

Minutes of a meeting of the **Cabinet** held virtually via **Microsoft Teams** live remote meeting platform on **Tuesday 8 December 2020** at **6.00 pm**

Present **Councillors**

Chair John Griffiths (Leader of the Council)

Vice Chair Sara Mildmay-White (Deputy Leader of the Council)

Sarah Broughton
Carol Bull
Andy Drummond
Robert Everitt

Susan Glossop
Joanna Rayner
David Roach
Peter Stevens

By invitation

Ian Houlder

(Chair of the Performance and Audit Scrutiny Committee)

Ian Shipp

(Chair of the Overview and Scrutiny Committee)

In attendance

Mike Chester

(observer – attendance by viewing the live broadcast only)

Brian Harvey

(observer – attendance by viewing the live broadcast only)

195. Welcome and meeting facilitation

The Chair formally opened the meeting and welcomed all persons present, including those that were viewing the meeting externally via the live broadcast.

Leah Mickleborough, Service Manager (Democratic Services), was acting as facilitator for the meeting where support was felt necessary and upon being invited to do so, assisted the Chair in detailing the housekeeping matters and guidance as to how the meeting would operate within the virtual setting.

196. Apologies for absence

No apologies for absence were received.

197. **Minutes**

The public and exempt minutes of the meeting held on 10 November 2020 were confirmed as a correct record.

198. **Declarations of interest**

Members' declarations of interest are recorded under the item to which the declaration relates.

199. **Open forum**

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

200. **Public participation**

No members of the public viewing the live broadcast had registered to speak.

201. **Report of the Overview and Scrutiny Committee: 12 November 2020 (Report number: CAB/WS/20/074)**

The Cabinet received and noted this report, which informed members of the following substantive items discussed by the Overview and Scrutiny Committee at its meeting held on 12 November 2020:

1. Major Council capital projects and the impact of Covid-19 (presentation);
2. Suffolk County Council: Health Scrutiny Committee (14 October 2020); and
3. Work programme update 2021 and suggestions for scrutiny.

Councillor Ian Shipp, Chair of the Overview and Scrutiny Committee drew relevant issues to the attention of Cabinet.

202. **Report of the Performance and Audit Scrutiny Committee: 19 November 2020 (Report number: CAB/WS/20/075)**

The Cabinet received and noted this report, which informed members of the following substantive items discussed by the Performance and Audit Scrutiny Committee at its meeting held on 19 November 2020:

1. Ernst and Young – 2019 to 2020 Annual Results Report to those Charged with Governance;
2. West Suffolk Annual Governance Statement 2019 to 2020;
3. 2019 to 2020 Statement of Accounts;
4. 2020 to 2021 Performance Report (Quarter 2);
5. Internal Audit Mid-Year Progress Report 2020 to 2021;
6. Delivering a Sustainable Medium Term Budget;
7. Financial Resilience (September 2020);
8. Local Government Ombudsman Annual Report; and
9. Work Programme Update 2021.

Cabinet noted that separate reports were contained on the agenda for items 6. and 7. above.

203. **Recommendation of the Performance and Audit Scrutiny Committee: 19 November 2020: Delivering a Sustainable Medium-Term Budget (Report number: CAB/WS/20/076)**

The Cabinet considered this report, which was recommending to Council, the approval of proposals for inclusion in the medium-term financial plans.

In July 2020, Cabinet had agreed proposed next steps and principles for future financial planning across the medium term (Report number: CAB/WS/20/043). The approach was designed to enable the Council to respond effectively to changing circumstances while maintaining a medium-term focus on the Council's financial sustainability.

The Performance and Audit Scrutiny Committee (PASC) on 19 November 2020, received an update on the development of that flexible and responsive recovery plan, a plan that would continue to follow the Council's agreed financial strategy and six key medium-term financial strategy themes, and the proposed key budget assumptions were set out in Section 2 of the PASC report (PAS/WS/20/019) (and reproduced in Cabinet report number: CAB/WS/20/076).

The recommendations considered and for subsequent approval by Council on 15 December 2020, together with any further recommendations emanating from PASC and Cabinet in the coming weeks, would be incorporated into the budget setting process, the composite report for which would be considered by Cabinet and Council in February 2021.

Councillor Sarah Broughton, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of Cabinet.

Cabinet demonstrated its support for the approach to the Council's future financial planning previously agreed in July 2020 and considered the proposals outlined in the report pragmatically underpinned this approach and would contribute to the delivery of a sustainable medium-term budget.

Recommended to Council (15 December 2020):

That the proposals as detailed in Section 2 and Table 1 of Report number PAS/WS/20/019, be included in the medium-term financial plans.

204. **Recommendation of the Performance and Audit Scrutiny Committee: 19 November 2020: Financial Resilience (September 2020) (Report number: CAB/WS/20/077)**

The Cabinet considered this report, which was recommending to Council, the approval of the Financial Resilience Report for the first half of the 2020 financial year.

Councillor Sarah Broughton, Portfolio Holder for Resources and Performance, drew relevant issues to the attention of Cabinet, including that the total amount invested at 1 April 2020 was £29,900,000 and at 30 September 2020 £27,900,000.

The 2020 to 2021 Annual Treasury Management and Investment Strategy set out the Council's projections for the current financial year. The budget for investment income in 2020 to 2021 was £142,141 which was based on a 0.65 per cent target interest rate of return on investments.

As at the end of September 2020, interest earned during the second quarter of the financial year amounted to £54,297.81 against a profiled budget for the period of £71,070; a budgetary deficit of £16,772.69. The budgetary deficit related to continued low interest rates as a result of the Covid-19 pandemic which started in mid-March 2020.

Members also noted from the report, a summary of the capital borrowing budget 2020 to 2021; borrowing and income – proportionality; borrowing and asset yields; borrowing and temporary loans and other market considerations.

As at the end of September 2020, the Council had not had any additional external borrowing or temporary loans over the long-term £4 million loan.

Recommended to Council (15 December 2020):

That the Financial Resilience Report (September 2020), as contained in Report number: FRS/WS/20/003, be approved.

(Councillor Ian Houlder, Chair of the Performance and Audit Scrutiny Committee joined the meeting during the consideration of this item.)

205. Decisions Plan: 1 December 2020 to 31 May 2021

The Cabinet considered this report which was the Cabinet Decisions Plan covering the period 1 December 2020 to 31 May 2021.

Members took the opportunity to review the intended forthcoming decisions of the Cabinet; however, no further information or amendments were requested on this occasion.

206. Barley Homes Business Plan 2020 (Report number: CAB/WS/20/079)

The Cabinet considered this report, which sought approval for a revised business plan for Barley Homes, and associated funding requests.

In December 2019, Council approved an annual business plan for Barley Homes and a capital budget of £5 million, funded from the Investing in our Growth Fund, to support the issuing of equity and loan financing to facilitate the development of two additional sites. This was in addition to an existing facility of £7.5 million, taking the total investment fund available to Barley Homes to £12.5 million.

Since then, the company had made good progress in achieving its aims and progressing the sites agreed in its business plan at Castle Hill (now Stonemill Park) and Westfield (now Westmill Place), Haverhill, for the delivery of 63 homes, of which 19 were affordable. The two sites, combined, could generate a one-off return to the Council on its investment of up to £1.2 million (on top of repayment of a loan balances). Construction was now underway on both sites.

Councillor Sara Mildmay-White, Portfolio Holder for Housing, drew relevant issues to the attention of Cabinet, including that in addition to the construction works outlined above, progress had also been made with the two further sites agreed at College Heath Road, Mildenhall, and School Lane, Great Barton.

Work was also continuing to explore future sites for development, and as a result, several opportunities and future sites had been identified, including a site in Rougham. These were being explored in line with the principles set out in 2.1.2 and 2.1.3 of the report.

The Cabinet acknowledged the good progress made by Barley Homes in achieving its aims and progressing the sites agreed in its business plan approved in December 2019. Members expressed their thanks to the team involved for reaching this point and had confidence that the company would continue to grow and thrive, while providing much needed homes, including affordable homes, for residents of West Suffolk.

Cabinet supported the proposals and associated funding requests set out in the report, which would enable Barley Homes to progress both existing and new opportunities set out in the Business Plan 2020. The primary function of Barley Homes was to generate capital and revenue income through the sale of council owned land and the development of new housing for sale in the West Suffolk area. This investment facility would provide a means for the Council to obtain income from Barley Homes, through interest (from its loan facility) and dividends (from the Council's equity investment).

Resolved:

That:

1. Taking into account the financial and risk implications set out in Report number: CAB/WS/20/079 and Exempt Appendix A attached, the Barley Homes Business Plan 2020, be approved.
2. In order to bring the Barley Homes Business Plan 2020 into effect:
 - a. A further £60,000 be allocated to support the costs of progressing the Great Barton and Rougham sites and the development of future pipeline sites, funded from the Investing in our Growth Fund.

- b. The existing investment fund available to Barley Homes be increased by £1.75 million to a total of £14.25 million to facilitate the developments within the Business Plan, funded from the Investing in our Growth Fund.
- c. It be noted that in order to facilitate the developments within the Business Plan, the Council will be required to acquire sites from One Public Estate partners and the market, funded from the £14.25 million investment fund and subsequently dispose of these to Barley Homes at market value at the time of sale.

207. Exclusion of press and public

See minutes 208. and 209. below.

208. Exempt Appendix: Barley Homes Business Plan 2020 (paragraph 3)

The Cabinet considered the exempt appendix to this report. However, no reference was made to specific detail and, therefore, this item was not held in private session.

209. Exempt minutes (paragraph 3)

The Cabinet considered the exempt minutes of 10 November 2020. However, no reference was made to specific detail and, therefore, this item was not held in private session.

210. Conclusion

On conclusion of the meeting, the Chair thanked all present for their attendance at this virtual meeting. The live broadcast subsequently ended at this point.

The meeting concluded at 6.37 pm

Signed by:

Chair
