



ARTICLE NO: 1B

**CORPORATE & ENVIRONMENTAL
OVERVIEW & SCRUTINY
COMMITTEE**

**MEMBERS UPDATE 2013/14
ISSUE: 2**

Article of: Assistant Director Housing and Regeneration

Relevant Managing Director: Managing Director (Transformation)

**Contact for further information: Mr B Livermore (Extn. 5200)
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**SUBJECT: RESPONSE TO DCLG CONSULTATION ON HOUSING STOCK
TRANSFER MANUAL**

Wards affected: Borough wide

1.0 PURPOSE OF ARTICLE

1.1 To advise Members of the response on behalf of the Council to Government on this consultation.

2.0 BACKGROUND

2.1 On the 22nd July 2013, the Government published a consultation on the Housing Transfer Manual.

2.2 On the 24th July 2013, an email was sent to all Councillors to advise them of the publication of the consultation. As the date for responses was on the 2nd September 2013, it was not possible to seek comments in the usual way and therefore a request for Member comments by the 15th August 2013 was sought.

3.0 CURRENT POSITION

3.1 Officers prepared a response which was acceptable to Portfolio Holders and a letter (Appendix A) was dispatched to the Department for Communities and Local Government before the closing date on 2nd September 2013.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Article.

Equality Impact Assessment

This Article is for information only and does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix A - Copy of West Lancashire Borough Council's response to the consultation on the Housing Transfer Manual.



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Bressenden Place
London
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Directorate of Transformation

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Date: 2nd September 2013

Your ref:

Our ref:

Please ask for: Bob Livermore

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Extension:

Dear Sally,

Re: Consultation on Transfer Manual 2013

Thank you for giving West Lancashire Borough Council the opportunity to comment on your consultation paper on the Housing Transfer Manual. The Council support initiatives that will give residents access to good quality housing at reasonable rents. Therefore, in principle, the Council welcomes mechanisms that will give tenants the opportunity to influence better investment or management of Council Housing.

Question 1: How could the draft Transfer Manual express more clearly the criteria to be applied by Government when assessing transfer applications? Where/is any further explanation or detail needed?

The Council can see no reason within the Manual for making a distinction between the approach to large scale and a small scale transfers. The Council would prefer to see an approach where there was one set of "rules" that applied to all transfers.

Clearly in the case of partial transfer, the value for money aspect needs to ensure that both Business Plans are sustainable. More specifically, the need to repay Public works Loan Debt prior to loan maturity, the non-inclusion of the shortfall or deficit in pension funds as a setup cost following TUPE, and the continuance of a levy where no government assistance is to be provided could be prejudicial to the success of any planned Transfer.

The cost of the additional work placed on Local Authorities may also prove to be a deterrent to take matters forward.

The valuation methodology seems to be a sensible starting point to look at the benefit of Stock Transfer but the Council has some concerns over the discount rate of 3.5%

real or 6.5% nominal in the current market place and would ask that this be examined. Equally, where there is a need to access funding to remove overhanging debt, it will no doubt be as a result of the valuation methodology not recognising a local issue that needs to be taken into consideration. Flexibility in this area needs to be factored into the decision making process.

Question 2: How could the draft Transfer Manual express more clearly the Transfer process? Where/is any further explanation or detail needed?

The process assumes that resources will be available for each stage to take matters forward. Bearing in mind that, following the close of the consultation period and the announcement of the Transfer Manual being agreed, a number of applications will commence at the same time; perhaps a more staggered commencement by region may be a way to avoid bottlenecks. Equally, the funding deadline may need to be more responsive to the needs of the process.

Question 3: Does the draft Transfer Manual, taken together with the Right to Transfer Regulations and Guidance, clearly explain the process for tenant led Stock Transfer? Where/is any further explanation or detail needed?

The process is well documented. However, where a Local Authority has decided not to pursue this opportunity, the work programmes of staff will reflect this. Whilst Local Authorities will be required to cooperate, this does mean that the “right questions” need to be asked. Therefore the funding for tenant support is imperative in this process.

Question 4: Are there any other comments you wish to make about specific policy issues in the draft Manual?

No.

Yours sincerely



**R V LIVERMORE
ASSISTANT DIRECTOR
HOUSING AND REGENERATION**