



MINUTES

COUNCIL
THURSDAY, 20 JULY 2006
2.00 PM

PRESENT

Councillor Gerald Taylor Chairman

Councillor Auger	Councillor Lovelock M.B.E.
Councillor Mrs Bosworth	Councillor Moore
Councillor Brailsford	Councillor Mrs Neal
Councillor Bryant	Councillor Parkin
Councillor Carpenter	Councillor Mrs Percival
Councillor Mrs Cartwright	Councillor Mrs Radley
Councillor Chivers	Councillor Sandall
Councillor Conboy	Councillor Selby
Councillor Craft	Councillor Shorrocks
Councillor Mrs Dexter	Councillor Mrs Smith
Councillor Exton	Councillor Smith
Councillor Mrs Gaffigan	Councillor Steptoe
Councillor Gibbins	Councillor Stokes
Councillor Howard	Councillor M Taylor (Vice-Chairman)
Councillor F Hurst	Councillor Turner
Councillor J Hurst	Councillor Webster
Councillor Mrs Jalili	Councillor H G Wheat
Councillor Joynson	Councillor Mrs Wheat
Councillor Mrs Kaberry-Brown	Councillor A Williams
Councillor Kirkman	Councillor M Williams

OFFICERS

Chief Executive
Monitoring Officer
Strategic Director
Corporate Head of Finance and Resources
Director of Tenancy Services
Scrutiny Support Officer

49. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Fines, Radley and Thompson.

50. DECLARATIONS OF INTEREST

The following members declared a personal and prejudicial interest in agenda item 3 on Large Scale Voluntary Transfer of the Council's Housing Stock, by virtue of their membership of the shadow board of South Lincolnshire Homes:

Councillor Kirkman, Councillor Mrs Percival, Councillor Mike Williams and Councillor Turner. It was noted that Councillor Thompson, who had sent his apologies for the meeting, was also a member of the shadow board.

Councillors Kirkman, Mrs Percival, Mike Williams and Turner left the meeting.

51. LARGE SCALE VOLUNTARY TRANSFER OF THE COUNCIL'S HOUSING STOCK

DECISION:

- (1) The impact of the diseconomies of scale from large scale voluntary transfer (LSVT) be managed out over a five year period;**
- (2) The general fund be protected by utilising interest receipts generated from LSVT capital receipts based on a phased capital programme;**
- (3) The capital programme be phased over:
 - i. Five years for affordable housing utilising 50% of the net useable receipt and**
 - ii. Ten years for developing sustainable communities using the other 50% of the net useable receipt,**with an annual review of the capital programme to ensure that the council tax payer remains protected from the impact of the LSVT;**
- (4) The text within the formal consultation document Offer to Tenants with minor modifications made by cabinet on 10th July 2006, be approved;**
- (5) The Leader be delegated the authority to approve the format of the document;**
- (6) The formal consultation document be issued to tenants as explained in paragraph 2.4 of report CHFR11 to cabinet.**

The Organisational Development Portfolio Holder moved that cabinet's recommendations on large scale voluntary transfer be accepted. She explained that this was not concerning the pros and cons of transfer, but approval of the offer to tenants document and consideration of the financial implications to the council. Preparation of the draft document had been undertaken by a considerable number of working group meetings and hours of work by tenant representatives. The shadow board had checked the document to ensure it matched its business plan and all members had had the opportunity for input. Some wording that had been considered unpopular by members, was still included as the legal team had advised on its inclusion. In response to literature circulated in opposition to transfer and in favour of the 'fourth option', the portfolio holder read from a letter from the former housing minister, stating that the government was not able to provide the relevant funding to the council for this option. This had been reiterated by the current minister of communities and local government, from which the portfolio holder quoted. She closed by stating that all members had had plenty of opportunities to challenge, query and understand all the documents.

The Chairman confirmed that recommendation 4 appended to the council agenda, referred to modifications made by cabinet and not the council meeting.

The Resources and Assets Portfolio Holder seconded the proposal. Having sat through a number of meetings on this, he stated that the draft offer document was an accumulation of a lot of hard work by a lot of people.

A member of the labour group asked for extended time to address the council in opposition to the motion. This was proposed and seconded but lost on being put the vote. The member made his speech, by explaining that there were five clear issues against the motion: 1) the council would have to borrow significantly less money than South Lincolnshire Homes to deliver on its promises, and yet the impression had been given that the council was not able to borrow for this and there was no comparison between prudential borrowing and stock transfer; 2) The leader of South Holland District Council in a letter to local press had stated that it was misleading to announce that 250 houses could be built from the capital receipt from stock transfer, it was more realistic that 70 could be available, it was important that the council knew the realistic expectation of what the receipt would be; 3) balance in debate would only be achieved by ensuring different voices were heard for and against the issue, the council had large sums of money to promote transfer whereas those in opposition had only fundraising, commitment and goodwill; 4) it was a fundamental principle that the new landlord be truly independent of the council and yet the mobile display units had both council and South Lincolnshire Homes branding operated by council staff, this raised the issue of where the new landlord, seemingly operating as already active, got their assets from.

Another member, in support of this, explained that stock transfer would mean the end of democracy because housing would no longer be a public service and other services would follow. The member claimed that his suggestions to enhance the offer document had been rejected. He also suggested that the stock transfer road shows were unsatisfactory, unbalanced legally and ethically and contained subliminal messages. He moved that cabinet's recommendations be referred to the Community Development and Scrutiny panel because there was unfinished business, the democratic process had not been satisfied and alternatives had not been pursued or communicated to the community.

In seconding the amendment to refer the item, the rest of the previous statement was continued by another member: 5) the new landlord business plan was a crucial document and yet it was not clear that this would be a public document or available to tenants, or how the distinction between the council and South Lincolnshire Homes was made. The member questioned how South Lincolnshire Homes, a dormant organisation, would draw up a business plan. He acknowledged that his position was in opposition to his central government party and was therefore not taken lightly. He expressed the concern that the new service would not be accountable to the public and that the council must remain the alternative provider to the market.

One member questioned the section in the distributed literature from the labour group referring to the government going through a review and councils may be allowed to make full use of rents and Right to Buy receipts for housing investments. As stock transfer was based on a valuation assuming that government did not provide this, this suggestion needed serious consideration.

The effect on the stock transfer timescale, should the amendment proceed, was questioned. The Chief Executive explained that the ballot was expected in October therefore the amendment could risk jeopardising this.

Another member suggested that visits to other authorities who had decided to retain stock be arranged. The member also suggested that the consultants working on the transfer were biased and were not democratic.

In the draft offer document, clarification on the difference between “assured tenants agreement” and “secured tenants agreement” was requested as it implied that only council tenants were ‘secure’. Another member asked if a comparison had been drawn up between the option of prudential borrowing and transfer. This point was supported by other members.

It was moved and seconded that the vote be made. This was lost.

In response to previous points made in opposition to the original motion, the leader explained that the published letter had contained very selective information and some parts were untrue. Another member, whilst commending the opposition’s commitment to their cause, explained that the new housing board would comprise five councillors, five tenants and five others.

The Organisational Development Portfolio Holder, in summing up, explained that the position of the revenue account, together with the issues of capping, national insurance level and efficiency, did not allow for the levels of borrowing required for the ‘fourth option’. Council staff, who had been working closely with tenants, had volunteered to operate the mobile units. Tenants had chosen the South Lincolnshire Homes logo and asked for the unit. The consultants had managed a number of stock transfers and would not allow unbiased or subliminal working. Tenants will still be able to approach their councillors but registered social landlords would provide easier access for information, queries and complaints. The business plan cannot be made available but had been constructed by competent independent members of South Lincolnshire Homes. If this was made available, another landlord could use this information to usurp South Lincolnshire Homes. She added that councils who had not transferred stock were in the same position as the council currently. “Assured” and “secured” tenants agreement were legal terms. In closing her speech, the portfolio holder requested a recorded vote in accordance with council procedure rule 16.4. This was supported by ten members and the votes cast as follows:

FOR

Councillor Auger
Councillor Mrs Bosworth
Councillor Brailsford
Councillor Bryant
Councillor Carpenter
Councillor Mrs Cartwright
Councillor Chivers
Councillor Conboy
Councillor Craft
Councillor Exton
Councillor Mrs Gaffigan
Councillor Kaberry-Brown
Councillor Lovelock
Councillor Moore
Councillor Neal
Councillor Parkin
Councillor Mrs Radley
Councillor Sandall
Councillor Smith
Councillor Mrs Smith
Councillor Stokes
Councillor M Taylor
Councillor Webster
Councillor H G Wheat
Councillor Mrs Wheat

25**AGAINST**

Councillor Mrs Dexter
Councillor Gibbins
Councillor F Hurst
Councillor J Hurst
Councillor Jalili
Councillor Joynson
Councillor Selby
Councillor Shorrock
Councillor Steptoe

9**ABSTAIN**

Councillor Howard
Councillor G Taylor
Councillor A Williams

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The motion was carried.

52. CLOSE OF MEETING

The meeting closed at 2.50p.m.