

COUNCIL

Wednesday,
6 August 2008
11.00 a.m.

Council Chamber,
Council Offices,
Spennymoor

AGENDA and REPORTS



This document is also available in other languages, large print and audio format upon request

العربية (Arabic)

إذا أردت المعلومات بلغة أخرى أو بطريقة أخرى، نرجو أن تطلب ذلك منا.

বাংলা (Bengali)

যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।

(中文 (繁體字)) (Cantonese)

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。

हिन्दी (Hindi)

यदि आपको सूचना किसी अन्य भाषा या अन्य रूप में चाहिये तो कृपया हमसे कहे

polski (Polish)

Jeżeli chcieliby Państwo uzyskać informacje w innym języku lub w innym formacie, prosimy dać nam znać.

ਪੰਜਾਬੀ (Punjabi)

ਜੇ ਇਹ ਜਾਣਕਾਰੀ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦੀ, ਤਾਂ ਇਹ ਸਾਥੋਂ ਮੰਗ ਲਓ।

Español (Spanish)

Póngase en contacto con nosotros si desea recibir información en otro idioma o formato.

اردو (Urdu)

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔

AGENDA

1. APOLOGIES

2. DECLARATIONS OF INTEREST

To notify the Mayor of any items that appear later in the agenda in which you may have an interest.

3. LARGE SCALE VOLUNTARY TRANSFER - RESULT OF BALLOT

Report to follow. (Pages 1 - 6)

EXEMPT INFORMATION

The following item is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12 A of the Local Government Act 1972. As such it is envisaged that an appropriate resolution will be passed at the meeting to exclude the press and public.

4. LARGE SCALE VOLUNTARY TRANSFER - FURTHER ACTION

Report to follow. (Pages 7 - 22)

B.Allen
Chief Executive

Council Offices
SPENNYMOOR

Councillor J. Robinson J.P (Mayor) and

All other Members of the Council

ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection in relation to this Agenda and associated papers should contact
Liz North 01388 816166 ext 4237 email:enorth@sedgefield.gov.uk

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Item 3

ITEM NO. 3

SPECIAL COUNCIL MEETING

6TH AUGUST 2008

REPORT OF CHIEF EXECUTIVE

HOUSING PORTFOLIO

LARGE SCALE VOLUNTARY TRANSFER (LSVT) **RESULT OF BALLOT**

1. SUMMARY

- 1.1 The purpose of this report is to formally communicate to the Council the results from the Housing Stock Transfer Ballot and to seek approval to set up Sedgefield Borough Homes as a Registered Social Landlord.

2. RECOMMENDATIONS

In view of the positive result of the tenant's ballot it is recommended that:-

1. The Council proceeds with the proposed transfer to Sedgefield Borough Homes subject the Council's final approval of the valuation, the terms of the transfer contract and to the obtaining of all necessary statutory consents.
2. An application be made to the Department for Communities and Local Government (DCLG) for all necessary statutory consents in respect of the proposed transfer at the appropriate time.
3. Authority is given to the Council's Chief Executive or nominated deputy to consider and resolve all matters on behalf of the Council in relation to the proposed transfer to Sedgefield Borough Homes.

3. BACKGROUND

- 3.1 The Council on 26th October 2007 (minute reference C.56/07 and C.57/07 refers) approved Large Scale Voluntary Transfer (LSVT) to a standalone Registered Social Landlord (Housing Association to be called Sedgefield Borough Homes) as the preferred option for the future ownership and management of the Council's housing stock.
- 3.2 On 24th April the Council formally accepted and approved the offer to be made to tenants, the 'Offer Document'. That document detailed to tenants the consequences of a majority 'Yes' vote.
- 3.3 The Council has been formally consulting with its secure and introductory tenants on a proposal to transfer its housing stock and associated assets to Sedgefield Borough Homes, an independent, not-for-profit social landlord which will be registered with the Housing Corporation.

3.4 Tenants were formally balloted as to whether they supported the Council's proposal to transfer the stock and associated assets to Sedgefield Borough Homes. The ballot was intended to show the Secretary of State the level of support from the Borough's tenants for the stock transfer.

4. BALLOT RESULT

4.1 The ballot of secure and introductory tenants commenced on 4th July and ended on 1st August 2008. The ballot was undertaken by the Electoral Reform Society (ERS), the results of which were advised to the Chief Executive on Friday, 1st August 2008. The outcome of the ballot was as follows:-

(a)	Percentage of tenants taking part in the vote (turnout)	66.7%
(b)	Percentage of tenants supporting the proposal	74.2%
(c)	Percentage of tenants not supporting the proposal	25.8%

4.2 In view of this vote in favour of the proposal from the Borough's tenants, it is recommended that the Council proceeds with the stock transfer, subject to final approval of the valuation, the terms of the transfer contract and obtaining all necessary statutory consents. The criteria used by the Secretary of State to determine approval for the transfer application is attached at Appendix 1.

5. RESOURCE IMPLICATIONS

5.1 The financial implications of the Large Scale Voluntary Transfer of the Council's housing stock and associated assets are set out in a separate exempt report on this agenda.

6. CONSULTATIONS

6.1 Discussions have taken place with key stakeholders including the DCLG, Housing Corporation, Audit Commission and Durham County Council regarding the implementation of the Council's preferred option.

6.2 Extensive consultation has taken place with the Council's introductory and secure tenants entitled to vote. The majority of tenants have supported the proposal to transfer the housing stock of the Council to Sedgefield Borough Homes.

6.3 Consultations with employees within the Housing Department have been held to establish their early views/opinions on the actions/decisions necessary to ensure the success of this project. The Council is committed to continue to inform, and consult with, representatives of employees affected by the TUPE transfer. The following mechanisms have been, and will continue to be, used to inform and consult employee representatives:-

Employee Newsletter

A regular employee newsletter setting out issues and progress in respect of LSVT is prepared and issued. This is supported by regular employee briefings, as required.

Corporate Consultation Panel

The Corporate Consultation Panel is led by the Leader of the Council and is attended by the Chief Executive, Director of Resources, Head of Organisational Development and Regional Officials from UNISON, UNITE, GMB and UCATT. LSVT is a standing item on the agenda of this group, and any issues of principle will be referred to this group for consideration.

Joint Consultative Group

The Council's Joint Consultative Group is led by the Head of Organisational Development and is attended by representatives from human resources and management, and local trade union officials. LSVT is also a standing item on the agenda of this group and the Director of Housing and his Heads of Service attend meetings to discuss this and other related issues.

LSVT Consultation Group

This group comprises representatives from management and human resources, a local trade union official and two members of the LSVT Shadow Board. This group is the main conduit for the provision of information to, and consultation with, employees on the LSVT process.

7. OTHER MATERIAL CONSIDERATIONS

7.1 Links to Corporate Objectives/Values

The contents of this report support the Council's Community Outcome of a Borough with Strong Communities articulated through the Corporate Plan and the Medium Term Financial Plan. Importantly ambitions include delivering good quality affordable housing in safe neighbourhoods. The proposed transfer will ensure the Council's housing stock can continue to support these objectives into the future.

7.2 Risk Management

The key risks associated with the LSVT project are:-

1. The failure to develop appropriate capacity to deliver the LSVT project plan within the timescales identified.
2. Failure to proceed with the transfer, resulting abortive post transfer costs would have to be met from either the HRA or General Fund reserves.

An initial STORM assessment (which will be updated) has been undertaken to inform the methodology of reducing the risks to an acceptable level. The actions taken to mitigate these risks include the proposed formulation of an LSVT transfer team, for both Sedgefield Borough Homes and the Council and the appointment of specialist consultants to advise, guide and support these teams.

7.3 Health & Safety

No additional issues have been identified.

7.4 Equality & Diversity

Full account will be taken of the Council's obligation to promote equality and diversity in the development of this project through the direct involvement of the Organisational Development Section.

7.5 Legal & Constitutional

The Solicitor has previously issued formal advice to Members and Officers advising of the need 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".

7.6 Sustainability

The sustainability of the housing stock will be improved through the transfer due to increased resources for maintenance and improvements.

7.7 Information Technology

No additional issues have been identified.

7.8 Crime and Disorder

No additional issues have been identified.

7.9 Human Rights

No additional issues have been identified.

7.10 Social Inclusion

Social inclusion will be promoted through the policies and procedures adopted by Sedgefield Borough Homes.

Contact Officer

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Background Papers:

Report to Cabinet – 21st June 2007 – Updating the Stock Options Appraisal Study

Report to Cabinet – 11th October 2007 – Updating the Stock Options Appraisal Study

Report to Council – 26th October 2007 – Updating the Stock Options Appraisal Study

Report to Council – 26th October 2007 – Choice of Landlord

Report to Cabinet – 8th November 2007 – Resourcing Large Scale Voluntary Transfer Approvals Up To Ballot

Report to Cabinet – 24th April 2008 – Sedgefield Borough Homes Formal Offer Document
Quality and Choice A Decent Home For All – The Housing Green Paper – DETR – April 2000

Quality and Choice A Decent Home For All: The Way Forward For Housing – The Housing Green Paper – DETR – December 2000
Sustainable Communities: Building For The Future: ODPM – February 2003
Housing Transfer Manual 2005 Programme and Supplement to the Housing transfer Manual 2006 Programme – ODPM October 2004.

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"/>

CRITERIA FOR HOUSING TRANSFER CONSENT

In considering an application for consent to transfer the Secretary of State will apply the following criteria:-

- that the Authority's consultation exercise has been adequate;
- that the majority of secure tenants affected by the proposed transfer are not opposed to it;
- that the acquiring landlord is registered with the Housing Corporation;
- that the acquiring landlord is independent of the Council;
- that all the houses transferred would meet the decent homes target by 31 December 2010;
- that there is a long term demand for the properties to be transferred;
- that the estimated Exchequer and public expenditure costs represent value for money;
- that the terms of the transfer are acceptable (i.e. that the sale would be at tenanted market value and wholly privately financed); and
- that the authority will be able to fulfil its statutory obligations under the Housing Act 1996 as amended by The Allocation of Housing (Reasonable and additional preference) Regulations 1977 (SI 1997/1902) and has adequate nomination and allocation rights.

Item 4

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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