

Item 6

REPORT TO CABINET

20TH DECEMBER 2007

REPORT OF DIRECTOR OF HOUSING

Housing Portfolio

LARGE SCALE VOLUNTARY TRANSFER (LSVT)

COUNCIL APPOINTMENTS TO THE SHADOW BOARD

1. SUMMARY

- 1.1 The Council on 26th October 2007 (minute reference C.55/07 and C.56/07 refers) approved Large Scale Voluntary Transfer (LSVT) to a standalone Registered Social Landlord (Housing Association) as the preferred option for the future ownership and management of the Council's housing stock. On 22nd November 2007 (minute reference CAB103/07). Cabinet approved a report setting out the proposed selection criteria, the timetable, and process for the appointment of Shadow Board. The Board will be made up of 12 members equally drawn from Council nominees, tenants and independents (members of the community with the required and appropriate skills to support the development of the new Housing Association).
- 1.2 This report updates Cabinet on progress on the establishment of the Shadow Board.

2. RECOMMENDATIONS

- 2.1 That the report is approved and the names of the Council and Tenant nominees to the Shadow Board are read into the meeting.

3. APPOINTMENT OF THE SHADOW BOARD

- 3.1 A key requirement of the project plan and governance arrangements for the delivery of the preferred option is to establish a 'Shadow Board' ("the Board"). The Board is formed in advance of the ballot because it has a clear role in developing "the Promises" that are to be made to tenants about the future investment in their homes, estates and service. These Promises must be achievable, fundable and meet the aspirations of tenants expressed through the formal consultation programme. The Board will also be required to lead and represent the interests of the new Housing Association before it is formally constituted.
- 3.2 Applications were sought from all members of the Council. Advice had been sought on the appointment of Cabinet members to the Shadow Board and provided the advice detailed in the report to Cabinet on the 22nd November 2007 in terms of conflict of interest is followed there is no valid reason that they should be excluded from the Shadow Board.

- 3.3 The 4 tenant members of the Shadow Board would, normally have been appointed by all tenants through an election mechanism. At present, there are no election mechanisms in place and an alternative method was needed to appoint tenant members to the Shadow Board. Nearly 600 tenants have expressed interest in becoming involved in the transfer in a range of different ways. Volunteers were sought from these 600 tenants to put themselves forward for the 4 Shadow Board places.
- 3.4 The Chief Executive of Derwentside Homes (A standalone Housing Association) agreed to undertake the interview process with support from Lead Advisor to the Council. Interest from tenants and elected members has been keen and consequently it has not been possible to complete the process as anticipated, giving all applicants the attention required and meet the deadline for distribution of Cabinet papers.
- 3.5 It will be necessary to distribute the names of the recommended Council nominees and note the names of the Tenant Representatives appointed to the Shadow Board after the dispatch of the Cabinet papers and read them into today's meeting.

4. FINANCIAL IMPLICATIONS

- 4.1 The costs associated with the appointment and ongoing support to the Shadow Board have been included in the estimate identified and agreed at Cabinet on 8th November 2007.

5. CONSULTATIONS

- 5.1 Early discussions have started with key stakeholders including the Department of Communities and Local Government, Housing Corporation, Audit Commission and Durham County Council regarding the implementation of the Council's preferred option.

6. OTHER MATERIAL CONSIDERATIONS

6.1 Links to Corporate Objectives/Values

The contents of this report support the Council's Community Outcome of a Borough with Strong Communities, where residents can access a good choice of high quality housing. The Council's ambitions, which are linked to this Community Outcome, are articulated through the Corporate Plan and the Medium Term Financial Plan. Importantly ambitions include delivering a Borough with Strong Communities with good quality affordable housing in safe neighbourhoods. The preferred option would ensure the Council's housing stock could continue to support these objectives into the future.

6.2 Risk Management

The two key risks associated with the Shadow Board is:-

- (a) The failure to attract sufficient interest from suitable independents to fill the Shadow Board places.

- (b) The failure to develop appropriate skills and ability within the Shadow Board membership to deliver the LSVT project plan within the timescales identified.

A STORM assessment will be undertaken of these two key risks to inform the methodology of reducing them to an acceptable level.

6.3 Health & Safety

No additional issues have been identified.

6.4 Equality & Diversity

Full account will be taken of the Council's obligation to promote equality and diversity in the development.

6.5 Legal & Constitutional

Further detailed advice and support will be required from the Council's Solicitor in delivering the preferred option. The Solicitor advised Members and Officers to note the relevance of the report approved by Standards Committee on 10th February 2005 entitled "Report to Sedgefield Borough Council - Conflicts of Interest and Decision Making Arrangements". This report gives guidance on potential probity issues during the process of decision taking. The Councils Solicitor circulated copies of the report in order to appraise members and officers, albeit that the guidance does not supersede the revised Member Code of Conduct, which is also material to this process.

- 6.6 There are no other material considerations identified.

7. OVERVIEW AND SCRUTINY IMPLICATIONS

- 7.1 There are no Overview and Scrutiny Implications of this report.

Contact Officer	Ian Brown
Telephone Number	01388 816166 Ext.4207
E-mail address	ibrown@sedgefield.gov.uk

Ward(s)	None
----------------	------

Key Decision Validation:

Not a key decision.

Background Papers:

Report to Council 26th October 2007 – Updating in the Stock Options Appraisal Study.
Report to Council 26th October 2007 – Choice of Landlord.
Report to Cabinet 22nd November 2007 – Resourcing the Large Scale Voluntary Transfer.
Report to Cabinet 22nd November 2007 – Establishment of a Shadow Board.

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>