

**Meeting:** Executive  
Portfolio Area: Housing  
**Date:** 21st June 2005

## HOUSING OPTIONS APPRAISAL

### KEY DECISION

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### 1 PURPOSE

To consider recommendations to Council on Housing Options Appraisal.

### 2 RECOMMENDATIONS

- 2.1 That the report drafted by the officers in consultation with the informal Housing Strategy Group be received.
- 2.2 That the Executive make it clear to the Council that it does not have sufficient funds to meet the Government's Decent Homes Standard by 2010.
- 2.3 That the Executive recommend to the Council that an Arms Length Management Organisation be established to manage and maintain the Council's Housing stock and that it makes a submission to Go-East and the Office of the Deputy Prime Minister (ODPM) to this effect and subject to 2.4 below.
- 2.4 That the Executive recommend to the Council that the proposal for the ALMO option in its submission should be made subject to the Government negating the adverse effect of the minimum revenue provision formula on the Council's General Fund.
- 2.5 That the Council be asked to thank the Housing Strategy Group for their work.
- 2.6 That the staffing implications of the Executive's recommendation to Council are the subject of formal consultation with the unions as appropriate.

### 3

#### BACKGROUND

- 3.1 The Office of the Deputy Prime Minister, as part of the Communities Plan, "Sustainable Communities: Building for the Future" (February 2004) requires that all housing, in particular social housing, is brought up to the Government's Decent Homes Standard by 2010.

- 3.2 In March 2003, the Government published a “Decent Homes Plus Review“ report.
- 3.3 The Communities Plan and the “Decent Homes Plus Review“ refined the Decent Homes Standard and required local authorities to undertake an “Options Appraisal” to ensure that they could deliver Decent Homes by 2010. The “Delivering Decent Homes – Option Appraisal guidance for local authorities” specified the criteria for undertaking the options appraisal and the requirement that all appraisals should be signed off by the appropriate government office by July 2005.
- 3.4 The options to be considered were:
- Stock retention
  - Arms Length Management Organisation (ALMO)
  - Large Scale Voluntary Transfer (LSVT)
  - Private Finance Initiative (PFI)

An Analysis of the main differences between these options is included in the government’s guidance on options appraisal, attached at Appendix A.

- 3.5 A variant of the ALMO and LSVT options, known as the Community Gateway Model is being developed in a small number of authorities and is being explored by the Government. This model provides for greater tenant empowerment in housing management aimed at giving tenants and leaseholders more control over their homes and living environments.
- 3.6 In October 2003, the Executive agreed the options appraisal process for Stevenage. It expanded the existing joint councillor/tenant representative Housing Strategy Group to oversee the process and to report to the Executive on progress.
- 3.7 The Housing Strategy Group conducted a significant amount of work and this is summarised in its report that was attached to the report of the 8<sup>th</sup> June 2005. This report draws attention to the following issues that are of particular importance in considering the options for the future management of the Council’s housing stock:
- The determination of the “Stevenage standard”, in consultation with tenants, that sets out tenant’s aspirations for their homes over and above the decent homes standard.
  - The determination of the “sustainable decent homes standard” as the minimum standard that is consistent with a good asset management approach.
  - The Council has a shortfall of capital funding to 2010/11 of £47m to meet the Stevenage Standard and £20m to meet the minimum decent homes standard.

The Housing Strategy Group has now completed its report and this is attached at Appendix C. Its conclusion is:

**“It was agreed that the Council should be informed that the Housing Strategy Group’s preferred housing option was for an Arms Length Management Organisation, subject to the formula used to calculate the Minimum Revenue Provision to the General Fund being amended to negate any impact on the General Fund, and that this option should take into consideration the Community Gateway Model.”**

- 3.8 At its meeting on 8<sup>th</sup> June 2005, the Executive deferred its “decision as to the option to be selected pending the outcome of the additional tenant consultation which is currently taking place.” (see para 4.7 below)

- 3.9 The report to the Executive on housing options appraisal on 8<sup>th</sup> June 2005 and its decision thereon were considered by the Scrutiny Overview Committee on 9<sup>th</sup> June 2005. The minutes of that meeting have been circulated to Executive and the Committee noted the initial decision of the Executive.
- 3.10 The Unions have been represented on the Housing Strategy Group. The recommendation of the Housing Strategy Group has been consulted on with Union representatives. The Unions were given the opportunity to present a response. Unison has presented a written reply on the housing options appraisal report and this is attached at Appendix B. The reply has been agreed by all the Unions who have members employed by the Council.

## **4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

4.1 The report of the Housing Strategy Group summarises the findings of Stevenage's Options Appraisal process. It has considered the four options and is also aware of the emerging Community Gateway model. Its work has been extensive in covering all the requirements of the Government's guidance. Its conclusion was not unanimous but had the support of the majority of the members of the Group. The Executive is asked to accept the report of the Housing Strategy Group and take into account its conclusions in making its recommendation to Council on the future management of the Council's housing stock. The Executive's attention is drawn to the key issues relating to each option as set out below.

### **4.2 Stock retention – key issues**

- The Council retains ownership of the stock, remains the landlord and tenancies would be unchanged.
- Rents would remain in line with the Government's current Rent Restructuring policy.
- This option would not provide additional funding to deliver decent homes.
- The Council would need to divert all of its capital funding away from other important areas in order to meet the Government's Decent Homes target by 2010.
- The position beyond 2010 after meeting the Government's Decent Homes target is not assured.
- This option would not meet tenants' aspirations expressed in the "Stevenage Standard".
- In the consultation undertaken as part of the Options Appraisal, the majority of tenants wanted to stay with the Council.
- No additional scope to deliver new affordable housing.
- **With the exception of the trade unions, the Housing Strategy Group did not consider retention to be a deliverable option.**

### **4.3 ALMO – Key issues**

- The Council retains ownership of the stock and remains the landlord and tenancies would be unchanged.
- The ALMO would be subject to a management agreement with the Council. The Council would monitor the performance of the ALMO as determined in the agreement.
- Rents would remain in line with the Government's current Rent Restructuring policy.
- This option would provide sufficient funding to enable the "sustainable decent homes standard" to be met plus a further 5% for environmental/regeneration improvements.
- There would not be sufficient funding to meet the tenants' aspirations expressed in the "Stevenage Standard."
- The position beyond 2010 after meeting the government's decent homes target is not assured.
- An ALMO would be managed by a Board, which would generally be comprised of an equal number of tenant representatives, Members of the Council and independent experts.
- Greater tenant empowerment under the Community Gateway model's principles could be applied to the ALMO.
- The ODPM's formula, which is used to calculate the MRP to the General Fund, would, as currently drafted, result in a significant negative impact on the General Fund annually, if HRA borrowing were undertaken under the ALMO Option. The ODPM has said that the formula should be amended to negate this impact but has not yet confirmed the formula change.
- The management and maintenance of the Council's homes would be transferred to the ALMO. Some staff are likely to transfer to the ALMO under TUPE
- The Council would be able to provide accommodation and support services to the ALMO.
- The ALMO would need to achieve a 2 star rating in a housing inspection before it could draw down the Government funding.
- No immediate scope to deliver new affordable housing, although suggestions have been made that the Government could grant new additional freedoms to "Excellent 3 Star" rated ALMO's.
- **The Housing Strategy Group considered ALMO to be a deliverable option. Overall the Group believed it to be the best option. However, a number of tenants' representatives preferred an LSVT option and the unions opposed the option.**

#### 4.4 LSVT – key issues

- The Council would transfer ownership of its stock to a new or existing not for profit Registered Social Landlord (RSL) – Housing Association. The RSL would become the landlord.

- Tenancies would become assured tenancies. Key rights would generally be preserved. There would be a preserved right to buy for existing tenants and the right to acquire for new tenants.
- Rents would be restructured in accordance with the Government's policy for restructuring of RSL rents.
- The Registered Social Landlord would be able to meet the Decent Homes standard on an ongoing basis and achieve most of the tenants' aspirations as expressed in the "Stevenage Standard".
- The position beyond 2010 after meeting the Government's Decent Homes target is assured.
- It is estimated that a LSVT would deliver a net capital receipt to the Council of the order of £10m.
- The governance arrangements for a RSL would be with the RSL Board which could include tenant representatives; Members of the Council and independent experts.
- Greater tenant empowerment under the Community Gateway model's principles could be applied to LSVT.
- Staff could be transferred to the Registered Social Landlord under TUPE.
- The Registered Social Landlord would provide its own support services and accommodation. Support services would not normally be provided by the Council to the RSL on an ongoing basis but could be transferred from the Council into the RSL at the point of transfer.
- It may be able to fund the provision of some new affordable homes. The Council might in time be able to provide some grant funding from the capital receipt it would receive from the transfer and an existing RSL could have resources available or seek funding from the Regional Housing Board, but see 3.6 below.
- A formal ballot of tenants would be required to proceed with a LSVT. Failure to achieve a vote in favour of the transfer would lead to the costs incurred up to the point of the ballot (estimated at some £500K) falling on the General Fund.
- **The Housing Strategy Group considered LSVT to be a deliverable option. A number of tenants' representatives thought that LSVT was the best option. The unions opposed the option.**

#### 4.5 PFI – key issues

- PFI is only generally suitable for relatively small housing schemes where there are high improvement costs and / or low demand.
- **The Housing Strategy Group agreed unanimously that PFI was not a suitable option for Stevenage.**

#### 4.6 New affordable housing

- 4.6.1 Tenants' aspirations, ascertained through consultation, included the provision of new affordable homes. Tenants' representatives on the Housing Strategy Group believe

that LSVT is the most likely option to deliver new homes. There are however a number of issues to consider. An existing Registered Social Landlord may have funding to invest in new housing or may be able to access funding from the Regional Housing Board and a RSL could seek grant funding from a local authority.

4.6.2 Regional Housing Board funding could, however, go to any of the Registered Social Landlords operating in the town. Therefore the town could benefit from new housing regardless of the option chosen for the future management of the stock.

4.6.3 A local authority could award grant for new housing to any preferred partner Registered Social Landlord operating in the town and again, the town could benefit from new housing regardless of the option chosen for the future management of the stock. Although only the LSVT option provides the Council with potential additional funding for affordable housing through the transfer receipt.

#### 4.7 Public consultation

4.7.1 Following the receipt of the Housing Strategy Group's report, the Council has undertaken a three-week programme of consultation between 26<sup>th</sup> May and 20<sup>th</sup> June 2005 to inform tenants about the process and test opinion on the two deliverable options. The consultation included a letter to all tenants with a "test of opinion" return slip, a telephone survey conducted by MORI of a representative sample of 1000 tenants, eight public meetings, a four meetings at sheltered accommodation covering tenants from 12 sheltered units. In addition, five meetings have been held with staff and with the unions.

4.7.2 More detailed information has been provided for tenants, leaseholders and staff through news releases, on the web site, through the customer service centre and at Stevenage Day. Tenants have been invited to raise questions with Council officers or members by telephone, e-mail, fax or letter.

4.7.3 Full details of the outcome of the consultation will be presented at the meeting but overall there is a clear view from the tenants (over 85%) that they wish to retain the Council as their landlord and they understand that this could involve the setting up of an ALMO.

**4.7.4 The Executive resolved on the 8<sup>th</sup> June 2005 that IF this was the outcome of the consultation then it would "make it clear to the Council that it does not have sufficient funds to meet the Government's Decent Homes Standard by 2010" and "recommend to the Council that it retains the stock via an Arms Length Management Organisation". This report reflects that resolution.**

#### 4.8 Next Steps

If the Council approves the recommendation to set up an ALMO it would be anticipated that the Council would obtain sign off to this option from the Government Office for the Eastern Region (Go East) by the end of July 2005. The Council would then submit an ALMO bid to the Office of the Deputy Prime Ministers in September or January 2005. Shadow arrangements would then be put in place preparing for the formation of the ALMO early in 2006/07. The ALMO would undergo its inspection to achieve its 2 star rating around the end of 2006/07 and be in a position to draw upon the additional ALMO funding (assuming the MRP formula issue is resolved) in 2007/08.

## 5 IMPLICATIONS

The implications of the proposals to pursue the ALMO Option, as recommended in this report, are stated below. Precise implications can only be determined as details regarding the formation of an ALMO are established and will necessitate subsequent reports back to the Executive in due course.

### 5.1 Financial Implications

5.1.1 **General** - The Financial Implications of each of the Options considered are contained in the attached Housing Strategy Group Report and detailed in Annex D "Financial Analysis" to that report.

#### 5.1.2 ALMO Option –

**In summary**, the proposed ALMO Option will deliver additional Capital Resources to the Council and the Revenue implications are estimated to be broadly neutral across the HRA and General Fund. However, the precise revenue implications can only be determined as details regarding the formation of the ALMO are established.

Fuller explanations of the financial implications of the ALMO option are as follows: -

- i) **Capital Finance** - Under this option SBC can submit an ALMO Bid to the Government, which if successful will allow the Council to borrow to fund the shortfall in its current Capital Resources to meet the Decent Homes Standard by 2010. If the Council were to seek to retain the housing stock and achieve Decent Homes without the ALMO funding arrangements all of the Council's available Capital Resources would have to be allocated to the HRA and this would have significant and unacceptable consequences for the Council's other assets and services. It is anticipated that the Council would be able to make a minimum ALMO bid of at least £20m plus an additional 5% in respect of regeneration. The Government would then provide revenue support through the Housing Subsidy System in the form of Supported Capital Expenditure (SCE) to meet the interest payments on the loan. Funding is not provided to repay the loan, the intention being that the loan will continue to be re-financed with the Government continuing to meet the interest charges. It is unclear at this stage what the funding arrangements would be for maintaining Decent Homes beyond 2010. The supported borrowing is actually undertaken by the Council and the funds raised are made available to the ALMO, along with those capital resources currently allocated to the HRA, to undertake the Decent Homes programme. In total it is estimated that between 2005/06 and 2010/11 a minimum of £74m would be allocated to the HRA Capital Programme.
- ii) **General Fund Minimum Revenue Provision (MRP) Problem** – The Council is currently debt free with a net overall debt position in credit of some £8m. However, underlying this net position the General Fund is actually some £24m in debit, offset by the HRA being some £32m in credit i.e. the HRA is effectively lending to the General Fund. Under the Local Government accounting regulations the General Fund is currently protected from having to make a 4% Minimum Revenue Provision on its £24m debt (equivalent to £960k per annum) because of the Council's overall credit position. It is the Government's intention that the Council's current protected position should not be affected by future HRA ALMO Borrowing. However, it has become apparent that the MRP formula does not actually operate as intended and as currently drafted the General Fund would be impacted if the HRA borrowed.

Borrowing of the minimum ALMO bid of £20m would swing the Council's net debt position to some £12m debit and result in an annual MRP charge to GF of some £480k per annum. HRA borrowing of up to £32m would result in a GF MRP charge of nearly £1m per annum. The General Fund could not sustain these additional charges and it would have to be a condition that the Council could only pursue the proposed ALMO Option if the MRP formula is corrected. The ODPM have indicated that they would be minded to correct the formula.

- iii) **HRA Revenue** – as detailed in Annex D “Financial Analysis” to the HSG Report, it is forecast that the Council's HRA should remain in a fairly healthy position into the medium term. This position should continue largely unaltered under the ALMO Option as the Council continues to maintain the HRA, which remains within the Government's Housing Subsidy System. The major change to the appearance of the HRA is that many of the costs previously incurred directly by the HRA would in future be met through the payment to the ALMO in respect of its Housing Management services provided under contract to the Council. Housing staff currently working primarily for the HRA would be likely to transfer to the ALMO.
- iv) **General Fund Revenue** –
- **Support Services** - In the short term the revenue implications on the General Fund of setting up an ALMO are generally found to be marginal. Support Services currently provided to the HRA generally continue with either transfer of an element of the support directly into the ALMO or the continued provision of the support from the Council to the ALMO under contracts for an agreed level of service provision. It is not possible at this stage to determine the precise implications for the General Fund, as these will be subject to detailed consideration of the appropriate relationship between each support service and the ALMO. A review of overall Support Service charges is currently planned that will facilitate considerations for the formation of the ALMO. In the medium to longer term there are risks to the General Fund of diseconomies of scale if, in time, the ALMO were to seek to source support services independently. However, the Council would have the opportunity to develop strategies to mitigate against such an impact, the most effective of which would be to continue to provide efficient and cost effective support.
  - **Differential Interest Rates** – As explained above, supported borrowing under the ALMO Option is undertaken by the Council and the HRA continues to operate within the Housing Subsidy System with specified formulae that determine the rates at which interest must be charged between the General Fund and the HRA. This could potentially expose the General Fund to either a negative or positive impact resulting from any interest rate differentials related to the new ALMO borrowing. It is not possible to determine, at this stage, what the precise impact of this might be as it will be dependant upon prevailing interest rates and appropriate treasury management decisions, at the time i.e. whether to actually borrow or withdraw investments. The first utilisation of any ALMO borrowing is unlikely to be before 2007/08.
- v) **Staffing** – as explained above, Housing staff who are currently working primarily for the HRA would be likely to transfer to the ALMO and support staff could either transfer or continue to provide support from the Council to the



ALMO, as appropriate. Staff are likely to transfer to the ALMO under TUPE arrangements. It is therefore anticipated that there are not likely to be significant consequential financial implications on the HRA or the General Fund i.e. no redundancy costs have been assumed. The ALMO would normally be given access to the Local Government Pension Scheme. It is not possible to determine the precise implications of this, at this stage, as they would be dependant upon the Scheme details and individual members of staff involved, but the overall impact is assumed to be broadly cost neutral across the HRA and General Fund.

- vi) **Set up costs** – It is initially estimated that set up costs of some £250k may be incurred in establishing the ALMO. These cost will have to be contained within the HRA overall. As the ALMO is the vehicle by which the Council is proposing to achieve Decent Homes delivery, it might be reasonable, if necessary, to fund the set up costs with a reduction in the Revenue Contribution to Capital Outlay (RCCO), effectively making a relatively small one-off short term reduction in Capital Resources in order to achieve the longer term objective. A small ongoing “client side” resource would have to remain with the Council to perform contract monitoring functions. The cost of this resource would have to be contained within the HRA overall.

**5.1.3 Options Appraisal Process Budget** – An original budget of £200k was approved in October 2003 to undertake the Housing Options Appraisal process that is now concluding. The process has taken longer than originally anticipated mainly due to additional works required related to the Stock Condition Survey. The delay has resulted in an increase in costs generally, which together with the requirement to employ consultants to validate the survey, is likely to put the original budget under pressure. It is estimated that additional funding of some £50k may be required to meet outstanding commitments related to the process. These costs will have to be contained within the HRA.

## **5.2 Legal Implications**

5.2.1 The Council has followed the Secretary of State’s guidance on delivering Decent Homes. This guidance is aimed at assisting Councils to meet the Decent Homes target. Any Council failing to meet the target may eventually fall foul of the Audit Commission’s inspectors under the Best Value regime and the Local Government Act 1999. The Secretary of State has extensive powers of intervention in these circumstances.

5.2.2 As is apparent from the report, the Council officers are recommending an unusual decision in that it is not based on legislation as it now stands in respect of the minimum revenue provision but in anticipation of changes, which the Council trusts will be made to the financial provisions of LGA 2003. It should be emphasised that what is being recommended is subject to a “condition precedent” which is the change to the minimum revenue provision formula.

5.2.3 In due course there would be many detailed legal aspects to the implementation of an ALMO, which would be reported as appropriate.

## **5.3 Policy Implications**

Under the ALMO Option management of the Council’s Housing Stock would transfer to the ALMO. There would be a requirement for an ALMO to operate within the

Council's approved policies and this would be provided for in the agreement between the Council and the ALMO.

The Council is required to maintain its strategic housing functions and would probably retain responsibility for certain other housing services subject to agreement with the ALMO.

#### **5.4 Staffing and Accommodation Implications**

Housing staff who are currently working primarily for the HRA would be likely to transfer to the ALMO and support staff could either transfer or continue to provide support from the Council to the ALMO, as appropriate. Staff are likely to transfer to the ALMO under TUPE arrangements and the ALMO would normally be given access to the Local Government Pension Scheme. At present it is assumed that the ALMO would be accommodated in Council premises currently occupied by Housing Services.

#### **5.5 Service Delivery Implications**

The requirement for an ALMO to achieve a minimum 2 star rating from the Housing Inspectorate means that high service delivery standards must be achieved. The ALMO funding arrangements will ensure that by 2010 all of the Council's Housing is maintained to the Decent Homes Standard.

#### **5.6 Community Safety Implications**

There is provision within the ALMO funding arrangements for the Council to bid for an additional 5% in respect of regeneration issues. There is likely to be scope within this to consider some community safety issues.

#### **5.7 Information Technology Implications**

In line with other Support Services it is anticipated that Information Technology support currently provided to the Housing Service would transfer to the ALMO or continue to be provided from the Council to the ALMO.

#### **5.8 Other Corporate Implications**

Governance of the management of the Housing Stock would transfer to the ALMO, although, as stated above, there would be Council Member representation on the ALMO Board.

#### **5.9 Other Implications**

Other implications can only be determined in due course as details regarding the formation of an ALMO are established and will necessitate subsequent reports back to the Executive as appropriate.

#### **5.10 Planning, Environmental, Human Rights, Equal Opportunities & Other Implications**

None arising directly from the proposal in this report to form an ALMO.

## **BACKGROUND DOCUMENTS**

- ODPM Guidance for Local Authorities – Delivering Decent Homes – Option Appraisal
- SBC Stock Condition Survey
- SBC Housing Needs Survey
- MORI survey June 2005

## **APPENDICES (attached)**

- Appendix A - An Analysis of the Options, Extract from the Government's guidance on Options Appraisal.
- Appendix B – Reply of Unison to the Report of the Housing Strategy Group.
- Appendix C – Report of the Housing Strategy Group.

## Appendix A

### Extract from the Government's guidance on Options Appraisal - An Analysis of the Options

<b>Feature</b>	<b>Stock Retention</b>	<b>ALMO</b>	<b>LSVT</b>	<b>PFI</b>
<b>Stock affected</b>	All stock	All or some of stock	All or some of stock	Some of stock only
<b>Resources for Stock Investment</b>	Based on available resources only	Based on bid (decent homes plus potential contribution to Env'l Improvements) and achieving 2* or 3*	Based largely on Stock Condition Survey and other investment needs	Based on agreed bid - largely on Stock Condition Survey and other investment
<b>Resources for current Operating Account</b>	Based on existing business plan	Based on existing business plan subject to set up of ALMO	Based on resources from valuation agreed between Council / RSL	Resources dependent on PFI bids
<b>Ownership</b>	Council remains landlord	Council remains landlord	Choice of new or existing RSL	Council remains Landlord
<b>Non-profit making</b>	Yes	Yes	Yes	Would depend
<b>Length of contract</b>	Not applicable	Agreed for specified period	Permanent transfer	Usually 25 – 30 years
<b>Management</b>	Continue with existing arrangements	ALMO will takeover management of some	RSL will take on overall management responsibility	PFI contractor will manage some local services
<b>Change of Tenancy</b>	No	No	Yes – Assured but key rights eg RTB generally preserved - see below	No
<b>Formal Ballot</b>	Not required	Not required	Yes	Not required
<b>Rents</b>	Controlled by council – but in line with government target formula	Controlled by council – but in line with government target formula	Controlled by RSL – but in line with government target formula	Controlled by council – but in line with government target formula
<b>Tenant service charges</b>	Subject to local policy	Subject to local policy	Subject to policy agreed	Subject to local policy
<b>Regulator</b>	Audit Commission	Audit Commission	Housing Corporation + Audit Commission	Depends on contractor
<b>Other external reporting requirements</b>	ODPM	ODPM plus Companies House or FSA for ALMO	Companies House or FSA	Depends on contractor
<b>Charitable status</b>	No	Optional	Depends on RSL – optional for new RSL	Depends on contractor
<b>Governance arrangements</b>	Usually Housing Portfolio holder and any other local arrangements	ALMO governed by Board of Council / tenant nominees & independents	RSL Board can include Council / tenant nominees & independents	Would depend on contractor
<b>Leaseholder</b>	No change	No change	Reassigned to RSL	No change
<b>Staff transferring</b>	No	Yes – some would transfer to ALMO under TUPE	Yes – some would transfer to RSL under TUPE	Yes – some would transfer to contractor under TUPE
<b>Scope for development</b>	Limited at present	Limited at present – subject to new arrangements for 3*?	Yes with assistance from Social Housing Grant and other capital funds	PFI contractor would be able to build [but SHG would depend on new legislation]
<b>Right to Buy</b>	Yes	Yes	Preserved Right to Buy for transferring tenants plus Right to Acquire for new tenants	Yes

UNISON, STEVENAGE LOCAL GOVERNMENT BRANCH

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15<sup>th</sup> June 2005

## **REPORT ON THE HOUSING OPTIONS APPRAISAL 2003-5**

The Stevenage Branch of UNISON wishes to make the following comments on the above Appraisal and looks to have these views placed before Members prior to the meeting of the full Council when the options will be considered.

All the Unions who have members employed by the Council have reached agreement on this matter and these recommendations reflect those views.

As has been made clear to the Housing Strategy Group at all meetings attended by UNISON representatives and as noted in the draft Report, this Branch concurs with UNISON National Policy in urging the Council to retain its housing stock. We also recommend the Council vigorously pursue the Government to agree financial provision for this in order to safeguard the future of affordable housing and democratically represented tenants within the town in the longer term.

It is also the opinion of this Branch that this option should be pursued with a view to maintaining the current levels of employment within the Council.

In the event of the Council accepting the recommendation of the Housing Strategy Group that the preferred option would be an Arms Length Management Organisation (ALMO), this Branch would seek agreement that any staff currently employed by the Council who are Union members and who may subsequently be involved in a transfer of employment, be affiliated to the Stevenage Branch of that Union. This would allow continuous Union representation. We would seek to ensure Union representation is formally recognised by any prospective future employer.

In the event of the Council accepting the recommendation of the Housing Strategy Group that the preferred option would be an ALMO, it is understood the board of the ALMO is likely to consist of three Councillors from Stevenage Borough Council, three tenant representatives and three others. This Branch would seek representation in having a seat on any such Board.

It has been noted with some concern that the Housing Strategy Group states that in the event of the Council accepting the recommendation that the preferred option would be an ALMO, they considered it unlikely that the ALMO would look elsewhere for their support services. This Branch considers this to be an oversimplification of the issue as it is within the scope of an ALMO to seek services elsewhere if it so wishes. This Branch recommends that in the event of an ALMO being the preferred option of the Council, a Service Level agreement be drawn up requiring that Support Services be provided by the Council in the first instance and that the ALMO be required to retain these Services for the duration of its life.

We should be grateful if you would arrange for this submission to be placed before the Members at the earliest opportunity in order it may be considered and the Executive of this Branch be formally advised immediately the Council has made its decision.

UNISON  
Stevenage Branch