

**NOTE OF A CALL-IN MEETING  
HELD ON 21<sup>st</sup> FEBRUARY, 2018 AT THE TOWN HALL, NELSON  
TO DISCUSS THE EXECUTIVE DECISION IN RESPECT OF THE  
ESTABLISHMENT OF A HOUSING JOINT VENTURE**

**PRESENT:**

M. Iqbal	Leader
M. Foxley	Caller-In
M. Goulthorp	Caller-In
P. White	Caller-In
A. Mahmood	Executive Member for Housing
W. Blackburn	Scrutiny Spokesperson
K. Turner	Scrutiny Management Team (Chairman)

**In Attendance:**

D. Langton	Chief Executive
J. Whittaker	Housing, Health and Economic Development Services Manager
J. Watson	Head of Democratic Services

**Chairman**

Councillor K. Turner                      Chairman – Scrutiny Management Team

**1.                      ESTABLISHMENT OF A HOUSING JOINT VENTURE COMPANY**

**Decision Called In**

At its meeting on 7<sup>th</sup> February, 2018 the Executive took the decision shown in the minute below which resulted in a Call In Notice being submitted by Councillors M. Foxley, M. Goulthorp and P. White:

“The Housing, Health and Economic Development Services Manager submitted a report which sought agreement to the establishment of a new Joint Venture Company between Pendle Council, Barnfield Investment Properties and Harewood Housing Society Ltd., (part of the Together Housing Group). It was reported that the purpose of the Company was to increase housing supply for return on investment through the development of a mix of open market and affordable housing in Pendle.

**RESOLVED**

- (1)        That the setting up of a new Joint Venture Company between Pendle Council, Barnfield Investment Properties and Harewood Housing Society Ltd., be agreed.
- (2)        That the draft Heads of Terms, attached to the report at Appendix 1, setting out how the Joint Venture Company would operate, be agreed.
- (3)        That delegated authority be granted to the Corporate Director in consultation with the Deputy Leader to agree the final details of the Joint Venture and establish the Company.

**REASONS**

- (1) *To support the development of new open market and affordable housing in Pendle.*
- (2) *To provide a return on investment.”*

## **REASON FOR CALL IN**

Councillor White explained that Councillors did not disagree with the principle of a joint venture to build more social housing, or open market housing, particularly where there was vacant brownfield Council-owned land. They did, however feel that the decision had been rushed and that the public and Councillors knew very little about the proposals. They felt this raised suspicion about the Joint Venture.

They felt that the deal to form a Joint Venture with Harewood Housing Society Ltd., Barnfield Investment Properties Ltd., and Pendle Borough Council may present a bad deal for the Borough. Other concerns included:-

- The Council would only own 15% of the new Company, whilst Barnfield Investment Properties Ltd., would own 35% and Harewood Housing Society Ltd., would own 50%.
- In exchange for the 15% the Council would initially be transferring Clitheroe Road, Oak Mill and Carry Lane projects in to the scheme. It was not felt that this represented best value for money for the people of Pendle.
- Reference was made to the escalation process if the Board of Directors were in dispute.
- It was felt that only having 15% of the votes at Board level, the Council would lose some control of the currently Council-owned sites transferred into the scheme.
- Some matters would require the support of the entire Board – this was not put before the Executive to consider.
- It was not felt that this initiative had been considered in depth, which it was also felt added to the public's suspicions of Joint Venture Companies with developers.

## **EXECUTIVE DECISION**

Reference was made to the Executive's decision and the reasons for the call in were acknowledged and responded to. There was a lengthy discussion around a number of issues including the proposed structure of the new Joint Venture, funding, governance, how disputes would be addressed and profit. Mention of the transfer of sites was also discussed as well as the Council's past experience of working with PEARL and Together Housing. The Council's financial contribution to the Joint Venture was also explained.

It was also noted that this issue had first been discussed by the Executive in June 2017 and had been discussed at subsequent meetings. All reports were on the Council's website and therefore in the public domain and discussions had been held with all three Group Leaders and at PEARL Board meetings.

## **SUGGESTED ALTERNATIVE COURSE OF ACTION**

- That the level of control that the Council retains over the sites it will transfer, and the matters which will require the support of the whole Board be clearly worked out before this proceeds.
- That if the decision is to proceed, a better deal be sought for the people of Pendle in terms of the percentage shareholding, and contribution to be made to the Company.

- That the public and Councillors be made fully aware of the Joint Venture Company that the Executive have chosen to enter into.
- That the escalation process be changed.
- That Schedule 1 – Reserved Matters in the Heads of Terms be thoroughly checked.