

Joint Executive (Cabinet) Committee

Minutes of an extraordinary meeting of the **Joint Executive (Cabinet) Committee** held on **Tuesday 18 September 2018** at **6.00 pm** in the **Conference Chamber West, West Suffolk House, Western Way, Bury St Edmunds IP33 3YU**

Present: **Councillors**

Chairman John Griffiths (SEBC Leader of the Council)
Vice Chairman James Waters (FHDC Leader of the Council)

Forest Heath DC:

Robin Millar
David Bowman
Ruth Bowman J.P.
Andy Drummond
Stephen Edwards
Lance Stanbury

St Edmundsbury BC:

Carol Bull
Robert Everitt
Susan Glossop
Ian Houlder
Sara Mildmay-White
Joanna Rayner
Peter Stevens

By Invitation:

Simon Cole

(Chairman of FHDC's Overview and Scrutiny Committee)

Sarah Broughton

(Chairman of SEBC's Overview and Scrutiny Committee)

In attendance:

Brian Harvey

(FHDC Member)

45. **Introduction**

Councillor John Griffiths, Leader of SEBC Council and Chairman, opened the meeting and welcomed those in attendance. He firstly wished to pay tribute to Councillor Alaric Pugh, former SEBC Portfolio Holder for Planning and Growth, who had recently and reluctantly taken the decision to resign from SEBC's Cabinet for personal reasons. Reiterating that Councillor Pugh was not resigning as a councillor, Councillor Griffiths took the opportunity to acknowledge Councillor Pugh's many achievements and dedicated service to St Edmundsbury Borough Council and West Suffolk, and particularly for his

sterling contribution towards driving the Councils' considerable growth agenda.

Councillor Griffiths then formally welcomed Councillor Susan Glossop to her first meeting of the Joint Executive (Cabinet) Committee, following her recent appointment to SEBC's Cabinet, thus replacing Councillor Alaric Pugh.

(Note: As the agenda and papers for this meeting had been published prior to the above changes to SEBC's Cabinet being made, these had not been reflected on the agenda front.)

46. Apologies for Absence

No apologies for absence were received.

47. Open Forum

No non-Cabinet Members in attendance wished to speak under this item.

48. Public Participation

There were no questions/statements from members of the public.

49. Barley Homes: Interim Business Plan and Changes in Governance

(Report No: CAB/JT/18/032)

The Joint Committee considered this report which presented a proposed way forward to support Barley Homes in delivering its objectives following Suffolk County Council's decision to withdraw from this joint venture and transfer its interest to the West Suffolk councils.

Barley Homes was established by Suffolk County Council (SCC), Forest Heath District Council (FHDC) and St Edmundsbury Borough Council (SEBC) and incorporated in March 2016. Report No: CAB/JT/18/032 provided background since the establishment of the company, including that each of the two West Suffolk councils owned 25% of the company, whilst Suffolk County Council was a 50% shareholder. A five year business plan had been agreed in December 2016, identifying four potential sites for the company to develop; however since that time, SCC had decided to undertake an open market sale of one of the sites (Wamil Way, Mildenhall), with the consequence being that only three sites remained in the Barley Homes plan, namely:

- Haverhill Town Hall Car Park (owned by SEBC)
- Westfield School Site, Haverhill (owned by SCC)
- Castle Hill School Site, Haverhill (owned by SCC)

Councillor Sara Mildmay-White, SEBC Portfolio Holder and West Suffolk Lead for Housing, drew relevant issues to the attention of the Joint Committee, including that the complexity of operating between the Councils had been recognised and, in particular, meeting the policy and financial objectives of all parties had proved difficult. Therefore all parties had agreed that it would be more effective and efficient for the County Council to focus on its wider

strategic role in the delivery of housing in West Suffolk, whilst the West Suffolk councils would lead on local scheme delivery. SCC had therefore taken the decision to withdraw from Barley Homes with its ownership being transferred to the West Suffolk councils, in accordance with the proposed deal set out in paragraph 2.2 of the report.

An interim business plan, as attached as Exempt Attachment A, had been produced and, together with the recommendations set out in the report, it was proposed that this be recommended to SEBC and FHDC Councils for approval on 25 and 26 September 2018 respectively. This would allow work to progress on the identified sites with the intention of a full comprehensive review of Barley Homes being undertaken, the outcomes of which would be presented to the new West Suffolk Council in 2019.

Members also considered the various implications associated with proceeding with the proposal, including financial and risk implications and the changes required to the governance arrangements, as summarised in the recommendations and detailed further in the report.

Councillor Sara Mildmay-White then drew attention to an addendum to the report, which had been tabled before Members at the meeting. This contained an amendment to proposed Recommendation 10 and had been revised as it was considered that priority should be given to developing the sites at the former Westfield and Castle Hill schools. This was mainly due to changes in market conditions, and it was considered that it was not in the best interests of Barley Homes to prioritise development of the Town Hall car park site in Haverhill and should be considered as part of the detailed business plan to be presented to West Suffolk Council in 2019. This also provided the opportunity for further discussion to take place with Haverhill Town Council and local ward members on their aspirations for the site.

A detailed discussion was held and the Joint Committee agreed it was a sensible proposal and given that a planning application for the Westfield site was anticipated to be submitted imminently, and that plans for the Castle Hill site were progressing well, Members considered the proposal was a positive opportunity for the West Suffolk councils. Subject to approval, progress was likely to be made more quickly now that the FHDC and SEBC had greater control.

Councillor Simon Cole, Chairman of FHDC's Overview and Scrutiny Committee, was in attendance and spoke in support of the proposal. Councillor Diane Hind, Chairman of SEBC's Overview and Scrutiny Committee had been unable to attend; however, Councillor Sara Mildmay-White had responded to questions previously raised by Councillor Hind, and the replies were reiterated at the meeting.

Therefore, it was:

RECOMMENDED to SEBC and FHDC COUNCILS

(25 and 26 September 2018 respectively):

- (1) The proposal for Suffolk County Council to transfer its ownership of Barley Homes to the West Suffolk Councils be noted, and the terms of the deal as set out in paragraph 2.2 of Report No: CAB/JT/18/032, be agreed.
- (2) An additional working capital loan facility of £350,000 funded from the Strategic Priorities and Medium Term Financial Strategy (MTFS) reserves and as set out in section 3.4, be approved.
- (3) A revised total of £7.5 million (currently £6 million) revolving investment facility, be added to the Councils' capital programme, financed from capital receipts in line with paragraph 3.3.2.
- (4) Delegation be given to the S151 Officer and Monitoring Officer, in consultation with the Portfolio Holders for Resources and Performance and Housing to issue equity and loan funding from the revolving investment facility (set out in (3) above) subject to state aid requirements.
- (5) The S151 Officer and Monitoring Officer, in consultation with the Portfolio Holders for Resources and Performance, be authorised to negotiate and agree the terms of such loans with Barley Homes and the funding and necessary legal agreements, taking into consideration the Council's loans policy and state aid requirements.
- (6) Approval of the Interim Business Plan will constitute consent for Barley Homes to issue shares and enter into debt financing, in line with the Business Plan, be noted.
- (7) The Councils' medium term financial revenue plans in line with section 3.5, be updated.
- (8) The proposed shareholder representative arrangements be agreed, and authority be given for the representatives to make all necessary decisions on behalf of the shareholders as required by the Articles of Association and Shareholder Agreement as set out in paragraphs 5.4 to 5.6.
- (9) The Shareholder Representatives be authorised to make all necessary arrangements for the purchase of the County Council's shareholding in Barley Homes, and the consequential governance amendments required to the Company's Articles of Association and Shareholder Agreement, as set out in paragraph 5.2.
- (10) The Shareholder Representatives be authorised to agree the Interim Business Plan contained in Exempt Attachment A of Report No: CAB/JT/18/032, subject to the development of the Town Hall Car Park, Haverhill, being paused to allow for further

discussions on the aspirations of the site, and priority to be given to development of the sites at Westfields and Castle Hill.

- (11) It be noted that a comprehensive business case for Barley Homes will be presented to West Suffolk Council in 2019.
- (12) Agreement be given for the Council's Section 151 Officer to make the necessary changes to the Council's 2018/19 prudential indicators as a result of Recommendation (3).

50. **Exclusion of Public and Press**

See minute 51. below.

51. **Exempt Attachment: Barley Homes: Interim Business Plan and Changes in Governance (para 3)**

The Cabinet considered Exempt Attachment A to Report No: CAB/JT/18/032 under Agenda Item 4, however no reference was made to specific detail and therefore this item was not held in private session.

The Meeting concluded at 6.21 pm

Signed by:

Chairman
