



# MINUTES

COUNCIL  
THURSDAY, 5 JANUARY 2006  
2.00 PM

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## PRESENT

Councillor John Kirkman Chairman

Councillor Auger  
Councillor Bisnauthsing  
Councillor Mrs. Bosworth  
Councillor Brailsford  
Councillor Bryant  
Councillor Carpenter  
Councillor Mrs. Cartwright  
Councillor Conboy  
Councillor Mrs. Dexter  
Councillor Mrs. Gaffigan  
Councillor Gibbins  
Councillor Hewerdine  
Councillor Howard  
Councillor Joynson  
Councillor Kerr  
Councillor Lovelock M.B.E.  
Councillor Martin-Mayhew  
Councillor Nadarajah  
Councillor Mrs. Neal  
Councillor Nicholson  
Councillor O'Hare

## OFFICERS

Chief Executive  
Corporate Director, Regulatory Services  
Corporate Manager, Democratic & Legal Services  
Member Services Manager  
Tenancy & Neighbourhood Services Manager  
LSVT Project Manager

Councillor Parkin  
Councillor Pease  
Councillor Mrs. Percival  
Councillor Mrs. Radley  
Councillor Radley  
Councillor Sandall  
Councillor Shorrocks  
Councillor Smith  
Councillor Mrs. Smith  
Councillor Steptoe  
Councillor G. Taylor (Vice-Chairman)  
Councillor M. Taylor  
Councillor Thompson  
Councillor Turner  
Councillor Waterhouse  
Councillor Wheat  
Councillor Mrs. Wheat  
Councillor Wilks  
Councillor A. Williams  
Councillor M. Williams  
Councillor Mrs. Woods

## OFFICERS

PR Manager  
Scrutiny Officer  
Admin Assistant for Stock Transfer  
Trainee Democratic Support Officer

Mr. Alan Johnson – Beha Williams Norman Ltd.

1 Member of the local press

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*Councillor Williams announced that a variety show had been organised in aid of the Chairman's Charity. The show would be performed at the Guildhall Arts Centre on March 23<sup>rd</sup> 2006.*

*The Chairman welcomed Alan Johnson from Beha Williams Norman Ltd and Geoff Brooks, the LSVT Project Manager to the meeting.*

**90. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Chivers, Craft, Fines, Fisher, Helyar, F. Hurst, J. Hurst, Mrs. Jalili, Moore, Selby and Wood. Apologies for absence had also been received from the Tenant Members of the Choice of Landlord Working Group.

**91. DECLARATIONS OF INTEREST**

The Monitoring Officer advised Members that they would need to declare a personal interest if they were Council tenants. No Member declared an interest.

**92. LARGE SCALE VOLUNTARY TRANSFER - STRATEGIC CHOICE OF LANDLORD**

**DECISION:**

The Council:

- (1) Receives the recommendation from the Choice of Landlord Working Group (CLWG) relating to the creation of a new stand alone Housing Association as the preferred strategic choice of landlord and records a vote of thanks to members of the working group for their work.**
- (2) Identifies and approves a new Registered Social Landlord (RSL) as the preferred strategic choice of landlord for the purpose of the proposed Large Scale Voluntary Transfer of the Council's Housing Stock in line with recommendation of the Choice of Landlord Working Group.**
- (3) Approves the following policy proposals for the purpose of developing and negotiating an "Offer to Tenants":-**
  - (a) in the event of a transfer of the Council's Housing stock proceeding following a ballot of tenants, the receipt, net of government levy, repayment of housing debt and set up costs be utilised as follows:-**
    - (i) Protect the General Fund from the impact of transfer in the first instance and;**
    - (ii) 50% of the remaining net receipt be made available for Affordable Housing and the other 50% for the development of sustainable communities in-line with Council priorities;**
    - (iii) 100% of any share of Right to Buy receipts be made available for affordable Housing.**
  - (b) the transfer of the Direct Works Organisation (Craft) to the new stand alone RSL.**
  - (c) the transfer of the supported housing function (Care Services) to the new stand alone RSL.**

The Chairman advised Members that a decision on the Strategic Choice of Landlord would need to be made. Briefing sessions had been held on 12<sup>th</sup> and 14<sup>th</sup> December.

The Corporate Director of Regulatory Services summarised report number DRS24 to the Council. Following the decision of the Council in May 2005 to support the preferred option of Large Scale Voluntary Transfer (LSVT) identified by the Stock Option Appraisal Commission, signed-off subsequently by the Government Office (East Midlands), the Council had commenced work to progress to a ballot of tenants on the preferred option.

Guidance from the Office of the Deputy Prime Minister stated that a Council could only transfer their Housing Stock to a Registered Social Landlord (RSL), that is one registered with the Housing Corporation. A decision would be necessary to determine the type of RSL that should assume responsibility for housing. The Council would need to demonstrate how tenants had played an active role in the Landlord Choice Issue; to this end a Member/Tenant Choice of Landlord Working Group (CLWG) was established with staff co-optees.

When making its recommendations, the CLWG considered feedback from case study visits; advice from external advisors; ODPM guidance; an evaluation of criteria based on the 5 reasons for LSVT being identified as the preferred option and further consultation with tenants, staff and elected members; the Council's Category A Priority for Affordable Housing and the extent of services transferring.

Visits to Stock Transfer Organisations were organised. One organisation visited had formed a standalone RSL, the second was an RSL subsidiary. The option of a merger with an RSL was also available. Consultation with tenants and staff had continued throughout the identification process. External advisors were also available to provide independent information at focus groups.

The CLWG reached a consensus view that the Council should create a new Housing Association as the preferred strategic choice of Landlord for the purpose of the proposed Large Scale Voluntary Transfer of the Council's Housing Stock. This recommendation was made to create the opportunity for enhanced tenant empowerment; to provide local identity and decision making; to provide local customer access; to provide local board representation for tenants and council nominees and to provide added value. Other options that had been considered included a Merger with an existing RSL, ruled out based on work undertaken by the SOAC, or the creation of a subsidiary RSL within a group structure. This was rejected because it would not offer the same opportunities as the creation of a new RSL.

The recommendations laid out in point two of the report were moved and seconded with the addition of the words *"and the other 50% should be made available for the development of sustainable communities, in-line with Council priorities;"* at paragraph 3a(ii).

One Member stated that, as an extraordinary meeting only one topic could be discussed. He was concerned that any decision made beyond determining the strategic choice of Landlord in recommendations one and two, would contravene the remit of the meeting under paragraph 3.2 of the Council's Procedure Rules in Part 4 constitution. The Chief Executive advised that the procedure rule referred to the restriction to a single item, not a single recommendation; consideration of the third recommendation would be necessary, as it would affect the strategic choice of Landlord. Determination of what to do with the receipt from the transfer will affect the ability of the new RSL to invest in affordable housing. In addition, determination of whether the DWO and Care Services would be transferred would impact on the size and critical mass of the new RSL. The Monitoring Officer agreed that there was a

necessary linkage between recommendation one, two and three. The Chairman stated that following the advice of the Chief Executive and the Monitoring Officer he ruled the recommendations before the Council for decision at this meeting were constitutionally sound.

An amendment was proposed and seconded:

*“That:*

- 1. Further investigation is carried out into the reasons why stand alone associations have been rejected by other Councils.*
- 2. Capacity and development targets be established for the Housing Association to ensure that it is effective.”*

The Member stated that he was concerned about the capacity of standalone RSLs and whether the Housing Department and associated services would be ready to operate independently. He also questioned provisions, should a new standalone RSL fail to perform. He suggested that further research into negative ballots at other councils should be carried out, in an attempt to protect the assets of the Council. Members were advised that the re-structure of Housing and associated services had been done with the possibility of transfer in mind. The new structure of Tenancy Services would allow it to function under an RSL, should tenants positively ballot for stock transfer.

Several Members spoke in favour of the amendment. Points made included the care that would be necessary before the transfer of a considerable proportion of the Council’s assets. Members in favour of the amendment felt that further research would be for the protection of tenants and to ensure the future viability of the Council. Members were keen that tenants were given the best offer possible at the time of the ballot. Further information was felt necessary because of the import of the decision and more information could prevent error.

Members speaking against the amendment argued that the final recommendation made by a combined Member/Tenant Working Group, reflected the advice of independent advisors and case studies of other Authorities. Tenants across the District would be given the opportunity to make the final decision during the ballot of tenants.

A request for a recorded vote was moved and seconded. The request was supported in accordance with Council procedure rule 16.4.

<b><u>FOR</u></b>	<b><u>AGAINST</u></b>	<b><u>ABSTAIN</u></b>
Councillor Bisnauthsing	Councillor Auger	
Councillor Mrs. Dexter	Councillor Mrs. Bosworth	
Councillor Mrs. Gaffigan	Councillor Brailsford	
Councillor Gibbins	Councillor Bryant	
Councillor Howard	Councillor Carpenter	
Councillor Joynson	Councillor Mrs. Cartwright	
Councillor Kerr	Councillor Conboy	
Councillor O’Hare	Councillor Hewerdine	
Councillor Shorrocks	Councillor Kirkman	
Councillor Steptoe	Councillor Lovelock	
Councillor Waterhouse	Councillor Martin-Mayhew	
Councillor Wilks	Councillor Nadarajah	
Councillor A. Williams	Councillor Mrs. Neal	
Councillor M. Williams	Councillor Nicholson	
	Councillor Parkin	

Councillor Pease  
Councillor Mrs. Percival  
Councillor Mrs. Radley  
Councillor Radley  
Councillor Sandall  
Councillor Smith  
Councillor Mrs. Smith  
Councillor G. Taylor  
Councillor M. Taylor  
Councillor Thompson  
Councillor Turner  
Councillor Wheat  
Councillor Mrs. Wheat  
Councillor Mrs. Woods

14

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The amendment was lost.

One Member speaking against the original motion was concerned that there was no definitive information available. There was also concern over appointments to the board and the selection of the Chairman. He was advised that following a decision on the strategic choice of Landlord, the model would be developed. No details would be decided until after the strategic choice had been made because the decision made would determine the structure of future work. Until a positive ballot of tenants, the board would remain as a shadow board. If the ballot failed, the shadow board would be disbanded. The meeting was also advised that the board would comprise 5 tenant representative, 5 District Council appointed representatives and 5 independent representatives. The board would appoint its own Chairman.

One Member articulated potential consequences for economic development in South Kesteven, if there was the potential that the RSL was based outside the District. On a broader level it was observed that local residents could also be affected by the loss of Council assets on a broader level. Another Member was also concerned about how the costs incurred in the creation of the board would be offset. The Corporate Director, Regulatory Services advised that in the event of a positive tenant ballot costs would be offset by receipts. If the tenant ballot was negative, the District Council had made provisions to cover abortive costs.

A Member speaking in favour of the original motion stressed the importance of the site visits and stated that transfer could lead to financial protection from any cumulative costs from the maintenance of the housing stock for the thirty-year period.

A speaker against the original motion questioned the ability of an RSL to raise money. All monies borrowed would be on the open market and subject to market-level interest rates; the only means to offset these would be through protected rents. The RSL would be a non-profit organisation and it was queried whether it would be able to meet payments. Members were informed that while an RSL would be subject to the market economy, they would not have to pay monies from rent to the government, as the District Council had to.

The Leader of the Council asked that Members trusted the working group, who had done in-depth work on the strategic choice of Landlord, particularly as tenants comprised part of the working group. Another Member added that it was necessary to consider the views of the electorate. This had been reflected in the composition of the

working group and would be furthered in the ballot of tenants.

In accordance with Council Procedure Rule 14.10(f) a motion was moved that the meeting should be adjourned until the next full meeting of the Council of January 26<sup>th</sup> 2006. The motion was seconded.

The mover of the motion suggested that the meeting should be adjourned because he felt that debate on points relevant to the selection of a strategic Landlord had been limited. In his view there had been minimal open, public debate and that the current position had been subject to a brief amount of discussion. He requested that more detail be provided before continuation of the debate. Speaking against the motion, a Member said that as the decision was being made in principle, further information should not affect the outcome.

The motion was put to the vote and lost.

A vote on the original motion was taken. The request was supported in accordance with Council procedure rule 16.4.

<b><u>FOR</u></b>	<b><u>AGAINST</u></b>	<b><u>ABSTAIN</u></b>
Councillor Auger	Councillor Mrs. Dexter	
Councillor Mrs. Bosworth	Councillor Mrs. Gaffigan	
Councillor Brailsford	Councillor Gibbins	
Councillor Bryant	Councillor Joynson	
Councillor Carpenter	Councillor O'Hare	
Councillor Mrs. Cartwright	Councillor Shorrocks	
Councillor Conboy	Councillor Steptoe	
Councillor Hewerdine	Councillor Waterhouse	
Councillor Howard	Councillor Wilks	
Councillor Kerr	Councillor M. Williams	
Councillor Kirkman		
Councillor Lovelock		
Councillor Martin-Mayhew		
Councillor Nadarajah		
Councillor Mrs. Neal		
Councillor Nicholson		
Councillor Parkin		
Councillor Pease		
Councillor Mrs. Percival		
Councillor Mrs. Radley		
Councillor Radley		
Councillor Sandall		
Councillor Smith		
Councillor Mrs. Smith		
Councillor G. Taylor		
Councillor M. Taylor		
Councillor Thompson		
Councillor Turner		
Councillor Wheat		
Councillor Mrs Wheat		
Councillor Mrs. Woods		
<b>31</b>	<b>10</b>	<b>0</b>

The motion was carried.

The Chairman of the Council forewarned Members that the date of the Council meeting scheduled for February 23<sup>rd</sup> 2006 would be moved to March 2<sup>nd</sup> 2006. This would need to be ratified at the next meeting of the Council of January 26<sup>th</sup> 2006.

**93. CLOSE OF MEETING**

The meeting was closed at 15:25.