

Housing Transfer Committee

Tuesday, 7 November 2006

Present: Councillor Peter Goldsworthy (Chair), Councillors Peter Malpas and Francis Culshaw

Chorley Borough Officers: Colin Campbell (Executive Director - Environment and Community), Gary Hall (Director of Finance), Helen Schofield (Corporate Transfer Project Officer), Roger Handscombe (Director of Property Services), Tony Uren (Democratic Services Officer), Mr A Chapman (Enterprise BWNL) and Mr M Gaskell (Trowers and Hamblins)

06.HTC.22 DECLARATIONS OF ANY INTERESTS

There were no declarations of interest by Members of the Committee in any of the agenda items.

06.HTC.23 MINUTES

The minutes of the meeting of the Housing Transfer Committee held on 10 October 2006 were confirmed as a correct record for signature by the Chairman.

06.HTC.24 HOUSING STOCK TRANSFER PROJECT HIGHLIGHT REPORT

The Corporate Transfer Project Officer presented the updated highlight report on the transfer process for the period September to November 2006.

The Committee's attention, in particular, was drawn to the following developments in the transfer process highlighted in the report:

- The VAT advisor had been appointed and tenders had been invited in advance of the appointment of risk management consultants.
- A second draft of the environmental survey had been requested in the light of Trowers and Hamblins review of the first draft.
- The first draft of the Transfer Agreement had been assessed by the Council Officers.
- Chorley Community Housing (CCH) had indicated its reluctance to accept the Council's accommodation offer, but the Committee was advised that the Council's Officers would continue to urge CCH to accept the offer sum.
- It was likely that the remit of the Disengagement Sub-Group would be revised, whereby the Sub-Group would retain responsibility for IT issues and transfer responsibility for other issues to the Finance Sub-Group.
- Savills had been appointed as the funder's valuers and Tranter and Thomas appointed as the stock condition survey validators.
- All indications suggested that the transfer project would remain on track for completion on 26 March 2007.

RESOLVED – That the project highlight report be noted.

06.HTC.25 UPDATED FORWARD PLAN

The Executive Director – Environment and Community presented, for information, an updated forward work plan for the Committees, which identified the various elements

of the transfer process and matters on which decisions would be required up to the completion of the transfer arrangements.

The Executive Director also drew the Committee's attention to an issue that had arisen in relation to the Council's Homeless Hostel accommodation at Cotswold House.

The 'Supporting People' funders had intimated that, unless further investment was made to bring the quality and condition of the accommodation up to a reasonable standard, future funding was likely to be withdrawn. Consequently, a proposal had been put forward to demolish the premises and construct a number of self-contained units, which could be used for homeless or general housing accommodation, funded through use of Adactus' commitment to provide 40 units of affordable housing each year in the Borough. Alternatively, a site would need to be identified for the construction of a new hostel.

The implications of the issues which affected Cotswold House would be debated with Chorley Community Housing and a progress report would be presented to the next Committee meeting.

RESOLVED – That the updated Forward Plan and verbal report on Cotswold House be noted.

06.HTC.26 EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED – That the press and public be excluded from the meeting for the following items of business on the ground that they involve the likely disclosure of exempt information as defined in Paragraphs 1 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972.

06.HTC.27 FINANCIAL IMPACT OF THE STOCK TRANSFER ON THE GENERAL FUND

The Committee considered a report of the Director of Finance which summarised and commented on the projected financial impact of the stock transfer on the General Fund and the organisational implications of the transfer.

(a) Updated Financial Position

An appendix to the report detailed the current financial position predicting a gross increase in costs of £984,000, after taking account of the loss of recharges and other income to the General Fund and other key assumptions. The appendix also summarised the source of budget savings totalling £996,000 that had been identified to offset the increased costs, in line with the overall aim of ensuring that the impact on the General Fund could be neutralised.

It was anticipated that the net receipt sum of £3m to be paid by Chorley Community Housing would be sufficient to cover the set up costs of the transfer.

The report also indicated that, following a review of Directorates' staff who provided a support service to the housing function, six support staff posts had been identified for potential transfer to Chorley Community Housing through negotiation.

(b) Asset/Building Rationalisation

The rationalisation of the Council's operations on to three sites following the housing stock transfer would release the main Gillibrand Street offices and annex, achieving savings in the region of £92,000.

Negotiations were progressing to affect the lease of the Gillibrand Street buildings, together with some additional accommodation and facilities at Bengal Street, yielding an anticipated total rental of £135,000.

(c) Stock Valuation Negotiations

The report clarified the principles forming the basis of the ongoing stock valuation negotiations with Chorley Community Housing, which were expected to be finalised within the coming month.

The report also referred to the items falling outside the valuations that would also require negotiation on elements that would generate receipts for the Council in addition to the stock valuation (eg shared receipts from future 'right to buy' sales; disposal of the assets such as plant, machinery, furniture and equipment).

CCH's Business Plan was likely to be finalised shortly, which would assist the completion of the negotiation of the financially related issues.

RESOLVED – (1) That the report be noted.

(2) That regular updated reports on current financial implications and predictions be submitted to future meetings of the Committee.

06.HTC.28 ASSETS RECOMMENDED FOR TRANSFER OR RETENTION

Further to Minute 06.HTC.19 of 10 October 2006, the Director of Property Services presented a report seeking a decision on the transfer or retention of Housing Revenue Account assets to Chorley Community Housing.

The report outlined the criteria that had been used by the Assets Sub-Group in its valuation of the 319 HRA property parcels registered with the Land Registry. The Sub-Group had subsequently recommended the transfer of 233 parcels to CCH and the retention of 38 parcels. The remaining 48 parcels were to be returned to the Land Registry for re-registration into separate title documents to enable the Council to offer CCH a clean title to all transferring assets.

The Director reminded the Committee that all Councillors had been invited to examine the specific HRA property parcels identified for transfer or retention and promised to report any relevant issues raised by Members to the next meeting of the Committee.

RESOLVED – That the criteria adopted by the Asset Sub-Group in recommending the property assets for transfer or retention be approved and that the title to the respective assets for transfer be offered to Chorley Community Housing on terms to be reported to a future meeting.

06.HTC.29 UPDATE ON CONTRACT NEGOTIATIONS

Mr M Gaskell from the Council's Legal Consultants, Trowers and Hamlins, advised the Committee that, following a thorough and diligent review session with the Council's Officers, the initial draft of the Transfer Contract had been presented to Chorley Community Housing's Solicitors for their comments.

A report on progress would be submitted to a future Committee meeting.

Chair