

Report of	Meeting	Date
Head of Housing Services (Introduced by the Executive Leader)	Executive Cabinet	30 March 2006

HOUSING STOCK TRANSFER OFFER DOCUMENT

PURPOSE OF REPORT

- To seek approval of the housing stock transfer offer document.

CORPORATE PRIORITIES

- This report relates to corporate priorities for investing in our capacity to deliver and serving our customers better.

RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy	✓	Information	
Reputation		Regulatory/Legal	✓
Financial	✓	Operational	✓
People	✓	Other	

- The Council is legally required to consult all tenants whose homes would be transferred. The offer document sets out the Council's promise to tenants of the consequences of transfer, and will form the basis of the legal agreement between the Council and Chorley Community Housing, the proposed new landlord.

BACKGROUND

- A transfer cannot go ahead unless an authority has consulted with all the tenants whose homes would transfer, and has demonstrated that a majority are not opposed. All secure and introductory tenants must be consulted.
- The formal consultation requirements are set out in section 106 of and schedule 3A to the Housing Act 1985 (as inserted by section 6 and schedule 1 to the Housing and Planning Act 1986). The process has two stages.
- Stage 1 Notice** – the authority must first serve a notice setting out:
 - the details of the transfer proposal, including the identity of the prospective new landlord;
 - the likely consequences of the transfer for the tenant;

- c) the effect of the provisions of schedule 3A (i.e. the consultation requirements) and the provisions inserted by section 8 of the 1986 Act (i.e. the preserved right to buy)
8. The Stage 1 notice must invite representations within a reasonable period, which is expected to be at least 28 days. The Council must consider any representations made in that period, and whether any revisions to its proposals should be made.
9. **Stage 2 Notice** – the authority is then required to make a further written notice, which must:
- a) describe any significant changes in the proposal;
 - b) state that any further objections may be made to the Secretary of State within 28 days (or a specified longer period);
 - c) state that the Secretary of State will not give his consent to the transfer if it appears to him that a majority of tenants oppose it.
10. The ballot is generally expected to commence immediately after the issue of the Stage 2 notice, and to run concurrently with it. The ballot period must be appropriate to local circumstances, but the ODPM would normally expect it to be at least 21 days.

STAGE 1 NOTICE

11. The offer document is the Stage 1 notice. Housing transfer guidance sets out the expectations of the ODPM on the contents of the offer document. Information should be provided in the following areas:
- Reasons for proposing transfer
 - Basic facts about the proposed transfer
 - Tenancy agreement
 - Information about the proposed new landlord
 - Proposed capital expenditure programme
 - Rents and other charges
 - Management Standards (including repairs, specialist services for elderly people)
 - Arrangements for tenant representation, consultation and participation
 - Tenants rights after transfer.
12. The document is required to be open and honest about the reasons for and implications of transfer. It has also to avoid statements implying that decision have already been taken when they have not, and throughout the document the future conditional tense (i.e. would rather than will) should be used to describe the implications of a proposed transfer.
13. The offer document has to be sent to the office of the Deputy Prime Minister and the Housing Corporation for comments before it can be issued.

THE OFFER DOCUMENT

14. A plain text version of the offer document is attached at Appendix 1. The final version will be professionally designed, including photographs.
15. The offer document sets out the Council's key commitments to tenants:
1. **Delivering improvements to your home** - Chorley Community Housing would invest £26 Million in homes in the first five years after transfer. This would bring homes up to the Chorley Standard.

2. **Delivering more for your money** - Chorley Community Housing would charge the same rent and service charge as the Council, but tenants would get more money invested in homes, neighbourhoods and services.
 3. **Delivering repairs** - Chorley Community Housing would continue to provide the free repairs service, delivered by the same skilled in-house repairs team.
 4. **Delivering protection of key rights** - Chorley Community Housing would protect key rights, including the Right To Buy, which would be guaranteed through a new tenancy agreement.
 5. **Delivering new homes** - Chorley Community Housing, through joining the Adactus Housing Group, would see at least 200 more affordable homes provided in the Borough in the first five years after transfer.
 6. **Delivering safer neighbourhoods** - Chorley Community Housing would set up a new, dedicated anti-social behaviour team, with access to a range of specialist equipment.
 7. **Delivering services in your neighbourhood** - Chorley Community Housing would employ Neighbourhood Officers to co-ordinate services in neighbourhoods.
 8. **Delivering clean neighbourhoods** - Chorley Community Housing would set up a Neighbourhood Caretaker service, to be piloted in three areas.
 9. **Delivering local employment opportunities** - Chorley Community Housing would employ apprentices and would use local contractors where possible.
 10. **Delivering new services for older people** - Chorley Community Housing would set up a Gardener/Handyperson service for sheltered schemes.
 11. **Delivering tenant involvement** - Chorley Community Housing would provide a menu of opportunities for tenants to get involved, including becoming members of Chorley Community Housing, and tenants having 4 seats on the Board.
 12. **Delivering customer access** - Chorley Community Housing would aim to deliver services to the doorstep, and would also provide an easily accessible office in Chorley town centre.
16. The document also includes the new tenancy agreement that tenants would get with Chorley Community Housing, if the transfer goes ahead.

BUSINESS PLAN

17. A draft business plan has been prepared for Chorley Community Housing, taking into account the promises set out in the offer document. The expenditure to deliver the offer document promises can be met within the resources available, and the borrowing required will be paid off within 30 years, to meet Housing Corporation requirements.

TIMETABLE

18. The transfer timetable is as follows:

Spring 2006 - period of formal consultation with tenants on the proposed transfer. Together with the offer document, tenants will receive a short video produced by the Council, and be visited at home by Council staff.

Spring 2006 -The Council will consider any comments on the transfer proposal and will decide whether to go ahead with a ballot of its secure and introductory tenants.

Spring/Summer 2006 - The Council will send all tenants a letter called the 'Stage 2 Notice'. This would describe what, if any, changes have been made to this proposal, and whether it has decided to go ahead with a ballot.

Summer 2006 - A secret postal ballot would be conducted by an independent organisation. Neither the Council nor Chorley Community Housing would know which way individual tenants had voted.

COMMENTS OF THE DIRECTOR OF FINANCE

19. The key issue for members in relation to the business plan is Chorley Community Housing (CCH) ability to deliver the promises made in the offer document. The offer document represents the Council's promise to tenants that will be delivered by CCH.
20. I have reviewed the business plan and my assessment is that with the resources available and some re-engineering of current services the plan and the promises made are deliverable. This conclusion is based upon my assessment of the key assumptions within the plan. Should any of the assumptions prove to be unrealistic then the plan may need realigning at some point in the future. However on the balance of probabilities I feel this is unlikely to be necessary.

COMMENTS OF THE HEAD OF HUMAN RESOURCES

21. With the specialised housing transfer team already constituted, there are no apparent human resources implications arising from this report.

RECOMMENDATION(S)

22. Members are recommended to:
 - (a) approve the housing transfer offer document;
 - (b) delegate authority for the Head of Housing Services to make amendments to the wording of the document which do not effect the substance of the offer and any factual corrections to the document arising from any changes to the composition of the CCH shadow board that may occur prior to publication.

REASONS FOR DECISION

23. The Council is required to formally consult with all its' tenants on the proposals to transfer the housing stock to Chorley Community Housing. The offer document sets out the Council's commitment to tenants of what they can expect should the proposed transfer go ahead.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

24. None.

STEVE LOMAS
HEAD OF HOUSING SERVICES

Background Papers			
Document	Date	File	Place of Inspection
Housing Transfer Manual 2005 Programme	October 2004	***	Transfer Shop, Cleveland Street

Report Author	Ext	Date	Doc ID
Richard Roe	5952	16 March 2006	ADMINREP/REPORT