

BABERGH DISTRICT COUNCIL

Minutes of the meeting of the **BABERGH COUNCIL** held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on Tuesday, 19 September 2023

PRESENT:

Councillor: Elisabeth Malvisi (Chairman)

Councillors:	Peter Beer	Jane Carruthers
	Jessie Carter	Paul Clover
	Helen Davies	Sallie Davies
	Derek Davis	Simon Dowling (Vice-Chair)
	Kathryn Grandon	Ruth Hendry
	Michael Holt	Bryn Hurren
	Margaret Maybury	Alastair McCraw
	Mary McLaren	Mark Newman
	John Nunn	Adrian Osborne
	Alison Owen	Lee Parker
	Daniel Potter	Isabelle Reece
	Tim Regester	Brian Riley
	Laura Smith	John Ward

In attendance:

Guest(s): Sir Christopher Haworth – Chair of CIFCO Capital Ltd
Henry Cooke – Director of CIFCO Capital Ltd
Mark Sargeantson – Director of CIFCO Capital Ltd
Nigel Golder – Director Strategic Asset Management JLL

Officers: Chief Executive (AC)
Deputy Chief Executive (KN)
Director Corporate Resources (ME)
Director Customers', Digital Transformation & Improvement (SW)
Director Assets and Investments (EA)
Interim Director Law & Governance and Monitoring Officer (IA)
Corporate Manager Strategic Policy (JH)
Corporate Manager Communications & Engagement (BJ)
Research and Insight Officer (CH)

Apologies:

David Busby
Leigh Jamieson
Stephen Plumb
Deborah Saw
John Whyman

33 DECLARATION OF INTERESTS BY COUNCILLORS

33.1 The Monitoring Officer had granted dispensation to councillors who were on the Board of the Council's companies.

33.2 There were no declarations from Councillors.

34 BC/23/12 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 18 JULY 2023

34.1 Councillor Maybury queried paragraph 27.8 of the minutes and commented that her request that Suffolk County Council be lobbied to encourage better use of Endeavour House with regard to the heat exchange system and green house gases had not been included.

34.2 The Chairman confirmed that this would be checked and the minutes amended as necessary.

34.3 Councillor Maybury then raised a question regarding paragraph 31.3 of the minutes and advised that she had stated at the meeting that she was inclined to endorse the main body of the motion but not the second part relating to UK100.

It was RESOLVED:-

That subject to agreed changes, the Minutes of the meeting held on 18 July 2023 be confirmed and signed as a true record.

35 BC/23/13 ANNOUNCEMENTS FROM THE CHAIRMAN AND LEADER

35.1 The Chairman referred Councillors to Paper BC/23/13 for noting.

35.2 The Chairman asked Members of the Council to join her in sending their best wishes to Councillor Busby.

35.3 The Chairman then invited the Acting Leader of the Council to make his announcements.

35.4 Councillor Ward made the following announcements:

“You have all been informed of the changes to the cabinet as a result of Cllr Busby's decision to step back temporarily from the leadership and his portfolio responsibilities while he undergoes treatment for cancer. I have spoken to Dave a lot and he is receiving prompt medical attention. He is in hospital this week and underwent surgery yesterday afternoon. He sent a message afterwards to say it all went well. I intend to visit him there in the next few days – I know others do too. I hope that we will see him back here soon and benefit from his unique insights and style of leadership.

The Police & Crime Panel met on 14th July 2023 where it elected a new Chair, Cllr Mansell from Mid Suffolk District Council, and Vice Chair, Cllr Ellesmere from Ipswich Borough Council, for the year. Following the May 2023 elections there has been some turnover on the Panel, with 7 new members joining.

I am pleased to report work to modernise the ageing public toilets at Gaol Lane in Sudbury is now under way. This work is expected to take just over four weeks to complete, and temporary toilets will be available during the build. It will include a complete face-lift to provide modern and vastly improved facilities for the town. Babergh District Council has committed over £50k on this important project and we have worked alongside Sudbury Town Council, who own the toilets.

It is part of wider plans to improve public toilets in the town – as you know, funding was also approved this month to progress plans for new toilets, including a changing places facility, at Belle Vue Park.

In the last month, we have been pleased to announce two initiatives to support small and new businesses, which are the lifeblood of our communities.

Babergh has teamed up with MENTA to offer start-up businesses free expert support and guidance. As part of the UK Shared Prosperity Fund, the council was given funding to deliver this scheme, and the programme is open to those in Babergh who are thinking of starting a business, are in the process of starting a business or have recently started their business venture. Meanwhile, businesses in our district can also potentially benefit from a new round of funding thanks to the Rural England Prosperity Fund.

Small businesses and community organisations across the districts will have access to three grants under the fund: the Rural Business Growth Fund, the Rural Culture & Creativity Fund and the Rural Communities Fund.

Eligible projects include net-zero developments, agriculture and farm diversification, visitor economy business expansion, SME investment and diversification, and investment in community facilities in our rural areas.

Small businesses are so important to our district, and I would encourage them to visit our website to check eligibility and explore details of these grants.”

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

36.1 None received.

37 QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

37.1 None received.

38 QUESTIONS BY COUNCILLORS IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

38.1 None received.

39 RECOMMENDATIONS FROM CABINET / COMMITTEES

40 BC/23/14 ANNUAL TREASURY MANAGEMENT REPORT - 2022/23

40.1 The Chairman invited Councillor Bryn Hurren, Co-Chair of the Joint Audit and Standards Committee, to introduce Paper BC/23/14 which was for noting.

40.2 Councillor Hurren explained the purpose of the report which covered the 2022/23 financial year, and **PROPOSED** the recommendations as detailed in the report.

40.3 Councillor McLaren **SECONDED** the recommendations.

40.4 Councillor Riley asked for an explanation of why the Council was spending more money than it received, as detailed in table number 7 on page 39 of the report. The Director for Corporate Resources responded that certain assumptions were made regarding interest receivable when setting the budget, and that the rates fluctuate throughout the year leading to variances in the interest rates received. Variances are reported through the Treasury Management Half Year Report.

40.5 Councillor Riley then asked what action would be taken to ensure the situation was not repeated the following year. The Director for Corporate Resources responded that the Treasury Strategy would be presented to Council in January or February 2024, and advised that the Housing Revenue Account (HRA) had performed better than what was detailed in the budget.

40.6 In response to a further question from Councillor Riley regarding the reason why bad debts had been incurred in respect of Funding Circle performance, the Director for Corporate Resources clarified that an element in the portfolio is set aside for this as detailed in the agreement with Funding Circle.

40.7 Following a request from Councillor Davis, Councillor Hurren provided reassurance to residents and Members that the Council was not in a similar financial position as other Local Authorities.

- 40.8 Councillor Riley asked for clarification on whether the bad debts to date figure was a reserve figure or debts which had been written off. The Director for Corporate Resources confirmed that the figure related to debts which had been written off.
- 40.9 Councillor Ward referred to recommendation 3.3 in the report relating to the net upper limit of interest rate exposure and asked what the implications of exceeding the £15,000 limit would be. The Director for Corporate Resources advised that there would be penalties, and the indicator was set by the Council at a time when interest rates were lower. This would be reviewed as part of the Treasury Strategy. The Director went on to confirm that interest costs as a ratio to net expenditure were monitored and reported regularly.
- 40.10 Councillor Riley enquired whether there was any intention to improve lending standards in respect of bad debts. Councillor Hurren assured Members that every effort would be made to manage and recover debts where possible.
- 40.11 Councillor Riley asked what the Ninety-One Series i Performance was and why the valuation was being downgraded. The Director for Corporate Resources advised that the valuation was set by the markets and reviewed annually. Additional details of the fund would be provided outside of the meeting.
- 40.12 In response to a question from Councillor McCraw regarding the significance of the figures discussed at the meeting to the overall budget, the Director for Corporate Resources advised that the interest payable was looked at as a proportion of net expenditure and, although subjective, the debt figure was not disproportionate in terms of the overall balance sheet.
- 40.13 Councillor Maybury commented that due diligence and questioning within the Council helped to keep the finances in order.
- 40.14 Councillor Hurren expressed thanks to the officers.
- 40.15 Councillor Ward supported the report and commented that the report should be considered in its entirety.

By a vote of 26 For and 1 Abstention the motion was **CARRIED**.

It was RESOLVED:

- 1.1 That the treasury management activity for the year 2022/23 as set out in report BC/23/14 and appendices be noted.**
- 1.2 That it be noted that both Councils activity was in accordance with the approved Prudential Indicators for 2022/23.**

1.3 That it be noted that Babergh District Council's treasury management activity for 2022/23 was in accordance with the approval Treasury Management Strategy, and that, aside from exceeding the new upper limit of interest rate exposure at the end of 2022/23, as mentioned in Appendix C, paragraph 4.1, the Council has complied with all the Treasury Management Indicators for this period.

41 **BC/23/15 CAPITAL INVESTMENT FUND COMPANY (CIFCO CAPITAL LTD) BUSINESS TRADING AND PERFORMANCE REPORT**

41.1 The Chairman welcomed Sir Christopher Haworth, Chair of CIFCO Capital Ltd, Henry Cooke, Director of CIFCO Capital Ltd, Mark Sargeantson, Director of CIFCO Capital Ltd, and Nigel Golder, Director of Strategic Asset Management at JLL to the meeting.

41.2 The Chairman invited Councillor John Ward, Cabinet Member for Finance, Assets and Investments to introduce paper BC/23/15.

41.3 Councillor Ward introduced the report which provided details of the trading activity for CIFCO Capital Ltd (CIFCO) for 2022/23, and **PROPOSED** the recommendations as detailed in the report.

41.4 Councillor Davis **SECONDED** the recommendations.

41.5 Councillor Register asked whether CIFCO would consider using BREEAM (Building Research Establishment Environmental Assessment Methodology) to better assess environmental and energy standards, and potential for carbon reduction, in its portfolio of assets. The Director for Assets and Investments advised that currently EPC (Energy Performance Certificates) were used as they were a requirement for all Council properties and considered to be the most robust method of assessment, however they remain open to how to best measure the work being done to meet environmental standards.

41.6 Councillor Riley referred to the annual accounts and asked why they had not yet been filed. The Director for Assets and Investments advised that the accounts were awaiting final sign off and were expected to be published within the next month and confirmed that the details had been shared within the business plan.

41.7 Councillor Holt asked whether the board were comfortable with the current valuation of the portfolio, and also if they were confident that the portfolio was heading in the right direction in the long term. Sir Christopher Haworth provided assurance that the board were focussed on the security of the income and were not concerned about the fluctuations of assets in terms of the sustainability of the investments.

- 41.8 Councillor Holt then asked a question regarding the efficiencies of the properties and queried if enough finance was available to reinvest in existing properties to bring them to a standard where rental income could be maximised. The Director for Assets and Investments confirmed that the business plan set out short, medium, and long term approaches towards capital for reinvestment. In terms of improvements to sustainability of the properties, the portfolio was currently being worked through on an incremental basis.
- 41.9 In response to a further question from Councillor Holt regarding the number of empty void properties in Basingstoke, Nigel Golder advised that this was circumstantial, and 50% of the space had now been re-let at a higher rate than was previously received.
- 41.10 Councillor Parker enquired to what extent the rising interest rates have on CIFCO's ability to provide income for the Council both now and in the future. The Director for Assets and Investments commented that debt repayments were made to the Council from CIFCO, and that a sensitivity analysis of rising interest rates had been carried out to assess the impact on the net income of the cost of borrowing increases. The Director for Corporate Resources added that some of the debt financing the CIFCO loan was at a fixed rate and would therefore not be affected by changes in interest rates.
- 41.11 Councillor Holt commented that with regard to the refurbishment of Council owned properties, the installation of solar panels was key and would be hugely beneficial to the Council and lead the way for other Companies to follow.
- 41.12 Councillor McCraw drew Members attention to the CIFCO summary update on page 82 of the report, and the five-year cashflow update, and noted that the net yield had risen steadily throughout the past five years. Councillor McCraw commented on the high level of scrutiny undertaken at Overview and Scrutiny Committees since the inception of CIFCO and expressed his support for the report.
- 41.13 Councillor Regester agreed with Councillor Holt's comments regarding the installation of solar panels on properties and felt that the benefits to tenants would encourage them to remain in the properties longer term.
- 41.14 Councillor Ward thanked the Director for Assets and Investments and the non-executive directors of the CIFCO Board for their time and effort to ensure that CIFCO delivers its promises.

By a unanimous vote the motion was **CARRIED**

It was RESOLVED:

- 1.1 That Council notes CIFCO Capital Ltd trading activity and performance for the year to 31st March 2023.**

1.2 That Council approves CIFCO Capital Ltd's 2023/24 business plan for adoption by CIFCO Capital Limited.

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

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.

43 **RESTRICTED APPENDIX - CIFCO CAPITAL LTD BUSINESS PLAN (Exempt information by virtue of Paragraph 3 of Part 1)**

44 **RE-ADMITTANCE OF THE PUBLIC (WHICH TERM INCLUDES THE PRESS)**

It was **RESOLVED:**

To re-admit the public (which term included the press)

45 **BC/23/16 BABERGH STATE OF THE DISTRICT REPORT 2023**

45.1 The Chairman invited Councillor McCraw, the Cabinet Member for Customers, Digital Transformation and Improvement, to introduce paper BC/23/16.

45.2 Councillor McCraw introduced the report which provided information to Members on the District, and **PROPOSED** the recommendations detailed in the report.

45.3 Councillor Ward **SECONDED** the recommendations.

45.4 Councillor Riley asked what actions would be taken to improve the average earnings for employees across the District. Councillor McCraw responded that the information in the report would be used to inform future policies and these would be addressed within the revised Corporate Plan.

45.5 Councillor Davis, Cabinet Member for Economic Growth, added that work was being undertaken to provide skills and opportunities to people of all ages across the District to help improve earnings.

45.6 Councillor Holt commented on the financial challenges facing younger residents in the District and expressed concern over the lack of housing and high rent charges. He went on to say that economic growth was key, and that action needed to be taken quickly.

- 45.7 Councillor Maybury raised the issue of an ageing population in the District and commented on the number of young people needing to move out of the District to pursue education, employment and housing opportunities.
- 45.8 Councillor Hurren commented on the importance of agriculture and tourism to the area and the danger these could face from over development. He went on to comment on the need for affordable housing for young people.
- 45.9 Councillor Ward commented on the need to attract small and medium sized businesses to the area to provide employment opportunities.
- 45.10 Councillor Beer highlighted the discrepancy between male and female salaries and felt this should be addressed. He then stated that there was a need for developers to build the right type of housing.
- 45.11 Councillor Regester stated that there was a need for homes offering affordable rent, as well as affordable houses to buy, to attract high skilled workers to the area.

By a unanimous vote the motion was **CARRIED**.

It was RESOLVED:

To note the content of the Babergh State of the District Report 2023 and endorse its publication on the Council's website during October 2023.

46 BC/23/17 RECOMMENDATION FROM THE INDEPENDENT REMUNERATION PANEL

- 46.1 The Chairman invited the Corporate Manager for Governance and Civic Office, Jan Robinson, to introduce report BC/23/17.
- 46.2 The Corporate Manager for Governance and Civic Office introduced the report which contained a recommendation to Council from the Independent Remuneration Panel (IRP) regarding the Political Deputy Leader's Role.
- 46.3 Councillor McLaren **PROPOSED** the recommendations in the report. Councillor Regester **SECONDED** the recommendations.
- 46.4 Councillor Holt asked whether a Member would be able to receive both the Cabinet Member and Deputy Political Leader allowance. The Corporate Manager for Governance and Civic Office advised that it had previously been agreed by Council that Members would be able to receive two Special Responsibilities Allowances.
- 46.5 Councillor Maybury referred to the research which been carried out and commented that the Local Authorities who were consulted were not comparable to Babergh District Council in size.

- 46.6 Councillor Beer asked whether a job share had been considered for the role so that the allowance could be split between both Political Deputy Leaders.
- 46.7 The Corporate Manager for Governance and Civic Office advised Members that the research was undertaken following information provided by the Local Government Association (LGA) and the Local Authorities consulted were those which had different styles of leadership. The Corporate Manager went on to confirm that the recommendations in the report were provided by the IRP after consideration of the evidence provided to them.
- 46.8 Councillor Maybury asked a question regarding why the LGA specifically chose the Councils they did to make a comparison with. The Corporate Manager for Governance and Civic Office stated that the councils had been chosen because they had different political leadership arrangements with a statutory and non-statutory leader.
- 46.9 Councillor Maybury then asked whether consultation had taken place with the Chief Executive and the Monitoring Officer regarding the research. The Chief Executive commented that the recommendations in the report were from the IRP, and not Members or Officers, and confirmed that he had been consulted.
- 46.10 In response to a question from Councillor McCraw, the Corporate Manager for Governance and Civic Office advised that IRP had been consulted and the recommendations were from the IRP and not Political Group Leaders.
- 46.11 Following a question from Councillor Maybury, the Interim Director for Law and Governance advised that there was nothing in statute to say that a Member could not decline an allowance, however it would need to be created first in order to be declined.
- 46.12 In response to a comment from Councillor Maybury, Councillor Ward stated that he had been a Cabinet Member since May 2017 and had received an allowance throughout that time. He went on to say that the new leadership arrangement was unique in Babergh District Council's history, and the workload, which is shared between himself, Councillor Busby, and Councillor Saw, had increased significantly. He then stated that the proposed remuneration was not excessive for the workload and was reasonable and proportionate.
- 46.13 Councillor Holt stated that the role had been created out of political reasons and the workload was the same as for previous cabinets. He went on to comment that the increase would not be appreciated by residents, and taxpayers should not be burdened with the additional costs.
- 46.14 Councillor Riley **PROPOSED** an amendment to the recommendation to change the multiplier.

46.15 Following a discussion between Members regarding the Leaders positions and the percentage multipliers, the Chief Executive confirmed that there was one Statutory Deputy Leader which attracts a multiplier of 1.25% which is equivalent to £8,137. In addition, there was one Deputy Political Leader which does not currently attract a Special Responsibility Allowance. The recommendation from the IRP proposed an allowance for this position.

46.16 Councillor Riley confirmed the proposed amendment to split the current multiplier between the two Deputy Political Leaders. Councillor Beer **SECONDED** the proposal.

46.17 Councillor McCraw commented that there were currently eight Members of the Cabinet, and the Leader was entitled to appoint up to ten Cabinet Members, therefore the additional cost of appointing the Deputy Political Leaders could be a cost of appointing an additional Cabinet Member under existing powers.

46.18 Councillor Beer stated that the allowances were paid from Council Tax payers money and that there was no justification for the additional payments.

By a vote of 11 votes For, 11 votes Against and 5 Abstentions and the Chairman's casting vote.

The motion was **LOST**

46.19 Councillor McCraw **PROPOSED** that the question be now put. Councillor Dowling **SECONDED** the proposal. The motion was **CARRIED** by a show of hands.

46.20 The recommendations in the report were **PUT** to the meeting.

By a vote of 11 votes Against, 10 votes For and 6 Abstentions the motion was **LOST**.

It was RESOLVED:

That the recommendations from the Independent Remuneration Panel were rejected.

47 COUNCILLOR APPOINTMENTS

47.1 Councillor Maybury, Councillor Beer, Councillor Clover, Councillor Holt, Councillor Reece and Councillor Riley left the meeting at 8:00pm, before the commencement of item 15.

By show of hands.

It was RESOLVED:

That Cllr Elisabeth Malvisi be appointed to Joint Advisory Committee and Partnership to Suffolk Coasts and Heaths.

That Cllr Tim Register be appointed to East West Main Line Partnership.

That Cllr Deborah Saw be appointed to Suffolk Safer and Stronger Communities Board.

48 MOTIONS ON NOTICE

48.1 There were no motions on notice.

The business of the meeting was concluded at 8.03 pm.

.....
Chair