

Housing Transfer Committee

Tuesday, 6 February 2007

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), Tony Uren (Democratic Services Officer), Alan Johnson (Enterprise BWNL) and Mr M Gaskell (Trowers and Hamblins)

07.HTC.10 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Mr A Chapman (Enterprise BWNL) and Mr R Beiley (Trowers and Hamblins).

07.HTC.11 DECLARATIONS OF ANY INTERESTS

There were no declarations of interest by any Members in any of the meeting's agenda items.

07.HTC.12 MINUTES OF LAST MEETING

The minutes of the meeting of the Housing Transfer Committee held on 9 February 2007 were confirmed as a correct record for signature by the Chair.

07.HTC.13 UPDATED FORWARD PLAN

The Executive Director – Environment and Community presented, for information, an updated Forward Plan for the Committee and the project, which identified the various elements of the transfer process and matters on which decisions could be required up to the completion of the transfer arrangements.

The Members were advised that the Committee would also need to consider at its next meeting on 21 February a report setting out the options for the possible relocation of the homeless accommodation facility (currently contained within Cotswold House) to an alternative site.

The Executive Director also drew attention to the need to agree contingency arrangements, including additional meeting dates, in the event of circumstances affecting and delaying the envisaged completion of the housing stock transfer on 26 March 2007.

RESOLVED – (1) That the updated Forward Plan be noted.

(2) That, in the event of the Committee requiring to meet beyond the last scheduled meeting date of 21 February 2007, a list of suggested additional meeting dates be agreed with the Executive Leader and presented to the next meeting on 21 February.

07.HTC.14 HOUSING STOCK TRANSFER - PROJECT HIGHLIGHTS REPORT

The Committee received the Corporate Transfer Project Officer's updated highlight report on the transfer process for the period up to the end of January 2007.

The report summarised the developments and tasks completed since the last meeting of the Committee, outlined the work of the three Sub-Groups and indicated the outstanding matters still under consideration.

The report indicated that the overall project status had altered from green to amber pending confirmation by the Department of Communities and Local Government that the outstanding national overhanging debt would be paid off.

The Executive Director – Environment and Community emphasised the significance of a satisfactory outcome of the current negotiations on the overhanging debt on the transfer process, intimating that a meeting with the Government Department was to take place on 8 February 2007 in the hope that an agreement on the issue could be reached.

In addition, reference was made to the on-going negotiations with Chorley Community Housing (CCH) with regard to the value and length of term of the warranties sought by CCH which represented an unacceptable level of risk for the Council. As agreement had not been reached on a warranty level that would be acceptable to the Council, the project status had moved to red as a consequence.

The Officers emphasised the significance of the resolution of these two issues, together with the need to consider contingency arrangements and the financial consequences in the event of the ongoing negotiations resulting in the delay of the completion of the stock transfer beyond 26 March 2007.

RESOLVED – That the position be noted and Officers be authorised to put contingency plans in place in the event of the stock transfer deadline not being met and report further at the next meeting.

07.HTC.15 EXCLUSION OF PRESS AND PUBLIC

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, 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972.

07.HTC.16 UPDATE ON CONTRACT NEGOTIATIONS

Mr M Gaskell, from the Council's Legal Consultants, Trowers and Hamblins, presented an update report on the negotiation of the Transfer Agreement to be entered into between the Borough Council, Chorley Community Housing and Adactus Housing Group on completion of the stock transfer.

The Committee were informed of the need to advertise the disposal of six pieces of public open space without development potential and noted the satisfactory conclusion of the negotiations on the employment aspects of the agreement.

RESOLVED – That the report be noted.

07.HTC.17 STOCK VALUATION NEGOTIATIONS

The Committee received a progress report from Mr A Chapman from the Council's Lead Consultants, Enterprise BWNL, on the stock valuation negotiations with Chorley Community Housing and Mr Chapman confirmed at the meeting that agreement had been reached with CCH on the initial purchase price for the housing stock.

The report also contained a reconciliation of CCH's business plan between pre and post ballot positions and drew attention to the particular elements of the transaction that still needed to be resolved.

RESOLVED – That the report be noted.

07.HTC.18 UPDATE ON FINANCIAL AND OPERATIONAL ISSUES

The Director of Finance circulated a report on the following key financial aspects of the stock transfer process:

- Stock Valuation

A stock valuation sum agreed with Chorley Community Housing was considered reasonable and was expected to cover the costs of the transfer process.

- VAT Shelter

While the final sum was still under negotiation, it was envisaged that the VAT shelter monies to be recovered by Chorley Community Housing from HM Customs and Excise would be between £7.25m and £9m.

The draft Heads of Terms, which would form the basis of the contractual arrangements between the Council and CCH for the distribution and sharing of the VAT shelter monies, was attached to the report.

- Right to Buy Share

The proposed methodology for the sharing of 'Right to Buy' sales receipts was to be based on the premise of 'no detriment' to the Council in relation to the residual yield from a sale following deduction of CCH's Pension Plan costs.

- Service Level Agreements

The Director of Finance reported that final agreement had almost been reached on the terms of the Service Level Agreements for the services that the Council would provide to CCH after the stock transfer. The monies likely to be generated from the agreement had been factored into the Council's draft budget for 2007/08.

Negotiations on the terms for the management of both Cotswold House and the Life Line system for inclusion in the Service Level Agreement for service to be provided by CCH for the Council had yet to be finalised.

- Outstanding Notional Debt/Warranties

These issues had been considered at Minute 07.HTC.14 (Housing Stock Transfer – Project Highlight Report).

RESOLVED – That the report be noted.

Chair