

Special Council Minutes

Date: 29 November 2011

Time: 7.30 - 9.05 pm

PRESENT: Councillor I L McEnnis (in the Chair)

Councillors Mrs J A Adey, K Ahmed, Z Ahmed, M Angell, D A Anson MBE, M C Appleyard, D H G Barnes, I Bates, D J Carroll, Mrs L M Clarke, A D Collingwood, R B Colomb, C A Ditta, R Farmer, M A Foster, R Gaffney, J Gibbs, S Graham, A R Green, Ms V Groulef, M Hanif, C B Harriss, A E Hill, A Hussain JP, Mrs G A Jones, M E Knight, Ms R Knight, S P Lacey, Ms P L Lee, Mrs W J Mallen, N B Marshall, H L McCarthy, Ms M L Neudecker, S F Parker, B E Pearce, J L Richards OBE, J A Savage, R J Scott, C Shafique MBE, D A C Shakespeare OBE, Slater, T Snaith, Mrs J E Teesdale, P R Turner, Ms J D Wassell, D M Watson, R Wilson and Ms K S Wood,

54 MINUTES

RESOLVED: That the minutes of the meeting of Council held on 10 October 2011 be approved as a true record and signed by the Chairman, subject to the heading, Minute 23-Wycombe Museum, being associated with the text two paragraphs lower.

55 APOLOGIES FOR ABSENCE

Apologies for absence were received from Honorary Aldermen E H Collins, A J Hurst and Mrs K M Peatey MBE and Councillors W J Bendyshe-Brown, G Hall, D Johncock, Mrs J D Langley, Mrs D V E Morgan, B R Pollock, and A Turner.

56 DECLARATIONS OF INTEREST

The following declarations of interest were made.

Member	Committee/Date	Minute No.	Nature of Action Taken (if any)
Cllr D G Barnes	Cabinet 29 November 2011	61	Personal in that a relative was a Council tenant (remained in the meeting and took part in discussion and vote)
Cllr R Farmer	Cabinet 29 November 2011	61	Personal in that a relative was a Council tenant (remained in the

Cllr S Graham	Cabinet November 2011	29	61	meeting and took part in discussion and vote) Personal in that he is a leaseholder of a council property (Code of Conduct 10 (2) (c) refers)
Cllr G A Jones	Cabinet November 2011	29	61	Personal in that a relative was a Council tenant (remained in the meeting and took part in discussion and vote)
Cllr S Lacey	Cabinet November 2011	29	61	Personal in that a relative was a Council tenant (remained in the meeting and took part in discussion and vote)
Cllr Ms R Knight	Cabinet November 2011	29	61	Personal in that she is a council tenant (Code of Conduct 10 (2) (c) refers)
Cllr H L McCarthy	Cabinet November 2011	29	61	Personal & Prejudicial in that he is a member of the Red Kite Board. Withdrew from the meeting
Cllr I L McEnnis	Cabinet November 2011	29	61	Personal & Prejudicial in that he is a member of the Red Kite Board. Withdrew from the meeting
Cllr B Pearce	Cabinet November 2011	29	61	Personal in that he works for a council contractor. (Remained in the meeting and took part in discussion and vote)
Cllr P Turner	Cabinet November 2011	29	61	Personal in that he works for The

Cllr Mrs J E Cabinet 29 61
Teesdale November 2011

Guinness Trust
(Remained in the
meeting and took
part in discussion
and vote)
Personal in that
she is a council
tenant (Code of
Conduct 10 (2)
(c) refers)

57 CABINET - 31 OCTOBER 2011

RESOLVED: That the minutes of the Cabinet held on 31 October 2011 be received and the recommendations set out at Minutes 49 and 54 be approved and adopted.

58 SPECIAL CABINET - 29 NOVEMBER 2011

THE VICE CHAIRMAN OF COUNCIL IN THE CHAIR

Minute 61 – Tenant led Transfer

The Leader rose to present the minutes of the special meeting of Cabinet which had taken place prior to the meeting of Council and which had been circulated around the Chamber.

The Leader of the Liberal Democrat Group, Cllr T Snaith, rose to make a statement, which he requested be included in the Minutes. He stated that the transfer of all our housing stock was one of the most important decisions to be taken by Councillors for many years. It affected about 20000 people who lived in Council homes, approximately 5000 people who were seeking Council homes and all of our communities.

He stated that the transfer of Wycombe District Council's Housing Stock to Red Kite promised a better standard of housing for residents, whilst at the same time enabling a hitherto debt free Council the opportunity to retain this position. The Council did not wish to see Wycombe District Council residents burdened with a huge debt or substandard homes.

Clearly in such a complex process, he considered, it befell to all Councillors to rigorously scrutinise the transfer; to seek, and if necessary demand, information regarding the details of the process. Concerns arose early in the process, and consequently the Liberal Democrat Councillors were the only group which refused to sign the letter to tenants endorsing the ballot.

He stated that the Conservative Cabinet had created a difficult situation and decision for all. Some Members, he stated, would wish to support the transfer of homes, but were uncomfortable in doing so because of this Council's handling of the transfer, and the land issues. It had been mismanaged and the full facts and implications of the transfer had not been fully disclosed to Members, tenants and the residents of this District.

Cllr Snaith reported that the main concerns of Liberal Democrat Members were that (i) Councillors had not been given adequate and proper information at an early enough stage to allow them to make sound decisions on the housing transfer; (ii) they had continually sought clarification as to how the proceeds from the sale of transfer would be used to alleviate the District's already chronic problems of homelessness, but had received no satisfactory answer on this point, and no indication of any concrete proposals regarding the use of the proceeds for the provision of affordable housing to new tenants in the future; (iii) details of the transfer which were not put to residents prior to the referendum included the transfer of land such as open spaces and playing fields. Objections and petitions had been raised by numerous groups and individual Councillors on the transfer of specific areas of land. In many cases these have been noted by the Council, but no meaningful dialogue had been entered into. Even now they were told that negotiations were still in progress with Red Kite; and (iv) they had consistently sought information from the council regarding the precise land to be transferred, the exact and current value of both land and housing stock, yet had never received this information to their satisfaction.

In conclusion, Cllr Snaith stated that Liberal Democrat Councillors had a free vote on this issue and would be voting based on what was right for the people of this District, feedback from their residents and not based on a hidden political whip.

A number of his Group, he said, would be unable to support the transfer of Council homes to Red Kite because of the land and related questions that remain unanswered. He considered that Members needed to see more scrutiny of the transfer proposals, land issues, and detailed plans on what the Council would do with the proceeds from the sale as they needed to ensure best value for the residents of this District.

Cllr Snaith stated that his Group was of the opinion that application for the Secretary of State's approval should be postponed on the grounds that Members were insufficiently informed to be able to take a sound decision.

Cllr Ms V Groulef, Leader of the Labour Group, rose to make a statement. She stated that she welcomed the opportunity to set out the position of the Labour Group. She reported that shortly after her election in May she asked for all the documentation relating to the housing stock transfer including the self financing business plans and the full options appraisal; it did not arrive. She then spent a considerable amount of time reading the available background material, meeting tenants, and visiting other councils with similar housing needs.

Ms Groulef stated that since June she had written over twenty letters about the transfer, to officers, cabinet members, government agencies and government departments and had asked questions at every available opportunity, 37 in this chamber. Throughout this time she continued to request the information from the council.

She reported that after all this work, on 22nd October, she received some, but nowhere near all of the documentation, five months after her initial request. Yet, many of her questions remained unanswered. For example, she said, despite the fact that the Council Constitution stated that councillors should have access to documentation she was still waiting to see the Contract between Red Kite and the Council. Indeed, she added, she had even used the Freedom of Information Act in

order to enforce her request; this information had still not been made available. Apparently, she reported, the Contract was not yet finalised. So Members were being asked to vote today on recommendations which were based on a draft contract which was subject to change and modification. This did not fill her with confidence, she stated.

As such Ms Groulef said that she felt unable to ensure that this Council had met the terms laid out to tenants in the offer document; unable to ensure that land and open spaces had restrictive covenants; unable to ensure transferring staff were fully protected and unable to ensure that this council had implemented claw back clauses. She agreed that she had promises from Cabinet that they were in the contract, but she felt that promises have been broken before and that she owed it to tenants and tax payers to check in black and white herself.

She continued that if the transfer did not go ahead the Council would have to follow the self financing regime. In preparation for this a 30 year business plan should have been produced. She reported that the Leader of the Council had stated in a letter to her that week that the Council had only just discovered what should go into the plan; in which case she asked 'what has the Council been doing?' Cllr Ms Groulef stated that there had been a stream of guidance from the Government including guidelines issued in July. This plan was important because it would allow everyone to make a like for like comparison of Red Kite with self financing. It would also ensure that the Council would still be able to deliver should the Secretary of State refuse consent to transfer or indeed if there should be a legal challenge.

Ms Groulef commented that the Cabinet papers said that Wycombe was the envy of other local authorities because it was transferring its stock. She added that there was one other local authority which had considered a whole stock transfer this year, the Tory dominated Dacorum Borough Council, which had decided in January that its 10,000 homes would remain with the Council because "the new self-financing arrangements would mean the Council would have more money to spend on the improvement of the homes". She also reported that a report published this month by an umbrella group of London councils had concluded that self-financing could enable authorities to build more homes and improve services for tenants. Perhaps, she said, we were not the envy of other authorities. She stated her belief that this Council did not provide a full, fair, and objective picture to tenants of the alternative to stock transfer and was not doing so now to Councillors.

As Councillors, she opined, Members were about to make a decision which should encapsulate democracy; it was about Councillors representing constituents and taking objective decisions based on sound evidence and comparisons. In order to do this, she continued, Councillors needed access to documentation and time to consider the options. Only one week before a major vote Councillors were sent a complex and lengthy bundle of documents and yet again today more paperwork arrived. It was virtually impossible, she felt, to expect councillors to read, digest and review material in time to vote, it was in her opinion an attempt to make democracy grind to a halt.

In conclusion Ms Groulef said that she could not and would not take a decision based upon a recommendation without first seeing the contract and the self financing business plans for the alternative. She wanted to ensure that any decision the Council made had a robust social and business case, that it would stand up to a legal challenge and that it provided value for money for all of

Wycombe's tax payers. Without the Council providing the requested information and a reasonable time to digest and discuss it, she stated that members of the Labour Group were unable to support the recommendations placed before Council today.

A number of Members rose to speak both in favour and against the proposals.

Speaking in support, Councillors M Angell and R B Colomb, in particular, took issue with the view that there had not been sufficient information about transfer and said that, even since the May elections, Members had been inundated with information about the tenant led transfer. Councillor M Angell also pointed out that a previous Liberal Democrat Group Leader was now one of the Council's representatives on the Red Kite Board.

The Deputy Leader (Homes & Housing and External Partnerships) reminded Members that the previous Labour Group Leader had supported the proposed transfer. He reiterated the fact that this would be a tenant led transfer, which was unusual, and stated that the Council should trust the tenants and the Chairman of the Red Kite Board.

Councillor A R Green, speaking in favour, added that this was an historic decision for tenants; they had told the Council what they wanted the Council to do. It was right for the Council to support the decision and to trust the tenants to look after the open spaces and provide services for present and future tenants. He wished them well and thanked all those involved in the process, including the previous Cabinet Member for Homes & Housing who had undertaken a great deal of work on this issue.

Speaking against the proposals some Members raised the issue of the land being transferred to Red Kite. Councillor I Bates stated that there had been late notification of that fact; and that this issue had not been included in the Offer Document before the ballot. Councillors M Knight and Ms J D Wassell felt that neither they nor the residents of the District were given full information about the proposed transfer of land and open spaces, nor in a timely manner to enable proper consideration or even the chance of residents to put forward proposals to take on the running of some areas themselves in the future, in line with localism and big society.

Cllr B Pearce asked that his concerns about the transfer of land and open spaces be minuted as, he said, he had not even realised that land would be involved in the transfer until a late stage. He was however, he added, in favour of the transfer.

In support of the transfer, the Cabinet Member for Community stated that open space and land transferred to Red Kite would have greater protection than even now, by means of specific covenants and also planning policies. The land in question had been paid for and maintained by the Housing Revenue Account (HRA) and should therefore be transferred. If retained by the Council it would become part of the General Fund and place a burden on the Council Tax Payers. Councillor T Snaith stated that he was concerned that an opportunity was being lost to provide more affordable housing for the district.

Councillor C Shafique MBE and K Ahmed stated that they were not against the transfer *per se* but felt that Members had had insufficient detail about the transfer itself as well as in comparison to other options such as self-financing in order to make an informed decision. Councillors Ms R Knight, S Graham and M Hanif all

considered that Scrutiny by Members was an important part of democracy and accountability.

A number of other Members rose to speak in favour of the proposals. Councillor Mrs L M Clarke emphasised that the tenants had voted in favour of the transfer in a democratic vote. Councillor R B Colomb referred to the number of seminars and briefing papers provided to Members over the years leading up to the transfer, whilst recognising that a number of Members had only been elected in May 2011. He also stated his belief that Members should support the transfer if they cared about tenants and added that in his experience, Members did not see formal contracts; Officers prepared contracts on the basis of the main terms which had been agreed by the Members. Councillor Mrs J E Teesdale, herself a Council tenant, also refuted the suggestion that tenants had not been given full and detailed information, referring to the very detailed consultation process that had been carried out. She had, she said, considered the matter very carefully and had raised her concerns with the Chairman of Red Kite; she had confidence in the Red Kite Board.

Members also referred to the alternatives to the transfer, including the Self Financing option which would see, in the opinion of Councillor R B Colomb, an incredible level of debt placed on to the HRA, and would result in higher rents and fewer improvements to the housing stock. Councillor R Gaffney stated that even now, as the HRA had been debt-free, half of the rental income was taken by the Government as a negative subsidy. In his eyes it was a question of 'maths', although Councillor C Shafique MBE did question the ability to do the maths if, in his opinion, not all the information was being provided. Councillor P Turner reported that the CLG had estimated that under self financing, rents would double in 18 years.

In concluding the debate the Leader of the Council stated that there had been a full, frank, open, and honest debate. He had become a Councillor, he said, in order to do the best for the residents of the area. Tenants had asked to take control of their own future and this should be supported. He emphasised that due process had been followed, and the Offer Document had been scrutinised and endorsed by both independent legal advisers and the Department of Communities and Local Government. 65% of the tenants and leaseholders had voted, higher than the turnout at many local elections, and of those 57% had voted in favour of the transfer. Members had had reams and reams of paper, reports, and seminars on the topic.

The Leader reported on some updates which had been given to the preceding Cabinet meeting. In particular Appendix A on self financing had been updated based on an increase to the overall level of debt arising from the government's draft determination for the Self Financing Settlement, which was now at £202m for Wycombe. Cabinet had also been advised that the basis of the key indemnities relating to VAT and Right to Buy Sales had broadened. If agreement on capping could not be achieved it was possible that there would be less available receipt on day one, but this would be restored over the forthcoming years, should the indemnity not be called in.

The Leader ended by thanking the tenants, officers and Members who had contributed a great deal of time and effort to this issue over many years.

The Leader, supported by 7 other Members as required by SO 16.6, proposed that a recorded vote be taken on the recommendations. There was upon recorded the following:-

In favour of the recommendations:

Councillors Mrs J A Adey, Z Ahmed, M Angel, D A Anson MBE, M C Appleyard, D H G Barnes, D J Carroll, Mrs L M Clarke, A D Collingwood, R B Colomb, M A Foster, R H Gaffney, J M Gibbs, A R Green, C B Harriss, A E Hill, A Hussain JP, Mrs G A Jones, S P Lacey, N B Marshall, Ms M Neudecker, B E Pearce, J L Richards OBE, J A Savage, R J Scott, D A C Shakespeare OBE, Mrs J E Teesdale, P R Turner, D M Watson, R Wilson, Miss K A Wood and Mrs W J Mallen

Against the recommendations:

Councillors K Ahmed, I Bates, C A Ditta, R M H Farmer, S Graham, Ms V Groulef, M Hanif, M E Knight, T Snaith and Ms J D Wassell

Abstentions:

Councillors Ms R Knight, Ms P Lee, S F Parker, C Shafique MBE and A Slater

Total:

In favour - 32

Against - 10

Abstentions -5

The recommendations were therefore carried.

THE CHAIRMAN OF COUNCIL IN THE CHAIR

Minute 62 – Revision to Treasury Management Strategy

A Member rose to express her pleasure that the Council would be getting back the monies from the Icelandic Bank, GLITNIR. She thanked officers for their perseverance on this and also the LGA which had fought the case on behalf of the Councils who had been affected by this.

RESOLVED: That the minutes of the special meeting of Cabinet held on 29 November 2011 be received and the recommendations set out at Minutes 61 and 62 be approved and adopted.

59 CHAIRMAN'S ANNOUNCEMENT

The Chairman took the opportunity at the close of the meeting to encourage Members to attend the Mayor of High Wycombe's carol service on 4 December 2011. This would be held at All Saints Church and tickets were available from the Mayor's Secretary.

Chairman

The following officers were in attendance at the meeting:

- Andy Chapman - Transfer Advisor to the Council
- Peter Druce - Democratic Services
- Carol Matthews - Legal Advisor to the Council
- Steve Richardson - Head of Financial Services
- Susan Rogers - Democratic Services Manager
- David Ruddock - District Solicitor
- Karen Satterford - Chief Executive
- Steven Tucker - Interim Head of Homes and Housing
- Ian Westgate - Corporate Director