

Social Scrutiny Sub-Committee Call-In  
7 August 2017

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the SOCIAL OVERVIEW AND SCRUTINY SUB-COMMITTEE CALL-IN to be held on Monday, 7 August 2017 at 6:30pm in the Chestnut Room, Council Offices, Campus East, Welwyn Garden City, Herts AL8 6AE

PRESENT: Councillors J.Fitzpatrick (Chairman)

L.Brandon, P.Mabbott, T.Mitchinson

ALSO PRESENT: M.Perkins (Deputy Leader, Executive Member, Planning, Housing and Community)

R.Trigg (Executive Member, Governance, Community Safety, Police and Crime Commissioner and Corporate Property)

OFFICIALS PRESENT: Executive Director (Housing and Communities) (S.Russell)  
Principal Housing Development Manager (J.Morton)  
Governance Services Officer (M.Lowe)

OBSERVING: Head of Property Services, (P.Gray)  
Head of Housing Operations (S.Pearson)

1. APPOINTMENT OF CHAIRMAN:

Following requests for nominations Councillor J.Fitzpatrick was appointed as Chairman of the Sub-Committee.

2. CALL-IN OF CABINET DECISION – GOLDINGS HOUSE, HATFIELD:

The Sub-Committee of the Social Overview and Scrutiny Committee had been formed following a call-in to review the decision made at the Cabinet meeting on 11 July 2017 regarding the transfer of Goldings House.

3. EXCLUSION OF PRESS AND PUBLIC:

RESOLVED:

That under Section 100(A)(2) and (4) of the Local Government Act 1972, the press and public be now excluded from the meeting for Agenda item 4 (Minute 4 refers) on the grounds that it involved the likely disclosure of confidential or exempt information as defined in Section 100A(3) and paragraph 3 (private financial or business information) of Part 1 of Schedule 12A of the said Act (as amended).

In resolving to exclude the public in respect of the exempt information, it was considered that the public interest in maintaining

the exemption outweighed the public interest in disclosing the information.

4. CALL-IN OF EXEMPT CABINET DECISION – GOLDINGS HOUSE, HATFIELD:

Members considered all the reports relating to the decision in connections with the transfer of the leasehold of Goldings House.

In September 2003 the Cabinet agreed to commence a trickle transfer process of the leasehold ownership of flats at Goldings House, Link Drive, Hatfield from the Council to Chiltern Hundreds Charitable Housing Association (now part of Paradigm Housing Group). The Council retained the freehold ownership for Goldings House.

The trickle transfer was agreed in order to establish a better management arrangement for the block, by having one owner responsible for management and maintenance.

It was agreed that as the Council flats became empty they would be transferred to the Paradigm Housing Group. In the meantime, Paradigm took over the maintenance of the communal areas at Goldings House.

The Council remained responsible for the external maintenance of the block, but with the ability to recharge Paradigm on a proportionate basis for any work carried out.

The intention was that these arrangements would be in place until all the properties had been transferred to Paradigm Housing Group and that once all the flats had transferred, the freehold of the building would then be transferred for a sum based on the capitalisation of the individual ground rents.

All the Council owned flats had now transferred and there was one leasehold unit which was purchased under the Right to Buy Scheme. Paradigm Housing Group were in the process of purchasing this property from the leaseholder, so once this was complete they would own all the units in the block.

In order to safeguard the Council from any potential future opportunity cost, a clawback provision equivalent to 50% of the profit would be triggered if Paradigm Housing Group decided to redevelop the block as private housing in the future. It was noted that Members would wish to extend this provision and recover an additional £275,000 over and above the 50% profit clawback.

Members of the Sub-Committee put a series of questions to the Portfolio Holders who had been invited to attend the meeting.

For clarity and openness further financial information was requested which included the following.

- The overall rental income for Goldings House in 2003?
- The value of the voids in 2003?
- Paradigm's income?
- Clarification as to who would be liable for major works to the block at this moment in time?
- Other organisations who had carried out trickle transfers of the leasehold of properties in their ownership?
- How much had been spent on the open market in terms of purchasing the flats?
- The cost of major repairs and maintenance?

The Chairman asked the Sub-Committee to consider whether the Cabinet was justified transferring the freehold of Goldings House at a significant reduction of the market value.

Two Members of the Sub-Committee expressed the view that the Cabinet was clearly justified in transferring the freehold of the Golding House to Paradigm Housing Group and that in their view all matters relating to the decision had been fully taken into account.

The remaining two Members urged the Cabinet to reconsider their decision to transfer the freehold of Goldings House to Paradigm Housing Group and that further information was required to ensure it was the right decision at this time.

On being put to the vote the Sub-Committee was unable to reach a majority decision.

RESOLVED:

- (1) That the Sub-Committee having considered the Cabinet decision to approve the transfer of the freehold of Goldings House, Goldings Crescent, Hatfield to Paradigm Housing Group as detailed in the exempt report, were unable to reach a majority decision.
- (2) That the Cabinet be informed of the outcome of the Scrutiny Sub-Committee call-in at its meeting on 8 August 2017.
- (3) That Officers be informed that the decision of the Cabinet approving the transfer of the freehold of Goldings House, Goldings Crescent, Hatfield to Paradigm Housing Group and the capital receipt being used to support the Council's Affordable Housing Programme should proceed as per the proper process.