

Voting Rights of Non-Local Authority Members

1. This report sets out an issue in relation to the voting rights of non-local authority Members of the Joint Management Committee which has recently come to light.
2. The Canal has for a number of years been included in Hampshire County Council's registration for VAT which allows VAT to be reclaimed on expenditure. However, it seems that if non-local authority Members are permitted to vote on the Committee, the Customs & Excise will rule that the Canal must be registered separately for VAT. This would mean that substantial amounts of VAT would become payable.
3. When the constitution of the JMC was agreed in March 1991 it was agreed by 11 votes to 9 that the two non-local authority representatives namely the Surrey & Hampshire Canal Society and English Nature be entitled to vote. However, this decision was not in accordance with the Local Government & Housing Act 1989 that did not permit non-elected members to have voting rights without a dispensation from the Secretary of State. Although, it was agreed at the time that this dispensation would be sought, it appears that there was some controversy and following a search of the relevant files it seems that for whatever reason this was never done.
4. In conclusion the two non-elected Members have never officially had voting rights and under current legislation it seems unlikely that they would now be granted because of the nature of the Committee. However, this will not affect any decisions on which there has been a vote since 1991.
5. The Committee is, therefore, asked to note that in future on the above legal grounds the two non-local authority representatives will no longer be able to vote at the Committee meetings. However, as co-opted members they may continue to attend meetings and put forward their views on Canal issues.

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Committee Manager