

COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES

Date: Friday 26th May 2017

Venue: Room 128, Shire Hall, Cambridge

Time: 11.00am –12.10pm

Present: Councillors I Bates, A Hay (Vice Chairwoman), D Jenkins, L Nethsingha, P Raynes, T Rogers, J Schumann (Chairman) M Shellens and T Wotherspoon

Apologies: Councillor L Jones

1. NOTIFICATION OF CHAIRMAN

It was noted that the Council had appointed Councillor Joshua Schumann as the Chairman and Councillor Anne Hay as the Vice-Chairwoman for the municipal year 2017-18.

2. DECLARATIONS OF INTEREST

Councillor Bates declared a non-pecuniary interest as a County Council representative on ESPO (Eastern Shires Purchasing Organisation), in respect of Item 4.

Councillor Wotherspoon declared a non-pecuniary interest as a Member of Cottenham Parish Council, in respect of Item 11.

3. MINUTES AND ACTION LOG OF THE ASSETS AND INVESTMENT COMMITTEE HELD 31ST MARCH 2017

The Committee resolved to approve the minutes of the Committee meeting held on 31st March 2017, and note the Action Log.

Members discussed the following items on the Action Log:

Item 56/County Farms Estate Strategic Review Working Group– as the Committee had a new membership, it was agreed to appoint the following Members to this Working Group: Councillors Hay, Rogers and Schumann.

Item 86/Wisbech Castle Survey works – it was confirmed that the £146K identified for these works in the Finance and Performance Report had been a budgeted cost, not an actual cost, and this had not been spent.

Item 89/Community Land Trust model – because the Combined Authority was undertaking a major piece of work on this issue, it was agreed that it would be more sensible to work with the Combined Authority on this.

4. WATER DEREGULATION – THE PROCUREMENT OPTIONS FOR WATER PROVISION FOR COUNTY COUNCIL BUILDINGS

A report was presented highlighted the changes to the water industry from 1st April 2017 as a result of deregulation. The report proposed a procurement option for the selection of a water supplier for County Council buildings and estate. The Council's recorded spend on mains water for 2015/16 (excluding school buildings) was just over £200,000. The Council was obliged to go to the market and procure a water supplier, as not doing so would leave the Council open to challenge in terms of procurement process.

Eastern Shires Purchasing Organisation (ESPO) was already collaborating with a number of purchasing consortiums to bring to market the largest public sector water framework agreement in the UK. To access the framework, the Council would need to carry out a mini-competition tender process, and appoint a service provider. The framework agreement would run for three years.

The benefits of water deregulation, in addition to possible financial benefits, e.g. more detailed billing information, were outlined.

It was resolved unanimously to:

- a) note the changes to the water industry from 1st April 2017;
- b) agree for Cambridgeshire County Council to access the Eastern Shires Purchasing Organisation (ESPO) framework, carry out a mini-competition tender process, and appoint a service provider.

5. ESTOVER PLAYING FIELDS 2015 COMMUNITY INTEREST COMPANY

The Committee received a report about suggested changes to a lease to the Estover Playing Fields 2015 Community Interest Company (CIC). Members were advised that the CIC were granted a 99 year lease by the County Council in November 2015.

Subsequently, the CIC had submitted a development bid to the Football Foundation for regeneration of the playing fields. The Football Foundation would be potentially investing £600K into the project, and were seeking to protect their interest e.g. if the CIC went bankrupt. They were looking for the lease to be assignable in that type of scenario so that there would be a grace period in which the situation could be addressed satisfactorily. Permission was therefore sought from the Committee to make the necessary changes to the lease.

It was agreed that the lease terms required by the Football Foundation would be circulated(**attached as appendix**), with the caveat that there would be some negotiation between the respective solicitors on the detail of any changes.

It was unanimously resolved to:

give officers authority to make changes to the lease required by the Football Foundation to facilitate the payment of a substantial grant as a consequence of the recent favourable determination of the CIC's planning application.

6. SAWTRY YOUTH CENTRE REVITALISATION

The Committee considered a report proposing the relocation of both the Sawtry Library and the Sawtry Children's Centre in to the Sawtry Youth Centre building.

In February 2017, Cambridge Meridian Academies Trust(CMAT), which manages Sawtry Village Academy, had asked the County Council to relocate the library from its current location in the school building. It had been agreed with CMAT that the library would be relocated by August 2018. Various options had been considered, and ultimately the preferred solution was to transfer the library to Sawtry Youth Centre, which had been agreed in principle by the Assets & Investment Committee in March. Since that meeting, it had become apparent that the Children's Centre in Sawtry faced similar issues with its current premises, and a move to the Youth Centre was also an option for the Children's Centre.

Members noted the estimated costs, including savings due to relocation and the increase of approximately 20% costs in Youth Centre running costs. In addition there were social benefits from having a building focused around children and young people and their families, and examples of those synergies were given. There was also learning opportunities for County

Council officers from the move and management of the colocation process. These proposals were supported by the Local Member, Councillor Bywater.

The Chairman thanked officers for their very clear report, and asked them to present this information to the newly formed Communities & Partnership Committee.

It was noted that the buildings vacated were not County Council assets. When schools converted to academy status, school sites were transferred to the relevant Academy Trusts on 125 year leases.

A Member requested that these type of reports should state investment return up front, followed by the soft benefits of schemes, as those were key when projects were marginal. Maps and site plans were also very helpful in putting sites in context.

In response to a Member suggestion, it was agreed that other sources of funding could be sought for this and other projects, and this information included in the report. It was agreed that such report in future would also specify whether District Councils and other partners would be engaged, where relevant.

It was unanimously resolved to:

Approve the detailed costs for changes required to the Sawtry Youth Centre to support the delivery of the Library, Early Help and Children's Centre services.

(Councillor Nethsingha joined the meeting)

7. DISPOSAL OF LAND AT SOUTH STREET, LITLINGTON TO LITLINGTON PARISH COUNCIL AT LESS THAN BEST CONSIDERATION

The Committee considered a report on the proposed disposal of land in Litlington. The Parish Council had a ten year lease on 1.4 acres of land fronting South Street, for a rent of £150 per annum, and the current lease ends in 2018. The land was part of a much larger Recreation Ground owned by the Parish Council, and it was reasonable to assume that future development prospects for the land were extremely limited because of a number of "green space" designations. The proposed longer lease would be a community benefit in terms of the stability it would provide going forward, and could be seen as a concession in relation to a housing development the County Council was pursuing in the village. The proposal was supported by

the Local Member, Councillor Kindersley, and had been supported by the previous Local Member, Councillor Dent.

Following discussion, it was felt that a renewal of the lease on the current terms would be sufficient, and it was not necessary to grant a 99 year lease. Increases to the peppercorn rent were also discussed, but it was agreed that this should remain at the current rate.

It was resolved by a majority to:

endorse the grant of a 10 year lease to the Parish Council at a peppercorn rent of £150 per annum.

8. FINANCE AND PERFORMANCE REPORT

The Committee considered a report on the financial and performance information relating to the areas within the Commercial & Investment Committee's remit.

The apparent large variation of £0.6M was entirely attributable to the revaluation of Shire Hall: because of the specialist nature of the building, a specific review had to be undertaken. The valuation had reduced, and backdated arrears for a number of years had been received.

It was confirmed that Insurance costs fell within the remit of the General Purposes Committee, as the Council's largest insurance considerations related to public liability and professional indemnity. Much of the property insurance was stock cover, with the Council self insured up to the value of around £0.5M.

The reasons behind the County Farms £444K underspend were explained.

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

9. COMMITTEE AGENDA PLAN

Members considered the forward agenda plan for Commercial & Investment Committee.

The reason for the withdrawal of the item on the CREATE proposal was noted, and officers briefly explained the background to that project. It was noted that officers were continuing to work to develop an alternative scheme

with the Arts Council. A Member commented that the Arts Council funding would make a difference to the volume of private donations received.

It was agreed that the Committee would review their Terms of Reference with regard to commercialisation at its next meeting.

It was resolved unanimously to note the agenda plan.

10. EXCLUSION OF PRESS AND PUBLIC

It was resolved unanimously 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.

11. PROGRAMME HIGHLIGHT REPORT

Members noted the Programme Status report.
It was resolved to note the report.

Chairman



FOOTBALL FOUNDATION

LEASE REQUIREMENTS

1. TERM - The term of the lease, or the remaining unexpired term at the date of acceptance of the offer must be at least 21 years.
2. ALIENATION – The lease must be assignable.
3. CHARGING – If necessary, landlord’s consent must be obtained for the proposed charge to the Football Foundation.
4. RIGHTS OF RE-ENTRY
 - 4.1 The lease must not contain any right for the landlord to determine the lease in the event of the tenant’s insolvency.
 - 4.2 The lease should include a mortgagee protection clause in the following terms:

“PROVIDED THAT before exercising any right of re-entry under this clause the landlord shall give 60 days written notice to the Football Foundation or any other mortgagee of this lease for which notice has been given to the landlord (together “the Mortgagee”) and if within 60 days of the expiry of such notice the Mortgagee indicates in writing to the landlord that it wishes to remedy such breach the landlord shall allow the Mortgagee a period of three months or such longer time as may be reasonable (in view of the nature and extent of the breach) to remedy such breach or to procure that it is remedied.”

Bates Wells & Braithwaite London LLP
30 July 2010