



## **AGENDA**

### **COUNCIL MEETING**

**THURSDAY, 23RD JULY, 2020 – 5.30 PM**

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Members of the Council are summoned to a Virtual Meeting of the Mid Suffolk District Council on Thursday, 23rd July, 2020 at 5.30 pm.

A handwritten signature in black ink, appearing to read "Arthur Charvonja".

Arthur Charvonja  
Chief Executive

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<b>MSDC COUNCIL</b>	
<b>DATE:</b>	<b>THURSDAY, 23 JULY 2020 5.30 PM</b>
<b>VENUE:</b>	<b>VIRTUAL MEETING</b>

This meeting will be broadcast live to Youtube and will be capable of repeated viewing. The entirety of the meeting will be filmed except for confidential or exempt items. If you attend the meeting in person you will be deemed to have consented to being filmed and that the images and sound recordings could be used for webcasting/ training purposes.

The Council, members of the public and the press may record/film/photograph or broadcast this meeting when the public and the press are not lawfully excluded.

**PART 1  
MATTERS TO BE CONSIDERED WITH THE PRESS AND PUBLIC PRESENT**

Page(s)

**1 APOLOGIES FOR ABSENCE**

To receive apologies for absence.

**2 DECLARATION OF INTERESTS BY COUNCILLORS**

**3 MC/19/44 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 27 FEBRUARY 2020** 11 - 38

**4 MC/19/45 CHAIRMAN'S ANNOUNCEMENTS** 39 - 40

**5 LEADER'S ANNOUNCEMENTS**

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

In accordance with Council Procedure Rule No. 11, the Chief Executive will report the receipt of any petitions. There can be no debate or comment upon these matters at the Council meeting.

**7 QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES**

The Chairmen of Committees to answer any questions by the public of which notice has been given no later than midday three clear working days before the day of the meeting in accordance with Council Procedure Rule No. 12.

- 8        **QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES**
- The Chairman of the Council, the Chairmen of Committees and Sub-Committees and Portfolio Holders to answer any questions on any matters in relation to which the Council has powers or duties or which affect the District of which due notice has been given in accordance with Council Procedure Rule No. 13.
- 9        **MC/19/46 OVERVIEW AND SCRUTINY COMMITTEE ANNUAL REPORT 2019/20**        41 - 72
- Chair of Overview and Scrutiny Committee
- 10       **MC/19/47 DECISIONS TAKEN BY THE CHIEF EXECUTIVE DURING THE COVID-19 PANDEMIC LOCK-DOWN PERIOD UNDER DELEGATED POWERS IN ACCORDANCE WITH PART 2 OF THE CONSTITUTION**        73 - 76
- Chief Executive
- 11       **MC/19/48 SPECIAL URGENT KEY DECISION (EXEMPT FROM CALL-IN) TAKEN BY THE CABINET MEMBER FOR ECONOMIC GROWTH DURING THE COVID-19 PANDEMIC LOCK-DOWN PERIOD UNDER DELEGATED POWERS IN ACCORDANCE WITH PART 1 OF THE CONSTITUTION**        77 - 80
- Leader of the Council
- 12       **TO REPORT BACK ON COUNCIL MOTION ON CLIMATE CHANGE**
- To receive an update from the Cabinet Member for Environment on actions taken by Cabinet regarding the Climate Change Motion agreed at Council on 25 July 2019.
- For noting only.
- [Cabinet Report MCa/19/66](#)
- [Cabinet Decision Notice](#)
- 13       **MC/19/49 LOCAL DEVELOPMENT SCHEME UPDATE**        81 - 96
- Cabinet Member for Planning
- 14       **MC/19/50 POLITICAL BALANCE AND COMPOSITION OF COMMITTEES**        97 - 102
- Monitoring Officer
- 15       **COUNCILLOR APPOINTMENTS**

16 **MOTIONS ON NOTICE**

a **To consider the Motion on Notice received from Councillor Pratt:**

Mid Suffolk District Council endorses the Government's goal to ensure there is a permanent shift in the numbers of people choosing to cycle and walk as opposed to using a car.

Using this goal as a guide, the Council will ensure there is sufficient officer resource to:

- review and update the Cycling Strategy, in conjunction with Suffolk County Council as the Transport Authority,
- include a prioritised, costed list of routes across the districts that include existing and proposed cycle routes and different types of cycle route provision.
- review and update the Cycling Strategy every 3 years.
- be an automatic cycling consultee on planning applications
- seek funding through section 106 money.

At the next review of Community Infrastructure Levy (CIL), the funding of cycle infrastructure will be included as an eligible project.

To support S106 and CIL bids, Council will work with partners on Supplementary Planning Guidance to seek developer contributions to link settlements to nearby towns and Key Service Centres with safe and sustainable active travel options.

The Strategy will also look to –

- Identify existing gaps in the cycle network
- Identify opportunities to work with partner organisations
- Consult and work with parish councils, businesses, residents and local community groups to determine and map routes, and prioritise cycling infrastructure
- Identify specific issues that require improvement to enhance the wider cycle network
- Improve facilities for cyclists to encourage greater cycling for leisure as well as commuting.
- Ensure funds for walking and cycling routes and cycling infrastructure are agreed in the drawing up of new S106 agreements.
- Provide high quality, secure and sheltered cycle parking facilities for our Leisure and Fitness Centres and ensure recreation grounds, car parks, shopping centres and open spaces have adequate cycle parking, including some e-cycle charging points.
- Use pragmatic approaches to secure safe cycling routes in urban areas where building new infrastructure is not feasible, for example by creating 'quiet neighbourhoods' by stopping through traffic and the pedestrianisation of town centres.

b **To consider the Motion on Notice received from Councillor Eburne:**

This Council resolves to:

1. Halt all future investments in the Council's commercial property investment arm, CIFCO. For the avoidance of doubt, this means halt all purchases of any property from this day forward via CIFCO.
2. Subject to agreement with the S151 Officer that this can be done, use any of the agreed remaining borrowing authority (approximately £13 million from the Public Works Loan Board) to re-invest in local market housing within the district.
3. That this local market housing be constructed to provide:
  - a. Market homes, including bungalows, suitable for elderly residents to downsize
  - b. Market homes, including a majority one and two bedroom homes, suitable for young people and key workers to purchase
  - c. Market homes, suitable for investors to purchase for means of private rent for the above categories of residents.

Proposer: Cllr Rachel Eburne  
Seconder: Cllr Andrew Stringer

17 **MC/19/51 CAPITAL INVESTMENT FUND COMPANY (CIFCO CAPITAL LTD) BUSINESS TRADING AND PERFORMANCE REPORT 2019/20 - PART 1** 103 - 136

Cabinet Member for Assets & Investments

18      **RESOLUTION TO EXCLUDE THE PUBLIC**

Recommended Motion

That under section 100(4) of the Local Government Act 1972 the public be excluded from the meeting for item 19 on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act in the paragraph registered against the item.

***Note:** Information is exempt only if:  
It falls within one of the 7 categories of exempt information in the Act and; In all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information*

**PART 2**

19      **CONFIDENTIAL APPENDIX C CIFCO CAPITAL LTD BUSINESS AND INVESTMENT PLAN 2020-21 (Exempt information by virtue of Paragraph 3 of Part 1)**      137 - 178

Cabinet Member for Assets & Investments

**Date and Time of next meeting**

The next meeting is scheduled for Thursday, 24 September 2020 at 5.30 pm.

**Webcasting/ Live Streaming**

The Webcast of the meeting will be available to view on the Councils YouTube page:  
[https://www.youtube.com/channel/UCSWf\\_0D13zmeqAf5Qv\\_aZSg](https://www.youtube.com/channel/UCSWf_0D13zmeqAf5Qv_aZSg)

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact Committee Services on: 01449 724681 or Email: [Committees@baberghmidsuffolk.gov.uk](mailto:Committees@baberghmidsuffolk.gov.uk)

## Introduction to Public Meetings

Babergh/Mid Suffolk District Councils are committed to Open Government. The proceedings of this meeting are open to the public, apart from any confidential or exempt items which may have to be considered in the absence of the press and public.

### **Protocol for Virtual Meetings**

#### Live Streaming:

1. The meeting will be held on TEAMS and speakers will be able to join via invite only. Any person who wishes to speak at the meeting must contact Committee Services at: [committees@baberghmidsuffolk.gov.uk](mailto:committees@baberghmidsuffolk.gov.uk) at least 24 hours before the start of the meeting.
2. The meeting will be live streamed and will be available to view on the Council's YouTube page as detailed below:

[https://www.youtube.com/channel/UCSWf\\_0D13zmegAf5Qv\\_aZSg](https://www.youtube.com/channel/UCSWf_0D13zmegAf5Qv_aZSg)

#### Recording of proceedings:

1. Proceedings will be conducted in video format.
2. A second Governance Officer will be present and will control the TEAMS call and Livestreaming.
3. Members should display the Corporate Background whilst in attendance at formal meetings; the working together logo should be used for joint meetings.
4. If you are experiencing slow refresh rates and intermittent audio you should turn off incoming video to improve your connection to the meeting (If this also does not work please turn off your own camera).

#### Roll Call:

1. A roll call of all Members present will be taken during the Apologies for Absence/Substitution to confirm all Members are present at the meeting.

#### Disclosable Pecuniary Interests:

1. A Councillor declaring a disclosable pecuniary interest will not be permitted to participate further in the meeting or vote on the item. Where practicable the Councillor will leave the virtual meeting, including by moving to a 'lobby' space and be invited to re-join the meeting by the Committee Officer at the appropriate time. Where it is not practicable for the Councillor to leave the virtual meeting, the Governance Officer will ensure that the Councillor's microphone is muted for the duration of the item.

#### Questions and Debate:

1. Once an item has been introduced, the Chair will ask if there are any questions. Members of the Committee will be asked to use the "Hands Up" function within teams. The Chair will then ask Members to speak.



2. Any Councillors present who are not part of the Committee will then be invited to ask questions by using the “Hands up function” within teams. The Chair will then ask Members to speak.
3. At the end of the questions the Chair will ask Members whether they have any further questions before entering into debate.
4. In the instance where a Member of the Committee would like to formally make a proposal, they should raise their hand using the Hands Up function. At this point the Chair would go directly to them and take the proposal. Once the proposal has been made the Chair would immediately ask if there was a seconder to the Motion. If there is it would become the substantive Motion and the Chair would again continue down the list of Councillors until there is no further debate.
5. Upon completion of any debate the Chair will move to the vote.

Voting:

1. Once a substantive motion is put before the committee and there is no further debate then a vote will be taken.
2. Due to circumstances the current voting by a show of hands would be impractical - as such the Governance Officer will conduct the vote by roll call. The total votes for and against and abstentions will be recorded in the minutes not the individual votes of each Councillor. Except where a recorded vote is requested in accordance with the Rules of Procedure.
3. The Governance officer will then read out the result for the Chair to confirm.
4. A Councillor will not be prevented from voting on an item if they have been disconnected from the virtual meeting due to technical issues for part of the deliberation. If a connection to a Councillor is lost during a regulatory meeting, the Chair will stop the meeting to enable the connection to be restored. If the connection cannot be restored within a reasonable time, the meeting will proceed, but the Councillor who was disconnected will not be able to vote on the matter under discussion as they would not have heard all the facts.

Confidential items:

1. The Public and Press may be Excluded from the meeting by resolution in accordance with normal procedural rules. The Governance Officer will ensure that any members of the public and press are disconnected from the meeting.

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# Agenda Item 3

## MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MID SUFFOLK COUNCIL** held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on Thursday, 27 February 2020

### PRESENT:

Councillor: Lavinia Hadingham (Chair)

Councillors:	Oliver Amorowson	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	Mike Norris
	Penny Otton	Timothy Passmore
	Dr Daniel Pratt	Harry Richardson
	Keith Scarff	Andrew Stringer
	Wendy Turner	Rowland Warboys
	Keith Welham	John Whitehead

### In attendance:

Guest(s): Sir Christopher Haworth – Chair of CIFCO CAPITAL LTD.  
Henry Cooke - Director of CIFCO CAPITAL LTD.

Officers:

- Chief Executive (AC)
- Strategic Director (KN)
- Assistant Director - Assets and Investments (EA)
- Assistant Director - Economic Development & Regeneration (FD)
- Assistant Director - Housing (GF)
- Assistant Director – Corporate Resources and Section 151 Officer (KS)
- Assistant Director - Customer Services (SW)
- Assistant Director - Law and Governance and Monitoring Officer (EY)
- Chief Planning Officer - Sustainable Communities (PI)
- Corporate Manager - Financial and Commissioning and Procurement (ME)
- Corporate Manager - Democratic Services (JR)
- Senior Governance Support Officer (HH)

### Apologies:

Stephen Phillips

## 84 DECLARATION OF INTERESTS BY COUNCILLORS

- 84.1 The Chair advised Members that, in accordance with delegated authority, the Monitoring Officer had granted dispensation to all Members in respect of the 20/21 Budget papers.
- 84.2 Councillor Brewster declared a non-pecuniary interest in item 14 as Chair of MSDC (Suffolk Holdings) Ltd.
- 84.3 Councillor Whitehead declared a non-pecuniary interest in item 14 as Director of Gateway 14.

**85 MC/19/35 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 23 JANUARY 2020**

**It was RESOLVED:-**

**That subject to the following amendments, the Minutes of the meeting held on 23 January 2020 be confirmed and signed as a true record.**

**Page 17, paragraph 80.17 - amend number to proportions.**

**Page 15 at the top – amended Councillor Flatman to Councillor Fleming.**

**86 MC/19/36 CHAIRMAN'S ANNOUNCEMENTS**

- 86.1 Councillor Hadingham, Chair of the Council, referred to Paper MC/19/36, which was for noting.
- 86.2 Councillor Eburne thanked Councillor Matthissen for organising the Z-pod meeting held on the 17 February 2020 for sustainable housing.

**87 LEADER'S ANNOUNCEMENTS**

- 87.1 The Chair invited Councillor Morley, Leader of the Council, to present her update.
- 87.2 Councillor Morley provided the following update:

**Equality and Diversity** – the Leader asked that the nine Members, who had failed to attend this mandatory training rectified this now.

**Needham Market Station** - Applications for the Needham Access Project had been successful and had been awarded £380k from the Department of Transport. However, further feasibility work and continuation of the CIL funding process had to be undertaken before the project could move forward. This demonstrated the strong pathways with Greater Analia was working.

**UNISON Against Violence at Work Charter** – It was confirmed that the Council had met the 10 criteria for the charter and could now become signatories to the charter. Achieving this charter was evidence of the commitment the Council had to

its staff and the effort made to ensure that staff was protected from violence and aggression whilst at work. She thanked the team that had undertaken this work.

**Public Sector Leaders Meeting (tomorrow)**- the Leader raised three issues which she would present at the meeting tomorrow.

- The Leader anticipated that funding would be approved for £50k to address needs for young people, who were not in education, employment or training. Support for this was delivered through the Mix in Stowmarket.
- Gateway 14 – a proposal was put forward to spend £250k to develop an innovation cluster at Gateway 14 in Stowmarket.
- A new two-year proposal to create a Suffolk Housing Coordinator post would be put forward at the meeting. This officer would be employed by Mid Suffolk and Babergh on behalf of the wider Suffolk system. The Leader would be happy to share the presentation and papers with Members if the proposal was approved tomorrow.

**Planning Officer for Babergh and Mid Suffolk** – the Planning team was in the running for a national award for technological advance as part of 21<sup>st</sup> planning. Both Councils were shortlisted for the *Best use of Digital and Technology* category at the annual IEasy Public Sector Transformation Awards 2020. The award acknowledged the use of technology improving services to residents. The team had streamlined the processing of planning applications, delivering timely applications and becoming one of the top authorities in the County for this service. The team had also introduced an electronic case management system and a mobile App and was working on implementing the use of drones and augmented reality as part of the 21<sup>st</sup> century Planning process.

87.3 Councillor Carter asked the Leader to ensure that there was no last-minute change to any meetings or agendas as last-minute changes made it difficult for him to adjust.

87.4 Councillor Mellen referred to a deep clean of a GP Surgery due to the Corona Virus pandemic and if the Council could assure that a plan was in place to provide a service to the public during a pandemic.

Councillor Morley responded that if Members were concerned, she would arrange another briefing for the matter.

## **88 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES**

None received.

## **89 QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES**

89.1 None received.

## 90 QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

90.1 The Chair referred to the tabled papers and asked Councillor Eburne to ask the first question.

### Question 1

#### Councillor Eburne to Councillor Morley, Leader of the Council

“The cost of Member allowances and expenses has increased from £269,393.13 in 2017/18 to £442,563.39, a difference of £173,170.26.

Please can you provide the explanation for this increase.”

#### Response

There was a one-off increase in the member allowances in 18/19 due to the back payment of the basic allowance and special responsibility allowances that was made following a review of the Members Remuneration Scheme, carried out by the Independent Remuneration Panel. The Panel was tasked with looking at members’ allowances and to take into account the changes to members’ roles following the creation of the Leader /Cabinet model which was constituted in May 2017. The new scheme was adopted by full Council in June 2018.

The figures forecast for 19/20 show a projected decrease in the amount of members’ allowances which will be a more accurate reflection of the cost following a reduction in the number of members since the elections in May 2019.

#### Supplementary question:

Councillor Eburne said that the difference for the back-payment did not make up the £173,170.26, and she asked that the exact figures for the difference were provided to her.

#### Response

Councillor Morley asked the Assistant Director for Corporate Resources to provide a response outside the meeting.

### Question 2

#### Councillor Geake to Councillor Brewster, Cabinet Member for Economic Growth

“We recently heard from the Cabinet Member for Economic Growth, that part of our ongoing work on project delivery, for Regeneration and Capital projects, will take account of climate change. As stronger economic growth tends to be closely linked to a higher carbon footprint, and as we are now in a climate crisis, could we be told which parts of the Council’s work on regeneration and capital projects will *not* take account of climate change?”

#### Response

As part of the refreshed project management framework across both councils, all

project initiation documents have a section on the environment. Project managers, when commencing a project and throughout the life of that project, are required to complete an environmental impact assessment which consider positive and negative environmental impacts of each scheme. As new projects come to the various Programme Boards, environmental impact is considered as part of the overall deliverability. This means every regeneration and capital project will take account of climate change and will ensure any impacts are assessed and properly mitigated.

**Supplementary question:**

Councillor Geake asked that the Cabinet Member looked at the work of other Councils, with a view to future proofing every single aspect of the Council's work and she provided two examples; Oxford City Council had provided a climate emergency budget of £18m for capital investments and £1m for its operational budget to ensure delivery and Warwick District Council had announced they would hold a referendum to increase council tax to provide the necessary funds.

**Response**

Councillor Brewster responded that the Council's economy budget was the smallest budget in the Council, and he was sure the Assistant Director was aware of this, but he would raise this with the Assistant Director for Corporate Resources.

**Question 3**

**Councillor Welham to Councillor Flatman, Cabinet Member for Communities**

"The Council is making a grant to Mid Suffolk Citizens Advice of £86,700 per annum for each of the next three years. Could we please be assured that there are no specific conditions attached to the making of the grant?"

**Response**

A grant of this nature will clearly have reasonable conditions attached – that the applicant uses the money for the purposes set out in their application, for example, and that they deliver the proposed outputs. I can reassure you that these conditions will be agreed with Mid Suffolk Citizens Advice prior to issuing the offer letter, rather than simply being imposed upon them without dialogue.

**Supplementary question:**

Councillor Welham asked if he could assume that the conditions would be the normal Mid Suffolk Grant Conditions and that no other conditions be imposed on Mid Suffolk Citizens Advice, nor would the Council seek to reorganise or close branches of the Citizens Advice.

**Response**

Councillor Flatman responded that at this moment in time there were no plans to make such changes.

**Question 4**

**Councillor Welham to the Leader of the Council**

“The Corporate Outputs document was discussed at a Joint Overview and Scrutiny Committee meeting held on 8 January 2020. A number of the outputs are stated as giving support to various initiatives. Could we have clarity around the type of support to be given, particularly whether it is financial support or support by Officers and/or Members of the two Councils, and what outcomes are expected in respect of each of these initiatives?”

### **Response**

As was explained during the Overview & Scrutiny Committee meeting, there are approximately 9 Mid Suffolk references to ‘providing support’ in the Corporate Outputs. These reflect the fact that the Council has an impact not just in terms of what it directly delivers but also by working in partnership with others where the partner is the lead. The reference to support therefore relates to political and officer support but does not exclude financial support. Where any proposal for direct financial support is made however, this will come forward through Cabinet for decisions. I think the intended outcomes for each of these is obvious from the document, for example for the Museum of East Anglian Life to become the National Museum for Food, for businesses to access our local shop front and accessibility funding etc but I am happy to provide further details outside of the meeting for anywhere Councillor Welham has additional queries.

### **Supplementary Question**

Councillor Welham was unclear about the reason for supporting the A14 expressway, as this would increase the amount of traffic and he was equally unclear, how this fitted in with the Council’s declaration of Climate Emergency.

### **Response**

Councillor Morley responded she would provide an answer outside the meeting, but it was imperative that the infrastructure could deliver the Council’s needs.

### **Question 5**

#### **Councillor Welham to Councillor Morley, Leader of the Council**

“At a Joint Overview and Scrutiny Committee meeting held on 8 January, the Leader of our Council stated that various Task Groups would be providing the timescales for achieving the outcomes to be achieved in 2020/21 and beyond. Are Task Groups actively working towards providing agreed programme dates to be included in the document before the start of Municipal Year 2020/21?”

### **Response**

I believe that the Chief Executive addressed a similar question to this at the Cabinet Meeting that adopted these Corporate Outputs. As he explained, this is intended to be the first and last time that the Corporate Outputs are presented to Councillors in this way. This is a reflection of the fact that the outputs were developed in parallel with the Corporate Plan. Now that the Corporate Plan and these Outputs have been adopted, they are being incorporated into action plans for each of our 6 Strategic Priorities. These actions plans are a combination of work that is already underway and new actions. Performance will then be measured from Quarter 1 of 2020/21



against these action plans. With this in mind officers are, at my request, conducting a review of our performance framework.

### **Supplementary question**

Councillor Welham asked if action plans with dates against them would be available for Members, before the start of the municipal year, so it would be possible to measure performance against those dates.

### **Response**

Councillor Morley responded that not all the action plans would have dates against them as they had not been finalised yet, such as the Climate Change Taskforce.

### **Question 6**

#### **Councillor Mansel to Councillor Burn, Cabinet Member for Planning**

“Two of our adopted Neighbourhood Plans have recently been put to the test at Planning Referrals Committee. Recommendations from development control officers were to go against Neighbourhood Plan policies, because they felt that they were lacking in housing allocations and/or policy wording. Given that MSDC is obliged to support communities making Neighbourhood Plans, how are we ensuring that they are getting the best impartial advice?”

### **Response**

Thank you Councillor Mansel for your question. This matter is clearly topical and has been subject of much discussion at not just Planning Referrals but also at the recent training exercise for Councillors. The officer recommendations contained significantly more nuance than you have suggested within your question and I think it's important that we continue to talk about weight to be applied rather than your more adversarial language of 'going against'. That aside, I recognise the sentiment. Our officers are serious in their intent to support communities to develop neighbourhood plans though. They provide technical advice on the processes involved and signpost to 'impartial' sources such as Locality to ensure communities enter the process with their eyes open and optimise the support available to them. Officers also advise on funding sources available and help groups to engage their own professional advice as well as providing both informal feedback as plans progress and formal feedback during the relevant consultation stage. There is a wealth of information available on our website which further explains the support available.

Because of the importance of this subject I have provided a more detailed and substantive response in writing but do not intend to read that to you during this meeting. I am of course happy to discuss this matter further with you and officers outside the meeting if that would assist.

### **Written Answer (Tabled Papers)**

Neighbourhood Planning (NP) provides local communities with the opportunity to have their say in where they would like to see new housing come forward but, with that, comes a certain degree of responsibility that those same groups will need to

identify and allocate a sufficient supply of sites to meet not just locally identified need but also to enable the District Council to meet its wider housing delivery objectives. In reality, what we have seen over the last few years is a number of communities bringing forward Neighbourhood Plans in advance of our new planning framework being in place and, in effect, only going as far as allocating what already has permission.

To be successful at examination, one of the 'basic conditions' against which such plans are tested is their general conformity with district level planning policy. This is something that has also been touched upon in a number of recent Neighbourhood Plan Examination Reports published on this Council's website and should also act as a signal to all other prospective Neighbourhood Plan Groups. In summary, that advice is:

- *There is no legal requirement to examine a Neighbourhood Plan against emerging policy. **However, Planning Practice Guidance on Neighbourhood Planning [PPG para 009 ref id 41-009-20160211] advises that **the reasoning and evidence informing the Local Plan process may be relevant to the consideration of the basic conditions against which the Plan is tested.*****

And, that where a Neighbourhood Plan is produced in parallel to the emerging Local Plan

- ***Conformity with emerging plans can extend the life of Neighbourhood Plans, providing this does not result in conflict with adopted policies.** However, the Joint Local Plan (JLP) Draft could change significantly and so this should be carefully considered. It is also important to be mindful of the fact it has been demonstrated for a number of years now that housing needs and provisions are unlikely to decrease significantly, and that land supply has to be maintained through delivery.*

Where Neighbourhood Plans are being produced, the Council is proactive in engaging with a community from the outset. However, it is the responsibility of the community to develop their Neighbourhood Plan and, in many circumstances, they are directly appointing independent planning consultants to assist them. In addition, where plans do seek to allocate sites, there are support packages available through the Government's neighbourhood planning body, Locality.

Prior to Neighbourhood Plan Groups consulting us at the Regulation 14 Pre-submission stage, we encourage them to share their draft plan with us for informal feedback. The purpose of this exercise is also to identify likely significant issues in advance of any formal consultation in public. Before publication in July 2019 of the Preferred Options Joint Local Plan, and where appropriate, we have consistently advised Neighbourhood Plan Groups that a housing number higher than that currently being promoted through their Neighbourhood Plan could not be ruled out. Since July 2019, Neighbourhood Plan Groups have had an indicative (minimum) housing number that they should be planning for. It would be reasonable to expect that those Groups who had prepared a plan prior to publication of the draft Joint Local Plan in July 2019, but who had yet to formally submit their Plans to the District Council, to be mindful of our advice and, if necessary, consider whether they should

modify their plan accordingly and re-run the Regulation 14 process. That does not appear to have happened in the case of Woolpit. In essence, groups need to be aware of changing national and local planning policy to ensure their plans are both compliant with the National Planning Policy Framework and emerging Development Plan policy.

It is also important to highlight that communities with adopted Neighbourhood Plans must keep them under review because of the progression of the emerging Babergh and Mid Suffolk Joint Local Plan and the evidence that underpins it on many aspects in relation to the social, economic and environmental factors. Neighbourhood Planning guidance informs that planning applications are decided in accordance with the development plan, unless material consideration indicates otherwise. It is for the decision maker in each case to determine what is a material consideration and what weight to give to it. In some cases, this may mean an adopted Neighbourhood Plan does not hold as much weight as some other material consideration.

**Supplementary question:**

Councillor Mansel questioned that as Joint Neighbourhood Plans (JNP) progressed to examination and adoption, would it be necessary to appoint more staff to provide support to communities, who would need to review their Neighbourhood plans, as the JNP was implemented. Also, there might be more communities who would produce neighbourhood plans.

**Response**

Councillor Burn responded that the requirements for further resources would be taken into consideration when the time came.

**91 MC/19/37 OVERVIEW AND SCRUTINY COMMITTEE REPORT**

91.1 The Chair advised Members that the report would be in two parts and that any information regarding Gateway 14 would be presented under Part Two on the Agenda, she then invited Councillor Welham to present the Overview and Scrutiny Report.

91.2 Councillor Welham, Chair of the Overview and Scrutiny Committee presented the report and added that Councillor Mansel was the Council's representative on the Western Suffolk Community Safety Partnership (WSCSP) and would be able to provide more information about the work of the WSCSP.

**92 MC/19/38 GENERAL FUND BUDGET 2020/21 AND FOUR YEAR OUTLOOK**

92.1 The Chair of the Council referred Members to the revised Appendix C in the tabled papers and invited Councillor Whitehead to introduce report MC/19/38.

92.2 Councillor Whitehead, Cabinet Member for Finance, informed Members that the budget was a result of a period of strong financial discipline and strict prudence implemented by the administration and the significant contribution of the management team, whom had consistently delivered positive financial outturns against the budget.

- 92.3 He continued that the General Fund Budget report had been presented to Cabinet on the 13<sup>th</sup> January 2020 and the Overview and Scrutiny Committee on the 17<sup>th</sup> January 2020. Several Member briefings have also taken place in January for the Budget.
- 92.4 He directed Members' attention to the fact that the Council had minimised the use of the new Homes Bonus and had not used any New Homes Bonus for the Council's normal running costs.
- 92.5 He referred to paragraph 8.10, table 5, which illustrated that the New Homes Bonus would end in 2023/24 and currently it was uncertain what and how much would be replacing it.
- 92.6 The Central Government's revenue support grant had fallen away in recent years and it was therefore important that the Council generated its own income. This was achieved by the following four income streams:
- Income received from various pool investments, all of which produce income streams
  - The building up of CIFCO to £50m by investing in secure real estate assets, which generated a significant income stream
  - Growing of the council tax base by building new housing and bringing empty properties back in to use, which provided a 1%+ tax increase each year.
  - An increase in council tax of 1.66%, which equated to a £2.26 increase per year for a Band D home.
- 92.7 Councillor Whitehead continued that the budget was healthy and included £1m for the development of a Commercial Risk Management Reserve for the Councils' development sites and £0.5m for Climate Change initiatives for 2020/21. Despite these investments the reserves would still be above £10m for 2020/21, as illustrated in paragraph 7.6.
- 92.8 He then detailed the revised Appendix B, which included information regarding investments into CIFCO, the development of the Needham Market Lake Visitor Centre, development of the Leisure Centre, a proposed change to reduce the 25% council tax discount from three months down to 28 days for Empty and unfurnished properties in section 11. He also referred to the Pay Policy in section 12.
- 92.9 He thanked the Finance Team for the work undertaken.
- 92.10 Councillor Whitehead **MOVED** recommendations 3.1 to 3.5 in the report, which was **SCEONDED** by Councillor Morley.
- 92.11 Councillor Eburne advised Members that the Green Party and Liberal

Democrat Groups of Councillors coordinated to produce a series of budget proposals in November 2019, and having had discussions with the Finance Team, then presented 10 key proposals to the ruling Administration for the next financial year. They were pleased that the Administration had progressed some of these proposals including:

- Promoting sustainable new homes through the provision of technical and planning advice
- Improving tree cover across the District
- Providing greater access for all to the Council
- Improving democratic relationships with residents especially young people
- Improving residents and businesses confidence in and experience of planning

She felt, however, that it was important that further proposals were taken forward in order to respond to the Climate Emergency and future-proof Mid Suffolk District to fulfil residents' and businesses' sustainable potential. The proposals had been sense checked by the Finance Team and Legal Team and had been part of the discussion with the Chief Executive, Members and Officers and she was pleased that there had been so much attention for these proposals.

92.12 She **PROPOSED** the following amendments to the draft budget 2020/21 and that the majority was funded through the "Growth and Efficiency Fund", which stood at £9.235 million as at 31 March 2020:

*This Council agrees that:*

- i) All new housing, where possible within commercial constraints, should be zero carbon and the Council should do everything within the Council's powers to promote this especially with its own building programme; indicative cost £70,000 additional officer time to support all new housing developments and £1 million upfront capital funding to borrow against for own house-building programme plus approximately £40,000 in interest.*
- ii) A "competition" is run to produce plans for a series of sustainable Suffolk house designs - that can then be provided to local builders and developers for free; indicative cost £5,000 for officer time to set up and £20,000 fund for the "winner"*
- iii) Electric vehicle (EV) use is promoted through installing EV points in all public car-parks in Stowmarket, Needham Market and Council premises; as well as providing funding support and advice for businesses to install EV points in towns and surrounding villages; indicative cost £15,000 officer time for set-up, £40,000 capital cost for installation of up to 20 points, £5,000 ongoing annual maintenance*
- iv) Visitors are encouraged to extend their stay in Stowmarket with the introduction of free parking after 3pm one day per week and through providing*

*vouchers for interconnecting community buses; indicative cost £15,000 for voucher trial per year over two years with the loss of income from parking of approximately £30,000 expected to be covered by increase in spend in the local economy.*

*v) Confidence in planning is restored through providing additional highways consultation expertise; indicative cost £60,000 in year one for consultancy services.*

92.13 Councillor Field **SECONDED** the proposed amendment and said he recognised that there had been an adjustment to the budget including the £500k for delivering Climate Change.

92.14 He thought that the proposed amendment was much wider than just the environment. The proposal included an action to build houses as close to zero carbon as possible, and that an increase of the building of houses at a cost of realistic borrowing. Over the next 30 years the Council should replace the housing stock through the Right to Buy scheme and ensure that modern standardised houses were available to local tenants at a reasonable rent. This included ensuring that local builders could provide modern designs without high individual start up expenditure.

92.15 He continued that to progress with electric vehicles, the Council should allow taxi vehicles to switch to a hybrid plug-in version.

92.16 Better Highways planning was necessary and that current highway solutions for new developments were not sustainable and he asked that Members supported this amendment.

92.17 The Chair asked the Proposer, Councillor Whitehead if he accepted the proposed amendment.

92.18 Councillor Whitehead responded that he did not accept the amendment.

92.19 He felt that during the work already undertaken to incorporate some of the key projects into the Corporate Outputs, it had become clear to him that the five proposed projects in the amendment already existed in similar format in the Corporate Outputs. However, he recognised that further work was needed to ensure that the proposals were deliverable.

92.20 Councillor Eburne raised a point of order, when Councillor Otton was denied asking Councillor Whitehead a question, on account that Councillor Whitehead had provided a substantial response for rejecting the amendment.

92.21 Councillor Otton asked why Councillor Whitehead could not support Item 5 of the amendment, as she believed there was support amongst members of the public that when the Council was dealing with major planning applications, more serious consideration should be given to highways expertise.

92.22 Councillor Whitehead responded that Suffolk County Highways advised on all

planning applications and attended planning committees as the Highway Authority. He felt that providing the Councils' own highways expertise was not what the Council was trying to achieve.

- 92.23 Councillor Passmore enquired if some of these projects could be included in the corporate plans without the allocation of resources, even if they required more precise definition.
- 92.24 Councillor Whitehead agreed.
- 92.25 Councillor Eburne expressed her concern regarding implementation of electrical vehicle charging points, which were not being installed in the District, even though other authorities were progressing with this. She informed Members that there was a local company, which could install these for the Council and that it was a simple action to do to help climate change.
- 92.26 In response to Councillor Matthiessen's question regarding expertise consultation for highways, the Chief Planning Officer replied that he was not aware of the immediate figures for work with SCC, but that he thought the work was effective and coordinated.
- 92.27 Councillor Carter considered the alignment between the parties referred to earlier and where was the action evidencing this alignment, especially with regards to the environment.
- 92.28 Councillor Fleming felt it was disingenuous to suggest that nothing had been done, and that the anticipated work of the Climate Change Taskforce would be presented to Cabinet in April. She thought that there was no point in progressing before consideration of which action would be the most effective with regards to the carbon reduction in the long-term.
- 92.29 Councillor Carter reiterated his point that action was needed now, and that carbon reduction had to be achieved not to prevent irreversible damage.
- 92.30 Members continued to discuss the cost and the options for building zero carbon housing in the District, and whether zero carbon housing would be affordable on a large scale. Some Members thought that this was possible based on the cost of building a zero carbon house in comparison to the current building cost per square metre, other Members referred to the recent presentation on building zero carbon housing and the cost implied there.
- 92.31 Members progressed into debate and Councillor Eburne explained that other authorities were building carbon zero housing and that this should be a criterion for all new build. She stated that all the amendments had been undertaken by other authorities.
- 92.32 Councillor Meyer reminded Members that the Council had voted for Climate Change and referred to the work of the Climate Change Taskforce. He felt

that the first three amendments undermined the work of the task force.

- 92.33 Members continued the debate in relation to electrical vehicle charging points, zero carbon housing, reduction of heating bills and the wider benefits to the community.
- 92.34 Councillor Eburne thought that the work of the Climate Change Taskforce was important, but that it was unfair to pin everything to the Taskforce, especially when action could be taken now and agreed by Members today.
- 92.35 Councillor Mellen, who was a member of the Climate Change Taskforce, thought that the recommendations from the Taskforce were not yet ready to be presented to the Cabinet. He referred to the Terms of Reference, which referred to the urgency of the work to be done. However, the timeline set for the work of the Taskforce did not reflect the urgency and was slow in reaction to the Climate Emergency, he therefore commended the amendment.
- 92.36 Councillor Stringer referred to amendment two in relation to the zero-carbon housing, and that there were issues within the planning process. The housing design was standard and was not environmentally sustainable. He wanted to support the building industry and to get Suffolk Preservation Society involved with specific 'Suffolk' design for future housing to fulfil future demands for environmental sustainability and he asked that Members at least supported amendment two.
- 92.37 Councillor Caston said that the Climate Change Taskforce needed time to develop a suitable action plan to ensure its effectiveness and best value for money for reduction in carbon and to develop the best eco systems for the District.
- 92.38 Members continued the debate including the development of infrastructure in relation to SCC Highways, the details of the amendment in relation to funding, the intellectual properties of any winning design from a design competition for housing and how this would work in practice, the appropriate allocation of resources in the budget and the robustness of the amendment.
- 92.39 Councillor Geake was concerned that the lack of understanding of the urgency of climate change influenced the decision for how to implement infrastructure in the District. A budget setting meeting should act if the crisis was real and that the amendment was an essential minimum start. She recommended the use of the expertise available amongst officers and Members and asked that lack of understanding did not defeat the purpose for change.
- 92.40 Members debated further the development of electrical charging points and Councillor Welham explained the importance of getting more residents to use electrical vehicles and the wider implementation on the community, the reduction of public transport and services to rural areas to allow residents to



access local shopping, town centres and leisure facilities, free car parking and cycling paths.

- 92.41 Councillor Scarff detailed the cost of free parking in relation to the revenue income from car parking charges. He suggested free car parking one afternoon a week.
- 92.42 Councillor Pratt supported the amendment and thought that the funding provided for climate change was small compared to the funding invested into the Council's investment company.
- 92.43 Councillor Morley advised Members that the proposed £1m capital funding to borrow against for the Council's housing scheme required further investigation, as the General Fund could not contribute to the HRA stock in this way. She reminded Members that carbon zero housing was not required of the Councils Planning Charter and could therefore not be part of the requirements for housing developments. She clarified that the local taxis did not currently have any electrical vehicles and that it was therefore not good use of taxpayers' money to install electrical charging points for taxis. She stated that the Council was working on implementing some of the proposed elements of the amendment and she was distressed if all the good work undertaken during the past month would be undermined by the disagreement of the amendments.
- 92.44 Councillor Mansel informed Members that zero-carbon housing should be for all housing and not just the Council's own developments and therefore the General Fund Budget could be used for this purpose. If the General Fund budget could not provide the funding, then the £9.2m in the Reserves could provide it.
- 92.45 Councillor Eburne clarified that the taxi licensing was part of a previous version of the amendment and that the charging points within the Outputs referred to policy and actual action points. Contact had been made with architects to discuss the proposal to provide a design competition and they had been delighted by the idea. She thought the discussion had been fantastic and that the debate and ideas put forward had been good. Some of the previous proposals had been included in the budget and she thought that the proposed amendment should be included too, as Members and officers had conducted useful discussions to produce these achievable proposals. She reiterated the fantastic suggestions and debate that had taken place across the floor in the Chamber this evening.
- 92.46 The amendment was put to Members for voting and the vote was **LOST**.
- 92.47 In accordance with Council Procedure Rule 19.3, the vote was recorded as follows:

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
<b>Oliver Amorowson</b>		
	<b>Gerard Brewster</b>	
	<b>David Burn</b>	
<b>Terence Carter</b>		
	<b>James Caston</b>	
<b>Rachel Eburne</b>		
	<b>Paul Ekpenyong</b>	
<b>John Field</b>		
	<b>Julie Flatman</b>	
	<b>Jessica Fleming</b>	
<b>Helen Geake</b>		
	<b>Peter Gould</b>	
	<b>Kathie Guthrie</b>	
	<b>Lavinia Hadingham</b>	
	<b>Matthew Hicks</b>	
	<b>Barry Humphreys MBE</b>	
<b>Sarah Mansel</b>		
<b>John Matthissen</b>		
<b>Andy Mellen</b>		
	<b>Richard Meyer</b>	
	<b>Suzie Morley</b>	
	<b>Dave Muller</b>	
<b>Mike Norris</b>		
<b>Penny Otton</b>		
	<b>Timothy Passmore</b>	
<b>Daniel Pratt</b>		
	<b>Harry Richardson</b>	
<b>Keith Scarff</b>		
<b>Andrew Stringer</b>		
<b>Wendy Turner</b>		
<b>Rowland Warboys</b>		
<b>Keith Welham</b>		
	<b>John Whitehead</b>	
<b>Total</b>	<b>16</b>	<b>Total 17</b>

92.48 Members then returned to the original Motion for questions and debate.

92.49 Councillor Eburne referred to paragraph 7.6 in the report and asked for confirmation if the £500k for Climate Change had to be spent in 2020/21 and why there were no increases in the forecast for the Business Rates in paragraph 8.14.

92.50 Councillor Whitehead clarified that the £500k had been allocated to the 2020/21 budget, however, he thought that the funds would be carried over to the following financial year, if the funds had not been spent.

92.51 In a response to Councillor Welham's question regarding the New Homes Bonus, Councillor Whitehead clarified how the Council spent the New Homes Bonus and that some had been included in the Growth and Efficiency Fund and related projects. He believed that the Government had decided to remove the New Homes Bonus, as many authorities no longer used this funding for the daily running of the Council.

- 92.52 Councillor Otton referred to paragraph 7.7 and asked for assurance that there was enough funding for the Community Infrastructure Levy (CIL) and that there should be some indication of the amount for the CIL funding. She also enquired about the Section 106 CIL exemptions that the Council had provided. She asked for reassurance that the Council was fulfilling the legal requirements for CIL provisions. She also asked for reassurance that the provision for Disabled Facilities Grants would be improved and managed better in the future.
- 92.53 Councillor Whitehead responded that Table 7, indicated the CIL figure separately, as there was a specific use for CIL funding. CIL funding would be spent, as the CIL bids came forward. He thought that CIL funding should be a separate budget, as the spending of this funding was very specific. The spending on CIL was available on the Website.
- 92.54 Councillor Flatman updated Members on the Disabled Facilities Grants and the new arrangements recently agreed.
- 92.55 In response to Councillor Carter's question regarding the Disabled Facilities Grants, Councillor Flatman offered to speak with him after the meeting.
- 92.56 Councillor Hicks thought that the budget papers were clear, and he referred to the principles of the budget located on page 43 of the papers. He appreciated the funding set aside for the Climate Change emergency. He thought the budget was well considered, sustainable and focussed on the needs of the Council's residents.
- 92.57 Councillor Fleming supported the budget as it was principled and a prudent use of Mid Suffolk's public money. It provided good service to customers, and social and environmental values were included in everything the Council did. Investment targeted for climate change and biodiversity had been included for the first time and the Climate Change Task Force would provide important direction in April for how to best proceed with projects to support the work for Climate Change.
- 92.58 Councillor Eburne would like to deliver a forward-looking budget and she felt that the budget was not supporting the wishes of many of the residents in the District. The reserves of £9.23m should be utilised to support businesses and residents in the community and she felt that the budget was not going far enough, and she could not support the budget.
- 92.59 Councillor Field appreciated the cross-party work and the cross-party discussion that had taken place. However, there were still issues which he did not agree with, such as the £50m invested in high street properties and business premises. Although these investments were currently yielding a good return, he thought the risk was too high. He also questioned if enough was done to address the Climate Emergency declaration and for the leisure centres in the District. He could not support the proposed budget
- 92.60 Councillor Geake challenged the economic strategy of the administration and the decision to keep funding in reserve for 'a rainy day', actions which she

thought was ideologically driven. She described the housing surplus in relation to the housing crisis in the country and how this could be resolved by bringing more housing forward for social renting as a temporary measure on the way to owner-occupation.

- 92.61 Councillor Richardson detailed the low rise in Council Tax compared with the growth in average earnings and inflation. He thought that the budget would continue to deliver a high-quality public service and ensured investing in the future, especially as local governments' finances were challenged. This budget recognised that the New Homes Bonus would be coming to an end and overall, the budget represented responsible management of the Council's finances, and he supported the budget.
- 92.62 Councillor Carter did not support the budget, as he did not feel that climate change had been supported enough in the budget.
- 92.63 Councillor Whitehead thought that the budget reflected the changing times and he hoped Members would support it.
- 92.64 The recommendations were put to Members for voting and the vote was **CARRIED**.
- 92.65 In accordance with Council Procedure Rule 19.3, the vote was recorded as follows:

FOR	AGAINST	ABSTAIN
	Oliver Amorowson	
Gerard Brewster		
David Burn		
	Terence Carter	
James Caston		
	Rachel Eburne	
Paul Ekpenyong		
	John Field	
Julie Flatman		
Jessica Fleming		
	Helen Geake	
Peter Gould		
Kathie Guthrie		
Lavinia Hadingham		
Matthew Hicks		
Barry Humphreys MBE		
	Sarah Mansel	
	John Matthissen	
	Andy Mellen	
Richard Meyer		
Suzie Morley		
Dave Muller		
	Mike Norris	
	Penny Otton	
Timothy Passmore		
	Daniel Pratt	
Harry Richardson		
	Keith Scarff	
	Andrew Stringer	
	Wendy Turner	

		Rowland Warboys	
		Keith Welham	
John Whitehead			
<b>Total</b>	<b>17</b>	<b>Total</b>	<b>16</b>

It was **RESOLVED**: -

- 1.1 That the General Fund revenue budget proposals for 2020/21 and four-year outlook set out in the report be approved.
- 1.2 That the General Fund capital budget proposals for 2020/21 set out in Appendix B in the report be approved.
- 1.3 That the General Fund Budget for 2020/21 is based on an increase to Council Tax of 1.66%, which equates to £2.76 per annum (5p per week) for a Band D property, to support the Council's overall financial position.
- 1.4 That from the 1st April 2020 properties that are unoccupied and unfurnished (Class C discount) receive a 25% reduction for the first 28 days as set out in section 11.
- 1.5 That the proposed Pay Policy Statement for 2020/21 as set out in section 12 be approved.

**93 MC/19/39 HOUSING REVENUE ACCOUNT (HRA) BUDGET 2020/21 AND LONGER-TERM OUTLOOK**

- 93.1 The Chair invited Councillor Whitehead to introduce the report and to move the recommendations.
- 93.2 Councillor Whitehead, the Cabinet Member for Finance, began by informing Council that the HRA had been through a challenging time and had a budgeted deficit of £564k, which was funded by the Reserves. A review of Housing Services had been undertaken in 2019/20 and had identified savings efficiencies and income-generating opportunities.
- 93.3 Councillor Whitehead then summarised the main details in the report and advised Members that some of the key points were also included in the recommendations.
- 93.4 Councillor Whitehead **MOVED** recommendations 3.1 to 3.9 in the report, which was **SECONDED** by Councillor Flatman.
- 93.5 Councillor Mansel queried the Sheltered Housing service charges increase and asked for clarification of what that service provided.
- 93.6 The Assistant Director for Housing responded that it was a culmination of several utility charges for the sheltered housing service, such as the Scheme Manager and grounds maintenance. It was the intention to conduct a review of the service charges this year.

- 93.7 Councillor Eburne referred to the previous question and asked what measures the Council was taking to keep utility bills low for sheltered housing services.
- 93.8 She continued regarding investment in the Council's social housing paragraph 6.4 and said that since the debt cap for housing had been removed, the Council was now allowed to borrow more money, but had no plans to do so. She would like to know if there were any long-term plans for borrowing to increase the Council's social housing.
- 93.9 In response, Councillor Whitehead explained that the HRA Business Plan would be brought back to Council again next year and he was confident that further housing development would be included in future 30-year HRA business plans.
- 93.10 The Assistant Director for Housing explained, how the total utility cost was managed by Vertas and was based on actual bills received and then the cost was apportioned across the District to achieve the charges. However, PV heating panels and installation of ground source heat pumps were part of the schemes to reduce the overall costs and improve the life of residents.
- 93.11 In response to Councillor Carter's question regarding mobility scooters, the Assistant Director clarified that investment was being put into storage facilities where suitable for mobility scooters, to reduce the fire risk associated with mobility scooters being stored inside flats and sheds.
- 93.12 Councillor Field referred to the last time the Council put up rents by CPI+1% and had been reassured by Government that clients would receive the increase from Housing Benefits and then asked Council to reduce rent for four years. He wondered if this was likely to happen again. Councillor Whitehead responded that tenants were paying less rent now, than four years ago.
- 93.13 Councillor Welham asked if the Council was paying more for service charges for Sheltered Housing, as more of these became de-sheltered and fewer sheltered houses were available.
- 93.14 Councillor Flatman responded that in some areas, Sheltered Housing units were not being occupied by those requiring sheltered accommodation, therefore these unoccupied units were rented out to other tenants, who paid a higher rent.
- 93.15 Councillor Welham asked for clarification of the higher rent, and the Assistant Director detailed the re-designation of sheltered units across Babergh and Mid Suffolk District and that that not all tenants required the services of the sheltered housing officer and would not pay for that service. However, as the demand for this service fell so did the cost and the service charges were proportional. He then listed the services included in the charge.

- 93.16 Members then moved to debate and Councillor Otton was concerned about the de-sheltering and the service charges. Some tenants had to buy or join a private alarm system at their own expense. Often these people were receiving housing benefits and thus it was paid for by public money. She could not support this.
- 93.17 Councillor Eburne similarly had issues with sheltered housing services and that this charge should be reduced by spreading the cost over a longer period. She was also concerned for the Right to Buy Scheme, though she was pleased that the figures for this scheme were lower than projected. She thought social housing should remain social housing in perpetuity. She also wanted to see a longer programme for building the Council's own housing stock and felt that the Capital Programme did not go far enough.
- 93.18 Councillor Mansel shared Councillor Eburne's concerns.
- 93.19 Councillor Scarff detailed the unintended consequence of removing decorating vouchers, which had a real cost for the most vulnerable people in the community, whom could not afford such costs.
- 93.20 Councillor Matthissen requested that recommendations 3.5 and 3.6 were voted for separately.
- 93.21 The Chair advised Members that the recommendations 3.5 and 3.6 would be voted for first and put the recommendations to Members for voting and the vote was **CARRIED**.
- 93.22 In accordance with Council Procedure Rule 19.3, the vote was recorded as follows:

FOR	AGAINST	ABSTAIN
	Oliver Amorowson	
Gerard Brewster		
David Burn		
	Terence Carter	
James Caston		
	Rachel Eburne	
	Paul Ekpenyong	
	John Field	
Julie Flatman		
Jessica Fleming		
	Helen Geake	
Peter Gould		
Kathie Guthrie		
Lavinia Hadingham		
Matthew Hicks		
Barry Humphreys MBE		
	Sarah Mansel	
	John Matthissen	
	Andy Mellen	
Richard Meyer		
Suzie Morley		
Dave Muller		

		<b>Mike Norris</b>	
		<b>Penny Otton</b>	
<b>Timothy Passmore</b>			
		<b>Daniel Pratt</b>	
<b>Harry Richardson</b>			
		<b>Keith Scarff</b>	
		<b>Andrew Stringer</b>	
		<b>Wendy Turner</b>	
		<b>Rowland Warboys</b>	
		<b>Keith Welham</b>	
<b>John Whitehead</b>			
<b>Total</b>	<b>16</b>	<b>Total</b>	<b>17</b>

93.23 The Chair used The Chair's casting vote.

**It was RESOLVED: -**

- 1.1 That Sheltered Housing Service charges be increased by £2 per week to reduce the subsidy by £30k.**
- 1.2 That Sheltered Housing utility charges be increased by 5% (average £0.62 increase per week).**

N.B Subsequently, it was brought to the attention of the Monitoring Officer and the Corporate Manager for Democratic Services, that the announcement that the vote was carried had been incorrect. After seeking legal advice on the matter, it was advised that the vote would still stand

93.24 Recommendations 3.1 to 3.4 and 3.7 to 3.9 were put to Members for voting and the vote was **CARRIED**.

93.25 In accordance with Council Procedure Rule 19.3, the vote was recorded as follows:

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
	<b>Oliver Amorowson</b>	
<b>Gerard Brewster</b>		
<b>David Burn</b>		
	<b>Terence Carter</b>	
<b>James Caston</b>		
<b>Rachel Eburne</b>		
<b>Paul Ekpenyong</b>		
<b>John Field</b>		
<b>Julie Flatman</b>		
<b>Jessica Fleming</b>		
	<b>Helen Geake</b>	
<b>Peter Gould</b>		
<b>Kathie Guthrie</b>		
<b>Lavinia Hadingham</b>		
<b>Matthew Hicks</b>		
<b>Barry Humphreys MBE</b>		
	<b>Sarah Mansel</b>	
<b>John Matthissen</b>		
		<b>Andy Mellen</b>



Richard Meyer		
Suzie Morley		
Dave Muller		
	Mike Norris	
	Penny Otton	
Timothy Passmore		
	Daniel Pratt	
Harry Richardson		
Keith Scarff		
Andrew Stringer		
	Wendy Turner	
Rowland Warboys		
	Keith Welham	
John Whitehead		
Total	23	Total 9
		Total 1

It was **RESOLVED**: -

- 1.1 That the HRA revenue budget proposals for 2020/21 and the longer-term outlook set out in the report be approved.
- 1.2 That the HRA capital budget proposals for 2020/21 set out in Appendix A in the report be approved.
- 1.3 That the CPI + 1% increase of 2.7% in Council House rents, equivalent to an average rent increase of £2.19 a week be implemented.
- 1.4 That garage rents are kept at the same level as 2019/20.
- 1.5 That the budgeted deficit of £564k be transferred from the HRA Reserves in 2020/21.
- 1.6 That in principle, Right to Buy (RTB) receipts should be retained to enable continued development and acquisition of new council dwellings
- 1.7 That the revised 30-year HRA Business Plan in Appendix B be noted.

93.26 The Monitoring Officer advised Members that the Council's Procedural Rule 9, the Guillotine Rule, would be activated at 8:30pm and business would have to be concluded at that time unless a vote was taken to extend the meeting further.

93.27 Councillor Hicks **PROPOSED** to extend the meeting beyond 8:30pm for as long as necessary which was **SECONDED** by Councillor Caston. The Motion was put to Members for voting and the vote was **CARRIED**.

It was **RESOLVED**: -

That the meeting be extended as long as necessary to complete the business on the Agenda.

## 94 RESOLUTION TO EXCLUDE THE PUBLIC

By a unanimous vote.

It was **RESOLVED** :-

That pursuant to Part 1 of Schedule 12A 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 discussion of this item, it is likely that there would be disclosure to them of exempt information as indicated in the report.

**95 RECOMMENDATIONS AND REPORTS FROM CABINET/COMMITTEES**

**96 MC/19/42 RECOMMENDATION FROM OVERVIEW AND SCRUTINY COMMITTEE**

**97 MC/19/43 GATEWAY 14 DELIVERY MODEL & PARTNER**

On completion of the closed session for Item MC/19/43 the meeting returned to Public session.

**98 MC/19/40 JOINT CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES (2020/21)**

97.1 The Chair invited Councillor Whitehead to introduce the report and to move the recommendations.

97.2 Councillor Whitehead, Cabinet Member for Finance, introduced the report and informed Members that the report had been scrutinised by the Joint Audit and Standards Committee before being presented to Cabinet.

97.3 Councillor Whitehead **MOVED** the recommendations in the Report, which was **SECONDED** by Councillor Caston.

97.4 There were no questions on the report.

97.5 During the debate, Councillor Eburne referred to Appendix B and informed Members that she was supporting Gateway 14, as it was a local investment project and within the District. However, she was against CIFCO and disagreed with investing outside the District and could not support this investment strategy.

97.6 Councillor Stringer was concerned about the risk involved with the investments in CIFCO and for this reason he could not support the paper.

97.7 Recommendations 3.1 to 3.8 were put to Members for voting and the vote was **CARRIED**.

It was **RESOLVED**: -

- 1.1 That the Joint Capital Strategy for 2020/21, including the Prudential Indicators, as set out in Appendix A and the updates tabled at the meeting, be approved.
- 1.2 That the Joint Investment Strategy for 2020/21, as set out in Appendix B, be approved.1.2
- 1.3 That the Joint Treasury Management Strategy for 2020/21, including the Joint Annual Investment Strategy as set out in Appendix C, be approved.
- 1.4 That the Joint Treasury Management Indicators as set out in Appendix D, be approved.
- 1.5 That the Joint Treasury Management Policy Statement as set out in Appendix G, be approved.
- 1.6 That the Joint Minimum Revenue Provision Statement as set out in Appendix H, be approved.
- 1.7 That the key factors and information relating to and affecting treasury management activities set out in Appendices E, F, and I be noted.

That Officers and Members, Working Parties and whatever mechanisms have been set up commence exploring alternative investment strategies that take greater account of the Councils' own declaration of a climate change emergency.

## 99 RECOMMENDATIONS AND REPORTS FROM CABINET / COMMITTEES

### 99a JAC/19/10 HALF YEAR REPORT ON TREASURY MANAGEMENT 2019/20

- 98a.1 The Chair invited Councillor Muller to introduce the report and to move the recommendations.
- 98a.2 Councillor Muller, Chair of the Joint Audit and Standards Committee, informed Members that the Committee had agreed with the recommendations in the report.
- 98a.3 Councillor Muller **MOVED** recommendations 3.1 and 3.2 in the report, which was **SECONDED** by Councillor Caston.
- 98a.4 The recommendations were put to Members for voting and the vote was **CARRIED**.

It was **RESOLVED**:-

- 1.1 That the Treasury Management activity for the first six months of 2019/20 as set out in the report and Appendices, be noted.

That it be noted that both Councils' Treasury Management activity for the first

six months of 2019/20 was in accordance with the approved Treasury Management Strategy, and that the Council has complied with all the Treasury Management Indicators for this period.

## 100 MC/19/41 PROPOSED CHANGES TO COUNCIL MEETING DATES 2020-21

100.1 The Chair invited the Leader to introduce the report and to move the recommendations.

100.2 Councillor Morley, Leader of the Council, explained that two dates had been removed from the meeting calendar, as all Council business could be achieved within the remaining meetings.

100.3 Councillor Morley **MOVED** recommendation 2.1 in the report, which was **SECONDED** by Councillor Richardson.

100.4 Councillor Eburne was concerned by the reduction in the number of meetings and that there would be more of a democratic deficit in the District. She also asked why more meetings were not conducted in the community to enable residents to attend.

100.5 Councillor Morley responded that it was her personal opinion that the democratic requirements were best served by having the meetings in the Council Chamber, which allowed for live streaming and could be viewed on YouTube by residents.

100.6 Councillor Stringer was concerned that less Council meetings reduced the opportunity for Members to hold the administration to account.

100.7 Councillor Mansel could not support the paper as no reason was provided for the removal of meetings.

100.8 The recommendation was put to Members for voting and the vote was **CARRIED**.

**It was RESOLVED: -**

**That the changes to Council meetings detailed in paragraph 3.1 of the report be approved.**

## 101 COUNCILLOR APPOINTMENTS

100.1 Councillor Hadingham **MOVED** the proposed changes to Councillor Appointments as detailed in the Tabled Papers, which was **SECONDED** by Councillor Eburne.

100.2 The proposals were put to Members for voting and the vote was **CARRIED**.

**It was Resolved:-**

- 1.1 That Councillor Matthissen be appointed to Development Control Committee A (to replace Councillor Turner).**
- 1.2 That Councillor Stringer be appointed to Development Control Committee B (to replace Councillor Matthissen).**
- 1.3 That Councillor Mellen be appointed to Development Control Committee B (To replace Councillor Terence Carter)**
- 1.4 That Councillor Carter be appointed to Overview & Scrutiny (Joint and Mid Suffolk) (To replace Councillor Mellen)**

The business of the meeting was concluded at 8.42 pm.

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Chair

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# Agenda Item 4

			<b>MC/19/45</b>	
<b>MID SUFFOLK DISTRICT COUNCIL CHAIRMAN'S ANNOUNCEMENTS</b>				
<b>COUNCIL - 23 JULY 2020</b>				
<b>EVENT</b>	<b>LOCATION</b>	<b>DATE</b>	<b>CHAIRMAN</b>	<b>VICE CHAIR</b>
<b>MARCH 2020</b>				
<b>Mid Suffolk District Council's Past Chairmen's Lunch</b>	<b>Alder Carr Farm, Creeting St Mary</b>	<b>03-Mar</b>	✓	

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# Agenda Item 9

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Council	<b>REPORT NUMBER:</b> <b>MC/19/46</b>
<b>FROM:</b> Chair of Overview and Scrutiny Committee	<b>DATE OF MEETING:</b> 23 July 2020
<b>OFFICER:</b> Henriette Holloway – Senior Governance Support Officer	

### MID SUFFOLK OVERVIEW AND SCRUTINY ANNUAL REPORT 2019/20

#### 1. PURPOSE OF REPORT

- 1.1 In accordance with the constitution, the Committee must report annually to Council on its work during the last year.

#### 2. OPTIONS CONSIDERED

- 2.1 No other options were considered.

#### 3. RECOMMENDATION

- 3.1 That Mid Suffolk Overview and Scrutiny Committee's Annual Report for 2018/19 be noted.

#### REASON FOR DECISION

That the Overview and Scrutiny Committee comply with Constitutional requirements.

#### 4. KEY INFORMATION

- 4.1 The role of the Mid Suffolk Overview and Scrutiny Committee is defined as having the key purposes of
- Scrutinising the work of external stakeholders and service providers.
  - Holding the Cabinet to account.
  - Being the home of "call in".
  - Being the home of Member Call for Action.
- 4.2 The Mid Suffolk Overview and Scrutiny Committee has one Chair and meets every month. Babergh and Mid Suffolk District Council conduct joint Committees on a regular basis when similar topics have been deemed suitable to be scrutinised jointly. The Charing of these committees are alternated between the two Chairs of the Overview and Scrutiny Committees.

**5. LINKS TO THE CORPORATE PLAN**

5.1 This report itself does not link directly to the Joint Corporate Plan. Links to the delivery of the Joint Corporate Plan are considered in the selection of topics for review.

**6. FINANCIAL IMPLICATIONS**

6.1 The main financial implications have been the costs of officer time, normal allowances for Members, and Member and officer training costs that are included in the budget.

**7. LEGAL IMPLICATIONS**

7.1 None

**8. RISK MANAGEMENT**

8.1 There are no inherent risks associated with this report. The Mid Suffolk Overview and Scrutiny committee takes account of the Council's key risks when determining its work plan and carry out its reviews.

**9. CONSULTATIONS**

9.1 Members of the Mid Suffolk Overview and Scrutiny Committee have been consulted on an on-going basis on topics to be included in the future work plan.

9.2 The review of the Scrutiny function has involved consultations with a range of Members and officers including Scrutiny Members, Leaders and Senior Leadership Team.

**10. EQUALITY ANALYSIS**

10.1 There are no inherent equality implications within this report.

10.2 Equality Impact Assessment (EIA) not required. Equality analysis considerations for individual topics will be included in reports to Mid Suffolk Overview and Scrutiny Committee as the year progresses.

**11. ENVIRONMENTAL IMPLICATIONS**

11.1 None

**12. APPENDICES**

Title	Location
(a) Mid Suffolk Overview and Scrutiny Committee Annual Report 2019/20	Attached

**13. BACKGROUND DOCUMENTS**

13.1 None

MID SUFFOLK  
DISTRICT COUNCIL  
**ANNUAL REPORT**  
**2019/20**

Overview & Scrutiny





# **MID SUFFOLK DISTRICT COUNCIL ANNUAL REPORT**

## **FOREWORD BY THE CHAIR OF MID SUFFOLK OVERVIEW AND SCRUTINY COMMITTEE 2019/20**

When the committee produced its work plan for 2019/20, we could not have predicted that our programme of work would be disrupted by a General Election and a viral pandemic. Two committee meetings were delayed in the pre-election period; we were very busy immediately after Christmas and a number of meetings were held in January and February. All meetings were then cancelled until arrangements could be made for virtual meetings to be held.

We have produced a work plan for 2020/21 and I am confident that monthly meetings from June 2020 through to the end of March 2021 will enable scrutiny of topics delayed from Spring 2020 to be completed; other issues have also been incorporated in the Work Plan which can be found towards the end of this Annual Report.

Most of the meetings held during the year have been joint meetings with Babergh Overview and Scrutiny Committee. Alastair McCraw (Chair of Babergh Overview and Scrutiny Committee) and I have alternated chairing the meetings. Joint Chairs' and Vice Chairs' meetings have been held to plan our committees' workloads and discuss with officers how best to scrutinise the topics in the work plan. The meetings also afforded an opportunity to look at early draft reports and assist officers in providing the necessary information to enable effective scrutiny in committee meetings.

Our agendas have included pre-scrutiny of items prior to Cabinet or Council decisions, scrutiny of topics selected by the Committee or requested by Council, presentations of important matters by senior officers and witnesses from outside the two authorities, and information bulletins requested by the Committee. The Joint Committee set up a Task and Finish Group to work with Members and Officers from other Suffolk authorities to scrutinise the work of Citizens Advice and provide recommendations to the Scrutiny Committees of the authorities taking part. This work was particularly helpful by assisting understanding of the breadth of work covered by Citizens Advice as well as the pressures they are under and how they are funded.

Throughout the year the Committee has acted as a critical friend to officers by working with them to investigate improvements to service delivery. We have also continued to add value to the Council's decision-making process.

I would like to thank Henriette Holloway, Senior Governance Support Officer – Committee Services, and Jan Robinson, Corporate Manager - Law and Governance, for their input and support throughout the year, also Keith Scarff who has been Committee Vice Chair throughout the year. I am grateful to members of the Committee for their commitment, and to officers for providing clear and concise responses to requests for information. Thanks, too, to Alastair McCraw, Chair of Babergh Overview and Scrutiny, his Vice Chair Adrian Osborne and members of that Committee for working collaboratively with the Mid Suffolk Committee.

Looking ahead to 2020/21, we will be operating very differently until it is deemed safe to meet together. Our recent virtual meetings have demonstrated that scrutiny can be carried out effectively via home-working equipment. As Mid Suffolk recovers from Covid-19, there

may be a need for new services and new methods of service delivery. The Committee will have a role in helping the Council transform to 'the new normal'.

**Keith Welham**

July 2020

Chair, Mid Suffolk Overview & Scrutiny Committee

Co-Chair, Babergh & Mid Suffolk Joint Scrutiny Committee

**MEMBERS OF THE MID SUFFOLK OVERVIEW AND SCRUTINY  
COMMITTEE 2019/20**



**Cllr Keith Welham – Chair**



**Cllr Keith Scarff – Vice-Chair**



**Cllr Terence Carter  
27 February 2020 - Present**



**Cllr James Caston**



**Cllr Lavinia Hadingham**



**Cllr Dave Muller**



**Cllr Andrew Mellen  
22 May 2019 – 27 February 2020**

## **OVERVIEW AND SCRUTINY**

In May 2017 Babergh and Mid Suffolk District Councils adopted the Leader/Cabinet model for each Council. This resulted in the Joint Scrutiny Committee being decommissioned and the formation of separate Overview and Scrutiny Committees for each Council.

The Committee consists of six members of the Council who can be any Member except Cabinet Members. No member is allowed to scrutinise a decision where they have been part of the decision-making process. Substitutes for Members on the Committee must be from the same political group and Council. The Committee sets its own workplan and can set up task and finish groups, as and when considered appropriate.

The Babergh and Mid Suffolk Overview and Scrutiny Committees also conduct joint meetings on a regular basis, where similar interests have been identified, to scrutinise topics, external stakeholders and Service providers relevant to both Councils.

### **THE ROLE OF OVERVIEW AND SCRUTINY COMMITTEE**

The role of the Overview and Scrutiny Committee is defined as having the key purposes of:

- Scrutinising the work of external stakeholders and service providers.
- Holding the Cabinet Committee to account
- Being the home of “call in”.
- Being the home of Member Call for Action.

The Overview and Scrutiny Committee reviews items in relation to the Joint Corporate Plan seeking where the Committee can add value; avoiding duplication with any other Committee or working group and ensuring that, where changes have been made, a significant time has lapsed before a review is undertaken. These suggestions are worked up by the Chairs, Vice Chairs and officers into a forward plan which is put to the Overview and Scrutiny Committee for agreement.

The Overview and Scrutiny Committee cannot make decisions or policies itself but has the power of influencing by making informed recommendations to the Cabinet, Full Council and other Committees. Cabinet can also recommend that the Overview and Scrutiny Committee conduct detailed investigations of items considered to require further scrutiny before being referred back to Cabinet for final decision.

Overview and Scrutiny forms an important part of the democratic process within the Council and wider community by examining topics and continuing to monitor the outcome of its work. Where it is considered necessary to follow up on the outcome of a scrutinised topic, the Committee will conduct further scrutiny or receive updates on the topic to enable the Council to continue to deliver the best service for all residents in the District.



## **THE CENTRE FOR PUBLIC SCRUTINY'S FOUR PRINCIPLES OF GOOD SCRUTINY**

1. Scrutiny provides a critical friend challenge to executive policy and decision makers by conducting a constructive, robust, and purposeful challenge. This challenge should be non-aggressive and non-political so as to create the optimum conditions for an investigative evidence-based process.
2. Scrutiny enables the voice and concerns of the public through innovative public communications, consultation and feedback. Meetings are conducted in public to enable transparency and openness.
3. Scrutiny is carried out by independent minded councillors, who actively engage in the scrutiny function so as to drive improvement. Areas are reviewed in an a-political atmosphere.
4. Scrutiny drives improvement and promotes community well-being. Good scrutiny improves the quality of life by undertaking strategic reviews of corporate policies, plans, performance and budgets.

Sources: Centre for Public Scrutiny; [www.cfps.ukfps](http://www.cfps.ukfps)  
Mid Suffolk Annual Scrutiny Report JSC/8/13 Appendix  
Annual Report of the Joint Scrutiny Committee Report BC/17/5 and MC/17/7

## **THE STRUCTURE FOR OVERVIEW AND SCRUTINY OUTSIDE COMMITTEE MEETINGS**

The Overview and Scrutiny Committee cycle is based around one monthly Chairs' Briefings to which report authors and Assistant Directors are invited to attend. This enables co-operation between Officers, Chairs and Vice-Chairs of the Overview and Scrutiny Committee when discussing the relevant content of reports. This is also an opportunity for the Chairs to provide a steer of what the Committee is expecting to achieve from upcoming items. It allows the Chairs and Officers to consider any questions, which may be asked at the Committee meeting by members of the Committee. Generally, each item will be discussed at the Chairs' briefings twice before going to Committee.

At the public meeting of the Overview and Scrutiny Committee, Cabinet Members are invited to attend and respond to questions within their relevant portfolio. Other Members of the Council are able to attend and are often allowed, at the discretion of the Chair, to ask questions with regards to the items presented at the meeting.

Between meetings, Officers and the Chair of the Overview and Scrutiny Committees maintain an open and engaged working relationship to ensure that the scrutiny process will be efficient and beneficial to the Committee meetings.

Members may also partake in 'Task and Finish Groups' which focus on a specific item set by the Overview and Scrutiny Committee. This enables Members to engage with a topic separately from the Committee and then to report back on their findings to the Committee, which can then consider any recommendations or actions required.

### **TRAINING**

In June 2019 the Members of the Overview and Scrutiny Committee received training at the first meeting in the new municipal year, the focus being on what good scrutiny is, good scrutiny procedures and Call-in procedures. Members were also presented with two case studies as examples of ineffective scrutiny.

Relevant training for specific areas of scrutiny are organised throughout the year to meet emerging requirements.



### **THE ORGANISATION OF THE 2019 - 2020 WORK PLAN**

The Work Plan is updated at each Committee meeting and Members propose possible items for consideration for the workplan. Each item is evaluated to determine relevance and purpose by the Committee Members. A review of the Forthcoming Decisions List is also undertaken monthly, in order to assess whether the scrutiny process adds value to any items listed. This avoids unnecessary duplication of work carried out by any other Committee or working group and ensures that sufficient time has lapsed between reviews.

Other regular items on the Work Plan are the Information Bulletins, brief updates on topics, areas of interests or fact-finding pieces of work for items the Committee may wish to scrutinise in the future.

## **COMMITTEE DEVELOPMENT THROUGHOUT 2019/20**

The pre-empting of issues before going to Cabinet has prevented unnecessary Call-ins during this year. The Scrutiny Committee's function as a critical friend has worked well for the Mid Suffolk Council this year, often raising concerns and receiving clarification on issues in the Committee meeting, which would otherwise have been controversial. The Committee has also frequently provided recommendations to Cabinet raising awareness of areas of concern. Cabinet has responded well to this and incorporated most of the recommendations from the Overview and Scrutiny Committee during the past year.

At the beginning of the municipal year the Chair of Mid Suffolk Overview and Scrutiny Committee and the Chair of Babergh Overview and Scrutiny Committee agreed to hold joint Committee meetings when both Committees were scrutinising identical topics. This was partly a result of previous years' positive experiences and partly due the reduction of the number of Members on the committee, as a result of the Ward Boundary Review which was completed in 2019. This has benefitted the scrutiny of topics as Members have been able to exchange experiences from across the two districts and has provided officers with a cohesive and joint evaluation of the issues scrutinised. The scrutiny of joint policies and procedures and joint services have benefitted by the joint committee work. However, it is recognised that separate Overview and Scrutiny Committees will still be required when items of specific concern for the individual District Council are scrutinised.

The attendance of Cabinet Members to present reports under their Portfolios and responding to questions in relation to their area of responsibility has been a valued addition to the scrutiny process. This has enabled the Committee Members to directly address the Cabinet Member responsible for the issue discussed.

The Committee has also invited outside witnesses to provide information on areas outside the Councils' remit, or in matters where specific knowledge, expertise or experiences have been sought to provide a better foundation for the scrutiny process. Scrutiny of the Local Citizens Advice, CIFCO and the West Suffolk Community Safety Partnership were assisted by the contributions from representatives of these and other outside organisations.

Our joint scrutiny of Citizens Advice led to the setting up of a cross-authority task and finish group – the first cross-authority scrutiny since the Cabinet system of governance was adopted by the councils.

# The Work of Mid Suffolk Overview and Scrutiny Committee 2019/20

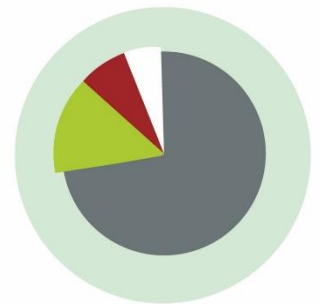
## 1. OVERVIEW AND SCRUTINY COMMITTEE JUNE COMMITTEE

The first meeting of the municipal year included scrutiny training of committee members, agreement of the new workplan and a discussion around the year ahead.

This year the Committee received training on good scrutiny, call-in procedures and discussed two case studies which illustrated unsuccessful scrutiny processes.

## 2. CAPITAL INVESTMENTS (CIFCO CAPITAL LTD.) BUSINESS TRADING AND PERFORMANCE REPORT

In July 2019 the Joint Overview and Scrutiny Committee was asked to comment on the Business Plan and the trading activities for the CIFCO Capital Ltd for 2018/19. The Report was divided into two parts in accordance with Part 1 of Schedule 12A of the Local Government Act 1972, due to the financial sensitivity of the investments.



CIFCO Capital Ltd had been trading since 2017 and this was the third annual business plan for the Company to be presented to the Overview and Scrutiny committee. During the last 12 months CIFCO had completed the first phase of investments and now held 12 diverse commercial assets primarily across the Eastern regions of country

The Committee discussed general property investments in relation to the financial market. Concerns included investments in retail property in comparison to industrial units. Further questions were raised regarding Brexit and the stability of the financial market.

Members were reassured that due diligence was applied for the decisions process when requisitioning properties for investments and that the state of the current market was considered

**RESOLVED**



- 1.1 That the Joint Overview and Scrutiny Committee notes CIFCO Capital Ltd. trading activity and performance for the year to end April 2019.
- 1.2 That the Overview and Scrutiny Committee endorses the report and asks that Council notes the comments made in the minutes from the meeting 1 July 2019.

## VALUE ADDED

The Committee invited all Members of both Babergh and Mid Suffolk District Councils to the meeting and questions and concerns were raised. The Board Members for CIFCO Capital Ltd were present and provided responses that were cohesive and robust. Members wanted it to be noted that the Committee was impressed with the work of the Board and the Assistant Director for Assets and Investments.

### 3. AMENDMENTS TO THE JOINT COMPLAINTS, COMMENTS AND COMPLAINTS POLICY: UPDATES ON PROGRESS

In July the Joint Overview and Scrutiny Committee received an update on the amendments to the Joint Complaints, Comments and Complaints Policy. This included progress made regarding Stage 1 and Stage 2 complaints improvements, since the policy was last discussed at Committee in May 2018

The committee considered a report from the Corporate Manager for Customer Operations. The new system for dealing with compliments, comments and complaints was ready to be rolled out on the 22nd July 2019, by which time all officers dealing with complaints would have been trained in its operation. Members noted that there had been real improvements in the quality of stage 1 complaints responses and a marked reduction (34%) in the number of stage 2 complaints being upheld.

Members debated the details contained in the report and highlighted the need for monthly reports to be provided to the Senior Leadership Team.

## RESOLVED

- 1.1 **That the Joint Compliments, Comments and Complaints Policy be endorsed by the Committee to commence in August.**
- 1.2 **To note that the complaints reports are submitted every month to the Senior Leadership Team.**

## VALUE ADDED

Dealing with Complaints was an opportunity to improve services to the Council's customers and the reduction in Stage 2 Complaints indicated that more issues were resolved at the initial Stage 1 part of the Complaints procedure and not progressed to a Stage 2 Complaint.

### 4. DISABLED FACILITIES GRANT

The Committee had asked to be provided with an update in July 2019 which outlined proposals and future options to address the underspend, following the adoption of The Regulatory Reform Order Policy on Minor Disabled Adaptation Scheme in March 2019 by Cabinet. The Committees had also received an Information Bulletin in January 2019 for the Disabled Facilities Grants (DFG's) and subsequently made recommendations to Cabinet.



The committee considered a report from the Corporate Manager which set out steps being taken to provide much-needed adaptations to properties in Babergh and Mid Suffolk and avoiding an underspend of the budget for 2019/20. A suggested way forward was to make Minor Adaptions Grants up to a limit of £5000 and to arrange for work to be carried out by Babergh and Mid Suffolk Building Services (BMBS). Discussions were taking place with other district councils in Suffolk to develop a strategy regarding future commissioning once the current contract with Orbit Homes had ended.

Members of both Councils could help by promoting the grants and providing information to residents.

## **RESOLVED**



**The contents of the report and appendices be noted and that Overview and Scrutiny Committee review progress on any remodelling of the DFG process within the next six months:**

**Members commend the work of the Manager for Housing Delivery (Heather Worton), her team and other parties involved for the work that was currently taking place and ongoing regarding Adaption Grants; and**

**Hard copies of resources be provided to Members to promote the grants and advice that were available to residents.**

## **VALUE ADDED.**

The Committee asked questions regarding processes and procedures being put in place to mitigate the underperformance of Orbit, the provider for disabled facilities resources and how to improve the Councils services to residents. Discussions of options and solutions added support to officers going forward to resolve the current situation.

## **5. INFORMATION BULLETIN – STAFF TURNOVER AND WELFARE**

The Committee considered an Information Bulletin in July 2019, which set out statistics covering staff turnover and sickness. It was noted that staff turnover had dropped. Sickness related absence had also dropped whilst sickness related to stress, anxiety and depression had increased. This could have been in part due to societal change and a better understanding of mental health and, also, to the long-term absence of a very small number of staff.

The mental health and counselling service had been heavily promoted. Staff could self-refer to the service, which was well-used and waiting times for appointments were short.

## **RESOLVED**



**That Staff Turnover and Welfare be reported back to the Committee when data for 2019 – 2020 is available to allow a direct comparison.**

## VALUE ADDED

This was the third Information Bulletin on the subject of Staff Turnover and Welfare and Members agreed that as absences and staff turnover were reducing the Committee was satisfied that processes and procedures were in place to mitigate the issues debated.

## 6. CITIZENS ADVICE

The Joint Overview and Scrutiny Committee commenced a review of the provision of Citizens Advice (CA) across Babergh and Mid Suffolk Districts and suggested that the review could be widened to cover provision across the whole of Suffolk



In August 2019, The Joint Overview and Scrutiny Committee invited the Chief Officers from Sudbury and District Citizens Advice and Mid Suffolk Citizens Advice to provide a presentation on the work and services provided to residents of the two Districts. As funding cuts had been announced by Suffolk County Council in 2018, the Committee was concerned about the consequences for the provision of services and the impact this could have on the Councils' own services to residents.

Around 6000 residents of the two districts had been helped in the last year; approximately 40% of contacts with clients were face to face. Other means of contact are by telephone, email, webchat, a visit to a client or via an outreach event. A high percentage of requests for advice are on benefit issues and debt.

Members expressed concern that funding for 2020/21 should be in place in time to avoid the problems caused when SCC withdrew 2019/20 funding. CAs remained concerned about the long-term future because most of their financial support was awarded on an annual basis making long term financial planning difficult.

CAs were finding it difficult to recruit volunteers with the necessary skills. Council Members were asked to help with this by suggesting to people who had suitable professional skills that they consider becoming CA volunteers.

### RESOLVED



- 1.1 That the Joint Overview and Scrutiny Committee recommended to both Cabinets that the current minimum funding for the Citizens Advice be maintained for the next three years
- 1.2 That the Joint Overview and Scrutiny Committee approach the Chairs of the Scrutiny Committees and Scrutiny Governance Officers of East Suffolk Council, West Suffolk Council, Ipswich Borough Council and Suffolk County Council, with a view of setting up a county-wide scrutiny process to examine funding and the impact on Citizens Advice and the services of Citizens Advice.
- 1.3 That the Chairs of the said Scrutiny Committees be supplied with a report from Babergh and Mid Suffolk Joint Overview and Scrutiny Committee on the topic of Citizens Advice based on this Committee meeting as a basis for the scrutiny process.

## VALUE ADDED

Members' concerns were confirmed regarding the impact of the reduction of funding for the CAs and resulted in a recommendation to Cabinet to approve a three-year funding programme for Mid Suffolk Citizens Advice in January 2020. A similar decision was agreed by Babergh District Council.

The Committee set-up a Task and Finish Group for Citizens Advice and invited the Chairs and Vice-Chairs from all Councils in the County to participate. Please see further in the report for work undertaken by the Cross-County Task and Finish Group.

## 7. FIVE-YEAR HOUSING LAND SUPPLY UPDATE

This was an update following the report presented to the Committee in March 2018. At the time of the report the draft annual position statement figure for the MSDC Supply was at the time of the meeting calculated at 5.61 years. Whilst this provided some reassurance, the Council was not yet in the strongest position. Completion of the Local Plan process remained vital because without a Local Plan the Councils could still be subject to challenges from developers when planning permissions were refused.

With an approved Local Plan, the Five-year Housing Land Supply could be agreed by the Planning Inspectorate and would be fixed for a year. Until this was agreed, and the statement published, the Council could be challenged by developers.

Responding to questions regarding the weight that could be given to the Position Statement at Planning Committees, the Chief Planning Officer explained that, by providing a Five-year Housing Land Supply statement, the Councils would be in stronger position. Adopted Neighbourhood Plans already carried weight and would continue to do so even without an approved Local Plan.

## RESOLVED



**That the content of the report and the Draft Babergh and Mid Suffolk Five-Year Housing Land Supply Annual Position Statement for 2019/20, which were subject to consultation, be noted.**

## VALUE ADDED.

The Committee had previously received a report on the Five-year Housing Land Supply and this update was provided to confirm that the housing supply was still robust.

## 8. INFORMATION BULLETIN – VOIDS

Also, in August 2019 the committee received an Information Bulletin covering void times in Council Owned Housing. Void times had remained below target and the Performance Management Statistics on Connect included the performance in respect of void times.

It was agreed by committee that the Voids Project had been a success for the team and that thanks should be extended to the entire Housing Team for the work undertaken for the past two years. It was also agreed that no further Voids Information Bulletins should be forwarded



to the Committee unless there was a significant change in the performance against void time targets.

**RESOLVED**



**That no further Voids Information Bulletins be forwarded unless there was a significant change in the targets**

**That thanks be extended to the entire Housing Team for the work undertaken for the past two years.**

**VALUE ADDED**

At the time when void times were first looked at by Overview and Scrutiny in September 2017, the void times in Mid Suffolk were 51 days and in Babergh were 54 days. Void targets were agreed, and the project set up to achieve those targets. Through joint member/officer working, void times had reduced and had been consistently below the target for around 2 years. By Q1 2019, void times in Mid Suffolk were 18 days and in Babergh 13 days.

## **9. CIL EXPENDITURE FRAMEWORK**

In September, the Committee examined a report from the Professional Lead Key Sites and Infrastructure. This followed on from a previous review by the Committee in 2018, designed to help and inform the Joint Member Panel set up to review the implementation of CIL.



The Committee were addressed by several witnesses: a councillor from a parish which had made a number of successful bids, a member of the Joint Member Panel (Cllr. Arthey, also Babergh Cabinet Member for Planning and supporter of a number of bids within his ward), and representatives from Suffolk County Council, the Clinical Commissioning Group-Health and Network Rail. The Professional Lead and the Assistant Director for Planning and Communities were also able to take questions and comment.

In hearing from, and questioning, the witnesses, it became apparent that the size and scale of CIL bids and the range of bidders was changing, moving from a focus on local community-based bids (made by parish councils and local community groups) to larger ones (SCC, CCG, Network Rail) up to potential cross-authority bids (Network Rail). This had been foreseen in the initial development of our CIL Framework. Both the CIL bidding procedures and the eventual allocation of CIL funds were well in hand. The framework was under constant review through the work of the CIL team and the Joint Member Panel.

**RESOLVED**



**That the Joint Overview and Scrutiny Committee endorses the work of the CIL team (and the CIL Member Working Group) and notes that a fit and proper process is in place in respect of the bidding and allocation of CIL funds.**

**VALUE ADDED**

The scrutiny of the process for the CIL bids and the CIL funding revealed that CIL bids formed part of a co-operation between stakeholders in the community, the Council and the Suffolk County Council and that this process was evolving. In addition, the work of the CIL Members working group was debated and the Committee was satisfied that due diligence was applied.

## **10. WASTE COLLECTION ROUTE CHANGES JULY 2019**

In July the Committee discussed the recent introduction of new waste disposal collection routes, as most members had received comments from residents and other Members on the subject. Members debated a proposal that the Committee ask for a report on the newly introduced change of the collection routes and the issues related to the collection of bins, the reasons for the disruption of collection, the long-term effect and the issues with communication to residents.



In September, a report was presented to the Committee summarising the recent day and route changes to the refuse and recycling collections element of the waste service. It showed the reasons for the changes, timings, planning and implementation, communication approach, lessons learnt and missed collection statistics.

The Committee had invited questioned from all Members before the meeting and encouraged Members to attend the Committee as there appeared to be issues in the community regarding the route changes.

The Committee scrutinised the report and question the Corporate Manager for Waste Services attending, and it became apparent that although there had been some missed waste collections and disruptions, good mitigation had been implemented for the transitional period for the waste collection change.

The optimisation of routes was designed to provide an effective and efficient service, reduce non-productive travel time, use of fuel and CO<sub>2</sub> emissions.

### **RESOLVED**



- 1.1 That the Joint Overview and Scrutiny Committee extend thanks for the report.**
- 1.2 That the Joint Overview and Scrutiny Committee commend the Waste Collection Service Team on the successful introduction of the new Bin Collection Routes.**
- 1.3 That the points learnt during the implementation of the new Bin Collection Routes be forwarded to the Senior Leadership Team for consideration in future similar projects.**

### **VALUE ADDED**

The Committee responded quickly to Members' concerns regarding the impact on communities as a result of the waste collection changes. The scrutiny process provided

evidence that there had been minimal impact on the service provided and that the Waste Collection Team had followed a robust project plan and were able to solve any issues satisfactory.

## **INFORMATION BULLETIN – UNIVERSAL CREDIT**

The Committee also received an updated Information Bulletin at the meeting in September which provided an update to the Information Bulletin received in February 2019.

The roll-out of Universal Credit had reached around 30% of the claimants within Mid Suffolk. Overall, rent arrear figures for the Council had marginally improved in the last two quarters but rent arrears of Universal Credit claimants are rising.

Mitigation of the effects of Universal Credit was in place. The Housing Team, working with Citizens Advice, the Income Team, the Tenant Board, and the Department for Work and Pensions were taking effective action. The Committee were satisfied that it was being managed well by the Housing Team. The Committee felt that no further Information Bulletin would be required unless the situation were to change markedly for the worse.

**RESOLVED**



**That no further Information Bulletin updates be submitted to the Joint Overview and Scrutiny Committee unless there are any significant changes in rent arrears**

## **VALUE ADDED**

Concerns over the implementation of the Universal Credit Scheme and that it was the Department for Wages and Pension who managed the scheme was expressed by the Committee. The update provided an insight into how officers were managing the housing service during the roll-out of Universal Credit.

**The Overview and Scrutiny Committee cancelled the meeting in October and did not convene again until January 2020 due to the pre-election period and the General Election in December 2019**

## **11. GATEWAY 14**

This item was considered following the exclusion of members of the public. However, this report does not include any of the confidential details presented and discussed. For such details, Members are invited to read the Committee Agenda papers and minutes.



An outline of the agreement options available to the Council to bring the Gateway 14 and Stowmarket East project forward was provided.

It was clarified that Gateway 14 was the vehicle for implementing the development and that the Stowmarket East site and the Gateway 14 site were considered to be one development site for future planning and development.

It was confirmed that both sites were wholly owned by Mid Suffolk District Council and had received planning permission for outline consent. It was clarified that although the two

developments were to provide financial returns to the Council, it was also the intention that they would provide benefits to the local community as employment sites and for social activities. The most likely occupants would be commercial operations and distribution centres. The current time scale is to develop the site over 12 years.

In choosing partners for the site, the main business goal was to generate revenue, but that both social and community aspects were taken into consideration and were important to the project. It was a large site and there would be opportunities for various developments on the site, but focus remained on business expansion. It was anticipated that a number of occupancies and businesses would be attracted to the site improving skills and employment opportunities for the area.

Reference was made to the Council's declaration of a climate emergency. However, the Gateway 14 development would depend on road transport, increasing road traffic at a time when this needed to be minimised. Environmental sustainability should be given very serious consideration and increasingly occupiers were looking to be sustainable. Work was being undertaken to ensure that the site would be sustainable where possible and, although this point might not be as strong as the Council would have wanted, a balance had to be struck between financial and sustainable considerations.

Members discussed possible recommendations and it was generally agreed that the report should be supported, but that the sustainable aspects and the reduction of carbon should be explored further when choosing occupancy of the Gateway 14 site.

**RESOLVED:** 

- 1.1 That the committee supports the recommendations included in the report;**
- 1.2 That the social and community potential be expanded in the report;**
- 1.3 That the Overview and Scrutiny Committee recommends to Council to consider discussions with partners to explore opportunities in maximizing sustainability of the site.**

**VALUE ADDED**

The Committee was able to receive responses to questions for the strategic and financial implications of Gateway 14. However, the meeting raised other issues such as sustainability and commercial attractiveness of the site. Generally, the committee was satisfied that these concerns had been considered.

**12. CORPORATE PLAN OUTPUT**

In January 2020, the Strategic Director presented the Joint Overview and Scrutiny Committee with the Corporate Outputs document which the Leaders of the Councils had requested to be scrutinised by the Committee.

This high-level document formed a layer in the Corporate Plan between the overall Plan itself and the variety of Policies and Programmes that would be used to implement the Plan. The Corporate Outputs listed the various outcomes desired under each of the six priorities, including items completed, in progress or planned for action. Each priority was to be supported by its own strategy, updated, as necessary. These, and the outputs themselves, were expected to be added to and changed as the plan evolved. In addition, 'Business as

Usual' would be expected to contribute to Strategies and Outputs without being specifically listed.

It was recognised that all Members and Cabinet should be equipped with the development opportunities that would be needed fully understand the process and how they could be involved.

Further regular monitoring and reporting would take place, which could then feed into future Overview and Scrutiny work plans

Members queried measurement of the outputs and how this could be achieved. An approach of using 'milestones' and Programme Boards chaired by the Strategic Director was given, alongside the quarterly reports to Cabinet. A traffic light system (red, amber, green) was being integrated.

An alternative approach to the subject was also suggested in that this aspirational list was too high level for detailed scrutiny but that individual parts and programmes of the six priorities would make suitable subjects for closer examination.

All member briefings for the priority themes were suggested by the Strategic Director and there were cross party Member Working Groups already in place to support delivery.

There was a considerable amount of discussion about the various means of involving Members more fully in the Corporate Plan, the Corporate Outputs and the individual projects. It was noted that uptake and ownership was not always high amongst Members.

## RESOLVED



**That the Joint Overview and Scrutiny Committee urges Cabinet to find a range of methods to engage with all Members to understand the linkage between the Corporate Plan and the Corporate Outputs and explain the role of Member Working Groups in developing strategies and actions plans.**

## VALUE ADDED

This was a successful scrutiny of the Corporate Outputs as Members were able question and debate the challenges of the plan. It became apparent that Members were concerned of member involvement in the Corporate Plan and its Outputs.

## 13. WESTERN SUFFOLK COMMUNITY SAFTY PARTNERSHIP (WSCSP)

This annual statutory requirement had been postponed due to the General Election. It was attended by the following witnesses.

<b>Cllr Joanna Spicer</b>	Chair of Western Suffolk Community Safety Partnership Suffolk County Councillor
<b>Paul Goodman</b>	Group Commander for Prevention and Detection – Suffolk Fire
<b>Clair Harvey</b>	Community Safety Lead - Localities & Partnerships Team Health, Wellbeing & Children's Services Suffolk County Council
<b>Emma Gaskell</b>	Senior Primary Care Manager NHS West Suffolk Clinical Commissioning Group
<b>Kim Warner</b>	Western Area Commander – Police Vice-Chair of WSCSP

Each witness provided a presentation and update the Committee on developments in the area and five priority areas were identified, County Lines, Violence against Women and Girls (VAWG) Men and Boys, Hate Crime, PREVENT, Domestic Homicide Reviews (DHR). This did not exclude emerging areas of concern in Community Safety. Members were informed of the way the services cooperated through the WSCSP and provided support for maintaining and improving community safety across the County.

In general questioning and discussion, questions were raised about Violence against Women & Girls, domestic abuse in general, mental health issues, and availability of beds for victims of domestic abuse. It became apparent that the situations were much as before, but that there was an increasing willingness to report issues and for them to be taken seriously.

The Committee debated how Members could assist with the work of the WSCSP and witnesses suggested various information streams which could provide support, including member briefings, sharing information with Council employees and the wider communities, social media and news releases and asking Members who were already involved with Community Safety to share their experiences with other Members.

Members asked that the members 'tool kit' was updated and re-distributed to Babergh and Mid Suffolk Members.

**RESOLVED**



**That the confidential member 'Contact tool kit' pack be updated and distributed to all Members as a Babergh and Mid Suffolk Confidential 'Contact Tool Kit'**

**VALUE ADDED**

The WSCSP had been scrutinised previously and Members were now familiar with the work undertaken by this partnership. Members were keen to develop further understanding and provide more information around the issues discussed. The Member and Officer briefings provided during the past year had helped to broaden Members awareness of crime and disorder in the community.

#### **14. TASK AND FINISH GROUP CITIZENS ADVICE – TERMS OF REFERENCE**

The Chair described these as this was the first opportunity the Committee had to meet since the group formation and the basic remit was agreed.

**RESOLVED**

**That the Task and Finish Group for Citizens Advice – Terms of Reference be approved.**

## **15. TASK AND FINISH GROUP CITIZENS ADVICE – RECOMMENDATIONS**

The Committee Chair and Task and Finish Group Chair presented the draft report and draft recommendations to the Task and Finish Group. The Group's approval was given for the Task & Finish Group Chair to complete the report for general distribution to all constituent Councils.

The Committee were asked to approve the proposal that the report be so completed.

It should be noted that the report and recommendations were presented to both Cabinets and Councils in January meetings as described above.

### **RESOLVED:**



**That the Joint Overview and Scrutiny Committee approve that the Members of the Task and Finish Group completed the report and recommendations in time for the Report and Recommendations to be presented to both Cabinets in January 2020.**

### **VALUE ADDED.**

The Task and Finish Group is reported further on in the report.

## **16. DRAFT GENERAL FUND BUDGET 2020/21 AND FOUR-YEAR OUTLOOK**

In January 2020 the Committee received the Draft General Fund Budget 2020/21 and Four-year Outlook report.

Questions were raised regarding council tax increases for empty properties and responses included an explanation that this change was aimed at short-term tenancy agreements and that the number of properties for renting was increasing. Properties left unoccupied following death were exempt from paying Council Tax for six months until the estate was settled. If necessary, an exemption for a further six months could be granted.

There had been some issues with PV panels project and the cost of servicing and repairs of these. However, in the last few months the income from the panels had been steady.

Reference was made to the New Homes Bonus and that this would be phased out over the next couple of years, particularly whether any guidance from Central Government had been received in respect of a replacement for New Homes Bonus. The Council had not yet been informed on how the New Homes Bonus would be phased out.

Questions were raised regarding the drop-in business rates income and the effect on the retail market, CIFCO and the repayment of the loan at the new interest rate and Gateway 14 loan arrangements. There were also queries regarding expenditure income associated with Civil Parking Enforcement which were to be answered outside the meeting.

Members debated the recommendations and it was generally agreed that comments made at the committee should be forwarded to Cabinet for their consideration at their meeting in February.

**RESOLVED:** 

- 1.1 That the Overview and Scrutiny Committee asked that Officers and Cabinet take into consideration the comments made at this meeting when submitting the budget to Cabinet for consideration at the Cabinet meeting in February 2020.**
- 1.2 That the Overview and Scrutiny Committee welcomed the additional £1/2m allocated to Climate Change for the year 2020/21**

#### **VALUE ADDED**

The scrutiny of the Draft General Fund budget raised queries around details of the income and expenditure for 2020-21 and gave officers an opportunity to consider areas of concern and lack of clarity, when drafting the final budget and report to Cabinet.

### **17. DRAFT HOUSING REVENUE BUDGET 2020/21 AND FOUR-YEAR OUTLOOK**

The Committee also scrutinised the Draft Housing Revenue Budget 2020/21(HRA) and Four-year Outlook.

An explanation was sought in respect of the service charges for Sheltered Housing, and the likely increase in service charges due to the de-sheltering of council houses. A review of Sheltered Housing would be undertaken in the coming years to ensure that the service was cost effective.

Concerns were raised about the staffing costs around the new build and if there was enough staff to manage this area. During the last four years a hundred or so homes had been built and any additional staffing costs were being absorbed in the budget. Staffing issues had been resolved by restructuring and the teams had the staff required going forward.

Garage uptake had not increased as expected and the Housing team was working with the Assets team to review these sites.

Other issues raised by the Committee were the withdrawal of decoration vouchers, statutory requirements for tenancy and the increase in Local Housing allowance.

Members generally agreed that the HRA Budget should be endorsed and that the comments made at the meeting should be forwarded to Cabinet.

**RESOLVED:** 

**That the Overview and Scrutiny Committee endorse the Housing Revenue Account Budget and Four-year Outlook but ask that Officers and Cabinet take into consideration the comments made at this meeting when submitting the budget to Cabinet for consideration at the Cabinet meeting in February 2020.**

#### **VALUE ADDED**

The Scrutiny of the HRA Budget ensured that the budget is set to provide the most beneficial and efficient funding for services for the Councils Residents.



## 18. PLANNING ENFORCEMENT

In February 2020 the Joint Overview and Scrutiny Committee received a report on Planning Enforcement.

The Committee had asked for a report on Planning Enforcement as Members across the both Districts had expressed concern about how this was implemented in the communities, and the perception of planning enforcement by residents. Members also raised individual issues around and questioned what policies and regulation existed around planning enforcement.

The Committee was presented with a substantial report and appendices, which provided a robust clarification of how the Joint Local Planning Enforcement Plan was implemented across the two Districts.

Members queried the process and procedures for enforcements, the experience of the Enforcement team, the use of Building Control and in-house provision for this, and the relationship between developers and Planning Enforcement.

The report included case studies which provided further questions regarding Community Infrastructure Levy (CIL) bids, Tree Preservation Orders (TPO), emergency enforcement, and planning enforcement for larger developments, and the relationships between the Planning Department and developers in general.

In response to the community perception of Planning Enforcement, officers explained that often misunderstanding of what Planning Enforcement, and how this was enforced, was often the cause for of this perception. It was not reliant on resources.

The Committee received detailed responses and it became apparent that the Enforcement Team was working on improving the enforcement processes, which included a new processing system.

The Joint Local Planning Enforcement Plan was under review and Members asked that a cross party Task and Finish Group was set up for the review process.

**RESOLVED:** 

- 1.1 That the contents of this report be noted.**
- 1.2 That the Committee recommend to Council the establishment of a Member/Officer Task and Finish Group to review the JLPEP and that this Group be requested to have regard to best practice and examples of other published Local Enforcement Plans in that process of review.**
- 1.3 That an update on progress with service transformation work within the Planning Enforcement Team be provided to the Committee in six months.**

### VALUE ADDED

This was an area of concern for most Members and they were often responding to questions related to Planning Enforcement at Parish Council meetings. The Committee was able to scrutinise the processes and gauge if the concerns had any foundation. Members

expressed satisfaction that this was not the case and suggested that the report be made available to all Members.

Link to the Planning Enforcement report on the committee webpage

[Planning Enforcement Report](#)

## **19. PRESENTATION CUSTOMER ACCESS POINT ACTIVITY**

This was a Joint review which had been suggested by the Corporate Manager – However due to the Covid-19 Pandemic this meeting was deferred, and the item was added to the Work Plan.



## **20. SCRUTINY OF THE BABERGH AND MID SUFFOLK HOUSING DELIVERY TEST ACTION PLAN**

Due to the Covid-19 Pandemic this meeting was deferred and added to the Work Plan.

## **21. CAPITAL INVESTMENT FUND COMPANY (CIFCO CAPITAL LTD) BUSINESS TRADING AND PERFORMANCE REPORT 2019/20**

In June, the Joint Overview and Scrutiny Committee received a report and presentation for CIFCO prior to presentation to Full Council. Directors and Business Advisors for CIFCO Capital Ltd., the BDC (Suffolk Holdings) Ltd, MSDC (Suffolk Holdings) Ltd, the Cabinet Members for Assets and Investments for both Councils were present to respond to questions

The Committee scrutinised the Business Plan and commented on the contents and the robustness of the plan. Members asked detailed questions regarding the effect on the investments and loan repayments as a result of Covid-19 Pandemic. Concerns included the recent change in work patterns and future use of retail and office space, investments in sustainable and 'green' properties, investments in local assets, exit plans, security of rental return for CIFCO and loan repayments to the Council. Members also queried the rental income threshold to maintain a viable business project.

Members of the Committee debated various aspects of the Business Plan including the risk, equity, and losses and whether the Business Plan and report contained enough information for these areas.

**RESOLVED**



**That the Joint Overview and Scrutiny Committee endorsed the Capital Investment Fund Company (CIFCO CAPITAL LTD.) Business Trading and Performance Report 2019/2020 and asked that Council take into consideration the minutes from this meeting.**

### **VALUE ADDED**

The annual scrutiny of the CIFCO Trading and Business Plan enables Members to review the trading performance and the Business Plan in detail and forms an important part of the

Council's principle of Openness and Transparency for both the public and Members. The committee's discussion highlighted key areas of concern for both the CIFCO board and Council to be considered.

## **CROSS AUTHORITY TASK AND FINISH GROUP – CITIZENS ADVICE**

Following the Babergh and Mid Suffolk scrutiny of Citizens Advice in August 2019 the Joint Babergh and Mid Suffolk Overview and Scrutiny Committee agreed that the Chairs should approach other authorities in the County for a cross authority Task and Finish Group. Chairs and Vice-chairs were invited from each of the other Authorities and participation involved Ipswich Borough Council, West Suffolk Council, Babergh and Mid Suffolk District Council.

The Task and Finish group held three meetings in October, December 2019 and January 2020. Unfortunately, due to the General Election meetings were disrupted between October and December. But the Task and Finish Group managed to agree recommendations before each authority had to agree budgets.

It must be noted that each authority has different arrangements in place for funding of Citizens Advice. The intention of the Task and Finish Group was to identify issues and areas of concern which each individual Authority could use as a foundation for recommendations to their own authorities.

There were three areas identified, Value, Impact and Funding and each area was allocated specific attention at meetings.

The Task and Finish Group received participation from all of the Chief Officers from the five Citizens Advice across the County in the first session. The second session saw representatives from the Clinical Commissioning Group, IBC Housing Advice department and the IBC Benefits department, the BMSDC Funding services and the BMSDC Tenant Services. All provided brief summaries of the work they undertook, and the interaction between their organisations/departments and Citizens Advice.

The Third Task and Finish Group meeting in January 2020 was dedicated to considering the evidence received from the previous two meetings and conclude the work of the group. The Joint Report and recommendations produced by the Task and Finish Group were presented to each of the constituent authorities own Overview and Scrutiny Committees.

Copies were also provided, on an information basis, to the relevant Cabinet Member at SCC, the CCG's and the participating Citizens Advice Bureaux.

The report, in turn, was intended to be forwarded to the relevant Cabinets. This took place in Babergh and Mid Suffolk. Babergh Cabinet subsequently adopted Recommendation (e) requesting that Overview and Scrutiny carry out the annual review of funding for Citizens Advice, as suggested within the report.

**The recommendations were:**

**RECOMMENDATIONS – SUFFOLK CROSS AUTHORITY CITIZENS ADVICE TASK AND FINISH GROUP, 7th JANUARY 2020.**

- (a) The Task and Finish Group recommend to Suffolk County Council that it meets the previous proportion of basic core funding needs of Suffolk CAB's by agreeing to restore its grant for 2020/2021 to at least £184,000 per annum; and
- (b) The Task and Finish Group recommend to the Clinical Commissioning Groups and Suffolk County Council that they work together to ensure that – between them - a minimum of £368,000 is granted to Suffolk CAB's annually beyond 2020/21; and
- (c) All Suffolk Executive's attention should be drawn to the Task and Finish Group paper when considering allocations of Community Cash Grants, or any other funding mechanism, for 2020/21 onwards and that those Executives should seek that, having regard to the Task and Finish Group paper, they should seek to avoid any reductions to current annual grants to Citizens Advice Bureau when considering these allocations for 2020/21 onwards; and
- (d) All districts/boroughs should be made aware of the cash allocations being made to Citizens Advice by all other Suffolk authorities, in particular where more than one authority contributes to an individual LCA; and
- (e) The Task and Finish Group recommends that where multiyear arrangements are agreed for LCA's, these should be rolling agreements, subject to annual review and annual inflationary increases, to be agreed by Councils; and
- f) The Task and Finish Group recommends that Communities teams, or their authority equivalent, are approached to seek other means of funding for the LCA's and that they and each of our constituent Councils explore means of raising awareness of the benefits provided by CAB to the organisation.

## MID SUFFOLK OVERVIEW AND SCRUTINY COMMITTEE DRAFT WORK PLAN 2020/2021:

Due to the circumstances of the Covid-19 Pandemic and the following deferral of items on the Work Plan, The Mid Suffolk Overview and Scrutiny Work Plan will be presented to Full Council in September 2020.

TOPIC	PURPOSE	LEAD OFFICER	CABINET MEMBER	PREVIOUSLY PRESENTED TO COMMITTEE
<b>20 July 2020 - JOINT</b> Chair Cllr Welham				
<b>Joint Compliment, comment and Complaints Policy</b>	An update following as agreed at the Chair's briefing in March 2020	Assistant Director- Customer Services  Corporate Manager – Customer Operations	Cabinet Member - Customers, Digital Transformation and Improvements	18 July 2019 JOS/19/3
<b>Review of the Overview and Scrutiny Committee 2019/20</b>	Review of the work conducted throughout 2019/20 – Lessons learnt, improvements and achievements	Corporate Manager – Democratic Services  Senior Governance Support Officer		
<b>20 August 2020 - JOINT</b> Chair Cllr McCraw				
<b>Planning Enforcement - Review of Service Transformation work</b>	Following the Scrutiny in February 2020	Chief Planning Officer	Cabinet Member - Planning	20 February 2020 JOS/19/25
<b>Future Delivery Model for Public Realm</b>	Scrutiny of the Delivery Models proposed	Assistant Director – Environment and Commercial Partnership	Cabinet Members - the Environment	
<b>17 September 2020</b>				
<b>Joint Home and Housing Strategy</b>	Scrutiny of the Joint Home and Housing Strategy	Assistant Director for Housing  Housing Strategy and Policy Officer	BDC Cabinet Member - Housing  MSDC Cabinet Member - Housing and Communities	
<b>Suffolk Independent Living – A New Home Improvement Agency Model</b>	Scrutiny of the New Home Improvement Model	Corporate Manager – Housing Solutions	BDC Cabinet Member - Housing  MSDC Cabinet Member -Housing and Communities	
<b>15 October 2020</b>				

<b>Representatives on Outside Bodies</b>	A review of the Representatives on Outside Bodies and an update on the work undertaken	Corporate Manager – Democratic Services Senior Governance Support Officer		
<b>19 November 2020</b>				
<b>10 December 2020</b>				
<b>14 January 2021</b>				
<b>Draft General Fund (GF) 2020/21 and Four-year Outlook</b>	Scrutiny of the GF Budget for 2020/21	Assistant Director – Corporate Resources Corporate Manager – Finance	The Leaders Cabinet Member - Finance	MSDC 16 January 2020
<b>Draft Housing Revenue Account (HRA) and Four -year Outlook</b>	Scrutiny of the HRA Budget and Business Plan	Assistant Director – Corporate Resources Corporate Manager – Finance	The Leaders Cabinet Member - Finance	MSDC 16 January 2020
<b>18 February 2021</b>				
<b>18 March 2021</b>				
<b>Crime and Disorder Panel meeting</b>	The Committee conduct a scrutiny review of the SWSCP to fulfil the Councils Statutory requirements	Assistant Director – Sustainable Communities	BDC Cabinet Member - ok Communities MSDC Cabinet Member for Housing and Communities	8 January 2020 – JOS/19/20
<b>14 April 2021</b>				
<b>20 May 2021</b>				
<b>Review of the Overview and Scrutiny Committee 2020/21</b>	Review of the work conducted throughout 2019/20 – Lessons learnt, improvements and achievements	Corporate Manager – Democratic Services Senior Governance Support Officer		

## ITEMS DEFERRED DUE TO COVID-19 PANDEMIC.

The items below will be allocated to a meeting in due course.

<b>Scrutiny and First Review of the Babergh and Mid Suffolk Housing Delivery Test Action Plan</b>	Scrutiny of the Action Plan	Professional Lead – Key Sites and Infrastructure
<b>BMBS and proposed Development of Building Services Business Case</b>	To scrutinise BMBS and the proposed development of the Building Service Business Case	Assistant Director - Housing
<b>Underspend of Grants for bringing empty homes back into to use</b>	A report to be brought to Committee for the effect of the underspending off grants for bringing empty homes back into use	Assistant Director – Housing Corporate Manager – Housing Solutions

The Mid Suffolk Overview and Scrutiny Committee’s latest workplans are on the Council’s website and can be viewed on the following link:

[OVERVIEW AND SCRUTINY WORKPLAN](#)

## TOPICS IDENTIFIED FOR REVIEW BUT NOT CURRENTLY TIMETABLED



**Annual Review of Local Citizens Advice – As agreed at BDC Cabinet 11 February 2020 - January 2021**



**Crime and Disorder Panel meeting**

Required to take place at least once a year, provisionally agreed to take place in **March 2021**.



**Improving Access to the Private Rented Sector – Chairs to discuss the timing for bringing this to Committee**



**Community Grants – ‘Health Check’** A report following the report received on the 17 January 2019 MOS/18/26. To considered in 2021



**Other topics identified:**

- The impact on the Council when patients are discharged from hospital

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# Agenda Item 10

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Council	<b>REPORT NUMBER:</b> <b>MC/19/47</b>
<b>FROM:</b> Chief Executive	<b>DATE OF MEETING:</b> 23 July 2020
<b>OFFICER:</b> Janice Robinson, Deputy Monitoring Officer	

### **DECISIONS TAKEN BY THE CHIEF EXECUTIVE DURING THE COVID-19 PANDEMIC LOCK-DOWN PERIOD UNDER DELEGATED POWERS IN ACCORDANCE WITH PART 2 OF THE CONSTITUTION**

#### **1. PURPOSE OF REPORT**

- 1.1 This report details the decisions taken by the Chief Executive in consultation with the Chair of the Council using his delegated powers during the Covid-19 pandemic.
- 1.2 The Chief Executive is required by the Constitution to report these decisions to the next available Council meeting under Part 2 of the Constitution.

#### **2. RECOMMENDATION**

- 2.1 That Council notes the decisions taken under delegated powers by the Chief Executive as detailed in Appendix A.

#### **REASON FOR DECISION**

Under Part 2 of the Constitution, Delegations to Officers, Paragraph 7.2 the decision must be reported to the next ordinary meeting of the appropriate Council.

#### **3. KEY INFORMATION**

- 3.1 Detailed in Appendix A.

#### **4. LINKS TO THE CORPORATE PLAN**

- 4.1 N/A

#### **5. FINANCIAL IMPLICATIONS**

Detailed in Appendix A.

**6. LEGAL IMPLICATIONS**

6.1 To comply with the Councils Constitution.

**7. RISK MANAGEMENT**

7.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
That the key decisions in Appendix A taken during the COVID-19 pandemic lock-down period under delegated powers do not follow the Council's Constitutional Decision process thereby making them unlawful and open to challenge.	Unlikely (2)	Noticeable (2)	To follow the Constitutional decision process

**8. CONSULTATIONS**

8.1 N/A

**9. EQUALITY ANALYSIS**

9.1 N/A

**10. ENVIRONMENTAL IMPLICATIONS**

10.1 N/A

**11. APPENDICES**

Title	Location
(A) MSDC – List of Decisions taken by the Chief Executive during the Covid-19 Pandemic Lockdown Period under Delegated Powers	Attached

**12. BACKGROUND DOCUMENTS**

12.1 [OFFICER DECISIONS](#)

### DECISION TAKEN BY THE CHIEF EXECUTIVE DURING THE COVID-19 PANDEMIC LOCK-DOWN PERIOD UNDER DELEGATED POWERS IN ACCORDANCE WITH PART 2 OF THE CONSTITUTION

Decision Reference	Title	Date
MSDC-0012	<a href="#">MSDC - Extension to temporary suspension of Statement of Community Involvement</a>	11/06/2020
MSDC-0011	<a href="#">Temporary suspension of paragraph d of the Planning Protocol contained in the Mid Suffolk District Council Planning Charter</a>	15/04/2020
MSDC-0009	<a href="#">MSDC Agreement of the Community Infrastructure Levy (CIL) Expenditure Framework for 2020-21</a>	20/04/2020
MSDC-0008	<a href="#">MSDC To approve authority for the suspension in part of the Councils' Statement of Community Involvement (SCI)</a>	16/04/2020
MSDC-0006	<a href="#">To take any action, including the incurring of expenditure, in connection with an emergency or disaster in the district</a>	27/03/2020
MSDC-0005	<a href="#">1.Request to Chief Executive to delegate authority to the Chief Planning Officer as an exceptional matter, to proceed to grant approval of the reserved matters applications [Phases 1 – 8] reference 4494/16 pursuant to outline planning permission</a>	03/04/2020
MSDC-0004	<a href="#">To take any action, including the incurring of expenditure, in connection with an emergency or disaster in the district.</a>	01/04/2020
MSDC-0001	<a href="#">That the Fressingfield Neighbourhood Plan be formally 'made' (adopted) as part of the District Council's Development Plan and be used to help determine planning applications where relevant. That the Decision Statement (Appendix 1) be published</a>	27/03/2020

Please note that some decisions will be noted at committees

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# Agenda Item 11

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Council	<b>REPORT NUMBER:</b> <b>MC/19/48</b>
<b>FROM:</b> The Leader	<b>DATE OF MEETING:</b> 23 July 2020
<b>OFFICER:</b> Janice Robinson, Deputy Monitoring Officer	

### **SPECIAL URGENT KEY DECISION (EXEMPT FROM CAL-IN) TAKEN BY THE CABINET MEMBER FOR ECONOMIC GROWTH DURING THE COVID-19 PANDEMIC LOCK-DOWN PERIOD UNDER DELEGATED POWERS IN ACCORDANCE WITH PART 1 OF THE CONSTITUTION**

#### **1. PURPOSE OF REPORT**

- 1.1 This report details the decisions taken by the Cabinet Member for Economic Growth in consultation with the Chair of the Council using his delegated powers during the Covid-19 Pandemic.
- 1.2 The Leader is required by the Constitution to report Special Urgent Key Decisions to the next available Council meeting under Part 3 of the Constitution.

#### **2. RECOMMENDATION**

- 2.1 That Council notes the decisions taken under delegated powers by the Cabinet Member for Economic Growth as detailed in Appendix A.

#### **REASON FOR DECISION**

Under Part 3 of the Constitution, Access to Information Procedure Rules, Paragraph 19.2 the decision must be reported to the next ordinary meeting of the appropriate Council.

#### **3. KEY INFORMATION**

- 3.1 Detailed in Appendix A.

#### **4. LINKS TO THE CORPORATE PLAN**

- 4.1 N/A

#### **5. FINANCIAL IMPLICATIONS**

N/A

## 6. LEGAL IMPLICATIONS

6.1 To comply with the Councils Constitution.

## 7. RISK MANAGEMENT

7.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
That the key decisions in Appendix A taken during the COVID-19 pandemic lock-down period under delegated powers do not follow the Council's Constitutional Decision process thereby making them unlawful and open to challenge.	Unlikely (2)	Noticeable (2)	To follow the Constitutional decision process

## 8. CONSULTATIONS

8.1 N/A

## 9. EQUALITY ANALYSIS

9.1 N/A

## 10. ENVIRONMENTAL IMPLICATIONS

10.1 N/A

## 11. APPENDICES

Title	Location
(A) Special Urgent Key Decision (exempt from Call-in) taken by the Cabinet Member for Economic Growth	Attached

## 12. BACKGROUND DOCUMENTS

### [PORTFOLIO HOLDER DECISIONS](#)

**SPECIAL URGENT KEY DECISION (EXEMPT FROM CALL-IN) TAKEN BY THE CABINET MEMBER FOR ECONOMIC GROWTH DURING THE COVID-19 PANDEMIC LOCK-DOWN PERIOD UNDER DELEGATED POWERS IN ACCORDANCE WITH PART 1 OF THE CONSTITUTION**

Decision Reference	Decision	Date Published
PHMSDC-0001	The following decisions have been taken in relation to the Portfolio Holder Decision:	
	<a href="#">MSDC - Leader Delegation to Portfolio Holder for Economic Growth</a>	28 May 2020
	<a href="#">MSDC - Portfolio Holder Urgent Decision for the Discretionary Grant Scheme</a>	28 May 2020
	<a href="#">MSDC - Covid-19 Discretionary Grant Scheme Report</a>	28 May 2020
	<a href="#">BMSDC - Babergh and Mid Suffolk District Councils Covid-19 Business Support Funding Scheme Policy</a>	28 May 2020

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# Agenda Item 13

## BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Council	<b>REPORT NUMBER:</b> <b>MC/19/49</b>
<b>FROM:</b> Cabinet Members for Planning	<b>DATE OF MEETING:</b> BDC – 21 July 2020 MSDC – 23 July 2020
<b>OFFICER:</b> Robert Hobbs – Corporate Manager – Strategic Planning	

### LOCAL DEVELOPMENT SCHEME UPDATE

#### 1. PURPOSE OF REPORT

- 1.1 To approve the Babergh and Mid Suffolk Local Development Scheme Update (July 2020).
- 1.2 The Councils are legally required to prepare and maintain a Local Development Scheme (LDS), which is the local planning authority's work programme for the preparation of development plan documents.
- 1.3 A review of the LDS is proposed to revise the timetable for the preparation of the Joint Local Plan to reflect the current position, following public consultation undertaken on a Preferred Options document (July 2019).
- 1.4 This review identifies a proposal for submission of the draft Joint Local Plan this winter to the Secretary of State for Examination. The Councils undertook public consultation on a Regulation 18 Preferred Options document between 22<sup>nd</sup> July and 30<sup>th</sup> September 2019. A series of cross-party Member Working Group meetings have taken place between December 2019 and May 2020 to discuss key matters arising from the consultation. The strategic planning team are now drafting the next version of the plan, alongside further Sustainability Appraisal work and evidence base work arising from the previous consultation.
- 1.5 The timescales proposed within the revised LDS necessarily assume that no major revisions to the draft Joint Local Plan are required as a result of the ongoing Sustainability Appraisal work, evidence base work or changes made to the Planning regime by Government.
- 1.6 The LDS also introduces a review of the Babergh and Mid Suffolk Community Infrastructure Levy (CIL) Charging Schedules.

#### 2. OPTIONS CONSIDERED

- 2.1 To not adopt a revised LDS for the preparation of the Joint Local Plan until the current work is complete, the impact of Covid-19 on issues such as viability are known and Government intentions (Planning White Paper) are clear. Due to the nature of these variables and as the current LDS is out of date it is not recommended to further delay publication of an updated LDS.

<p><b>3. RECOMMENDATION</b></p> <p>3.1 That the Babergh and Mid Suffolk Local Development Scheme (July 2020) (appendix A) is agreed to be brought into effect from 31<sup>st</sup> July 2020.</p>
<p><b>REASON FOR DECISION</b></p> <p>To bring the timetable for the preparation of the Joint Local Plan up-to-date and to set out the timetable for the review of the CIL Charging Schedules. The Local Development Scheme will be referred to at the Joint Local Plan Examination in Public stage.</p>

**4. KEY INFORMATION**

- 4.1 The existing LDS published in July 2018 identifies a timetable for the preparation of the Joint Local Plan that is now out-of-date.
- 4.2 The draft LDS (appendix A) provides a revised timetable for the adoption of the Joint Local Plan. The key milestone for which would be Council meetings in November 2020, consultation Autumn 2020 and submission of the Joint Local Plan to the Secretary of State in Winter 2020/21 for an Examination in Public.
- 4.3 Once the LDS is submitted to the Secretary of State, the Examination timetable is set by the independently appointed Planning Inspector.
- 4.4 The LDS also introduces a new end date of the Joint Local Plan of 2037, which is 15 years after the date of the proposed adoption. The National Planning Policy Framework (2019) requires Local Plans to plan to an end date of at least 15 years from the date of adoption.
- 4.5 At the point of the publication of a Regulation 19 draft submission version of the Joint Local Plan, it will be material and have greater weight in the determination of planning applications. A technical public consultation on the appropriateness of the plan, referred to as ‘soundness’, and its legal compliance is then undertaken where representations are invited. Representations are then submitted with the Joint Local Plan and other key documents to the Government for an Examination in Public.
- 4.6 Following comments received to the Preferred Options consultation in 2019 from statutory consultees, further evidence base work has been commissioned including heritage and landscape assessments, a strategic flood risk assessment, a water cycle study, and further transport modelling assessment. The impact of Covid-19 on the viability and therefore deliverability of the Joint Local Plan will also need to be assessed. Further Sustainability Appraisal work is currently being undertaken, also responding to the Scoping Report consultation carried out in March and April 2020.
- 4.7 The LDS also introduces the CIL Charging Schedules review and outlines the timetable and stages for the preparation of revised CIL Charging Schedules.

## **5. LINKS TO THE CORPORATE PLAN**

- 5.1 The LDS sets out the preparation of the Joint Local Plan, CIL Charging Schedules and Neighbourhood Plans within the two Districts, which enable the Councils to fulfil their corporate priorities in terms of housing, the economy, the environment, communities and wellbeing.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There is an annual budget to support the technical evidence (consultancy work) across both Babergh and Mid Suffolk District Councils, which totals £112,970 a year and is added to by any unspent funding from previous years. There is additional budget for any legal expenses necessary to support the preparation of the Joint Local Plan. Examination costs for both the Joint Local Plan and the Community Infrastructure Levy Charging Schedules will be met through the 2021/22 Budget.
- 6.2 Joint Local Plan Examination costs will occur when the Examination in Public takes place and will include the Inspector's costs as well as the cost of appointing a Programme Officer to support the Examination, which is required. There will also be consultant costs to support the Examination.
- 6.3 Community Infrastructure Levy Charging Schedule Examination costs will occur when the Examination in Public takes place and will include the Examiner's costs as well as the cost of appointing a Programme Officer to support the Examination, which is required. There will also be consultant costs to support the Examination.

## **7. LEGAL IMPLICATIONS**

- 7.1 In accordance with section 15 of the Planning and Compulsory Purchase Act 2004 (as amended), the LDS must be revised at such times as the Local Planning Authority thinks appropriate or at the direction of the Secretary of State. To bring the LDS into effect, the Local Planning Authority must resolve that the scheme to have effect, and in the resolution, specify the date from which the scheme is to have effect.
- 7.2 The Planning and Compulsory Purchase Act 2004 also requires Local Planning Authorities to prepare Local Plans. The Town and Country Planning (Local Planning) (England) Regulations 2012 sets out the procedures to be followed in the preparation of Local Plans.
- 7.3 Every local plan must be informed and accompanied by a Sustainability Appraisal, which also incorporates Strategic Environmental Assessment (SEA) to meet the statutory requirement that a Local Plan is subject to the process of environmental assessment as set out the SEA Regulations 2004.
- 7.4 The Joint Local Plan is also subject to a Habitats Regulations Assessment.
- 7.5 Before any Local Plan can be ready for publication at Regulation 19, it is necessary that the requirements of the above pieces of legislation have been met and can be demonstrated through the Joint Local Plan and supporting assessments.
- 7.6 The Community Infrastructure Levy (CIL) Charging Schedule is defined by section 211(1) of the Planning Act 2008. The preparation of a CIL Charging Schedule is undertaken in accordance with the Community Infrastructure Levy Regulations 2010 (as amended).

## 8. RISK MANAGEMENT

8.1 The report impacts upon the following Corporate / Significant Business Risks:

- 1 (not having an up to date understanding of housing need and demand).
- 2 (not having a sufficient, appropriate supply of land available in the right locations).
- 3 (not being able to meet the Government's Housing Delivery Test).
- 4 (development may be unsustainable if we do not secure investment in infrastructure).
- 7 (lack of workspace delivered in districts due to market failure).
- 9 (not being able to help communities become more sustainable).

Other key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Legal requirement to have an up to date published LDS when consulting on the Joint Local Plan. The consequence of not having one would mean the plan would not proceed through Examination.	Unlikely (2)	Disaster (4)	Producing an LDS prior to the publication of the next stage of consultation.

## 9. CONSULTATIONS

9.1 There are no statutory requirements for public consultation as part of the preparation of an LDS.

## 10. EQUALITY ANALYSIS

10.1 An Equality Impact Assessment (EIA) is not required. This has been undertaken for the Joint Local Plan.

## 11. ENVIRONMENTAL IMPLICATIONS

11.1 The Joint Local Plan will be accompanied by a Strategic Environment Assessment incorporating a Sustainability Appraisal document. An Appropriate Assessment will also accompany the Joint Local Plan as required by a Habitats Regulations Assessment to identify the impact of the Plan on Protected Habitats and appropriate mitigation.

## 12. APPENDICES

Title	Location
(a) Proposed Babergh and Mid Suffolk Joint Local Development Scheme (July 2020)	Enclosed

## 13. BACKGROUND DOCUMENTS

13.1 Babergh and Mid Suffolk Joint Local Development Scheme (July 2018)

<https://www.babergh.gov.uk/assets/Strategic-Planning/BMSDC-LDS-JULY-2018.pdf>

<https://www.midsuffolk.gov.uk/assets/Strategic-Planning/BMSDC-LDS-JULY-2018.pdf>

13.2 Babergh and Mid Suffolk Joint Local Plan Preferred Options document (July 2019)

<https://www.babergh.gov.uk/planning/planning-policy/new-joint-local-plan/joint-local-plan-preferred-options-july-2019/>

<https://www.midsuffolk.gov.uk/planning/planning-policy/new-joint-local-plan/joint-local-plan-preferred-options-july-2019/>

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**Babergh District Council and  
Mid Suffolk District Council**

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**Joint Local Development Scheme**

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**July 2020**

## **Babergh and Mid Suffolk Local Development Scheme**

**July 2020**

### **Introduction**

The Local Development Scheme (LDS) sets out the Councils' timetable for adopting new planning documents which will help guide development in the Districts of Babergh District Council and Mid Suffolk District Council (B&MSDC).

Since 2011 the production of an LDS has been guided by the requirements of s.111 of the Localism Act 2011 which amended s. 15 of the Planning and Compulsory Purchase Act 2004 and is further supported by the Town and Country Planning (Local Planning) (England) Regulations 2012.

The LDS:

- Provides a brief description of all the Local Plan documents (the Joint Local Plan), Community Infrastructure Levy Charging Schedule and Neighbourhood Plans to be prepared and the content and geographical area to which they relate.
- Explains how the different documents relate to each other and especially how they relate to the adopted and forthcoming Local Plan.
- Set outs the timetable for producing Local Plan Documents, giving the timings for the achievement of the following milestones:
  - publication of the document
  - submission of the document
  - adoption of the document
- Provides information on related planning documents outside the formal Local Plan, including the Statement of Community Involvement, Annual Monitoring Report and other strategies.

This LDS will update and replace the Joint LDS adopted in July 2018.

Progress of the LDS is reviewed at least annually as part of the Annual Authority Monitoring Process.



## The Local Plan –

The following table provides a brief description of the Local Plan documents and the main milestones as set out in the Town and Country Planning (Local Planning) (England) Regulations 2012 for the production of each of the documents we intend to prepare over the next two years.

Babergh and Mid Suffolk District Councils are preparing a Joint Local Plan to replace all previously adopted Local Plans, Core Strategies and the Stowmarket Area Action Plan.

It is important that the Local Plan is kept up to date so that change is managed strategically and at the local level.

### The Joint Local Plan (Table 1)

The Joint Local Plan – description	Regulatory Stages <sup>1</sup>					
	Evidence gathering and pre-preparation stage	Reg 18: Preparation of draft Local Plan	Reg 19: Publication of draft Local Plan and Consultation	Reg 22: Submission	Reg 24: Examination in Public	Reg 26: Adoption
<p>The Councils are undertaking a thorough review of their adopted policies and allocations which will result in a new joint Local Plan ('the Joint Plan') to guide development until 2037 and beyond across Babergh ('BDC') and Mid Suffolk ('MSDC').</p> <p>The current development plan for BDC consists of the saved policies</p>	(Including consulting on sustainability reports where applicable)	Opportunity for interested parties and statutory consultees to be involved at an early stage.	The Councils publish the draft plan and supporting evidence base.	The Councils submit the Local Plan to the Secretary of State along with the public representations received.	Conducted by independent Planning Inspector who will consider representations made at Reg 22 stage.	Subject to outcome of examination, the Councils formally adopt the plan.
		Plan is then developed further	There follows			

<sup>1</sup> All the proposed dates in the LDS will continue to be subject to review as a result of any issues arising at each stage of the development of the Local Plan e.g. the outcomes of the current Sustainability Appraisal and evidence base work, and any changes made by Government.

<p>of the Local Plan (2006) and the Babergh Core Strategy 2011-2031 (2014). The current development plan for MSDC comprises the saved policies of the 1998 Local Plan, the Core Strategy (2008), the Core Strategy Focused Review (CSFR) (2012) and the Stowmarket Area Action Plan (SAAP) (2013). The new Joint Local Plan will replace the Local Plans (saved policies), the Core Strategies and the SAAP.</p> <p>The Joint Plan will identify the amount and locations for accommodating growth in terms of new homes, jobs, community facilities and other supporting infrastructure.</p> <p>The Joint Plan takes account of strategic county issues which require collaborative and, where appropriate, will be prepared through coordinated working with partners to inform and enable delivery.</p>		<p>with accompanying evidence base including preparation of an Infrastructure Delivery Plan and viability evidence.</p>	<p>a period of at least six weeks consultation.</p>			
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<p><b>The Joint Local Plan (Babergh and Mid Suffolk)</b></p> <p>The new Joint Local Plan for B&amp;MSDC will cover a 20-year period up to 2037 (broadly aligned with the timescale for the Suffolk Coastal and Ipswich Local Plans). The new Plan will have regard to the Plans of the neighbouring authorities.</p> <p>The new Joint Local Plan will comprise a suite of B&amp;MSDC's strategic and development management policies together with site proposals. This will be illustrated by a Local Plan Policies Map.</p>	2016 to Spring 2017	<p>Summer 2017 to Summer 2019</p> <p>Issues and Options Consultation August to November 2017</p> <p>Preferred Options Consultation July to September 2019</p>	Autumn 2020  Technical consultation	Winter 2020/21  Documents sent to Government for Examination	Summer 2021  Examination undertaken by an independently appointed Planning Inspector	Winter 2021/22  Adoption following receipt of Inspector's Report
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## The Community Infrastructure Levy Charging Schedule Review –

The following table provides a brief description of the Community Infrastructure Levy (CIL) Charging Schedule Review document and the main milestones as set out in section 211(1) of the Planning Act 2008, The Community Infrastructure Levy Regulations 2010 (as amended), and the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019 for the production of the CIL Charging Schedule Review we intend to prepare over the next two years.

The National Planning Practice Guidance states that charging schedules should be consistent with, and support the implementation of, up to date relevant plans.

### The Community Infrastructure Levy Charging Schedule Review (Table 2)

The Community Infrastructure Levy – description	Regulatory Stages				
	Evidence gathering and preparation stage	Reg 16: Publication of a draft Charging Schedule	Reg 19: Submission	Reg 21: Examination in Public / Reg 22: Joint Examinations	Reg 25: Approval and publication of a Charging Schedule / Reg 28: Taking effect
<p>The Councils are undertaking a review of their respective Community Infrastructure Levy (CIL) Charging Schedules, which were adopted in January 2016 and introduced in April 2016.</p> <p>The CIL is a charge levied by local authorities on new development in their area. Most new development which creates net additional floorspace of 100 square metres or more, or creates a new dwelling, is potentially liable for the levy.</p>	<p>Viability appraisal evidence undertaken to determine the respective rates that can be charged on new development.</p>	<p>The Councils publish their draft CIL Charging Schedules and supporting evidence base. There follows a period of consultation.</p> <p>Local Planning Authority explains how the proposed levy rate (or rates) will contribute towards the implementation of the Joint Local Plan and support development.</p>	<p>The Councils submit the CIL Charging Schedules to an Examiner along with the public representations received.</p>	<p>Conducted by an Examiner who will consider representation made at the Reg 19 stage.</p>	<p>Subject to outcome of examination, the Councils formally approve and publish the Charging Schedules and bring them into effect.</p>

<b>Babergh and Mid Suffolk Community Infrastructure Levy Charging Schedules</b>	2018 to Autumn 2020	Autumn 2020	Winter 2020/21	Summer 2021	Winter 2021/22
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## Neighbourhood Planning

The Localism Act 2011 and the publication of the National Planning Policy Framework (NPPF) in March 2012 placed greater emphasis on developing plans at the community level through a concept of neighbourhood planning. The Neighbourhood Planning Act 2017 provides ongoing support.

Neighbourhood plans are produced by local communities and once completed (subject to examination and local referendum) they become part of the local authorities' development plan and have a significant influence on the future growth and development of the respective area<sup>2</sup>.

The first stage of developing a neighbourhood plan is to designate a neighbourhood area. A number of parishes in B&MSDC have now achieved this stage, as shown below. Once a neighbourhood area has been agreed, preparation of a neighbourhood plan can be carried out by a parish or town council, or in the case of unparished areas, a neighbourhood forum.

Details on the current status of Neighbourhood Plans is available on the Councils' website neighbourhood planning pages at:

<https://www.babergh.gov.uk/planning/neighbourhood-planning/neighbourhood-planning-in-babergh/> and

<https://www.midsuffolk.gov.uk/planning/neighbourhood-planning/neighbourhood-planning-in-mid-suffolk/>.

### Phasing of work for other Local Development Documents

- **Statement of Community Involvement (SCI)**

The Statement of Community Involvement provides a first step in plan making as it outlines the processes for consultation and engagement during the production of future documents of all types.

The latest Joint Babergh and Mid Suffolk SCI was adopted in February 2019.

The Councils' joint SCI (February 2019) sets out the framework for consultation and engagement with the community in making planning decisions.

The joint SCI responds to legislative changes including the Localism Act 2011, together with the resource constraints facing the public, private and voluntary sectors. The production of an SCI is in part governed and directed by guidance and requirements at the national level, with the Neighbourhood Planning Act 2017 introducing the requirement for SCIs to 'set out the local authority's policies for giving advice or assistance' in the preparation neighbourhood development plans and neighbourhood development orders.

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<sup>2</sup> Neighbourhood Plan referendums as at the time of writing are currently postponed until 6<sup>th</sup> May 2021 in accordance with the Local Government and Police and Crime Commissioner (Coronavirus) (Postponement of Elections and Referendums) (England and Wales) Regulations 2020. The National Planning Practice Guidance states that 'Where the local planning authority has issued a decision statement (as set out under Regulation 18 of the Neighbourhood Planning (General) Regulations 2012) detailing its intention to send a neighbourhood plan to referendum, that plan can be given significant weight in decision-making, so far as the plan is material to the application.' (Planning Practice Guidance, Neighbourhood Planning, Paragraph 107, 13<sup>th</sup> May 2020 <https://www.gov.uk/guidance/neighbourhood-planning--2# covid-19>).

- **Annual Authority Monitoring Report (AMR)**

The Joint B&MSDC Annual Authority Monitoring Report is published each year, currently each September to demonstrate the progress of the objectives of the adopted Joint Local Plan(s).

- **Evidence Base**

The evidence base is a key feature of the Joint Local Plan and associated planning documents.

Evidence informs and ensures the development plan's proposals and policies are soundly based. To ensure this a number of specialist studies and other research projects are, or will be, undertaken. These will also be important in monitoring and review, as required by the AMR.

Some documents will also be published that are not specifically for planning purposes but are important in informing the process (e.g. the Councils' Corporate Plan and other service strategies).

Each document will be made publicly available at the appropriate time in the process, on the Councils' websites (<https://www.babergh.gov.uk/> and <https://www.midsuffolk.gov.uk/>).

All documents will be made available at the relevant examination. These documents will be reviewed in the AMR to see if they need to be reviewed or withdrawn. Other documents may also be produced as needed during the process.

- **Integration with other Strategies**

The Local Plan has a key role in providing a spatial dimension for many other strategies and helping their co-ordination and delivery. The Councils work closely with other public bodies and stakeholders to satisfy the duty to co-operate on strategic matters and the evidence base reflects collaborative working at the Suffolk level, with other authorities and stakeholders.

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# Agenda Item 14

## MID SUFFOLK DISTRICT COUNCIL

<b>TO: Council</b>	<b>REPORT NUMBER: MC/19/50</b>
<b>FROM: Monitoring Officer</b>	<b>DATE OF MEETING: 23 July 2020</b>

### POLITICAL BALANCE AND COMPOSITION OF COMMITTEES

#### 1. PURPOSE OF REPORT

- 1.1 In accordance with Regulation 8 of the Local Government (Committees and Political Groups ) Regulations 1990, notification has been received from the Green Group and the Liberal Democrat Group that they will be forming a Group known as the Green and Liberal Democrat Group at Mid Suffolk District Council. As a result of this change and to ensure compliance with the Local Government and Housing Act 1989 a review of the allocation of seats has been undertaken.

#### 2. RECOMMENDATIONS

- 2.1 That the Committees' size and numerical allocation of seats be approved as detailed in Appendix A to this report.
- 2.2 That Committee members be appointed as set out in Appendix B to this report.

#### 3. KEY INFORMATION

##### Political Composition and Appointments to Committees

- 3.1 Under the provisions of the Local Government and Housing Act 1989 where a local authority is grouped for Committee composition purposes, the Authority is required to make arrangements to ensure that its Committees share the same political balance as the full Council.
- 3.2 The Local Government (Committees and Political Groups) Regulations 1990 allow ungrouped members to receive Committee seats if any are left over once allocations have been made to the political groups in proportion to their membership of the authority. The political groups of Mid Suffolk make up 100% of the Council and therefore all of the politically balanced Committee seats go to political groups.
- The current Committee structure has 40 available seats which go to political groups.
- 3.3 The first step, therefore, is for the Council to approve the numerical allocation of Committee seats, and the calculation in accordance with the provisions of the Local Government and Housing Act 1989 is shown in Appendix A to this report. The calculation provides for 40 Committee seats to the various groups as follows:-

- Conservative & Independent 20 seats
- Green and Liberal Democrats 20 seats

#### 4. LINKS TO CORPORATE PLAN

4.1 Good governance and democratic, sound and transparent decision-making support the delivery of the Plan.

#### 5. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

#### 6. LEGAL IMPLICATIONS

6.1 The approval of the recommendations will ensure compliance with the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990.

#### 7. RISK MANAGEMENT

7.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Sufficient Members are not appointed and the Committee is inquorate and unable to take decisions	1 – Highly unlikely	3 - Bad	Early discussions with Group Leaders regarding Committee placements

#### 8. CONSULTATIONS

8.1 The Group Leaders have been consulted on the relevant aspects of this report.

#### 9. EQUALITY ANALYSIS

9.1 An Equality Impact Assessment is not required as none of the protected characteristics will be affected by the recommendations within this report.

#### 10. ENVIRONMENTAL IMPLICATIONS

10.1 There are no environmental implications associated with this report.

**11. APPENDICES**

Title	Location
A. Numerical allocation of Committee places	Attached
B. Appointments to Committees	To follow

**12. BACKGROUND DOCUMENTS**

12.1 None

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Mid Suffolk District Council – Allocation of Committee Placements 2020-21

COMMITTEES	NO. OF SEATS	CONSERVATIVE AND INDEPENDENT (17 MEMBERS)		GREEN AND LIBERAL DEMOCRAT (17 MEMBERS)	
OVERVIEW & SCRUTINY	6	3	3	3	3
JOINT AUDIT AND STANDARDS	5	2.5	2	2.5	3
DEVELOPMENT CONTROL A	8	4	4	4	4
DEVELOPMENT CONTROL B	8	4	4	4	4
LICENSING & REGULATORY	10	5	5	5	5
JOINT APPOINTMENTS	3	1.5	2	1.5	1
<b>TOTAL TARGET</b>	<b>40</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

Revised 13/07/2020

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# Agenda Item 17

## BABERGH AND MID SUFFOLK DISTRICT COUNCILS

<b>TO:</b> Babergh Council Mid Suffolk Council	<b>REPORT NUMBER:</b> <b>MC/19/51</b>
<b>FROM:</b> Cllr David Busby, BDC Cabinet Member for Assets & Investments; Cllr Peter Gould, MSDC Cabinet Member for Assets & Investments	<b>DATE OF MEETING:</b>  BDC - 21 July 2020 MSDC - 23 July 2020
<b>OFFICER:</b> Emily Atack – Assistant Director Assets & Investments, Managing Director CIFCO	<b>KEY DECISION REF NO.</b> N/A

### **CAPITAL INVESTMENT FUND COMPANY ('CIFCO CAPITAL LTD') BUSINESS TRADING AND PERFORMANCE REPORT 2019/20**

#### **1. PURPOSE OF REPORT**

- 1.1 This report presents the trading activity for CIFCO Capital Ltd (CIFCO) for 2019/20. Appended to the report (Confidential Appendix C) is the draft business plan 2020/21 which subject to Council approval will form the basis of CIFCO trading in 2020/21. CIFCO's performance against each business plan is monitored quarterly by the Holding Companies. The board of CIFCO directors continually assess the market and appropriately apply and adapt the guidelines of the business plan throughout each trading year.

#### **2. OPTIONS CONSIDERED**

- 2.1 The options available are to approve the 2020/21 CIFCO business plan for its adoption by CIFCO or to recommend amendments to the business plan.
- 2.2 The business plan had been prepared by the Board of CIFCO in consultation with its fund managers Jones Lang LaSalle (JLL). The Business Plan has been approved by the Holding Companies and reviewed by the Joint Overview & Scrutiny Committee who supported the recommendations being made to Council.

#### **3. RECOMMENDATIONS**

- 3.1 That Council notes CIFCO Capital Ltd trading activity and performance for the year to 31st March 2020.
- 3.2 That Council approves CIFCO Capital Ltd's 2020/21 business plan for adoption by CIFCO Capital Limited.

## REASON FOR DECISION

- 3.3 To provide appropriate governance and performance monitoring for the operation of CIFCO Capital Ltd for the 2020/2021 period.

## 4. KEY INFORMATION

- 4.1 CIFCO has been trading since 2017, over the last 12 months CIFCO has commenced the second phase of investment which was approved by Council last year and now holds 14 diverse commercial assets largely across the Eastern region. Details of these assets can be found on the CIFCO website <https://cifcocapital.com/our-portfolio/>.
- 4.2 A summary of the portfolio is set out below:

	Q1 2020
Total Asset Value	£52,490,000
Contracted Rent p.a.	£3,393,112
Estimated Rental Value	£3,609,037
Number of Assets	14
Number of Tenants	38
WAULT (years)	To break 6 years 8 months To expiry: 8 years 5 months
Initial Yield	5.78%
Equivalent Yield	6.41%
Reversionary Yield	6.40%
Void Rate	3.96%
Running Yield**	5.97%

- 4.3 CIFCO is a trading company that was set up jointly by Babergh and Mid Suffolk District Councils to acquire commercial property to generate a revenue stream. CIFCO is jointly owned by BDC (Suffolk Holdings) Ltd and MSDC (Suffolk Holdings) Ltd which in turn are each 100% owned by the respective councils. An ownership structure chart is set out at Appendix B. Commercial properties are acquired by CIFCO with funding provided by the Councils by way of loans (90%) and equity investments (10%). The loans are secured against the properties acquired and shares are issued in respect of equity investments made with each new acquisition. The value of the shares (equity investment) fluctuates in line with the value of the portfolio. As the portfolio matures and the costs of acquisition (fees, stamp duty etc) are recovered, dividends will be payable to the Holding Companies and their respective Council owners as a return on the equity investment as well as revenue being generated through loan repayment.



- 4.4 Since the last business plan was approved in July 2019, two assets were acquired by CIFCO, growing rental income to £3.39m showing a net initial yield of 5.78% to CIFCO and increasing the Councils' gross income from £2.33m to £2.49m. This has increased net income (after Councils' borrowing costs) to £929,000 for Babergh DC and £704,000 for Mid Suffolk DC (£1.633m in total). The differing net amounts reflect the Councils' different treasury management strategies. These figures are equivalent to 13.5% of income generated by Council Tax for the Councils. This income makes a significant contribution to the Councils' budgets being equivalent to 10% of the Councils' staff costs.
- 4.5 This year has not been without its challenges and the difficulties for the retail sector, particularly for shopping centres and the high street, have increased with the ever-growing demand for internet shopping. The strength of the warehouse sector has continued to grow as a corollary to this. It has also been a factor of the market that there were fewer opportunities available, partially as a result of the Brexit uncertainty, resulting in a reduction in the number and value of transactions, and increased competition for attractive assets. The decisive election result in December removed that uncertainty and December proved to be a very busy month for transactions. However, the arrival of COVID-19, and the subsequent lockdown, effectively put a stop to market transactions in March. The Board immediately revised its risk register and looked particularly at the income security of pending transactions. As a result, one acquisition was put on hold and one aborted. Moving forward, it is likely that the uncertainty and disruption in the market caused by the COVID-19 pandemic will open opportunities for investment at good value, but the Board will be assessing these very carefully before proceeding. In addition, through its advisers, the Board is working with its current tenants to ensure continued income flow, and to minimise the likelihood of any tenant failures. The Board continues to operate a strong risk management strategy and has in place an expert team of professional advisers to ensure that acquisitions meet the criteria required by our shareholders.
- 4.6 The 2020/21 business plan considers the strategy for further investment of the second tranche of investment approved last year, alongside the on-going management of the existing fund and the company.
- 4.7 The updated investment strategy for 2020/21 commissioned by the Board and developed by the Board's Fund Manager (JLL) is designed not only to give strong short-term results but medium and long-term income resilience. CIFCO does not specifically target Capital growth and its projections are not based upon such growth, but a focus on income growth.
- 4.8 This medium to long term resilience is based upon:
- A current average WAULT (weighted average unexpired lease term) to expiry of 8 Years 5 months
  - A strategy that balances the portfolio so that a significant number of the assets are 'Core' and liquid

- A strategy that balances other attributes such as geography, asset class and sector so that resistance to medium and longer-term market stresses in any individual attribute can be mitigated
- A company structure that allows flexibility in asset acquisition and disposal.

4.9 The 2020/21 Business Plan contains all the elements of the previous Business Plan approved by both Councils last year. The Plan includes:

- A review of performance over the last 12 months against key performance indicators together with strategy for the year ahead.
- A summary of the full market conditions assessment and revised investment strategy commissioned by the Company's Fund Manager, JLL.
- The JLL market assessment, upon which the business plan is based, looks at the individual attributes of each asset class.
- The risks of investment in individual asset classes specifically reflecting the increased challenges in the high street retail sector.
- The business plan is not the document to analyse the strengths and weaknesses of individual tenant covenant. This is a matter for the Board in its due diligence as those assets arise in the marketplace and for the quarterly portfolio covenant review by Board undertaken independently by fund manager JLL, however the business plan does review the proportion of the fund let to different strengths of covenant.
- The Business Plan incorporates high level financial cash flow back to the Council through loans. CIFCO borrows on a fixed rate so interest rate fluctuations are mitigated. Cashflow and operational finance is dealt with quarterly by the Board alongside quarterly risk analysis
- In addition, the Board's future revisions to its investment strategy are influenced by quarterly portfolio analysis report from JLL which covers:
  - Investment Guidelines
  - JLL IPD (a UK benchmarking index) Forecasts
  - Tenant Covenant Log
  - Critical Dates Schedule
  - Individual Property Business Plans
  - Tenancy Schedule
  - Arrears
  - EPC Schedule

4.10 The principal change to the previous year's investment strategy relates to extending the period for full investment from 24 to 30 months from April 2019 thereby seeking full investment by October 2021. The Board continues to diversify the portfolio away from High Street retail through the acquisition of non-retail assets. The portfolio is currently slightly over-weighted towards the office sector; however, the Board is comfortable with over investment in this area and this will be addressed in the next phase of investment. The chart below shows the current make-up of the portfolio versus the 2019 strategy:

## Portfolio Sector Split 2020 versus 2019 Strategy

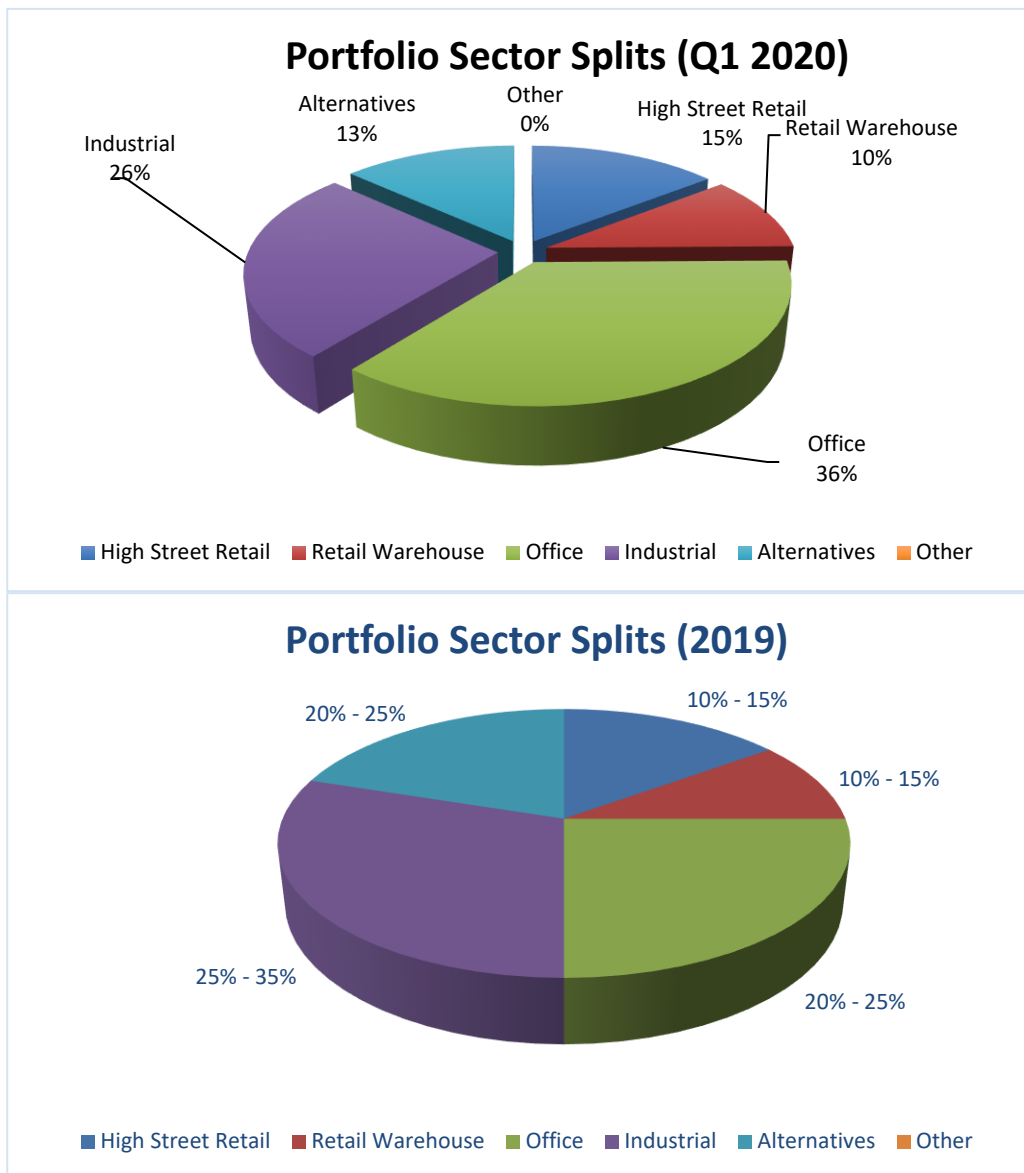


Figure 1

- 4.11 The Board also seeks to sub-categorise sectors to further diversify risk, for example the office sector of the fund will look to include single let and multi-let offices.

## 5. KEY PERFORMANCE INDICATORS (KPI)

- 5.1 The key performance indicators were set within the **2019/20** Business Plan, these are set out below together with performance against these targets: -

KPI	Description	Target	Actual
1	Net Initial Yield (NIY) Performance against target	5.75%	5.78%
2	Equivalent Yield (EY)	6%	6.41%
3	Progress against 24 Month full investment target to be achieved by April 2021	£100M	£60M
4	Quarterly Rent Arrears Measured by the amount of rent outstanding at the end of the quarter as a percentage of the total rent due that quarter.	<5%	Q1- 0.00% Q2- 1.71% Q3- 6.76% Q4- 27.14%

5.2 Rent arrears were ahead of target for the first 2 quarters of the year, they increased in quarter three largely due to a tenant facing financial difficulties. A payment plan was put in place with this tenant and their business was starting to improve with increased payments due in March. This business has subsequently been affected by COVID 19 but is continuing to trade and make regular rent payments. The Board anticipates that KPI 4 will be difficult to meet in the short term due to COVID 19 but aspire to returning to meet this target longer term.

## 6. LINKS TO JOINT CORPORATE PLAN

6.1 A resilient and robust business plan for CIFCO Capital Ltd will contribute to the strong governance of the Company and its performance. The Business plan aligns with The Councils' Corporate Plan and Medium Term Financial Strategies to complete the investment of the second tranche of investment and deliver an important income stream into our districts to support the delivery of services and projects within our districts.

- 6.2 The income generated through CIFCO supports the investment in other key projects such as Gateway 14 Ltd, Babergh & Mid Suffolk Growth housing projects as well as other regeneration and development projects delivered directly by the Council. The diverse nature of these investments mitigates the Councils' overall exposure to risk with CIFCO providing immediate income return from capital investment whilst longer term development projects are delivered.
- 6.3 The investment in CIFCO is a long-term investment which will create a legacy for future generations.

## **7. COMPANY STRUCTURE AND IN-YEAR REPORTING**

- 7.1 The Board of CIFCO Capital Ltd ('CIFCO') is responsible to its shareholders MSDC (Suffolk Holdings) Ltd and BDC (Suffolk Holdings) Ltd for the proper performance of the company against the business plan approved by the two parent Councils in July each year.
- 7.2 The Board meets monthly to review performance of the assets and fund, make new acquisition decisions, appoint corporate advisers, and put in place strategies and policies for company governance. A wide range of approvals have taken place throughout the year covering risk, performance management, governance, acquisitions, portfolio management, delegations and procurement. Since Lockdown in March the Board have been holding virtual Board meetings and have also held a virtual strategy day.
- 7.3 Each acquisition is recommended to the Board by Jones Lang La Salle, approved in the first instance by the CIFCO Board subject to satisfactory due diligence and then reported to each Holding Company Board for further consideration and approval before funds are released. No acquisition can be made without the approval of both Holding Company Boards.
- 7.4 Each quarter the Chairman of CIFCO reports progress at a simultaneous Holding Company Boards meeting. He presents his assessment of the market and company activity during the last quarter and performance data relating to that activity.
- 7.5 The CIFCO Board reviews its annual business plan and investment strategy continuously to ensure that it remains consistent with the marketplace and emerging risks and opportunities. Its investment strategy is developed with advice from Jones Lang LaSalle Ltd (JLL). The Business Plan is amended in full annually. The Business Plan is presented to both Holding Companies for consideration and approval before it progresses to both full Councils for final consideration.

## **8. BOARD DIRECTOR PROFILES**

- 8.1 The Board of CIFCO comprises 3 non-executive directors, the managing director (who is also the Assistant Director for Assets & Investments) and two Councillor directors- one from each shareholder, Cllr Rick Meyer and Cllr Michael Holt who joined the Board in June 2019.

- 8.2 The Board provides Council shareholders perspective (through the appointment of two elected member Directors and the Managing Director) balanced with a strong commercial property industry expertise (through the appointment of three industry expert Directors not linked to the Council and the Managing Director who is Chartered Surveyor with experience in the property investment market). All Directors undergo a mandatory and externally validated skills assessment before appointment.

### Directors' Profiles



**Chris Haworth (Non-Executive Director and Chair)** - BSc in Estate management from Reading University, fellow of the Royal Institution of Chartered Surveyors, and a member of the National landlords Association. Partner of Carter Jonas for 12 years, until August 2012, and Head of the National Commercial Division for 8 years.



**Emily Atack (Managing Director and Assistant Director Assets & Investments)** – Emily is a Member of the Royal Institution of Chartered Surveyors (RICS). She has approximately 20 years' experience in both private and public sector, primarily in dealing with commercial property transactions.



**Henry Cooke (Non-Executive Director)**- Investment banking professional with over 30 years' experience in roles across research, sales, trading, structuring, origination, syndication and asset management of US, UK, Australian and European mortgage backed, asset backed, whole-business and real estate financing



**Mark Sargeantson (Non-Executive Director)** – Fellow of the Royal Institution of Chartered Surveyors, partner of Cluttons, until early 1991. Acted for a wide range of property owners and investors mostly in portfolio and asset management in London and across the UK. Joined Fenn Wright, Ipswich in April 1991 and was a partner until 2008 and a consultant to the practice to the present day.



**Michael Holt (BDC Councillor Director)**

Michael has worked in the motor industry for over 38 years and has been a Company Director for the past 11 years. He has been a District Councillor since 2015 representing a Ward in the west of Babergh.



**Richard Meyer (MSDC Councillor Director)**

Retired security risk management professional with senior management experience in: the Armed Forces, RAF Regiment; the Private Sector, De Beers; and the Public Sector with the British Library. He was elected as a District Council in May 2019.

## **9. CORPORATE GOVERNANCE**

- 9.1 CIFCO Capital continues to have robust corporate governance, reporting quarterly to the BDC (Suffolk Holdings) Ltd and MSDC (Suffolk Holdings) Ltd Boards. Quarterly updates are provided to full Council from the Cabinet Member for Assets and Investments. The Councils' internal audit team completed a review of the company's transaction and property management processes in 2019/20 and found that substantial assurances are in place, with no recommendations for improvement.
- 9.2 CIFCO Capital has complied fully with all Companies House registration and filing requirements. Ensors are the company's financial auditors. CIFCO Capital Ltd.'s financial year aligns with the shareholders financial year ending 31<sup>st</sup> March.
- 9.3 The Non-Executive Directors have signed service agreements laying out individual obligations. These agreements are aligned to the Company's adopted Articles.
- 9.4 Board Members undertook Director training focusing on Corporate Law and Director requirements this year and the Board has also adopted a new director guidance code which aligns with other companies within the group and clearly sets out the expectations, responsibilities and obligations for all directors.
- 9.5 A self – evaluation and an evaluation of the Chair is undertaken by the Board annually.

## 10. FINANCIAL PERFORMANCE AND ACQUISITION PROGRESS

10.1 The Councils have received total net income of circa £3m since CIFCO's incorporation in 2017, details are set out in the table below:

CIFCO (Babergh)					CIFCO (Mid Suffolk)				
£ 000					£ 000				
	2017-18	2018-19	2019-20	Cumulative		2017-18	2018-19	2019-20	Cumulative
<b>Revenue Impact</b>					<b>Revenue Impact</b>				
Interest Received	(86)	(782)	(1,245)	(2,113)	Interest Received	(86)	(782)	(1,245)	(2,113)
Interest Paid	11	119	316	446	Interest Paid	11	235	541	787
<b>Net Interest</b>	<b>(75)</b>	<b>(663)</b>	<b>(929)</b>	<b>(1,667)</b>	<b>Net Interest</b>	<b>(75)</b>	<b>(547)</b>	<b>(704)</b>	<b>(1,326)</b>
Dividends from CIFCO	-	-	-	-	Dividends from CIFCO	-	-	-	-
<b>Total Revenue</b>	<b>(75)</b>	<b>(663)</b>	<b>(929)</b>	<b>(1,667)</b>	<b>Total Revenue</b>	<b>(75)</b>	<b>(547)</b>	<b>(704)</b>	<b>(1,326)</b>
£ m					£ m				
	2017-18	2018-19	2019-20	Cumulative		2017-18	2018-19	2019-20	Cumulative
<b>Capital Movement</b>					<b>Capital Movement</b>				
Capital Borrowed	12.38	13.71	4.05	30.14	Capital Borrowed	12.38	13.71	4.05	30.14
Loans Repaid	-	-	-	-	Loans Repaid	-	-	-	-
<b>Gross Borrowing</b>	<b>12.38</b>	<b>13.71</b>	<b>4.05</b>	<b>30.14</b>	<b>Gross Borrowing</b>	<b>12.38</b>	<b>13.71</b>	<b>4.05</b>	<b>30.14</b>
Loans Made to CIFCO	11.15	12.34	3.64	27.13	Loans Made to CIFCO	11.15	12.34	3.64	27.13
Loans Repaid	-	(0.08)	(0.12)	(0.20)	Loans Repaid	-	(0.08)	(0.12)	(0.20)
Equity	1.23	1.37	0.41	3.01	Equity	1.23	1.37	0.41	3.01
<b>Gross Investment</b>	<b>12.38</b>	<b>13.63</b>	<b>3.93</b>	<b>29.94</b>	<b>Gross Investment</b>	<b>12.38</b>	<b>13.63</b>	<b>3.93</b>	<b>29.94</b>
<b>Net Capital Movements</b>	<b>-</b>	<b>0.08</b>	<b>0.12</b>	<b>0.20</b>	<b>Net Capital Movements</b>	<b>-</b>	<b>0.08</b>	<b>0.12</b>	<b>0.20</b>

10.2 The Councils have different treasury management approaches and as such whilst the gross amount receivable from CIFCO is the same, the net amounts differ depending upon the Councils' finance costs, as set out in the table below.

<b>BDC</b>	<b>£m</b>	<b>MSDC</b>	<b>£m</b>
<b>CIFCO Tranche 1 £26.097m</b>		<b>CIFCO Tranche 1 £26.097m</b>	
Interest Receivable (From CIFCO)	<b>(1.171)</b>	Interest Receivable (From CIFCO)	<b>(1.171)</b>
Interest Payable		Interest Payable	
£14.847m Short term loans 0.8%	0.055	£3.597m Short term loans 0.8%	0.036
£5m 10 Year loans @ 1.71%	0.082	£10m 10 Year loans @ 1.71%	0.164
£6.25m 50 Year loans @ 2.63%	0.163	£12.5m 50 Year loans @ 2.63%	0.326
<b>Total Interest Payable</b>	<b>0.300</b>	<b>Total Interest Payable</b>	<b>0.526</b>
<i>NB. £11.25 PWLB borrowing not yet taken</i>		<i>NB. All £22.5m PWLB borrowing taken</i>	
<b>Net Return</b>	<b>0.871</b>	<b>Net Return</b>	<b>0.645</b>
<b>CIFCO Tranche 2 £3.916m</b>		<b>CIFCO Tranche 2 £3.916m</b>	
Interest Receivable (From CIFCO)	<b>(0.074)</b>	Interest Receivable (From CIFCO)	<b>(0.074)</b>
Interest Payable		Interest Payable	
Short term loans 0.8%	<b>0.015</b>	Short term loans 0.8%	<b>0.015</b>
<i>NB.PWLB borrowing taken</i>		<i>NB.PWLB borrowing taken</i>	
<b>Net Return</b>	<b>0.059</b>	<b>Net Return</b>	<b>0.059</b>

10.3 The CIFCO accounts for the year ending 31<sup>st</sup> March 2020 show a loss of £3.5m after taxation. This loss includes the one-off costs of acquiring the 2 additional assets during 2019/20 (including stamp duty and fees of circa £0.5m) and an adjustment in portfolio valuation following the annual year-end revaluation. This is a capital loss as a result of the reduction in the value of assets held on the company's balance sheet. The value of this company is effectively the same as the value of the assets (properties) it owns and as such the company value (and equity or shares within it) will fluctuate in line with the property values.



This “paper loss” does not require any additional capital or equity to be invested within the company (other than as planned through the acquisition programme) and would only be realised in the event that properties are sold whilst the market values are depressed. The reduction in value of the portfolio and costs of acquisition are recorded as an impairment within the trading accounts. This impairment is also reflected in the shareholders accounts to reflect the changing value of the company. The total loss across the company structure in this regard is £3.5m for 2019/20.

- 10.4 The portfolio was revalued as at 31st March 2020 by Knight Frank as independent valuers. The portfolio value reduced by 5.66% (£3.15m) overall. Whilst some of the assets values have remained stable, most have been adjusted downwards particularly in the retail sector, reflecting the structural change and malaise in the High Street which is being accentuated by COVID 19. This revaluation reflects the valuer’s assumptions in light of COVID 19 and the uncertainty around business survival in these challenging times. The contracted rent and estimated rental value of the portfolio continues to increase, albeit in the short-term payment plans have been agreed with some tenants whilst they are unable to trade partially or fully. In most cases this will result in a deferment or monthly payments of rent rather than a failure to receive these payments.
- 10.5 CIFCO successfully collected over 70% of the March 2020 quarter rent due and consequently were able to make the full quarter debt repayment to the Councils despite the COVID 19 challenges faced by businesses. To date over 60% of rents due for the June quarter have been collected which has enabled the full debt repayment to be made to the Councils for this quarter also, with further income expected to CIFCO as the quarter progresses by way of monthly payments.

Type	March Percentage	June Percentage	Comment
Rent Collected	72.86%	65.51%	As at 7 <sup>th</sup> July 2020
Monthly Payment Plan	5.01%	11.58%	Tenants already paying monthly or monthly agreed for March quarter
Deferral	20.70%	4.43%	No further payments expected this quarter. 3 month rent deferred
High Risk	0.00%	7.33%	No further payments expected. Either no communication from the tenant or unable to offer/agree a rental concession
Other	1.44%	11.15%	Inc rent stop or In Admin
Total	100%	100.00%	

- 10.6 Whilst rent collection is likely to continue to be challenging throughout the next financial year, the diversity of the portfolio in terms of tenant, location and sector is mitigating the impact of COVID 19 on the fund and helping to maintain an important income stream for the Councils. The Councils total interest repayments in respect of loans taken out to fund CIFCO equated to £0.856m in

2019/20 which is equivalent to an average of approximately 25% of the current contracted rent payable to CIFCO (19% Babergh DC & 32% Mid Suffolk DC). Rental collection by CIFCO would need to fall considerably before it was insufficient to cover the Councils related debt.

- 10.7 The Board of CIFCO is aware of the current government consultation (closing 31st July) looking to prevent the future use of PWLB funds for yield return. The Board of CIFCO will support the Council in making representations in this regard. To date there is no timescale for these proposed changes to be implemented and for clarity the proposal do not prevent Councils from making yielding investment but do prevent the use of PWLB funds in a financial year by authorities who make yielding investments in that year. Alternative funding sources will be investigated with the shareholders, should PWLB funds no longer be available for investment for yield purposes.
- 10.8 The administrative costs of operating CIFCO Capital Ltd for the financial year ending 31<sup>st</sup> March 2020 were circa £545,000. Administrative costs include professional fees, executive and non-executive resource costs. CIFCO Capital paid the Councils £70,000 for staff and premises overheads for this financial year.
- 10.9 The Board has considered the merits of acquiring 77 assets, rejected 64 as unsuitable, submitted offers on 13 and acquired 2 since the last year's business plan. The Board, with Holding Company approval, acquired two assets between 16<sup>th</sup> May 2019 and 31<sup>st</sup> May 2020 at a value of £5.390m.
- 10.10 From these 2 properties, the company receives £356,586 in rental income per annum, bringing the total annual rent to £3,393,112 against the previously anticipated rental income of circa £3.1 million per annum.
- 10.11 CIFCO acquired DW Fitness unit in Lincoln on 15<sup>th</sup> May 2019 as reported in last year's business plan. A summary of the assets acquired between 16<sup>th</sup> May 2019 and 31<sup>st</sup> May 2020 are set out below:

### **Johnsons Honda, Greyfriars, Milton Keynes (15<sup>th</sup> January 2020)**



- Purpose built car showroom in a prominent position fronting a conglomerate of car dealerships including Mercedes-Benz, Volvo, VW and Skoda
- Fully let to Johnsons Cars Ltd

## **Renaissance House, Epsom (15<sup>th</sup> January 2020)**



- Multi let town centre office fully let to several tenants in an established business location in Epsom

## **11. CORPORATE APPOINTMENTS**

11.1 In 2020/2021, the Board will work with the following corporate partners to support its investment activity:

- JLL – Fund Manager and Acquisitions Adviser
- Birketts LLP - Legal Adviser
- Zurich UK – Corporate Insurer
- Axa - Portfolio Insurer
- Aquilla Insurance Brokers Ltd - Insurance Broker
- Lloyds Bank PLC – Corporate Banking
- Ensors – Accountancy and Audit
- Grant Thornton – Tax and Strategic Finance Advice
- Workman LLP – Property Management
- Knight Frank – Independent Portfolio Valuers

## 12. RISK MANAGEMENT

This report most closely links with the following Significant Risk:

Risk Description	Likelihood	Impact	Score	Mitigation Measures
<b>10)</b> If the Capital Investment Fund (CIFCO) does not generate forecast investment returns, we may be unable to meet the income projections for the Councils	2	4	8	CIFCO has now completed acquisitions for the first tranche of funding and commenced the second phase. The adoption of the proposed business plan will provide governance, accountability, and a framework for the second tranche of funding. CIFCO activity continues to be closely monitored, together with market conditions and any changes or prospective changes in government legislation.

12.1 The Board of CIFCO Capital Ltd actively manages risk and considers the fund risk register formally at the Board meetings each quarter. There is a comprehensive risk management strategy in place which requires the Managing Director to attend a group risk panel each quarter to report on risk to the Holding Company Chairs and shareholder senior risk officers.

12.2 The Board continues to review the risk register regularly as a consequence of COVID 19 to ensure that risks were appropriately recorded and mitigated.

## 13. REVISED BUSINESS PLAN CONSULTATIONS

13.1 The Board of Directors considered the 2020/21 business plan at a virtual strategy day in May with its adviser JLL. The Business Plan has subsequently been developed with the Board of CIFCO and approved by both BDC and MSDC Holding Companies who recommend its approval by the Council for adoption by CIFCO.

## 14. EQUALITY ANALYSIS

14.1 An Equality Impact Assessment was originally completed in September 2016. The outcome of the assessment was that the strategy itself will not impact residents, staff or any specific protected characteristics. Funding for the programme is independent of existing revenue streams and therefore it will not impact the delivery of any existing front-line services.

## 15. ENVIRONMENTAL IMPLICATIONS

15.1 There are no known negative environmental impacts resulting from the proposals within the CIFCO Capital Ltd Business Plan 2020/21. It should be noted however that The Board of CIFCO is aware that its shareholders have both declared a climate emergency and are keen to improve the sustainability of their investment portfolios. The CIFCO portfolio is let primarily on full repairing and insuring terms and as such the Board will work with tenants where possible to reduce carbon emissions through the use of its buildings and will, during the course of this financial year, develop a sustainability policy for adoption.

## 16. APPENDICES

Title	Location
(a) Investment Strategy	Attached
(b) Company ownership structure	Attached
(c) DRAFT CIFCO CAPITAL LTD Business Plan 2020/21 (CONFIDENTIAL)	Attached in Part 2 of the Agenda
(d) Recommendations and draft Minutes from BMSDC Joint Overview and Scrutiny Committee	Attached

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### 1. Future Investment Strategy

- 1.1 Following the commitment by our Shareholders in March 2019 to invest a further £50m in CIFCO Capital over a 24- month period, the board has been progressing further acquisitions during the course of the last financial year in accordance with the approved investment strategy. The investment strategy for 2020/21 has been devised to reflect the on-going investment, the performance of the existing portfolio and current market conditions in light of COVID 19. Working with its Fund Managers and Investment Advisers (JLL), the Board has reviewed the investment strategy, which is set out below.

### 2. Key Investment Criteria

2.1 The strategy for 2020/21 does not differ materially from that adopted in the previous year. The aim remains to acquire assets with the following fundamental characteristics:

#### 2.1.1 Target Portfolio Yield of circa 5.75% - 6.00%

- With current market uncertainty the direction of travel will remain to invest in secure income against strong asset fundamentals of quality and location. Focus to remain on Core assets that provide stability.

#### 2.1.2 Lot size optimum range £3m to £12m.

- This has reduced from £15m to provide a more even balance to the portfolio once fully invested.

#### 2.1.3 Regional bias

- Weighting towards Eastern region to be maintained

#### 2.1.4 Quality location

With limited supply and underlying occupier demand. Critical to ensure a building is re-lettable to reduce exposure to long void periods and revenue volatility.

#### 2.1.5 Modern fabric with occupational flexibility.

- Minimising depreciation, capital expenditure, sustainability, retaining occupier demand. Avoid bespoke buildings.

#### 2.1.6 FR & I lease structure to quality tenants or occupiers suited to location

- Rent secured on tenants with strong financial profiles to protect income. This is particularly important with the current COVID 19 challenges.

#### 2.1.7 RPI or open market upwards only reviews

- Considered particularly attractive. Protects income and provides for revenue certainty and growth.

### 2.2 Key Assumptions

- Further £40m of capital to invest
- From April 2019 – increase period from 24 months to 30 months for full investment
- Regional bias towards the Eastern Region maintained
- Investment property only - No speculative development



### Target Core Weightings

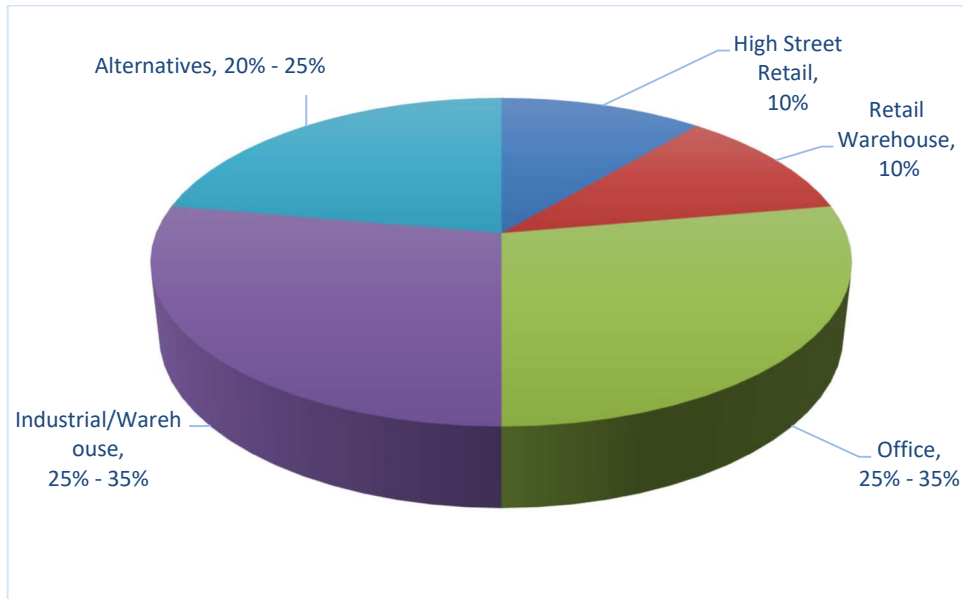


Figure 5

### Indicative sub-sector weightings

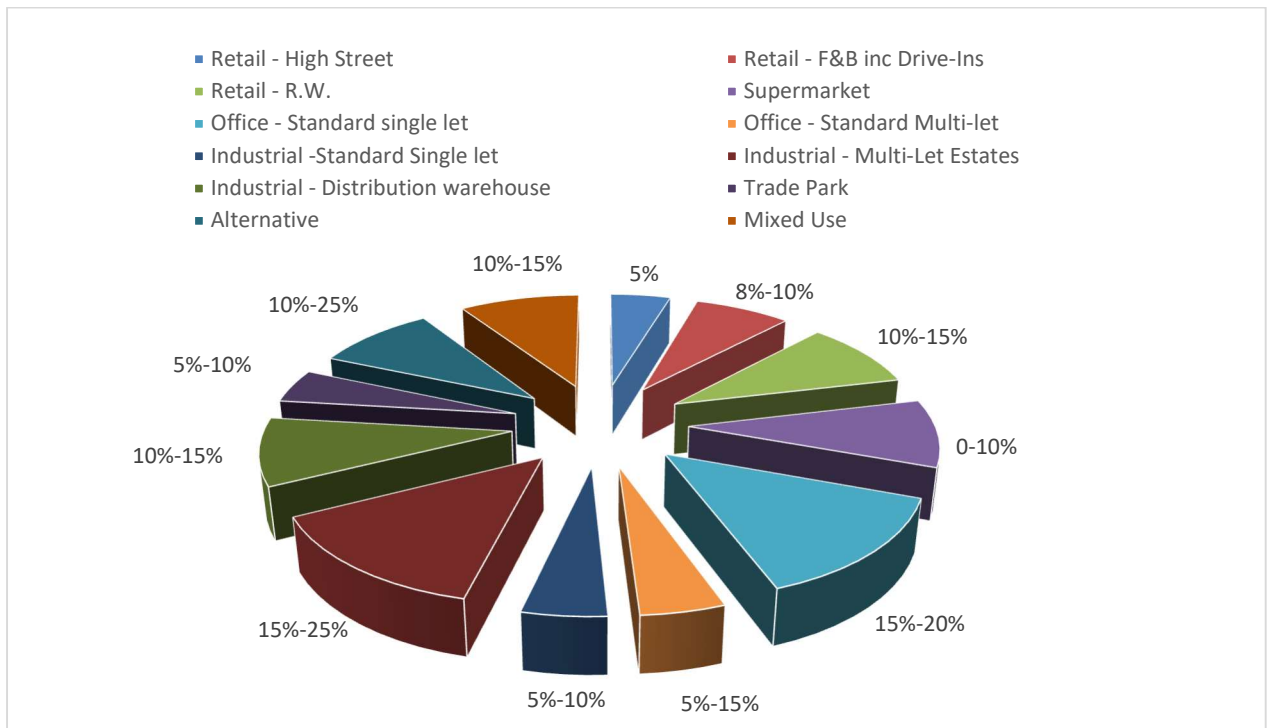


Figure 6

### 3. On-going Portfolio Risk Mitigation

3.1. To control and limit risks within the portfolio, the following mitigation strategies are to be adopted:

#### Income security

- spread risk through covenant diversification and lease length. A single tenant to account for no more than 10% of total income.

#### Development

- no speculative development and limited exposure of up to 10% of funds to be directed towards new build.

#### Locational (town/area)

- no more than 15% invested in any one town

#### Sector exposure

- no more than 35% held in any one core sector with a maximum of 25% in any sub-sector

#### Value/Income volatility

- invest for long term in modern buildings fit for purpose, with a focus on income

### Target Asset Risk Profile

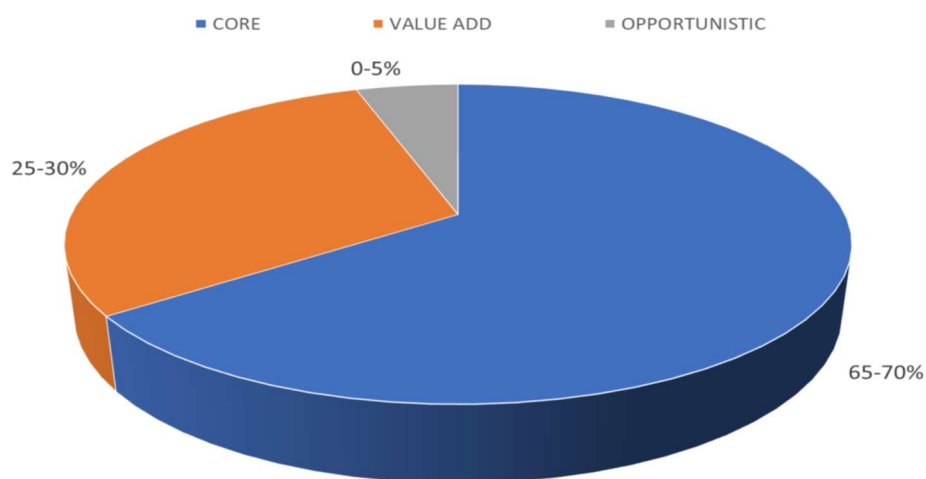


Figure 7

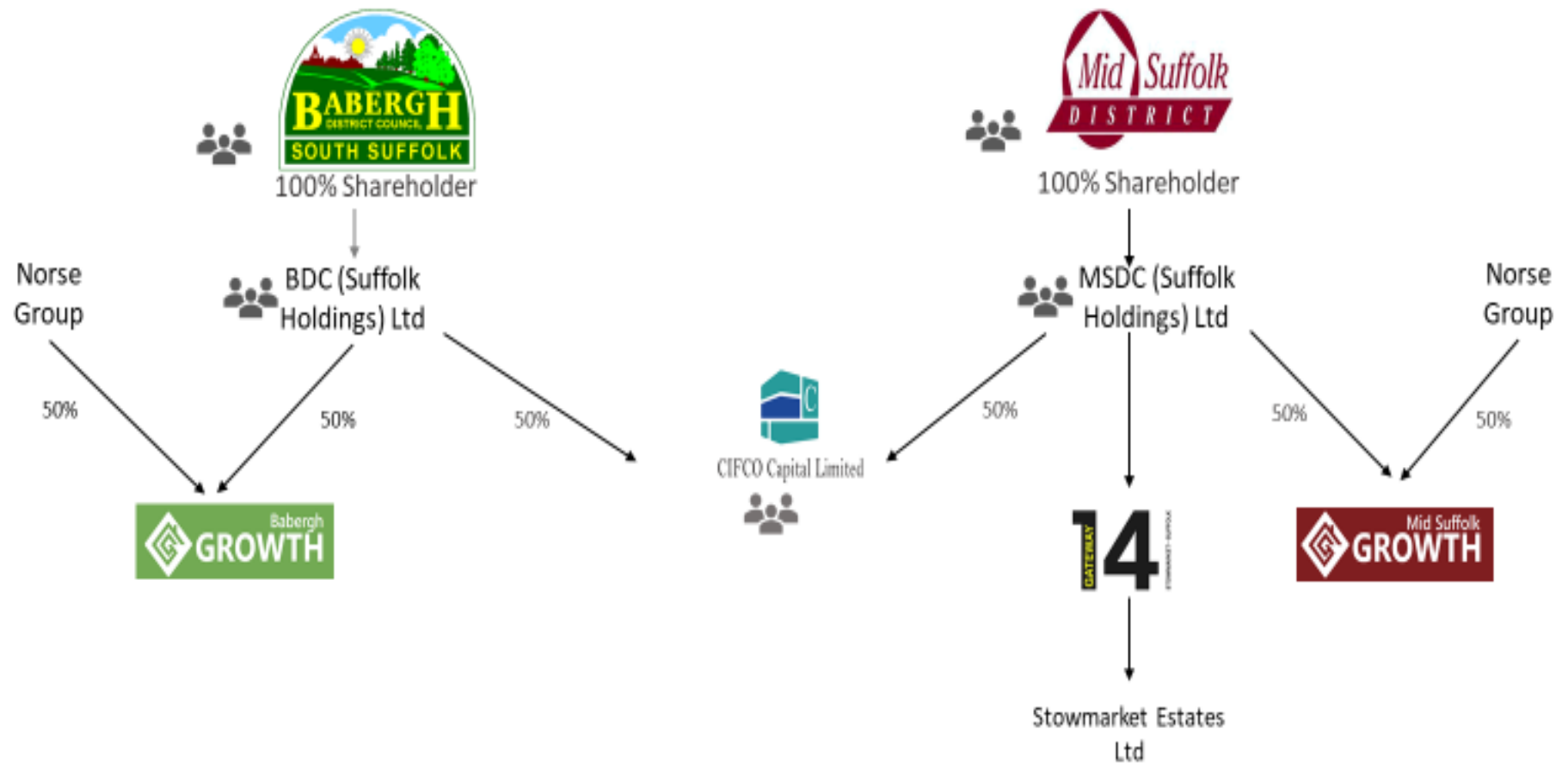
### 4. Principal Changes to Investment Criteria

- Increased investment period from 24 months to 30 months (Full investment by October 2021)
- Maximum lot size decreased from £15m to £12m
- Even greater emphasis on tenant strength and income security
- In final phase of investment particular emphasis to maintain asset weighting towards achieving a balanced portfolio

### 5. Investment Strategy Summary

- Capital growth likely to be through asset management and rental growth rather than yield compression.
- Diversify asset profile through a move into sub-sector markets such as supermarkets (local), trade, drive-ins
- Look to diversify income risk through acquisition of multi-let properties, industrial, offices and alternatives
- Avoid highly reversionary assets save where rents are clearly established and affordable
- Investment in core towns and cities and within prime or strong locations
- Favour investments with good residual values
- Seek long term income security with strong covenants. Look towards RPI structures if can be found at value.

# Trading Companies' Structure



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<b>TO:</b>	<b>COUNCIL</b>	<b>APPENDIX D TO PAPER MC/19/51</b>
<b>FROM:</b>	<b>Joint Overview and Scrutiny Committee</b>	<b>DATE OF MEETING: 23 July 2020</b>
<b>OFFICER:</b>	<b>Henriette Holloway Governance Support Officer</b>	<b>KEY DECISION REF NO. N/A</b>

**COUNCIL ARE ASKED TO CONSIDER THE RECOMMENDATIONS BELOW FROM THE JOINT OVERVIEW AND SCRUTINY COMMITTEE HELD ON 22 JUNE 2020 FOR:**

**JOS/19/31 CAPITAL INVESTMENT FUND COMPANY (CIFCO CAPITAL LTD) BUSINESS TRADING AND PERFORMANCE REPORT 2019/20**

**CONFIDENTIAL APPENDIX B – CIFCO BUSINESS PLAN 2020/21**

<p><b>RECOMMENDATION</b></p> <p>That the Joint Overview and Scrutiny Committee endorses the Capital Investment Fund Company (CIFCO CAPITAL LTD.) Business trading and Performance Report and Business Plan.</p>
<p><b>REASON FOR DECISION</b></p> <p>The Committee scrutinised CIFCO Business Trading and Performance Report 2019/20 and the Confidential Business Plan.</p>

## **APPENDICES**

<b>Title</b>	<b>Location</b>
A) Draft Minute – JOS/19/31 Capital Investment Fund Company (CIFCO Ltd.) Business Trading and Performance Report 2019/20 (there are no confidential minutes)	Attached

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**DRAFT MINUTE RELATING TO THE RECOMMENDATION TO COUNCIL FROM  
JOINT OVERVIEW AND SCRUTINY COMMITTEE HELD ON 22 JUNE 2020**

**JOS/19/31 CAPITAL INVESTMENT FUND COMPANY ('CIFCO CAPITAL LTD')  
BUSINESS TRADING AND PERFORMANCE REPORT 2019/20**

42.1 The Chair advised Members that the Committee would be examining the Business plan only, and not the governance structure of CIFCO, or the terms under which CIFCO was set up. Any decisions relating to that, or its terms or reference, any questions relating to these areas would be the responsibility for Full Council.

42.2 The Chair then introduced the Board Members present:

Chris Haworth – Chair of CIFCO CAPITAL LTD.

Henry Cooke - Director of CIFCO CAPITAL LTD

Mark Sargeantson – Director of CIFCO CAPITAL LTD

Councillor Rick Meyer – Director of CIFCO CAPITAL LTD

Councillor David Busby - Director of BDC (Suffolk Holdings) Ltd and Cabinet Member for Assets and Investments

Councillor Gerard Brewster – Director of MSDC (Suffolk Holdings) Ltd.

Councillor Peter Gould – Mid Suffolk Cabinet Member for Assets and Investments

Nigel Golder - Director - Strategic Asset Management JLL (Jones Lang LaSalle)

Neville Pritchard - Director - Capital Markets JLL (Jones Lang LaSalle)

Emily Atack – Managing Director of CIFCO and Assistant Director for Assts and Investments

42.3 The Chair invited Councillor Peter Gould, MSDC Cabinet Member for Assets and Investments, introduce Report JOS/19/31.

42.4 Councillor Gould detailed the income and benefits provided to the Councils, including that CIFCO had provided the Councils with approximately £3m of net income since its inception in 2017. Approximately £1.6m was received in the last financial year, equating to approximately 10% of the Councils workforce costs or 13.5% of Council Tax income. This income was essential in enabling the Councils to continue to invest and deliver services within our districts. CIFCO collected over 70% of the March quarter rent and were consequently able to make the full debt repayment to the Councils in March. Whilst difficult times remain ahead with the continued impact of COVID-19, the proposed business plan seeks to continue the investment of the 2<sup>nd</sup> tranche of funds approved by Council last year, and in doing so to further diversify the portfolio away from High Street retail focusing on the industrial and alternative sectors and to continue to deliver and grow this important revenue stream for the Councils.

## **DRAFT MINUTE RELATING TO THE RECOMMENDATION TO COUNCIL FROM JOINT OVERVIEW AND SCRUTINY COMMITTEE HELD ON 22 JUNE 2020**

42.5 The Chair invited the Chair of CIFCO, and the Managing Director to present the presentation for CIFCO.

Note: A short adjournment between occurred 10:10am and 10:15am.

42.6 The Chair invited Members to ask questions.

42.7 Councillor Carter asked in relation paragraph 4.1 what the actual geographical percentage split of asset value was between Eastern region and the rest, noting that Milton Keynes was not in the East.

42.8 Councillor Carter asked that CIFCO seemed to have gone into the office sector just as this sector lost favour due to home working. Similarly, it now seemed that CIFCO was buying high street properties, as this sector went into decline. Were properties attractively priced because others were divesting. Further as there was the same amount of office space available, but a reduced number of workers due to homeworking, how would CIFCO be investing based on this. He also enquired when CIFCO would invest in renewable energy.

42.9 The Chair of CIFCO responded that this was a new market and it was inappropriate to be the first to invest in this market, but it would be a consideration for the future. The Assistant Director for Assets and Investments added that only one renewable energy had come forward and that this was not right for the portfolio.

42.10 Nigel Golder and Neville Pritchard both agreed that the Covid-19 Pandemic was likely to change the way office space would be utilised in the future. Demands for meeting rooms, coffee platforms, alternative office space in which staff would be able to work would increase, although they did not believe that homeworking would entirely replace office work. Regional headquarters and hubs would still be required. During the 2008/09 recession office space declined, resulting in a small surplus, therefore companies had to utilise the space available differently. Leisure and creative activities would also be requiring office space in the future.

42.11 Concerns over serviced offices were also part of the mix and the cost per office desk had increased, as the rise in hot desking had grown in popularity. However, this way of working might not be possible to continue, as it may have an impact on the available office space and the resulting increase in rents.

42.12 In addition, a regional bias to the Eastern Region was not advantageous when building a robust property portfolio as town centers were small and lacking strong commercial centers. The number of profitable opportunities, which meet the criteria set for CIFCO were smaller and bidding for these opportunities might not be successful.

42.13 The Chair for CIFCO advised Members that in the past year CIFCO had reviewed 65 opportunities and had proceeded to bid on 16 whilst being successful in acquiring 2 properties.

## **DRAFT MINUTE RELATING TO THE RECOMMENDATION TO COUNCIL FROM JOINT OVERVIEW AND SCRUTINY COMMITTEE HELD ON 22 JUNE 2020**

- 42.14 Councillor Jane Gould referred to page 47 in the report and asked how investing in the food and beverages sector, including drive-ins, corresponded with the statement on page 43, which stated there was no environmental impacts from the new business plan. She enquired, if CIFCO would be looking more deeply for green assets to invest in in the future.
- 42.15 The Assistant Director for Assets and Investment responded that the Board of CIFCO was aware that both Councils have declared a Climate Emergency and that the Board was currently working with its advisers JLL to draft a Sustainability Policy. It was not just a question of how 'green' the required assets were, but also how the current portfolio was managed and how tenants were supported to make decisions about sustainability going forward.
- 42.16 In response to several questions for availability of the annual accounts for CIFCO, Members were informed that they would be available in July/August 2020 and filed at Companies' House.
- 42.17 Councillor Jane Gould's additional question for what the alternative funding might be, the Assistant Director, responded that the PWLB funding was just one type of funding included in the range of short and long-term borrowing used by the Council. It was currently too early to say, what the alternative funding types would be.
- 42.18 Councillor Jane Gould continued with questions and asked if there was an exit plan in place for CIFCO, to mitigate the risk of the investments losing too much in value.
- 42.19 The Assistant Director – Assets and Investments, responded that the investments continued to deliver and that the current losses were book losses. These losses would only be realised if the assets were to be sold. It was up to the Board of Directors to manage the portfolio. Different assets might be considered for sale if it was the right move for the asset at that time. However, growth in income and continuing capital value for property investments tended to increase long-term.
- 42.20 Councillor Grandon asked the following questions, which in part had been responded to previously by Nigel Golder. Why over 40% of the properties purchased to date by CIFCO were not in the stated 'geographical area targeted for acquisitions' i.e. in the East of England, and why was the CIFCO Board unable to find enough sustainable investment properties in the East of England using East Anglian ratepayers' money.
- 42.21 The Assistant Director – Assets and Investment, explained that it was the Council, which borrowed funds from sources such as PWLB and other loan sources, which funded the investments. The gross income generated from CIFCO to the Council had been £2.33m, generated from investments outside the District. The net-profit brought an income to the Council, which could be invested in the District. (paragraph 4.2). The £3.5m loss (paragraph 10.3) had been predicted and included in part £0.5m acquisitions costs and the requisition of the two newly required assets.

## **DRAFT MINUTE RELATING TO THE RECOMMENDATION TO COUNCIL FROM JOINT OVERVIEW AND SCRUTINY COMMITTEE HELD ON 22 JUNE 2020**

- 42.22 Councillor Muller referred to the 70% successful collection of rent in the March quarter and inquired how much would be collected for the June quarter.
- 42.23 The Assistant Director – Assets and Investment responded that it was estimated that between 45%- 50% would be collected for the June quarter. Some tenants were not affected by the Covid-19 lock down, and some retailers would be able to trade again. The situation was changing daily. CIFCO was able to repay the full debt repayment to the Council in March and hoping to be in a position to be able to make a greater debt repayment than percentage collected in June. Some tenants have had their rental payment deferred and CIFCO was working with tenants to manage the rent payments.
- 42.24 Councillor McLaren asked what financial direction CIFCO would take in 2020/21 in relation to the Covid-19 pandemic and if portfolio investments would be re-evaluated. Also, if the Section 151 Officer could detail the relationship between the Council and CIFCO as an independent enterprise.
- 42.25 The Section 151 Officer explained that CIFCO was a public independent company registered at Companies' House and accounts were published on their website. The Councils were sole shareholders in CIFCO. The income received from CIFCO was an important income stream for the Council and there was currently a deferment rather than non-collection of rents for CIFCO. If there was going to be a long-term default with the repayment of the loan for CIFCO, the Council would need to address this with CIFCO. Currently, she did not have any concerns in relation to Section 114 for CIFCO.
- 42.26 Councillor McCraw asked about the breakeven point for the overall income for the two councils. He asked what the percentage of rent arrears would have to be for CIFCO to be unable to repay the debt payments to the Council.
- 42.27 The Section 151 Officer responded that the position of break even had been considered and it would be 40% for Mid Suffolk and 29% for Babergh. The position was different for the two Councils due to the different loan arrangements.
- 42.28 The Assistant Director – Assets and Investment responded to Councillor McLaren's second question and that the Board of CIFCO in co-operation with the fund managers evaluates the assets on a quarterly basis. Assets were revalued on the 31 March each year. The evaluation process was part of the Board's function. The Council would also consider future income from investments, there was still £40m available as agreed by the Councils last year.
- 42.29 Councillor Welham asked several questions including what would happen if the collection of rents went below the 40% for Mid Suffolk; what was the total loss since CIFCO was set-up; what the predicted losses for 2020/21 might be and when losses would cease .
- 42.30 The Assistant Director – Assets and Investments explained that if the rent collections deferment went below 40%, the loan repayments would be met but there would not be any net-income for the Council. The losses for last year was

## **DRAFT MINUTE RELATING TO THE RECOMMENDATION TO COUNCIL FROM JOINT OVERVIEW AND SCRUTINY COMMITTEE HELD ON 22 JUNE 2020**

£3.1m and that included £1.5m cost acquisition and £1.5m of revaluation adjustments. Further costs were predicted until the investment programme had been completed, and included the cost of acquisitions, which was approximately 6.75% and included stamp duty. This cost would in effect be losses or impairments until the investment programme had been completed. The future value of the portfolio was difficult to predict, as this depended on the market value, and such predictions should be discouraged, especially as the current market conditions were unstable.

- 42.31 Councillor Welham asked what the flow of funds were between the Council and the MSDC (Suffolk Holdings) Ltd. in terms of the value of equity held on behalf of the Council.
- 42.32 The Assistant Director – Assets and Investments explained that the CIFCO was set-up with 90% loan and 10% equity. Each Council held 5% equity. The equity value was dependent on the value of the portfolio and would fluctuate in line with portfolio value fluctuation. The 5% equity held by MSDC (Suffolk Holdings) Ltd. was the same 5% equity held for each Council in CIFCO.
- 42.33 Councillor Welham asked for clarification of what the losses were at present; the Assistant Director – Assets and Investments explained that the accounts were presently being prepared for CIFCO and would be included in the Councils' own accounts and would be published in July/August 2020.
- 42.34 Councillor Welham then asked if the rent collection went below the 40%, and the Council only received the debt repayment and not net-profit should that not be included as a risk in the CIFCO Business Plan, and if it was reasonable to set the same KPIs as last year's this year.
- 42.35 The Assistant Director – Assets and Investment responded that the risk was part of the reports risk assessment and formed part of the Council's significant risk register.
- 42.36 The Board of CIFCO retained the same KPIs for the current year to enable consistency and to measure performance. The report did detail that the KPI 4 would be challenging to meet, but that this was for long term aspiration for CIFCO to return to the 5% target.
- 42.37 Councillor Welham enquired if there was a 'business reduction plan' within the Business Plan to show the actions that would be necessary should one of the Councils wish to reduce their equity, the total investment or withdraw completely.
- 42.38 The Company structure was governed by the company articles of the Holding Company's operations, specifically by the equity subscription agreement between the two Councils and this would govern arrangements if one of the Councils wished to change their equity subscription. In response to a follow-up question from Councillor Welham, the Equity Subscription Agreement was not a public document, as it formed part of the Holding Company's governance and it would

## **DRAFT MINUTE RELATING TO THE RECOMMENDATION TO COUNCIL FROM JOINT OVERVIEW AND SCRUTINY COMMITTEE HELD ON 22 JUNE 2020**

be for the Holding Company to decide if this document should be shared more widely.

- 42.39 Further questions from Councillor Welham included reference to paragraph 6.2 in relation to the income from CIFCO and Gateway 14 and
- 42.40 The income from CIFCO, as stated in the report, helps to fund other property projects within the Councils. Gateway 14 was a development project, which did not currently generate an income in the short-term, whereas CIFCO was an income generating project for the short, medium and long term, from which the income generated could be spent short-term on projects such as Gateway 14. In turn Gateway 14 would generate an income and capital receipts in the longer term. However, income received by the Council from CIFCO could be spent on any projects or costs incurred within the Council.
- 42.41 Councillor Welham then enquired why the risk register did not include an evaluation of the risk of continuing company losses, as company losses would continue.
- 42.42 The Assistant Director explained that the risk did not generate the forecast investment returns, so it could be interpreted as both income and capital and was a broad risk, hence included in the significant risk register.
- 42.43 Councillor Osborne thought the presentation had been excellent and questions and responses had been good.
- 42.44 Councillor Carter enquired if the Council as landlords was responsible for the environmental aspects of the properties in the portfolio and if properties required to be brought up to standard would affect the value of the portfolio. He questioned if CIFCO would be investing in social housing and whether they would be new build or if the Council would be investing in carbon neutral properties.
- 42.45 The Assistant Director explained that tenants held the responsibility for full repair and insurance and in that respect, they held the environmental responsibility for the properties. However, CIFCO had made sure that properties in the portfolio meet standard environmental requirements.
- 42.46 She stated that CIFCO had no intentions to acquire or build any social housing.
- 42.47 Councillor Jane Gould asked in relation to CIFCO investment in drive-ins, food and beverages outlets and that these outlets had an impact on carbon emissions. How could Members influence the Board if they felt that the investments did not follow the Council's wishes.
- 42.48 Councillor McCraw responded that Full Council would be looking at the Business Plan collectively in July 2020 and that Members of the Council sat on the Board of CIFCO representing the wishes of the Council. They would be the best way to influence the Board

## DRAFT MINUTE RELATING TO THE RECOMMENDATION TO COUNCIL FROM JOINT OVERVIEW AND SCRUTINY COMMITTEE HELD ON 22 JUNE 2020

Members debated the issues and raised several points including:

- That CIFCO was producing an income and continued to do so.
- That the use of renewable sources and low carbon emissions would be addressed by the Climate Taskforce.
- That the report did not contain enough information about the risk, equity and losses and that this should be clearly addressed in the risk register and explained in the report.
- Concerns for the losses and the impact on the Council's income.
- If it was possible to ensure that the current deferment of the rents and shortfall would actually materialise, especially if the tenants' trading positions changed over the coming year.
- Concerns for the deferment of rents due to the current financial instability.
- The portfolio value might divest for the short-term, but if the debt could still be serviced and an income received, then CIFCO served its purpose.
- That there was no requirement for an exit strategy, as there was no intention of selling the assets. The investments were long-term investments.
- Rental income was not likely to come down, the most likely risk for rental income would be the loss of occupancy of the properties.

42.53 Councillor Welham returned to the question of equity, losses and risks. He was concerned that if CIFCO had an income loss and would only be able to fulfil the debt repayment, then the benefit of investing in CIFCO would be diminished as the cash-flow from CIFCO to the Council would be reduced. He was also concerned about the reduction of equity. He clarified that a reduction strategy was not necessarily an exit strategy, but a way the Council could decide not to provide funds to invest in for instance car sales, coffee shops or restaurants.

42.54 The Chair asked if Councillor Welham was asking for specific sectors to be included in the Business Plan or to be removed, to which Councillor Welham responded, that he did not want to alter the Business Plan, but asked how the Business Plan would reflect if there was a particular sector the Council did not want to be involved in. It would be an advantage to include a reduction of assets strategy to adhere to such adjustments.

42.55 On the request of the Chair, Councillor Caston explained that the Climate Taskforce would deliver its report to Cabinet next month and included general investment strategies for climate change.

**DRAFT MINUTE RELATING TO THE RECOMMENDATION TO COUNCIL FROM JOINT OVERVIEW AND SCRUTINY COMMITTEE HELD ON 22 JUNE 2020**

- 42.56 Councillor Carter thought it was important to invest for the future and that an exit strategy should be included, as circumstances were changing and the way of working now would have an impact on the investment for the future.
- 42.57 Councillor Hadingham MOVED recommendation 3.1 to 3.2 in the report and Councillor Osborne SECONDED it.
- 42.58 The Chair considered if it was necessary to proceed into a closed session and Members agreed it was not.
- 42.59 The Monitoring Officer advised that the recommendations in the report were for the Councils consideration and that the Committee would have to adjust the recommendations to reflect they endorsed the report and Business Plan.
- 42.60 The Proposer, Councillor Hadingham and the Seconder, Councillor Osborne agreed to the suggested adjustment.
- 42.61 Councillor Welham then proposed an amendment:
- That more information be added in the report regarding risks, equity and risks and made available to Councillors, when they discuss the Business plans at their respective Council meetings.*
- 42.62 The Chair asked if the Proposer and Seconder accepted the amendment.
- 42.63 Councillor Hadingham, the Proposer, and Councillor Osborne the Seconder both refused the proposed Amendment.
- 42.64 Councillor Carter SECONDED the proposed Amendment, which was put to Members for voting and the vote was LOST by 5 votes to 6 votes.
- 42.65 The recommendation that the Committee endorsed the Capital Investment Fund Company (CIFCO CAPITAL LTD.) Business trading and Performance Report and Business Plan, was put to Members for voting and the vote was CARRIED.

By 8 votes to 1 and 2 abstentions.

**It was RESOLVED:-**

**That the Joint Overview and Scrutiny Committee endorses the Capital Investment Fund Company (CIFCO CAPITAL LTD.) Business trading and Performance Report and Business Plan.**

- 42.66 The Chair expressed the hope that the CIFCO Board and Officers would address the concerns raised within the meeting, and those expressed in the defeated amendment, in their final reports to the Councils.



# Agenda Item 19

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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