

BABERGH DISTRICT COUNCIL

Minutes of the Virtual Meeting of the **BABERGH COUNCIL** held on Tuesday, 21 July 2020

PRESENT:

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

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

In attendance:

Guest(s): Chris Haworth, Chair of CIFCO Capital Ltd.
Henry Cook, Director CIFCO Capital Ltd.
Mark Sargeantson, Director CIFCO Capital Ltd.
Nigel Golder, Director – Strategic Assets Management, Jones Lange
La Salle

Officers: Chief Executive (AC)
Strategic Director (KN)
Assistant Director - Assets and Investments (EA)
Assistant Director – Planning and Communities (TB)
Assistant Director - Environment and Commercial Partnerships (FD)
Assistant Director - Economic Development & Regeneration (CC)
Assistant Director - Housing (GF)
Assistant Director – Corporate Resources and Section 151 Officer
(KS)
Assistant Director Law and Governance and Monitoring Officer (EY)
Corporate Manager - Strategic Planning (RH)
Corporate Manager - Governance and Civic Office (JR)
Senior Governance Support Officer (HH)

Apologies:

Councillor Melanie Barrett

217 DECLARATION OF INTERESTS BY COUNCILLORS

217.1 Councillor Holt declared a non-pecuniary local interest as Director of CIFCO Capital Ltd.

217.2 Councillors Busby, Hinton, Holt and Malvisi declared local non-pecuniary interests, as Directors of BDC (Suffolk Holdings Ltd)

217.3 Councillor Maybury and Councillor Jan Osborne declared local non-pecuniary interests for Item 8, as Directors and Trustees for Sudbury and District Citizens Advice.

218 BC/19/39 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 26 FEBRUARY 2020

It was RESOLVED:-

That the Minutes of the meeting held on 26 February 2020 be confirmed and signed as a true record and would be signed at the next practicable opportunity.

219 BC/19/40 ANNOUNCEMENTS FROM THE CHAIRMAN AND LEADER

219.1 Councillor Grandon, the Chair of the Council referred to Paper BC/19/40, which was for noting.

219.2 She then paid the following tribute to previous Councillor Nick Ridley:

It was with great sadness that we learned of the passing on the 31st March of our former colleague Nick Ridley, and due to the pandemic and lockdown, this was the first opportunity to pay tribute to Nick.

Nick was one of Babergh's most experienced and respected Councillors, having served the Council as the Conservative Member for Brook Ward for 16 years, from 2003 until 2019.

During his terms of office Nick served in senior roles including as Chairman of Strategy, which fulfilled the same role as the Leader. He was also the Chairman of the Council from 2012 to 2014 and served as Chairman again in 2015 to 2016.

Among the many Committees he led, he was Chairman of the Planning and the Regulatory and Licensing Committees; he was a Cabinet Member until 2019. He also served as the Council's representative on many outside bodies.

Nick was a wise counsel and highly regarded by his peers. He gave many of us sound advice. He had a wealth of local government experience and his contributions to debates in the Council Chamber were always thoughtful and informed.

Many long-standing Councillors would have their own personal memories of Nick. I had great respect for Nick, he had strong and forthright views on many matters, and I can recall that on a couple of prominent planning issues, we disagreed, but fundamentally he used those forthright views and his in-depth experience for the

good of our District.

I also recall once asking him what he enjoyed most about being the Chairman and I was amused to hear that he said attending the annual Colchester Oyster Feast and went on to regale me with the details of the occasion.

Nick was passionate about Suffolk. Nick's dedication to the community and his achievements are awe-inspiring. His daughter Sarah told the Chair that he was most proud of the Millennium Project at St Edmundsbury Cathedral, which saw the Tower built and other major additions which changed Bury St Edmunds skyline. Nick masterminded this project.

To mention just a few of Nick's other achievements: he was a former Deputy Lieutenant of Suffolk, a Justice of the Peace for very many years and he was awarded the OBE in 2005 for his services to the community in Suffolk. He was previously Chairman of Suffolk Health Authority and a founding father of St Elizabeth Hospice, a charity he supported until his death. And yet he was a very modest man.

One of the many things that I will always remember Nick saying to me, was that "family comes first"; and our thoughts are with Nick's wife Jessie and his family at this difficult time.

219.3 Councillor Grandon asked Councillors to observe one minute's silence to pay respect to their friend and colleague Nick Ridley.

219.4 The Chair then invited the Councillor Ward, the Leader to make his make his Announcement.

219.5 Councillor Ward made the following announcement:

It has been a long time since we last met as a Council and it is great that we have the technology to enable us to do so in these difficult times with the uncertainty about, when we will next be able to meet in the Council Chamber. We have now held two virtual cabinet meetings and other virtual committee meetings, which have all been successful and members and officers have coped very well – it has been a steep learning curve for many of us, but everyone has adapted very quickly to this new way of working. Further improvements are being trialled – particularly to enable online voting through the latest version of the Modern.gov app.

I want to take this opportunity to thank all of our officers for the huge effort they have made over the past four months to maintain services, whilst the same time supporting our businesses, communities and residents cope with the effects of lockdown. Many have been redeployed to focus on our response to the Covid-19 crisis and have been working very long hours, including weekends. The response in Babergh and Mid Suffolk – indeed, across the whole county – has been exemplary.

We have distributed government financial support to a wide range of small businesses very quickly, we have been part of the county-wide response to support the homeless and eliminate rough-sleeping, we have distributed our own community grants and we have supported those who have been shielded by ensuring they have food and medical supplies, and advice and support. We have worked with the

‘Suffolk Home But Not Alone’ service and also the huge number of community self-help groups that were mobilised very quickly across our districts. Everyone involved deserves all our thanks and gratitude. But this would not have been possible without the senior leadership team we have. They have been simply inspiring to work with and have worked harder than I could have imagined.

I know also that many members have been active in their communities to ensure that they have the support they need from Babergh, and I thank you too for doing this – it is the local leadership that shows councillors at their best.

Finally, I would like to thank the cabinet for all the extra time they have devoted to the council. They have had many extra briefings to attend and have provided valuable contributions and leadership and it is a time like this that has shown the strength of our cross-party administration.

We are now moving from the ‘response’ phase to ‘recovery’, which will have its own challenges, as we focus on giving as much support as possible to our businesses to safeguard existing jobs and provide new ones.

We now have to build on the lessons we have learned from this experience and continue to work together to help Babergh recover and emerge from this crisis, stronger and more resilient than ever.

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

220.1 The Corporate Manager – Governance and Civic Office and Deputy Monitoring Officer advised that the following validated petitions had been received:

1. 162 valid signatures regarding planning application DC/20/01094 in Chilton, Sudbury.
2. 96 valid signatures regarding planning application DC/20/00330 in Boxford.

220.2 Both petitions would be dealt with through the usual planning process.

221 QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

221.1 The Chair informed Council that a question had been received from Mr. Young, who was not present at the meeting. The Chair of the Council then read out the question.

Question to the Cabinet Member for Assets and Investments from Mr. Young:

“The Board of CIFCO Capital has lost over £8,000,000 since inception in 2017 until 31.03.20 according to the company's accounts. This is before COVID-19 really started to impact on property values. How much does the Board of CIFCO budget to lose in total impairments to 30.03.21 bearing in mind that at the March 2020 Rental Quarter Day 30% of tenants were experiencing payment difficulties and they expect

the June 2020 Quarter Day to be more challenging?"

Councillor Busby, Cabinet Member for Assets and Investments responded:

The losses incurred by CIFCO to date have been in relation to the costs of setting up the portfolio- namely stamp duty and professional fees equating to approximately £3.5m and the reduction in the portfolio value.

The acquisition of a portfolio of property assets will incur costs, such as stamp duty and professional fees. These are typically in the order of 6.75% per acquisition. It is therefore anticipated that costs in the region of £6.75m will be accumulated as part of the total £100m investment agreed jointly by Babergh DC and Mid Suffolk DC. To date, costs of £3.5m have been incurred in acquiring the 14 properties owned by CIFCO and as such it is anticipated that a further impairment of £3.25m will be incurred until the fund is fully invested.

The portfolio was most recently valued on 31st March 2020 and as such this valuation reflects the high level of COVID uncertainty in the market at that point. Property values will fluctuate over time in line with the market and also as individual assets travel through the valuation curve-with the highest value being at the point that a new lease is granted, gradually reducing as the lease term reduces and then increasing again when a subsequent new lease is granted. It is not appropriate to predict property values in the future.

The cumulative reduction in values since acquisition equates to approximately £4.7m, representing approximately 8%. Over this time CIFCO has collected £5.5m of rental income from its tenants, with circa £4.2m being repaid to the Councils as capital and interest charges for the loans.

The board of CIFCO are carefully monitoring rent collection and have achieved high levels of rent collection in the market with over 75% collected in March and over 65% currently collected for the June quarter with further monthly payments expected over the remaining months of this quarter. In most cases CIFCO is expecting to receive the outstanding rental arrears however this may be over a longer period. The Board will continue to monitor this carefully to mitigate this impact and manage cashflow accordingly.

Note: Councillor Hurren joined the meeting at 5:55pm

221.2 As Mr. Young was not present at the meeting the Chair of the Council read out his supplementary question.

Supplementary Question to the Cabinet Member for Assets and Investments from Mr Young:

What is the total sum paid in fees to advisers, officers and the Board members remunerations since inception to 31.03.20?

Councillor Busby responded:

CIFCO has incurred costs of £1.3m since its inception in 2017 to the end of March 2020 for director and professional services fees. Officers don't receive any payments

from CIFCO. However, the Councils do recharge CIFCO for officer time and overheads, which provides an additional level of income to the Councils in addition to the loan repayments. The total recharges since inception are £110,000.

222 QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

222.1 None received.

223 BC/19/41 OVERVIEW AND SCRUTINY COMMITTEE ANNUAL REPORT 2019/20

223.1 The Chair invited the Chair of the Overview and Scrutiny Committee to present his report.

223.2 Councillor McCraw referred to agenda Item 8 on page 33 to 64 and said he was pleased to present the Annual Report, as Chair of the Babergh Overview and Scrutiny Committee, he continued:

That the 2020/21 Work Plan was made up of a varied range of topics to scrutinise but that the work was disrupted, first by the General Election and, then by the Covid - 19 pandemic. From mid-March all meetings were cancelled until suitable arrangements for virtual meetings could be made.

Most of the meetings held during the year had been joint meetings with Mid Suffolk Overview and Scrutiny Committee. Keith Welham, Chair of Mid Suffolk Overview and Scrutiny Committee and Councillor McCraw had alternated chairing these meetings.

The agendas had 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 in providing a better understanding of the breadth of work covered by Citizens Advice, as well as the pressures they were under and how they were funded.

Due to its direct relevance to business on the agenda today, he drew attention to the June 2020 meeting, which examined the performance of CIFCO in 2019/20 and the business plan for 2020/21. This received heavy interest and a very large number of questions for witnesses from non-committee members. Questions and concerns were answered, and members would find many of them further addressed within the reports from CIFCO, they are considering today. In the final analysis, the Joint Overview and Scrutiny Committee endorsed these reports, as they had done in the previous two years, the entire lifetime of CIFCO.

Throughout the year the Committee had acted as a critical friend to officers and Cabinet by working with them to investigate improvements to service delivery.

The Committee had also continued to add value to the Council's decision-making process.

He thanked Henriette Holloway, Senior Governance Support Officer – Committee Services, and Jan Robinson, Corporate Manager – Governance and Civic Office, for their input and support throughout the year, also Councillor Adrian Osborne & his predecessor Sue Ayres, who have been the Committee Vice-Chairs during the year. He was grateful to members of the Committee for their commitment, and to officers for providing clear and concise responses to requests for information. He thanked Keith Welham, Chair of Mid Suffolk Overview and Scrutiny, his Vice-Chair Keith Scarff and members of that Committee for working collaboratively with the Babergh Committee.

Councillor McCraw was proud to have produced a draft work plan for 2020/21, which was included in the Annual Report. However, he was confident that monthly meetings from now through to April 2021 would enable scrutiny of topics delayed from Spring 2020 to be completed; other issues would be incorporated into the Work Plan and this would be presented to Council in September.

223.3 Councillor McCraw **MOVED** recommendation 3.1 in the report which was **SECONDED** by Councillor Ayres.

223.4 Councillor Ward, the Leader, thanked, on behalf of the Cabinet, the Overview and Scrutiny Committee for their thorough work, which had made a valuable contribution to the administration of the Council.

It was RESOLVED: -

That the Overview and Scrutiny Committee's Annual Report for 2019/2020 be noted.

224 BC/19/42 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

224.1 The Chair referred to report BC/19/42, which was for noting and invited the Monitoring Officer to present the report.

224.2 Emily Yule, Monitoring Officer, outlined the reason for the decisions taken under delegated powers, which were predominately taken in the early stages of the of lock-down to support early response to the Covid-19 Pandemic.

It was RESOLVED: -

That the decisions taken under delegated by the Chief Executive as detailed in Appendix A be noted.

225 BC/19/43 SPECIAL URGENT KEY DECISIONS (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

- 225.1 The Chair invited the Leader to introduce report BC/19/43, which was for noting.
- 225.2 Councillor Ward detailed the decision taken by him under delegated powers for the Discretionary Grant Scheme. He advised Members that the Scheme had so far supported 35 businesses across the District with £165K grant funding.
- 225.3 Councillor Hinton queried the powers of delegation and the reasoning behind the decisions for the planning items. He asked for clarification on the process for determining which planning applications would be decided by officer delegation and which would be going to Planning Committee.
- 225.4 The Monitoring Officer responded that Decision Notices for decisions taken by officer delegation were published on the Council's website and included the reasons for the decision. The Chief Planning Officer determined which applications were presented to the Planning Committees and which planning applications he could approve under his delegated powers. She advised that Councillor Hinton approach the Chief Planning Officer for further information.

It was RESOLVED: -

That the decisions taken under delegated powers by the Cabinet Member for Economic Growth as detailed in Appendix A be noted.

226 TO REPORT BACK ON COUNCIL MOTION ON CLIMATE CHANGE

- 226.1 Councillor Malvisi, The Cabinet Member for Environment, introduced the item and informed Council that Cabinet had unanimously approved a Carbon Reduction Management Plan at the simultaneous Cabinet meeting on the 6th July 2020, following the Motion at Council in July 2019. The Action Plan was created by the Environment and Climate Change Task Force. She thanked the Councillors who sat on the Task Force for their contributions and dedication in preparing the plan to tackle the negative impact of climate change within the District and the reduction of the Council's carbon footprint. She also thanked on behalf of the Taskforce, Cassandra Clements, Assistant Director for Environment and Commercial Partnerships and her team for putting the plan together during the Covid-19 pandemic lock-down.
- 226.2 She continued that the Cabinet would be focusing on driving the commitments made in the plan and relied on all Members to commit to this plan and make a difference to the environment and sustainability in the District.
- 226.3 Councillor Lindsay referred to Appendix E in the report, and the table and comments made before the Cabinet had met. He asked for clarity on why some of the decisions appeared to have been made before the Cabinet had officially met.

226.4 The Monitoring Officer clarified that the question was outside the scope for the item on the Agenda, but as the Chair had allowed the question, she would like to allay any concerns of pre-determination of the work of the Cabinet. However, there would always be an opportunity for Cabinet Members to work with officers on issues outside meetings.

227 BC/19/44 LOCAL DEVELOPMENT SCHEME UPDATE

227.1 Councillor Arthey was invited by the Chair of the Council to introduce Paper BC/19/44. He began by outlining the purpose of the Local Development Scheme (LDS), the key point in the report and tight timeline outlined in Appendix A, which set out the timescale for the adoption of the Joint Local Plan.

227.2 Councillor Arthey **PROPOSED** recommendation 3.1 in the report which was **SECONDED** by Councillor Beer.

227.3 Councillor Hinton queried if there was anything built into the timetable to accommodate the change of how the Council kept control over the location of developments in the area. He referred to the new legislation published from central Government.

227.4 Councillor Arthey responded that there was nothing in the timetable to accommodate this as this had only been published very recently. He referred to paragraph 1.5 in the report and the caveat. The recent legislation might not require any change or delay to the current plan, as it was concerning development rights. He hoped this would not delay the work any further.

227.5 Councillor Ward assumed that there would be no change to the JLP, which would be brought to Council in November 2020.

227.6 Councillor Maybury referred to page 84 and asked if the timetable would be restricted any further due to the increase in dissension over the deferment of Community Infrastructure Levy (CIL) payments.

227.7 Councillor Arthey responded that the issues for CIL were about the charging of CIL and not about the grants and payments for CIL.

227.8 Councillor Maybury clarified that her question was about any dissension for deferment caused by developers being unable to pay CIL to Parish Councils when requested. She was concerned that the dissension from the Parish Councils would delay the timetable further.

227.9 Councillor Arthey responded these dissensions would not delay the timetable for LDS, as they would be included in the CIL framework review later this year.

227.10 In response to Councillor Davis' question regarding the CIL review, Councillor Arthey explained that there were two different reviews; the CIL framework review, which was how the Council dealt with CIL and the CIL

charging review, which reviewed how much the Council charged developers.

227.11 Councillor Arthey thanked the Chief Executive and Officers for their commitment to support the LDS and keeping to the timetable.

227.12 The recommendation was put to Members for voting and the vote was **UNANIMOUS**.

It was RESOLVED: -

That the Babergh and Mid Suffolk Local Development Scheme (July 2020) (Appendix A) be agreed to be brought into effect on 31st July 2020.

228 COUNCILLOR APPOINTMENTS

228.1 There were no Councillor appointments.

229 MOTIONS ON NOTICE

230 MOTION RECEIVED FROM COUNCILLOR JAMIESON

230.1 The Chair invited Councillor Jamieson to present and move his Motion.

230.2 Councillor Jamieson said that due to the Covid-19 crisis there had been a significant increase in the number of people that had either taken up cycling or returned to it. In May this year the Secretary of State for transport, had said "When the country gets back to work, we need them to carry on cycling, and to be joined by millions more". To enable this, the government was expecting Local Authorities to facilitate this. "The government therefore expected local authorities to make significant changes to their road layouts to give more space to cyclists and pedestrians."

Further to this, the Government released a paper earlier this year - 'Decarbonising Transport'. In this paper the Government had set an aim to double cycling activity per person per year and had set an ambition to make cycling and walking the natural choice for short journeys.

With £1.2billion already invested in active travel and another £1.2billion of funding planned, the Council needed to take its active travel responsibilities seriously. At the moment Babergh still had no cycling strategy.

In fact, on the last Active Travel Survey published in 2019 the proportion of people cycling in Babergh once a week was only 9.7% which was the worst in Suffolk. He felt that a cycling strategy would help the Council meet these ambitions.

230.3 Councillor Jamieson then read out the Motion:

Babergh Council endorses the Government's goal to ensure there is a permanent shift in the numbers of people choosing to cycle and walk.

Using this goal as a guide, the Council will ensure there is officer resource to produce a Cycling Strategy, in conjunction with Suffolk County Council as the Transport Authority, that will be reviewed at a predetermined timescale e.g. 3 yearly.

This strategy will include a prioritised, costed list of routes across the districts that include existing and proposed cycle routes and different types of cycle route provision. The officer will be an automatic cycling consultee on planning applications and will 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 including parish councils, businesses, residents and local community groups.*
- *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.*

230.4 Councillor Jamieson **PROPOSED** the Motion, which was **SECONDED** by Councillor Davis, who reserved his right to speak.

230.5 Councillor Malvisi **PROPOSED** an amendment to the Motion, and referred to the tabled paper:

Revised Motion for Full Council on 21 July 2020

*Babergh **District** Council endorses the Government's goal to ensure there is a permanent shift in the numbers of people choosing to cycle and walk.*

*Using this goal as a guide, the Council will ensure there is **sufficient***

resource to:

- *Develop and review a Babergh and Mid Suffolk Councils Sustainable Travel Action Plan, in partnership 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 Babergh Mid Suffolk Councils Sustainable Travel Action Plan every 3 years.*
- *Be an automatic sustainable travel consultee on planning applications.*
- *Seek funding through section 106 money and external funding sources.*

At the next review of Community Infrastructure Levy (CIL), consider the funding of agreed cycle infrastructure as eligible projects under the CIL Position Statement for both Councils alongside a comprehensive assessment and production of a funding and delivery strategy which considers all other funding opportunities that exist. The CIL Expenditure Framework review must be subject to the current viability assessment, confirming that this inclusion of cycling within CIL expenditure would make the existing or any new CIL charges viable and in turn therefore make the cycling infrastructure deliverable.

To support S106 and CIL bids, Councils will work with partners on supplementary guidance on planning to seek developer contributions to link settlements to nearby towns and Key Service Centres with safe and sustainable active travel options.

The *Action Plan* will also look to –

- *Identify opportunities to progress Sustainable travel across the Districts*
- *Identify existing gaps in the walking and cycling network*
- *Identify opportunities to work with partner organisations to develop sustainable travel options*
- *Consult and work with parish councils, businesses, residents and local community groups to determine and map routes, and prioritise walking and cycling infrastructure*
- *Identify specific issues that require improvement to enhance the wider sustainable travel network*
- *Seek to improve facilities for walkers and cyclists to encourage greater cycling for leisure as well as commuting.*
- *Develop a Funding strategy to sit alongside the Sustainable Travel Action Plan detailing how each priority action could be funded and ensure a pipeline of core projects is developed and costed including where appropriate from 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.*

- *Review opportunities 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.*
- *Work in partnership with SCC regarding improved public transport across the Districts and consider new forms of sustainable travel such as e bikes and e scooters if appropriate locations.*

230.6 Councillor McLaren **SECONDED** the Motion and said that she was very pleased to support the above amendment and that the benefits from a travel action plan to be reviewed on a three-yearly basis would be welcomed across the district.

230.7 The Chair asked if Councillor Jamieson, the proposer, accepted the amendment, to which Councillor Jamieson stated that he accepted the amendment.

230.8 Councillor Malvisi informed Council that the substantiated Motion was an action plan and asked Members to vote for it so it could be put into effect.

230.9 The Chair asked if Councillor Davis accepted the amendment and Councillor Davis stated he accepted the amendment and that he was pleased with the added wording, which had strengthened the original Motion. He thanked Members for the cross-party co-operation, which had resulted in the substantiated Motion.

230.10 The Chair asked Councillor Malvisi if she would like to speak for the substantiated Motion.

230.11 Councillor Malvisi stated that this was an action plan and not a strategy, which would develop projects including costings to secure funding from a range of sources and thereby be deliverable. A wider travel action plan would enable the Council to develop sustainable travel across the District. The Council was committed to get people active in communities and to lead the way for sustainable travel across Suffolk.

230.12 Members debated the issues of the substantiated Motion including:

- That the action plan addressed the issues of funding.
- That the Action Plan would not just focus on the urban areas but the whole District and would also help rural areas, which were popular with tourists.
- That cycling and cycling paths had been identified as one of the options to achieve a sustainable Suffolk by connection areas via cycling lanes and that the Motion would be a step towards achieving the vision.
- That the Motion was a result of cross-party cooperation and a result of Members working together.
- That the Action plan would encourage old and young to be active.
- That plan did not consider that some residents were elderly and required a car for reaching local amenities, such as shops and medical facilities.

- That the population was aging and that 11% was over 65 years old and that 17% had medical problems.
- 230.13 Members supported the substantiated Motion and agreed that it was important for the District to receive funding available from Central Government for sustainable and environmental projects.
- 230.14 Councillor Jamieson responded that he was pleased that Members supported the substantiated Motion.
- 230.15 The substantiated Motion was put to Members for voting and the vote was **CARRIED.**

It was RESOLVED:-

That Babergh District Council endorses the Government's goal to ensure there is a permanent shift in the numbers of people choosing to cycle and walk.

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

- **Develop and review a Babergh and Mid Suffolk Councils Sustainable Travel Action Plan, in partnership 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 Babergh Mid Suffolk Councils Sustainable Travel Action Plan every 3 years.**
- **Be an automatic sustainable travel consultee on planning applications.**
- **Seek funding through section 106 money and external funding sources.**

At the next review of Community Infrastructure Levy (CIL), consider the funding of agreed cycle infrastructure as eligible projects under the CIL Position Statement for both Councils alongside a comprehensive assessment and production of a funding and delivery strategy which considers all other funding opportunities that exist. The CIL Expenditure Framework review must be subject to the current viability assessment, confirming that this inclusion of cycling within CIL expenditure would make the existing or any new CIL charges viable and in turn therefore make the cycling infrastructure deliverable.

To support S106 and CIL bids, Councils will work with partners on supplementary guidance on planning to seek developer contributions to link settlements to nearby towns and Key Service Centres with safe and sustainable active travel options.

The Action Plan will also look to –

- **Identify opportunities to progress Sustainable travel across the Districts**
- **Identify existing gaps in the walking and cycling network**
- **Identify opportunities to work with partner organisations to develop sustainable travel options**
- **Consult and work with parish councils, businesses, residents and local community groups to determine and map routes, and prioritise walking and cycling infrastructure**
- **Identify specific issues that require improvement to enhance the wider sustainable travel network**
- **Seek to improve facilities for walkers and cyclists to encourage greater cycling for leisure as well as commuting.**
- **Develop a Funding strategy to sit alongside the Sustainable Travel Action Plan detailing how each priority action could be funded and ensure a pipeline of core projects is developed and costed, including where appropriate from 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.**
- **Review opportunities 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.**

Work in partnership with SCC regarding improved public transport across the Districts and consider new forms of sustainable travel such as e bikes and e scooters if appropriate locations.

231 MOTION RECEIVED FROM COUNCILLOR LINDSAY

231.1 The Chair of the Council invited Councillor Lindsay to move his Motion.

231.2 Councillor Lindsay said that a lot of money and time had been spent on CIFCO with the best of intentions by both officers and Councillors and that it therefore could be difficult to stand back and admit the Council was wrong in continuing to invest in CIFCO. Even if the Council had spent time and money, it did not make it right and he urged that the Council did not do that with CIFCO. He had no concerns of the way CIFCO had been managed and he recognised that the Council had earned some money from the investments pre-Covid-19. However, he was convinced that building property in the District would be better for the Council’s residents and provide for the genuine housing needs in the District. The profit from the sale of market homes could be used to build social housing in the District. By building locally the Council would put money back into the local economy. The additional housing would also count towards the Five-year Housing Land Supply and the Council would take charge of the Council’s own housing supply rather than leaving this to the private sector. Private developers build for profit and not for need. However, there were examples

in the District of houses built with far better environmental standards and isolation than building regulations required, and he hope the Council would pursue this. The time and effort spent on CIFCO could be spent instead to identify sustainable sites for homes in the District. The Council already had the vehicle for doing this with Babergh Growth and the joint venture with Norse, which currently only focused on developing the old Headquarters in Hadleigh. Leaving house building entirely to the private sector was a mistake and he felt that the Council was shirking from its responsibility to its residents and he asked that the Council embrace change and supported the Motion.

231.3 Councillor Lindsay then referred to Motion 14b as detailed in the Agenda:

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 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.*

231.4 Councillor Lindsay **PROPOSED** the Motion, which was **SECONDED** by Councillor Cresswell.

231.5 Members debated the Motion including:

- That it was a good idea to invest in the District and that Babergh Growth was the vehicle for this.
- That investing in the purchase of land and building properties, would require further loans, it took time and would delay the generation of income for the Council. This would also affect the General Fund Budget.
- The income generated from CIFCO was instant, and this income was invested in the District and benefits residents.
- That the old HQ site in Hadleigh would be providing 60 units for market sale upon completion.
- That there was a Housing and Home Action Plan under development which set targets for delivering 214 new homes by 2022 and there was a further number of properties, either required or at planning application stage throughout the District.
- That new developments included 35% affordable housing developments.

- 231.6 Councillor Jan Osborne detailed Babergh's current housing development for both market and social housing. She also detailed the various housing offers available to the residents of the district.
- 231.7 Councillor Ward reminded Members that they had just voted for the budget, which included the income from CIFCO, he also disputed the premise that the investment was risky in the current market. He added that it was not lack of ambition but a reflection of finding suitable sites, which affected housing developments in the District. He felt that the Motion was not an honest reflection of the actual situation and he could not support it.
- 231.8 Councillor Malvisi was concerned that the proposed amendment suggested that the Council spend taxpayer's money to build property to sell to property investors, which she felt was lining private investors pockets and was an unsuitable use of taxpayer's money. The Council borrows money to invest in property which provides immediate rental income and therefore an income to the Council.
- 231.9 Councillor McCraw admitted that he had expressed concern when CIFCO was first discussed and that the reason behind it had been the fear of losing money. However, the Council was now making money. The Overview and Scrutiny Committee had scrutinised CIFCO's governance structure and CIFCO's business plan. The Committee had raised many of the concerns, which were being discussed at this meeting. The consideration had been the short, medium and long-term income from CIFCO and the responsibility to provide a service to residents. He explained that the Council borrowed money at a low rate and invested this to provide an income, which included the repayment of the loan. In addition, the income was invested back into the District, and this was the purpose of CIFCO.
- 231.10 Councillor Davis supported Councillor McCraw and agreed that the income was spent in the District.
- 231.11 Councillor Cresswell used his right to speak as seconder and agreed with Councillor Lindsay and felt that it was not appropriate to invest outside the area. There were empty properties in the District and unused sites, which could be redeveloped for housing. He felt that nothing was being done and that the housing plan did not solve the issues for everybody.
- 231.12 Councillor Lindsay addressed the points made by Members and said that the amendment did not suggest cutting the income from the Council and that the Motion was proposing that the Council halted all future investment in CIFCO. He added that he did not suggest that the Council sold the properties already acquired, as this would be financially unwise. He referred to a hotel project in which the Council had borrowed money to develop a hotel for a private company, which had been a policy at the time, so they could line their own pockets. However, now the Council was unwilling to follow the same policy for building market houses to sell to property investors, which would benefit the Council and its residents.

231.13 Councillor Beer pointed out that Councillor Malvisi had not used the last sentence in this context.

231.14 Councillor Lindsay responded had he had understood that Councillor Malvisi had said that one of the proposals in the amendment would be lining the pockets of private investors. He felt that there was nothing wrong with that, as this was business and had been a policy for the Council at the time. However, he continued that for the June quarter, 65% of rent had not been collected and it was not known when this would be collected. He added that the Council should stop investing outside the area and that Councillors and officers should focus on investing in the District.

231.15 The Motion was put to Members for voting and the vote was **LOST**.

It was RESOLVED:-

That the Motion was lost.

**232 BC/19/45 CAPITAL INVESTMENT FUND COMPANY (CIFCO CAPITAL LTD)
BUSINESS TRADING AND PERFORMANCE REPORT 2019/20 - PART 1**

232.1 The Chair welcomed Chris Haworth, Chair of CIFCO Capital Ltd., Henry Cooke, CIFCO Director, Mark Sargeantson, CIFCO Director and Nigel Golder, Director – Strategic Asset Management, Jones Lange LaSalle.

232.2 She then reminded Councillors that she would like to deal with this item in the open part of the agenda if possible, and asked Members to refrain from asking any questions that related to individual tenants and the associated risks. If Members wished to ask questions on those details, they should indicate this to the Chair for discussion in closed session.

232.3 She invited Councillor Busby to introduce Paper BC/19/45 and to move the Recommendations in the report.

232.4 Councillor Busby introduced the report and said that CIFCO had provided the Councils with around £3m net-income since the Company was set up in 2017 and the Council had received approximately £1.6M during the past year, which equated to 10% of the Council's workforce cost or 13.5% of Council Tax income. This income was essential to enable the Council to invest in services within the district. CIFCO was only part of the Council's extensive investment plan for the District, including the new open market and social market homes and employment opportunities. He thought that the income achieved to date had demonstrated the resilience of the portfolio, even during the Covid-19 Pandemic and had collected 75% of the March quarter rent and 65% of the June quarter rent, enabling the Company to pay the full debt repayment to the Councils for both quarters. Future investments for CIFCO would be focusing on industrial and alternative sector, diversifying away from retail investments, the aim being to create a long-term income stream and legacy for the Councils. He informed Members of a further acquisition of a health centre in Nottingham

which was let on a long lease providing CIFCO with a secure income for the future.

- 232.5 Councillor Busby **PROPOSED** recommendations 3.1 and 3.2 in the report which was **SECONDED** by Councillor Malvisi.
- 232.6 Councillor Arthey referred to the headline figures for the losses incurred by CIFCO, as a result of acquisition costs and re-evaluation and asked that since CIFCO was not in the market for short-term gain, if there was any evidence that CIFCO would not be able to provide the revenue to the Council as planned?
- 232.7 Councillor Busby responded that the losses were paper losses, which were costs incurred with any acquisition of property and as a result of re-evaluation of the portfolio. The investments were for long-term investment and for the purpose of generating an income for the Council. The long-term value of the properties would increase over the years, any financial crisis would only have an impact on the value of the properties, if they were to be sold.
- 232.8 Councillor Dawson referred to the level of risk to the capital of the investments related to the income return offered, and asked if the Board of Directors for CIFCO had the level of expertise to outperform other property professionals to continue to provide a return above 5% whilst protected rate-payers capital.
- 232.9 Chris Haworth responded that CIFCO was set-up as a professional investment company and took considerable care when investing in property and the quality of the tenants. The portfolio was also spread over diverse investments. CIFCO had been entrusted the original £50M to invest and the Council had approved for the company to invest a further £50M. This had enabled CIFCO to put together a robust portfolio.
- 232.10 Councillor Lindsay asked for confirmation that the write down of net asset value reflected that the market estimated that future rents for retail assets would be lower.
- 232.11 Chris Haworth clarified how the value of assets was estimated based on a number of factors. He added that rents were in fact going up across parts of the portfolio. The retail sector had been challenging, however, CIFCO only had a few retail assets and he felt that at the moment they were secure investments.
- 232.12 Councillor Maybury asked if the external Directors and advisors would provide their opinion on the Covid-19 pandemic.
- 232.13 Chris Haworth responded that the Covid-19 pandemic was an unforeseen outbreak and had made it challenging times. However, as responsible landlords, they had engaged with tenants and work had been undertaken with those, who were in genuine difficulties to come to agreements to help

tenants through the crisis. He confirmed that due diligence was applied to all potential investments, but that retail sector was far too uncertain. He believed that further investments should be undertaken, under careful consideration and in cooperation with Jones Lang La Salle and the other professional advisers.

- 232.14 Henry Cooke said that the rent collection for the last two quarters was above industry standard. He referred to the financial crisis in the late 1980s and said that recovery took time, but a high return could still be made on commercial property. He felt confident in the investments.
- 232.15 Mark Sargeantson pointed to the many years of experience in the property market and felt that the Board of CIFCO had enough experience between them to manage the portfolio. The team at Jones Lange La Salle was a high-quality team looking after CIFCO, and that due diligence was applied to the investment process.
- 232.16 Nigel Golder said that the investments were in strong locations and with strong underlying characteristic and only those investments were presented for consideration for acquisition by of the Board of CIFCO. The deferment of some of the income flow due to the Covid-19 Pandemic had not changed the contractual arrangement with tenants and arrangements were made to accommodate these circumstances.
- 232.17 Emily Atack, in her role as Director of CIFCO reiterated the points made. The CIFCO investments had repaid the loan repayments and income for March and June Quarters. This had been achieved because of the strategy made by the Board.
- 232.18 Councillor McCraw stated that Members should not assume that the Overview and Scrutiny Committee was the only opportunity for enquiring about the work of CIFCO. Board Members and the Managing Director regularly engage with the councils on CIFCO matters, and it was a constant process in which decisions were not taken in isolation. He pointed out that the Council was not competing with other authorities as suggested. Some authorities might be losing money because they had not put good governance in place or had invested differently than this Council. He did not, based on the current report and Business Plan, believe that the Council would lose any money. He asked for clarification why other authorities might be losing money.
- 232.19 Chris Haworth explained that some authorities had invested in regeneration projects, such as shopping centres in their own town centres and that the Board of CIFCO had always found this too risky. CIFCO's aim was to buy assets for income only.
- 232.20 Members debated the issues and Councillor Ward said he was pleased with the report and that the investments were clearly making a profit despite the Covid-19 Pandemic crisis. He thought that the scrutiny of the Business Plan by the Overview and Scrutiny Committee had been valuable.

232.21 Councillor Busby summed up and said he had been the biggest opponent of the setting up CIFCO and that this had been the reason for him joining the Board of Directors for the Holding company to ensure that this was done properly. He thought CIFCO undertook the process in a professional manner and he was pleased to support the investments.

232.22 Recommendations 3.1 and 3.2 were put to Members for voting and the vote was **CARRIED**.

It was RESOLVED:-

1.1 That the Council notes CIFCO Capital Ltd. trading activity and performance for the year to 31st March 2020.

1.2 That Council approves CIFCO Capital Ltd.'s 2020/21 Business Plan for adoption by CIFCO Capital Limited.

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

233.1 As Members had completed their discussion of Paper BC/19/45 Capital Investment Fund Company (CIFCO Capital Ltd.) Business Trading and Performance Report 2019/20, including any questions for the Appendices, the Chair refrained from going into closed session.

234 CONFIDENTIAL APPENDIX C CIFCO CAPITAL LTD BUSINESS AND INVESTMENT PLAN 2020-21 (EXEMPT INFORMATION BY VIRTUE OF PARAGRAPH 3 OF PART 1)

234.1 This item was discussed under the previous item.

The business of the meeting was concluded at 8:03pm.

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Chair