

## HOUSING STOCK TRANSFER FEASIBILITY STUDY

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### 1. SUMMARY

- 1.1 This report provides Members with an update on the progress that has been achieved in relation to the commissioning of the Council's Housing Stock Transfer Feasibility Study.

### 2. RECOMMENDATION

- 2.1 Members are asked to note the current position.

### 3. DETAIL

- 3.1 **Background:** Argyll & Bute Council commissioned the firm of DTZ Piedad Consulting in February 2000 to undertake an Option Appraisal into the future of its housing stock. This work was commissioned utilising a £95,000 grant awarded under the Government's New Housing Partnership Initiative. Members considered a report on the outcome of this study at the Council Meeting that was held on Thursday 28 June 2001.
- 3.2 At the meeting, Members agreed that progress should be made towards the commissioning of a feasibility study for a **full stock transfer**. It was further agreed that this process should be overseen by a Steering Group, comprising of Councillors McKinley, Freeman, Walsh, McIntosh and Thompson with the support of the Director of Housing & Social Work and Heads of Service. A trade union representative was also invited to participate in the group.
- 3.3 As an initial step, the **Scottish Executive** were made aware of the outcome of the Option Appraisal process and also of the Council's decision to proceed towards a full stock transfer. From this early contact, the Council were then asked to engage with **Scottish Homes'** Initiatives staff to produce a brief for this detailed feasibility work and also to reach an agreement with them over the cost of the exercise. In addition, the Scottish Executive requested an outline of a critical path with associated costings for the later phases of work leading up to any potential stock transfer. This latter element is designed merely to provide the Executive with a broad indication of when the Council is likely to require further spending consent should it decide to progress with a stock transfer initiative.

- 3.4 **Progress to Date:** Having completed our joint work with Scottish Homes, a draft brief was submitted to the initial meeting of the **Stock Transfer Feasibility Study Group** on Thursday 20 September 2001. This was approved by the group and set out arrangements for a detailed study comprising of the following elements:-
- An updated assessment of housing needs.
  - An appraisal of possible transfer vehicles, structures etc.
  - A detailed investigation of the impact of a stock transfer on the Council's General Fund, together with the subsequent impact on directly and indirectly employed staff.
  - The generation of a stock disposal strategy and action plan for implementation
  - The formulation and implementation of an ongoing tenant and stakeholder consultation strategy.
- 3.5 At this initial meeting, the Steering Group were also advised that Scottish Homes had agreed a budget of **£100,000** for the overall project. In addition, it was noted that they were prepared to support the Council's application to the Scottish Executive for funding consent under the New Housing Partnership regime. This consent was granted in mid October and following the instruction issued by the Steering Group, I thereafter invited **DTZ Piedad Consulting** to submit a proposal for the delivery of a study in response to the approved brief.
- 3.6 The consultant's proposal was received in early December but unfortunately, was costed substantially above the approved project budget. Having appraised the Scottish Executive of this position, I was thereafter instructed to provide Communities Scotland Initiatives staff (formally Scottish Homes) with the opportunity to appraise the study proposal. This was with a view to them recommending whether an enhancement to the project budget was merited.
- 3.7 **Commissioning of Study:** Members are asked to note that this matter has now recently been concluded in the Council's favour. As a consequence, the Scottish Executive have now adjusted the level of consent for the project to a maximum of **£150,000**. In view of this decision, a meeting has been arranged with DTZ Piedad Consulting to formally commission the Feasibility Study on the 19<sup>th</sup> February 2002.
- 3.8 Following the commissioning, the consultants will be charged with the task of providing a project workplan which will be placed before a meeting of the Steering Group later that month. While this step will be taken, based on the initial reaction of the consultants, I believe that the feasibility study will take approximately 12 months to conclude.

#### 4. CONCLUSION

- 4.1. Stock transfer is an exceedingly complicated process that will have major implications for the Council, its staff and a range of other stakeholders including tenants and partner agencies.
- 4.2. The brief set for the project will help to ensure that the feasibility of the process is thoroughly investigated and that the interests of all stakeholders are fully taken into account prior to reaching any conclusions.

## 5.0 IMPLICATIONS

- 5.1 **Legal** – Nil
- 5.2 **Financial** – The Scottish Executive have agreed to fund the Council's Housing Stock Transfer Feasibility Study through the payment of a New Housing Partnership Grant.
- 5.3 **Personnel** – Stock Transfer will have a major impact on staff so the feasibility study will include full consultation with the trade unions.
- 5.4 **Equal Opportunities** – Nil
- 5.5 **Policy** – The Council has established the overall housing goal to enable the provision of an adequate supply of good quality affordable housing to help sustain the communities we serve. The feasibility study will be conducted within this overall context and will also relate fully to the Government's agenda of encouraging greater Community Ownership and Empowerment.

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