

EXPLANATORY MEMORANDUM TO
THE STONEBRIDGE HOUSING ACTION TRUST (DISSOLUTION) ORDER 2007

2007 No. 1862

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 This Order dissolves the Stonebridge Housing Action Trust (“the Stonebridge HAT”). It transfers property, rights, liabilities and functions of the Stonebridge HAT to the Commission for New Towns.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 Part 3 of the Housing Act 1988 (“the Act”) makes provision in respect of housing action trusts (“HATs”). The Secretary of State may by order designate an area as a HAT area (section 60) and establish a HAT for such an area (section 62). Before designating an area, the Secretary of State is required to make arrangements for a ballot or poll to test the opinions of secure tenants of properties in the area about the proposed designation and he cannot make an order if it appears to him that a majority of the tenants are opposed to the proposed designation (section 61).

4.2 A HAT is established to carry out the objects in section 63 of the Act and has the general powers in that section and other powers in Part 3, to enable it to do so. By section 74 of the Act, the Secretary of State may make an order transferring to a HAT housing and other land held by the local housing authority for the area which includes the designated area. The primary objects of a HAT are to secure improvements in housing accommodation held by it and in the management and use of that accommodation and also to secure or facilitate general improvement in living and social conditions in the designated area.

4.3 Following a ballot of secure tenants held in July 1994, in which 68% of those voting on a turnout of 65% supported the proposals, an area within the London borough of Brent known as Stonebridge was designated, and a HAT established for the area, by the Stonebridge Housing Action Trust (Area and Constitution) Order 1994 (S.I.1994/1987). Housing and other land of the London Borough of Brent in the area was transferred to the Stonebridge HAT by the Stonebridge Housing Action Trust (Transfer of Property) Order 1995 (S.I. 1995/2248).

4.4 Section 88 of the Act requires HATs to use their best endeavours to secure that their objects are achieved as soon as practicable. Where a HAT considers its objects are substantially achieved, it must itself dispose, or arrange to dispose, of its remaining

property, rights and liabilities using its powers under Part 3 and must submit proposals to the Secretary of State for its dissolution and for the disposal of any property, rights and liabilities which it has not disposed of itself. Whether to give effect to such proposals or otherwise, the Secretary of State may by order provide for the dissolution of a HAT, for the disposal of a HAT's remaining property, rights and liabilities and for the transfer of functions exercisable by a HAT to another person.

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The Stonebridge HAT's Objects: The Stonebridge HAT originally estimated that it would achieve its objectives within 10 years of its establishment. In 2002 the estimate was revised when it considered that it would only be able to complete its objectives by the end of 2007. In the event, it has succeeded in completing earlier.

7.2 The Stonebridge HAT has provided new or refurbished homes for 85% of its secure tenants. In June 2007 it held a ballot which has enabled tenants to choose between the London Borough of Brent and a registered social landlord, Hillside Housing Trust (HHT), as their future landlord - on an individual basis for tenants of houses, and by majority vote in blocks of flats. Votes representing 30% of the homes have been cast by tenants who have chosen to return to the Council. The remaining 70% will transfer to HHT as their new landlord. During July the Stonebridge HAT will transfer ownership of the residential property in respect of those tenants to HHT.

7.3 The Stonebridge HAT has 15% of tenants still occupying flats in 7 of the former council tower blocks which are to be transferred to its residuary body (see below). During the ballot these tenants were given an option as to which of the landlords they will choose when they are moved to a new home. Once the moves have taken place these remaining old blocks will be demolished.

7.4 The Stonebridge HAT has established an endowment fund, of up to £2m, which will be managed largely by HHT, to help sustain and build upon the Stonebridge HAT's achievements in the future. It has also provided community buildings and facilities which will be owned and operated by HHT

7.5 On this basis the Stonebridge HAT and the Department consider that the Stonebridge HAT has substantially achieved its objectives.

7.6 Proposals for Dissolution: HATs are not intended to be providers of social housing or other services in the long term. Throughout its existence the Stonebridge HAT has kept the Department well informed of its programme of activities and in 2002 agreed that it should aim to substantially complete the programme by the end of 2007.

7.7 The Stonebridge HAT's 2006/07 Corporate Plan, which was submitted to the Department and made widely available, confirmed this timetable and set out proposals for completion of the HAT's work. Neither the Stonebridge HAT nor the Department undertook consultations specifically on those proposals since the timetable had been established and known for several years. Key stakeholders such as tenants and the Commission for New Towns (CNT) were involved throughout the process.

7.8 The Order does not modify any of the Stonebridge HAT's proposals and follows closely the precedent of previous HAT dissolution orders (North Hull - SI 1998 No 2871, Waltham Forest - SI 2002 No 86, Tower Hamlets - SI 2004 No 586, Castle Vale – SI 2005 No 411 and Liverpool – SI 2005 No 2518) in taking a broad approach to dealing with all remaining assets and liabilities.

7.9 Residuary Body: The Commission for New Towns (CNT), which is a separate legal entity but operates as part of English Partnerships, has a long and successful record as a residuary body, first for the New Town Development Corporations and later for some of the Urban Development Corporations. CNT has also been the designated residuary body for the five HATs (North Hull, Waltham Forest, Tower Hamlets, Castle Vale and Liverpool) which have already been dissolved. CNT therefore has unique experience making it well fitted to be the residuary body for the Stonebridge HAT.

7.10 The property, rights, liabilities and associated functions to be transferred to CNT are expected to include: ownership of (i) the remaining old blocks which are occupied by tenants still awaiting transfers to new-build properties, (ii) an area of land to the north of Stonebridge School and the Lady of Lourdes Primary School, the use of which has yet to be finalised, (iii) areas of open space land which are to be transferred to the London Borough of Brent; responsibility for the functions of landlord to the secure tenants in the old blocks and responsibility for other outstanding contractual matters, contingent liabilities and guarantees. The CNT will oversee obligations undertaken by HHT (or Hyde Housing Association its parent organisation) in completing work specified in contracts entered in to with the HAT. The remaining land on which the old blocks stand will transfer to Hyde for redevelopment once the blocks are vacated.

7.11 The Order: Both the Stonebridge HAT and the London Borough of Brent have been consulted on the terms of the Order and are content.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies

8.2 The impact on the public sector is neutral since the Order effects transfers entirely within the public sector. The assets and liabilities of Stonebridge HAT, including contingent liabilities, are transferred to the CNT, but no new assets or liabilities arise as a consequence of this instrument.

9. Contact

Peter Williams at the Government Office for London Tel: 0207 217 3267,
e-mail: peter.williams@gol.gsi.gov.uk can answer any queries regarding the instrument.