

CITY OF PLYMOUTH

Subject: Housing Stock Transfer
Committee: Council
Date: 12 October 2009
Cabinet Member: Councillors Bowyer and Brookshaw
CMT Member: Director for Corporate Support
Author: Adam Broome, Stuart Palmer, Sue Buddell
Contact: AB: Tel: (01752) (30) 4940
e-mail: adam.broome@plymouth.gov.uk
SP: Tel: (01752) (30) 7090
e-mail: stuart.palmer@plymouth.gov.uk
SB: Tel: (01752) (30) 4839
e-mail: sue.buddell@plymouth.gov.uk

Ref:

Part: I

Executive Summary:

This is a short report to summarise the progress and current position on the housing stock transfer. Negotiations with Plymouth Community Homes are ongoing and it is proposed to agree to defer the decision to transfer the housing stock and that an Extraordinary General Meeting of the Council is called and held before the end of October to determine the transfer proposals. This allows both parties to complete the due diligence required in such a large transaction, and to ensure that we comply with the timing required by the Secretary of State for government consent to transfer on the newly agreed date of 16 November 2009.

Corporate Plan 2009-2012:

The successful achievement of Housing Stock Transfer will significantly move the Council nearer to its Corporate Improvement Priority 5 New Affordable and Decent Housing.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

Negotiations are still underway, the outcome of which will impact on the Council and a detailed report on the implications to the Council will be given on a date to be agreed, but prior to the end of October 2009.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

It was agreed at the outset that in the brief for the development of Plymouth Community Homes it would seek to achieve the following:

“The landlord will work with partners and others to build a better, safer and cleaner Plymouth”

To achieve this, Plymouth Community Homes will:

- Be locally focused and locally accountable
- Not just focus on the bricks and mortar
- Work with voluntary and statutory agencies
- Work closely with the City Council to help achieve the Council's Housing Strategy
- Work with the Local Strategic Partnership on the delivery of the City's priorities
- Encourage local partnerships that work across tenure boundaries, providing Community Development support to facilitate tenant involvement in those partnerships
- Work with the City Council to develop better homes for residents in the City
- Focus on the delivery of improvements to existing homes and the regeneration of estates
- Support Community Development and provide 'wider than housing' involvement
- Continue to work with Plymouth City Council to ensure that the housing needs of vulnerable groups are met

The Stock transfer should therefore deliver a strong collaborative new partner for the City Council to work with in addressing wider deprivation and community cohesion issues.

The transfer project is listed in the Council's strategic risk register, and is monitored accordingly.

Recommendations & Reasons for recommended action:

Council is recommended to:

- 1) Proceed with the transfer of the Council's housing stock to Plymouth Community Homes subject to the Council's final approval of the Valuation Agreement, the terms of the disposal Contract and to the Council obtaining all necessary consent.
- 2) Agree to defer the decision to transfer the housing stock and that an Extraordinary General Meeting of the Council is called and held before the end of October to determine the transfer proposals

Alternative options considered and reasons for recommended action:

- 1) The Council considered all available options through its Stock Options process, determining that a whole stock transfer was the preferred route to realise the necessary investment of its stock of council houses.
- 2) A decision to move away from this position would mean that the Council would likely breach its promises to tenants, which formed the formal consultation prior to ballot. The Council would also have to write off the set up and project costs of transfer estimated at approximately £5m with no resolution to the problems of its housing stock.

Background papers:

- Report to Council 5th February 2007 – Stock Options
- Cabinet Report 3rd June 2008 - Plymouth Housing Stock Transfer proposal – formal consultation document
- Delegated decision 25th July 2008
- Housing Transfer Offer Document
- Cabinet Report 14th October 2008 – Proposal to proceed to ballot.
- Cabinet Report 16th December 2008 – Plymouth Housing Stock transfer including Proposal – Section 25 Funding and Corporate Impact Governance Arrangements
- Cabinet Report 11th August 2009– Stock Transfer.
- Cabinet report 15th September 2009 – Housing Stock Transfer
- Cabinet report 28th September 2009 – Housing Stock Transfer

Sign off:

Fin	AB 011 009 28	Leg	LT 3009	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Stuart Palmer, Assistant Director Strategic Housing											

1. Introduction

- 1.1 The reports to Cabinet on 15th and 28th September provided an update on the issues currently being negotiated and set out the key financial, operational and corporate implications of the housing transfer. A number of final details are under negotiation and authority has been delegated to the Director for Corporate Support in consultation with the Corporate Impact Board to undertake any further decisions as they become necessary.

2. Background

- 2.1 The report to Cabinet on the 15th September together with the Members seminar on 22nd September 2009 and Cabinet on 28th September set out the details of the legal and financial implications for the Council, together with appropriate monitoring arrangements, and liaison between Plymouth City Council and Plymouth Community Homes. The final report to determine and agree transfer will be brought to an Extraordinary Council Meeting on a date to be agreed.
- 2.2 Finalising the transfer proposal is a substantial area of detailed work carried out by officers and the Council's advisors together with significant negotiation on detailed elements of the contract and valuation. Some final negotiations are yet to be completed, and these have been delegated to the Director for Corporate Support in consultation with the Corporate Impact Project Board. This report therefore sets out the current position and recommendations to date.

3. Current Position

- 3.1 Council officers and external advisers are working with Plymouth Community Homes to finalise the negotiations. The Council's aim is to assist in the successful set up of Plymouth Community Homes whilst also ensuring that the implications on Plymouth City Council are manageable. This is a challenging role and one that the Council is keen to address in the most appropriate way.
- 3.2 Whilst all milestones and actions, apart from completing the negotiations, are being finalised in line with the stock transfer project plan, the necessary due diligence required in such a large transaction means that we are not in a position to bring a detailed report to this Council meeting. Whilst the majority of the key issues are resolved, to ensure that we have a full appreciation of the financial impact on the Council and for the resilience and sustainability of Plymouth Community Homes, it has been mutually decided by both parties to delay stock transfer to 16th November 2009.
- 3.3 This will enable the important final negotiations to be negotiated to all parties' satisfaction, and meet the practical needs of both Plymouth City Council and Plymouth Community Homes. Furthermore, it facilitates the requirement of 14 clear days between the Council decision, and the Secretary of State's consent.

4. Recommendations

Council is recommended to:

- 1) Proceed with the transfer of the Council's housing stock to Plymouth Community Homes subject to the Council's final approval of the Valuation Agreement, the terms of the disposal Contract and to the Council obtaining all necessary consent.
- 2) Agree to defer the decision to transfer the housing stock and that an Extraordinary General Meeting of the Council is called and held before the end of October to determine the transfer proposals