physical modernisation of property but also through proposals to rejuvenate estates and effective action to deal with anti-social behaviour.

#### 4.8 Other Implications

4.8.1 There are no other implications associated with this report.

## 5. Background, Position Statement and Option Appraisal

### 5.1 Background

#### **Ballot Result**

5.1.1 The ballot of all tenants closed at noon on the 15<sup>th</sup> March 2007. This was the conclusion of the largest consultation exercise ever conducted by the Council.

5.1.2 The results were:

	<b>Number</b>	<b>Percentage</b>
Percentage Turnout	3,715	75%
Number of tenants voting	3,712	100%
Number of tenants voting for transfer	2,251	60.6%
Number of tenants voting against transfer	1,461	39.4%

5.1.3 A majority of tenants have voted and of those who have expressed a preference a significant majority of tenants have indicated that they support the transfer proposal as set out in the Offer Document.

5.1.4 In order to proceed it will now be necessary for negotiations to conclude the many issues surrounding housing transfer and confirm the Council's intention to formally submit an application for Consent to Transfer to the Secretary of State. This application cannot be submitted until negotiations with Cestria Community Housing are concluded and the Association is registered with the Housing Corporation.

5.1.5 The Transfer Guidance issued by DCLG indicates that transfers should be completed within 6 to 12 months of securing a positive ballot. It is anticipated that the new Association will be registered with the Housing Corporation by November 2007 with an anticipated transfer date in January 2008.

#### **Post-ballot Consultants**

5.1.6 In the pre-ballot phase there are no conflicts of interest and the Council and Cestria Community Housing used the same consultants. As detailed negotiations progress, and in order to avoid any conflicts of interest, both parties require separate advisors.

5.1.7 Adverts have been placed for consultants, and shortlists have been created. It is recommended that the Head of Regeneration, in his capacity as lead officer on strategic housing matters, is given delegated authority to appoint the specialist advisors required support the transfer. The Director of Resources and Strategic Housing Manager are also on the panel that will make this appointment.

5.2 Option Appraisal

5.2.1 There are no options to appraise in relation to this report.

**6. Recommendations**

6.1 It is recommended that the Council:

1. Notes the outcome of the ballot result.
2. Authorises the Chief Executive to commence negotiations with Cestria Community Housing Association with a view to concluding negotiations and securing agreement on land, assets, staff, services, and all other related issues relevant to the transfer.
3. Resolves to proceed with the proposed transfer subject to the successful outcome of negotiations and securing consent of the Secretary of State.
4. Authorises the Chief Executive to submit in due course a formal application for Consent to Transfer to the Secretary of State.
5. Authorises the Head of Regeneration to be provided with delegated powers to appoint the Council's post-ballot consultants as detailed in paragraph 5.1.7.
6. Authorise the Executive to take decisions on matters related to the above negotiated position and the form of contractor prior to transfer

**7. Background Papers/Documents Referred To**

7.1 There are no Background Papers associated with this report.

<b>Author Name:</b>	<b>Roy Templeman</b>
<b>Designation:</b>	<b>Chief Executive</b>
<b>Date of Report</b>	<b>16<sup>th</sup> March 2007</b>
<b>Contact Details:</b>	<b>Telephone Number: 0191 387 2000</b>
<b>Email:</b>	<b><a href="mailto:roytempleman@chester-le-street.gov.uk">roytempleman@chester-le-street.gov.uk</a></b>