



Report to Cabinet

Subject **Stock Transfer**

Date **3 April 2008**

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1. Purpose of the Report

To advise on the Cabinet on the outcome of Stage 2 of the council's formal consultation process and to recommend that the council agrees to undertake Large Scale Voluntary Transfer of the housing stock and service to Gedling Homes.

2. Background

Following a review of all the options available to the council with regard to the future provision of the housing service, consultation with tenants, an independent financial report and consideration of all the issues involved, the council resolved to consult tenants with regard to the transfer of the housing stock to a new locally based housing association, Gedling Homes. Gedling Homes will be a subsidiary of the existing group, New Charter Housing Trust.

The council believes that stock transfer provides the best opportunity to carry out the repairs and improvements needed to the housing stock as well as the opportunity to improve services to tenants.

The process for undertaking the formal consultation process for stock transfer is contained in The Housing Stock Transfer Manual 2005.

Stage 1 of the council's formal consultation period with regard to stock transfer commenced on 2 January 2008 and concluded on 4 February 2008, in accordance with government guidance. On closure of the Stage 1 period, the council considered the feedback and representations made by tenants and decided to proceed to Stage 2 of the process and undertake a ballot of all Secure

and Introductory tenants via an independent body, the Electoral Reform Services. Stage 2 commenced on 4 February 2008 and concluded on 10 March 2008.

This process has included:

- The stage one letter
- The council's formal consultation document (the offer document)
- A council newsletter (including an easy guide to the offer document)
- The stock transfer DVD
- A newsletter from the independent tenant adviser
- Public meetings
- Visits to all tenants by a member of the housing staff
- A confidential ballot of all secure and introductory tenants

The Stage One Letter

The stage one letter briefly highlighted the purpose of the offer document and emphasised the importance of tenants' views at this stage of the consultation process.

The Offer Document

The offer document set out the details of the council's proposals and what this would mean to tenants. This was drafted in line with the Office of the Deputy Prime Minister's guidance contained in The Housing Stock Transfer Manual 2005 and Housing Stock Transfer – A tenants guide 2006 and contains:

- The council's reasons for proposing stock transfer;
- The basic facts about the proposed transfer;
- The proposed tenancy agreement;
- Information about the proposed new landlord, Gedling Homes;
- The proposed improvement programme;
- Rents and other charges;
- Management standards (including repairs, services for older people)
- Arrangements for tenant representation, consultation and participation, and;
- Tenants' rights after transfer.

The document invited tenants to submit their views/representations within a reasonable period.

The Council Newsletter

The council newsletter contained a personal message from the Portfolio Holder for Housing and Health and an Easy Guide to the formal consultation document.

The DVD

A copy of the DVD was sent to all tenants with the council's formal offer document. The DVD outlined the key messages with regard to the council's proposals within the formal offer document.

The Newsletter from the Independent Tenant Adviser

The newsletter from the Independent Tenant Adviser offered independent advice about the council's proposals and contained a section on key questions and answers.

Public Meetings

A series of 22 meetings took place across the borough at various times of the day, including evenings and weekends. These sessions outlined the key facts about stock transfer, details of the council's proposals and offered a chance to ask questions and view the DVD.

Visits to all Tenants

Housing staff have visited all tenants within the stage one period. This visit was used to check that tenants have received the consultation material, outline the facts of stock transfer, give the details of the council's proposals and collate their views.

3. Feedback from Stage 1

Views with regard to the offer document were sought via all of the consultation mechanisms utilised. These were:

- A pre-paid postcard, included within the formal consultation document;
- Feedback from the Independent Tenant Advisers and the council's free phone lines;
- Feedback from the public meetings;
- Feedback from the visits to all tenants.

Feedback from the Pre-paid Postcards

The outcomes were as follows:

Views	No.	%
In favour of stock transfer	66	75%
Against stock transfer	8	9%
Neutral response	6	7%
No comment	7	8%

Feedback from Public Meetings

The Head of Housing Services and Dr Steve Sharples, the Independent Tenant Adviser conducted 22 public meetings throughout the stage 1 period, during the day, on two evenings and one weekend. All daytime meetings were well attended with an average of 25 tenants attending each. The evening and weekend meetings proved to be less well attended but were generally worthwhile.

The views of tenants were in the majority positive, with few attendees showing strong concerns about stock transfer.

Generally tenants were very positive about the council's proposals within the formal consultation document, particularly around the issues of improvements and service developments.

Tenants' concerns focused around rents, the current repairs service and rights, such as Right to Buy.

Feedback from the Visits to Tenants during the Stage 1 Period

Employees of the councils have visited all tenants during the Stage 1 period. The outcome of this was:

Of those visited:

- 79% responded
- 85% were happy to give their views
- 63% were in favour of stock transfer
- 7% were against
- 25% had not yet made their mind up

- 2% views were not recorded
- 3% no contact was made

The following table summaries the views of respondents

Views	In favour	Against	Not sure	Total
Rents	47	9	37	97
Repairs and Improvements	185	5	34	232
Services for older people	9	0	3	13
Tenants' rights	21	2	18	44
The new landlord	10	5	11	26
Other	45	56	180	294
Not recorded	598	42	162	815
TOTAL	915	119	445	1521

In summary, it is evident from this that tenant's views with regard to stock transfer are extremely positive.

When considering all the feedback from tenants there was no evidence to suggest that the council needed to change its offer to tenants contained within the council's formal consultation document.

4. Stage 2 of the Formal Consultation with regard to Stock Transfer

The Secretary of State cannot grant consent to stock transfer unless there is evidence that a majority of tenants are in favour of stock transfer. The government considers that a properly conducted formal ballot of tenants, carried out under the auspices of an independent body, is an effective way in which an authority can demonstrate satisfactorily that a majority of tenants are not opposed to stock transfer.

The decision of the Portfolio Holder for Housing authorised a ballot of all secure and introductory tenants to take place on 5 February 2008,

The council subsequently issued a Stage 2 notice to all secure and introductory tenants to inform them of its proposal to undertake a formal ballot of tenants with regard to stock transfer. The ballot was a confidential ballot conducted by the Electoral Reform Society. The ballot was a postal ballot. Tenants were also given the option to via e-mail, text and telephone.

The ballot commenced on 12 February and closed at 12 noon on 10 March 2008. On the first day of the ballot it came to officers' notice that the ballot paper contained a printing error with regard to the SMS text voting channel. The Electoral Reform Services accepted total responsibility for this error. The department in consultation with the Portfolio Holder and its advisers decided to suspend the text voting option with immediate effect and continued with the ballot process. Assurance has been given via the Electoral Reform Services that this does not invalidate the ballot outcome.

5. The Outcome of Stage 2 – The Ballot

The outcome of the ballot was received by the council on 10 March 2008.

The outcome was as follows:

Question

Are you in favour of the Council's proposal to transfer the ownership and management of you home to Gedling Homes.

Total number of eligible tenants	3,877
Total number of votes received	2,513
Total number of votes received by post	2,274
Total number of votes received by phone	119
Total number of votes received by internet	120
Overall participation rate	64.8%
Total number of spoilt/blank ballot papers	7

Total number of valid votes 2,506

Result

Number voting YES	1,960	78,2%
Number voting NO	546	21.8%
Total	2,506	

The SMS text voting channel was withdrawn on 13 February 2008 and letters were sent to all tenants on 14 February 2008 to inform them of this fact. All votes received by SMS text prior to this voting channel being withdrawn were invalidated. Replacement ballot papers were issued to the 27 voters who had voted by SMS text and all were advised to vote again using an alternative method.

8 voters attempted to vote by SMS text after this voting channel had been withdrawn and all were also contacted and advised to vote again via an alternative method.

6. Proposals

The government considers that a simple majority of those voting being in favour to be sufficient to indicate tenant support for a stock transfer.

The outcome as outlined above clearly demonstrates that a majority of tenants do support the Council's proposal to transfer the ownership and management of their homes to Gedling Homes.

It is therefore proposed that Cabinet approves the transfer of the ownership and management of the council's housing stock to Gedling Homes.

The council must submit a formal application, with supporting information, including the final draft transfer contract, and obtain the First Secretary of State of the Communities and Local Government's consent to transfer. Approval will be given if the following criteria have been met:

- the council's consultation exercise was adequate
- the majority of secure tenants affected are not opposed to it
- the acquiring landlord is registered with the Housing Corporation and independent of the council
- there is a long term demand for the properties to be transferred
- the estimated public expenditure costs represent value for money
- the terms of the transfer (as set out in the transfer contract) are acceptable, and
- the council will still be able to fulfill its statutory obligations.

It is further proposed that the council submits a formal application, with supporting information, including the final draft transfer contract, and requests consent to transfer from the First Secretary of State of the Communities and Local Government.

6. Resource Implications

The cost implications contained in this report can be met from within the existing stock transfer budget and are included in the council's medium term financial plan.

5. Recommendations

- 1. It is recommended that Cabinet approves the transfer of the ownership and management of the council's housing stock to Gedling Homes**
- 2. It is recommended that Cabinet recommend to Council that the council submits a formal application, with supporting information, including the final draft transfer contract, and requests consent to transfer from the First Secretary of State of the Communities and Local Government.**