



MINUTES

EXTRAORDINARY COUNCIL

THURSDAY, 12 OCTOBER 2006

2.00 PM

PRESENT

Councillor Michael Taylor Chairman

Councillor Harrish Bisnauthsing
Councillor Pam Bosworth
Councillor David Brailsford
Councillor Teri Bryant
Councillor Mrs Frances Cartwright
Councillor George Chivers
Councillor Robert Conboy
Councillor Dorrien Dexter
Councillor Mike Exton
Councillor Fines
Councillor Donald Fisher
Councillor Mrs Joyce Gaffigan
Councillor Yvonne Gibbins
Councillor Reginald Howard
Councillor John Hurst
Councillor Fereshteh Hurst
Councillor Kenneth Joynson
Councillor Reg Lovelock M.B.E.
Councillor Andrew Roy Moore

Councillor Mano Nadarajah
Councillor Mrs. Linda Neal
Councillor John Nicholson
Councillor Stephen O'Hare
Councillor Alan Parkin
Councillor Stanley Pease
Councillor Bob Sandall
Councillor Robert Murray Shorrock
Councillor John Smith
Councillor Mrs Judy Smith
Councillor Ian Stokes
Councillor Frank Turner
Councillor Thomas John Webster
Councillor Graham Wheat
Councillor Mrs Mary Wheat
Councillor John E G Wilks
Councillor Avril Williams
Councillor Mrs Azar Woods

OFFICERS

Chief Executive
Strategic Directors (x2)
Corporate Head of Finance & Resources
Director Of Tenancy Services

OFFICERS

Projects Manager, Housing Stock
Legal Services Manager (Monitoring Officer)
Services Manager, Democracy

OTHERS

Mr Scott Dorling, representing Trowers & Hamlins, legal consultants for LSVT

70. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Auger, Carpenter, Miss Channell, Craft, Helyar, Hewerdine, Mrs Jalili, Mrs Kaberry-Brown, Kerr, Kirkman, Martin-Mayhew, Mrs Percival, Mrs Maureen Radley, Norman Radley, Selby, Steptoe, Gerald Taylor (Chairman), Thompson, Mike Williams and Woods.

The Service Manager, Democracy advised that Councillors Kirkman, Mrs Percival, Thompson, and Mike Williams had given their apologies by virtue of the fact that if they were in attendance, being members of the new registered social landlord, South Lincolnshire Homes Shadow Board, they would have had to declare prejudicial interests which would necessitate them leaving the meeting. Their non-attendance was solely for this reason.

71. DECLARATIONS OF INTEREST

Councillor Turner declared a prejudicial interest in the LSVT Stage 1 consultation by virtue of being a member of the South Lincolnshire Homes Shadow Board. He then left the council chamber.

Councillor Avril Williams declared a personal interest in the same issue by virtue of her husband being a member of the same Shadow Board.

72. LARGE SCALE VOLUNTARY TRANSFER: HOUSING ACT 1985, SCHEDULE 3A - STAGE 1 CONSULTATION

DECISION:

- (1) That the responses of tenants and leaseholders (as set out in report TSE12) be noted;**
- (2) A formal Stage 2 letter be issued to the Council's secure tenants confirming:**
 - The terms of the Council's offer as set out in the formal (Stage 1) consultation document with the addition of the text set out in paragraph 4 of report TSE12;**
 - Tenants' right to communicate objections to the Council's proposals to the Secretary of State within 28 days from the Stage 2 letter;**
 - The ability of the Secretary of State to withhold consent if a majority of affected tenants do not wish the transfer to proceed.**
- (3) That Electoral Reform Services Limited be instructed to carry out a formal ballot of tenants in respect of a transfer to South Lincolnshire Homes.**
- (4) In order to comply with Government guidance, council premises will not be used for meetings to disseminate additional information about the transfer during the ballot period.**

Before inviting discussion, the Chairman advised members to confine their debate to the issues contained in the report before them.

Members had previously been circulated with report number TSE12 by the Director of Tenancy Services, the purpose of which was to describe the consultation process undertaken with tenants and advise the Council of responses received; to consider the potential amendments to the offer; and,

following the joint meeting of the LSVT working group and the offer review working group, to recommend future action including moving forward to the formal ballot. The report appended details of tenants, (anonymous) preferences either for, against or 'not sure', together with a copy of a report prepared by Libra Housing Advisory Services (the independent tenants' advisor) on the Stage 1 consultation process.

The Portfolio Holder for Organisational Development & Housing, Councillor Mrs Cartwright, presented the item and reminded the council that it had delegated authority to a joint working group consisting of fifteen members to consider the responses by tenants and the content of the second stage letter. The Housing Transfer Programme Manager for the Government had confirmed that the national transfer programme will be announced shortly and has confirmed in writing that no problems could be foreseen in terms of the application by this council.

Councillor Mrs Cartwright then moved the recommendations contained in the report with the additional clause that in order to comply with Government guidance, council premises will not be used for meetings to disseminate additional information about the transfer during the ballot period. She then urged every tenant to use their vote. The motion was then seconded.

The debate opened with a member referring to a comment he had received from an elderly tenant who had thanked him for presenting the arguments against transfer. He asserted that the offer document was simply a document of "good ideas" but it failed to give the full picture; it did not mention that South Lincolnshire Homes would need to borrow on the open market, that the debts of housing associations generally were set to soar, no reference was included about rents with registered social landlords (RSLs) being higher and set to rise further, and that one in five RSLs faced financial difficulty in the first five years and became vulnerable to take over. He expressed strong concern that the tenants – some of the most vulnerable people in the community – would be taking the risk. He wanted tenants to have a choice and this they could only do by being made aware of the whole story "warts and all".

In support of this expressed opposition, another member stated that whilst he concurred with a democratic ballot, the question was whether the process leading up to this exercise had been democratic i.e. that more emphasis on one position than another had been put to the tenants. He expressed concern that officers of the council had been instructed not to assist those members who wished to put the case against transfer. Whilst the council had set aside £1million for the consultation and ballot process, those members seeking to put an alternative view had been reliant on funding themselves.

Two members also expressed very strong concerns at the whole process both at national and local level which was seen as removing democratic power from local government altogether. It was pointed out that this was the most significant decision that residents were being asked to make; the value of the council's housing stock represented 82% of all the authority's assets. An amendment was moved that the ballot be delayed until all the electorate of

South Kesteven had been informed of the impact of transfer upon this council.

The Chief Executive advised that this amendment had the substantive effect of negating the motion unless it was made clear as to the circumstances under which the deferment was being sought. Following this advice the mover of the amendment qualified it by the addition of a time limit of two months for the deferment to enable the electorate to be given the information. The Chairman indicated he accepted this revised amendment.

A comment was made that the council's tenants were astute enough to decide their own future given the facts. It was suggested that some tenants felt that they had been given the hard sell on this issue.

Having listened to those members speaking against the transfer, the portfolio holder for assets and resources acknowledged that they had spoken with honesty and conviction. However, he expressed very strong concerns at the implication that those who did not share the same views were party to dishonesty. He stated that he believed that the offer document circulated to tenants was both honest and true and challenged untrue assertions that had been included within literature circulated by those opposing the transfer.

A member stated that it was down to the perception of tenants and questioned why, if the council was providing a good service now and also tackling anti-social behaviour problems in conjunction with other agencies, what the tenants would gain that was any better after transfer. He seconded the amendment for deferral. Councillor Mrs Cartwright, whilst acknowledging that no information exercise was without fault, stated the offer document had been independently assessed. She saw no point in delaying the ballot as it was only the council's tenants that had the right to vote, not the electorate as a whole.

Further views were then expressed against transfer, in particular commenting on other means of financing affordable housing through planning gain and the misleading impression that stock transfer would be a magic solution for social housing. A request for a recorded vote was made which, in accordance with council procedure rule 16.4, was supported. The names of those voting for or against the amendment are recorded as follows:

FOR

Councillor Bisnauthsing
Councillor Mrs Dexter
Councillor Mrs Gaffigan
Councillor Gibbins
Councillor Howard
Councillor Fereshteh Hurst
Councillor John Hurst
Councillor Joynson
Councillor O'Hare
Councillor Shorrocks
Councillor Wilks

Councillor Avril Williams
Councillor Mrs Woods

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AGAINST

Councillor Mrs Bosworth
Councillor Brailsford
Councillor Bryant
Councillor Mrs Cartwright
Councillor Chivers
Councillor Conboy
Councillor Exton
Councillor Fines
Councillor Fisher
Councillor Lovelock
Councillor Moore
Councillor Nadarajah
Councillor Mrs Neal
Councillor Nicholson
Councillor Parkin
Councillor Pease
Councillor Sandall
Councillor John Smith
Councillor Mrs Smith
Councillor Stokes
Councillor Mike Taylor
Councillor Webster
Councillor Graham Wheat
Councillor Mrs Wheat

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The amendment was therefore lost.

A member then moved under council procedure rule 13(l) that the meeting be adjourned to the 26th October 2006 after the ordinary meeting scheduled on that date. He expressed concern that members had not been permitted to see South Lincolnshire Homes business plan and requested that they be provided with this document. In seconding the motion to adjourn, a comment was made that a business plan was a measure of the credibility of an organisation.

Another member supported the request to see the business plan; he had been advised by the Chief Executive that its disclosure would place South Lincolnshire Homes at a commercial disadvantage with other RSLs but stated members needed to have this information in order to provide answers to many questions and concerns. He suggested the case to present this business plan was compelling. Another members shared similar concerns, pointing out that the council could be transferring most of its assets to an organisation without a

track record whose prospects for the future were unknown.

The portfolio holder for assets and resources asked the Head of Finance & Resources as the Section 151 officer if she could advise on the robustness of the business plan and/or had received assurances from a competent independent source. The officer confirmed that the business plan was commercially sensitive to South Lincolnshire Homes and that work on the plan had been carried out by a consultant employed by the district council to carry out the project to pre-ballot stage. The portfolio holder stated that he was satisfied by that assurance as to the veracity of the information given to the Section 151 officer, and accordingly opposed the motion for adjournment.

A request for a recorded vote was made which, in accordance with council procedure rule 16.4, was supported. The names of those voting for, against or abstaining from voting on the motion to adjourn are recorded as follows:

[Councillor Bisnauthsing had left the meeting before the recorded vote took place.]

FOR

Councillor Mrs Dexter
Councillor Mrs Gaffigan
Councillor Gibbins
Councillor Fereshteh Hurst
Councillor John Hurst
Councillor Joynson
Councillor O'Hare
Councillor Shorrocks
Councillor Wilks
Councillor Mrs Woods

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AGAINST

Councillor Mrs Bosworth
Councillor Brailsford
Councillor Bryant
Councillor Mrs Cartwright
Councillor Chivers
Councillor Conboy
Councillor Exton
Councillor Fines
Councillor Fisher
Councillor Lovelock
Councillor Moore
Councillor Nadarajah
Councillor Mrs Neal
Councillor Nicholson

Councillor Parkin
Councillor Pease
Councillor Sandall
Councillor John Smith
Councillor Mrs Smith
Councillor Stokes
Councillor Mike Taylor
Councillor Webster
Councillor Graham Wheat
Councillor Mrs Wheat

Abstentions

Councillor Howard
Councillor Avril Williams

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The motion to adjourn was lost.

The debate then return to the original motion before the council as proposed by Councillor Mrs Cartwright and seconded by Councillor Bryant.

The Leader stated she took exception to comments made earlier in the debate from a member who had spoken against transfer in which she had stated that those in favour of transfer were doing it for personal gain. The Leader asked the member to either produce evidence to support this assertion or withdraw the statement as being untrue. The member replied that she had not intended to refer to any particular individuals.

A member who had spoken previously against the transfer referred to conversations he had had with one of the staff making personal visits to tenants. He reiterated earlier comments that the information being given to tenants was misleading and that valid points, such as those about the subsidy mechanism paid to councils with poor quality housing were not mentioned.

The Chairman then indicated that he was drawing the debate to a close and as mover of the original motion, Councillor Mrs Cartwright was given the opportunity to exercise her right of reply. She stated that the principle of telling the truth had been behind all thinking and the consultation. The reference to RSLs earlier in the debate had been in general; this new RSL had the benefit of very experienced individuals on its Board and the rents would be fixed for the first five years. If every Councillor cried that democracy was challenged every time their particular view was rejected, there would be no consensus of opinion and no decisions reached. As to the issue of money, the council would welcome the same level of funding as a RSL but this was not going to happen and this fact had been stated clearly. Spin was usually misinformation and the council's information to tenants had been verified and was absolutely correct. In response to the comment on the present quality of housing stock, Councillor Mrs Cartwright pointed out that some of the sheltered housing stock was not up

to decent homes standard and the council could not afford to improve them. The issue of 250 affordable new homes would be in addition to the ones already negotiated although she acknowledged this would not fully meet the need, it would certainly go towards it.

A member had earlier queried the need to have permission to hold meetings in council properties. In explaining this addition to the recommendation, Councillor Mrs Cartwright made reference to the possible undesirable use by an organisation such as the British National Party if a vetting procedure was not in place. Several members took extreme offence at this remark and the Vice-Chairman stated that no association was intended between that particular organisation and any parties in this authority. Councillor Mrs Cartwright clarified that she had used this merely as a reference to illustrate the fact that a vetting procedure was necessary. Councillor Mrs Cartwright concluded by stating that everything that was on the table was included in the offer document and now it fell to the tenants to make their decision. She emphasised that she took exception to any inference that she had anything but the tenants' best interests at heart.

Another request for a recorded vote was made but not supported in accordance with the council procedural rules.

Upon being put to the vote the motion was carried by 27 votes in favour, 6 votes against and 1 abstention.

73. CLOSE OF MEETING

The Chairman declared the meeting closed at 3.27pm.