

CABINET: MINUTES

Date: 20th May 2008

Time: 10.00 a.m. – 11.40 a.m.

Present: J M Tuck Chairman

Councillors: M Bradney, Sir P Brown, M Curtis, D Harty, L W McGuire, J E Reynolds and F H Yeulett

Apologies: Councillor R Pegram

Also in Attendance

Councillors: I Bates, P Downes, S King and L Oliver.

548. MINUTES 15th APRIL 2008

The minutes of the meeting of the Cabinet held on 15th April 2008 were approved as a correct record.

549. DECLARATIONS OF INTERESTS

Councillor Curtis declared a personal interest in respect of agenda item 8. 'Building Schools for the Future – the Procurement Phase' as a Local Education Authority (LEA) Governor at Sir Harry Smith Community College.

Councillor J Reynolds declared:

- A personal, non-prejudicial interest in Item 5 'Climate Change and Environment Strategy' as the chairman of Renewables East.
- A personal, non-prejudicial interest in item 8 'Building Schools for the Future – the Procurement Phase' as the chairman of the England Shires Purchasing Organisation.
- A personal, non-prejudicial Interest in item 13 'Consultation on proposed changes to Airspace, Terminal Control North, by NATS ' as a member of the East of England Regional Assembly who, he indicated would also be providing a robust response.

550. PETITIONS - NONE RECEIVED.

551. REPORT FROM ENVIRONMENT AND COMMUNITY SERVICES SCRUTINY COMMITTEE

Called-In Decision – Network Service Plan And Revised Highways Policies: 20 Mile Per Hour (mph) Speed Limits

Cabinet at its meeting on the 15th April 2008 had agreed the 'Network Service Plan and a revised highways policy document, including the new street lighting policy. 15 members had subsequently signed a request to call in the decision specifically relating to the section in

the Revised Highways Policies document on the policy regarding adopting 20 mph speed limits. (paragraph 18.2.1) reading:

'20 mph speed limits will only be permitted at sites:

- Where the mean speed of traffic is 20mph or lower
- In combination with self-enforcing speed reduction features necessary to achieve a mean speed no greater than 20mph'.

The Call-In request from 15 members included concerns that in their opinion:

- There had been no public or stakeholder consultation, while the current policy had been approved after a previous programme of consultation and a similar process should have been followed before approval of any changes.
- The proposed change would significantly reduce the public's opportunity to call upon the County Council to introduce 20mph speed limits.
- The proposed change was contrary to Government guidance which recognised the road safety benefits of 20 mph limits.
- An error in the presentation of the proposed policy change could have misled the public about the nature of current policy.

Cabinet received report prepared following the Environment and Community Services Scrutiny Committee's consideration of the issues raised by the Call-in. Councillor King, the chairman of the scrutiny committee at the time of the Call-in, had been due to present the report but had been held up in traffic following an accident on the A14. In his absence, Rob Jakeman, the Corporate Services Scrutiny co-ordinator made a brief presentation of the main points in the report. Councillor King arrived at the conclusion of the item.

It was noted that following careful consideration at the scrutiny committee, including calling the relevant Cabinet Member as a witness, the Committee had decided not to object to the implementation of the decision, but instead provided comments in the report for Cabinet's consideration. These included:

- concerns that the public consultation process for the Cabinet paper in July 2007 had been predicated on the 24 mph mean speed limit, and secondly that the correction to the policy was not sufficiently highlighted for consideration by Members of the Highways and Transport Policy Development Group meeting in March 2008. The Committee therefore recommended that Cabinet should consider the robustness of the 20 mph speed limit consultation process and apply lessons learned to future consultations.
- The Committee discussed national guidance on 20 mph speed limits and noted that the current guidance from the Department for Transport supported the introduction of 20 mph speed limits in areas where the mean speed of traffic was 24 mph or less. The Committee heard that a scheme to introduce 20 mph speed limits in Portsmouth had resulted in a reduction of 3-4 mph in speed but acknowledged that this scheme had yet to be evaluated for its overall effectiveness.
- Some Members of the Committee expressed concerns that the change in policy would make it more difficult for 20 mph speed limits to be imposed in areas that had a mean traffic speed over 20 mph, as it was probable that extra evidence would be required to support implementation of those proposals.
- In noting that the Highways Policies would be reviewed on an annual basis, the Committee stressed that it was important for the review to be comprehensive and that in particular, the review should fully consider the implications of Department for Transport guidance on 20 mph speed limits, in light of its application in other Local Authorities over

the year. They also requested that it should also include consideration of the Portsmouth 20 mph speed limit scheme, with particular reference to whether the introduction of 20 mph speed limit signs actually resulted in significant reductions to the mean traffic speed in an area.

As a response to the scrutiny committee comments, the Cabinet Member for Growth and Infrastructure endorsed the responses previously made at the scrutiny committee meeting by the then Cabinet Member for Highways and Transport, which were as follows:

- That the Council remained committed to introducing 20 mph zones where appropriate, but that these needed to be self enforcing to ensure that they delivered the benefits that road users sought.
- Applications for 20 mph limits would be considered on their merits when setting priorities as had always been the case.
- It was accepted that the consultation process for the change in policy could have been handled better and The Cabinet Member would be discussing this further with the Director of Highways and Access to ensure that future consultation on policy changes was more robust.
- Officers had been asked to consider the outcomes from the area wide 20 mph speed limit being implemented in Portsmouth to assess any further implications for the County Council's policy on 20 mph speed limits.
- The Cabinet Member emphasised that highways policies would be reviewed on an annual basis when the Network Services Plan was considered, which would give a further opportunity for this issue to be discussed.

It was resolved:

To note and thank the scrutiny committee for its useful report and to also note the response provided.

552. THE COUNTY COUNCIL'S CLIMATE CHANGE AND ENVIRONMENT STRATEGY

Cabinet received a report in order to consider a new draft Climate Change and Environment Strategy for the Council which would replace both the 2002 Environment Strategy and the 2005 Climate Change Strategy as a key strategic document. Scrutiny's excellent contribution to its development was acknowledged.

The proposed strategy was expected to meet the requirements for the production of a far more robust document aligned with both the Integrated Plan and the Cambridgeshire Vision, and also reflecting the new National Performance Framework. Also included, as an appendix to the report, was an Action Plan setting out both officer and named lead Cabinet member responsibilities against each proposed action (the identified Member responsibilities would require to be updated to reflect the revised Cabinet designations agreed at the Annual Council meeting the previous week).

In agreeing the recommendations, it was agreed that recommendation i) should include additional wording to reflect the new Strategy should be agreed as part of the Policy Framework.

It was resolved:

- i) To recommend that the Council adopts the Climate Change and Environment Strategy as part of the Council's Policy Framework.
- ii) To note the report's comments relating to the delivery 'gap' between the vision/targets, and the action plan.
- iii) To support Council-wide efforts to improve capacity for delivery.
- iv) To request an evaluation of delivery of the Climate Change and Environment Strategy Action Plan one year from adoption, focusing on integration and capacity issues.
- v) To request that the Action Plan was comprehensively reviewed within two years (subject to the evaluation above) to ensure that it adequately addressed the pressing issues of climate change and environmental sustainability.

553. DELIVERING CAMBRIDGESHIRE'S PRIORITIES FOR 2008/2011

a) Integrated Plan National Performance Indicators (NI) and Targets 2008/2011

Cabinet received a report setting out the latest targets against those statutory indicators that the Council would be responsible for during the period from 2008 to 2011.

Appendix 1 of the report set out the full range of targets (by Government theme) that it had been possible to set targets for at the time of the report's preparation. It was noted that work was being undertaken to review and identify appropriate lead Member designations. In a number of areas Cabinet noted that targets could not be set, as the indicators were either completely new or had been significantly amended, making it difficult to set any meaningful targets. It was noted that for some targets it was proposed to set targets after quarter 1 (April-June) as this would provide a baseline from which it should be possible to set more meaningful, robust targets.

Members requested that the report due to come back to the July Cabinet meeting should provide evidence, through the use of comparator information, to illustrate that the targets being set were both sufficiently robust and to also ensure that the County Council did not fall behind its neighbours with regard to expected performance. This request also applied to the next report.

There was some concern expressed around the targets on the number of net additional homes to be provided (NI 154) and in respect of 'Access to services and facilities by Public Transport Walking and Cycling' (NI 175). The point was made that NI 154 was unrealistic, especially now that sites were closing down and there was an ongoing slowing down in house building, as a result of the current housing market conditions.

It was resolved:

- i) To agree the targets set out in Appendix 1 of the Officer's report.

- ii) To agree to a review of all the targets in July 2008, to ensure the targets set matched the local and relative ambitions of the Authority and for a further report to be submitted to Cabinet at that time.
- iii) The report in July should also include appropriate benchmarking / comparator information to provide the evidence that the targets proposed were sufficiently robust / challenging.

b) Local Area Agreement (LAA) Performance Indicators And Targets

Cabinet received a report presenting the latest position on the negotiations of the targets to be included in Cambridgeshire's Local Area Agreement (LAA) for 2008/2011.

It was noted that a final list of 35 improvement indicators and five local indicators covering priority areas had been agreed by Cambridgeshire Together in March, to include in the new Local Area Agreement (LAA) alongside the 16 statutory targets in educational achievement. Work had since focused on the development of suitable targets to be negotiated with Central Government

It was reported that the publication of additional definitions had raised some questions as to the suitability of some indicators initially included in the LAA, resulting in changes to the selection approved by Cambridgeshire Together in March as set out in the report. As a result there was a revised update document tabled at the meeting. It was noted that certain national indicators (NI) including NI 70 'Hospital Admissions caused by intentional and deliberate injuries to children and young people' and NI 188 'Adapting to Climate Change' were still outstanding due to continued negotiations.

Attention was drawn to the following three indicators NI 163 Working Age Population qualified at least level 2 or higher, NI 15 – Serious violent crime rate and NI 16 - Serious acquisitive crime rate, where further negotiations were required with Government for the reasons set out in the commentary box.

It was resolved:

- i) To approve the proposed LAA targets; and
- ii) To delegate to the Leader of the Council, in consultation with the Chief Executive, final agreement of the LAA Targets following discussion at the Cambridgeshire Together Board on 28 May 2008.

554. PRIMARY CAPITAL STRATEGY

Cabinet received a report providing information on the Government's Primary Capital Strategy (PSfC) and seeking endorsement of the Strategy developed for Cambridgeshire as set out in the appendix. The report also requested approval to undertake consultation on the Strategy.

Cabinet noted that the Government's 2005 Budget statement had set out ambitious plans for a new long-term strategic capital investment programme for primary schools. The Government had pledged an initial £1,150m extra resources for this programme from 2008 to 2011, and committed to continue that level of investment for 15 years in total, subject to

future public spending decisions. On 10 October 2007, allocations for the primary capital programme had been announced, including pilot projects in 23 authorities in 2008/9 and extra resources for every local authority from 2009. It was noted that in order to receive funding, all local authorities were required to prepare and approve a Primary Strategy for Change (PSfC) showing how capital investment would support the Government's strategic aims.

In reply to a question raised, it was confirmed that in respect of the money to be received in 2009/10, there was sufficient pre-planning in place to ensure that the money would be spent, with investment priorities for specific schemes already included in the Capital Programme.

It was resolved to:

- i) Note the requirement for local authorities to prepare and submit a Primary Strategy for Change (PSfC) to the Department for Children, Schools and Families (DCSF) by 16 June 2008 showing how capital investment would support their strategic aims;
- ii) Endorse the Strategy developed for Cambridgeshire included as an appendix to the report;
- iii) Grant approval to proceed with consultation on the draft Strategy;
- iv) Delegate responsibility for approval of the final version of the Strategy, including initial investment priorities, to the DCSF to the Cabinet Member for Learning in consultation with the Deputy Chief Executive for Children and Young People's Services.

555. BUILDING SCHOOLS FOR THE FUTURE – THE PROCUREMENT PHASE

Following Government approval of the County Council's submitted Outline Business Case (OBC) for the Building Schools for the Future (BSF) Project (agreed by Cabinet at their meeting on 26th February before subsequent submission), the way was now open to proceed to the procurement stage. Cabinet received a report providing an overview of the different elements that comprised the procurement phase of the BSF Project and sought approval to the initiation of this next phase.

The local Member for the Hemingfords and Fenstanton who had requested to speak, enquired on how schools were to be chosen for the next wave. He also asked that Huntingdonshire schools should be considered at an early stage and that Local Members should be kept informed. In response to this and other related questions, including whether any schools had been identified for inclusion in the next waves, officers indicated that it was too early in the process to be able to confirm any specific schools, but that a meeting with lead officers from Huntingdonshire District Council was due to take place shortly to discuss such issues.

In response to a requested update regarding the position on the still expected Government guidance in relation to building sustainable schools, it was reported that a commitment to the construction of sustainable schools was included in the national Children's plan and that some guidance had been issued. However, the Government was still considering the

feasibility of the national target for all new schools to be carbon neutral by 2016 and what could be done for existing schools. Officers were no longer waiting for further national guidance and Cabinet had agreed funding for improving the sustainability of schools in the Capital Programme. The comment was made by one member that he hoped that the Government, when finally making an announcement, would not retrospectively require specific standards to be included if not already designed for, as this could otherwise delay the building of new schools.

It was resolved:

- i) to approve the publication of a contract notice, in the first week of July 2008 or such later date as may exceptionally be agreed with Partnerships for Schools, in the Official Journal of the European Union for the Cambridgeshire BSF Project; and
- ii) that formal approval to proceed to the Invitation to Continue Dialogue phase of the BSF procurement should be subject to consideration by Cabinet of the progress achieved and the outcomes of the various stages of the project to that date.

CHANGE IN THE ORDER OF THE AGENDA

With the agreement of the meeting, the Chairman requested that the order of the agenda should be changed in order to accommodate a local member who had requested to speak and who needed to attend an important engagement elsewhere in the County. Item 13 'Consultation on proposed changes to Airspace, Terminal Control North, by NATS' was therefore taken next in the order of business.

556. CONSULTATION ON PROPOSED CHANGES TO AIRSPACE, TERMINAL CONTROL NORTH, BY NATS (FORMERLY NATIONAL AIR TRAFFIC SERVICES)

Cabinet was asked to consider the draft consultation response in respect of changes to airspace in the Terminal Control North (TCN) Area proposed by NATS (formerly the National Air Traffic Services) to accommodate existing flights, and in respect of forecasts of the likely growth in flights.

The principal change affecting Cambridgeshire was that the two existing 'holds' for incoming aircraft, currently located above the Royston and Sudbury areas (known as "LOREL" and "ABBOT" respectively, would be replaced with three new "holds"- two of which were above Cambridgeshire.

Two local Members speaking against the proposals for two new hold areas cited reasons including:

- that people chose to live in rural areas for the specific environment which was now threatened as part of the current proposals in terms of visual and noise pollution and was in breach of EU Regulations.
- The proposals for unmanaged flight growth, was in conflict with the Government's UK Sustainable Development Strategy.

- Concerns at the lack of consultation at parish level who were the very people who would be affected by the proposed changes.
- The proposals based on 4% growth in flights per year did not take account of the currently rapidly changing economic climate and were therefore premature.
- The final decisions should be based on accurate data regarding growth and population.
- Concerns that NATS was not independent from the airlines and that both the airlines and the Government had vested interests regarding the proposals.
- One member took the view that the two existing holds should be kept and a third one found, rather than what was currently proposed.

The local Member for Bassingbourn requested that she should be provided with background information from NATS regarding what alternative options for holds had been considered and if appropriate, the reasons given for not pursuing them.

Other issues highlighted included that:

- Aviation carbon dioxide emissions were currently not included within UK inventory statistics on greenhouse gases.
- The Newmarket horse racing industry was likely to be making a very robust opposition case as there was likely to be a huge impact if the current proposals went ahead.
- Account should be taken of other representations being made.

Cabinet was happy to endorse the officers' suggested written response as set out in the appendix. The response highlighted the County Council's concerns that the proposals had not been consulted on in a manner that would allow informed responses from local communities, particularly the refusal to engage with parish councils and that the changes, if approved, would undoubtedly have an impact on the tranquillity of the rural areas of Cambridgeshire beneath which the holds were to be situated.

It was resolved to:

- i) Note the key issues identified in Section 4 of the report.
- ii) Agree the proposed responses set out in Appendix A to the officer's report
- iii) Delegate authority to the Cabinet Member for Growth and Infrastructure in consultation with the Deputy Chief Executive of Environment & Community Services to finalise the response taking into account the comments received at the Planning & Regional Matters PDG and also from local members speaking at the Cabinet meeting for submission before the consultation deadline.

557. EXTENSION OF SCHOOL AGE RANGE COMBERTON VILLAGE COLLEGE

Cabinet received a report advising it of proposals published by Comberton Village College to extend the school's age range from 11-16 to 11-19 with effect from September 2010 in order to provide a total of 350 sixth form places. The report sought Cabinet's approval to the published proposals following a consultation exercise, with the report providing details of the replies made to address the representations received.

It was noted that the Government had introduced a measure to create more high quality 16-18 places in schools. High performing 11-16 specialist schools such as Comberton Village College, who applied for, and were granted a second specialism, were now automatically offered the opportunity to develop proposals to extend their age ranges and open sixth forms. This was known as a sixth form presumption, as the Government's clear expectation was that any resulting proposals would be approved, unless there were compelling reasons against.

It was resolved:

To approve the implementation of the extension of the age range of Comberton Village College from 11-16 to 11-19 to take effect on 1 September 2010 to provide for a total of 350 post-16 students.

558. PRIMARY EDUCATION IN ELY - PLANNING FOR THE FUTURE

Cabinet received a report seeking approval to proceed with proposals to expand The Lantern Primary School, Ely, from 210 to 420 places following the conclusion of the statutory public notice period for which no comments, representations or objections had been received.

Cabinet was reminded that on 26th February 2008, it had considered the case for expanding The Lantern Primary School from one form of entry (1FE) to two. Cabinet had approved the publication of statutory public notices setting out proposals to:

- expand The Lantern Primary School from 210 to 420 places;
- Phase the increase in school places, proposing a PAN of 45 for September 2008 and 2009, followed by a further increase to 60 for September 2010.
- Amend the catchment area to include those cul-de sacs off Lynn Road for applications for September 2008 onwards.

It was resolved:

To approve the implementation of the expansion of The Lantern Primary School, Ely, from 210 to 420 places on a phased basis with:

- All building work to be carried out during 2008-2009;
- The intake number to be increased to 45 for September 2008 and then to 60 for September 2010.

559. PROPERTY ISSUES – SALES TO DISTRICT AND PARISH COUNCILS OF RESIDENTIAL DEVELOPMENT LAND AND RENEWAL OF THE LEASE OF KING EDWARD CENTRE, CHATTERIS

Cabinet received a report seeking to revise the Council's disposal policy that gave Parish and District Councils the offer of "first refusal" on surplus property. In addition, the report set out a request from a tenant Community Association to renew the lease of King Edward Centre, Chatteris.

Cabinet was reminded that it had deferred a decision on a revised disposal policy at its meeting on the 26 February 2008 to enable further consultation with the Cambridge sub-Regional Housing Board (CRHB), having received a number of objections to the original proposals which had been reported orally at that meeting. In April, the Portfolio Holder, Cabinet Member for Corporate Services and appropriate senior officers had discussed the issues raised by the Chairman of the CRHB with their Vice Chairman, the Development Director of Bedfordshire Pilgrims Housing Association (representing Registered Social Landlords generally) and the Housing Enabling Officer of South Cambridgeshire District Council (representing the District Councils). The current report reflected the outcomes of those productive discussions.

Cabinet noted that prior to disposal, all surplus land was currently offered to the local District and Parish Council within whose area the property lay, to provide local Councils with an opportunity to purchase surplus property at an independently determined market value. The proposal for approval in the officer's report sought to revise the Council's disposal policy, so that following an initial consultation, if no substantial potential existed for added value or where public benefits could not be shown on a surplus property, Parish and District Councils would no longer be offered "first refusal".

In relation to the King Edward Centre, Cabinet noted that it had previously been declared as surplus to requirements. In April 2005 Cabinet had agreed to grant a two and a half year lease to a Tenant Community Association at a discounted rent in order to enable them to prepare a funding package, on the basis that the lease would not be extended for any further period. It was also agreed that a 25-year lease at full market rent could be granted if within two and a half years the Association had sufficient funds and ability to complete a programme of refurbishment. If this did not occur the agreement was that full vacant possession would revert back to the County Council.

Cabinet noted that while the Association continued to have an interest in acquiring the centre, they were currently still seeking to secure funding with the current position as set out in the report. In making its decision, Cabinet had taken into account that the property was extensively used for social activities, some of which were funded by the County Council, and that the trustees were keen to ensure that the current pre-school provision was continued. Other factors included that security costs would need to be incurred if a new lease was not granted and the premises became vacant, pending disposal, and that if the property was sold, some of the activities might not be re-provided, due to a lack of suitable alternative venues.

It was resolved:

- i) To implement a positive process of sharing site data and to revise the disposal policy by removing residential development sites from the offer of "first refusal" to Parish and District Councils where no substantial potential exists for added value/public benefits. The specific actions to be taken as part of the agreed revised procedure will be as follows:
 - (a) Engagement with the District Councils would be through a schedule being provided (twice a year) to the Cambridgeshire Sub-Regional Housing Board (CRHB) of prospective surplus sites likely to be suitable for significant residential development and available for marketing in the following twelve months.

- (b) Individual Parish Councils would be given three months to formally express an interest and submit a robust business plan to show the added value/public benefits of receiving a subsequent offer of “first refusal” prior to sale.
 - (c) Where sites are not identified as offering substantial potential for added value/public benefits, e.g. a level of affordable housing above the amount required through the normal development plan processes, the subsequent offer of “first refusal” to District and Parish Councils would be removed.
 - (d) The Head of Strategy and Estates to accept the invitation to join the Housing Enabling Group where the detail of the processes at a) and c) above would be worked up and site-specific matters would be considered.
- ii) To agree to renew a short lease of King Edward Centre, Chatteris on terms to be agreed by the Director of Finance, Property and Performance.

560. HISTORICAL RECORDS AND CULTURAL CENTRE – CLOSURE OF THE PRIVATE FINANCE INITIATIVE (PFI) SCHEME

Cabinet received a report providing an update on the current status of the scheme to establish a Historical Resource and Cultural Centre (HRCC) for Cambridgeshire. Cabinet noted that steps had been taken to withdraw from the current PFI procurement contract on the basis that the scheme was now unlikely to meet the latest value for money criteria set by Her Majesty’s Treasury and that it had also failed to satisfy the property acquisition requirement of the tender.

With due consideration to the urgency of the situation with regard to the current inadequate archive storage arrangements, for which the County Council had a statutory responsibility, Cabinet agreed that the key actions for moving the project forward to a solution which produced an attractive, innovative and lasting cultural legacy for Cambridgeshire would be:

- to conduct a new option appraisal which could consider including the HRCC project either as part of the plans for re-development of the Shire Hall site, or as part of another scheme within the County’s wider growth agenda developments.
- to seek to identify new funding opportunities to offset the loss of PFI credits.

In discussion, the Chief Executive accepted an invitation to visit the Archives section in order to be appraised of the storage issues highlighted in the report.

It was resolved:

- i) to agree to the current Private Finance Initiative (PFI) funded scheme for the establishment of the HRCC was closed; and

- ii) that alternative proposals for the future care, management and accessibility of the unique local heritage document collections should be brought back to Cabinet in Autumn 2008.

561. THE WICKEN FEN VISION

Cabinet received a report setting out details of the proposed County Council response to the National Trust's consultation on the Wicken Fen Vision.

Cabinet noted that in 1999 the National Trust had launched a broad "Wicken Fen Vision" with the long-term aim of increasing the Reserve's size to 5,500 hectares. Following on from the launch of the Vision in 1999, the National Trust had published a draft strategy for implementing the 'Vision' in November 2007. The Trust had now issued a consultation document, "Wicken Fen Vision – your chance to shape the future", focussing on personal attitudes to the countryside and providing the opportunity to comment on the draft strategy.

The County Council was supportive of the 'Vision' for the reasons set out in the report but required further information or consultation on:

- Scheduled Monuments and listed buildings
- Any proposals to extract minerals or create water storage structures
- Transport impacts: a detailed transport assessment was required to understand how the anticipated increase in traffic would impact on the roads network.

Cllr Broadway, one of the local Members for Soham and Fordham, confirmed via e-mail her support to the recommendations.

It was resolved:

- i) To agree the County Council's response attached as appendix 1 to the officer's report.
- (i) To delegate the authority to agree the wording of any further comments to the Cabinet Member for the Economy, Environment and Climate Change in consultation with the Deputy Chief Executive, Environment and Community Services.

562. STREET LIGHTING PRIVATE FINANCE INITIATIVE (PFI)

Cabinet received a report seeking to confirm the Council's support for the Street Lighting PFI project and the additional funding required.

Cabinet was reminded that further to the submission of the revised Street Lighting PFI Outline Business case to the Department of Transport in January 2008, Cabinet at its meeting on 26th February had been unwilling to support the affordability gap of £2,000,000 contained within the Outline Business Case (OBC) to the level required by Government.

The present report explained that the Government's Project Review Group (PRG) required that each authority bidding for PFI credits received Cabinet support for each OBC, which

included any affordability gap, in order to provide the Government with assurance in respect of their budget commitments. It was noted that the street lighting PFI was a combined procurement project with Northamptonshire County Council, whose Cabinet has already given the appropriate approval for their part of the project, to the satisfaction of PRG.

It was reported that County Council officers had met with representatives of DfT to discuss Cabinet's concerns regarding the request for assurances based on a worst case OBC and to agree a way forward for the project and that the concerns had now been resolved. Cabinet noted that the DfT had confirmed that a revised OBC should now be submitted on the basis of the "most probable" position rather than a "worst case scenario" and that DfT would not expect the final contract cost to vary significantly from the figures submitted in the OBC.

It was reported that ongoing work on the output specification has resulted in a revised affordability gap for the project is £300,000 supporting the £57 million PFI credits, the difference between the present street lighting budget and the predicted financial need, based on a realistic specification, rather than a worst case. It was noted that the affordability gap could be as low as £100,000 based on costs from recently closed street lighting PFI projects.

It was therefore resolved to:

- i) Approve the procurement budget of £350,000 per annum, funded from existing budgets to financial close.
- ii) Approve the full commitment of existing budgets of £3,526,000 per annum (2007/08 prices) for the duration of the contract term.
- iii) To approve the funding of the base case affordability gap of £300,000 per annum (2007/08 prices) for the duration of the contract term. The base case is inclusive of Optimism Bias and assumes that the project will be off balance sheet under FRS 5.
- iv) Acknowledge the working assumption that the implications of International Financial Reporting Standards (IFRS) and Minimum Revenue Provision (MRP) on the affordability gap will be neutral.
- v) That in agreeing the budgets there would be no additional costs expected from heritage settings specifications, as they would need to be contained within the budgets agreed.

563. DELEGATIONS FROM CABINET TO CABINET MEMBERS/OFFICERS

Cabinet noted the progress on matters delegated to individual Cabinet Members and/or to officers to make decisions on behalf of the Cabinet up to those approvals given at the April Cabinet meeting. Future reports would be updated for the new Cabinet responsibilities as agreed by Council at the Annual meeting on 13th May 2008.

It was resolved:

To note the progress on delegations to individual Cabinet Members and/or to officers previously authorised by Cabinet to make decisions/take actions on its behalf.

564. DRAFT AGENDA FOR 10th JUNE CABINET MEETING

The draft agenda was noted with the following changes notified since the publication of the agenda:

Report 7 - Final Decision on Northstowe moved to October

Report 8 - St Neots Market Town Strategy Review moved to July

Report 9 - County Council Membership of the Council's Alternative Risk Mutual Limited moved to a later cycle - to be confirmed

Report 13 – Self Directed Support (Personal Budgets) – moved to July meeting

Report 15 - Building Schools for the Future – Invitation to Participate in Dialogue - removed as the report was no longer required

Item 17 - Approval of Long Term Action Plans Trading Unit deficits moved to July and re-titled "Review of OCYPS Trading Units Update"

Chairman
10th June 2008