

COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL)**MONDAY 17 JUNE 2002 AT 10.00 AM**

PRESENT: Councillor Knapton (Chairman), Councillors Boaden, Mrs Fisher, Hodgson G, Morton, Mrs Pattinson and Ms Quilter (as Substitute for Councillor Atkinson)

Mr J Zitron, HACAS Chapman Hendy and Mrs E Adams PEP and Councillor Bloxham, Portfolio Holder for Health and Wellbeing were also in attendance.

COS.86/02 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Atkinson.

**COS.87/02 DECLARATIONS OF INTEREST (INCLUDING
DECLARATIONS OF THE PARTY WHIP)**

There were no declarations of interest to be made.

**COS.88/02 RESULTS OF 'STAGE 1' LSVT CONSULTATION AND
PROPOSALS FOR 'STAGE 2'**

The Director of Housing presented a joint report with the City Treasurer (H.40/02) setting out the results of the 'Stage 1' formal consultation with tenants on the proposed housing stock transfer.

The report detailed –

- (a) the background to the housing stock transfer proposal and the numerous consultation methods adopted with tenants;
- (b) the results of the tenant consultation exercise;
- (c) consultation with leaseholders;
- (d) the key issues raised by tenants during the consultation process; and
- (e) the key financial considerations for the Council should the transfer go ahead.

The Director indicated that the tenant consultation process had been comprehensive and

that the Council could be confident that every reasonable opportunity had been given to tenants to express their views and to understand the basis of the transfer proposal. From preferences expressed by tenants during the consultation process, 70% had indicated that they were in favour of the transfer, 21% were unsure and 9% against. Those figures demonstrated a significant degree of support for the transfer proposal from those tenants who had come to a view (by 7:1), with around one fifth still undecided.

He added that an independent telephone poll had been undertaken, commissioned from an external market research organisation (CN Research) at the mid-point in the consultation process. That had indicated a significant degree of support for the transfer proposal from those tenants who had come to a view (by over 4:1) with a third remaining undecided.

He further added that the difference between the two sets of results was consistent with LSVT Stage 1 consultation experience elsewhere which suggested that the results from direct contact with tenants when made by Council/RSL staff could tend to overstate the support for transfer. The key question was therefore how the 17% (1,376) of tenants who were undecided at the time of contact would decide to vote in the ballot, or indeed, whether they would vote at all if serious doubts remained.

The Director commented that whilst Officers could not confidently predict how many tenants would vote in any postal ballot. The importance of voting had been repeatedly stressed by staff throughout the consultation and, looking elsewhere, turnouts of between 70% and 80% could be achieved if tenants felt themselves properly informed and motivated to determine the outcome.

Based on the information contained within report H.40/02, the Director considered that it would be reasonable to deduce that:

- (a) there would not appear to be any significant areas of the offer requiring revision;
- (b) There was no evidence of opposition from tenants to the principle of proceeding to a proper test of opinion through a ballot;
- (c) there was evidence of a need to clarify certain key points of the offer to assist tenants in coming to an informed view. Therefore, in terms of assisting tenants to get the clearest possible view of the issues, two further pieces of pre-ballot explanatory information would be sent out, i.e.:
 - (i) a second video mailed out to all tenants week commencing 10 June 2002 which repeated the key information in the offer document; and
 - (ii) a further edition of the Council's "Homes for the Future" newsletter to be distributed to all tenants week commencing 17 June 2002 and which would specifically pick up on the key areas of query identified in Section 13 of report H.40/02.

Under those circumstances it was proposed that the Council approve a recommendation to move forward to the issue of a 'Stage 2' letter to all tenants and then straight to a ballot on the terms set out in the offer documentation.

The Director confirmed that the ballot, which would be conducted from London by Electoral Reform Ballot Services, would be a secret postal ballot independent of both the Council and

Carlisle Housing Association/Riverside. The ballot would be concluded between 28 June and 26 July 2002 with the results being reported to the Executive on 29 July 2002.

Report H.40/02 would also be submitted to a meeting to the Housing Consultative Group later that morning and their observations would also be reported to the Executive.

In considering the matter, Members questioned the Director of Housing and representatives from HACAS Chapman Hendy and PEP on the action which the Council had taken to follow up responses received as part of the consultation exercise and the actions which the City Council had taken to respond to low turnouts at road shows and consultation meetings. The Director of Housing confirmed that the Council had responded to all the queries/comments which had been submitted as part of the consultation response cards and he identified the actions which had been taken to notify/publicise road show visits, including distribution of leaflets in the areas, provision of a bus to transport tenants to the road show etc.

Members questioned whether there was a target turnout figure for the ballot, the Director of Housing commented that the Office of the Deputy Prime Minister had issued guidance that more than half of the people who vote needed to vote in favour of the transfer. Mr Zitron confirmed that there needed to be a majority of those voting in favour of the transfer and that there had not been a situation of below 50% turnout in recent years therefore there were no hard and fast rules, but the Office of the Deputy Prime Minister would have to be content that the majority of tenants were not against the transfer, and the Secretary of State would need to make a judgement on the relative facts.

Members also commented that there were a number of issues which would still need to be addressed once the ballot had taken place, and questioned whether the timescales were achievable.

The City Treasurer commented on the position with regards to the City Council and the proposed transfer. He reminded Members that Carlisle had a significant level of overhanging debt and the Secretary of State would pay off the balance of that debt. Many of the negotiations between the City Council and Riverside were therefore cost neutral to the City Council and those issues would have no lasting impact on the Council.

In response to questions from Members the Portfolio Holder for Health and Wellbeing commented that subject to the discussions with the Housing Consultative Group, he believed that the Council and Carlisle Housing had carried out a substantial amount of consultation, and the Council should now proceed to a formal ballot of all tenants.

In response to further questions from Members, the Director of Housing commented that the City Council had not asked partners for details of any development proposals, but part of the core issues with regards to the Council's housing stock was the level of supply of the type of property required by tenants and it would be a matter for Riverside in their development phase to bid for funding from the Housing Association for new development proposals as with other Housing Associations within the City Council's area.

In response to further questions the Director of Housing commented on the rent systems and confirmed that Carlisle Housing Association's Business Plan was not based on a two tier rent system.

Members considered the draft document which had been produced on Issue 7 Homes for the Future and commented that the answers under the section "the issues you raised" were unclear particularly in respect of the sections - will our rents increase if we transfer, and service charges. The Director of Housing explained that the wording on the leaflet needed

to be approved by the Office of the Deputy Prime Minister and the wording which the City Council had submitted in the draft document which had sought to simplify the matter had been amended by the Housing Corporation and the Office of the Deputy Prime Minister and replaced with the wording as set out in the draft leaflet.

The Portfolio Holder informed the meeting that he was shortly to meet representatives of the Government Office North West, and he would raise the issue with those representatives at that meeting.

RESOLVED – That this Committee recommends to the Executive that:

- (1) Having considered the results of the Stage 1 consultation, the Executive proceed to a formal secret ballot of all tenants on the terms set out in Section 16 of Report H.40/02 and in the context of the factors set out in Section 15 of the Report;
- (2) The Town Clerk and Chief Executive be authorised to issue a Stage 2 consultation notice to all tenants as set out in Appendix C to Report H.40/02, subject to any final amendment required by the Office of the Deputy Prime Minister;
- (3) With regards to the draft leaflet "Homes for the Future" the Director of Housing to ask the Office of the Deputy Prime Minister and representatives of Government Office North West to look at the responses to the section "the issues you raised" to see if the responses could be clarified/simplified, particularly in respect of the sections on "will our rents increase if we transfer" and "what about service charges", and that with regards to the order in which the questions appear the "what's the main reason for transfer" be placed as the first question in that section.
- (4) That the wording of "similar" in that section be replaced by "almost the same" in order to give consistency with previous publications.
- (5) That it be noted that there will be a number of issues arising from the Transfer to be addressed by the Council once the ballot results have been announced, and it was anticipated that a report would be submitted to the Executive on 30 September 2002 and the Director of Housing be asked to submit a report on those proposals to a special meeting of the Community Overview and Scrutiny Committee prior to the above meeting of the Executive.
- (6) That the Director of Housing and his staff in particular, Ms L Dixon, be congratulated for the work which they had carried out in producing the report and for the work which they had carried out on the formal consultation with tenants.

(The meeting ended at 11.06 am)

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