

# Gloucester City Council

<b>Meeting:</b>	<b>Council</b>	<b>Date:</b>	<b>25 September 2014</b>
<b>Subject:</b>	<b>Housing Futures – Outcome of Tenant Ballot on Housing Transfer</b>		
<b>Report Of:</b>	<b>Cabinet Member for Housing, Health and Leisure</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>Yes</b>
<b>Contact Officer:</b>	<b>Martin Shields, Corporate Director of Services and Neighbourhoods</b>		
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<b>Appendices:</b>	<b>A. Table of Stock Transfer Results</b>		

Note: The special circumstances for non-compliance with Access to Information Rule 5 and Section 100B (4) of the Local Government Act 1972 (as amended) (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the tenant ballot did close until 24 September 2014.

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To inform Members of the outcome of the ballot of all Council tenants in accordance with Stage 2 of the formal consultation.
- 1.2 To agree to the immediate steps necessary to progress with transfer, including the seeking of all relevant consents and finalisation of terms of the transfer agreement to be put in place between the Council and Gloucester City Homes. The transfer agreement will set out the detailed contractual terms agreed with Gloucester City Homes between now and completion of the transfer.

### 2.0 Recommendations

2.1 Council is asked to **RESOLVE** that:

- (1) The positive result of the tenants' ballot in respect of the proposed transfer to Gloucester City Homes be noted and a Stage 3 statutory notice be served on tenants informing them of the result and explaining their right to make representations to the Secretary of State for Communities and Local Government.
- (2) Negotiation on the detailed terms of the proposed transfer to Gloucester City Homes should proceed. The Council's final approval of the terms of the transfer will be sought before the transfer takes place.

- (3) An application be made to the Secretary of State for Communities and Local Government for all necessary statutory consents in respect of the proposed transfer at the appropriate time. Completion of the transfer will be subject to the required consents being received.
- (4) Officers be authorised to take any steps necessary on behalf of the Council to enable Gloucester City Homes to be converted as soon as possible to a Community Benefit Society (previously known as an Industrial & provident Society) and support its registration as a registered provider of social housing with charitable objects.
- (5) Authority be given to the Council's Head of Paid Service in consultation with the Leader of the Council and the Cabinet Member for Housing, Health & Leisure to consider and resolve all matters on behalf of the Council in relation to the proposed transfer to Gloucester City Homes subject to the Council's final approval of the terms of the transfer.

### **3. MAIN TEXT INCLUDING ALTERNATIVES CONSIDERED/ CONSULTATION CARRIED OUT**

- 3.1 Following on from the formal consultation (Stage 1) with the Council's tenants, leaseholders and shared-owners the Council on the 14th August 2014 resolved that:
  - (1) No changes should be made to the Council's 'offer' as contained within the 'Offer Document' dated 7 July 2014 and that no further clarification is required.
  - (2) The Council proceed to Stage 2 of the formal consultation (the tenants' ballot) and to issue a formal Stage 2 letter to the Council's secure and introductory tenants.
  - (3) The Council also proceeds to a good practice stage 2: test of opinion of leaseholders and shared-owners that requests they formally express their opinion in favour or against the proposal to transfer their homes to Gloucester City Homes.
  - (4) If the recommendations within this report are accepted, note that the results of the ballot and test of opinion will be separately reported to the next meeting of the Council that follows the closing date of the ballot and test of opinion and include recommendations about future actions and statutory notices.

#### **Facts Supporting the Proposed Decision**

- 3.2 Gloucester City Council has consulted with its secure and introductory tenants on a proposal to transfer its housing stock and associated assets to Gloucester City Homes, an independent, not-for-profit, social landlord which will be registered with the Homes and Communities Agency (HCA).
- 3.3 After the outcome of the formal Stage 1 consultation on the Offer Document was reported to Council on 14<sup>th</sup> August 2014, a Stage 2 letter was issued, and a ballot of secure and introductory tenants has been independently undertaken by Electoral Reform Society on behalf of the Council. In addition, to demonstrate good practice, leaseholders and shared-owners have been formally asked to give their opinion on the proposed transfer.

- 3.4 Tenants were balloted as to whether they supported the transfer proposal and it is a requirement by the Secretary of State for Communities and Local Government, to evidence the level of support from the City's tenants for transfer.

### **The Ballot**

- 3.5 The ballot of the Council's secure and introductory tenants commenced on the 28<sup>th</sup> August 2014 and ended on 24<sup>th</sup> September 2014, with 63.7% of tenants (3,357) voting and, after discounting 23 blank or spoilt papers, 89.1% (2,969) of votes cast were in favour of transfer (See Appendix A).
- 3.6 This equates to 56.3% of the overall number of tenants eligible to vote being in favour of transfer. Even if all of those who did not use their vote had voted against transfer, the overall outcome would still have been in favour of transfer.
- 3.7 In view of this strong ratio (8 to 1) in favour of the proposal from the Council's tenants, it is recommended that the Council proceeds with the stock transfer proposal.
- 3.8 For information, the test of opinion of the leaseholders and shared-owners also showed that the majority (79%) of those voting, support the transfer of the leases to GCH (see Appendix A).

### **Alternatives considered**

- 3.9 Alternatives to stock transfer were explained in previous reports to Council.

### **Consultation proposed/undertaken**

- 3.10 This report identifies the outcome of a formal consultation exercise with all secure and introductory Council tenants.

## **4.0 Financial Implications**

- 4.1 The financial implications of this proposal have been fully set out in the previous reports to Cabinet and Council.

(Financial Services have been consulted in the preparation of this report)

## **5.0 Legal Implications**

- 5.1 The transfer process to date has been subject to scrutiny and evaluation by the Council's and GCH's jointly appointed legal advisors – Trowers & Hamblins LLP. During the post ballot period the Council will be represented by Anthony Collins Solicitors who have already provided independent scrutiny for the Council during the pre-ballot phase.
- 5.2 The formal consultation and ballot process, as stipulated by the Government in the Housing Transfer Manual 2013 and the statutory requirements contained in the Housing Act 1985 Schedule 3A – have been thoroughly observed.

(Legal Services have been consulted in the preparation of this report)

## **6.0 Risk and Opportunity Management Implications**

- 6.1 If the Council does not agree to transfer the housing stock to GCH, the housing stock will remain within the local authority housing finance system.
- 6.2 The impact and risks associated with remaining with the Council have been explored in detail in the Offer Document and summarised in **Paragraph 6.3** below.
- 6.3 The following could occur if the Council continues to manage and maintain the housing stock under the self-financing system:
- Potential increase in tenant dissatisfaction;
  - Undermining the investment made over the last eight years to achieve the Decent Homes Standard;
  - Potential loss of availability for rent of up to a third of the Council's housing stock as properties fall into disrepair
  - Likely increase in response repair costs due to lack of necessary resources;
  - Potential increase in health related problems for tenants;
  - Increasing difficulty in keeping the Housing Revenue Account in balance, with likely consequential reductions in staff;
  - Little or no investment possible in the local environment on estates;
  - Possible future reductions in service standards; and
  - Very little possibility of building new homes in the near future.

## **7.0 People Impact Assessment**

- 7.1 A people impact assessment has been fully set out in the previous reports to Cabinet and Council.
- 7.2 The promises, as set out in the 'Offer Document', which will be embodied in the Transfer Agreement between the Council and GCH, seek to ensure that there is a common standard for all tenants - so that all will benefit equally.
- 7.3 In addition, there are provisions aimed at maintaining or improving the quality of life for:
- those who have some form of disability;
  - those who are elderly;
  - those who are young;
  - families
  - those who are in poverty; and
  - those who live in those parts of the City which are more deprived.

## **8.0 Other Corporate Implications**

### Community Safety

- 8.1 Refurbishment of existing homes, regeneration of estates and the provision of new build housing will also contribute positively to enhanced levels of community safety as existing and new homes will incorporate more “Secure by Design” measures as recommended by the Association of Chief Police Officers.

### Environmental

- 8.2 Refurbishment of existing homes, regeneration of estates and the provision of new build housing will also contribute positively to enhanced levels of sustainability as existing and new homes will incorporate more environmental sustainability measures as recommended by the Government and adopted as best practice by the social housing sector.

### Staffing / Trade Union

- 8.3 None directly arising from this aspect of the transfer process but as has been set out in previous reports, there will be a small number of employees of the Council who may be subject to a Transfer of Undertaking (Protection of Employment) Regulations (TUPE) transfer of staff at the time of the actual transfer of homes.
- 8.4 In due course there are likely to be further implications, which would involve staff transferring under TUPE at the end of any Service Level Agreement entered into on transfer coming to an end. The scope of this exercise is currently being explored as the project develops and this will be subject to a further report to Council before the transfer takes place.

### **Background Documents:**

There are no background documents.

## Appendix A

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# Gloucester City Council Stock Transfer Ballot

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Voting closed noon 24 September 2014

Result Announcement 25 September 2014

### **Official Tenant Ballot Result**

	Number	Percentage %
Total electorate tenants eligible	5,273	
Total votes cast (Turnout)	3,357	63.7%
Less spoiled/invalid votes	23	
Total valid votes cast	3,334	100%
Voting NO	365	10.9%
<b>Voting YES</b>	<b>2,969</b>	<b>89.1%</b>
Votes cast other than by post	533	15.9%

**Yes/No ratio of votes - 8 to 1**

### **For Information Only**

#### **Leaseholder and Shared-Owners Test of Opinion**

	Number	Percentage %
Total electorate leaseholders / shared-owners eligible	395	
Total votes cast (Turnout)	141	35.7%
Less spoiled/invalid votes	3	
Total valid votes cast	138	100
Voting NO	29	21.0%
<b>Voting YES</b>	<b>109</b>	<b>79.0%</b>