

THE HIGHLAND COUNCIL

29 June 2006

Agenda Item	
Report No	

Community Ownership Programme for Housing Transfer

Report by Director of Housing

Summary

This report provides Members with an up-date on the Community Ownership Programme and the work of Highland Housing Association.

1. Transfer Price / Valuation

- 1.1 At the Council meeting on 4 May 2006, the application for Gateway 2 of the Community Ownership Programme – the Council’s Business Case Submission – was approved based on an interim transfer price of £29million. Members were advised that further work was still to be done to agree a transfer price, and to maintain the progress required to hold a ballot of tenants in October, delegated authority was given to the Housing and Social Work Committee to approve the final price.
- 1.2 At the Housing and Social Work Committee on 24 May 2006, the improved transfer price of £13.3 million was approved subject to a Value for Money Review by Communities Scotland and approval by Scottish Ministers. The transfer price will still be subject to any changes in fact that arise between the base year of 2005/6 and the actual transfer date. The changes in fact that are likely to arise include amended stock figures arising from sales, increases in annual rental income, and the outcome of the stage two structural and environmental reports.
- 1.3 The Council is expected to receive Ministerial approval for the Business Case Submission about 21 July 2006. This will mean that Gateway 2 has been achieved and the Council will then be able to proceed to Gateway 3, which is ‘the approval in principle to go to ballot’. In brief, Gateway 3 requires the Council’s assessment and appraisal of Highland Housing Association’s Business Plan to ensure that it fulfils the objectives of housing transfer, and compares this with the Council’s retention strategy. This will be reported to Council on 7 September 2006.

2 Highland Housing Association

2.1 Consultants

The Association has appointed Tribal as business and financial advisers and Harper MacLeod as solicitors.

2.2 Governance and Registration

The Association has adopted a registration plan that has been approved by Communities Scotland. Completed drafts of the key governance documents include:

- Rules
- Scheme of Delegation to Area Associations

- Standing Orders
- Membership Policy
- Members' expenses

These have been subject to initial comment from Communities Scotland and are currently being examined by the Association's lawyers.

- 2.3 **Management Committee.** The Management Committee continues to meet every 2 weeks, and has 3 sub-committees meeting monthly, to consider Governance, Business Planning and Communications issues. An initial governance review by Communities Scotland is planned for late July 2006. Members may be aware that issues have arisen in relation to one of the tenant members of the Management Committee. The Committee has dealt with this under Standing Orders which has resulted in the member being required to stand down from the Management Committee
- 2.4 **Business Plan:** The original intention had been to use the Council's Business Case and Pricing Model to develop the financial framework for the Business Plan in advance of developing the non-financial content. Due to delays in agreement on the transfer price this has been dealt with in reverse. The Association is on target to complete the Business Plan by 4 July 2006.
- 2.5 **Communication:** The Association is will continue to work jointly with the Council on communications but will be increasing its profile as a separate organisation. The Association's website is almost ready to launch and further focused news releases will be issued over coming months.

3 **Staffing Issues / TUPE**

- 3.1 In response to the Information and Communication of Employees (ICE) Regulations 2004, Transfer of Undertaking for the Protection of Employee Regulations 2005 and the s52 Local Government in Scotland Act 2003 our latest information and consultation exercise commenced on 21st March 2006.
- 3.2 The purpose of the exercise was to:
- give a contextual overview of the Community Ownership Programme,
 - outline the effect on staff within Highland Council,
 - provide information on the legislative protection available, and
 - outline how staff were identified as transferring staff with regard to the services which are to transfer on a positive result from the tenant ballot
- 3.3 Briefings together with individual staff meetings started on 21 March 2006 and were completed on Wednesday 24 May 2006; some 470 staff have been met. Trade unions were informed and invited to each service briefing session and were asked to attend individual meetings where staff requested union representation. This occurred on 5 occasions out of approx 470 individual meetings.
- 3.4 The exercise has enabled the Council to:
- verify and/or change information held on each staff member in relation to their work time activity under housing management service function and HRA budget, and determine whether or not they wish to transfer.
 - take cognisance of how many staff wish to transfer but are not at present on the draft

transfer list.

- identify contractual anomalies/outstanding contractual issues, i.e. temporary contracts, which need to be resolved.

3.5 The next stage in the process will be to input onto a database for further analysis information gathered from the individual meetings on the migration of staff to Highland Housing Association (HHA). This will then provide validated information for negotiation and consultation on the formation of a staffing structure for HHA. A trade union request that they be consulted on the structure for transfer has been agreed. This will allow them to ensure that staff that were identified as transferring are transferring, that the process of matching is fair and open to scrutiny, and that there is no detriment to individuals through the process.

4 Phase 2 Consultation with tenants – ‘Door-Knocking’.

4.1 At its meeting on 24 May 2006, the Housing and Social Work Committee approved proposals for Phase 2 consultation with tenants which is now underway. It commenced mid June 2006 and will continue until 14 July 2006. Phase 2 comprises of ‘door – knocking’ i.e. door to door contact is to be made with every tenant, where possible, and about 70 to 85 members of Housing staff have agreed to take part in this exercise to varying degrees.

4.2 The aim of Phase 2 is:

- To check awareness of / inform tenants of transfer proposals to Highland Housing Association
- To advise tenants of the latest proposals by Highland Housing Association and to obtain feedback on them
- To answer any questions/queries that tenants may have.
- To explain the ballot proposals in October and stress the importance of voting.
- To complete a short feedback form to record the contact made with tenants.

4.3 The feedback forms that are completed with tenants will be collated and analysed to help inform Phase 3 of the consultation plan which will be undertaken just before the ballot. The feedback will also be used by Highland Housing Association to finalise their Business Plan proposals which will feature in the Stage 1 Formal Offer document to tenants.

5 Legal Issues

5.1 **Titles:** Progress continues to be made by the Council’s legal advisers, Brechin Tindal Oatts (BTO) on title gathering and mapping.

5.2 **Contracts:** Staff have been requested to identify existing housing contracts with 3rd party or external organisations that they are aware of, which are likely to be in place at the transfer next year, and therefore require assignation, where possible, to Highland Housing Association. The Council requires to collate the contract paperwork on such contracts for submission to its legal advisers and then Highland Housing Association’s solicitors for examination.

5.3 **Leases:** Work is also underway to identify and verify leased properties which may be the subject of assignation to Highland Housing Association. The Council has various categories of leases:

- (a) Non personal leases which relate to leases of housing property, both land and buildings, to

a number of external organisations such as the other housing associations, NHS Highland, Police or community groups.

(b) Private housing leases which fall into 2 categories;-

1. Private lets to the Council used for temporary homeless accommodation—which will not be assigned to HHA as the Council will retain them to help fulfil our statutory homeless function.
2. Private lets used for long term accommodation--- these properties are also not in the Council's ownership but it is proposed that the leases will be assigned to HHA, subject to the owners' approval, as they are occupied by long term secure tenants.

All the leases will have to be collated and checked and then sent to the Council's legal advisers for advice as necessary before the documentation and lists are given to HHA.

5.4 **Office Accommodation:** The Council has to decide if any of its offices and depots will transfer to Highland Housing Association in whole or part or whether the intention is to share accommodation and services. Work is underway to prepare a list of premises which can be reviewed so that further discussion can take place to progress this.

If it is intended to transfer ownership of any offices or depots, these will have to be identified, priced and titles mapped. If the intention is to lease office space then again such space will have to be identified.

Thereafter Property and Architectural Services will need to assess all identified accommodation and come up with costed proposals for transfer or for lease/licence to occupy agreements between the Council and HHA.

6 Recommendation
6.1 The Council is asked to note progress on the Community Ownership Programme and that of Highland Housing Association.

Signature:

Designation: Director of Housing

Author / Reference: Tracey Urry - tel (01463) 702942

Date: 19 June 2006