



## COUNCIL

**MEETING** : Thursday, 17th October 2013

**PRESENT** : Cllrs. Chatterton (Mayor), Hansdot (Sheriff & Deputy Mayor), James, Wood, Dallimore, Organ, Patel, Hilton, Haigh, Gravells, Durrant, Tracey, Hobbs, McLellan, C. Witts, Smith, Lugg, Noakes, Ravenhill, Hanman, Lewis, Wilson, Bhaimia, S. Witts, Field, Williams, Llewellyn, Brown, Dee, Porter, Taylor, Beeley, Randle, Toleman and Gilson

**Others in Attendance**

Sue Mullins, Head of Legal and Policy Development & Monitoring Officer

Peter Gillett, Corporate Director of Resources

Martin Shields, Corporate Director of Services and Neighbourhoods

Julian Wain, Chief Executive

Penny Williams, Democratic and Electoral Services Manager

**APOLOGIES** : Cllr Mozol

### 41. DECLARATIONS OF INTEREST

Councillors Beeley, Hansdot, Lugg, Randle and Toleman all declared a Disclosable Pecuniary Interest as Council nominees on Gloucester City Homes (GCH) and as Directors of Gloucester City Homes Limited and withdrew to the public gallery.

Councillors McLellan declared a Personal Interest as members of Gloucester City Homes Customer Forum.

Cllr Smith declared a Personal Interest as a member of Gloucester City Homes Customer Forum and that her daughter worked for Gloucester City Homes.

### 42. SUSPENSION OF COUNCIL PROCEDURE RULES

Moved by Councillor James (Leader of the Council and Cabinet Member for Regeneration and Culture), and seconded by Councillor Dallimore (Deputy Leader of the Council and Cabinet Member for Communities and Neighbourhoods).

**Resolved: That Council Procedure Rules be suspended to allow the relevant officer to address the Council in respect of Agenda Item 4, Housing Futures – Joint Strategic Options Review.**

**43. HOUSING FUTURES - JOINT STRATEGIC OPTIONS REVIEW**

Council received the Housing Futures, Joint Strategic Review report, the purpose of which was to inform Members of the progress made in relation to the Government's Transfer Guidance Consultation. The Cabinet Member for Housing, Health and Leisure introduced the paper and explained that the Council had spent the previous two years considering the options regarding maintaining the Decent Homes Standard for its existing stock and the potential for the development of new properties for social and affordable rent in Gloucester.

Members were further advised that the Council received insufficient income from the rent and that tenants were paying for the necessary works. Moreover, that all of the borrowing capacity had been used in achieving 100% Decent Homes Standard, but should investment cease houses would return to non decency.

The Cabinet Member continued to explain that an independent survey had indicated that at least £13m would be required over the next 10 years to ensure that a Decent Homes Standard was maintained. Moreover, should houses not be maintained they would become more difficult to rent and thus debt could not be serviced, and the maintenance and investment in the rest of the stock would be put at risk.

Members were advised that a transfer of the housing stock to a new landlord had been identified as being an option that would allow for all of the homes to be kept at the Decent Homes Standard for future years. This option was known as 'Co –Co Plus' and was a governance structure where tenants, Councillors and independents were represented equally on the Board.

The Cabinet Member advised Council that the debt cap that stopped the Council from borrowing would not apply to the 'Co – Co plus model, and the new organisation would be able to borrow to invest in the properties. Moreover, without the debt cap, the new organisation could also look to borrow to develop new homes.

Members were advised that for the transfer to work, the Council would have to apply to have the majority of its £62.75m debt written off by the Government. Further, that the decision to have the debt written off would be based on the quality of the business case, the ability to deliver wider benefits for the economy, i.e. creating jobs, training, regeneration and a wide range of health and social benefits. Members were cautioned that should the debt not be written off, the transfer of the stock could not proceed.

The Cabinet Member explained to Council that should the transfer not be approved the Council would have to continue to manage within the HRA resources that it had available from rents. This would mean that there would be reduced investment in the properties and or a reduction in service standards by up to £2m per annum in the short to medium term. Members were advised that keeping Gloucester City Homes as an ALMO and delivering the same level of service was not an option and only the 'Co –Co Plus' transfer allowed for the necessary capital investment and borrowing.

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The Cabinet Member concluded by advising Members that the transfer needed to be completed by 31 March 2015 and should the application to Government be accepted, then the tenants would be asked to vote on proposed transfer of stock and the transfer would require a majority of tenants to vote in favour. Moreover, that the Customer Forum had worked hard on this project, and were recommending to Council that their preference would be for a transfer to Gloucester City Homes as a new stand alone charitable private registered provider that would plough any surpluses it made back into investment in the homes and estate.

Council was advised that Angie Marshall-Smith, the lead financial adviser was present to answer questions if needed.

Members from all groups spoke in support of the proposals noting the contributions from tenants, and officers in formulating the proposals to date and noting the work that needed to be done to ensure that the Council met the deadline of 31 March 2015. It was also noted that whilst there had been a great deal of support from many tenants, further consultation would be undertaken to ensure that support was from all tenants. Moreover that the support of the Member of Parliament for Gloucester was paramount in this matter, particularly around lobbying Government on writing off the debt.

The Leader of the Liberal Democrat Group spoke in support of the proposals, making reference to the importance of the government writing-off all HRA related borrowing as part of a transfer, to ensure a demonstrable financial business case for the City Council.

Members continued to speak in support of the proposals, whilst noting the importance of the financial implications and support of the tenants, further, it was noted that a 'Plan B' should be in place should the matter not come to fruition. Members also recognised the work carried out by Gloucester City Homes and the national recognition they had received.

The Leader of the Council addressed the meeting, stating that the final business case would be presented to Council for agreement, and that the amount of debt written off was an important consideration. Further that the housing stock should not fall into disrepair and the tenants would vote on the proposals in due course. The tight time scale was recognised and whilst there was a great deal of work to be done it was an important stepping stone on that journey.

The Cabinet Member for Housing, Health and Leisure concluded the debate by thanking all those that had been involved in the process to date for their contributions and dedication.

**Resolved that:**

- 1. The Council and Community Owned (Co-Co) model for stock transfer be approved in principle, subject to the financial business case being satisfactory and subject to the subsequent approval of the offer to tenants.**

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- 2. The Customer Forum's recommendation that GCH be selected as the preferred new stand alone landlord in the event of a transfer be endorsed.**
- 3. Approval be given for an application to be submitted to the Government for inclusion in the 2014/15 Transfer Programme, subject to Cabinet finalising the detailed application prior to submission.**
- 4. Approval be given for commencing expenditure against the Stock Transfer budget.**

**44. DESIGNATION OF MONITORING OFFICER**

In advance of this item being discussed Sue Mullins left the meeting.

Council received a tabled urgent report on the designation of a Monitoring Officer to meet the requirements of the Local Government and Housing Act 1989 and to carry out the statutory role and responsibilities of Monitoring Officer under that Act.

**Resolved: That Sue Mullins be designated as Monitoring Officer under Section 5 of the Local Government and Housing Act with effect from 1 October 2013.**

**Time of commencement: 19:00 hours**

**Time of conclusion: 19:45 hours**

**Chair**