

MINUTES of the MEETING of the  
SOUTH DERBYSHIRE DISTRICT COUNCIL  
held at Civic Offices, Civic Way, Swadlincote  
on 9th April 2009  
at 6.00 p.m.

**PRESENT:-**

**Conservative Group**

Councillor Mrs. Hood (Chairman), Councillor Murray (Vice-Chairman) and Councillors Atkin, Bale, Mrs. Farrington, Ford, Grant, Harrison, Hewlett, Jones, Mrs. Patten, Mrs. Plenderleith, Roberts, Stanton, Timms, Mrs. Wheeler and Wheeler.

**Labour Group**

Councillors Bambrick, Dunn, Mrs. Lane, Mrs. Mead, Pabla, Rhind, Richards, Shepherd, Southerd, Taylor and Wilkins.

**APOLOGIES**

Apologies for absence from the Meeting were received from Councillors Bladen, Mrs. Coyle, Lemmon and Watson (Conservative Group), Councillors Mrs. Gillespie, Lane and Tilley (Labour Group) and Councillor Mrs. Brown (Independent Member).

CL/112. **MINUTES**

The Open Minutes of the Meeting of the Council held on 26th February 2009 (Minutes Nos. CL/93 - CL/109) were taken as read, approved as a true record and signed by the Chairman.

CL/113. **DECLARATIONS OF INTEREST**

Councillor Atkin declared a prejudicial interest in respect of the Standards Committee Minutes of the Meeting held on 31st March 2009. Councillors Bambrick, Hewlett, Mrs. Mead, Mrs. Plenderleith, Richards and Shepherd all declared prejudicial interests in respect of the item on additional temporary support to South Derbyshire residents during the recession.

CL/114. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed the return of Councillor Pabla, who expressed his appreciation for the support he had received following the loss of his wife. The Chairman thanked those who had supported the Civic Dinner on 14th March, which had raised just over £800 for the chosen charities. She spoke about the litter picking undertaken with Findern Footpaths Group as part of the Cleaner, Greener and Safer South Derbyshire initiative. She also provided details of the new High Sheriff, Sir Henry Every and spoke about the retirement of the Lord Lieutenant of Derbyshire, Mr. John Bather.

CL/115. **LEADER'S ANNOUNCEMENTS**

The Leader also welcomed the return of Councillor Pabla and she thanked Members involved in the litter picking undertaken at Coppice Side in Swadlincote.

CL/116. **CHIEF EXECUTIVE'S ANNOUNCEMENTS**

The Chief Executive provided an update on the Boundary Committee review of wards in South Derbyshire, from October 2009. The Leader of the Opposition Group submitted a question about the Civic Dinner being hosted outside the District and whether, in the current economic climate, these monies should be spent within South Derbyshire. In reply, the Chief Executive explained the financial support provided to the Chairman's Charity by the chosen venue for both the Charity Golf Competition and Civic Dinner.

CL/117. **REPORTS OF COMMITTEES****RESOLVED:-**

***That the Open reports of the following Committees be received and noted and any recommendations contained therein be approved and adopted, subject to any matters annotated:-***

***Development Control Committee, 3rd March 2009 (Minutes Nos. DC/85 - DC/94)***

***(Minute No. DC/87, It was questioned whether a reply had been received from Derbyshire County Council in relation to the matter raised at the Development Control Committee. The Chairman offered to provide the Member with a written reply to this issue.)***

***Licensing and Appeals Sub-Committee, 5th March 2009 (Minute No. LAS/23)***

***Licensing and Appeals Sub-Committee, 5th March 2009 (Minutes Nos. LAS/26 - LAS/27)***

***Licensing and Appeals Sub-Committee, 5th March 2009 (Minutes Nos. LAS/29 - LAS/30)***

***Environmental and Development Services Committee, 5th March 2009 (Minutes Nos. EDS/46 - EDS/54)***

***Housing and Community Services Committee, 12th March 2009 (Minutes Nos. HCS/53 - HCS/62)***

***(Minute No. HCS/58 – Status Tenant Satisfaction Survey. Members of the Council recorded their thanks to the staff involved for the high level of tenant satisfaction following this survey.)***

***Finance and Management Committee, 19th March 2009 (Minutes Nos. FM/105 - FM/111)***

***Development Control Committee, 24th March 2009 (Minutes Nos. DC/96 – DC/111)***

***Overview and Scrutiny Committee, 25th March 2009 (Minutes Nos. OS/43 – OS/50)***

***Standards Committee, 31st March 2009 (Minutes Nos. SC/39 – SC/44)***

Note: Councillor Atkin left the Meeting during the consideration of this item.

**Area Forums**

***Linton, 24th February 2009 (Minutes Nos. LA/19 – LA/27)***

***Newhall, 25th February 2009 (Minutes Nos. NA/12 – NA/20)***

CL/118. **SEALING OF DOCUMENTS**

**RESOLVED:-**

***That the sealed documents listed at Annexe “SMB1” to the Signed Minute Book, which have no specific authority, be duly authorised.***

CL/119. **COMPOSITIONS OF COMMITTEES, SUB-COMMITTEES AND WORKING PANELS**

There were no amendments to the compositions of Committees, Sub-Committees and Working Panels.

CL/120. **COMPOSITION OF SUBSTITUTE PANELS**

There were no amendments to the composition of Substitute Panels.

CL/121. **REPRESENTATION ON OUTSIDE BODIES**

There were no amendments to the Council’s representation on Outside Bodies.

CL/122. **ARMED FORCES DAY**

It was reported that the Government had announced that the first British Armed Forces Day (AFD) would take place on 27th June 2009. This would be an opportunity for the Nation to show its appreciation for the contribution made by those who serve or have served in the Armed Forces. It was planned to mark the occasion with a wide range of community led events. One of the official activities taking place was the raising of a unique AFD flag within all Boroughs, Districts, Cities and County Council areas. The flag raising would take place at 10.30 a.m. on Monday, 22nd June 2009 and local authorities wishing to take part would be provided with a flag, free of charge.

It was proposed that the Council participate in the flag raising. It was understood that some British Legion groups and Air Training Corps would be involved in activities and hoped that Members, as community leaders would become involved with them. Several Members contributed, recognising the dangerous work of Armed Forces personnel. An event publicised was a service and celebration in Melbourne, involving the British Legion and Parish Church on Friday, 26th June 2009.

**RESOLVED:-**

***That this Council applies for the Armed Forces Day flag, to be flown on Monday, 22nd June 2009 and then added to the protocol of flag flying for subsequent years and that Members support local events, as Community Leaders.***

CL/123. **REVISED RENT INCREASE 2009/10**

It was reported that on 17th February 2009, the Finance and Management Committee approved an average rent increase for Council tenants of 4.9%, which was below the Government's original guideline increase of 6.28%. Details were subsequently received about the implementation of a revised National guideline and if this lower option was taken up, the Government would compensate lost rent through the subsidy system. This option was currently the subject of consultation, to inform the Government on whether they wished to implement the lower guideline increase. If the option was taken up, it would be backdated to 1st April, but the implementation date had not been confirmed. The costs associated with recalculating rents and re-issuing notices were not likely to be reimbursed by the Government. The exception was costs associated with revised benefit calculations and notifications. All other items within the subsidy determination, on which the Council set its HRA budget for 2009/10, remained unchanged.

The Government's revised guideline increase was 3.1% nationally. Therefore, a decision on whether to accept the lower option was perhaps more a matter of principle rather than a financial one. However, any impact on the overall ten-year financial projection for the HRA needed to be noted and this was considered in the next section of the report. Members were reminded of the implications of the earlier decision, the potential implications of implementing a 3.1% increase and the likely benefit subsidy implications of setting a rent increase above the suggested revised national guideline. This was summarised in a table contained within the report and if the revised guideline increase was accepted, the HRA would revert almost to the position projected in February. Further sections of the report showed the effect for individual tenants, looked at average rents and rent restructuring.

There was discussion about the difficulties experienced by some local authorities in seeking the reimbursement of incurred costs. It was confirmed that South Derbyshire had not experienced such difficulties.

**RESOLVED:-**

***That an average rent increase of 3.1% be approved for 2009/10, in accordance with the revised Government guidelines.***

CL/124. **ADDITIONAL TEMPORARY SUPPORT TO SOUTH DERBYSHIRE RESIDENTS DURING THE RECESSION**

Note: At 6.30 p.m. Councillors Bambrick, Hewlett, Mrs. Mead, Mrs. Plenderleith, Richards and Shepherd left the Meeting during the consideration of this item.

It was reported that for the first time in its operation, the Citizens Advice Bureau (CAB) based at Swadlincote had introduced a waiting list for debt counselling. Statistics were provided on the increase in unemployment rates and the rising number of people seeking advice from the CAB. Of these additional cases, approximately 300 residents required in depth counselling, which on average could take 10-11 hours of caseworker time. The CAB had received some additional funding and it was noted that an additional half-time debt caseworker post would increase capacity for an extra 90 households, enough to meet the additional demand identified. The largest increase in unemployment levels had been seen at Newhall and it was therefore proposed that a part-time CAB debt counsellor be funded and based in the OPRA building in Newhall. Peripatetic debt advice was also being provided through the Council in partnership with the CAB.

The Council had been receiving 50% additional applications for housing each day in the last few months. The existing homelessness staff required additional short-term support to deal with this increase and details were provided of the homelessness advice offered. The financial implications were reported, explaining the costs of providing the additional temporary debt counsellor and housing options advisor post. The District Council could commit £13,000 from existing budgets and an award of £95,000 had been received from the Local Authority Grant Business Incentive Scheme.

Several Members spoke in support of this initiative to help residents of South Derbyshire.

**RESOLVED:-**

***That Council approves the use of Local Authority Grant Business Incentive scheme monies to fund a part-time Citizens Advice Bureau Debt Counsellor and an additional Housing Options Advisor, each post for a temporary period of 12 months.***

CL/125. **STOCK OPTION APPRAISAL: A REVIEW OF HOUSING REVENUE ACCOUNT VIABILITY AS PER GOVERNMENT GUIDANCE**

The Council received a presentation from the Head of Housing Services and Gary Seabourne of Savills Housing Investment and Consultancy. Approval was sought to a recommendation produced by the Stock Option Appraisal and Review Group (SOARG) for a further report to be produced once the outcome of the national Housing Revenue Account (HRA) finance review and the Council's stock condition survey were known.

It was reported that the stock options process entailed consideration of choices available on how to best secure the future viability of the housing landlord service, in terms of finance, property investment and tenant aspirations. A stock options process was commenced in October 2008 and the Housing and Community Services Committee set up a SOARG, comprising tenants, staff and Member representatives, to consider the process and make recommendations back to the Council. This process included in depth tenant consultation through telephone surveys, newsletters, a post survey and drop-in sessions. These were undertaken by the Independent Tenant Advisor (Tenant Participation Advisory Service (TPAS)). Savills Consultants were also engaged to report on the current tenant views, but also tenant aspirations, financial matters, stock investment

requirements and future projections of housing finance, both locally and nationally.

Background was provided on the Government guidance and the drivers for undertaking the stock options process. Such processes were involved and time-consuming. It was emphasised that the decision to reopen the Stock Option Appraisal (SOA) process was not a decision to proceed with stock transfer and that this process would be subject to extensive consultation with tenants, a detailed evaluation of the financial situation and finally, the formulation of a formal offer to tenants, which would be balloted and could not proceed without the majority of tenants voting in favour.

There were four different models for looking at the future of the HRA business, all of which would be covered in the SOA. These were:-

- Stock retention
- Transfer of the stock to a Housing Association
- Private Finance Initiative
- Arms Length Management Organisation (ALMO)

Further background was provided on each of these options. Next, the report looked at the work undertaken by Savills Consultants and their report was submitted. This provided a summary of the whole process and particular reference was made to the financial position on the Council's HRA, which was critical to the process. Information was provided on the HRA subsidy system and extracts were included from the Savills report.

Detail was then provided on the Independent Tenant Advisor report. This explained the consultation undertaken by the TPAS. It included the survey response rates and an extract of the report on the consultation outcomes and TPAS views and recommendations. The report concluded by looking at the impact of retention and transfer on the rest of the Council and the SOARG recommendation.

A Member referred to the position on negative subsidy and how this would increase over time, questioning how the Government distributed these resources. A reply was provided on this national scheme and the projected future financial position. There was recognition of the contribution of the SOARG. A view was expressed that the appraisal had been undertaken on a financial basis and it was perceived to be biased towards a recommendation for stock transfer. Reference was then made to tenant feedback, which demonstrated that tenants wished to keep the Council as their landlord. Other issues raised were the implications for staff, maintenance of properties and the decent homes standard and the impact of negative subsidy. There was discussion on one aspect of the proposed resolutions and a statement was made on assumptions within the consultant's report. The merits of awaiting the outcome of the Government review and the stock condition survey were discussed, together with the requirement to ensure that finances remained sound. Consideration was given to the report recommendations and an amendment was submitted, which was put to a vote and defeated.

In accordance with Council Procedure Rule 16.5, a recorded vote was demanded of the names for and against the resolutions below:-



For

Councillors Murray, Atkin, Bale, Mrs. Farrington, Ford, Grant, Harrison, Hewlett, Jones, Mrs. Patten, Mrs. Plenderleith, Roberts, Stanton, Timms, Mrs. Wheeler and Wheeler.

Against

Councillors Mrs. Hood, Bambrick, Dunn, Mrs. Lane, Mrs. Mead, Pabla, Rhind, Richards, Shepherd, Southerd, Taylor and Wilkins.

**RESOLVED:-**

- (1) That Council approves the recommendation of the Stock Option and Appraisal Group Review Group, namely that:**

***“Before taking the options appraisal process any further the SOARG (Stock Options Appraisal and Review Group) strongly urge the Council to consider the outcomes of the Government’s review into the Housing Subsidy system due to report in Summer 2009 and the Council’s new Stock Condition Survey to be completed November 2009. However, it is apparent that under the current financial regime the only option that safeguards the financial future, the service quality and the future welfare of both tenants and staff is to consider transfer to a Registered Social Landlord”.***

- (2) That Council notes and accepts the other elements of the report, including the detailed work of lead and independent tenant advisor consultants, a copy of which is incorporated in the Signed Minute Book at Annexes ‘SMB2’ and ‘SMB3’ respectively.**
- (3) That a report be produced in the Autumn of 2009 for the Council’s consideration on the implications of the national HRA finance review outcomes and the new stock condition survey, along with any possible steps in the stock option process.**

CL/126. **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

***That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined under the paragraphs of Part 1 of Schedule 12A of the Act as indicated in the reports of Committees.***

**MINUTES**

***The Exempt Minutes of the Meeting of the Council held on 26th February 2009 were duly received and approved.***

**REPORTS OF COMMITTEES**

***The Exempt reports of the following Committees were received and noted and any recommendations contained therein, approved and adopted:-***

***Development Control Committee, 3rd March 2009***

***Licensing and Appeals Sub-Committee, 5th March 2009 (3 sets)***

***Environmental and Development Services Committee, 5th March 2009***

***Housing and Community Services Committee, 12th March 2009***

***Finance and Management Committee, 19th March 2009***

***Development Control Committee, 24th March 2009***

***Standards Committee, 31st March 2009***

MRS. A. HOOD

CHAIRMAN