



Department for
Communities and
Local Government

Councillor Paul James
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Kris Hopkins MP
Minister for Housing

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08.04.14

By email to: Paul.James@gloucester.gov.uk

Dear Mr James,

GLOUCESTER CITY COUNCIL STOCK TRANSFER APPLICATION

Following assessment of your application, I am pleased to confirm that this has been approved. I welcome the extra investment in social housing in Gloucester that transfer would enable and the benefits that will bring to the residents of these homes. As the same time I am determined that leaseholders will be properly protected against excessive charges in respect of capital works and I am grateful for your confirmation that you will require, in any transfer agreement with the transfer landlord, that service charges on leaseholders of the transfer landlord, for capital works enabled by transfer, are capped over any five year period at £10,000.

Subject to the successful completion of the remaining stages in the transfer process by 31 March 2015, in particular a positive vote in favour of transfer by tenants, the registration of a new transfer landlord by the Social Housing Regulator and consent to transfer from the Secretary of State, this Department will write off up to £49.4 million of Gloucester City Council's housing debt and meet the costs (indicatively £3.8 million) associated with the early redemption of Public Works Loan Board debt.

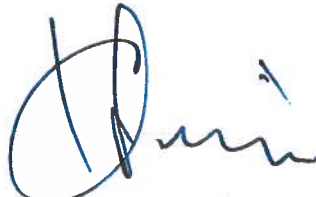
Any subsequent request for an increase in debt write-off from the Department would require the transfer application to be re-submitted for approval which may not be given. Whilst we recognise that early redemption premiums on debt cannot be predicted with certainty, Gloucester City Council should contact the Homes and Community Agency promptly where you consider that these are likely to differ materially from the estimate provided in your transfer application. Support for debt write-off and the costs of early redemption premiums in respect of Gloucester's application is for 2014/15 only. Support will only be available if the transfer completes by 31 March 2015.

Approval at this stage does not guarantee Secretary of State agreement to the final consent application but should provide significant confidence that consent will be given provided that tenants vote in favour of transfer, a new transfer landlord is successfully registered with the Social Housing Regulator and the terms of the transfer remain substantially the same. A formal application for Secretary of State consent under Sections 32-34 and/or 43 of the Housing Act 1985 and Section 25 of the Local Government Act 1988 will need to be made prior to transfer completion.

APPENDIX A: MINISTER'S LETTER

The Homes and Communities Agency will continue to liaise with your officers to complete the transfer by the deadline 31 March 2015. In the first instance they will issue Gloucester City Council with an invitation to submit a proposal for Formal Consultation with tenants for their approval.

It was good to be with you in Gloucester earlier today to announce our financial support for your stock transfer proposals and meet you and colleagues, see some of your properties and and talk to tenants and residents. I am copying this letter to Richard Graham (Richard.graham.mp@parliament.uk), Ashley Green (Ashley.green@gloscityhomes.co.uk), Peter Gillett (peter.gillett@gloucester.gov.uk) and Martin Shields (martin.shields@gloucester.gov.uk). I wish you all well as your transfer process moves forward.

A handwritten signature in blue ink, appearing to read 'Kris Hopkins', with a stylized flourish at the end.

KRIS HOPKINS MP