

CLAY FARM CENTRE - REVIEW OF GOVERNANCE ARRANGEMENTS

To: Highways and Community Infrastructure Committee

Meeting Date: 13th September 2016

From: Christine May, Interim Service Director

Electoral division(s): Trumpington

Forward Plan ref: N/a **Key decision:** No

Purpose: The purpose of this report is to update members regarding the future governance arrangements for Clay Farm Centre.

Recommendation: The Committee is being asked to agree:

a) that the County and City Councils will work together to dissolve the Joint Venture Company, The Clay Farm Centre Limited; and formulate a new partnering agreement for the governance of the community centre;

b) that the County and City Councils will work together to establish a new Partnering Agreement;

c) that the new partnering agreement will establish an advisory group to provide community oversight of the centre management, which will incorporate elected members;

d) that the detail of a), b) and c) is worked through between the City and County Councils and the Directors of the JVC. Once agreement is reached, authority to enter into the new arrangement on behalf of the County Council is delegated to the Executive Director – Economy, Transport and Environment in consultation with the Chair and Vice Chair of the Highways and Community Infrastructure Committee.

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1. BACKGROUND

- 1.1 The Clay Farm Centre is being built in Trumpington, in Cambridge. It is a five storey building that will provide a library service, a community café, performance hall, community spaces for hire, touch-down for public services, a health centre and residential accommodation. The community elements are jointly funded by Cambridge City Council and Cambridgeshire County Council via developer contributions, whilst the health facility and residential accommodation are separately funded.
- 1.2 The Highways & Community Infrastructure Committee of 3 June 2014 agreed the approach to create a Joint Venture Company (JVC) to run the Centre. It was always envisaged that members of the community would also be involved in running the Centre.
- 1.3 At a meeting of the H&CI Committee on 19 August 2014, the details of the City and County Councils financial commitment and representation on the Board of Directors was agreed as follows: the City and County have a 60:40 asset interest in the Centre and contributions were agreed on this basis. Underwriting by both councils of the running costs of the centre is limited in any one year to £120,000 by the City and £80,000 by the County.
- 1.4 A Collaboration Agreement was established between the City and County Councils on 19 December 2014 and the Clay Farm Centre Ltd was incorporated on the 29th December 2014 (hereafter referred to as the JVC). The JVC is a company limited by guarantee and City and County are shareholders in the JVC. It has three directors, two representing the City and one representing the County (Councillor Barbara Ashwood).
- 1.5 The JVC chose to commission the City Council to manage the Centre on its behalf and in recent months it has become apparent that the advantages of operating the JVC may have become outweighed by the disadvantages of this model, mainly due to the addition of taxation charges and other costs.
- 1.6 In July 2016, following consultation with the JVC directors, the City and County jointly instructed their legal representatives, Sharpe Pritchard and LGSS, to produce a briefing paper that sets out the legal framework of options for the future of the JVC and outlining what other operational models are available for the running of the Centre.
- 1.7 The report was considered on 10 August 2016 by the JVC's Board of Directors and it was agreed, subject to the agreement of both councils, to dissolve the company and for the two councils to enter into a partnering agreement instead to govern their interests in the centre. The JVC has not traded and has no assets.

2. MAIN ISSUES

- 2.1 In the current arrangement, the City would grant a head lease to the JVC. The JVC would then grant two under leases: one to the Bedfordshire Pilgrims Housing Association (BPHA) for the residential accommodation, and one to the GP practice for the health centre.
- 2.2 An alternative model would see the JVC removed from the governance arrangements for the Centre. This would have the advantage of simplifying the model and it would remove

many of the identified problems in relation to taxation. Only two leases would need to be granted and both would be granted directly by the City to the tenants of the Community Centre.

- 2.3 The absence of a vehicle in which the County has a direct stake would be solved by both councils entering into a Partnering Agreement, which would be derived from the current collaboration agreement.
- 2.4 The Partnering Agreement would cover financial matters between the parties and would need to cover issues of liability in the absence of the JVC. The agreement to date is that the City will be acting as the employer for staff of the new Centre. The library would be provided under a service level agreement between the County and City, annexed to the partnering agreement.
- 2.5 It is envisaged that there would be an advisory steering group made up of elected members of both councils and local representatives. Regular partner meetings would also be held to monitor the arrangement. The Partnering Agreement would address matters of financial scrutiny.

3. ALIGNMENT WITH CORPORATE PRIORITIES

Report authors should evaluate the proposal(s) in light of their alignment with the following three Corporate Priorities.

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

- 4.1 The following bullet points set out details of significant implications identified by officers:
 - Resource Implications – although this is a change to the structure that was originally proposed, the financial implications on the County Council remain the same as the annual financial contribution is capped. There are not expected to be any staffing implications.
 - Statutory, Legal and Risk – The process has been assessed legally and the proposed route is considered appropriate so any legal or statutory risks are low.
 - Equality and Diversity – this proposed change does not affect what will be delivered for the local community so it is considered there are no equality or diversity risks.

- Engagement and Communications – Communications: are contained within the body of the report
- Localism and Local Member Involvement – Local Members have been involved in this process.
- Public Health – Public Health: there is a slight risk to manage to ensure that a new governance model is able to deliver the Centre and therefore limit the impacts on the mental health of the new community of Clay Farm and Trumpington Meadows.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Sarah Heywood
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Virginia Moggridge
Are there any Equality and Diversity implications?	Yes Name of Officer: Emma Middleton
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Ed Strangeways
Are there any Localism and Local Member involvement issues?	Yes Name of Officer: Paul Tadd
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Iain Green

SOURCE DOCUMENTS GUIDANCE

It is a legal requirement for the following box to be completed by the report author.

Source Documents	Location
Highways & Community Infrastructure Committee Reports from 2014	June 2014 August 2014 paper