

MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MID SUFFOLK DISTRICT COUNCIL** held in the King Edmund Chamber - Endeavour House, 8 Russell Road, Ipswich on Thursday, 25 July 2019

PRESENT:

Councillor: Lavinia Hadingham (Chair)

Councillors:	Gerard Brewster	David Burn
	Terence Carter	James Caston
	Rachel Eburne	Paul Ekpenyong
	John Field	Julie Flatman
	Jessica Fleming	Dr Helen Geake
	Peter Gould	Kathie Guthrie
	Matthew Hicks	Barry Humphreys MBE
	Sarah Mansel	John Matthissen
	Andrew Mellen	Richard Meyer
	Suzie Morley	David Muller
	Penny Otton	Daniel Pratt
	Harry Richardson	Keith Scarff
	Andrew Stringer	Rowland Warboys
	Keith Welham	John Whitehead

In attendance:

Guest(s): Chris Haworth – Chair CIFCO Capital Ltd
Nigel Golder - Director- Strategic Asset Management, JLL (Advisers to CIFCO Capital Ltd)

Officers: Chief Executive (AC)
Strategic Director (KN)
Assistant Director - Assets and Investments (EA)
Assistant Director - Environment and Commercial Partnership (CC)
Corporate Manager - Business Improvement (KC)
Corporate Manager - Democratic Services (JR)
Acting Senior Governance Support Officer (HH)

Apologies:

Councillors: Oliver Amorowson
Mike Norris
Timothy Passmore
Stephen Phillips
Wendy Turner

2 DECLARATION OF INTERESTS BY COUNCILLORS

2.1 For Item 12 Report MC/19/16 Part 1 and Part 2 Councillors Brewster, Ekpenyong, Meyer and Gould declared local non-pecuniary interests as Directors of MSDC (Suffolk Holdings) Ltd.

3 MC/19/11 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 27 JUNE 2019

It was RESOLVED:

That subject to the following amendments, the Minutes of the meeting held on 27 June 2019 be confirmed and signed as a true record:

In paragraph 5 to be added: That Councillor Otton was surprised that hardly any Members had attended Chris Fry's leaving do after he had been working for the Council for over 29 years. Councillor Morley responded that she had been delayed and had telephoned Chris Fry and thanked him for his work.

Councillor Amorowson to be noted as attending.

Paragraph 11.5: The wording to be changed from 'school sites' to 'stalled sites'.

4 MC/19/12 CHAIRMAN'S ANNOUNCEMENTS

4.1 The Chair referred Members to Paper MC/19/12, which was noted.

5 MC/19/13 LEADER'S ANNOUNCEMENTS

5.1 Councillor Morley presented The Leader's Announcements, which was tabled:

Joint Local Plan Consultation

The Leader welcomed the start of the consultation on the Joint Local Plan on Monday 22nd July. The consultation would close on 30th September and Members were asked to encourage all residents to respond.

Five-Year Housing Land Supply Consultation

Consultation of the MSDC Housing Land Supply Position Statement started 19th July. The Council was consulting on a MSDC figure of 5.61 years which included a 20% buffer.

Active Schools Project

The Active Schools Project had been launched at Freeman Primary School in Stowupland and would be rolled out across a further 10 schools in Mid Suffolk over the next 3 years. This aimed to increase physical activity in Primary Schools and combat rising childhood obesity.

Summer Holiday Activities

Free swimming for all children (age 16 or under) between 25th July and 3rd September at Stowmarket Leisure Centre or Stradbroke Pool & Fitness Centre.

LGA Conference

The LGA Conference was attended by the Leader, Councillor Brewster and Councillor Field, as well as the Chief Executive and both Strategic Directors. Headlines were sent to all Councillors daily, and a briefing note was sent out on their return, which included links to all the sessions.

Cabinet Member Portfolio Reports

Cabinet Members would be bringing forward quarterly reports to Council, with the first one this term, coming in September. The leader had been looking at the timing of the reports so that they coincide with the publication of the Performance Monitoring reports

Elections Annual Canvass

The Elections Annual Canvass started on Friday 19th July. By Monday 22nd July the Council had received over 13,000 digital responses (15%).

Bin Rounds

Completion of the first week of changes to the bin rounds which affected 70% of residents in Mid Suffolk. In general, this had been very successful with just over 200 missed bins in the first week, out of over 40 thousand domestic bins. An extra crew had been made available over the 2 weeks in order to resolve any issues quickly.

High Street Funding

The Leader was very disappointed that nowhere in Suffolk had received any funding from the High Street Funding initiative. However, the leader restated the commitment to the recent Vision for Prosperity for Stowmarket, Eye and Needham Market.

- 5.2 Councillor Mansel enquired if all the Portfolios Holders reports would be coming to the same Council meeting and Councillor Morley responded that the presentation of all the Portfolios Holders reports would be to the Council meeting in September along with the Performance reports.
- 5.3 Councillor Eburne asked if Members in the future could have the Leader's report in advance and not as a tabled paper. She asked if Members would receive advice on how to use the figures provided for the Five-year Housing Land Supply.
- 5.4 Councillor Burn explained the figures would be used until the Consultation was completed and the certainty would depend on the responses. He would not as yet be able to provide a specific date when the 5.61 years would become a certainty.

- 5.5 Councillor Otton stated the she did not entirely agree that the new bin collection routes had been successful, as Members had received complaints regarding waste collection in the District. She urged this to be looked at on a regular basis. Councillor Morley responded that this was looked at every day, but that some bins were missed due to the bin collection teams learning the new routes. Once bins had been reported as missed collections, they would be collected within a few days. On a normal week only 50 bins a week were missed. The current collection rate was 75% out of 40,000 bins collected each week, which left around 200 missed bin collections. She thought this was still a success.
- 5.6 Councillor Stringer enquired how much the cost for the Northern Route Consultation was as the Council would be part of the funding for this project. Councillor Hicks responded that the consultation was funded by the Suffolk Public Sector Leaders fund.

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

- 6.1 None received.

7 QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

- 7.1 None received.

8 QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

- 8.1 Question 1

Councillor Matthissen to Councillor Fleming, Cabinet Member for Environment

How many public electric vehicle charging points had actually been installed in Mid Suffolk?

Response from Councillor Fleming, Cabinet Member for Environment

Mid Suffolk District Council had installed 1no 50kW Rapid EV charger at Needham Lakes under a Highways England grant – the only charger of this type on in the district. In addition to this there were an additional three publicly accessible charge points in Mid Suffolk according to current zap maps.

- 8.2 Councillor Matthissen enquired where the additional three electrical charging points would be situated, and Councillor Fleming responded she would provide an answer outside of the meeting but added that the electrical charging points could be located by satellite navigation.

9 MC/19/14 OVERVIEW AND SCRUTINY COMMITTEE REPORT

- 9.1 Councillor Welham referred to the tabled papers and provided a brief update.
- 9.2 Councillor Ekpenyong attended the last Overview and Scrutiny Committee meeting and asked this be added to the minutes for the Overview and Scrutiny Committee.
- 9.3 Councillor Geake enquired if the Housing Delivery Action Plan would be considered by the Scrutiny Committee and if staff resources would be part of the scrutiny process. Councillor Welham responded that the Overview and Scrutiny Committee would be considering a full report in January 2020 including staffing resources.
- 9.4 Councillor Otton enquired if a wild swimming area near to the lake in Needham would be considered as part of the Needham Lake Development.
- 9.5 Councillor Flatman, Cabinet Member for Communities and Housing responded that consideration of a wild swimming area could be possible if enough clean running water could be provided to maintain a clean pool. Though attention to health and safety issues would have to be considered.
- 9.6 Councillor Matthissen asked if the Overview and Scrutiny Committee would be considering the issues related to IT Services specifically for staff working at home and at the Touchdown Points. Councillor Welham would look at the work plan and evaluate if the Scrutiny Committee could add any value.
- 9.7 Councillor Warboys asked if the Scrutiny Committee would be considering the Five-year Housing Land Supply Development Test and Gypsy and Travellers sites.
- 9.8 Councillor Welham replied that the Five-Year Housing Supply Development Test report was being scrutinised at the next meeting. The Committee was considering Gypsy and Traveller's sites.
- 9.9 Councillor Morley informed Members that the Public Sector Steering Group were also reviewing Gypsy and Traveller's sites and advised Members to hold any review until a report on the topic was published.

10 UPDATE ON MSDC POLICE COMMUNITY SUPPORT OFFICERS

- 10.1 Inspector Shawn Wakeling began the update by informing Members that a presentation would be forwarded to Members after the meeting with details of the update.
- 10.2 He continued that two PCSOs had been appointed in January and March 2019 on a two-year fixed contract. The Officers worked opposite shifts to cover the district. They worked five days a week covering the core hours from 8:00am to 6:00pm with access to vehicles and bicycles.

- 10.3 There existed a referral process, and a form was available in the Members area on Connect, which Councillors could use. The referral would be logged, reviewed and if the referral was within the PCSOs duties, action would be taken, and the officers would report back. A reference list was available, but most referrals were related to parking issues.
- 10.4 The PCSOs had issued 25 advisory notices and had received 237 parking referrals, mostly for parking issues outside schools at certain hours and speeding issues. The PCSOs also produced intelligence reports, which had an impact the work being undertaken for County Lines and drug dealing.
- 10.5 The PCSOs worked in role appropriate, proactive tasks and were highly visible in the community and at local events. They visited regular community events such as 'meet-up' Mondays and responded to issues and incidents in the local schools. They also provided talks to students and children in schools in the District.
- 10.6 Councillor Humphreys thanked the Inspector for his and the PCSOs' services; they had made a difference in the community and in Stowmarket due to their visible and effective presence.
- 10.7 Councillor Fleming agreed and asked if the shift pattern would change to cover more evenings, especially in the summertime to deal with anti-social behaviour. Inspector Wakeling responded that currently the contract covered the hours previously mentioned, however future arrangements involved other PCSOs not just those funded but the Council.
- 10.8 Councillor Welham asked if Ward Members would be informed of referrals in the line with Parish Clerks. He also asked for a breakdown of urban and rural referrals, speeding referrals and if PCSOs could issue speeding tickets. In relation to issues with drug dealing, should Members still contact the police and not the PCSOs.
- 10.9 Inspector Wakeling asked that Members referred any drug related activities to the PCSOs. Officers could issue warning letters but not speeding tickets. Rural areas were covered by a rota, and villages and areas were delegated a day or half a day depending on need, whilst Stowmarket was covered by a week at a time.
- 10.10 Councillor Welham then enquired if parking tickets' arrangements would change, when civil enforcement was introduced.
- 10.11 Melanie Yolland, the Community Safety Professional Lead and Safeguarding Lead and Prevent Lead, clarified that the new regulations would come into force in October 2019, and the situation would be reviewed then. In relation to notification of Ward and District Councillors, this was extended in June to Town and Parish Councils Clerks, referrals to District Councillors had also begun and this would continue.

- 10.12 Councillor Richardson enquired if there would be an opportunity to meet the PCSOs and was informed that arrangements were underway.
- 10.13 Councillor Eburne directed her question to the Portfolio Holders and asked what performance measures had been established to measure success and when would the funding for the PCSOs be reviewed.
- 10.14 Councillor Flatman, Cabinet Member for Communities and Housing responded that performance measures were reviewed periodically and that statistics would be produced after the two-year period had ended.
- 10.15 Councillor Morley added that a performance metric to determine the impact would be made available on Connect and Melanie Yolland clarified that performance measures had been part of the set-up of the project.
- 10.16 In response to Councillor Matthissen's question regarding Blue Badge holders and traffic issues, Inspector Wakeling asked that this was put in a referral to the PCSOs.
- 10.17 Councillor Ekpenyong said that residents were concerned that there were not enough visible police in certain areas to deal with issues such as County Lines and asked what could be done about this. Inspector Wakeling explained that recent reduction in staff resources had been an issue but that this had now been resolved.
- 10.18 Many Members had expressed their thanks for the service of the police and the work conducted in the community by the PCSOs throughout this item.

11 MC/19/15 EQUALITY AND DIVERSITY POLICY

- 11.1 Councillor Morley, the Leader of the Council introduced report MC/19/15 – Equality and Diversity Policy. It demonstrated the Council's commitment to embed the Equality Act 2010, which includes a Public Sector Equality Duty for the right of individuals to be treated equally and fairly.
- 11.2 As a Council it had been agreed that using Equality Impact Assessments was the most effective way to demonstrate that 'due regard' was paid. 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.
- 11.3 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 the diversity of communities in accordance with the Act.
- 11.4 Councillor Morley **PROPOSED** the recommendation, which was **SECONDED** by Councillor Humphreys.

- 11.5 Councillor Scarff informed that the Overview and Scrutiny Committee had recently reviewed staff welfare and absences, and it had become apparent that some Members would benefit from some training in Equality and Diversity.
- 11.6 Councillor Morley responded that Equality and Diversity training was mandatory for all Members.
- 11.7 Councillor Otton was surprised that the Council did not already have such a policy. As a member of the Suffolk County Council Equality Inclusion Board, she explained that there was a series of networks available to Members and staff, which meet in Endeavour House and she asked that the Council promote these so that Members and staff could benefit from these in the future.
- 11.8 Councillor Morley was happy to support and promote this.
- 11.9 Councillor Hicks referred to paragraphs 4.2 and 4.5 which covered staff and asked that Councillors were included in the policy as this was a joint enterprise. He did not think it necessary for the policy to return to Council after the update.
- 11.10 The recommendation was put to Members for the vote and was **CARRIED**.

It was RECOMMENDED TO CABINET:

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

13 COUNCILLOR APPOINTMENTS

Councillor Morley **PROPOSED** that Councillor Hadingham be appointed as a substitute to the Health and Wellbeing Board, which was **SECONDED** by Councillor Flatman.

It was RESOLVED: -

That Councillor Hadingham be appointed as a substitute to the Suffolk Health and Wellbeing Board.

14 MOTIONS ON NOTICE

14a MOTION ON NOTICE RECEIVED FROM COUNCILLOR MORLEY

- 14a.1 The Chair invited Councillor Fleming, Cabinet Member for the Environment to introduce the motion, as detailed in Item 14a on the Agenda.
- 14a.2 Councillor Fleming the Cabinet Member for the Environment **MOVED** the Motion as detailed in the Agenda.

- 14a.3 Councillor Fleming then provided background reasoning for the Motion before stating that a Declaration of Carbon Neutral action had been made by the Government and throughout the world. In the UK at least 85 local and regional authorities had made similar declarations. In June 2019, Suffolk County Council had declared an environmental emergency and brought a paper to Cabinet in July setting out a strategy on how to respond to the issue. The Motion was being brought to bring Mid Suffolk District Council into the framework of working together with Councillors and partners to coordinate environmental action to achieve progress in the region. The District Council would be setting up a taskforce with Babergh District Council to implement measures for achieving the goal of being carbon neutral by the year 2030; to be sustainable in line with the key UN Goal 13 and to support the Government's 25-year environmental plan. The Council would be working with partners to achieve this goal, by supporting economic growth to maintain a quality of life but change was necessary to enable economic development in a sustainable way. Responsibility for the Council's actions had to be taken and she would like the Council to lead on environmental change. This was her vision for Mid Suffolk, and she asked Members to support the motion.
- 14a.4 Councillor Morley **SECONDED** the Motion.
- 14a.5 Councillor Mellen referred to the recent record high temperatures and that climate change was now part of our daily lives. The Green Party welcomed the declaration of the Climate Emergency Motion but wondered what it actually meant. He believed that the solution was the policies and actions, which the Green party had been supporting for years. It was already known how to build carbon neutral homes, but courage was needed to set higher building standards. Reduction in vehicle emissions could be achieved by advocating the use of walking, cycling and the use of public transport instead of building more roads. Power could be provided by renewable energy, which was cheaper than nuclear energy. It was necessary to provide support for staff within the Council to develop sustainable green policies for communities and the environment. He felt that if Climate change were to be taken seriously then it had to be in the forefront of our minds when making the right decisions, as our communities required it and our children deserved it. The Green party welcomed the declaration but awaited to see how the Council would respond through the policies to support it.
- 14a.6 Councillor Field stated that the Liberal Democrats supported the Motion but agreed that this Motion required action, and he hoped this was not just words. He was slightly worried about the words 'spend to save' and trusted that this was to save the planet or carbon and not just to save money.
- 14a.7 Councillor Humphreys MBE stated that Climate Change was not coloured by any political colour but was for all political parties to support. This Motion was a step in the right direction, and he appreciated the word 'action' in the Motion. The Task Force would be set up to examine ways to help environmental improvements in Mid Suffolk District Council.

- 14a.8 Councillor Caston agreed that human activity had exacerbated Climate change, as a Conservative he wanted to conserve things in a better condition to be passed on to the next generations. In 2017 the lowest greenhouse emission had been recorded since 1984. He wanted the Council to lead the way in the prevention of climate change and he would like to be involved as much as possible to support this.
- 14a.9 Councillor Stringer supported the Motion in general but found that some of the wording was slightly challenging and he was concerned about the 'spend to save' wording. However, he would accept this to save the wider environment. He thought that caution had to be exercised when considering carbon reduction, as many of the manufacturing business had been offshored, which was not an actual overall reduction in carbon dioxide.
- 14a.10 Councillor Pratt questioned the development of the Ipswich Northern Road and how this fitted in with the Council's declaration of being carbon neutral.
- 14a.11 Councillor Morley advised Members that the Ipswich Northern Road was not an issue for discussion at this meeting as it was a matter for Suffolk County Council to decide.
- 14a.12 Councillor Eburne confirmed the Task Force to be set up in September. She asked for definite guidelines for targets, the length of time the Task Force was to operate and requested that regular reports on progress together with a timeframe for delivery of the Task Force be provided to Members.
- 14a.13 Councillor Fleming responded that a report would be delivered to Council in six months' time and she envisaged a cross party Task Force in cooperation with Babergh District Council. She was looking forward to sharing experiences and ideas with the Task Force which would provide the tools to make the change.
- 14a.14 Councillor Richardson explained, based on his experience working in the NHS, how general wellbeing in the communities was attributed to the amount of air pollution and related respirational conditions, and that the quality of life and the benefits to the population achieved by the Motion would make a difference to residents and which had not previously been discussed. He therefore welcomed the Motion.
- 14a.15 Councillor Warboys was relieved to see the Motion was coming forward, however he was concerned about the inclusion of the words 'spend to save' and in his consideration of the meaning of the words he felt it was not possible to put a value on improvements to environmental issues nor the benefits for the long term effects. He agreed with Councillor Richardson and he felt that to ensure the work conducted was for environmental benefits and not for economic reasons. He **PROPOSED** an **AMENDMENT** to the Motion that the words 'spend to save' be omitted from the Motion.
- 14a.16 Councillor Carter **SECONDED** the Amendment.

- 14a.17 The Chair asked if Councillor Fleming accepted the Amendment, which she declined.
- 14a.18 Members debated the Amendment as concerns were raised regarding the cost implications and whether this would have an impact on the environmental benefits intended to be achieved by the Motion.
- 14a.19 Councillor Fleming responded that financial investment must have some tangible benefit to the Council and the people of Mid Suffolk and there had to be a control on costs. Funds were not unlimited funds and the benefits therefore had to be both environmental and financial.
- 14a.20 Councillor Morley reminded Members that the Budget had been set for this year and that the Council had a fiscal responsibility to not exceed the set budget. The cross-party Task Force would consider quick wins for immediate effect to save the planet.
- 14a.21 Councillor Otton raised a point of order as she felt that procedurally the debate had lost its focus and asked that the Proposer and Seconder responded to the comments made by Members.
- 14a.22 Members continued to debate the benefits, which could be achieved by implementation of the Motion including social, environmental and health benefits in relation to the economic benefits. Some felt that the amendment would be counter-productive, others felt that the environmental emergency was too pressing and that generally Members knew what the Motion was trying to achieve.
- 14a.23 Councillor Warboys summed up the Amendment and the ambiguity of the words which had been debated. He understood that the Council had to be fiscal with its budget, but the implication of climate change was profound. He was afraid that the efforts to combat climate change could be at risk because it did not have an economic return.
- 14a.24 Councillor Fleming summed up and she felt that the Opposition was disingenuous if they thought that the Council would withhold a process that could improve the quality of life of its residents due to costs implications. However, she would not like to deviate from the wording, which had been proposed by Suffolk County Council and indeed across the Country because she felt that with this Motion, the Council could work together with other partners and implement action. She could not accept the proposed amendment.
- 14a.25 The Amendment was put to Members for voting and was **LOST**.
- 14a.26 The Chair then returned to the Substantive Motion.

14a.27 Councillor Geake referred to the National Planning Policy Framework in relation to the Joint Local Plan, which covered the period up to 2036. She enquired if the Plan would help to reduce greenhouse emissions and whether the Plan was carbon neutral. She also wanted to know, if all those who had commended the Motion would be responding to the Consultation on the Ipswich Northern Route and vote against it. The money could be spent to build foot and cycling paths, which she felt was the only way to become a green County.

14a.28 The Substantive Motion was put to Members for voting and was **CARRIED**.

It was RESOLVED:

That this Council pledges to:

1. **Declare 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.**

14b MOTION ON NOTICE RECEIVED FROM COUNCILLOR EBURNE

14b.1 The Chair invited Councillor Eburne to introduce the Motion under Item 14b.

14b.2 Councillor Eburne said that biodiversity was raised in many areas including Parish Councils, in Planning Committees and by the general public. The Council had a responsibility to residents, and she explained how biodiversity could be exercised on many levels. For example, leaving grass uncut in areas of Public Realm, leaving green corridors around new building sites and to consider this in planning and housing applications. This could not be achieved without resource and the motion included details on how this could be achieved. She **MOVED** the **MOTION**, as detailed in the Agenda which was **SECONDED** by Councillor Pratt.

14b.3 Councillor Pratt outlined the reasons for his support. The Council recognises the threat and the level of loss of biodiversity. The new Task Force would advise planning officers in the cooperation of green infrastructure and he described how this may be achieved and the benefits of such improvements. Members of the public had been forthcoming in supporting the improvement and services.

He asked Members to vote for the Motion to provide the Council with the support for implementing sustainability going forward and to put Suffolk on the map as UK's greenest county.

- 14b.4 Members debated the Motion and it was generally agreed that biodiversity was an important part in improving sustainability of the district. Some Members thought that efforts had already been made by the diverse methods of farming and the production of local food and drink. Others felt that care had to be exercised when deciding how to manage biodiversity.
- 14b.5 Councillor Eburne thanked Members for their support for the Motion and she hoped to see benefits quickly, not just for planning issues but across the district. An update would be provided to Council in six months' time.
- 14b.6 The Motion was put to Members for the vote and was **CARRIED UNANIMOUSLY**.

It was RESOLVED:

That Council recognises that the accelerating rate of species extinction is now a biodiversity emergency, an intrinsic element of the crisis of climate change. Species losses over the past century are 100 times higher than pre-human background rates.¹ These impacts will be severely compounded by climate change.²

This Council pledges that:

- 1. A task force reviews recognised and potential wildlife corridors in the District and brings forward proposals to enhance these corridors.**
- 2. Additional arboricultural and bio-diversity advisory resources are made available, as necessary, to:**
 - Support the task force**
 - Provide more input to support planning officers**
 - Strengthen the role of public realm team**
 - provide advice to parishes and other community landowners.**
- 3. Additional resources and biodiversity proposals during 19/20 would need to be funded from the Growth and Efficiency Fund and then considered in preparing the budget for future years.**

**12 MC/19/16 CAPITAL INVESTMENT FUND COMPANY (CIFCO CAPITAL LTD)
BUSINESS TRADING AND PERFORMANCE REPORT 2018/19 - PART 1**

- 12.1 Councillor Brewster introduced Paper MC/19/16 Capital Investment Fund Company (CIFCO) Business Trading and Performance Report 2018/19 and advised that the report compared the performance of CIFCO against the Key Performance Indicators (KPI) set out for the company. He summarised the main points in the report and the draft Business Plan for 2019/20, set out in the confidential part of the agenda as Appendix A. The Business Plan 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 and Babergh District Council on the 23 July 2019. The Business Plan formed an important part of the Governance of the Company.
- 12.2 Councillor Brewster **MOVED** recommendation 3.1 and 3.2, which was **SECONDED** by Councillor Meyer.
- 12.3 Councillor Mansel asked that Members voted separately on each recommendation, which the Chair agreed to.
- 12.4 Councillor Mansel asked for clarification for the business investment criteria on page 66 in paragraph 8, which had changed in the Business Plan from the one last year.
- 12.5 Emily Atack, Assistant Director for Assets and Investments responded that the business investment criteria had changed in relation to the target yield based on the experience on the previous year's market. The principles remained the same. Other changes related to the change in the kind of properties invested in by the Council. More investments were to be made in industrial and office properties due to the recent fluctuations in the retail property market.
- 12.6 Councillor Field asked for further explanation of the revaluation of the properties and the loss incurred to CIFCO.
- 12.7 The Assistant Director explained that the loss of £1.3M to CIFCO was a result of set-up costs, stamp duty and actual acquisition of properties. She detailed the relation between the management of the portfolios, acquisition of properties and the income to the Council.
- 12.8 In response to Councillor Field's further questions, the Assistant Director clarified that the £1.5M was an income to the Council after the loan interests had been paid. The loss to CIFCO was a capital loss and did not affect the income to the Council as the income from the rents were not affected.
- 12.9 Councillor Stringer stated in the current Business Plan higher risk investments were no longer included, which was confirmed by the Assistant Director for Assets and Investments.

She explained that the Board of CIFCO had made the decision to invest in lower risk assets, which had resulted in a lower yield in the property portfolio.

12.10 Councillor Otton referred to the Overview and Scrutiny Report and stated that the report indicated that the board of Directors were confident that there could be no drastic result of a 'no deal' Brexit and that once Brexit was attained, the commercial property market would not be affected. She was concerned that it was yet unknown what effect Brexit would have on the property market and on the Council's Investments.

12.11 Councillor Eburne enquired about the KPI in Section 5, which had not been completely met and if changes would be made to these. Also, she asked for clarification of Section 10.3 and the fees for CIFCO Capital investments and related increases.

12.12 The figures in paragraph 10.3 were an estimate of future fees, which were a percentage of the investments, so if the portfolio grew, the fees would increase. Section 12 of the Business Plan contained the updated KPI for 2019/20 proposed for the next financial year.

12.13 Councillor Brewster summed up the comments and the perceived loss, explaining that it was not a loss in rents, as these remained fixed and was still forthcoming.

12.14 Recommendation 3.1 was put to Members for voting and was **CARRIED**

It was RESOLVED:

That CIFCO Capital Ltd trading activity and performance for the year to end April 2019 be noted.

14.15 Recommendation 3.2 was put to Members for voting and was **CARRIED**

It was RESOLVED:

That the CIFCO Capital Ltd's 2019/20 Business Plan for adoption by CIFCO Capital Limited be approved.

15 RESOLUTION TO EXCLUDE THE PUBLIC

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

16 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)

There was no confidential minute for this part of the agenda.

The business of the meeting was concluded at 7.48 pm.

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Chair