

COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES

Date: Friday 15th September 2017

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 12:15pm

Present: Councillors D Jenkins, L Jones, L Joseph (substituting for I Bates), L Nethsingha P Raynes, T Rogers, J Schumann (Chairman), M Shellens, D Wells (substituting for A Hay), and T Wotherspoon

Apologies: Councillors A Hay and I Bates.

32. DECLARATIONS OF INTEREST

There were no declarations of interest.

33. MINUTES AND ACTION LOG OF THE ASSETS AND INVESTMENT COMMITTEE HELD 28TH JULY 2017

The Committee resolved to approve the minutes of the Committee meeting held on 28th July 2017, and note the Action Log and the following oral updates that were provided to Members.

Minute 86 – A workshop regarding financial reporting would be organised for Members to attend.

Minute 89 – There was no update regarding the work of the Cambridgeshire and Peterborough Combined Authority regarding Community Land Trusts. Therefore officers would prepare a report on the subject for the Committee.

Minute 17 – Officers agreed to ascertain the position regarding the proposal.

Minute 17a – Advice had been sought from the Monitoring Officer regarding commercially sensitive information and items featured within the Programme Highlight report.

Minute 22 – Energy costs were received on a single invoice that was allocated based on smart meter readings received from Council buildings.

34. GROUNDS MAINTENANCE CLEANING AND ARBOROCULTURAL CONTRACTS

A report was presented a report that requested the Committee to consider a proposal for the re-procurement of the Council's cleaning, grounds maintenance and aboricultural service contracts. Members noted that the expiration date of the current aboricultural contract was 2019 and not 2018 as mentioned in the officer report.

During discussion Members:

- Expressed disappointment that the process had commenced as it would have been advantageous to have received a presentation on why there would be a move from individual contracts.
- Welcomed the opportunity for local companies within the tender process. However, there was a risk that larger companies, sub-contracting services to smaller local companies could exert pressure regarding costs.
- Highlighted that the risks associated with the proposed approach within the officer report.
- Drew attention to the current contracts that were held with Cambridge City Council and the importance of the management of trees within the city that required sensitivity given the balance that needed to be struck between conservation and road users. Members noted that there would be further opportunity to comment when the report returned to the Committee and that there was greater flexibility with regard to the aborocultural function of the contract as the current contract did not expire until 2019.
- Highlighted that paragraph 4.1 of the officer report required greater evidence including the risks. It would have been advantageous for the potential savings of the re-procurement to have been set out within the report. Officers explained that it would have been difficult to illustrate potential savings as it was dependent on the outcome of the tendering process. There would be some operational efficiencies from the potential move to 1 contract, however these were insignificant.
- Confirmed that it was possible to bid on the contract as a whole or individual elements.
- Clarified the relationship of LGSS Law to the Council noting that effectively it was a directorate of the Council, albeit shared across 3 Councils. There

were no additional costs incurred regarding procurement unless specialist services were required. LGSS Law charged on a competitive fee basis.

- Questioned how the contracts were weighted regarding quality versus cost. The specification of the contracts, officers explained were broadly the same as the current contracts but reflected changes in the Council's asset base. The quality/cost weighting was 60/40 which was a standard approach. A report would be presented in November for a final decision to be taken by the Committee.
- Clarified the Alcatel 10 day standstill period. Officers explained that it was a mandatory standstill period of at least ten calendar days following the notification of an award decision in a contract tendered before the contract was signed with the successful supplier. Its purpose was to allow unsuccessful bidders to challenge the decision before the contract was signed.
- The Chairman with the agreement of the Committee proposed the amendment of the recommendation that removed the words 'single supplier'.

It was resolved unanimously to agree to the retendering of the three contracts for cleaning, grounds maintenance and arboricultural services via an OJEU compliant competitive procurement process resulting in a framework agreement covering all service allowing CCC, other LGSS clients and local districts and boroughs the option to call off individual contracts as required over the 4 year framework term.

35. SALE OF 35 AND 37 RUSSELL STREET CAMBRIDGE, TO CAMBRIDGESHIRE HOUSING AND INVESTMENT COMPANY

The Committee received a report that sought to declare 35 and 37 Russell Street surplus and agree the sale of the properties to Cambridgeshire Housing and Investment Company (CHIC).

The addresses were semi-detached premises of which one was currently vacant and the current housing operator of the second property was seeking to end its involvement.

The proposed development would be for 6, 2 bedroom flats over 2 floors. The application was due to be determined by the City Council by the 27th October.

During discussion:

- Local Member for Petersfield, Councillor Jones drew attention to local residents concern regarding car parking as the streets suffered from congestion due to the proximity of local schools. There were also issues regarding the management of parking permits in the area.
- A Member reminded the Committee that parking would be considered as part of the planning application presented to Cambridge City Council's Planning Committee.
- A Member highlighted car parking issues in Huntingdon and that the Committee should not make the problem worse.
- Drew attention to the relationship between CHIC and the Council. Officers explained that CHIC would be operating independently of the Council and that Chinese Walls were being built between the organisations.
- It was queried the outcome of a situation where CHIC disputed the land valuation obtained by the Council. It was confirmed that if there was disagreement a report would be presented to the Committee.
- It was questioned whether the income generated from the sale of land was ring-fenced for further land purchases that replaced land sold. Officers explained that receipts were invested in the best value assets that were available including commercial acquisitions.
- Members confirmed that land valuations were undertaken on the basis that planning permission had been granted.

It was resolved to:

- a) Approve the disposal of land and property at 35 and 37 Russell Street, Cambridge to CHIC at 'best consideration';
- b) Delegate the final terms of the disposal to the Deputy Chief Executive in consultation with the Chair of the Committee;
- c) To receive feedback on the effectiveness of the disposal process at the next meeting;

- d) Ratify the disposal of land and property at 35 and 37 Russell Street to CHIC at 'best consideration' following the grant of planning consent of six flats.

36. SALE OF MARCH FORMER HIGHWAYS DEPOT, QUEEN STREET, MARCH, PE15 8SL TO CAMBRIDGESHIRE HOUSING AND INVESTMENT COMPANY

The Committee considered a report which sought to declare the March former depot as surplus and agree the disposal sale to Cambridgeshire Housing and Investment Company (CHIC).

Members were informed that it was anticipated that there would be a level of contamination at the site owing to its previous use as a depot. A detailed inspection was scheduled to take place and it was anticipated that the report would be available by 9th October 2017. which will influence value of the site.

The proposal had received support from Fenland District Council due to its location and proximity to the railway station.

During discussion Members:

- Noted the assumptions made when valuing the land and the ability to adjust accordingly following the inspection of the site to determine contamination, if any.
- Requested that the wording regarding the appointment of LGSS Law within future reports be amended to read that they had been instructed to handle the sale.
- Noted that the land had much reduced value without the proposed development and although there was likely to be a delay in the signing of the S106 agreement, it was in the land owner's interest to sign.

It was resolved unanimously to:

- a) Approve the disposal of land at the former Highways Depot to CHIC at 'best consideration' (subject to signed S106 and contamination assessment);
- b) Delegate the final terms of the disposal to the Deputy Chief Executive in consultation with the Chair of the Committee;

- c) Receive feedback on the effectiveness of the disposal process at the next meeting.

37. SMART ENERGY GRID – UPDATE ON EUROPEAN REGIONAL DEVELOPMENT FUNDING AND RISKS

The Committee considered a report which provided an update on a pilot Smart Energy Grid project. The Grid would combine solar panels installed on canopies over the car parking spaces at the St Ives Park and Ride site with battery storage to power the site after dark or when there was insufficient sunlight.

An application was made to the European Regional Development Fund and in November 2016 it was confirmed that the application had passed the selection process. Since then progress had been slow as the Department for Communities and Local Government (DCLG) had requested a number of clarifications highlighted in section 2 of the officer report. Planning permission for the site was granted in July 2017 and a contractor was involved in the design stage of the project. All compliance checks had been passed as assessed by DCLG however they required all planning conditions be discharged before completing the agreement.

During discussion Members:

- Praised the project and suggested that Members contact DCLG and MPs to assist in expediting the grant application and also recommend discussions took place with the Greater Cambridge Partnership regarding the project and its implantation at other sites. Officers confirmed that they would seek the support of Members in approaching DCLG if progress continued to stall.
- Clarified paragraph 3.1 of the officer report. Officers explained that the work related to the Local Enterprise Partnership (LEP) who were involved in the funding of the project and part of the arrangement was the Business Support Programme.
- Noted that DCLG were inexperienced in projects of this kind and therefore their normal processes were challenged and not easily applied. Without the ERDF grant it was questionable whether the project was viable.
- Commented that the risks associated with the project were not adequately articulated within the report.

It was resolved unanimously to:

- a) Note the revised status of the European Regional Development Fund bid for the Smart Energy Grid demonstrator project at the St Ives Park and Ride site;
- b) Support the continued development of the project, to secure the ERDF grant funding.

38. SERVICE COMMITTEE REVIEW OF THE DRAFT 2018-19 CAPITAL PROGRAMME

The Committee considered the draft 2018/19 Capital Programme for the Commercial and Investments Committee.

Members noted that reference within the report to the Shire Hall site was not related to the re-location of Shire Hall and there was no provision in the current plans as it would be introduced following formulation of the detailed business case.

During the course of discussion Members:

- Queried why the programme was reviewed by each Policy and Service Committee. It was explained that the report was provided to each Committee in order to provide context for each service area. To split the report would also be time consuming for officers.
- When questioned progress regarding the project to build a Council run care home noted that a report was presented to the Adults Committee at its meeting on 14th September which provided an update and timescales associated to the project.
- Clarified tables 4.3 and 4.4 of the report and confirmed the level of the increase in borrowing and questioned why if borrowing had increase the financing of the debt had decreased. It was explained that previous years' information was not included where borrowing was not as great due to slippage in the capital programme.
- Noted that repairs associated with the guided busway were not included within the Economy, Transport and the Environment line of the report as

there was an assumption made that the Council would not incur any liability for the repairs.

- Noted that the revenue costs of capital would be presented to the General Purposes Committee.

It was resolved to:

- a) note the overview and context provided for the 2018/19 Capital Programme for Commercial and Investments Committee;
- b) Comment on the draft proposals for Commercial and Investments Committee's 2018/19 Capital Programme and endorse their development.

39. FINANCE AND PERFORMANCE REPORT – JULY 2017

The Committee considered a report on the financial and performance information relating to the areas within the Commercial and Investment Committee's remit. Not a huge amount of movement. 101k underspend.

During discussion Members:

- Questioned whether there was a financial cost to property services returning from LGSS to the Council which took place in October 2016. Officers explained that CCC property functions were less resourced than Northamptonshire's and the savings were split equally which could have resulted in smaller savings being realised.
- Noted that Betty's Nose was a small farm near Benwick that the Council was receiving a revenue from
- Were informed that K2 was the Council's asset management system
- Questioned the significant costs of the Sawston Community Hub Officer informed Members that there had been delays in the progression of the scheme following changes that arose from the detailed design stage. A briefing note would be provided to Members regarding the issues.

ACTION

- Noted the transfer of Cambridgeshire Catering Services from the remit of the Children and Young People's Committee to the Commercial and Investment Committee at the next cycle.

It was resolved unanimously to review, note and comment on the report.

40. COUNTY FARMS ESTATE WORKING GROUP

Members considered a report that sought to formalise a working group that would review issues that related to the County Farms Estate.

The Chairman proposed with the agreement of Members that the membership of the Working Group be increased to 6 Members and that the appointment of a Member Champion for the County Farms Estate would be made by the Working Group.

Paragraph 4.1 of the terms of reference was amended with the agreement of the Committee to replace the word 'decisions' with 'proposals'.

Appointed to the Working Group were Councillors J Schumann, A Hay, R Hickford, T Rogers, L Nethsingha and L Jones.

It was resolved unanimously to:

- a) Agree the Working Group's Terms of Reference;
- b) Agree the Working Group's membership;
- c) Consider whether it appropriate to nominate a Member Champion for the County Farms Estate

41. APPOINTMENTS TO OUTSIDE BODIES, INTERNAL ADVISORY GROUPS AND PANELS AND PARTNERSHIP LIAISON AND ADVISORY GROUPS

It was proposed by the Chairman to appoint Councillor Wotherspoon to the Mobilising Local Energy Investment (MLEI) in Cambridgeshire and Peterborough – Project Advisory Board.

It was resolved to:

- a) Review and agree the appointments to the partnership liaison and advisory group
- b) Delegate on a permanent basis between meetings, the appointment of representatives to any outstanding outside bodies, groups, panels and partnership liaison and advisory groups, within the remit of the Commercial

and Investment Committee, to the Deputy Chief Executive in consultation with the Chairman of the Commercial and Investment Committee

42. COMMERCIAL AND INVESTMENT COMMITTEE AGENDA PLAN

Members were presented the Committee Agenda Plan. It was noted that an update on the CREATE project would be presented at the October meeting. The Chairman requested that future agenda items would be discussed in a workshop that would result in the formation of the Committee's forward plan.

It was resolved to note the agenda plan.

43. EXCLUSION OF PRESS AND PUBLIC

A Member expressed a view that there was information contained within the Programme Highlight Report that was not commercially sensitive and should therefore be discussed in public. The Chairman noted the concerns raised and reminded Members that advice on the matter had been sought from the Council's Monitoring Officer and a report would be presented to the Committee.

On being put to the vote it was resolved that the press and public be excluded from the meeting during the consideration of the following reports on the grounds that it is likely to involve the disclosure of exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

44. PROGRAMME HIGHLIGHT REPORT

Members were presented the Programme Highlight Report.

It was resolved to note the Programme Highlight report.