

BABERGH DISTRICT COUNCIL

Minutes of the meeting of the **BABERGH COUNCIL** held in the King Edmund Chamber - Endeavour House, 8 Russell Road, Ipswich on Tuesday, 23 July 2019

PRESENT:

Councillor: Kathryn Grandon (Chair)
Adrian Osborne (Vice-Chair)

Councillors:	Clive Arthey	Sue Ayres
	Melanie Barrett	Peter Beer
	David Busby	Sue Carpendale
	Trevor Cresswell	Derek Davis
	Siân Dawson	Mick Fraser
	Jane Gould	Honor Grainger-Howard
	Richard Hardacre	John Hinton
	Michael Holt	Leigh Jamieson
	Robert Lindsay	Elisabeth Malvisi
	Alastair McCraw	Mary McLaren
	Mark Newman	Zachary Norman
	John Nunn	Jan Osborne
	Alison Owen	Lee Parker
	Stephen Plumb	John Ward

In attendance:

Guest(s): Neville Pritchard – Director Capital Markets Jones Lange LaSalle

Officers: Chief Executive (AC)
Strategic Director (JS)
Deputy Monitoring Officer (JR)
Assistant Director - Assets and Investments (EA)
Corporate Manager - Business Improvement (KC)
Governance Support Officer (HH)

Apologies: Bryn Hurren
Margaret Maybury

The Chair advised Members that Item 10 Capital Investment Fund Company (CIFCO Capital Ltd) Business Trading and Performance Report 2018/19 Part 1 would be presented before Item 13 on the Agenda.

2 DECLARATION OF INTERESTS BY COUNCILLORS

- 2.1 Councillor Holt declared a local non-pecuniary interest in Item 10 as a Director of Babergh (Suffolk Holdings) Ltd. and as a Director of CIFCO Capital Ltd.

2.2 Councillor Hinton declared a local non-pecuniary interest in Item 10 as a Director of Babergh (Suffolk Holdings) Ltd.

2.3 Councillor Busby declared a local non-pecuniary interest in Item 10 as Chair and Director of Babergh (Suffolk Holdings) Ltd.

3 BC/19/10 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 25 JUNE 2019

It was RESOLVED-

That the Minutes of the meeting held on 25 June 2019 be confirmed and signed as a true record with the following amendment:

Page 6, paragraph 8.22 replace 'week' with 'period'

Page 7, paragraph 9.3 replace 'Join' with 'Joint'

4 BC/19/11 ANNOUNCEMENTS FROM THE CHAIRMAN AND LEADER

4.1 The Chair referred to paper BC/19/11, which was for noting. She reminded Members that the next Council Meeting on 24 September 2019 was moved to 6:00pm. She then invited the Leader to make his announcements.

4.2 The Leader outlined the following:

Grimsey Review Study Tour to Roeselare

The Leader went on a two-day DCN study tour to Roeselare in Belgium at the end of June.

Roeselare had implemented many of the recommendations in the 2013 Grimsey Review: An Alternative Future for the High Street and he learned how they went about this, what they have achieved so far and the lessons they have learned.

Some of the main achievements so far were:

1. Changed the library into a knowledge centre, including pop-up space for micro businesses.
2. Converted city centre parking in main squares to green space, with children's play areas.
3. Revitalised side streets and alleys.
4. Working with landlords to bring empty units back into use – this has been controversial, because it is backed up with an empty property tax, but it has worked.
5. Empty units used to enable start-ups to rent space on a pop-up basis – low rent and tax for a year – and assistance if the venture is going to be a long-term success.

6. Other retail successes have been mixed mode stores, different uses in day and evening, increased town centre residential accommodation.
7. Restriction of out of town retail.
8. New charging policy for parking, including free 30 minutes.
9. Free Wi-Fi; city app showing available parking, discounts, other info.
10. Single brand for the town.

In the past two years, about 30 to 40 new shops have opened. Some have been short-term pop-ups, but many were permanent lettings. There has been a significant reduction in vacancy rates.

They have experienced a real, quantifiable increase in town centre business and, although it is a bigger town, many of the things they have done would also work in Sudbury (and for that matter, Stowmarket too) and gave him a lot of ideas for real projects of our own.

Future High Streets Fund

Along with the other Leaders in the county, the Leader was disappointed that nowhere in Suffolk received Future High Street Funding in the first round of bidding. Some of the towns that were successful were surprising in the least. However, he remained committed to our high streets and wanted to see some projects underway in Sudbury in particular soon. He was pleased that the Vision for Prosperity work for Eye, Hadleigh and Needham Market had been well-received by the public.

Joint Local Plan Consultation

It was great news that the consultation period for the Joint Local Plan Preferred Options was launched on the 22 June 2019 and would close at 4pm on Monday 30th September. Please encourage their town and parish councils and residents to get involved and have their say on the proposals.

Five Year Land Supply

The Leader was also very pleased at the recent announcement that both Babergh and Mid Suffolk have regained their five-year housing land supplies in the recent annual position statements. This was only a draft position while a four-week consultation was undertaken. However, the provisional number of 5.78 years, including a 5% buffer, was very encouraging.

Bin Collection Round Changes

Last week saw the start of major changes to the Council's bin collections, affecting approximately 70% of residents. There were the inevitable teething problems, but the Leader could report in the first week in Babergh, out of approximately 40,000 collections last week, only 77 households had outstanding missed bins.

There was a particular problem in Shotley, which was the result of an overzealous refuse collector coming for bins 2 days early. This was completely resolved by the end of the week.

The Leader asked that Members reiterate the message to residents that this would take a week or two to settle down and to report any issues in the normal way so that they could be resolved.

Free Swimming

The Leader was sure that all members had seen the recent communication about free swimming for children at the Council's leisure centres throughout the six-week summer holiday. This was an excellent example of how the Council can and do get things done quickly. This was done in less than four weeks from the initial suggestion by the Cabinet Member for Communities, through discussions with Abbeycroft Leisure, to the formal announcement two weeks ago. He would like to take this opportunity to thank Councillor Davis, Jonathan Stephenson, Cassandra Clements and Abbeycroft Leisure for working so quickly to implement this.

The Leader requested that members communicated with their towns and parishes so that all children know about it and can take advantage of it over the summer.

Other Community Initiatives

Finally, a brief mention of two other community initiatives: the recently announced Active Schools programme involving 20 primary schools in Babergh and Mid Suffolk, and the Silk Stories Project in Sudbury.

5 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

5.1 None received.

6 QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

6.1 The Deputy Monitoring Officer had received two questions from Mr Regester.

6.2 Mr Regester was not present at the meeting and the questions had been tabled.

6.3 The Deputy Monitoring Officer had referred one question forwarded by Mr Regester to Councillor Ward, as he was the Portfolio Holder at the time the report was taken to Cabinet.

6.4 Question 1 to Councillor Ward from Mr Register on behalf of Belle Vue Rescue, Restore and Revive Steering Group:

In accordance with Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012 A key decision

needs to be included in the forthcoming decisions list with at least 28 clear days' notice. The current list does not include any key decision to consider funds associated with planning on the potential Belle Vue proposal. Why is this key decision missing from the forthcoming decisions list?

6.5 Councillor Ward responded that at its meeting on 11th October 2018, Cabinet approved the earmarking of funds from Babergh's portion of the 2018-19 Suffolk Business Rates Retention Pilot to support a number of proposed regeneration schemes in the district. £500,000 was earmarked to Belle Vue, Hamilton Road and the wider Sudbury Town Centre Development. Some of this money will be used to support the planning application for the proposed hotel and restaurant at Belle Vue. This Cabinet item first appeared on the forthcoming decisions list on 30th August 2018, reference CAB82.

6.6 Question 2 to Councillor Ward from Mr Register on behalf of Belle Vue Rescue, Restore and Revive Steering Group:

Please can you confirm that the costs for the Belle Vue proposal have been assessed under the key decisions requirements as per Part 1, 12.7.1 in the Constitution and what was the result of this assessment?

6.7 Councillor Ward responded that for correctness, the reference to the Paragraph in the Constitution should read Part 1, 12.9.1.

6.8 He then continued that he could confirm that the costs for the proposed hotel and restaurant were assessed under the key decisions requirements as per Part 1, 12.9.1 of the Constitution and this assessment was part of the evidence debated and approved by Cabinet on 12th July 2018. This was item 16 on the published agenda for that meeting and was discussed in confidential session. This Cabinet item first appeared on the forthcoming decisions list on 3rd April 2018, reference CAB36. It was then debated and approved by Council at the meeting held on 25th September 2018. This was item 15 on the published agenda for that meeting and again was discussed in confidential session. The minutes remained confidential and he could provide full details of the assessment, but he could confirm that, based on the assessment, a) Council approved the development and its capital funding and b) the anticipated revenue over the initial 25 year lease would provide a net income to the Council every year from year 2 onwards.

7 QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

7.1 None received.

8 BC/19/12 OVERVIEW AND SCRUTINY COMMITTEE REPORT

8.1 Councillor McCraw, Chair of the Overview and Scrutiny Committee referred to Paper BC/19/12 and outlined the key points of the report including attendance at The Centre for Public Scrutiny Symposium. The publication of the Statutory Guidance on Overview and Scrutiny in Local and Combined

Authorities had been the main item for the Symposium. The Chair reassured Members that the Overview and Scrutiny Committee maintained a good standard for scrutiny in accordance with the Guidance.

- 8.2 Councillor McCraw outlined the scrutiny of the Capital Investment Fund Company (CIFCO Capital Ltd) Business Trading and Performance Report 2018/19 and the draft CIFCO Capital Ltd Business Plan 2019/20 and informed the Council that the Overview and Scrutiny Committee endorsed the report and Business Plan.

9 BC/19/13 EQUALITY AND DIVERSITY POLICY

- 9.1 Councillor Ward introduced the report to Members. The Equality and Diversity Policy demonstrated the Council's commitment to embedding the Equality Act 2010, which included a Public Sector Equality Duty for the right of individuals to be treated equally and fairly.
- 9.2 The Council had agreed that using Equality Impact Assessments was the most effective way to demonstrate that the Council paid 'due regard'. These were completed alongside a screening process for the major decisions and identified that impacts of any proposed changes have been considered according to the protected characteristics.
- 9.3 Communities were becoming more diverse and the Council supported and fostered good relations between protected groups. It was important that policies and service delivery reflected both these diverse and sometimes similar needs. This also included the workforce and our commitment to ensure all officers feel included and played their part in making the Council great places to live, work and visit.
- 9.4 This Equality and Diversity Policy was an overarching document that embedded best practice of equality and diversity and was supported by guidance and resource. This topic would continue to evolve, and Council was asked to recommend to Cabinet the approval of this Policy to demonstrate the Council's commitment to support and promote diversity in the communities in accordance with the Act.
- 9.5 Councillor Ward **PROPOSED** the recommendation in paragraph 3, which was **SECONDED** by Councillor Norman.
- 9.6 Councillor Busby referred to the list of characteristics in the Equality and Diversity Policy (Appendix A) and wondered why 'politician' was not on the list.
- 9.7 The Chief Executive Officer informed Members that politicians were not a protected characteristic within the law.
- 9.8 Members debated the list of characteristics and whom would/should be protected by the characteristics list.

- 9.9 Councillor Hinton was concerned about those not included in the list and felt that all should be treated equal.
- 9.10 Councillor Ward informed Council that the Characteristics List had been expanded since the publication of the policy and asked that the updated list be circulated to Members.
- 9.11 Councillor Lindsay commented that the reason this Characteristics List had been provided was because the people covered by these characteristics had been identified as being more vulnerable.
- 9.12 The Chief Executive Officer advised Members that the Equality and Diversity Policy would be passed to the Cabinet to explore further.
- 9.13 Councillor Grainger-Howard thought that the list was appropriate and was meant to help those who might not understand today's diverse working environment.
- 9.14 Councillor McCraw stated that the list covered people who had previously been discriminated against in society and that this was the point of the legislation.
- 9.15 Councillor Barrett stated that this policy was covered by the Equality Act and the groups included in the Characteristics List were included in the Act.
- 9.16 The proposed Recommendation in Paragraph 3 was put to Members for voting and the vote was **CARRIED**

It was RECOMMENDED TO CABINET: -

That the Equality and Diversity Policy (Appendix A) be adopted.

11 COUNCILLOR APPOINTMENTS

- 11.1 Councillor Ward **PROPOSED** Councillor Davis and Councillor McLaren as Representatives on the Western Suffolk Community Safety Partnership which was **SECONDED** by Councillor Newman.
- 11.2 The proposal was put to the Council and the vote was **CARRIED**.

It was RESOLVED: -

That Councillor Davis and Councillor McLaren be elected as Babergh District Council's representatives on the Western Suffolk Community Safety Partnership.

12 MOTIONS ON NOTICE

- 12.1 The Chair invited Councillor Malvisi to move the Motion on Notice.

12.2 Councillor Malvisi began by advising Members on some background information including:

- That the United Nations Inter-Governmental panel on climate change warned that there were twelve years to limit the rise in global temperature to 1.5 centigrade, and that failure to do so would see a marked increase in sea levels and flooding, severe changes in weather patterns, crop failure, extinction of animals and global economic crisis.
- That failure to take action would have a detrimental impact on the wellbeing of the population including Babergh residents and billions of people around the world.
- At the global climate talks in December 2018 the UK signed up, together with two hundred countries, and agreed action on Climate Change with a much greater role applied for Local and regional authorities in assisting Government in achieving their carbon emissions savings.
- Eighty-five local authorities had so far passed a climate emergency Motion to reduce their carbon footprint and to promote sustainable urban environments and economies.
- Tackling climate change could not be left to the Government alone but was the responsibility of everybody to stop the threat to the planet.

12.3 As the portfolio holder for Environment, Councillor Malvisi would like Council to resolve to support the environmental sustainability task force and to consider the following actions:

- A commission and environmental audit to identify pollution hotspots;
- An urban assessment, with an aim to identify areas of improvement across the district;
- Consult experts in the field as appropriate;
- Collaborate with neighbouring and regional authorities and communities to encourage practical measures to reduce carbon footprints and to develop community renewable energy projects;
- Encourage all sectors across the district to take steps to reduce waste and become carbon neutral;
- Develop a road map for Babergh District to go carbon neutral by 2030;
- Report to Cabinet and Full Council within six months of the task force starting with an action plan, setting out conservation and environmental sustainability goals to address the targets by 2030;

- Incorporate proposals on the investment implications of this proposed activity;
- Write to the Minister of State for Clean Energy and Clean Growth and urge that national policy is urgently developed to reflect the seriousness of the current emergency and to release funds to authorities encouraging them to take the necessary measures at local level.

12.4 Councillor Malvisi then read the Motion to Members:

“This Council pledges to:

- 1. Acknowledge a climate emergency.*
- 2. Set up a Task Force, commencing by September 2019, to examine ways in which Babergh & Mid Suffolk Councils will respond to the climate change challenge on a spend to save basis, with the ambition to make Babergh & Mid Suffolk Councils carbon neutral by 2030.*
- 3. To work with partners across the county and region, including the LEP and the Public Sector Leaders, towards the aspiration of making the county of Suffolk carbon neutral by 2030.*
- 4. To work with Government to a) deliver its 25-year Environment Plan and b) increase the powers and resources available to local authorities in order to make the 2030 target easier to achieve.*

12.5 Councillor Malvisi **PROPOSED** the Motion as set out in the Agenda, which was **SECONDED** by Councillor Ward.

12.6 Councillor Hardacre **PROPOSED** an amendment to the Motion, which was included in the tabled papers and advised Members that the proposed amendments to the Motion were highlighted in yellow:

The Council pledges to:

Acknowledge a climate emergency.

Declare a goal to make the council carbon neutral by 2030

Request that in 2019 the Cabinet member for the Environment convenes a working group of citizens selected to reflect the range of demographics in the district. This group would meet to consider the climate change impact of each area of the Council's activities, and in consultation with scientific and expert advisors produce a set of recommendations for ways to bring each of these areas to zero by 2030.

To work with partners across the county and region, including the LEP, Public Sector Leaders and the Suffolk Climate Change Partnership to implement the recommendations of the working group and work towards the aspiration of making the entire county of Suffolk carbon neutral by 2030.

To work with Government to a) deliver its 25-year Environment Plan and b) increase the powers and resources available to local authorities in order to make the 2030 target easier to achieve.

- 12.7 He welcomed the original Motion and said he would be voting for the Motion. However, the amendment was an attempt to clarify the Motion in a collaborative way.
- 12.8 Councillor Hardacre stated that paragraph 3 had been completely re-written and that the key issues were to get Members of the public involved in a consultation from the start. He described examples from another authority Camden and Oxford, in which 50 people had been involved in a citizen's working group, as part of the consultation and had made recommendations to the Council. He felt that this amendment would allow the public to be involved and that the Council should implement the recommendations from the working group.
- 12.9 Councillor Jamieson stated that he supported Councillor Hardacre and **SECONDED** the amendment.
- 12.10 The Chair put the amendment to the Councillor Malvisi, the proposer of the Motion, who did not accept the amendment.
- 12.11 She stated that a task force would be set up and that the Motion stated that work would be undertaken with partners and that the Suffolk Climate Change Partnership was one of these partners.
- 12.12 She continued that the Councillors had been elected to be the voice of the people and that the public would be included at a later stage.
- 12.13 The Task Force would bring a plan back to Council for approval in six months' time, including Terms of Reference, which was critical to the success of the project.
- 12.14 She stated there was no need for an amendment at this point.
- 12.15 Members debated the amendment.
- 12.16 Councillor Ward supported Councillor Malvisi and said that the year 2030 would be difficult to achieve and that the Government had set the date to 2050.
- 12.17 He continued that often citizens representative groups did not represent the general population. He reiterated Councillor Malvisi's point that Members were elected as representatives and that this was the responsibility of the Members.

- 12.18 Councillor Lindsay specified that the group of citizens were to be selected from across the District by inviting people to come and be involved. This would ensure a general cross section, which would add impact to the work undertaken. He hoped that Councillor Malvisi did not rule out the idea of a task force.
- 12.19 Councillor Dawson felt that the amendment was slightly inflammatory by naming it 'Climate Emergency', which was sometimes associated with extremism. She stated that mechanisms had already been put in place nationally to deal with climate change and that carbon admission targets were set to deal with carbon emissions. She felt that damage could be inflicted on the economy of Babergh if carbon reduction was being forced through too quickly.
- 12.20 Councillor Lindsay raised a point of order and reminded Members that the words 'Climate Emergency' were included in the Motion and asked if Councillor Dawson was objecting to the Motion.
- 12.21 Councillor Dawson stated that she expressed her point of view for both the Motion and the amendment.
- 12.22 Councillor Fraser felt that the suggestion of selecting members of the public from the electoral role and inviting them to be part of a Climate working group was likely to have a low attendance and would be unworkable.
- 12.23 Councillor McCraw returned to the question of the Task Force and asked that it had representatives from the different political groups. He understood the Green group's point of view, however he stated that Members had the mandate to take action as elected representatives of the public.
- 12.24 He continued that green issues were now on everybody's agenda, which was a result and a success of the green politics, however he would not be voting for the amendment, as he thought that citizens working groups was not effective and that the Motion was sufficient to be a starting point for achieving the target of being carbon neutral.
- 12.25 Councillor Malvisi responded to Members that she was concerned about using the electoral roll to ask people to join a task force due to General Data Protection Regulation (GDPR). She was sure that the Parish Councils would not appreciate members of the public being paid to attend a task force, when it was the purpose of the Councillors to undertake this.
- 12.26 She continued that the task force had not been selected yet, but it was the intention to have a cross section of Members included in the task force and that the Terms of Reference would be central to enable the task force to remain focussed on its purpose.
- 12.27 The Monitoring Officer reminded Members that the Council could comment and commit to pledge to the Motion, however that Cabinet had to approve the Terms of Reference.

- 12.28 Councillor Cresswell agreed that Members had been elected to represent the people.
- 12.29 The amendment was put to Members for voting and was **LOST**.
- 12.30 Members then debated the Motion and the Monitoring Officer clarified that Babergh was voting on the Motion for Babergh, but as it was a joint policy Mid Suffolk District Council was included in the wording.
- 12.31 Councillor Davis fully supported the Motion and stressed the importance of reducing carbon dioxide. He detailed the advantage of hydro power from the North Sea and to use the natural resources to provide energy to the community.
- 12.32 Councillor Lindsay stated that he supported the Motion however, it was important to be clear of what the Council was committing to, as every policy had to be scrutinised to ensure that it reduced or increased the use of carbon dioxide. He was concerned the support for the Sudbury Bypass and the Ipswich Northern Bypass would increase the use of cars. He continued that the increase in the use of electric cars did not necessarily achieve a reduction in carbon dioxide emissions and it was not likely to support the target set by the Council for 2030. He stated that more emphasis should be put on the use of public transport, cycling and walking.
- 12.33 Councillor Beer asked Councillor Lindsey for a point of clarity with regards to the support of the Sudbury Bypass and the Ipswich Northern bypass.
- 12.34 Councillor Lindsay replied that he referred to the Sudbury Vision and that he personally did not support either of the bypasses.
- 12.35 Councillor Malvisi did not think it was within the Council's remit to change business models and Councils were not able to influence the way business preferred to conduct business. The Council acknowledged that there was an issue, and this was what the Motion was for.
- 12.36 The Motion was put to Members for voting and the Motion was **CARRIED** by a unanimous vote.

It was RESOLVED: -

“This Council pledges to

- 1. Acknowledge a climate emergency.**
- 2. Set up a Task Force, commencing by September 2019, to examine ways in which Babergh & Mid Suffolk Councils will respond to the climate change challenge on a spend to save basis, with the ambition to make Babergh & Mid Suffolk Councils carbon neutral by 2030.**

3. To work with partners across the county and region, including the LEP and the Public Sector Leaders, towards the aspiration of making the county of Suffolk carbon neutral by 2030.
4. To work with Government to a) deliver its 25-year Environment Plan and b) increase the powers and resources available to local authorities in order to make the 2030 target easier to achieve.

10 **BC/19/14 CAPITAL INVESTMENT FUND COMPANY (CIFCO CAPITAL LTD)
BUSINESS TRADING AND PERFORMANCE REPORT 2018/19 - PART 1**

- 10.1 Councillor Busby introduced the report and explained that the performance for 2018/19 was set against the key performance indicators, which had been set out in the previous years' Business Plan. The net initial yield for the first year of trading was 5.75%.
- 10.2 The draft Business Plan for 2019/20 was set out in the Confidential Part of the agenda as Appendix A and had been prepared by the Board of CIFCO in consultation with the Company's financial advisors Jones LaSalle. It had also been approved by the Council's Holding Company and endorsed by the Joint Overview and Scrutiny Committee. The Business Plan formed an important part of the Governance of the Company.
- 10.3 Councillor Busby **MOVED** recommendations 3.1 and 3.2, which Councillor Holt **SECONDED**.
- 10.4 Councillor Arthey asked for clarification of paragraph 10.5 on page 32, and the reference to £3,119,558.
- 10.5 Councillor Parker enquired which part of Appendix A was actually considered confidential.
- 10.6 Emily Atack clarified that the Business Plan contained details of the operations of the Business, and prospective tenants.
- 10.7 Councillor Lindsay asked how it would be possible to have a public discussion of CIFCO if the Business Plan was confidential.
- 10.8 The Deputy Monitoring Officer explained that the Business Plan would not be in the public domain and would remain unpublished and if Members required to discuss details of the Confidential Appendix the meeting would be going into a closed session.
- 10.9 Councillor Ward stated that in his personal view there had been a lot of criticism of CIFCO. It was clear that the retail sector's return had not been as high as previously, and therefore the intention was to invest in office and accommodation units.
- 10.10 Councillor McCraw suggested that since the Council meeting was live streamed on YouTube, a summary of the highlights of performance and

returns of CIFCO should be provided to the Members.

- 10.11 The Chief Executive clarified that it was only the pink papers which were not available to the public and that the public pages 25 to 42, covered a lot of the questions raised in relation to CIFCO.
- 10.12 The Assistant Director – Assets and Investments then summarised the performance of CIFCO against the performance indicators as detailed in the report page 28. The rest of the report outlined details of the properties required. There was information from the Business Plan covered in the report to ensure the public had as much information as possible.
- 10.13 The report also outlined that CIFCO was to generate an income and that last year the net income had been £1.4M across both Councils. CIFCO had made a financial loss due to set-up costs, stamp duty and fluctuation in the property market.
- 10.14 Councillor McCraw stated that the portfolio value had been reduced, but that this did not have an influence on the amount the Councils received from CIFCO. He wondered how many properties were examined before a decision to purchase was made.
- 10.15 The Assistant Director - Assets and Investments responded that hundreds of properties were examined before perhaps eighty would be passed to CIFCO for consideration and then perhaps 8 would meet the criteria to be forwarded to the negotiation stage.
- 10.16 Councillor Busby referred to paragraph 10.4 on page 32. It was necessary to ensure that properties were to buy as they were going to be long-term assets.
- 10.17 Councillor Lindsay could not find any information for the average cost of borrowing, which currently was 5.5%, but asked what happened if interest rates increased in the future and why was there not a KPI for the borrowing.
- 10.18 The Assistant Director – Assets and Investment referred to table 10.1 which set out the Council's position and the income from CIFCO, the cost of borrowing was included here and the net figure of £1.4M was the net income to the Councils.
- 10.19 Councillor Lindsay felt this did not answer his question and asked how much the Council could borrow in the future and what the return might be.
- 10.20 The Assistant Director responded that target yields were set and that the Council's borrowing rate was significantly below the normal borrowing rate. The net initial yield was 5.75% and therefore there was a gap between the borrowing interest rate and the net initial yield. This was reviewed on an annual basis.
- 10.21 Councillor Hardacre enquired about a bullet point on page 48 of the

confidential papers detailing the return over the next five years for the retail section.

10.22 Neville Pritchard – Director of Capital Markets for Jones Lange LaSalle responded that various sectors, including the retail sector, had hit a low point and rents had dropped significantly but had now reached a level where a slight increase in rent could be seen. This would last for a while, and therefore it had been decided to spread investment across different sectors, including the industrial sector. Retail investments in smaller towns were less likely to grow and it was felt that in larger locations there would be more opportunities for rent increases.

10.23 The Chair asked if any Members wished to go into closed session to discuss the confidential papers and as none responded, recommendations 3.1 and 3.2 were put to Members for voting and the vote was **CARRIED**.

It was RESOLVED: -

1.1 That the Council notes CIFCO Capital Ltd trading activity and performance for the year to end April 2019.

1.2 That the Council approves CIFCO Capital Ltd's 2019/20 Business Plan for adoption by CIFCO Capital Limited.

13 EXCLUSION OF THE PUBLIC (WHICH TERM INCLUDES THE PRESS)

Members agreed that it was not necessary to proceed to a closed session on this item, as confidential issues did need to be discussed.

14 CONFIDENTIAL APPENDIX A CIFCO CAPITAL LTD BUSINESS PLAN 2019/20 AND JOINT O&S CONFIDENTIAL MINUTE (EXEMPT INFORMATION BY VIRTUE OF PARAGRAPH 3 OF PART 1)

Note: there were no confidential minutes for this part of the agenda.

The business of the meeting was concluded at 7.00 pm.

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Chair