

**FLINTSHIRE COUNTY COUNCIL**  
**27<sup>TH</sup> SEPTEMBER, 2007**

Minutes of the Special meeting of the Flintshire County Council held in County Hall, Mold on Thursday 27<sup>th</sup> September 2007.

**PRESENT: Mrs. A. Minshull (Chairman)**  
Councillor Mrs. D. Banks (Vice-Chairman)

Councillors: L.A. Aldridge, J.B. Attridge, S.R. Baker, D. Barratt. Colin Bithell, R.C. Bithell, D.M.D. Clayton, D.L. Cox, P.J. Curtis, R. Davies, Mrs. G.D. Diskin, Q.R.H. Dodd, R.C. Dodd, D. Evans, E.F. Evans, F. Gillmore, Mrs. R. Griffiths, R.J.T. Guest, R.G. Hampson, P.G. Heesom, M. Higham, H.T. Howorth, G.A. Jones, J.F. Jones, R.K. Jones, Mrs. S. Jones, R.P. Macfarlane E.E. Matthews, N. M. Matthews, H. McGuill, W. Mullin, N. Phillips, T. Renshaw, K.W. Richardson, H.T. Roberts, I.B. Roberts, L.A. Sharps, A.P. Shotton, I.R. Smith, W.O. Thomas, Pamela J. Walkden, T. Walker, W.M. Warburton, D.R. Wilkes, G.D. Williams, D.E. Wisinger and A. Woolley.

**APOLOGIES:**

Councillors J.G. Beard, J.C. Cattermoul, D. Butler, A.G. Diskin, C.J. Dolphin, B. Dunn, C.A. Ellis, H. Gambino, A.E. Hannah, G. Hardcastle, N. Humphreys, C. Legg, J. Ovens, M.J. Peers, C. Shone, N.R. Steele-Mortimer, D.T.M. Williams and M.G. Wright.

**IN ATTENDANCE:**

Chief Executive, County Legal & Democratic Services Officer (Monitoring Officer), County Finance Officer, Director of Adult Social Care, Acting Director of Community and Housing, Assistant Director of Finance, Interim Head of Housing, Interim Project Manager, Democratic Services Manager and Principal Administration Officer.

Mr Paul Horleston was also present for the item discussed in Minute No. 191

Messrs D. Newman and D. Williams of PricewaterhouseCoopers were also present.

**185. PRAYERS**

The meeting was opened with prayers said by Councillor R.C. Bithell.

**186. FORMER COUNCILLOR EDDIE HALL**

The Chairman referred to the sad death of former Councillor Eddie Hall and the Council stood in silent tribute.

The Leader of the Council led the tributes to former Councillor Hall referring in particular to his excellent work for the Council over many years especially in his role as Deputy Leader of the County Council. He also

referred to the dedicated work undertaken throughout the Community which was widely acknowledged and appreciated.

The Leader of the main Opposition Group, in his tribute to Councillor Hall, referred to the manner in which he had undertaken his duties and, in particular the development of the facility for Members Services which was very much to his credit.

Members representing his Community also paid their own personal tributes as did Members from other Groups across the Council Chamber. The former Leader of the Council, who was Leader when the late Councillor Hall was Deputy, referred to the significant contribution he had made towards the life of the Council and to him personally when he was his Deputy. He referred to him being a wonderful character and was a very calming influence to him during difficult times in his term of office. Members shared his view that Councillor Hall's life should be celebrated for all he had achieved over many years.

The Chairman thanked Members for their comments.

**187. MR COLIN EVERETT**

The Chairman welcomed Mr Colin Everett to his first meeting of the County Council in his capacity as Chief Executive. Mr Everett thanked the Chairman and expressed his appreciation for the welcome he had received since his appointment.

**188. URGENT ITEM**

The Chair indicated that she had allowed an additional item to be included on the Agenda because she was satisfied that it was urgent. The County Legal and Democratic Services Officer reported that it related to the current proliferation of Public Inquiries and he would expand upon it at the appropriate time in the meeting.

**189. DECLARATIONS OF INTEREST**

Councillor N. Phillips declared an interest in Minute No. 191 below and left the Chamber whilst it was being discussed.

**190. STATEMENT OF ACCOUNTS 2006/07**

The Council considered the report, previously circulated, of the County Finance Officer, the purpose of which was to seek Members approval of the final Statement of Accounts for 2006/07. Full copies of the Accounts had been circulated with the papers for the Audit Committee which had been held on the 25<sup>th</sup> September 2007 and Members had been requested to bring those papers with them to this meeting.

The views of the Audit Committee were circulated prior to the commencement of the meeting. The report was presented by the County Finance Officer which detailed the background to its preparation and the relevant considerations. The report indicated that as part of the final Accounts process, PricewaterhouseCoopers had presented to the Audit Committee on 25<sup>th</sup> September 2007, the report "ISA 260 – Communication of Audit Matters to those charged with Governance".

The County Finance Officer explained that this required the Auditor to communicate relevant matters relating to the audit of the financial statements to those charged with Governance of the entity. The report detailed the significance of this.

In the papers circulated at the meeting, detail was given of the notification of changes to the final Statement of Accounts in the various section under the following headings:-

1. Statement of Accounting Policies
2. Core Single Entity Financial Statements
3. Note to the Core Financial Statements
4. Group Statements

In moving the acceptance of the report, the Chairman of the Audit Committee paid tribute to staff in preparing the documents in such a timely manner, taking into account the earlier timescales requested by the Welsh Assembly Government to finalise the accounts. This view was supported by the Vice-Chairman who seconded the acceptance of the accounts.

### **RESOLVED**

- (1) That the unadjusted mis-statements included in Appendix A of PricewaterhouseCoopers ISA260 report, be agreed.
- (2) That the Statement of Accounts be accepted subject to the minor adjustments which had been referred to at the meeting of the Audit Committee and circulated at the meeting.

### **191. HOUSING STOCK OPTIONS APPRAISAL**

The Council considered the previously circulated joint report of the Chief Executive, Acting Director of Community and Housing, County Finance Officer and Monitoring Officer which had been submitted on behalf of the Corporate Management Team.

The purpose of the report was to appraise Members of the available options for the future delivery of the County Council's social housing function and the achievement of the Welsh Housing Quality Standard (WHQS). It was also necessary for the Council to determine its preferred course of action to allow this to be reported to the Welsh Assembly Government. The Chief Executive opened the presentation of the report.

The Chief Executive reported that it was a presumption of the Welsh Assembly Government that the Council would opt for Stock Transfer if it did not have an approved business plan in place to secure the WHQS through retention. At present the Council did not have such a plan in place. If the Council did pursue the Stock Retention Option it would result in a mandate being given for such a plan being prepared with the necessity for a dialogue with the Welsh Assembly Government.

The report detailed the background to its preparation and referred in particular to the considerable challenges the Council had to meet with its obligations as a landlord to approximately 7,500 households. Foremost amongst those challenges was the need to improve the condition of dwellings to meet modern living standards and lifestyle. Reference was made to the relevance of the Welsh Assembly Government's National Housing Strategy and its vision for housing in Wales. It was noted that the Strategy was based around the central theme of quality and the Assembly's ambition to bring all social housing upto the WHQS by 2012.

The report also detailed the Guidance published by the Welsh Assembly Government in 2002 to Local Authorities and the preparation of the Housing Business Plans for Social Housing. It was a clear requirement that Councils must demonstrate how they intended to achieve the WHQS by 2012. In preparing the first draft business plan under this regime for submission to the Welsh Assembly Government in 2003, the County Council argued that it could only achieve the WHQS by 2012 by making use of considerable Social Housing Grant funding to re-develop a large proportion of its non-traditional properties. The business plan presented at that time was rejected by the Welsh Assembly Government as not being fit for purpose.

The Council noted that the Guidance issued required that under such circumstances it needed to evaluate alternative management and financial arrangements that could secure the Government's objectives for social housing standards. The Welsh Assembly Government had been clear on its determination to secure from all Councils a firm indication of how they were going to achieve the WHQS.

The Council was informed that in 2006 it commissioned a desktop study to review the previously rejected housing business plan submitted to the Assembly and to identify the work needed to prepare and agree a compliant plan that met the requirements of the WHQS. Arising out of that study, the Council undertook work which led to the development of a robust Stock Options Appraisal and the subsequent submission of either a compliant business plan or Stock Transfer Option to the Welsh Assembly.

A Stock Options Appraisal Project Manager had been appointed to oversee the work and an Advisory Stock Options Panel comprising of tenants, staff and Councillors was formed to undertake the Appraisal process and to make its observations and recommendations to the meeting of the Council.

The Chief Executive introduced the officers present who had contributed to the preparation of the report. In addition to the report, supplementary advice had been issued to Members earlier in the week as a number of queries had been received regarding paragraph 4.13.6 of the Housing Stock Options Appraisal. The report referred to the preliminary exercise which had been carried out to assess whether a demolition option for the Flint maisonettes could be accommodated within a transfer option. Accordingly, the supplementary advice had been produced, for Members to consider along with the report in advance of this meeting. Papers for this meeting had been made available to Tenant Groups and other interested persons the week before the meeting.

The Chief Executive advised that this was a significant decision for the Council to make. Key to those deliberations was the necessity to achieve the WHQS by 2012. The Chief Executive advised that Flintshire was one of five Councils who were known not to have made a decision on their preferred option but that it was necessary to do so without delay because the final extended date for notifying the Assembly of a decision was 30<sup>th</sup> September 2007.

After months of preparatory work, the officers had identified two options for consideration having eliminated all other actions; these were fully detailed in the report. The Welsh Assembly Government's presumption was that there would be a transfer of stock unless there was a robust business plan in place for retention which had been accepted by them. The Chief Executive reported that the officers were not making a specific recommendation in this particular case as it was their role to provide a balanced appraisal of both of the options. He was satisfied that the report under consideration achieved this.

The report made particular reference to the Stock Condition Survey whereby FPD Savills were commissioned. The results of the survey were formally reported in June 2007 and identified the overall investment required to achieve the WHQS by 2012. The costs were fully detailed in the report.

The Acting Director of Community and Housing reported on the key points on each of the options. With regard to stock retention, he explained that the Council would retain the ownership of the stock and full ongoing responsibility of the management and maintenance and fund the cost of delivering WHQS from its own current and future capital resources and these were detailed in the report. It was also noted that under the retention option, the Council had to operate within the HRA subsidy regime which was referred to in the body of the report.

The Council noted that the retention option would require approval of a housing business plan by the Welsh Assembly Government. Transfer would still be an option at a later date should the housing business plan prove not to be sustainable.

The Acting Director then referred to that section of the report relative to the possibility of stock transfer. The key points were identified and the Acting Director commented upon the significance of these. He then referred to the significance of a retention strategy and the implications for the Council, Elected Members, Council staff and Tenants.

The Risk Assessment for Option 1 for Retention and for Option 2 – Voluntary Transfer were detailed in the report.

The County Finance Officer reported upon the financial significance of the options available to the Council. She referred in particular to Appendix 1 of the report relating to the retention option and the significance of the 30 years financing period and the various consequences which were detailed in that Appendix. She reported upon the significance of funding only pension provision in the transfer option and how this may be addressed. The likely cost implications of a ballot on Stock Transfer and how this would be met was also explained.

The Chief Executive then summarised the conclusion and read out in full, paragraph 5.1 of the report. He then expanded upon the significance of the points contained in that part of the report. He further explained that if Option 1 was the Council's choice then it would mean that negotiations, would be opened with the Welsh Assembly Government for the reasons identified earlier in the meeting.

The Acting Director of Community and Housing again referred to the level of consultation that had been undertaken as part of the procedure and how it had been detailed and widespread.

A Stock Options Panel had been established and their role was fully detailed in the report. The Panel consisted of seven Councillors, seven Tenant Representatives, seven Staff Representatives and four Trade Union Representatives in an ex-officio capacity. The Monitoring Officer reported that the Members of the Panel had signed letters of confidentiality and in the circumstances he was unable to give details of the deliberations of their meeting the previous Friday held to make a recommendation on the two options to the County Council. However, he was able to report the outcome of their secret ballot. There were 21 votes cast, 8 voting for retention with 13 voting for transfer.

In opening the debate, the Leader of the Council commented upon the magnitude of the task facing the Council on this issue. He referred to the Welsh Assembly Government's Policy and the need to meet the WHQS. He supported the principle of the need for good quality homes but to achieve that he felt that it was necessary for the process to be fair and balanced and he was of the strong opinion that the current legislation certainly did not reflect this. He expressed his concerns at the negativity of the subsidy arrangements and how the options were not as varied in Wales as they were in England. He felt that the whole process was unbalanced and did not give the Council an equal opportunity to retain its housing stock and provide a

good service. The principal aims were decent homes, affordability and security of tenure. The Leader again reiterated his concerns regarding the affordability issue and that it was also necessary to look to the long term. It was essential for the Council to be sure that every aspect had been identified and all avenues thoroughly explored. He referred in particular to the issue of the future development of the maisonette site in the centre of Flint where the Council had been misled previously and that current proposals did not give the Council an equality to address the situation. He commented upon the fact that the responsibility for homelessness would remain with the Council under the proposal identified by the Welsh Assembly Government but that they would have no housing stock to assist that process.

Taking everything into consideration and the future of the tenants, he formally proposed the acceptance of Option 1 for retention of the stock.

The Executive Member for Community and Housing seconded the proposal and in doing so recorded his thanks to the officers who had been actively involved in the process and for the report which was very balanced. He accepted that it was necessary to gain the approval of the Assembly to allow it to go forward. He also wished to record a vote of thanks to all the Members of the Panel who had been actively involved in the process for a considerable length of time and had made active contributions at every stage.

Another Member supported the proposal and shared the view that the Welsh Assembly Government's approach to housing options had not been fair and equal and that it was necessary to show that all aspects of the proposal had been actively investigated.

The same Member made the point, which he felt was supported throughout the Chamber, that it was not just the case of houses being discussed but peoples' homes. He also expressed a view on the inadequacy of the accountability of those responsible for the private rented social housing sector. He commented upon the number of people currently on the housing waiting list and the responsibility the Council had to those persons in helping them obtain a decent home. He shared the view that Members of the Council had a key role in achieving this aim.

In summary, he suggested that if the Council went for the retention option it left more possibilities to pursue the issues under consideration. He recorded his thanks to the Leader of the Council and the Executive Member for Community and Housing for their work to date.

Alternatively, other Members felt that retention of the stock was not a viable option. In support of this, they referred in particular to paragraph 5.1 of the report whereby it stated that retention was not viable or achievable under the current legislative and funding framework available to the Council. They suggested it would be unwise to go against the professional advice which had been offered in the appraisal of options. Reference was also made to the financial aspects identified in the report and the significance of the 30 year period. It was also suggested that if the transfer option was taken, then there

would be a ballot of all tenants who would have the opportunity to express a view as individuals.

As the meeting progressed a Member suggested that in view of the magnitude of the issue under discussion then the Constitution Forum should perhaps consider the revision of the rule whereby Members were restricted to five minutes to speak on an issue.

The Chairman advised that if Members so wished they could move a proposal for the suspension of Standing Orders. Members felt that this was a sensible course of action.

It was duly proposed, and seconded, and subsequently agreed for the Standing Order relative to the time a Member was allowed to speak, be suspended for this item.

A Member expanded upon his concern regarding the imbalance of the legislation and in these circumstances the Councils were not given an even chance to address the situation. He responded to the point regarding the tenants' right to a ballot and suggested that Members of the Council had been elected by the electorate to make such decisions on their behalf. Supported by other Members, he requested the Leader of the Council explore the regeneration options for Flint. He suggested that further consultation in all areas was necessary with the necessity to explore the current unknowns in the situation. Other Members, in supporting the view, expressed their concern at the imbalance of the legislation.

As the debate progressed, a number of Members in expressing their support for the retention option, referred to the considerable amount of work that had been undertaken over a period which had provided the background to the report presented today.

A Member commented that this information had been most useful and could be used in the future to assist the Council even if the Retention Option was unsuccessful.

Members again referred to the number of people on the Housing Waiting List and the responsibility the Council had towards them. Again, in referring to the imbalance of the legislation they referred to the funding social landlords received for the Right to Buy sales which was far in excess of that the Council would receive. Social landlords would also be able to receive a greater level of the rent receipts to invest into the housing stock.

It was also suggested that there was a wider issue, whereby councils could again campaign to allow them the right to build social housing which would help to address the need of those people on the Waiting List within specific communities. Alternatively other Members suggested that if the Council voted for stock transfer, then the tenants, as individuals, would have a vote and therefore have their say directly in the matter. The point was made relative to the role of the Panel and the vote that they had taken in



favour of Stock Transfer. A further point was made that if the Council voted for retention, there was no guarantee that the Assembly Government would alter their stance in terms of funding, which would be a necessity for the retention option to succeed.

The Executive Member for Finance commented upon the financial aspect and suggested that it would be a decision, in principle, because there were a number of factors which would still have to be addressed but felt that the tenants deserved that chance for the retention of council housing. There was a general acceptance that the 2012 date for the completion of achievement of the WHQS was unrealistic in view of the level of work and the costs involved. This was a view shared by the majority of local authorities.

A number of Members expressed their views and commented upon the report as being very balanced and provided the information necessary for the Council to make an informed decision. The debate continued with Members speaking for and against the proposal and a number of the key points were reiterated.

A Member referred to the situation with the maisonettes in the Flint town centre and how it was important for this issue to be addressed. By way of illustration he referred to the history of the development of this site and the strong Government guidance at that time that it was a correct course of action. He suggested that this had not proved to be the case and that the current proposals by the Welsh Assembly Government again, may not be the most appropriate.

Members against the proposal reiterated the point that they felt it was most unlikely that the Welsh Assembly Government would change their stance on the financial situation just to satisfy the needs of Flintshire.

The point was made that the decision would have an affect on all residents of the area and not just Council tenants. He referred to the fact that Flintshire County Council had never built a Council property since its inception although registered social landlords had done so. For this to be reversed, it would again be necessary for a change of stance by the Welsh Assembly Government and the Members who were opposed to retention felt that this was most unlikely.

In responding to the points raised, the Chief Executive confirmed that there was a proposition on the table but there was no amendment.

With regards to the situation in Flint maisonettes, he expressed his gratitude for the comments of Members who had raised specific issues relating to this area in relation to Stock Transfer and it was for that reason that a supplementary paper had been despatched which detailed four possible scenarios for dealing with the maisonettes. He further explained that whatever the outcome of the situation at today's meeting, the issue relating to the maisonettes would have to be addressed.

In responding to the points raised by Members regarding the risks involved, he felt it was appropriate for the Council to challenge when they felt it was necessary to do so. The protection to the Council with regard to the issue was that they would not be able to proceed with the course of action without specific assurances of the Assembly Government and their acceptance of the Council's business plan. He reiterated the point that if the option to retain was supported, it would be a basis for negotiating with the Assembly and that it would be necessary for the Council to have an approved business plan which would be reviewed annually.

The Acting Director of Community and Housing clarified a point in relation to rent levels whereby they would remain the same and for new tenants they would act as a benchmark.

The Chief Executive also commented upon circumstances whereby certain authorities had opted for a Stock Transfer ballot and by the democratic process of ballot, the majority view of tenants had been retention by the Council. This, along with other issues, were now the subject of discussions at national level. The Chief Executive referred to the significance for the completion of the WHQS by 2012 which he concurred was now unrealistic under either option taking into account all the circumstances.

The Chief Executive was aware of at least one local authority who had been given an extended timescale to meet the WHQS. The Chief Executive confirmed that, in respect of other matters, there was no precedent and that discussions to be undertaken corporately would be of a high profile and very detailed. He referred to the 10% efficiency cuts in the retention model which he indicated would be a significant challenge and stated that proposals needed to be developed on how these would be achieved. He confirmed, that this would not necessarily be achieved through redundancies but that this could not be ruled out. The Chief Executive commented upon the significance of localism in determining such issues and that any negotiations for either option would be based on the report in front of Members at this meeting. He accepted that it was a difficult decision for the Council to make and advised Members that they should make the decision they believed was the best course of action taking into full account all the advice given.

In summing up, the Leader of the Council again thanked the officers and the Panel for all their input on such a very important issue. He responded to a number of the points made by those who were in favour of the Stock Transfer Option and indicated that discussions with the Assembly would be complex and it would be necessary to advise how it was intended for the Council to deliver their aspirations. He commented upon a number of key issues on which it would be appropriate to challenge the Assembly, again referring to the advantages that were with other social landlords in terms of the financial framework. The Leader also referred to the role of the Council's external Auditors, PricewaterhouseCoopers, who would not allow the Council to take a course of action that would be regarded as 'reckless'.

Regarding the relationship with the Welsh Assembly Government, he felt that it was right for Flintshire to stand up for its case.

If the retention option was adopted by the Council, he felt it would be appropriate for high level discussions with representatives of the National Assembly Government with cross-party representation. He also referred to comments of Shelter Cymru Wales who were opposed to the principle of Stock Transfers. The Leader commented on the situation with the Flint maisonettes and the fact that Flintshire County Council had not been engaged in certain discussions with civil servants on this issue when other parties had. He indicated that this was a culmination of all things where there was an unfair advantage given to the social landlords and felt that the Council would have a good chance if these issues were challenged in the proper way.

A Member requested a recorded vote and was supported by the requisite ten Members. On being put to the vote the motion was CARRIED by 38 votes to 8. The voting being as follows:

FOR            Option1    (Retention)    Councillors: L.A. Aldridge, J.B. Attridge, D. Barratt, R.C. Bithell, D.L. Cox, P.J. Curtis, R. Davies, Mrs. G.D. Diskin, D. Evans, E.F. Evans, F. Gillmore, Mrs. R. Griffiths, R.G. Hampson, P.G. Heesom, M. Higham, G.A. Jones, J.F. Jones, R. K. Jones, Mrs. S. Jones, R.P. Macfarlane, E.E. Matthews, W. Mullin, T. Renshaw, K.W. Richardson, H.G. Roberts, I.B. Roberts, L.A. Sharps, A.P. Shotton, I.R. Smith, W.O. Thomas, Pamela J. Walkden, T. Walker, W.M. Warburton, G.D. Williams, D.E. Wisinger and A. Woolley and Mrs A. Minshull, Mrs. D. Banks

AGAINST    Option 1    (Retention)    Councillors: S.R. Baker, Colin Bithell, D.M.D. Clayton, Q.R.H. Dodd, R.C. Dodd, R.J.T. Guest, H.J. McGuill and Nancy Matthews.

Following the vote, the Chief Executive confirmed that he would immediately inform the Welsh Assembly Government of the decision with a view to a timetable being agreed for discussion. The report presented to the Council would constitute an outline business plan for submission to the Assembly. The Leader also indicated he would call a further meeting of Group Leaders to ensure cross party support for a delegation to meet representatives of the Welsh Assembly Government.

**RESOLVED**

That the Welsh Assembly Government be informed that the Council supports the principle of Housing Stock Retention as detailed in Option 1 of the report.

**192. PROLIFERATION OF LOCAL INQUIRIES**

Arising from Minute No 188 above the Monitoring Officer reported upon this urgent item. A number of Members had expressed their concerns to him regarding the proliferation of Local Inquiries which had been held at the same time and had caused particular difficulties for Members who it was necessary to attend more than one of these. By way of example he referred to the current Unitary Development Plan Inquiry, the Aston By-Pass Inquiry and the Kinsale Hall Planning Application.

Members thanked the officer for bringing the report to the meeting and they felt it was most appropriate for the issue to be raised.

The Monitoring Officer indicated that he would prepare a report and submit it to a future meeting of the County Council.

**RESOLVED**

That the Monitoring Officer report accordingly.

**193. DURATION OF THE MEETING**

The meeting commenced at 2.00 pm and finished at 4.40 pm.

**194. PRESS AND PUBLIC**

There were 33 members of the public in attendance and one member of the press.

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**Chairman**

**SUMMARY OF DECLARATIONS MADE BY MEMBERS**  
**IN ACCORDANCE WITH FLINTSHIRE COUNTY COUNCIL'S**  
**CODE OF CONDUCT**

<b>FLINTSHIRE COUNTY COUNCIL</b>	<b>DATE:27<sup>TH</sup> SEPTEMBER 2007</b>
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<b>MEMBER</b>	<b>ITEM</b>	<b>MIN. NO. REFERS</b>
Councillor N Phillips	Housing Stock Options Appraisal	191