

REPORT TO COUNCIL

REPORT OF: CORPORATE DIRECTOR OF REGULATORY SERVICES

REPORT NO: DRS9

DATE: 28TH OCTOBER 2004

TITLE:	STOCK OPTION APPRAISAL PROCESS
FORWARD PLAN ITEM:	YES
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	FUTURE FORWARD PLAN ITEM
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	HOUSING MANAGEMENT CLLR PETER MARTIN-MAYHEW – HOUSING PORTFOLIO HOLDER
CORPORATE PRIORITY:	HOUSING MANAGEMENT
CRIME AND DISORDER IMPLICATIONS:	NONE
FREEDOM OF INFORMATION ACT IMPLICATIONS:	NONE
BACKGROUND PAPERS:	NONE

1. INTRODUCTION OR SUMMARY

As members will be aware the Council is required to undertake a Housing Stock Option Appraisal Process which must be signed off by Government Office by July 2005. This report provides the timetable for the work programme of the Stock Options appraisal Commission (SOAC) and advises

members on the outcome of recent correspondence between Government Office for the East Midlands and the Council in relation to the Council's progress in this issue.

2. RECOMMENDATIONS

It is recommended that Council: a) approves the work programme of the SOAC and accepts the Council's responsibilities to complete this process and achieve sign off by July 2005; and b) notes the letter received from Government Office for the East Midlands on 20th September 2004 together with the reply authored by the Chief Executive on 29th September 2004 and notes that a risk assessment has been undertaken by the Corporate Director of Regulatory Services.

3. DETAILS OF REPORT

The Office of the Deputy Prime Minister published a document entitled delivering decent homes – Option Appraisal Guidance for Local Authorities in June 2003. The Guidance laid out in broad terms what is expected of authorities on option appraisal, the steps that are taken to strengthen the support provided by authorities in this work and the process and requirements for Option Appraisal sign off by July 2005.

The ODPM requirements for options appraisals may be summarised as follows:-

- Robust information, on Stock Option and on demand and supply which the appraisal is based, must be gathered and made available.
- The tenants and leaseholders should be involved from the outset with the central role in decision making and access to good independent advice from the start.
- The regeneration needs of the communities affected by the Stock Option Appraisal Process should be factored into the decision making with particular reference to any work undertaken by the Local Strategic Partnership or other regeneration initiatives.
- Consideration should also be given to mixed model solutions within a clear overarching strategy for the whole stock.
- A preliminary assessment of issues around the choice of landlord, including community based models, under stock transfer;
- Consideration of the potential for improvement to service delivery as well as capital investment as part of the options appraisal.

Members will recall that a SOAC has been formed comprising of four tenants representatives drawn from the Tenant Option Appraisal Group together with

the four elected members. This group has now agreed its terms of reference and work programme which will require a significant amount of commitment to undertake the work programme within the appropriate timescale. The work programme is attached at Appendix A.

There has been close liaison with the Government Office and the Community Housing Task Force (part of the ODPM). Throughout the process to date the Government Office has now written to the Chief Executive notifying the Council that it regards the district at risk of not completing the Options Appraisals Process by 2005. The letter is attached at Appendix B to this report. A subsequent reply from the Chief Executive acknowledging this letter and its contents together with additional background information relating to progress to date has been submitted by the Chief Executive and is also attached at Appendix C.

The Corporate Director of Regulatory Services has completed a risk assessment and as identified that although the timescale is extremely demanding the Council should be in a position to complete this process in line with the Government timescale provided clearly focused and targeted work is undertaken by the Stock Option Appraisal Commission and that the Council and tenant groups both support the Commission in its work throughout this process.

However, it must also be stressed that should the Council be unable to complete the process there could be implications for the Council, although these have not been defined by the Government or Government Office (East Midlands), the potential sanctions would be adverse comment in relation to any future housing inspection and potential impact on the Council's score; adverse input into the Council's Comprehensive Performance Assessment; and potential impact on future funding, either that provided by the Regional Housing Board for future development of affordable housing or alternatively through the Major Repairs Allowance (MRA) provided by the Government to support the future investment in the Council's housing stock to meet Decent Homes Standard. Taking account of these factors it is essential that the Council fully supports the completion of this process and achieves sign off by Government Office by July 2005 and therefore supports fully prioritisation of the Stock Option Appraisal and the work of the Stock Option Appraisal Commission.

4. COMMENTS OF DIRECTOR OF FINANCE AND STRATEGIC RESOURCES

None.

5. COMMENTS OF CORPORATE MANAGER, DEMOCRATIC AND LEGAL SERVICES (MONITORING OFFICER)

None.

6. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None.

7. CONCLUSIONS

Although the Government Office for the East Midlands has identified the district as at risk of not completing the options appraisal process by July 2005, Officers of the Council are confident that sign off can be achieved provided there is significant support throughout the process by officers, elected members and representatives of the tenants group.

8. CONTACT OFFICER

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