
ARGYLL AND BUTE COUNCIL STRATEGIC POLICY COMMITTEE

DIRECTOR OF HOUSING
AND SOCIAL WORK

THURSDAY 26TH APRIL 2001

NEW HOUSING PARTNERSHIP INITIATIVE – HOUSING STOCK OPTION APPRAISAL

1. SUMMARY

- 1.1 Argyll & Bute Council commissioned the firm of DTZ Piedad Consulting in February 2000 to undertake an Option Appraisal Exercise into the future of its housing stock. Their work was funded utilising a £95,000 grant awarded under the Government's New Housing Partnership Initiative.
- 1.2 This report appraises Members of the progress that has been achieved to date and makes recommendations to enable the consultants to outline their findings to Members and other stakeholders.

2. RECOMMENDATION

- 2.1 Members are asked to grant their approval for a seminar on a suitably convenient date towards the end of May during which the consultants will outline their findings and recommendations for the future of the Council's housing stock.
- 2.2 Thereafter, Members are asked to note that a full report recommending future developments will be submitted to the next appropriate meeting of the Strategic Policy Committee.

3. DETAIL

- 3.1 Argyll & Bute Council commissioned the firm of DTZ Piedad Consulting in February 2000 to carry out an Option Appraisal Exercise for the future of its housing stock. This work was funded by a £95,000 grant obtained under the Government's New Housing Partnership Initiative.
- 3.2 As previously report to the August 2000 meeting of the Housing & Social Work Committee, their work was made up of the following elements:

- a) **A house condition survey – subcontracted to the John Martin Partnership.**
- b) **An appraisal of future options based on the results of the valuation exercise drawn from the findings of the house condition survey. This included consideration of options ranging from full stock retention, through partial transfer, to the full scale transfer of the Council’s stock – conducted by DTZ Piedad.**
- c) **A tenant and wider stakeholder consultation programme - conducted by the principal consultants and Housing Plus.**

3.3 Throughout the process, the consultant’s work has been monitored and supported by a Management Group, made up of senior officials drawn from the departments of **Housing & Social Work, Finance and Corporate & Legal Services**. In addition, the stakeholder consultation programme has included contacts with officials from other Council departments which may be affected by the process, as well as Scottish Homes and local housing associations, the Council’s key partners in the delivery of its overall housing strategy.

3.4 The consultant’s interim findings were presented to Members and internal stakeholders at a specially arranged seminar on the 26th January 2001. Since then, they have continued to work closely with the project management team to gradually draw the exercise to a conclusion. Having recently presented their final draft report to this management group, work is continuing to consolidate understanding on a number of issues relating to the findings of the house condition survey and valuation process. Consequently, the consultants now envisage that they will be in a position to provide their final report and recommendations for further development by the middle of May.

3.5 Following the success of the earlier seminar, they have indicated their willingness and preference to present full details of their findings and recommendations to a similar gathering. This would provide Members, directly and indirectly employed staff and the trade unions with the opportunity to question the consultants on this issue which could have a huge impact on the future of the Council’s Housing Service and also how it is able to conduct its other business. Members are asked to approve this arrangement and to suggest a mutually convenient date for a seminar.

4. CONCLUSION

4.1. Argyll & Bute Council, in common with the majority of other Scottish local authorities, is currently appraising options for the future of its housing stock. This work has been conducted by the firm of DTZ Piedad Consulting, supported by a project management group made up of senior council officials. This report reviews overall progress to date.

- 4.2 Stock transfer is a complicated process which will have major implications for the Council, its Members, staff, tenants, waiting list applicants and partner agencies. However, due to the continuing reduction of resources available for investment in the Council's housing stock through traditional public sector finance mechanisms, it is imperative for the Council to examine in detail, options for the transfer of all or part of its housing stock to an alternative landlord. This is an essential step to promote opportunities for levering in funding from the private sector to facilitate future improvements. It may also assist the Council in its effort to create wider employment opportunities as well as community regeneration initiatives.

5.0 IMPLICATIONS

- 5.1 Legal – Major implications are likely to arise from any stock transfer proposal so the Council's solicitors have been given the opportunity to participate in the Option Appraisal process.
- 5.2 Financial – If stock transfer takes place it will have major financial implications for the Council, particularly in relation to financing of its housing debt and for the support of central service activities.
- 5.3 Personnel – The potential impact on staff is fully recognised so provision has been made for full consultation with both directly and indirectly employed staff within the Council together with appropriate Trade Unions.
- 5.4 Equal Opportunities – Nil
- 5.5 Policy – The Council has established the overall housing goal to enable the delivery of an adequate supply of good quality, affordable housing to support the development of the communities we serve. Having regard to this, the appraisal of options for the future of our housing stock is an essential pre-requisite to the levering in of private finance in support of this goal.

Douglas Hendry
Director of Housing & Social Work

List of Background Papers

New Housing Partnerships: Optional Appraisal Exercise – a report by the Director of Housing & Social Work, November 1999

New Housing Partnership Initiative – Housing Stock Option Appraisal Exercise – Report by Director of Housing & Social Work, August 2000.

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