

MID SUFFOLK DISTRICT COUNCIL

Minutes of the Council meeting of the **MID SUFFOLK DISTRICT COUNCIL** held at the Council Offices, Needham Market on 21 November 2016 at 5:30 pm.

PRESENT:

Councillors:	Roy Barker	John Levantis
	Gerard Brewster	Sarah Mansel
	David Burn	Wendy Marchant
	James Caston	John Matthissen
	Rachel Eburne	Lesley Mayes
	Paul Ekpenyong	Suzie Morley
	John Field	Dave Muller
	Julie Flatman	Mike Norris
	Jessica Fleming	Derek Osborne
	Elizabeth Gibson-Harries	Penny Otton
	Nick Gowrley	Jane Storey
	Kathie Guthrie	Andrew Stringer
	Lavinia Hadingham	Keith Welham
	Derrick Haley	Kevin Welsby
	Matthew Hicks	David Whybrow
	Glen Horn	Jill Wilshaw
	Anne Killett	

Also present: Sandra Cox, Karen Forster, Ivor Holden (Members of the Independent Remuneration Panel)

In attendance:

Head of Paid Service
Deputy Chief Executive
Interim Strategic Director (KJ)
Interim Assistant Director - Law and Governance and Monitoring Officer
Assistant Director – Investment and Commercial Delivery
Interim Head of Democratic Services
Corporate Manager – Financial Services
Corporate Manager – Commissioning and Procurement
Governance Support Officer (VL/BN)

Note: The Chairman explained the rules and procedures for the Council, members of the public and the press to record/film/photograph or broadcast the meeting when the public and press are not lawfully excluded.

CL129 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillors Charles Flatman, Gary Green, Esther Jewson, Diana Kearsley, Timothy Passmore and John Whitehead.

CL130 DECLARATIONS OF INTEREST

There were no declarations of interest.

CL131 MINUTES OF THE MEETING HELD ON 31 OCTOBER 2016

Report C/92/16

The minutes of the meeting held 31 October 2016 were confirmed as a correct record subject to minor typographical amendments, page 6, second and penultimate paragraphs.

By a unanimous vote

RESOLUTION

That the Minutes of the meeting held on 31 October 2016 be confirmed as a correct record.

CL132 CHAIRMAN'S ANNOUNCEMENTS

Report C/93/16

The report was noted.

CL133 PUBLIC PARTICIPATION SESSION

No requests had been received.

CL134 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION PROCEDURE

No petitions had been received.

CL135 QUESTIONS BY THE PUBLIC

No questions had been received.

CL136 QUESTIONS FROM COUNCILLORS

No questions had been received.

CL137 RECOMMENDATION FROM THE INDEPENDENT REMUNERATION PANEL

Report C/95/16

Interim Assistant Director – Law and Governance

Members were asked to consider a recommendation from the Independent Remuneration Panel in relation to the Special Responsibility Allowance for the Member with Special Responsibility (MSR) role, and to authorise the Monitoring Officer to make necessary amendments to the Members' Allowances Scheme if approved.

Sandra Cox, Chair of the Independent Remuneration Panel, provided Members with background detail considered by the Panel in understanding the roles and scope of the five MSR positions.

The recommendations were proposed and seconded by Councillors Nick Gowrley and Glen Horn respectively.

During the course of the ensuing debate, Councillor Gowrley clarified points raised by Members including:

- A review of all allowances would be carried out if the governance model was changed in the future
- The allowances would be funded from the Democratic Services budget and if this resulted in an overspend from the Transformation Fund

Councillor John Matthissen requested a recorded vote, but this was unsupported.

By a majority vote

RESOLUTION 1

That the Special Responsibility Allowance for the Member with Special Responsibility role be set at 0.75 (£3000) of the current basic allowance

RESOLUTION 2

That the revised Special Responsibility Allowance take effect from the date of creation of the new role (April 2016)

RESOLUTION 3

That a revised Members Allowances Scheme incorporating the recommendation of the IRP as adopted by the Council under Resolution 1 above be prepared by the Monitoring Officer. Further, that the Monitoring Officer be authorised to make any typographical and other minor / consequential amendments prior to publication of the final document

CL138 RECOMMENDATION FROM JOINT AUDIT AND STANDARDS COMMITTEE – 14 NOVEMBER 2016

MID-YEAR REPORT ON TREASURY MANAGEMENT 2016/17

Report JAC90

**Assistant Director – Corporate Resources
Corporate Manager – Financial Resources
Senior Financial Services Officer**

Councillor Suzie Morley, Chairman of the Joint Audit and Standards Committee, reported that at its meeting on 14 November the Committee considered Report JAC90, the Mid Year Treasury Report for 2016/17. Following clarification of various matters by Officers, the Committee approved the recommendation as set out on the agenda.

Councillor Morley proposed the recommendation which was seconded by Councillor Kevin Welsby.

By a unanimous vote

RESOLUTION 1

That it be noted that Treasury Management activity for the first six months of 2016/17 was in accordance with the approved Treasury Management Strategy, and that both Councils have complied with all Prudential Indicators for this period.

CL139 DEVOLUTION FOR NORFOLK AND SUFFOLK

Report C/94/16

Deputy Chief Executive

Councillor Nick Gowrley, Leader, reported that as a result of the decision by King's Lynn and West Norfolk Borough Council not to consent to being included in a draft Order to be laid before Parliament to create a Mayoral Combined Authority for Norfolk and Suffolk to implement the Norfolk and Suffolk Devolution Deal, it was likely that the Government would take the Norfolk and Suffolk Devolution Deal off the table.

In light of this, revised recommendations were circulated at the meeting (Paper C/94/16R), and duly proposed and seconded by Councillors Nick Gowrley and David Burn respectively.

During the course of the ensuing debate the following points were raised and clarification was given by Councillor Gowrley:

- The need to look for other partners if the Government considered a Suffolk only bid too small;
- Deal 1 to focus on growth with areas such as health and sustainability likely to be part of Deal 2;
- Progression of Deal 2;
- Opportunity to negotiate a better financial offer with less Government intervention;
- Consideration should be given to a better democratic system; if Government insist on an elected Mayor there should be the same system of proportionality as with the London Mayor

Members commended the amount of hard work by Officers and Members in putting the deal together.

By a unanimous vote

RESOLUTION 1

To reiterate the commitment, given at its June meeting, to Devolution as a means for delivering accelerated growth in the local and national economy and helping local people and places fulfil their potential;

RESOLUTION 2

To authorise the Leader and Chief Executive to:

- (a) seek an urgent meeting with the Secretary of State to discuss the Government's intentions around devolution;*
- (b) work with Government and local partners to agree an alternative devolution deal as soon as possible*

RESOLUTION 3

That further reports are presented to the Authority, as appropriate, as the Devolution process progresses.

CL140 CONTRACT STANDING ORDERS

Report C/96/16

Corporate Manager – Commissioning and Procurement

Councillor Glen Horn presented the report which set out the proposed amendments to the Council's Contract Standing Orders.

It was noted that there was one change to the report in Appendix A, item 5.3 (page 88), in the title which should have read "The Principle of Proportionality" instead of "The Principle of Proportionately".

The recommendations were proposed and seconded by Councillors Glen Horn and John Levantis.

Councillor John Field questioned the legality of removing reference to the EU at this time. The Corporate Manager – Commissioning and Procurement responded that the principles of fairness and transparency were all followed and contained in the Contract Standing Orders.

Councillor Rachel Eburne enquired why there was a proposed increase in the delegation for Approved Officers from £10k to £25k. The Corporate Manager – Commissioning and Procurement advised that it brought it in line with Suffolk County Council. However, Officers and Members would still be required to get written quotations for values over £1,000 to prove value for money.

A further query was raised by Councillor Roy Barker, on whether the revised Contract Standing Orders would help smaller, local businesses work closer with the Council. Members were informed that removing the requirement to go out to competition for smaller value requirements would help support smaller, local businesses. Also, there was a requirement in the Commissioning Procurement Manual to support local businesses.

By a majority vote

RESOLUTION

That the revised Contract Standing Orders as detailed in Appendix A to Paper C/96/16 be approved.

CL141 LEADER'S REPORT

The Leader, Councillor Nick Gowrley, provided Members with an update on the Public Access and Accommodation Programme. Work was progressing well, the new website had started to be rolled out and public views sought. The project had been rebranded and was now called the "All Together" Project. The All Together Member Sub-Group had met, and was working with officers to review opportunities for public access points.

CL142 JOINT SCRUTINY COMMITTEE REPORT

Report C/97/16

Councillor Rachel Eburne

The report was received. Councillor Rachel Eburne, Chairman of Joint Scrutiny, informed Members that the date of the next meeting had been changed to 6 December 2017.

CL143 ASSETS AND INVESTMENT STRATEGY

Report C/98/16

Assistant Director Assets and Commercial Delivery

Councillor Penny Otton sought clarification on the reason Appendix 1 was considered exempt from public session. In response the Monitoring Officer clarified that Appendix 1 contained confidential, commercially sensitive information.

Prior to the Council's consideration of report C/98/16, the Chairman introduced the Assistant Director – Assets and Commercial Delivery, Louise Rawsthorne and Interim Investment and Development Executive, Ian Winslet, who gave a short presentation on the Assets and Investment Strategy.

Councillor Nick Gowrley presented the report which set out two elements of an emerging approach to managing assets and investment. Firstly, the report sought approval for an Assets and Investment Strategy made up of three strands:

- Strand 1 – Investment (Profit for Purpose)
- Strand 2 – Regeneration and Development
- Strand 3 – Asset Management

Secondly, and essential to the delivery of Strand 1 of the strategy, approval was being sought for a wholly owned incorporated structure for investment in commercial property for profit. Skills and expertise had been employed from JLL from the property sector, Trowers and Hamlins for legal advice and Arlingclose Ltd for financial modelling.

If approved, a full business plan would then be placed before Council for consideration in Spring 2017 before the company started to trade.

Members attention was brought to a paper which had been circulated at the meeting, outlining the revised wording, for the purpose of clarity, to Recommendation 2.2(i):-

“2.2 (i) A Babergh District Council Holding Company and a Mid Suffolk District Council Holding Company”

Councillor Gowrley proposed the recommendations, which were duly seconded by Councillor Susie Morley.

Members then had the opportunity to ask questions on the non-confidential elements of the report and the following were among the matters raised and clarified:

- Borrowing from public works loan board – the Council could decide on fixed term or variable rates, with the flexibility to change at a later point
- Accountability and transparency – Recommendations were based on a full business plan which would set out the governance arrangements. Accountability would be seen in the business plan, which would be reviewed annually by Council

- The Holding Company Boards were not required to be politically balanced by law
- Commercial skills and expertise – a skills audit of all Members would be carried out to establish which Members should represent the Council on the Boards
- The purpose of the three Strands was to ensure focus is not lost
- Look at ways of generating returns with local projects that also achieved the Council's aims – the proposal maximised return giving the opportunity to achieve its aims
- Personal liability for any Member involved in the company – insurance would be in place to cover Directors in the normal line of business and providing a Director had acted in good faith there would be no individual liability
- Use of Suffolk County Council Pension Fund to invest in building council homes – the Public Works Loan Board was the approach likely to be taken at the start, opportunities for other sources of income in future years
- Interest rates go up and property yields go down.
- Possibility of funds being invested in purchasing land with planning permission and bringing forward to the construction phase to build houses on - additional borrowing could be sought. The £25M to be used for investment into commercial property.
- Could investment be made in areas in the District needing improvement or for buying agricultural land – there was flexibility in where and how investment was made.

CL144 RESOLUTION TO EXCLUDE THE PUBLIC

Under section 100(4) of the Local Government Act 1972 the public were excluded from the meeting for the following item 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 paragraphs registered against the item:

<i>Item</i>	<i>Schedule 12a Reason</i>
<i>CL143 – Appendix 1 to Paper C/98/16</i>	<i>3</i>

CL143 ASSETS AND INVESTMENT STRATEGY

Report C/98/16 Appendix 1 Assistant Director Assets and Commercial Delivery

The Minute relating to the above mentioned item is excluded from the public record. A summary of the Minute made by the Proper Officer in accordance with sub-section 2 of Section 100(c) of the Local Government Act 1972 is set out below.

Members raised questions in relation to the paper C/98/16 Appendix 1, which were responded to by Officers.

The meeting returned to open session at 7:15pm and further debate ensued as follows

CL143 ASSETS AND INVESTMENT STRATEGY

Report C/98/16 Assistant Director Assets and Commercial Delivery

Councillor Andrew Stringer proposed an amendment to Recommendation 2.1 of the paper to read:

“That Members approve the three strands of the Assets and Investment Strategy subject to the majority of the £25M investment being invested in the Mid Suffolk District Council area.”

He considered that every step the Council took should be in delivering the Strategic priorities. There were two Councils with differing needs from the income generated with differing risks and challenges. He believed that if the majority of investment, 51%, was within this area it would kick start the local economy and aid delivery of strategic priorities. Although investment in commercial property should give good returns there was still a risk and investment in the District would bring economic development.

The motion was seconded by Councillor Penny Otton who said:

- Local Authorities were not major investment vehicles
- A major change in Government legislation was to give Councils the ability to provide Council properties and there was an argument for investing in development to provide homes for purchase or rent
- Support should be given to the local economy and investment within the District would do this.

During the course of the debate on the revised motion, the following points were raised:

- Although supporting the local economy was important investment must be in the best opportunities to generate the greatest income which could be used to achieve the Council’s aims
- Investments would be made in the District where appropriate
- Although empathetic to the motion it would be wrong to tie the Council’s hands regarding investment when it was necessary to spread the risks
- Local Government Act 2000, general power to “promote economic, social and economic wellbeing in our area” – investment in our area could meet this

As a point of order Councillor Stringer clarified that the amendment was for a “majority”, 51%.

Councillor Gowrley responded that advice given from JLL was to look at the eastern region. Strand 2 would give the opportunities Councillor Stringer was after.

The amendment was lost 9 votes to 23.

A vote was then taken on the substantive recommendations.

By a majority vote

RESOLUTION 1

That Members approve the three strands of the Assets and Investment Strategy

RESOLUTION 2

That Members approve an incorporated structure for investment in commercial property which will then be the subject of a business plan to be brought forward for approval in early 2017. The incorporated structure to be made up of two holding companies;

- i. *A Babergh and a Mid Suffolk District Council Holding Company.*
- ii. *A Joint Capital Investment Fund Special Purpose Vehicle owned 50:50 with Babergh/Mid Suffolk District Council holding the fund for investment*

RESOLUTION 3

That Members approve the Capital Investment Fund model and structure as set out in the business case (as contained in Confidential Appendix 1 to Paper C/98/16), legal, tax and company structure advice all appended to this report

Note: Councillor David Burn left the meeting prior to the vote on the amended and substantive recommendations.

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Chairman