

REPORT TO: Housing Committee – 18 September 2000

REPORT ON: New Housing Partnership:
Ardler Stock Transfer

REPORT BY: Director of Housing

REPORT NO.: 595-2000

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to seek approval to proceed with the ballot of tenants in the Ardler housing estate, subject to Scottish Executive consent, to determine support for the proposed stock transfer to Sanctuary Scotland Housing Association.
- 1.2. Approval of this report will contribute towards the achievement of the following Corporate Plan objective:

'Tackle poor living conditions which are unpopular within communities and take action to help residents put the heart back into their communities and provide quality housing and choice'.

2. RECOMMENDATIONS

It is recommended that Committee:

- 2.1. Ratify the final draft of the Ardler Masterplan as agreed by all partners through the Ardler Project Co-ordinating Group (copy available in Councillors Lounge).
- 2.2. Remit to the Director of Housing to carry out a programme of consultation (see Appendix 1) and issue the Stage 1 and 2 Formal Notices as required by the Scottish Executive to all residents in Ardler.
- 2.3. Remit to the Director of Housing to appoint the Electoral Reform Ballot Society to carry out a ballot of all tenants in the Ardler estate to determine support for the proposed stock transfer.
- 2.4. Remit to the Director of Housing to bring forward proposals for stock transfer to Sanctuary Scotland Housing Association, subject to tenant support, at the appropriate time.

3. FINANCIAL IMPLICATIONS

- 3.1. In the event of a positive ballot and Committee approval to proceed with stock transfer, the total project cost is estimated to be £69,379 million (see Appendix II).
- 3.2. The total subsidy requirement through New Housing Partnership is estimated at £28.190 million. In June 1998, the Scottish Executive released funding to the amount of £1.16 million to progress the first phases of the regeneration project. In July 1999, an undertaking was given to release a further £22.03 million over the next three years in New Housing Partnership funding for the Ardler New Housing Partnership. In addition to this, a separate arrangement has been made with the Scottish Executive regarding debt

servicing. Details of the overall funding implications and total subsidy requirement have been submitted to the Scottish Executive.

- 3.3. The cost of delivering the entire consultation programme, including print and design of statutory notices, is estimated to be £12,500 which can be met from the 2000/01 New Housing Partnership funding.
- 3.4. Administration of the ballot is estimated to be £1,200, which can be met from the 2000/2001 New Housing Partnership funding.

4. **LOCAL AGENDA 21 IMPLICATIONS**

4.1. **Local Needs are Met Locally**

Removal of vacant and derelict buildings will provide an opportunity to enhance immediate environmental conditions for the betterment of residents.

5. **EQUAL OPPORTUNITIES IMPLICATIONS**

None.

6. **SUMMARY**

- 6.1. At the Housing Committee on 20 October 1997, the Director of Housing was remitted to bring forward proposals for the redevelopment of the Ardler housing estate.
- 6.2. On 28 September 1998, Committee agreed that the City Council would transfer its housing stock to Sanctuary Scotland Housing Association subject to the outcome of a ballot of tenants and the financial and other aspects being acceptable to the Council.
- 6.3. DTZ Peda were appointed by the City Council in May 1999, to carry out a stock condition survey and financial appraisal.
- 6.4. The stock valuations were based on the proposals contained in the Ardler Master Plan which involved partial demolition of the existing flats and maisonettes, the modernising/upgrading of the remaining flats/maisonettes and the building of new build rented property.
- 6.5. Since this time, the financial aspects of the proposal and variances in the stock valuation assumptions have been the subject of ongoing negotiations.
- 6.6. Final valuations can be summarised as follows (see table i).

Table i

	Valuation
DTZ Peda	-£25,570,407
Sanctuary Scotland Housing Association	-£26,438,825
Difference	-£868,418

- 6.7. The main elements of the valuations which account for the differences include assumptions and allowances for:
- remedial works required to improve ground conditions.
 - cost escalators for capital works (above the rate of inflation).
 - revenue costs of maintaining Concierge Service for the period until demolition.
- 6.8. Overall, DTZ found the risks to Sanctuary are under control and on balance, given the funding available, the project is a reasonable deal. In summary, they believe the project proposals from Sanctuary Scotland Housing Association to be financially viable. All partners are now satisfied that the project has financial viability and offers value for money and as such, the partners agree that it is now appropriate to proceed to ballot.
- 6.9. All appropriate documentation to support formal request to proceed to the Stage 1 Formal Notice was submitted to the Scottish Executive on 25 August 2000, and formal approval to proceed to Stage 1 was received in September 2000.
- 6.10. Subject to Committee approval, a ballot of tenants is due to take place during the four week period from 27 November 2000.
- 6.11. The Electoral Reform Ballot Society will compile a certified report of voting at the end of the process at which time the Director of Housing will report back to Housing Committee with appropriate proposals.
- 6.12. The Stock Transfer Guidelines for Local Authorities issued by the Scottish Executive state that ministers must be satisfied that 'a majority of tenants expressing an opinion support the transfer'. Tenants will be made aware of this mandate through the Stage 1 Formal Notice (see Appendix III) and throughout the consultation process it will be emphasised by all partners that a high turnout is expected.

7. **CONSULTATION**

- 7.1. The Ardler Steering Group has been consulted and are in support of the proposals.
- 7.2. The local Elected Member has been consulted.
- 7.3. The Chief Executive, Directors of Economic Development, Finance, Support Services, Planning and Transportation and Corporate Planning have been consulted.

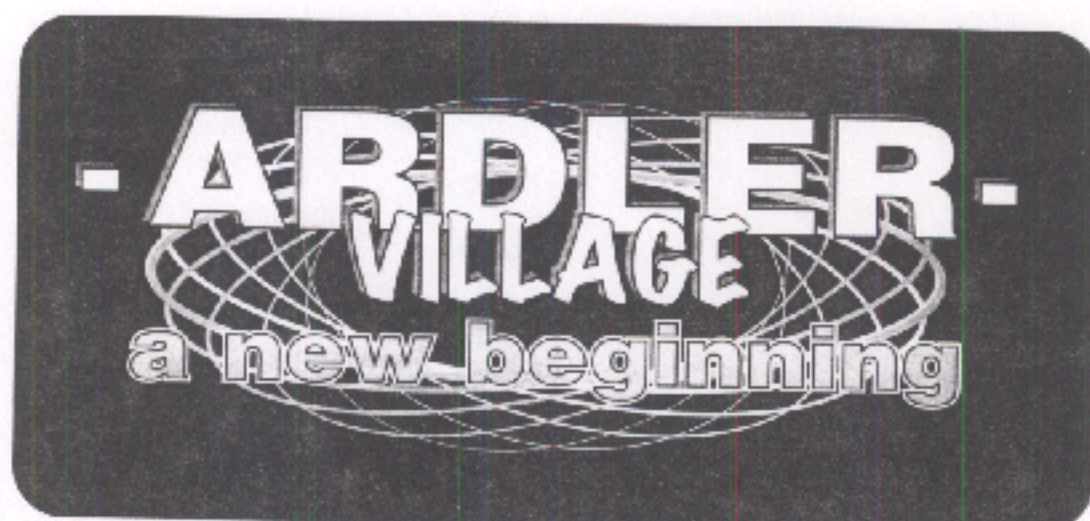
8. **BACKGROUND PAPERS**

Report to Housing Committee, 20 October 1997.
 Report to Housing Committee, 28 September 1998.
 Report to Housing Committee, 24 May 1999.

ELAINE ZWIRLEIN
DIRECTOR OF HOUSING

Signed: _____

Date: _____



CONSULTATION STRATEGY

DATE	EVENT	CONTENT	LEAD BY
August	Newsletter		Steering Group/ODS
30 August	Steering Group Meeting	Speak to the steering group about the proposed consultation programme.	SSHA/DCC/ODS
September	Newsletter	Ballot, Stage 1 info extension to SSHA office, Drop in sessions details	SSHA
	Newsletter	Update on their progress.	ODS – both to be delivered together
16/17 September OR 23/24 September	Stage 1 issued	Tenancy Agreement, Quick Guide, Formal Notice Letter Voting Intentions survey	DCC/SSHA
18 or 25 September	Door Knocking		ODS
18 September OR 25 September	Follow up letter issued	Asking anyone who has not received the stage 1 information to contact Area renewal immediately.	DCC
25 September-16 October OR 3 October – 23 October	Consultation Period	10 meetings to be held with each development	ODS/SSHA/DCC
	Freephone line, Door to Door, Drop in Sessions, Drop in sessions	Run concurrently with Stage 1 – 2 half days per week until 27/11 in Steering Group Flat/area office	ODS/DCC/SSHA DCC
15 or 22 October 23 or 30 October	End of stage 1 Consider voting intentions/results/feedback meeting.	Consider for stage 2 document	DCC/SSHA/ODS
30 October or 7 November	Door Knocking		SSHA
20 November	Issue stage 2		DCC/SSHA
27 November	Follow up letter issued	Asking anyone who has not received the stage 2 information to contact Area renewal immediately.	DCC
27 November	Ballot Papers Issued		DCC/EBRS
4 December	Reminder letter issued	If papers not received contact DCC	DCC

ARDLER NEW HOUSING PARTNERSHIP
Total Subsidy Requirement

EXPENDITURE	Prev. Yrs. £m	1998/99 £m	1999/2000 £m	2000/01 £m	2001/02 £m	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 £m	TOTAL
Rented Housing	0.700			10.734	17.575	6.584	3.452	7.084	6.437	2.646	55.212
GRO Housing				2.885	2.489	2.051	0.080				7.505
Stock Transfer				0.150	0.100						0.250
DCC Infrastructure		0.527		0.142							0.669
Demolitions		0.148	0.314	0.281							0.743
Debt Servicing				1.000	1.000	1.000	1.000	1.000			5.000
TOTAL	0.700	0.675	0.314	15.192	21.164	9.635	4.532	8.084	6.437	2.646	69.379

INCOME											
NHP-HAG				9.039	11.089						20.128
NHP-GRO				0.977	0.423						1.400
NHP-DCC		0.675	0.314	0.573	0.100						1.662
NHP-Debt Servicing				1.000	1.000	1.000	1.000	1.000			5.000
NHP Sub Total	0.000	0.675	0.314	11.589	12.612	1.000	1.000	1.000	0.000	0.000	28.190
Other SH (SEG)	0.700										0.700
Sanctuary/Wimpey (X Subsidy)				0.480	0.131	0.341	0.341				1.293
SH (HAG)						1.000	1.000	1.717			3.717
SH (GRO)					0.461	0.525					0.986
DCC (Buy Backs)					0.620						0.620
ERDF					0.280						0.280
NOSWA							0.200	0.100	0.100		0.400
Sub Total - Public	0.700	0.000	0.000	0.480	1.492	1.866	1.541	1.817	0.100	0.000	7.996
Private: HAG				1.215	5.455	5.243	1.911	5.267	6.337	2.646	28.074
Private: GRO				1.908	1.605	1.526	0.080				5.119
Sub Total - Private	0.000	0.000	0.000	3.123	7.060	6.769	1.991	5.267	6.337	2.646	33.193
Total	0.700	0.675	0.314	15.192	21.164	9.635	4.532	8.084	6.437	2.646	69.379

GUIDELINES FOR BALLOT RESULTS

- **Turnout**

The Partners expect at least a 50% turnout of those eligible to vote.

- **Non Votes**

Unreturned papers will not be assumed as a vote either way, they will be discounted completely.

- **Result**

A simple majority of votes in favour of the transfer will be considered evidence that the majority of tenants are not opposed to the transfer.