

MINUTES OF THE MEETING OF THE BABERGH OVERVIEW AND SCRUTINY
COMMITTEE HELD IN KING EDMUND CHAMBER - ENDEAVOUR HOUSE, 8 RUSSELL
ROAD, IPSWICH ON MONDAY, 22 OCTOBER 2018

PRESENT: Alastair McCraw - Chairman

Sue Ayres
Melanie Barrett
Barry Gasper
Bryn Hurren

Adrian Osborne
Fenella Swan
Stephen Williams

16 APOLOGIES AND SUBSTITUTES

There were no apologies received.

17 DECLARATION OF INTERESTS

There were no declarations of interests received.

18 BOS/18/9 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 18 JUNE
2018

That the minutes of the meeting held on 18 June 2018 be confirmed as a correct record.

19 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE
COUNCIL'S PETITION SCHEME

None received.

20 QUESTIONS BY THE PUBLIC

None received.

21 QUESTIONS BY COUNCILLORS

None received.

22 BOS/18/10 STRATEGIC PROPERTY AND LAND INVESTMENT ACQUISITION

22.1 The Chair informed the Committee that Report BOS/18/10 were to be presented to Full Council the following day and that he would be presenting a report from the Scrutiny Committee at that meeting.

22.2 The Assistant Director – Assets and Investments, introduced report BOS/18/10 and explained the reason for setting up a Strategic Property and

Land Investment Fund. She said the Fund would not replace the normal acquisition process but enable the Council to purchase land or property quickly when required. She drew Members' attention to the process set out in Appendix A.

- 22.3 Members asked for clarification on how much it would cost the Council to fund the borrowing for this fund. Officers responded that when the borrowing was required the most favourable interest rate would be sought. Currently the interest rate indicator was at 1.85% for short term borrowing.
- 22.4 Some Members felt the paper was vague and questioned the following bullet points:
- 1.3 That the process only required two Cabinet Members' agreement. This did not safeguard against Cabinet Members' role being amalgamated.
 - 4.7 That the criteria use for the purchases was only a guide and not a requirement.
 - 2.2 Was there any evidence that the Council need this Fund?
- 22.5 The Assistant Director – Assets and Investments responded that currently it could take between two to eight months to get a report through Cabinet and Council, not at least because the decision would have to be on the Forthcoming Decisions List for 28 clear days. Although officers would always prefer to use this established process for property and land acquisitions, there were situations, such as Auctions, which required a swifter process. Auctions could be completed in as little as two weeks.
- 22.6 Members asked if there had been a situation in which the Council had been unable to acquire land or property because of the lengthy acquisition process and had thus lost an opportunity. The Executive Director responded that the Council had not as far as he knew, previously been purchasing strategic strips of land or property.
- 22.7 Members ask which councils had been used for benchmarking in bullet point 4.5, and officers responded an answer would be provided outside of the committee.
- 22.8 Further questions were raised for bullet section 6 and the table illustrating the borrowing of £1.5 million and if there were any specifically commercial restrictions associated with this. Also, interest would have to be paid back on the loan with money from the Transformation Fund without receiving an income.
- 22.9 In response to the above question and further questions about the risk involved, the Assistant Director responded that part of the consultation paper was to include the S151 officer to evaluate if the borrowing of the Funds were prudent or not and this would be a key consideration prior to an acquisition. Risk assessment and a risk statement would be included in the consultation report, as financial risks were specific to individual acquisitions. The Consultation paper were to be submitted to Full Council for

consideration. As illustrated in Appendix A the process also required the Ward Members to be consulted to enable them to share their knowledge of any acquisitions in their area.

- 22.10 Some Members enquired if acquisitions were sold, which had been purchased by the Fund, would the profit from these be returned to the Fund. Officers explained that this would have to be decided as the Fund had no jurisdiction over this.
- 22.11 Members asked that the words 'strategic properties' were added to bullet point 4,7 to ensure that this was clear and to maintain consistency in the report.
- 22.12 Members then debated the recommendations and the number of Cabinet Members to be included in the consultation process. The Chief Executive explained that the decisions made during the consultation process were not Cabinet or Executive decisions, but a combined process including a Strategic Director, the S151 Officer and three Cabinet Member to ensure that the consultation process followed a sound process.
- 22.13 Some Members expressed concern for the criteria in bullet point 4.7 and how the capital repayment would impact on the General Fund. Other Members were concerned if the borrowing was prudent and if the Council could afford it.
- 22.14 The Leader and Cabinet Member for Finance responded that he had been reassured that the Council was able to afford the borrowing.
- 22.15 Members continued debating the social and financial benefits for the Council to obtain property and land quickly and the financial implications of the borrowing. It was generally felt that that the Strategic Property and Land Investment Fund would be a benefit to the Council if the governance and the consultation processes were sound. They also agreed that the Fund should be reviewed annually by Full Council as outlined in the report.
- 22.16 Members requested that recommendations were made to full Council that recommendation 3.2 should be amended to include not two but three Cabinet Members in the consultation process and that words 'section 4.5 and 4.6' be changed to be '4.7 and 4.8'. Members agreed that recommendation 3.2 in the report be amended as follows and forwarded to Full Councils as a recommendation from the Overview and Scrutiny Committee:

3.2 *Delegates to the Strategic Director, with responsibility for Assets and Investments, in consultation with a minimum of **three** Cabinet Members including the Cabinet Members for Assets and Investments, Finance and Economy, the authority to pursue and finalise purchases of strategic property and land as set out within sections **4.7** and **4.8** of this report.*

Members also requested the following amendment to bullet point 4.7, page 11:

*4.7 The following criteria will be used to guide such **Strategic** property and land purchases:*

- a) The property/land will be within the district of Babergh;*
- b) Both urban and rural opportunities will be considered;*
- c) The purchases of the property/land would represent good value for money given the potential return on investment;*
- d) The property/land will have some development potential, although not necessarily immediate, to allow the Council to be able to take a medium and long-term view;*
- e) No more than £1.5m will be paid for any individual land or property acquisition;*

The amended recommendation 3.2 and amended Bullet Point 4.7, page 11, were proposed and seconded by Councillors Williams and Hurren.

By 7 votes to 0, 1 abstention

It was RESOLVED: -

That amended Recommendation 3.2 and amended bullet point 4.7, page 11 be recommended to Babergh Full Council to read as follows:

3.2 *Delegates to the Strategic Director, with responsibility for Assets and Investments, in consultation with a minimum of **three Cabinet Members including the Cabinet Members for Assets and Investments, Finance and Economy, the authority to pursue and finalise purchases of strategic property and land as set out within sections **4.7** and **4.8** of this report.***

4.8 *The following criteria will be used to guide such **Strategic property and land purchases:***

- f) The property/land will be within the district of Babergh;***
- g) Both urban and rural opportunities will be considered;***
- h) The purchases of the property/land would represent good value for money given the potential return on investment;***
- i) The property/land will have some development potential, although not necessarily immediate, to allow the Council to be able to take a medium and long-term view;***
- j) No more than £1.5m will be paid for any individual land or property acquisition;***

23 BOS/18/11 INFORMATION BULLETIN

Information Bulletin - Staff Turnover and Welfare

Members debated the Information Bulletin. Officers said recruiting for the Planning Department was ongoing, but that recruiting was a national issue.

Members thanked the officers for successful recruiting to the historic planning department.

It was RESOLVED: -

That the Information Bulletin be noted.

24 BOS/18/12 FORTHCOMING DECISIONS LIST

It was RESOLVED: -

That the Forthcoming Decisions List be noted.

25 BOS/18/13 BABERGH OVERVIEW AND SCRUTINY WORK PLAN

It was RESOLVED: -

That the Babergh Workplan be noted.

26 BOS/18/14 MSDC OVERVIEW AND SCRUTINY WORK PLAN

It was RESOLVED: -

That the Mid Suffolk Workplan be noted.

27 RESOLUTION TO EXCLUDE THE PUBLIC (WHICH TERM INCLUDES THE PRESS)

By a unanimous vote.

It was RESOLVED: -

That pursuant to Part 1 of Schedule 12AA of the Local Government Act 1972 the public be excluded from the meeting for the business specified below on the grounds that if the public were present during this item, it is likely that there would be the disclosure of them of exempt information as indicated against the item.

The Committee was also satisfied that the public interest in maintaining the

exemption outweighed the public interest in disclosing the information.

28 BOS/18/15 CONFIRMATION OF THE OF THE CONFIDENTIAL MINUTE FROM THE MEETING HELD ON THE 18 JUNE 2018

Members requested that the date and place of the meeting be added to the minutes.

It was RESOLVED: -

That the confidential minute from the meeting held on the 18 June 2018 be conformed as a correct record with follow amendments be added to the heading of the minute:

BABERGH OVERVIEW AND SCRUTINY COMMITTEE 18 JUNE 2018

The business of the meeting was concluded at 10:58 am.

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Chair (& Date)