

# COMMERCIAL AND INVESTMENT COMMITTEE



**Date: Friday, 25 May 2018**

**Democratic and Members' Services**  
Fiona McMillan  
Deputy Monitoring Officer

**10:00hr**

Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

**Room 128**  
**Shire Hall, Castle Hill, Cambridge, CB3 0AP**

## **AGENDA**

**Open to Public and Press**

### **CONSTITUTIONAL MATTERS**

- 1 Notification of Chairman/woman and Vice-Chairman/woman**
- 2 Apologies for absence and declarations of interest**  
*Guidance on declaring interests is available at*  
<http://tinyurl.com/ccc-conduct-code>
- 3 Minutes & Action Log - 27th April 2018** **5 - 12**

### **OTHER DECISIONS**

- 4 Outline Business Case for Smart Energy Grids for Trumpington and Babraham Park and Ride Sites** **13 - 26**
- 5 Former Mill Road Library - Update on Issues With Lease to Indian Community & Cultural Association** **27 - 34**

<b>6</b>	<b>Disposals Policy</b>	<b>35 - 42</b>
<b>7</b>	<b>Programme Highlight Report - Sales to This Land</b>	<b>43 - 46</b>
<b>8</b>	<b>Finance and Performance Report - February 2018 and Outturn Report 2017-18</b>	<b>47 - 78</b>
<b>9</b>	<b>Commercial &amp; Investment Committee Agenda Plan and Appointments to Outside Bodies</b>	<b>79 - 90</b>

The Commercial and Investment Committee comprises the following members:

Councillor Josh Schumann (Chairman) Councillor Anne Hay (Vice-Chairwoman)

Councillor Ian Bates Councillor Lorna Dupre Councillor Linda Jones Councillor Lucy Nethsingha Councillor Paul Raynes Councillor Terence Rogers Councillor Mike Shellens and Councillor Tim Wotherspoon

*For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact*

Clerk Name: Dawn Cave

Clerk Telephone: 01223 699178

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Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting the Democratic Services Officer no later than 12.00 noon three working days before the meeting. Full details of arrangements for public speaking are set out in Part 4, Part 4.4 of the Council's Constitution <https://tinyurl.com/ProcedureRules>.

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**COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES**

Date: Friday 27<sup>th</sup> April 2018

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 12.35pm

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

Apologies: None

**103. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**104. MINUTES AND ACTION LOG OF THE COMMERCIAL AND INVESTMENT COMMITTEE HELD 23<sup>RD</sup> MARCH 2018**

The Committee resolved to approve the minutes of the Committee meeting held on 23<sup>rd</sup> March 2018.

Members noted the following updates to the Action Log:

Item 58 (4) – ESPO Trading Company – updates would be provided at the appropriate time.

Item 68 – County Farms Member Working Group meetings had been diarised.

Item 83 – second valuation – this would be progressed.

Item 95 (4) – the checklist had been completed

It was resolved to note the Action Log.

It was noted that the Disposals report had been removed from the agenda.

A Member challenged why the Shire Hall decision needed to be taken in confidential session. Officers advised that a number of matters had not been resolved, and that they were still in commercial discussions with two landowners. The Member commented that no particular contractual arrangements were being discussed, just the choice between the two options. It was concluded that to discuss those matters in public would weaken the

Council's position, and impact on the commercial negotiations. In addition there were detailed financial figures in the reports presented. It was further suggested that the decision would need to remain confidential until negotiations had been concluded i.e. until contracts had been exchanged with the landowner, because until that stage, things could change. Moreover, the two submissions presented by the landowners had been made available to the Committee in full, but no checks had been made with those landowners as to whether they were happy for that information to go in public domain – doing so may weaken their position. It was confirmed that any decision would be “subject to commercial discussions”.

Councillor Jones advised that she had submitted comments prior to the meeting, expressing concerns on the weightings, methodology, etc, used in the Shire Hall relocation report. She also expressed concerns that the methodology and approach of the reports opened up the Council to potential issues around Freedom of Information, public accountability and reputational risk.

#### **105. EXCLUSION OF PRESS AND PUBLIC**

It was resolved, by a majority, that the press and public be excluded from the meeting for the following two items on the grounds that they contained exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to any individual, and information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### **106. LOCATION OF NEW COUNCIL HEADQUARTERS**

A report was presented on two proposals for the location of the Council's new hub building.

It was resolved:

by a majority, to:

a) agree the preferred location;

unanimously, to:

b) recommend the preferred location to full Council for ratification.

## **107. PROGRAMME HIGHLIGHT REPORT – PROGRESS OF SALES TO THIS LAND**

The Committee considered the progress of sales to This Land. Members' attention was drawn to a table showing a detailed breakdown for each site.

It was resolved unanimously to:

- a) note the content of the Programme Highlight Report;
- b) defer the sale of the Rampton Road, Cottenham site, until the outcome of the appeal was known;
- c) defer the sale of the Clear Farm, Bassingbourn site until the access issues were resolved;
- d) note the offer from Papworth Parish Council but failing a full valuation offer as assessed by Savills (£600,000) from the Parish Council, the Committee delegate to the Deputy Section 151 officer, in consultation with the Chairman/Vice Chairman of the Committee, authority to agree final terms and associated financing arrangements for the sale to This Land. If the Parish Council make the full valuation offer by 11 May 2018 will be brought back to committee for a final decision.

*(the meeting moved back in to public session)*

## **108. CAMBRIDGESHIRE 2020 GOVERNANCE**

The Committee considered a report on the project governance for Cambridgeshire 2020.

Members were reminded that the cross-party Shire Hall Working group had overseen the development and consideration of the business case that was approved by the Committee in December 2017. There had been some confusion around Working Group Members' role, e.g. whether they were expected to share information with their respective Groups, and what authority or decision making powers the Group had. The report presented set out a clear decision making hierarchy for decisions related to Cambridgeshire 2020.

The Chairman asked for his thanks to be put on record to the Deputy Chief Executive for turning around this very clear and well laid out report so quickly.

A Member suggested that a lot of responsibility rested with a small group of people, and expressed concern specifically about the way in which the hub and spoke model worked in terms of civic function, suggested that a larger

number of Councillors needed to be involved. Other Members supported this view, and the Chairman suggested that “Civic function” needed to be added to “Tier 1”. The Deputy Chief Executive welcomed this, but added that the items assigned to each tier were intended to be indicative rather than exhaustive, and it was hoped that the Working Group could shape what those decisions were on an ongoing basis. An effective Member engagement and communication strategy was crucial, as this needed to be a Member driven process. At the same time, the pace of the project needed to be kept up, and the tiering of decision making was important in terms of keeping up the pace.

Another Member suggested that communications were key, and had been lacking to some extent, e.g. between the Working Group and the Committee, e.g. recording the Working Group meetings through thorough action notes would be helpful.

It was resolved to:

1. approve the governance structure as set out in paragraph 2.2.2 of the report;
2. delegate all decisions that were not deemed as ‘tier 1’ decisions as identified within paragraph 2.2.2 of the report, as amended, to the Deputy Chief Executive in consultation with the Chairman of the Committee, or Chairman of the Working Group.

## **109. FINANCE AND PERFORMANCE REPORT – FEBRUARY 2018**

The Committee considered a report on the financial and performance information relating to the areas within the Commercial and Investment Committee’s remit, for February 2018.

It was noted that the overspend predicted had improved slightly (by £54K) from January to February.

In response to a Member question, it was noted “over recovery” represented a surplus in income terms, whilst “under recovery” meant that less income had been generated than projected.

Noting that Performance Indicators had not yet been set for the Committee, it was agreed that the Committee needed to have a session to agree these.

**Action required.**

It was unanimously resolved to:



1. review, note and comment upon the report in the appendix.

#### **110. COMMITTEE AGENDA PLAN AND APPOINTMENTS TO OUTSIDE BODIES**

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

Members were reminded that possible quarterly dates had been circulated for provision Commercial & Investment Committee training slots. It was agreed that dates would be identified quarterly, rolling forward, to pencil in the Training Plan and Committee Members' diaries.

A Member requested that all reports should be available for the Chairs'/Lead Members' briefing.

It was resolved to:

- (i) note the Agenda Plan, including the updates provided orally at the meeting;
- (ii) note the Training Plan.

#### **111. EXCLUSION OF PRESS AND PUBLIC**

Members debated whether to move in to private session for the following item. The Chairman advised that there were matters relating to how the business operates that needed to be discussed, so the report was commercially sensitive by default. A number of other Members disagreed, and felt that as politicians, Councillors should be encouraging companies to be open and transparent. The Deputy Chief Executive and Chief Finance Officer commented that ideally, formal resolutions would be published in advance of the This Land AGM, and the intention was to timetable that in next year.

It was noted that the Committee's decision would be taken on a block basis i.e. individual decisions of individual Committee Members would not be recorded.

It was resolved, by a majority, that the press and public be excluded from the meeting for the following item on the grounds that it contained exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to any

individual, and information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **112. RESOLUTIONS FOR THIS LAND AGM**

It was resolved:

- a) to consider the resolutions proposed;
- b) to agree the resolutions proposed for putting to the Annual General Meeting of This Land as set out in Appendix A to the report, as amended.

**COMMERCIAL &  
INVESTMENT  
COMMITTEE**

**Minutes-Action Log**



**Introduction:**

This is the updated action log as at **11<sup>th</sup> May 2018** and captures the actions arising from the most recent Commercial & Investment Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

<b>Minutes of 24<sup>th</sup> November 2017</b>					
<b>58.(4)</b>	<b>ESPO Trading Company Ltd</b>	Paul White/ Cllr Bates	Paul White and Cllr Bates would look at how the new trading company would report back to its constituent authorities.	The proposal is to update the Committee quarterly using the update report that will be provided to the Shareholder Member representatives after each ESPO Joint Committee meeting.	In progress.
<b>Minutes of 15<sup>th</sup> December 2017</b>					
<b>68.</b>	<b>Business Planning Proposals</b>	Julia Tuner/ Claire Barrett	Invite Cllr Jones to County Farms Working Group meetings.	Meetings had been diarised.	Completed
<b>Minutes of 23<sup>rd</sup> February</b>					
<b>83.</b>	<b>Sale of Portfolio of properties to Cambridgeshire Housing &amp; Investment Company</b>	Tom Kelly/ John Macmillan	Review how valuations were assessed for future sites (i.e. second valuation proposal)		In progress

## Minutes of 23<sup>rd</sup> March

91.	<b>Minutes and Action Log</b>	Sass Pledger	Committee to receive a report back, reviewing the process so far, and actions going forward e.g. how schools were being supported in procurement.	Scheduled for C&I Committee on 20/07/18.	In progress
96.	<b>Tri-LEP Local Energy Investment and Delivery Strategy, and other strategic initiatives</b>	Sheryl French	Set up a workshop with County Council, South Cambridgeshire and Cambridge City councillors to share the concept for a network of smart energy grids.	No progress.	
105.	<b>Location of new Council Headquarters</b>	Chris Malyon	Updated info tabled at the meeting would also be circulated to all Councillors.	Final business case plus the two proposals have been circulated to all Members in advance of Full Council.	Completed.
109.	<b>Finance and Performance Report</b>	Tom Kelly/ Ellie Tod	Agreed that the Committee needed to have a session to agree Performance Indicators.		
112.	<b>Resolutions for This Land AGM</b>	Chris Malyon/ Fiona Macmillan	Receive a report on the issues around appointing a Councillor to the This Land Board) at the June C&I meeting.	Scheduled for June meeting.	In progress

**OUTLINE BUSINESS CASE FOR SMART ENERGY GRIDS FOR TRUMPINGTON  
AND BABRAHAM PARK AND RIDE SITES**

*To:* **Commercial and Investment Committee**

*Meeting Date:* **25<sup>th</sup> May 2018**

*From:* **Graham Hughes, Executive Director, Place and Economy**

*Electoral division(s):* **Trumpington, Sawston, Shelford and Queen Edith's**

*Forward Plan ref:* **Not applicable**      *Key decision:* **No**

*Purpose:* **To consider the outline business cases for two Smart Energy Grids at the Trumpington and Babraham Park and Ride sites**

*Recommendation:* **Members are asked to:**

**a) agree the outline business cases; and**

**b) support the development budget of £150,000 for each site to fund the development costs to the first stage of an Investment Grade Proposal.**

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
Name:	Cherie Gregoire	Names:	Councillors Schumann and Hay
Post:	Cherie Gregoire, Energy Investment Unit	Post:	Chair/Vice-Chair
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## 1. BACKGROUND

- 1.1 In March 2018, Committee supported the vision for the development of a network of smart energy grids across Cambridgeshire using park and ride and other Council owned sites. See **Appendix A**. This vision builds on development work for a smart energy grid at the St.Ives Park and Ride, with a view to generate income over the medium to longer term.
- 1.2 St. Ives is the first smart energy grid scheduled for construction during 2018 once grant from Government is secured. It is a demonstrator project which identifies a new business model for local energy projects in areas where access to the local distribution network is heavily constrained. The lessons learnt on this project have informed the design of the next two projects, which have been a collaboration between the Energy Investment Unit and Bouygues Energies & Services Ltd.
- 1.3 It is proposed to develop smart energy grids on both Trumpington and Babraham park and ride sites with the addition of battery storage facilities that provide grid balancing services to the National Grid which can generate additional revenue (see section 1.7 below)
- 1.4 A smart energy grid consists of:
  - solar renewable energy (2.1 MW each site);
  - battery storage to facilitate local supply and demand;
  - electric vehicle and bus charging, (including opportunities to charge autonomous vehicles coming forward under the Connecting Cambridgeshire programme and to support Greater Cambridge Partnership ambitions for electric buses);
  - on-site energy efficient lighting;
  - cabling to supply electricity to local consumers; and
  - smarter management and control of decentralised renewable energy.
- 1.5 Aerial maps are shown at **Appendix B and C**.
- 1.6 The solar photovoltaic modules in the Smart Energy Grids will generate significant amounts of renewable electricity (estimated to be almost 2 million kWh per system per year, or the equivalent of 500 homes). This will be used to charge the battery energy storage and supply power for both the electric vehicle chargers and electric bus charging infrastructure. Upgraded LED lighting will be powered by the battery overnight. A component, called the Advanced Metering Infrastructure, will provide command and control functions of all of the above energy demand sources, ensuring maximum yield and optimum revenue generation. The surplus electricity will be exported from the site and sold to third parties.
- 1.7 Battery storage is seen as crucial to the transition from fossil fuels to renewable energy. In 2016 National Grid ran an auction to secure battery storage facilities to help balance the transmission network. Battery storage absorbs surplus electricity at times of excess generation and releases this when needed. Five hundred megawatts of new storage projects were procured in the auction, equivalent to a medium-sized thermal power station. This highlights the rapid change underway in Britain's energy sector.

## 2. MAIN ISSUES

- 2.1 A summary of the outline business cases is included in Table 1 below and identify the

financial position for the two smart energy grids at this stage, ahead of further development work. The design of these schemes was intentionally developed without the requirements for grant or subsidy and therefore show the base case scenario for the two smart energy grids. This means, should grant schemes become available or funding contributions sought for the projects, the business cases can improve. The intention is to seek funding contributions once the schemes are established as viable.

Table 1. Business case summary

	<b>Capital value</b>	<b>Payback period (years)</b>	<b>IRR (Internal Rate of Return)</b>	<b>NPV (Net Present Value)</b>	<b>25 year Net Return</b>
Trumpington P+R	£6.9M	17.13	4.7%	-£502,577	£7.0M
Babraham P+R	£11.4M	12.8	8.59%	£4,909,799	£24.5M

2.2 When considered in isolation the NPV shown above for Trumpington would suggest this project should not proceed. However, while the site constraints at Trumpington mean a project there will inevitably be less attractive than at Babraham in financial terms, there are a number of opportunities to improve the expected return at Trumpington during the Investment Grade Proposal (IGP) stage. Those include:

- the possibility of joint funding for the scheme. For example a funding contribution of £500,000 would effectively improve the NPV by the same amount;
- supplying energy directly to customers at a higher price than the current baseline assumption of delivering via the grid;
- taking a less cautious view of the likely return on battery storage revenues once national proposals for the future of this market have been published; and
- building in economies of scale for the purchase of materials and services (currently each project has been priced fully independently).

2.3 There are a number of challenges facing this project which will impact on the final decision of whether to proceed to contract. Key risks include:

<b>Risk</b>	<b>Mitigation strategy</b>
The inability to secure a customer for the onsite electricity would threaten the project's financial viability.	An option being explored is to sell electricity via grid connections and expert advice has been sought on this approach from the Department for Business, Energy and Industrial Strategy (BEIS). Also, outreach is being conducted to secure commitment from local companies (i.e. Addenbrookes) in parallel with business case development.
Securing a grid connection in a constrained area.	An application will be made to UK Power Networks to determine the basis on which a connection to the grid can be made. This connection is necessary in order to offer grid balancing services. UKPN will provide the cost of the connection and whether any

	reinforcement is required, which could impact the revenues and scale of the project.
Uncertainty of future revenues from providing grid services	*Bouygues Energies & Services Ltd are consulting with Aggregators, these are companies that will seek the best revenues from our project.

\*Bouygues Energies & Services Limited were procured during 2017 by the Council to support the development of energy projects.

- 2.4 Proceeding with this project would also have wider advantages, for instance through providing a recharging location for electric buses as they come online, and acting as a showcase project for commuters and visitors to the City. See **Appendix A** for the wider vision for park and rides.
- 2.5 The full expected costs of carrying out the project are dependent on the scenario selected to go forward, however, the base case scenarios for both sites are estimated to be £6.9M (Trumpington) and £11.4M (Babraham), reflecting the larger solar and battery storage capacity than proposed for St Ives. The first stage of IGP will inform that investment decision. The project will return to Commercial and Investment Committee for authorisation to proceed to finalise the IGP and again for decision to invest.
- 2.6 The schemes will be built on property assets owned by the Council to generate revenue streams without disturbing its original use. The revenues generated by the schemes will be mainly through Power Purchase Agreements (PPA) and Firm Frequency Response (FFR) plus some revenue savings on energy bills. PPAs are a legal arrangement to sell electricity directly to a customer and FFR is providing services to support the grid.

### Design options

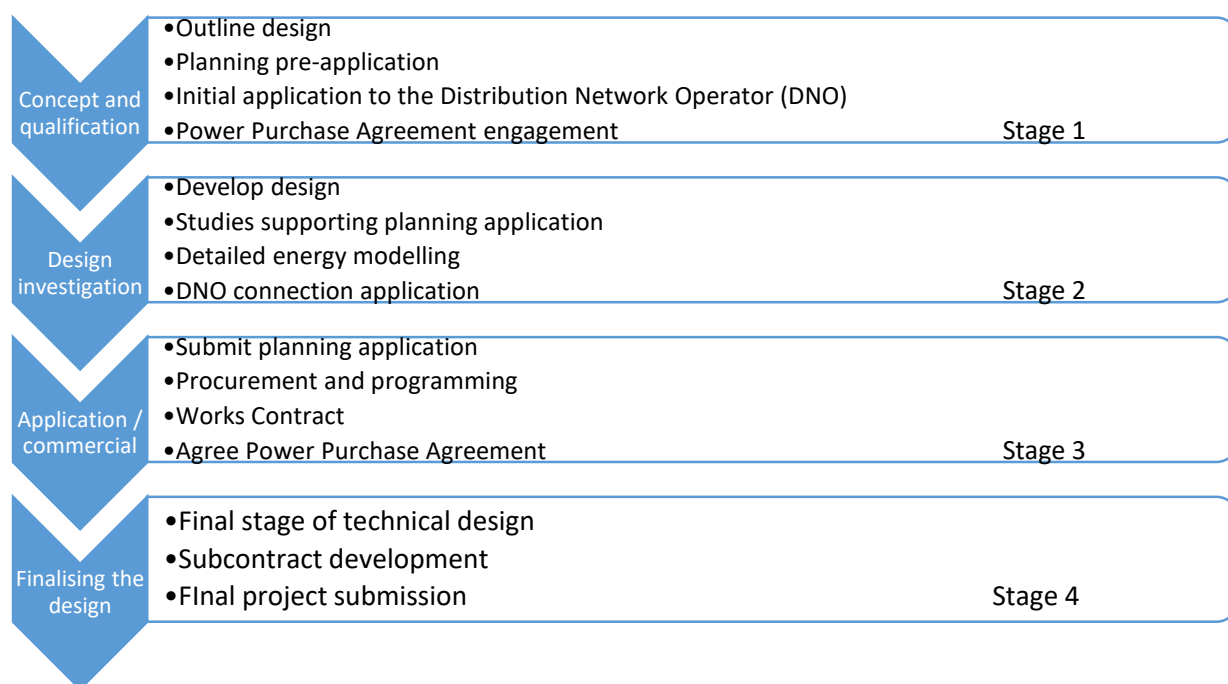
- 2.7 The development of smart energy grids is complex. The sizing of different elements of a scheme is dependent on a number of variables including:
- (i) the energy demand of local consumers,
  - (ii) interest from businesses to buy electricity directly from the scheme,
  - (iii) the size of battery storage needed to manage supply and demand,
  - (iv) expected uptake of electric vehicles,
  - (v) regulatory restrictions,
  - (vi) planning constraints and
  - (vii) community support.
- 2.8 These options will come clear as further development work is undertaken and engagement with the Local Authorities, businesses, distribution network operator and communities is progressed in more detail. Further investigative works are required to determine the optimal combination and technology sizes for the schemes before a final design can be fully costed.

### Development Approach

- 2.9 In previous Committee papers, the Energy Investment Unit (EIU) has requested permission to proceed to develop a full Investment Grade Proposal (IGP). Instead, it is proposed to



split the IGP development into four phases as described below. The intention is to obtain the maximum level of certainty and security at the earliest stage of the development, in terms of cost and commitment. It is proposed that a prescribed scope of work is set for each stage of development, with a decision gateway between the stages.



- 2.10 Given the uncertainties at this early stage of development, instead we are requesting a budget of £150,000 for each project to proceed to the first stage of the IGP (Concept and Qualification). This is a way to de-risk the approach. This will cover internal staff and legal costs, pre-planning application discussion, and grid connection investigations. If the project proceeds this cost would be recovered as part of the overall project costs, but if the Authority chose not to proceed to the next stage, this cost would still need to be paid from profits from other energy projects.
- 2.11 If approved, the project will return to Committee at the end of Stage 1 to request funds to finalise the IGP. The EIU will manage the stage gate process to move between IGP stages 2 – 4. Assuming the final IGP is accepted, the EIU will return to Committee a third time to request authorisation to proceed to the implementation phase.

### Battery Storage Revenue

- 2.12 There are a number of variations the project will explore, in terms of what customers to sell to and how best to exploit the battery storage. The additional battery storage allows us to provide services to the National Grid (i.e. discharge the battery at times of high demand on the grid for a payment) and balance supply and demand. It's important to note that grid services are an evolving market with uncertain revenue streams, however market reports confirm that with additional renewable energy on the grid, the necessity for frequency response to balance periods of high demand is increasing. In addition, National Grid are undergoing reform which is focusing on making the market more transparent and easier to tender to supply grid services.

## **Electrification of Transport**

- 2.13 As major transport hubs to the south of the City centre, both Trumpington and Babraham sites are included in the planned roll out of smart energy grids to support the electrification of transport. In March 2018, Committee supported the concept of developing a network of smart energy grids to bring forward the electrification of buses across Greater Cambridge and the Greater Cambridge Partnership (GCP) Executive Board agreed the principle of electric buses and progressing an electric bus pilot. Recommendations from Greater Cambridge Partnerships Low Emission Bus study (April 2018), which includes Smart Energy Grids, are scheduled to be presented at the July meeting of the GCP Executive Board.
- 2.14 Connecting Cambridgeshire has recently secured a £3.2M contract to operate autonomous vehicles between Addenbrooke's / Biomedical Campus and Trumpington Park and Ride. Discussions are underway for charging the autonomous vehicles at the Trumpington P+R Smart Energy Grid.
- 2.15 As the Smart Energy Grids will assist these projects in meeting their objectives via the supply of low-carbon, zero emission generation, our teams have been coordinating and there is a potential to seek funding support.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

### **3.1 Developing the local economy for the benefit of all**

In many parts of Cambridgeshire, decentralised energy cannot connect to the local grid as it has reached capacity; also fault levels on existing networks are in danger of being breached. Without significant investment in Super Grid Transformers (approximately £10million) and localised network upgrades, some decentralised energy projects cannot connect to the grid. This is a significant market barrier for cleantech companies. New thinking and business models must be developed to overcome this challenge and to bring forward investment. In addition, the investment returns over the medium to long term will input finance to support Council services.

Locally generated electricity improves our energy security by reducing our reliance on imported energy and helps build a local energy economy that can benefit our communities.

### **3.2 Helping people live healthy and independent lives**

The project will provide clean renewable energy to power the sites' usage, and local customers either directly or via electric vehicle charging, thereby reducing the Council's and Cambridgeshire's carbon footprint and mitigating climate change. Electric bus charging will have a direct and positive impact on air quality.

### **3.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

If, following the development of the detailed business case, it is decided not to implement the projects, the funding for the development of the detailed business cases will have to be paid. The current proposition is to offset the costs from these projects against the wider program of energy projects in the pipeline.

There are no implications for Information and Communications Technologies or data ownership.

**Impact on human resources.** The costs for county council staff involvement to deliver the project are included in the requested development budget.

**Sustainable Resources.** The project's goal is to generate low-carbon electricity, reduce electricity usage on-site and provide solutions to the grid capacity problems experienced across Cambridgeshire.

### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

Bouygues Energies & Services was procured under a mini-competition run under the Refit 3 Framework. As the Framework does not expire until April 2020, there are no significant implications from a procurement or contractual standpoint.

### **4.3 Statutory, Legal and Risk Implications**

There is the potential for State Aid implications even if we do not pursue grant funding. The EIU would need to demonstrate that neither Bouygues nor the potential customers received non-commercial treatment.

Health and safety implications. The canopies could provide some potential cover for crime, therefore the CCTV cameras on site will be repositioned for better coverage. Under canopy lighting will also be provided for better visibility.

### **4.4 Equality and Diversity Implications**

There are no significant implications.

The electric vehicle charge points will be available to the entire community.

### **4.5 Engagement and Communications Implications**

There are no significant implications.

The EIU has discussed the project with:

- relevant members of the Guided Busway and Park and Ride teams;
- South Trumpington Parish Council at a meeting on the 24th of April;
- potential customers for the electricity generated;

- the Trumpington Resident's Association on the 25th April; and
- planning officers at South Cambridgeshire District Council and Cambridge City Council.

A questionnaire was provided to commuters at the Trumpington Park and Ride and made available on [www.mlei.co.uk](http://www.mlei.co.uk) to gauge support and concerns. The 39 respondents to date overwhelmingly supported this type of investment (94.9%) and 94% stated that the project would not change how they use the Park and Ride.

Cambridge International Airport and Duxford were notified of the proposals for their feedback on the impact of the solar panels on radar or glare to pilots. Cambridge International requested that we complete an impact assessment during the planning application phase. We met with Duxford representatives on the 15<sup>th</sup> of May to discuss the breadth of energy generation projects proposed.

Public outreach was done at the Babraham Park and Ride on two mornings in May.

Overall there has been solid support with a few concerns expressed over construction noise, glint and glare from the panels, and length of construction program on active park and rides. All of these issues will be explored and mitigation strategies put in place, as appropriate.

#### **4.6 Localism and Local Member Involvement**

There are no significant implications.

Information on the project has been shared directly with relevant Councillors.

Early discussions with planners from Cambridge City and South Cambridgeshire have been held.

Please see 4.5 above for further details

#### **4.7 Public Health Implications**

Vehicle emissions are a direct cause of poor air quality and the introduction of additional electric charging points for cars powered by zero emission electricity could therefore contribute to lower emissions and therefore result in positive health benefits through improved air quality. The Transport and Health Joint Strategic Needs Assessment 2015 states that new low emission vehicles are either fully electric with no emissions at the point of use or hybrid vehicles which have significantly reduced emissions for periods of the drive cycle and may be capable of some zero emission running. Therefore, with new low emission vehicle technology there is the potential for substantial real world cuts in emissions.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Yes Name of Financial Officer: Sarah Heywood
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?</b>	Yes Name of Officer: Paul White
<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	Yes Name of Legal Officer: Debbie Carter-Hughes
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Yes Name of Officer: Tamar Oviatt-Ham
<b>Have any engagement and communication implications been cleared by Communications?</b>	Yes Name of Officer: Joanne Shilton
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Yes Name of Officer: Tamar Oviatt-Ham
<b>Have any Public Health implications been cleared by Public Health</b>	Yes Name of Officer: Tess Campbell

Source Documents	Location
<ol style="list-style-type: none"> <li>1. High Level Assessment, Trumpington Park and Ride, Smart Energy Grid, April 2018</li> <li>2. High Level Assessment, Babraham Park and Ride, Smart Energy Grid, April 2018</li> <li>3. Cambridge City Council, Cambridge Local Plan 2014: Proposed Submission, July 2013 (section 4)</li> <li>4. South Cambridgeshire Local Plan, July 2013</li> </ol>	<ol style="list-style-type: none"> <li>1. Energy Investment Unit</li> <li>2. Energy Investment Unit</li> <li>3. <a href="https://www.cambridge.gov.uk/local-plan-review-proposed-submission-consultation">https://www.cambridge.gov.uk/local-plan-review-proposed-submission-consultation</a></li> <li>4. <a href="https://scambs.jdi-consult.net/localplan/">https://scambs.jdi-consult.net/localplan/</a></li> </ol>

# Connected Futures: Smart Energy Infrastructure for Cambridgeshire

Developing an innovative network of Smart Energy Grids along key routes to support the electrification of public transport and generation of renewable energy to sell locally.

## Vision

- A network of Smart Energy Grids at Park & Ride Transport Interchanges in and around Cambridge and along public transport routes to support the electrification of transport
- The network will generate renewable energy, facilitate EV charging for buses, cars and freight and allow for selling of energy to local customers via Power Purchase Agreements (PPAs)

## Smart Energy Grids

- Smart Energy Grids provide renewable energy, battery storage, EV and bus charging for vehicles, and electricity for sale to local customers
- First Smart Energy Grid will be built at the St Ives Transport Interchange on the Guided Busway during 2018
- Planning is underway for Smart Energy Grids at Trumpington and Babraham Transport Interchanges, with other sites to be assessed during 2018
- A microgrid is planned for Northstowe Business Park once construction is complete

## Interval Bus Charging Infrastructure

- Interval charging along the Busway and on streets across the city
- A single eco-system of energy generation to support public transport
- Renewable energy generated locally helping to balance the demand for energy at a local level



## Supporting the Smart Cities Programme

The Smart Energy infrastructure supports innovation and growth through the Smart Cities Programme, which includes:

- Autonomous Shuttle trials on southern section of the busway
- Linking to Rapid Mass Transit proposals
- Mobility as a Service (MaaS) plan

## Growing Technology and Life Science Clusters

- Babraham Research Campus – 60 bioscience organisations, employing 1,200 people, expanding labs and offices by 2019
- Cambridge Science Park – over 100 companies from small start-ups and spin-outs to subsidiaries of multinational corporations
- Granta Park – 20 life science companies, employing 2,500 people, expanding to 4,000 by 2020
- Cambridge Biomedical Campus – expanding rapidly with 26,500 visits to the campus every day from staff, patients, academics and visitors
- Wellcome Genome Campus – home to some of the world's foremost science institutes, with 2,600 workers travelling in from a wide area



Clean local energy supplies are essential for a modern economy and a quality public transport system.

As a society, we need to move towards energy sustainability and clean air. Generating energy for local users is a key step on this journey.

[www.mlei.co.uk](http://www.mlei.co.uk)



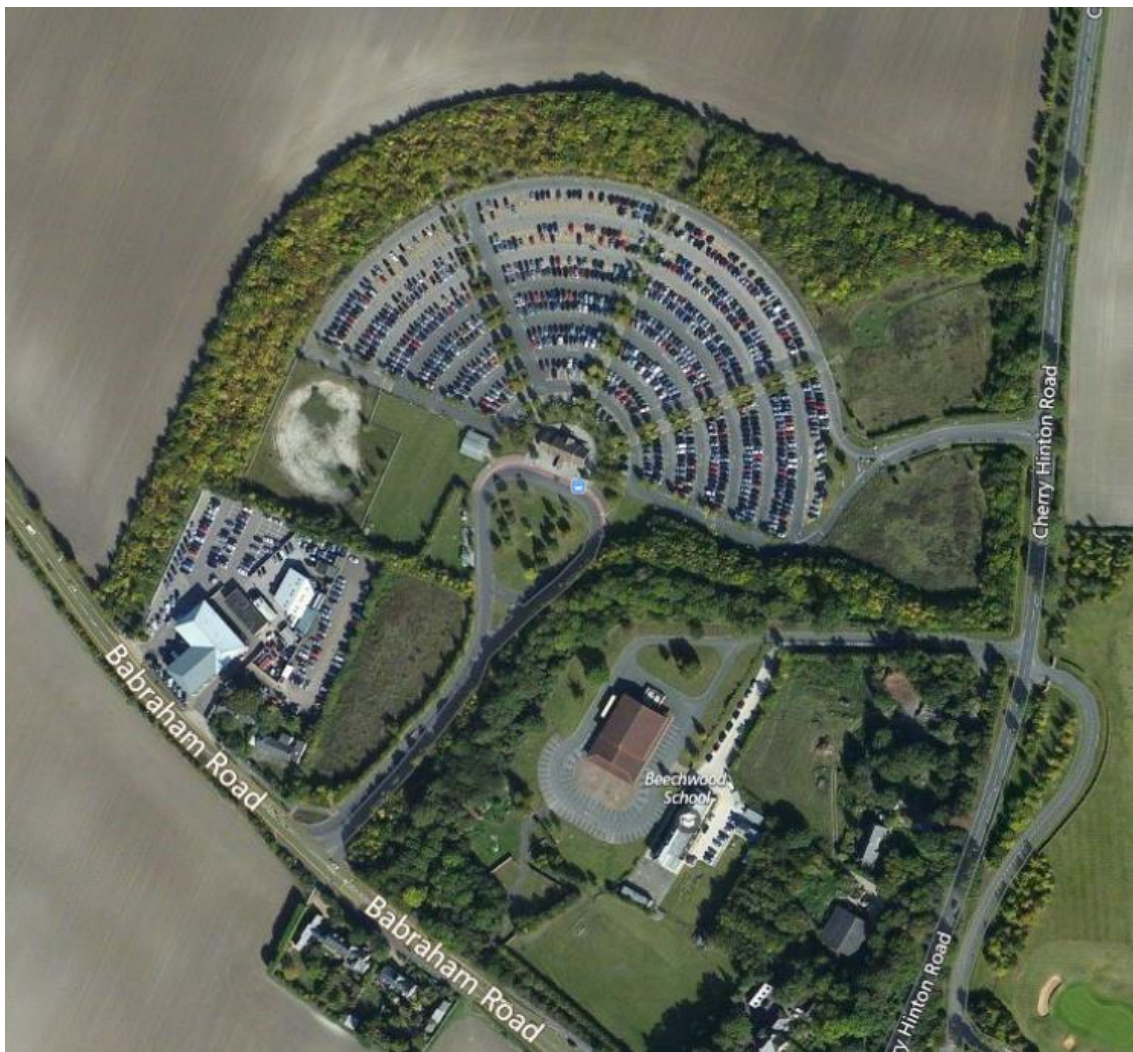


## APPENDIX B – Trumpington Park and Ride aerial map





**APPENDIX C – Babraham Park and Ride aerial map**





**FORMER MILL ROAD LIBRARY – UPDATE ON ISSUES WITH LEASE TO INDIAN COMMUNITY AND CULTURAL ASSOCIATION**

*To:* **COMMERCIAL & INVESTMENTS COMMITTEE**

*Meeting Date:* **25 May 2018**

*From:* **Chris Malyon, Deputy Chief Executive**

*Electoral division(s)*

*Forward Plan ref:* **Not applicable**      *Key Decision:* **No**

*Purpose:* **Update on issues with former library at Mill Rd, Cambridge which is let to the Indian Community and Cultural Association**

*Recommendation:* **It is recommended that:-**

- (1) Officers agree a negotiated surrender of the lease of the old Mill Road Library from the Indian Cultural and Community Association and to explore option for sale or letting.**
- (2) The final terms of the surrender be delegated to the Deputy Section 151 officer in consultation with the Chairman of the Committee**

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
Name:	<b>John Macmillan/Tom Kelly</b>	Names:	Cllr Schumann
Post:	Group Asset Manager / Head of Finance	Post:	Chair of C&I
Email:	John.macmillan@cambridgeshire.gov.uk	Email:	Joshua.schumann@cambridgeshire.gov.uk
Tel:	076808861360 / 01223 703599	Tel:	01223 706398

## 1. BACKGROUND

- 1.1 The former Mill Road Library, a Grade 2 listed building on Mill Road, Cambridge was let to the Indian Community and Culture Association in 1999 for 25 years at a peppercorn rent. In return for the peppercorn rent the Association is responsible for repair and maintenance of the building and for insurance.



- 1.2 The building is located on Mill Road at the entrance of the Mill Road depot belonging to Cambridge City Council. The depot is being redeveloped for housing and a planning application for 167 houses has been submitted.
- 1.3 In 2013 Informal Cabinet considered proposals from the ICCA to buy the building but they were not able to meet the Council's valuation. They also considered extending the lease which would have allowed them to seek grant funding for improvements.
- 1.4 The Council has pursued the ICCA about outstanding repairs, which as the building is Grade 2 Listed are a cause for concern and also their long term interest in buying the building but it has been extremely difficult to get responses.



# Former Mill Road Library (USRN:00102)



Scale (at A4): 1:1250  
 Date: 21st January 2013  
 By: bs270  
 File: \\CCC.Cambridgeshire.gov.uk\gis\Res\Ippd\Estates\NON-FARMS\Members\13-01-21 Former MillRdLibrary wor (Job 13-01-21)

© Crown copyright and database rights 2012 Ordnance Survey 100023206

Cambridgeshire County Council

## **2 BUILDING CONDITION**

- 2.1 BWB, building consultants with listed building experience, were appointed in December 2017 and produced a condition survey in February 2018. They identified in the region of £200,000 of remedial work mainly resulting from water penetration through the walls and windows rather than the roof.
- 2.2 Under the Planning (Listed Buildings and Conservation Areas) Act 1990 the planning authority (Cambridge City Council) can require repairs to be carried out and also requires consent for alterations to be obtained from the planning authority.
- 2.3 Repair and urgent preservation notices could be served by the City Council on the County Council as owner.
- 2.4 The County Council as Landlord would have to take action against the tenant for breach of the lease and to recover costs.

## **3 LANDLORD AND TENANT OPTIONS**

- 3.1 Legal advice has been sought on how to enforce the ICCA's repairing obligations.
- 3.2 The Landlord is not able to claim for damages unless it has served a notice on the tenant under section 146 of the Law of Property Act 1925 (a section 146 Notice) in relation to the breach of covenant. The tenant is able to serve a counter notice.
- 3.3 If the s 146 notice is not complied with then forfeiture can be pursued to end the tenancy but that can be time consuming.
- 3.4 In the short term the Council wrote to the tenant enclosing the condition survey and asked them to engage or the matter would be escalated and they have complied.
- 3.5 It is likely that faced with a high repair bill the Charity Trustees could simply close the Charity and surrender the Lease, without any liability for dilapidations, which will then fall to the County Council.
- 3.6 A face to face meeting was held on the 19<sup>th</sup> April with the Chair of the ICCA. She recognised their responsibility for repairs but said that the ICCA had very limited resources. A negotiated surrender was discussed and had been discussed by the other trustees but not by the wider membership who number about 250 people. The ICCA AGM will be at the end of May and there would be an opportunity to discuss their position then in the light of any direction from the Commercial & Investments committee.

### **3.0 OPTIONS SHOULD THE TENANT VACATE**

- 3.1 The building is centrally located on a busy street with retail and food outlets.
- 3.2 The City Council have expressed an interest in acquiring the building but have indicated that they would require all the repairs to be carried out. An open market sale could also be considered but no valuation has been sought yet.

- 3.3 Carter Jonas have informally looked at the building and confirmed that there has been strong interest nearby in shop units being converted to a mid-level restaurant. If the building was in good repair and based on its footprint it might have been worth a rental of £60,000 pa even with its current D1 planning use class.
- 3.4 The D1 planning Use Class which form the basis of community facilities including premises used for:
- The provision of traditional and complementary medical or health services, except for the use of premises ancillary to the home of the consultant;
  - The provision of education;
  - A crèche, day nursery or playgroup;
  - Place of worship or religious instruction;
  - A museum or other building to display works of art for public viewing;
  - A community centre, public hall or meeting place; and
  - A public library.
- 3.5 A change of use could be possible provided the occupier applied for permission for change of use from Cambridge City Council. However, the D1 user restriction would frustrate any change of use and it is likely any application which seeks to remove this use would only be approved at appeal and even then there would need to be significant factors for a change from D1.

#### **4.0 ALIGNMENT WITH CORPORATE PRIORITIES**

##### **4.1 Developing the local economy for the benefit of all**

The site if vacated could have benefits for the local economy.

##### **4.2 Helping people live healthy and independent lives**

The building is used by the ICCA for religious practices and also as a cultural centre.

##### **4.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

#### **5. SIGNIFICANT IMPLICATIONS**

##### **5.1 Resource Implications**

The building is potentially a financial liability for the County Council if the tenant does not comply with the terms of their tenancy and carry out the identified repairs.

##### **5.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

### 5.3 Statutory, Legal and Risk Implications

Legal advice has been provided on the Statutory, Legal and Risk arising from the tenants neglect and the Council's responsibilities as owner.

### 5.4 Equality and Diversity Implications

The community group do not have sufficient funds to carry out the identified repairs. They do have an alternative location to move to if they have to vacate.

### 5.5 Engagement and Communications Implications

There are no significant implications within this category.

### 5.6 Localism and Local Member Involvement

The Local Member Linda Jones is aware of the issues.

### 5.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	N/A Name of Officer:
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Michael Anker. LGSS Law
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Tamar Oviatt-Ham
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall Head of Communications and Information
Have any Public Health implications been cleared by Public Health	N/A







**DISPOSALS POLICY**

*To:* **COMMERCIAL AND INVESTMENTS COMMITTEE**

*Meeting Date:* **25<sup>th</sup> May 2018**

*From:* **Deputy Chief Executive & Chief Finance Officer**

*Electoral division(s):* **All**

*Forward Plan ref:* **Not applicable** *Key Decision:* **No**

*Purpose:* **The Committee is asked to consider the existing asset disposals policy and the proposed refinements set out in this report in order that the policy reflects the approach the Committee wishes to see adopted for any future disposals.**

*Recommendation:* **It is recommended that the refined asset disposal policy as set out in Appendix 2 be adopted.**

<b><i>Officer contact:</i></b>	
Name:	Chris Malyon
Post:	Deputy Chief Executive & CFO
Email:	Chris.malyon@cambridgeshire.gov.uk
Tel:	01223 699796

## **1. BACKGROUND**

- 1.1 The Council owns a plethora of property and land assets largely for operational delivery purposes. This Committee considered the disposals policy in June 2017. The minutes and notes of the meeting are set out below. In spite of this relatively recent review there have been a number of issues that have been raised during the last twelve months which culminated in a request for the Committee to revisit the process for declaring assets surplus to requirements.

## **2. JUNE 2017 COMMITTEE CONSIDERATION**

- 2.1 As mentioned above the Committee considered this matter in June of last year. The notes and minutes in regards of the Committee's deliberations in this matter are set out below and the decision making process map is set out in Appendix 1.

### **14. OUTLINE DISPOSAL PROCESS FOR PROPERTY ASSETS**

*A report was presented highlighting some of the key issues surrounding the proposed disposal methods of property assets to CHIC.*

*Local authorities have power under the Local Government Act 1972 to dispose of land, but any disposal must be at "best consideration", which was usually the best price following open market or a formal 'Red Book' valuation (valuation by a Chartered Surveyor). All transactions must be carried out in an accountable and transparent way. There were exceptions to the best consideration rule, and authorities could sell for 'less than best consideration' e.g. to a community group, if it can be demonstrated that the disposals meet certain economic, social or environmental objectives, up to the value of £2M.*

*The County's policy had been that all sites would be offered at market value to District and Parish Councils, in advance of marketing for a disposal, except where General Purposes Committee makes alternative provisions when granting an authority to dispose. The intention was to offer sites to CHIC prior to offering them to District and Parish Councils, and then on the open market.*

*There were three methods of sale available, and private treaty sale with outline or full planning permission was the preferred option – valuation was more straightforward if planning permission was already factored in. It was confirmed that a large number of sales were in the pipeline at the moment. Committee approval would be required for sites over £500K. Disposals of less than £500K were delegated to the Director of Finance.*

*It was confirmed that disposals on the open market would follow the normal process, and the Chairman requested that officers bring back a draft policy for Member discussion at either a Committee meeting or workshop. Other Members commented that the position would depend very much on the site, and an agreed policy position would not be very helpful – there needed to be flexibility.*

*A Member observed that there was currently no policy position on whether disposals should seek capital or revenue returns. In terms of the impact on the impact of the Council's total financial position, on whether disposals should be regarded as a capital receipt or revenue gain, officers responded that revenue was more important to the Council, although capital receipts could be used to reduce debt. By way of example, it was noted that Castle Court was being rented for around £1M revenue per year, which was valuable income for the Council.*

*In response to a Member question, it was confirmed that the basis on which CHIC was engaged would be the same as any other private developer i.e. a commercial discussion. The Member commented that it was important that this arm's length company should be treated in the same way as any other company, and not given any preferential treatment. Officers stressed that this was being driven from a commercial perspective.*

*A Member observed that section 4 of the report (Significant Implications) indicated that some teams had not cleared the report. Officers commented that most had subsequently, but this was an overarching policy so it was difficult to identify specific impacts – this would become more relevant when the Committee considered individual cases. It was noted that all freehold disposals had to take account of the Community Right to Bid process (last sentence of 2.1.3).*

*It was confirmed that best consideration was the best price, but with discretion for Members to exercise discretion to make exceptions in individual cases. Councillor Jenkins proposed an amendment to recommendation (a) (additional text italicised):*

*(a) Agree to declare surplus land and property on a case by case basis to achieve best consideration with due regard being given to the County Council's corporate priorities*

*This amendment was seconded by Cllr Nethsingha.*

*On being put to the vote, the amendment was lost. In terms of the District and Parish Councils hearing about development sites which the Committee was considering, it was noted that the relevant Local Member would be notified prior to the Committee meeting.*

*Councillor Jenkins proposed that recommendation (b) be withdrawn, and this was seconded by Councillor Nethsingha. On being put to the vote, the amendment was lost.*

***It was resolved, by a majority, to:***

***a) Agree to declare surplus land and property on a case by case basis to achieve best consideration;***

***b) Not to offer land and property to District and Parish Councils in advance of offering to CHIC.***

### **3. MAIN ISSUES**

- 3.1 Some of the aforementioned issues have arisen as the process has focussed on operational assets and there is a perception in some areas that assets are “owned” by the services that occupy them. This report therefore gives the opportunity to re-enforce the message that all assets – be they held for operational, developmental, or investment purposes – are owned by the body corporate.
- 3.2 This approach will become more formalised with the development of a corporate landlord tenancy arrangement that will set out the relevant roles and responsibilities of the corporate landlord and those of the service tenant.
- 3.3 Another area of confusion has been which assets are within scope of the policy and in particular the disposal of land and property within the rural estates portfolio. Although the sites within the portfolio sale to This Land have been reported to the Committee on a regular basis they did not get on to the Committee’s programme through the same internal challenge process as those that operational assets follow. In many ways this is not surprising given that land used within the rural estates portfolio is unlikely to be of any other alternative use than for development purposes. However to avoid any doubt it is proposed to ensure that all assets for disposal will in the future go through the same process irrespective of whether they are currently used for operational purposes or not.
- 3.4 The other issue that has been highlighted is the role of both local councillors and local councils when considering the future of land or property that the Council has identified as being surplus to requirements. Given the financial challenges and the drive to pursue commercialism as a more optimal solution than service reductions, it is important that the presumption of maximising the value from any disposal process has to be maintained. Indeed the Council has a duty to derive best value. This does of course leave some degree of flexibility when determining what constitutes best value in overall terms and each asset will come with its own considerations in terms of covenants or such that need to be factored in to the decision.

### **4. PROCESS**

- 4.1 The process that this Committee agreed last June is set out in Appendix 1 to this report. It is proposed to refine this process slightly but the fundamentals remain the same. It is however important to prelude the process map with a number of key principles that should support the process:
  - All assets are owned by the body corporate;
  - The Council is therefore a corporate landlord for any service using an asset;
  - The corporate landlord has a right to terminate that arrangement if it is in the organisation’s best interests;
  - All property and land disposals will follow this process (this will include all rural estate land and property holdings).
  - This Land will have first refusal on disposals on the understanding that terms of sale do not consist of preferential treatment compared to any other developer.

- 4.2 Having considered the issues that have been summarised in this report an amended process has been developed and is set out for the Committee's consideration in Appendix 2 of this report.

## **5. ALIGNMENT WITH CORPORATE PRIORITIES**

### **5.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority arising directly from the changes proposed in this report.

### **5.2 Helping people live healthy and independent lives**

There are no significant implications for this priority arising directly from the changes proposed in this report.

### **5.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority arising directly from the changes proposed in this report.

## **6. SIGNIFICANT IMPLICATIONS**

<b>Implications</b>	<b>Team</b>	<b>Name of Officer Consulted</b>
Resource	Finance	Tom Kelly
Statutory, Legal and Risk	Legal	-
Equality and Diversity	Author	Chris Malyon
Engagement and Consultation	Communications	Christine Birchall
Localism and Local Member Involvement	Author	Chris Malyon
Public Health	Public Health	Val Thomas

### **6.1 Resource Implications**

There are no significant implications within this category.

### **6.2 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

### **6.3 Equality and Diversity Implications**

There are no significant implications within this category.

### **6.4 Engagement and Consultation Implications**

There are no significant implications within this category.

### **6.5 Localism and Local Member Involvement**

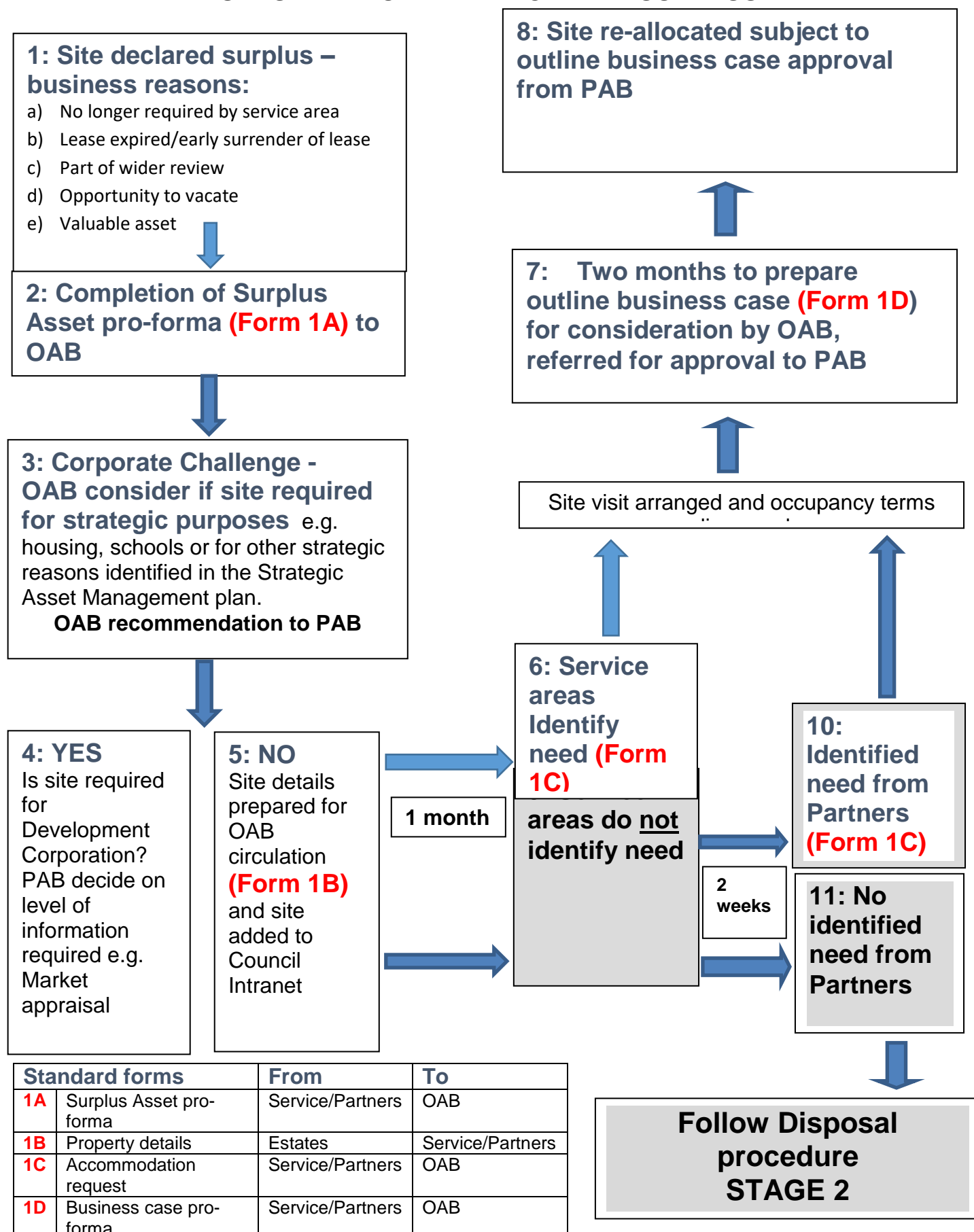
The Council has a Member Engagement Protocol which covers Member involvement in disposals in their area.

### **6.6 Public Health Implications**

There are no significant implications within this category.

**Previous process:**

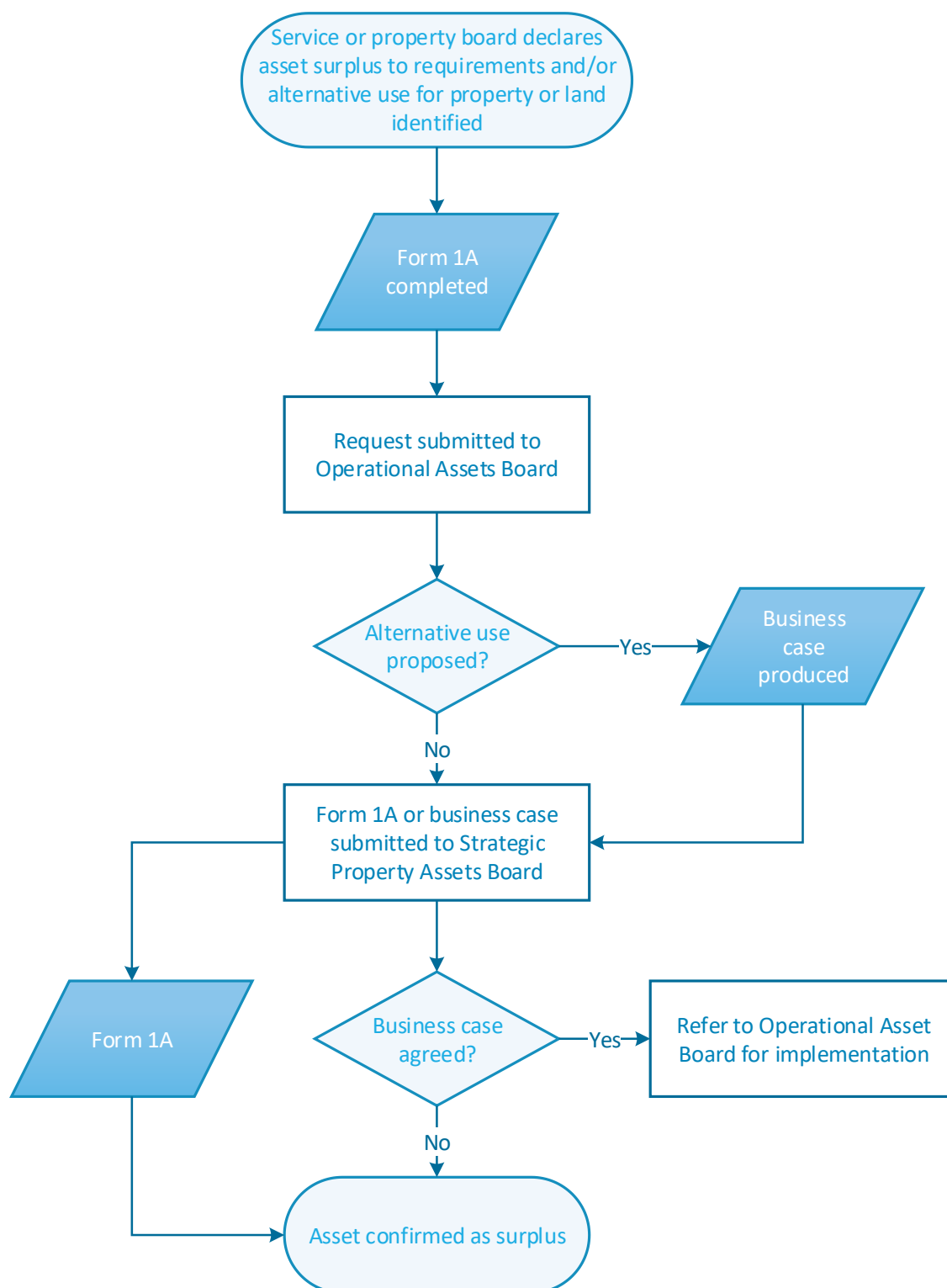
# **STAGE 1: PROPERTY DECLARED SURPLUS**



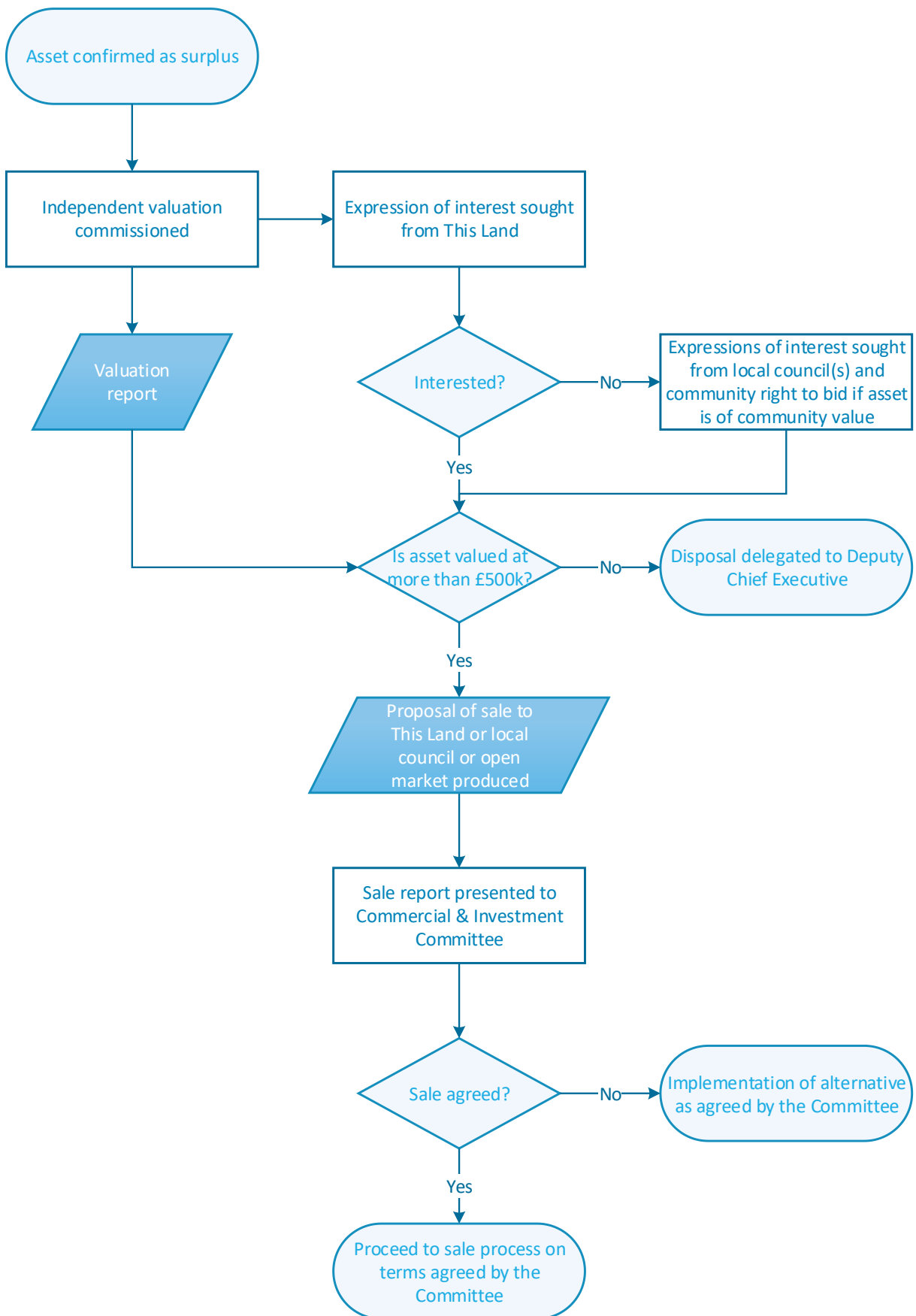


**Proposed processes:**

**Process To Confirm An Asset As Surplus**



### Process To Agree Disposal Of A Surplus Asset



**PROGRAMME HIGHLIGHT REPORT - PROGRESS OF SALES TO THIS LAND**

*To:* **Commercial & Investment Committee**

*Meeting Date:* **25 May 2018**

*From:* **Deputy Section 151 officer**

*Electoral division(s):* **All**

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

*Purpose:* **To summarise progress of sales to This Land**

*Recommendation:* **It is recommended that the Committee:**

- 1. Note the content of the Programme Highlight Report**

<b><i>Officer contact:</i></b>		<b><i>Member contact:</i></b>	
Name:	John Macmillan/Tom Kelly	Names:	Councillors Joshua Schumann
Post:	Group Asset Manager/Deputy s151 Officer	Post:	Committee Chairman
Email:	<a href="mailto:John.macmillan@cambridgeshire.gov.uk">John.macmillan@cambridgeshire.gov.uk</a> <a href="mailto:Tom.kelly@cambridgeshire.gov.uk">Tom.kelly@cambridgeshire.gov.uk</a>	Email:	<a href="mailto:Joshua.schumann@hotmail.co.uk">Joshua.schumann@hotmail.co.uk</a>
Tel:	07808 861 360	Tel:	01223 706398

## 1. BACKGROUND

- 1.1 Commercial & Investments committee previously considered the sale of a portfolio of properties to “This Land” (formerly Cambridgeshire Housing and Investment Company) at meetings on the 23 February, 23 March and 27 April 2018.
- 1.2 This reports provides a progress update on the sales.

## 2. MAIN ISSUES

- 2.1 14 sales with a value of £22.835m completed on the 13<sup>th</sup> April. These were:
- Cambridge, Russell St
  - March, Former Highways Depot, Queen St
  - Foxton
  - Hartford
  - Cambridge, Fitzwilliam Road
  - Camfields
  - Horningsea
  - Brampton
  - March, Norwood Rd
  - March, Land at Hereward Hall
  - March, Station Rd
  - Guilden Morden Trapp Rd
  - Guilden Morden, Dubbs Knoll
  - Cambridge, Worts Causeway
- 2.2 A further 7 with a value of £6.1m are expected to complete by the 22<sup>nd</sup> May. A number of others are delayed and detailed below.

1.	Cambridge, Milton Road	Expected to complete 17 May
2.	Willingham, Belsar Farm	Expected to complete 22 May
3.	Landbeach, Beach Farm	Expected to complete 22 May
4.	Littlington, Sheen Farm	Expected to complete 22 May
5.	Old School House, Papworth	Parish Council have not increased their offer so sale to This Land will proceed. Expected to complete 22 May.
6.	Wicken	Expected to complete 22 May
7.	Soham Northern	Expected to complete 22 May
8.	Whittlesford	Delay due to issues with chancel repair insurance
9.	Shepreth, Collins Close	Delay due to S106 completion.
10.	Burwell, Newmarket Road	Delays due to phasing
11.	Soham Eastern	Delays due to Masterplan design which may impact scheme design and valuation.
12.	Cambridge, Malta Road	Delays due to access. Negotiating easement with Housing Association who own access.

13.	Cottenham, Rampton Rd	Planning consent for 154 houses granted after appeal. Legal challenge possible in next 6 weeks or Judicial Review up to 12 weeks.
14.	East Barnwell Community Centre	Mixed use scheme with library, offices, community space and housing being developed.
15.	Old Police Station & Register Office	Deferred pending Shire Hall sale.
16.	Clear Farm, Bassingbourn	Application for 10 houses submitted 17 May 2018.



**FINANCE AND PERFORMANCE REPORT – FEBRUARY 2018**

*To:* **Commercial and Investment Committee**

*Meeting Date:* **25 May 2018**

*From:* **Chief Finance Officer**

*Electoral division(s):* **All**

*Forward Plan ref:* **Not applicable**      *Key decision:* **No**

*Purpose:* **To present to Commercial and Investment (C&I) Committee the Finance and Performance Report for Commercial and Investment Committee to the financial year.**

**The report is presented to provide C&I Committee with an opportunity to comment on the final financial and performance position, as at the end of 2017/18.**

*Recommendation:* **The Committee is asked to:**

- a) review, note and comment upon the report in the appendix**

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>
Name:	Eleanor Tod	Cllrs Schumann and Hay Chairman and Vice-Chairwoman
Post:	Group Accountant	
Email:	<a href="mailto:Eleanor.Tod@cambridgeshire.gov.uk">Eleanor.Tod@cambridgeshire.gov.uk</a>	
Tel:	01223 715333	

## **1. BACKGROUND**

- 1.1 Commercial and Investment (C&I) Committee received the Commercial and Investment Finance and Performance Report at all of its meetings, where it was asked to review, note and comment on the report and to consider and approve recommendations as necessary, to ensure that the budgets and performance indicators for which the Committee had responsibility remained on target.

## **2. MAIN ISSUES**

- 2.1 Attached as appendix A, is the final 2017/18 Finance and Performance report.
- 2.2 **Revenue:** At the end of the 2017/18 financial year, C&I Committee recorded an overspend of £534k on revenue budgets. This had improved by £166k since the February report and there were six material variances to report.
- 2.3 **Capital:** Predicted in-year variances of £1.5m were netted off against the Capital Programme Variations budget and there was a £1k charge for the capitalisation of interest. The net figure of £1,532k exceeded the variations budget of £720k, therefore the element of the C&I Committee capital programme budget that was subject to a capital variations budget was underspent by £812k at the end of 2017/18.

An increased in-year underspend on the Housing schemes of £83.3m resulted in a total programme underspend of £84.1m in 2017-18. This was the only new material variance (over £250k) to report.

- 2.4 There were no Commercial and Investment Committee **performance indicators** reported for 2017/18.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES AND SIGNIFICANT IMPLICATIONS**

### **3.1 Developing the local economy for the benefit of all**

There were no significant implications for this priority.

### **3.2 Helping people live healthy and independent lives**

There were no significant implications for this priority.

### **3.3 Supporting and protecting vulnerable people**

There were no significant implications for this priority.

### **3.4 Resource Implications**

This report sets out details of the overall financial position for Commercial and Investment for this Committee.

### **3.5 Procurement/Contractual/Council Contract Procedure Rules Implications**

There were no significant implications within this category.



### 3.6 Statutory, Risk and Legal Implications

There were no significant implications within this category, apart from those set-out in section 3.

### 3.7 Equality and Diversity Implications

There were no significant implications within this category.

### 3.8 Engagement and Consultation Implications

There were no significant implications within this category.

### 3.9 Localism and Local Member Involvement

There were no significant implications within this category.

### 3.10 Public Health Implications

There were no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	N/A
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	N/A
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	N/A
Are there any Equality and Diversity implications?	N/A
Have any engagement and communication implications been cleared by Communications?	N/A
Are there any Localism and Local Member involvement issues?	N/A
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	Location
C&I Finance & Performance Report (Outturn 17-18)	1 <sup>st</sup> Floor, Octagon, Shire Hall, Cambridge



## Commercial and Investment

### Finance and Performance Report – Final Report 2017/18

## 1. SUMMARY

### 1.1 Finance

Previous Status	Category	Target	Current Status	Section Ref.
Amber	Income and Expenditure	Balanced year end position	Amber	2.1 – 2.4
Green	Capital Programme	Remain within overall resources	Amber	3.2

## 2. INCOME AND EXPENDITURE

### 2.1 Overall Position

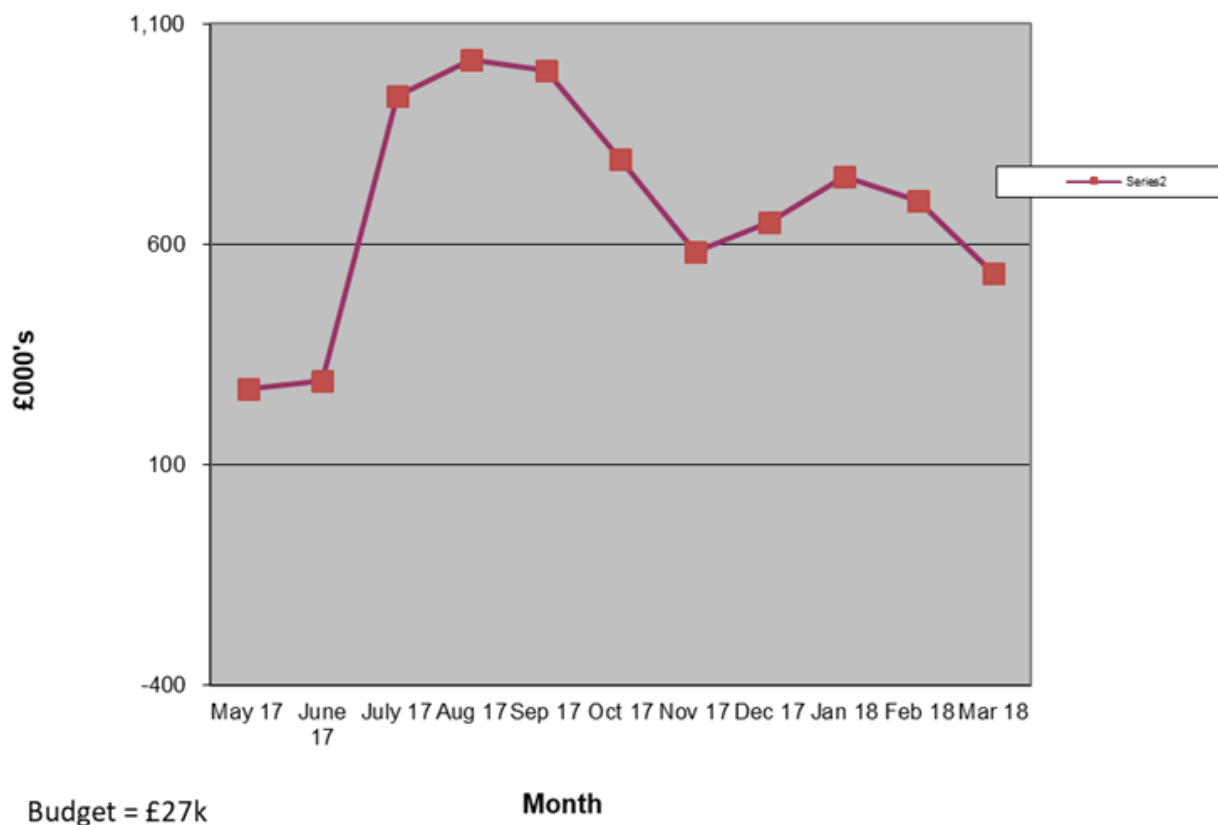
Original Budget as per BP <sup>(1)</sup>	Directorate	Current Budget	Forecast Variance - Outturn (Feb)	Forecast Variance - Outturn (Feb)	Actual Variance	Actual Variance	Current Status	DoT
£000		£000	£000	%	£000	%		
0	Commercial Activity	-1,624	612	38	739	45	Amber	↓
7,451	Property Services	6,302	-447	-7	-468	-7	Green	↑
-3,638	Strategic Assets	-3,935	409	10	211	5	Amber	↑
10	Traded Services To Schools and Parents	-716	126	17	52	7	Amber	↑
3,823	<b>Total</b>	<b>27</b>	<b>700</b>		<b>534</b>		<b>Amber</b>	<b>↑</b>

<sup>1</sup> The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan.

The service level budgetary control report for Commercial and Investment for the end of the financial year 2017-18 can be found in [C&I appendix 1](#).

Further analysis of the results can be found in [C&I appendix 2](#).

## Commercial & Investment Committee Actual Variance 2017/18 \*



\* Forecast outturn variances were adjusted to reflect new budgets transferred to C&I.

## 2.2 Significant Issues – Commercial and Investment

The final position for Commercial and Investment as at the end of the 2017/18 financial year was an overspend of £534k, an improvement of £166k compared to the February forecast.

### Commercial Activity:

Housing Investment - This Land Companies - The final position for housing investment at the end of the 2017/18 financial year was an overspend of £1.4m. This was an increase of £527k compared to the February forecast, reflecting the final loan financing position for the company in 2017/18.

### Property Services:

Building Maintenance - Building Maintenance budgets reported a final overspend of £154k at the end of 2017/18, an increase of £154k on the February forecast. The reported overspend was due to:

- Lower level of eligible capitalisation of revenue costs than in previous years
- Catch-up of works from previous years
- Increasing age of portfolio, requiring increased expenditure
- Unexpected work that cannot be planned
- An increase in the size of the property portfolio

At year-end the majority of the £1.1m countywide maintenance budget is vired out to services to match the spending incurred during the year.

Corporate Offices - Corporate Offices' budgets finished the year with an underspend of £798k, an increase of £336k compared to the February F&PR report. The majority of the change (£250k) follows a reassessment of historic business rates liabilities. The main item relates to a building in the south of the County where it has been assessed that only a single year's NNDR liability needs to be provided for.

Property Services - There was a final year-end overspend of £105k on Property Services budgets, due mainly to additional one-off staffing costs with respect to the Children's Centre Rationalisation Programme and the District Delivery Model Programme.

### **Strategic Assets:**

Strategic Assets (excluding farms) - The final year-end position for Strategic Assets was an overspend of £90k, an improvement of £259k compared to the February forecast. As part of the annual review of capital receipts and completed disposals at year-end, staffing costs relating to capital appreciation were recharged against capital projects (£33k), and staffing costs relating to disposal of assets were charged against capital receipts (£51k). Disposal costs incurred in any given year can be charged against capital receipts achieved in the current financial year and those expected to be achieved in future years. The final position on the capital receipts expenses budget was an underspend of £113k, due to a £73k rebate on business rates for a surplus property, in addition to rental income received from other properties awaiting sale.

County Farms – The County Farms budgets recorded an overspend of £122k at year-end 2017/18, an increase of £62k compared to the February forecast. The underlying overspend was caused by a number of factors: significant additional costs were incurred in relation to professional fees on capital projects (£30k), an aging water supply infrastructure (£45k) and valuation fees (£45k), as well as a bad debt of £108k. In order to mitigate against this, additional capitalisation of revenue costs totalling £84k at year-end, were charged to the County Farms Investment capital budget.

### **2.3 Additional Income and Grant Budgeted this Period (De minimis reporting limit = £30,000)**

No new items were recorded during March 2018.

A full list of additional grant income for Commercial and Investment can be found in [C&I appendix 3](#).

### **2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve) (De minimis reporting limit = £30,000)**

The following virements were recorded in March to reflect changes in responsibilities.

	<b>£000</b>	<b>Notes</b>
Non material virements (+/- £30k)	-3	Transfer of match funding re building maintenance costs, from C&I to P&E, Adults Services and LGSS Operational

A full list of virements made in the year to date for Commercial and Investments can be found in [C&I appendix 4](#).

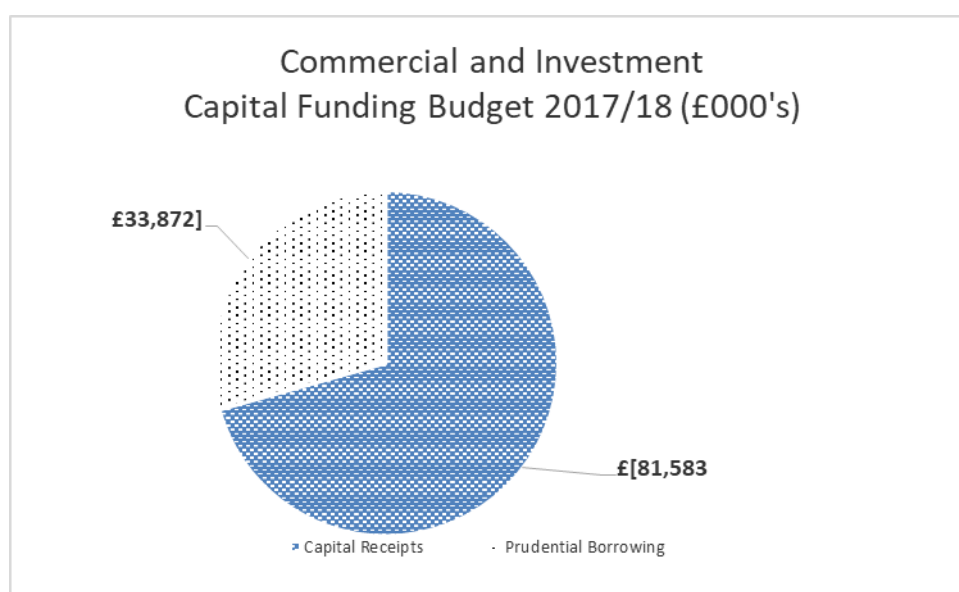
### 3. **BALANCE SHEET**

#### 3.1 **Reserves**

The Commercial and Investment reserves contain various earmarked reserves (held for specific purposes), as well capital funding. A schedule of these reserves can be found in [C&I appendix 5](#).

#### 3.2 **Capital Expenditure and Funding**

Commercial and Investment Committee had a capital budget of £115m in 2017/18, which was funded by the following capital resources:



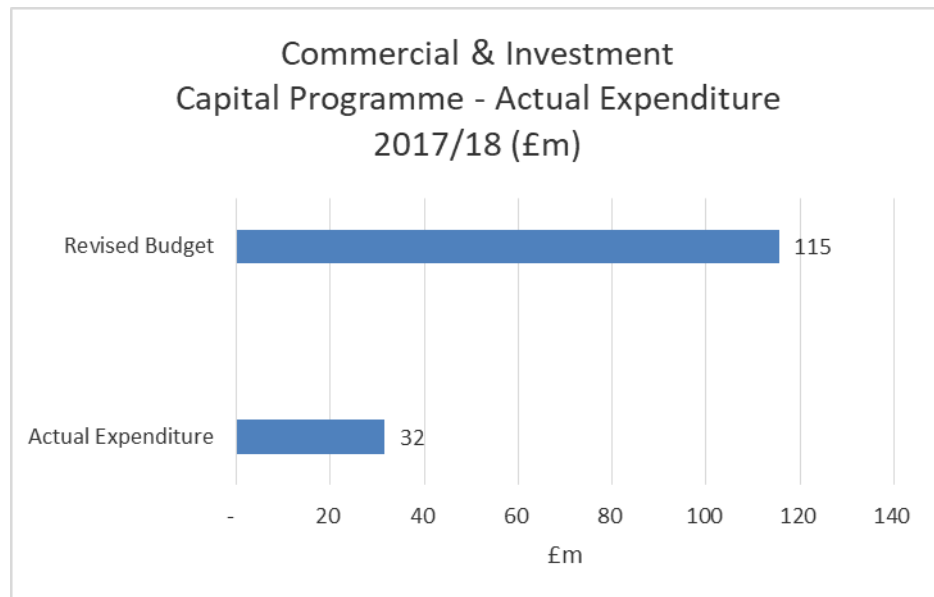
#### **Variations Budget**

A summary of the use of capital programme variations budget is shown below. As forecast underspends were reported, these were offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when slippage exceeded this budget. The capital programme variations budget line includes a £1k charge for the capitalisation of interest.

Service	Capital Programme Variations Budget £000	Actual Scheme Variances £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Capital Programme Budget Variance (excluding housing) £000
C&I – Non-Housing	-720	-1,533	721	100%	-812

## Expenditure

Commercial and Investment Committee incurred capital expenditure of £31.5m as at the end of the 2017/18 financial year.



In-year underspends of £1,533k were netted off against the Capital Programme Variations budget and there was a £1k charge for the capitalisation of interest. The net figure of £1,532k exceeded the variations budget of £720k, therefore the element of the C&I Committee capital programme budget that is subject to a capital variations budget was underspent by £812k at the end of 2017/18.

### **Commercial Activity**

An in-year underspend of £83.3m was reported on the Housing schemes at the end of 2017/18. This represented an increase of £36.1m compared to the position at the end of February, as a result of the previously reported re-profiling of the loan financing position.

### **Strategic Assets**

The Renewable Energy Soham scheme was underspent by £204k in 2017/18, a reduction of £81k since the February report. In March a pressure was reported on the MLEI Project, following a recent EU audit. It was agreed that £50k costs of the Renewable Energy scheme, that had previously been charge to the MLEI project, would instead be charged to the Renewable Energy scheme, as they were costs incurred in relation to this scheme. An additional £34k of generator connection costs were also capitalised and charged to the scheme. As a result of these additional costs, a total scheme underspend of £87k is now forecast over the lifetime of the scheme.

At GPC in March 2018, approval was given for £196k budget for the St Ives Smart Energy Grid in 2017/18. The scheme forms part of the business planning proposals for 2018/19, with a total scheme budget of £3.6m, funded from borrowing. At year-end 2017/18 the budget was underspent by £60k, with actual spend of £136k, as



some of the costs due to be funded in 17/18 had actually already been charged to revenue in a previous year.

The total capital programme underspend for 2017-18 was therefore £84.1m. Total scheme variances of £656k underspent were reported over the lifetime of the schemes.

## Funding

### **Strategic Assets**

As reported above, the C&I capital budget was increased in March following approval by GPC of £196k budget for the St Ives Smart Energy Grid. The scheme was funded by borrowing, therefore the final spend of £136k, resulted in an increase in the borrowing requirement of this amount.

In terms of funding, the impact of the reduced underspend on the Renewable Energy scheme at year-end was offset by the £62k underspend on the County Farms Viability budget. However, the increased in-year underspend of £83.3m reported on the Housing schemes at the end of 2017/18, led to a £36.1m reduction in the funding requirement.

Total in-year variances exceeded the allowance made in the capital variation budget by £813k. The capital programme budget was therefore underspent by £84.1m at year-end, resulting in a total reduction of this amount in the expected funding requirement.

As reported in previous months, the level of capital receipts available to fund C&I schemes has been affected by adjustment for the flexible use of capital receipts.

The year-end funding table reflects the final figure for capital receipts in the financial year 2017/18. This figure was reduced by £326k compared to the February forecast, due to a land swap in respect of caretaker properties, which did not complete before year-end. This reduction resulted in an increase in the borrowing requirement for C&I schemes.

The government directive permits transformation costs to be capitalised, but only if funded from capital receipts rather than any other source. The final year-end position resulted in a reduction in the flexible use of capital receipts across the planned areas, when compared to the February forecast (reductions of £126k on Transformation Team costs, £6k on redundancy costs and £185k for the Mosaic project). However, this reduction was offset by the further capitalisation of £198k of P&C transformation costs, giving a net reduction of £119k in flexible use of capital receipts, when compared to the February forecast. This resulted in a corresponding reduction in the C&I borrowing requirement.

Following the capitalisation of relevant transformation costs under the flexible use of capital receipts as described above, there remained a balance of £1.1m capital

receipts available to fund other schemes. Rather than funding property schemes, it was considered more cost effective to the Council to use these receipts to fund I.T. schemes which have a much shorter asset life (and therefore the cost to revenue would be charged over a much shorter time period if they were funded by borrowing). Therefore the balance of £1.1m capital receipts funding was applied against Corporate Service schemes, thereby increasing the C&I borrowing requirement and reducing the Corporate Services and LGSS Managed borrowing requirement.

A detailed explanation of the position for Commercial and Investment Committee can be found in [C&I appendix 6](#).

#### **4. PERFORMANCE**

- 4.1** Performance data for Commercial and Investment Committee was not available in 2017/18 as performance indicators were not set for the committee; work to review all indicators is still ongoing. As the committee starts to undertake commercial investment, relevant indicators will be developed in conjunction with the committee and subsequently exceptions will be reported against these.

## C&I APPENDIX 1 – Commercial and Investment Budgetary Control Report

The actual variances to the end of the 2017/18 financial year for Commercial and Investment were as follows:

Original Budget as per BP £000	Service	Current Budget for 2017/18 £000	Forecast Variance - Outturn (Feb) £000	Forecast Variance - Outturn (Feb) %	Actual Variance £000	Actual Variance %
<b><u>Commercial &amp; Investment</u></b>						
<b><u>Commercial Activity</u></b>						
0	Housing Investment - This Land Companies	-1,424	845	59	1,372	96
0	Other Commercial Activity	-200	-233	-117	-634	-317
0		-1,624	612	38	739	45
<b><u>Property Services</u></b>						
2,222	Building Maintenance	-28	0	0	154	548
4,500	County Offices	5,693	-462	-10	-798	-14
718	Property Services	570	-39	-7	105	18
22	Property Compliance	68	53	79	57	84
-11	Capital Team	0	0	0	15	0
7,451		6,302	-447	-7	-468	-7
<b><u>Strategic Assets</u></b>						
766	Strategic Assets	804	349	43	90	11
-4,404	County Farms	-4,389	60	1	122	3
0	Grant Income	-350	0	0	0	0
-3,638		-3,935	409	10	211	5
<b><u>Traded Services to Schools and Parents</u></b>						
10	Traded Services to Schools and Parents	68	-160	-235	-155	-227
0	ICT Service (Education)	-200	-99	-50	-116	-58
0	Professional Development Centre Services	-71	0	0	1	0
0	Cambs Music	796	20	3	-7	-1
0	Outdoor Education (includes Grafham Water)	-77	136	176	151	196
0	Cambridgeshire Catering & Cleaning Services	-449	229	51	177	39
0	Grant Income	-784	0	0	0	0
10		-716	126	17	52	7
<b>3,823</b>	<b>COMMERCIAL &amp; INVESTMENT TOTAL</b>	<b>27</b>	<b>700</b>		<b>534</b>	
<b><u>MEMORANDUM - Grant Income</u></b>						
0	Music Education Hub Grant	-784	0	0	0	0
0	One Public Estate Grant	-350	0	0	0	0
0		-1,134	0	0	0	0

## C&I APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000, whichever is greater.

Service	Current Budget £'000	Actual Variance	
		£'000	%
<b>This Land Housing Investment</b>	<b>-1,424</b>	<b>1,372</b>	<b>96</b>
An adverse variance of £1.4m was recorded for This Land housing investment budgets. This reflects the slower than originally planned progress in transfer of land and loan finance to the company. The Business Plan has realigned future expectations to revised This Land forecasts and the Committee has brought forward a portfolio sale during March and April 2018.			
<b>Other Commercial Activity</b>	<b>-200</b>	<b>-634</b>	<b>-317</b>
The favourable final variance reflects an expected overachievement on ESPO dividend compared to the budgeted expectation.			
<b>Building Maintenance</b>	<b>-28</b>	<b>154</b>	<b>548</b>
<p>Building Maintenance budgets reported a final overspend of £154k at the end of 2017/18, an increase of £154k on the February forecast. The reported overspend was due to:</p> <ul style="list-style-type: none"> <li>- Lower level of eligible capitalisation of revenue costs than in previous years</li> <li>- Catch-up of works from previous years</li> <li>- Increasing age of portfolio, requiring increased expenditure</li> <li>- Unexpected work that cannot be planned</li> <li>- An increase in the size of the property portfolio</li> </ul> <p>At year-end the majority of the £1.1m countywide maintenance budget is vired out to services to match the spending incurred during the year.</p>			
<b>Corporate Offices</b>	<b>5,693</b>	<b>-798</b>	<b>-14</b>
<p>Corporate Offices budgets were underspent by £798k at year-end, exceeding the February forecast by £336k. The majority of this change (£250k) was due to a reassessment of potential Business Rates liabilities on properties where there are delays in presentation of bills.</p> <p>In addition, Members will be aware that the Council increased public access to pay and display parking at the Shire Hall Campus and following successful implementation and marketing, this has generated significant additional revenue income (£105k). The balance of the underspend was due to a rebate (£345k) for business rate costs following the leasing of the Castle Court office building to a student accommodation provider.</p>			

Service	Current Budget £'000	Actual £'000	Variance %
<b>Property Services</b>	<b>570</b>	<b>105</b>	<b>18</b>
<p>There was a final year-end overspend of £105k on Property Services budgets, due mainly to additional one-off staffing costs with respect to the Children's Centre Rationalisation Programme and the District Delivery Model Programme.</p>			
<b>Strategic Assets</b>	<b>804</b>	<b>90</b>	<b>11</b>
<p>The final year-end position for Strategic Assets was an overspend of £90k, an improvement of £259k compared to the February forecast. This resulted from two factors: underspending on staffing budgets due staff costs being recharged against capital schemes; and a £113k underspend on the capital receipts expenses budget, due a £73k rent rebate from a surplus property, and rental income from other properties awaiting sale.</p> <p>The originally predicted £349k overspend was due to the ending of shared service arrangements for Property and Asset services with LGSS. Whilst shared service arrangements applied the Council benefitted from savings made across partners. At the ending of the arrangements, budgets were disaggregated to the partners. As the equalisation between LGSS partners no longer applied for this service area, Cambridgeshire no longer received the benefit of savings made at other partners and had a remaining deficit on the delivery of these services compared to the budget.</p>			
<b>County Farms</b>	<b>-4,389</b>	<b>122</b>	<b>3</b>
<p>The County Farms budgets recorded an overspend of £122k at year-end 2017/18, an increase of £62k compared to the February forecast.</p> <p>The underlying overspend was caused by a number of factors: significant additional costs were incurred in relation to professional fees on capital projects (£30k), an aging water supply infrastructure (£45k) and valuation fees (£45k), as well as a bad debt of £108k.</p> <p>This was partially mitigated by capitalisation of additional revenue costs totalling £84k at year-end, which were charged to the County Farms Investment capital budget.</p>			
<b>Traded Services to Schools and Parents</b>	<b>68</b>	<b>-155</b>	<b>-227</b>
<p>The following Traded Services to Schools and Parents have been transferred from the Children and Young People Committee and are reported within the C&amp;I tables:</p> <ul style="list-style-type: none"> <li>• ICT</li> <li>• Professional Development Centre Services</li> <li>• Cambridgeshire Music</li> <li>• Outdoor Education (includes Grafham Water).</li> </ul>			

Service	Current Budget £'000	Actual £'000	Variance %
A final underspend of £155k was reported, following a review of likely income achievable and the related utilisation of equipment replacement reserves, in the Education ICT and Cambridgeshire Music Services.			
<b>ICT Service (Education)</b>	<b>-200</b>	<b>-116</b>	<b>-58</b>
The ICT Service (Education) was underspent by £116k at year-end, following a substantial decrease in staffing due to holding vacancies pending a planned restructure.			
<b>Cambridgeshire Music</b>	<b>796</b>	<b>-7</b>	<b>-1</b>
Cambridgeshire Music finished the year with an underspend of £7k, an improvement of £27k compared to the February forecast. The £80k pressure previously reported against instrumental tuition had been mitigated by increased income resulting from a higher take up of private tuition. The service was investigating and reviewing chargeable activity and looking at mitigating actions for the 2017/18 financial year by reviewing tutors' core hours. Additional Music Hub funding in 2018/19 for music tuition was approved by the Arts Council South East Area Council, while further service planning contributed to mitigate the issues.			
<b>Outdoor Education (includes Grafham Water)</b>	<b>-77</b>	<b>151</b>	<b>196</b>
<p>Outdoor Education was overspent by £151k at the end of 2017/18, an increase of £15k compared to February. This overspend was due to lower than anticipated levels of income being achieved, in part due to three late cancellations of residential bookings for March 2018, totalling £10k.</p> <p>There was an ongoing pressure of £113k against Grafham Water which was identified during budget build. The budget included an internal loan of £97k in 17/18 relating to building and improvement works carried out a number of years ago. Although prices were increased for all user groups and the centre was running at high capacity, the centre was unable to generate sufficient income to cover the additional costs of the loan as well as a targeted £27k over-recovery.</p> <p>This long standing issue has been addressed through a review of options for Grafham Water going forwards, with the aim of achieving a realistic and sustainable budget. We have looked to mitigate the pressure in the short term via any emerging underspends elsewhere within the service.</p> <p>Further, a £9k under recovery was forecast against Stibbington Centre which had an overall income target of £18k. Under recovery here was also addressed as part of the ongoing review of Outdoor Education services.</p>			

Service	Current Budget £'000	Actual Variance	
		£'000	%
<b>Cambridgeshire Catering &amp; Cleaning Services</b>	<b>-449</b>	<b>177</b>	<b>39</b>

CCS reported a final deficit of £177k, an improvement of £52k compared to the February forecast. This improvement was primarily due to reduced overall costs as shown below:

Provisions supplier rebates exceeding forecast	-17k
Catering equipment and repairs spend being less than forecast	-56k
Office accommodation charges less than forecast	-10k
Forecast vehicle costs for cleaning haven't materialised	- 7k
Schools catering income and related costs below forecast since Feb half term	+47k
Cafes ( Library and Shire Hall )	- 9k

CCS reported an under recovery of £266k in August. This had increased from the £216k pressure identified at budget build, and the £185k reported in July to CYP Committee. The movement primarily related to prior months' costs that weren't included in the July forecast, notably higher than expected variable staff hours from July paid in August.

The position improved due to revised staff and provision cost forecasts, 3 new school contracts, lower than budgeted insurance and buoyant meal sales through the colder weather period. In addition, the HofS and Client Development posts were held vacant since June, enabling an in year saving of £102k. However, CCS no longer supplied 3 schools within the Diamond Learning Trust from January 2018 following the conclusion of a tender process.

The outturn was largely determined by the service's success in achieving the targets for the take-up of school meals, and the related staffing costs by managing the staffing resources to maintain service provision through the winter period.

The Transformation team worked with CCS during 2017/18 to undertake the Outcome Focus Review (OFR), which has now reported to C&I. The decision was taken in the February C&I committee to close the service in 2018/19 in line with the proposed exit strategy.

### C&I APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which was not built into base budgets.

Grant	Awarding Body	Expected Amount £000	Reported
<b>Grants as per Business Plan</b>			
One Public Estate	Cabinet Office	260	July 17
One Public Estate	Cabinet Office	90	September 17
Music Education Hub Grant		784	September 17
<b>Total Grants 2017/18</b>		<b>1,134</b>	

### C&I APPENDIX 4 – Virements and Budget Reconciliation

	£000	Reported
<b>Budget as per Business Plan</b>	<b>2,702</b>	
Business Plan adjustments	44	May 17
Transfer of Apprenticeship Levy from CS to C&I	6	May 17
Transfer of Energy Team from C&I to ETE	-58	May 17
Non-material virements (+/- £30k)	11	June 17
Transfer of LGSS savings from C&I to LGSS Cambridge Office	-349	July 17
Transfer of CCS budgets to C&I from C&YP	-449	August 17
Transfer from C&YP to C&I of Traded Services to Schools and Parents	-343	September 17
Head of Service – Traded Services	68	October 17
Transfer of CHIC costs from Debt Charges to C&I Committee	-1,424	November 17
Transfer of ESPO dividend budget from LGSS Managed to C&I	-200	November 17
Transfer from LGSS Managed of match funding re Insurance charges	22	February 18
Transfer to P&E, Adults and LGSS Operational of building maintenance match funding	-3	March 18
<b>Current Budget 2017/18</b>	<b>27</b>	



## C&I APPENDIX 5 – Reserve Schedule

### 1. Commercial and Investment Reserves

Fund Description	Balance at 31 March 2017	Movements in 2017/18	Balance as at 31 March 2018	Notes
	£'000	£'000	£'000	
<b><u>Equipment Reserves</u></b>				
The ICT Service (Education)	726	-46	680	1
subtotal	726	-46	680	
<b><u>Other Earmarked Funds</u></b>				
Manor school site demolition costs	362	105	468	2
Cambs Music Reserve	80	4	84	3
subtotal	442	110	552	
<b><u>Short Term Provisions</u></b>				
SPV provision	24	-24	0	
subtotal	24	-24	0	
<b>SUBTOTAL</b>	<b>1,192</b>	<b>40</b>	<b>1,232</b>	
<b><u>Capital Reserves</u></b>				
General Capital Receipts	0	0	0	4
subtotal	0	0	0	
<b>TOTAL</b>	<b>1,192</b>	<b>40</b>	<b>1,232</b>	

#### Notes

- 1 The reserve is committed to the replacement of essential equipment.
- 2 Rental income from Bellerbys buildings on Manor School site is being held to offset demolition costs when the lease expires in 2021.
- 3 Annual reserve agreed by GPC to develop and support the Cambridgeshire Music CREATE program which will look to create new purpose-built accommodation.
- 4 Capital Receipts totalling £4.2m were used to fund the capital programme at year-end.

## C&I APPENDIX 6 – Capital Expenditure

### 1. Capital Expenditure Summary 2017/18

Commercial & Investment Capital Programme 2017/18					TOTAL SCHEME	
Original 2017/18 Budget as per BP £000	Scheme	Revised Budget for 2017/18 £000	Actual Spend 2017/18 £000	Actual Variance 2017/18 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
113,476	<u>Commercial Activity</u>					
	Housing Schemes	112,209	28,919	(83,290)	183,226	-
113,476	<u>Property Services</u>	112,209	28,919	(83,290)	183,226	-
-	Office Portfolio Rationalisation	200	16	(184)	345	-
600	Building Maintenance	600	440	(160)	5,579	(160)
550	Shire Hall Campus	550	289	(261)	5,502	(261)
1,150		1,350	745	(605)	11,426	(421)
	<u>Strategic Assets</u>					
350	Local Plans Representations	350	264	(86)	3,902	(86)
500	County Farms Investment	818	756	(62)	4,017	(62)
-	Renewable Energy Soham	775	571	(204)	9,994	(87)
482	MAC Joint Highways Project	482	-	(482)	5,198	-
-	Shire Hall Relocation	171	137	(34)	16,606	-
-	St Ives Smart Energy Grid	196	136	(60)	3,645	-
-	Other Committed Projects	20	20	-	225	-
1,332		2,812	1,884	(928)	43,587	(235)
(550)	Capital Programme Variations	(720)	1	721	(487)	-
115,408	<b>TOTAL</b>	115,651	31,550	(84,102)	237,752	(656)

## **2. Previously Reported Amendments – Capital Expenditure Budgets 2017/18**

<b>Capital Scheme</b>	<b>2017/18 Original Budget £000</b>	<b>2017/18 Revised Budget £000</b>
<b>Energy Efficiency Fund</b>	<b>250</b>	<b>-</b>
<p>Reported in July 17:</p> <p>The Commercial and Investment capital programme budget reduced by £250k due to the removal of the Energy Efficiency Fund budget, which transferred to Economy, Transport and Environment Committee.</p>		
<b>Sawston Community Hub</b>	<b>-</b>	<b>-</b>
<p>Reported in July 17, updated in November 17:</p> <p>The Sawston Community Hub scheme transferred from LGSS Managed to Commercial &amp; Investment in July 17. It had a 2017/18 budget of £1.2m (before changes to budget – see below); alongside this the capital programme variations budgets for Commercial &amp; Investment and LGSS Managed have been realigned, so the variations budget for Commercial &amp; Investment has returned to 20% of its budget (excluding housing schemes).</p> <p>The scheme subsequently transferred to Highways and Community Infrastructure Committee in November 17, resulting a reduction of £1.4m in the C&amp;I capital expenditure budget.</p>		
<b>County Farms Investment</b>	<b>500</b>	<b>818</b>
<p>Reported in November 17: (** Revised budget figure of £621k included £121k carry forward from 2016/17)</p> <p>In 2017/18, County Farms Investment expenditure has been dominated by three large investments totalling £640k, comprising:</p> <ul style="list-style-type: none"> <li>• a new cold store and HGV loading facilities to a holding at Milton</li> <li>• the conversion of a farm building to a farm shop and café near Farcet, Peterborough</li> <li>• extension to a dwelling at Benwick, near Chatteris.</li> </ul> <p>Additional requests for investment on the estate have included improvements to farm yards and buildings, security fencing, an equine arena and the installation of 3 phase electricity. The tenants have all agreed an Improvement Charge to provide a return on each project of 7%.</p> <p>The 2017/18 budget of £621k, which includes £121k funding carried forward from 2016/17, was forecast to be overspent by £197k, however, the overall budget will produce £55k additional revenue income for County Farms.</p>		

Capital Scheme	2017/18 Original Budget £000	2017/18 Revised Budget £000
General Purposes Committee approved the additional budget of £197k at its meeting on 23 January. This revision required an increase of £197k to the Prudential Borrowing requirement.		
<b>Shire Hall Relocation Project</b>	-	171
<p>Reported in December 17:</p> <p>General Purposes Committee approved additional budget of £171k in 2017/18 for the Shire Hall relocation project. This is to cover the cost of the business case and feasibility studies for the project, as detailed in the business case that was agreed as part of the Business Plan by C&amp;I in December, and subsequently by Full Council in February 18. The initial total cost over the lifetime of the scheme is expected to be £16.6m and this will be funded from borrowing.</p>		
<b>Capital Programme Variations</b>	<b>-550</b>	<b>-720</b>
The Capital Programme Variations budget has been recalculated each time a scheme has moved in or out of the Commercial & Investment budget, or as a result of any other changes to budget.		

### **3. Previously Reported Amendments - Total Scheme Expenditure Budgets**

<b>Capital Scheme</b>	<b>Total Scheme Original Budget £000</b>	<b>Total Scheme Revised Budget £000</b>
<b>Sawston Community Hub</b>	-	-
<p>Reported in July 17, updated November 17:</p> <p>The Sawston Community Hub scheme was placed on hold in 2016/17, following delays arising from prolonged negotiations with the parish council and the village college, before the planning application could be submitted. The scheme has since been reviewed, and following market testing the total scheme costs have now been re-assessed at £1.502m. This represents an increase of £178k over the estimated total scheme costs at Milestone 3+ (£1.324m), and an increase of £193k in the total scheme budget as recorded in the Business Planning proposals for 2017/18 (£1.309m); the programme budget had previously remained at the original estimate of £1.309m pending further review of the scheme. This cost increase is due to the actual cost inflation of materials over the period the project was delayed and issues arising from detailed design work.</p> <p>General Purposes Committee approved the revised budget of £1.502m at its meeting on 19th September. This revision required an increase of £193k to the Prudential Borrowing requirement.</p> <p>As reported above, the Sawston Community Hub scheme subsequently transferred to Highways and Community Infrastructure Committee in November 17, with a total scheme budget of £1.5m.</p>		
<b>County Farms Investment</b>	<b>3,820</b>	<b>4,017</b>
<p>Reported in November 17:</p> <p>As reported above, General Purposes Committee approved additional budget of £197k at its meeting on 23 January, to fund additional requests for investment on the farms estate. This investment will produce £55k additional revenue income for County Farms. This revision required an increase of £197k to the Prudential Borrowing requirement.</p>		
<b>Shire Hall Relocation Project</b>	-	<b>16,606</b>
<p>Reported in December 17:</p> <p>As reported above, Full Council approved budget of £16,606 over the lifetime of the scheme as part of the 2018/19 Business Plan; this will be funded from borrowing.</p>		

#### **4. Previously Reported Exceptions – Capital Expenditure 2017/18**

<b>Capital Scheme</b>	<b>Current Budget 2017/18 £000</b>	<b>Actual Variance £000</b>
<b>Housing Schemes</b>	<b>112,209</b>	<b>-83,290</b>
<p>Reported in May 17, August 17 and December 17:</p> <p>At the end of the 2017/18 financial year, the Housing Scheme budgets reported an underspend of £83.3m.</p> <p>The budgets initially reflected the proposals included in the 2017/18 Business Plan. The This Land financial model was under review and any changes were anticipated to be reported when further information became available. Planning permission was actively progressed on schemes in order to maximise asset values.</p> <p>This position was subsequently amended in December when an underspend of £47.2m on the housing schemes was reported. As previously reported in separate papers to the committee, the Housing Schemes did not progress as quickly as originally anticipated in the initial draft model that was created for the 2017-18 Business Planning process. The company's financial model was refined and updated during 2017/18, alongside the progression of work on seeking planning permission, declaring assets surplus and moving towards a position of being able to dispose of the properties before the end of the financial year. The Council was therefore in a position to update the forecast in line with this work and as such, reported a £47.2m in-year underspend. This was subject to change following further progress of valuation work, by an external agent, as part of the portfolio sale. Due to the timing of the re-phasing, it was not possible to take this into account in preparing future year budgets, therefore these will need revising at the start of 2018/19.</p>		
<b>Office Portfolio Rationalisation</b>	<b>200</b>	<b>-184</b>
<p>Reported in February 18:</p> <p>Office Portfolio Rationalisation reported finished the year with an underspend of £184k due to re-scheduling of the Office Portfolio Rationalisation works at Sawtry Youth Centre and Hereward Hall, which will now be completed in 2018/19.</p>		
<b>Building Maintenance</b>	<b>600</b>	<b>-160</b>
<p>Reported in February 18:</p> <p>Building Maintenance reported an underspend of £160k due to slippage on the Ely and St Neots Library Lift projects, with installation works now expected to be completed in 2018/19.</p>		
<b>Shire Hall Campus</b>	<b>550</b>	<b>-261</b>

<b>Capital Scheme</b>	<b>Current Budget 2017/18 £000</b>	<b>Actual Variance £000</b>
<p>Reported in February 18 F&amp;PR:</p> <p>An underspend of £261k was recorded for the Shire Hall Campus scheme, resulting from reduced levels of spending on maintenance at the Shire Hall campus due to uncertainty over the future of the site.</p>		
<b>Renewable Energy Soham</b>	<b>775</b>	<b>-204</b>
<p>Reported in August 17:</p> <p>The Renewable Energy Soham scheme was underspent by £204k in 2017/18, a reduction of £81k since the February report.</p> <p>Of the previously reported underspend of £285k, £170k represented a reduction in the expected final cost of the project, leading to a predicted underspend against the total scheme budget, and £116k budget was required to be rolled forward into 2018/19 to meet retention costs..</p>		
<b>Sawston Community Hub</b>	<b>1,401</b>	<b>-500</b>
<p>Reported in August 17:</p> <p>In August the Sawston Community Hub scheme was forecasting an underspend of £500k in 2017/18. This was due to delays in the build start date which were expected to push some works back into 2018/19 and retention costs which will now be due in 2018/19; the total scheme cost was not affected. As reported above, the Sawston Community Hub scheme subsequently transferred to Highways and Community Infrastructure Committee in November 17.</p>		
<b>Local Plans and Representations</b>	<b>350</b>	<b>-86</b>
<p>Reported in September 17:</p> <p>The Local Plans and Representations budget was underspent by £86k in 2017/18, and this reduced the total cost of the scheme by the same amount. There will be a reduced budget requirement for this function in future years as more projects are developed by This Land; this change was addressed in the Business Planning proposals for 2018/19.</p>		
<b>Capital Programme Variations</b>	<b>-720</b>	<b>721</b>
<p>Reported in September 17, updated in November 17:</p> <p>As previously reported the capital programme figures included a revised Capital Programme Variations target, which effectively reduced the programme budget. As forecast underspends started to be reported, these were netted off against the forecast outturn for the variation budget, resulting in a forecast balanced budget up until the point when slippage exceeded the variation budget.</p>		

Capital Scheme	Current Budget 2017/18 £000	Actual Variance £000
The Capital Programme Variations budget was adjusted to reflect the transfer of the Sawston Community Hub scheme, resulting in a reduction of £280k in the Capital Programme Variations budget for Commercial and Investment.		
<b>MAC Joint Highways</b>	<b>482</b>	<b>-482</b>
<p>Reported in November 17:</p> <p>The project was underspent by £482k in 2017/18. Although some of the partners withdrew, the Highways Agency remained engaged, but there was no actual spend in 2017/18. The project received One Public Estate revenue grant funding of £50k which was used for some initial feasibility work.</p>		



## C&I APPENDIX 7 – Capital Funding

### 1. Capital Funding Summary 2017/18

Commercial and Investment Capital Programme 2017/18					
Original 2017/18 Funding Allocation as per BP £000	Source of Funding		Revised Funding for 2017/18 £000	Actual Spend £000	Actual Variance £000
81,583	Capital Receipts	C&I	81,583	-	(81,583)
33,825	Prudential Borrowing	C&I	34,068	31,549	(2,519)
<b>115,408</b>	<b>TOTAL</b>		<b>115,651</b>	<b>31,549</b>	<b>(84,102)</b>

### 2. Previously Reported Amendments – Capital Funding Budgets 2017/18

Capital Scheme	Original Budget 2017/18 £000	Revised Budget 2017/18 £000																		
<b>Roll Forwards (Prudential Borrowing)</b>	<b>982</b>	<b>2,098</b>																		
<p>Reported in May 17:</p> <p>Commercial and Investment Committee was asked to approve the carry forward of funding from 2016/17 into 2017/18 for the following schemes:</p> <table border="1"> <thead> <tr> <th>Scheme</th><th>£000</th><th>Notes</th></tr> </thead> <tbody> <tr> <td>County Farms Viability</td><td>121</td><td>Carry forward £121k re Bettys Nose &amp; Whitehall farm shop.</td></tr> <tr> <td>OtherCommitted Projects - K2</td><td>20</td><td>Roll forward balance of K2 funding (£20k) to fund continuing work on CCC implementation</td></tr> <tr> <td>Soham Solar Farm</td><td>775</td><td>Final network and consruction costs of £315k and a retention payment of £460k are due in 17/18. A scheme underspend of £340k is forecast.</td></tr> <tr> <td>Office Rationalisation</td><td>200</td><td>Ongoing work on office rationalisation, moves and co-location projects - including Sawtry, Hill Rise, Shire Hall, Hereward Hall, Butts Grove, Scott House/Stanton House and Meadows closure.</td></tr> <tr> <td></td><td>1,116</td><td></td></tr> </tbody> </table>			Scheme	£000	Notes	County Farms Viability	121	Carry forward £121k re Bettys Nose & Whitehall farm shop.	OtherCommitted Projects - K2	20	Roll forward balance of K2 funding (£20k) to fund continuing work on CCC implementation	Soham Solar Farm	775	Final network and consruction costs of £315k and a retention payment of £460k are due in 17/18. A scheme underspend of £340k is forecast.	Office Rationalisation	200	Ongoing work on office rationalisation, moves and co-location projects - including Sawtry, Hill Rise, Shire Hall, Hereward Hall, Butts Grove, Scott House/Stanton House and Meadows closure.		1,116	
Scheme	£000	Notes																		
County Farms Viability	121	Carry forward £121k re Bettys Nose & Whitehall farm shop.																		
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Office Rationalisation	200	Ongoing work on office rationalisation, moves and co-location projects - including Sawtry, Hill Rise, Shire Hall, Hereward Hall, Butts Grove, Scott House/Stanton House and Meadows closure.																		
	1,116																			
<b>Housing Scheme Rephasing (Prudential Borrowing)</b>	<b>113,476</b>	<b>112,209</b>																		
<p>Reported in May 17:</p> <p>There was a reduction of £1.3m in respect of Housing Scheme funding which was brought forward from 2017/18 to fund expenditure in 2016/17.</p>																				

<b>Capital Programme Variations (Prudential Borrowing)</b>	<b>-550</b>	<b>-720</b>
<p>Reported in May 17:</p> <p>The Capital Programme Variations budget was recalculated each time a scheme was moved in or out of the Commercial &amp; Investment budget, or as a result of any other changes to budget.</p>		
<b>Energy Efficiency Fund (Prudential Borrowing)</b>	<b>250</b>	<b>-</b>
<p>Reported in July 17:</p> <p>The Energy Efficiency Fund budget of £250k transferred to Economy, Transport and Environment Committee, therefore the Commercial and Investment Committee borrowing requirement reduced by this amount.</p>		
<b>Sawston Community Hub (Prudential Borrowing)</b>	<b>-</b>	<b>-</b>
<p>Reported in July 17, updated November 17:</p> <p>The Sawston Community Hub scheme transferred to the Commercial &amp; Investment Committee with an approved 2017/18 budget of £1.2m (and a request for additional funding of £0.2m – see below).</p> <p>In November 17 the scheme transferred to Highways and Community Infrastructure Committee, resulting in a £1.4m reduction in the Commercial and Investment borrowing requirement</p>		
<b>County Farms Investment (Prudential Borrowing)</b>	<b>500</b>	<b>818</b>
<p>Reported in November 17:</p> <p>General Purposes Committee approved additional budget of £197k at its meeting on 23 January, to fund additional requests for investment on the farms estate. This revision required an increase of £197k to the Prudential Borrowing requirement. This increase was in addition to £121k of funding carried forward from 2016/17, as described above.</p>		
<b>Shire Hall Relocation Project</b>	<b>-</b>	<b>171</b>
<p>Reported in December 17:</p> <p>As reported above, additional borrowing of £171k was required to fund the expected costs of the Shire Hall relocation project in 2017/18.</p>		

### **3. Previously Reported Amendments - Total Scheme Funding Budgets**

<b>Capital Scheme</b>	<b>Total Scheme Original Budget £000</b>	<b>Total Scheme Revised Budget £000</b>
<b>Sawston Community Hub (Prudential Borrowing)</b>	-	-
<p>Reported in July 17, updated in November 17:</p> <p>General Purposes Committee approved an increase of £193k in budget for the scheme, resulting in an increased borrowing requirement of this amount.</p> <p>In November 17 the scheme transferred to Highways and Community Infrastructure Committee, resulting in a £1.4m reduction in the Commercial and Investment borrowing requirement.</p>		
<b>County Farms Investment</b>	<b>3,820</b>	<b>4,017</b>
<p>Reported in November 17:</p> <p>As reported above, General Purposes Committee approved additional budget of £197k at its meeting on 23 January, to fund additional requests for investment on the farms estate. This revision required an increase of £197k to the Prudential Borrowing requirement.</p>		
<b>Shire Hall Relocation Project</b>	-	<b>16,606</b>
<p>Reported in December 17:</p> <p>As reported above, it was estimated that additional borrowing of £16.6m would be required to fund the costs of the Shire Hall relocation project over the lifetime of the scheme.</p>		

#### 4. Previously Reported Exceptions – Capital Funding 2017/18

Capital Scheme	Current Budget 2017/18 £000	Actual Variance £000
<b>General Capital Receipts</b>	<b>81,583</b>	<b>-81,583</b>
<p>Reported in September 17, updated in November 17 and December 17:</p> <p>The capital receipts forecast for 2017/18 was increased by £1.9m in September 17 to reflect additional monies received, including a £3m receipt in respect of land at Bassenhally (Phase 2). This increase was partly offset by a £350k reduction in capital receipts funding for C&amp;I schemes, which was replaced by an increase in borrowing for C&amp;I schemes. This reduction was as a result of a capital funding adjustment relating to the Mosaic project within Corporate Services, which necessitated £350k of Mosaic expenditure to be funded from capital receipts.</p> <p>Following a review of the Mosaic project, it was determined that £350k of Mosaic revenue costs could be classified as transformation work and was therefore eligible to be charged to capital and funded from capital receipts in 2017/18. These costs could only be classified as capital under the government directive on flexible use of capital receipts; therefore they had to be funded by capital receipts rather than any other source of capital funding. This adjustment removed a pressure on the Mosaic revenue budget, bringing both revenue and capital budgets in on target. The overall level of funding through capital receipts and borrowing across the two committees was unchanged by this adjustment. The final year-end figure for capitalisation of Mosaic costs through flexible use of capital receipts was £64k.</p> <p>In November 17 the capital receipts forecast was increased by £345k to reflect the latest estimates for predicted sales. This increase was partly offset by a capital funding adjustment relating to the capitalisation of Transformation Team costs. It was initially identified that an additional £86k of Transformation Team costs might need to be capitalised, and these costs could only be funded by capital receipts, under the flexible use of capital receipts government directive. The final position was that an additional £136k of transformation costs needed to be capitalised, including £198k of P&amp;C transformation work, therefore this adjustment resulted in a revised reduction of £136k in the use of capital receipts funding for C&amp;I schemes and a matching increase in Commercial and Investment borrowing.</p> <p>A capital funding adjustment was required in December 17, in relation to the Capitalisation of Corporate Redundancies budget within Corporate Services and Transformation. This budget was forecast to overspend by £328k in 2017-18, due to additional redundancy costs including the cost of the AL&amp;S restructure (£160k). The actual overspend at year-end increased to £491k, due to additional redundancy costs within P&amp;C, including a further £85k relating to the AL&amp;S restructure. Transformation costs could only be classified as capital under the government directive on flexible use of capital receipts, which permitted capital receipts to be used to fund transformation work, therefore they had to be funded by capital receipts rather than any other source of capital funding. This necessitated a corresponding reduction in capital receipts</p>		

Capital Scheme	Current Budget 2017/18 £000	Actual Variance £000
<p>funding in the Commercial &amp; Investment capital programme, offset by an increase of £491k in the C&amp;I borrowing requirement. C&amp;I was asked to acknowledge the impact on the level of borrowing required within the C&amp;I capital programme.</p> <p>As noted above, the forecast outturn position for the Housing Schemes was revised, and as such there was a corresponding reduction of £47.2m in the use of capital receipts to fund this scheme. In addition, the funding profile was updated to reflect the situation relating to commercial investment, which was agreed as part of the 2018/19 Business Plan by Full Council on 6 February 2018. The capital receipts generated by the sale of land to the company will now to be used to fund other commercial investment, and as a result was necessary to reduce the use of capital receipts to fund the Housing schemes and increase the level of prudential borrowing by an equivalent amount. Due to the nature of how the scheme is managed, updating the funding position at this point in time did not directly impact upon the revenue position, as this was forecast separately.</p>		
<b>Prudential Borrowing</b>	<b>34,068</b>	<b>-2,520</b>
<p>Reported in September 17, updated in November 17, December 17 and February 18:</p> <p>As reported above in relation to Capital Receipts, the prudential borrowing forecast was increased or decreased to off-set decreases or increases in the Capital Receipts outturn position.</p> <p>As reported in November 17 F&amp;PR, the MAC Joint Highways Project was underspent by £482k in 2017/18, resulting in a reduced borrowing requirement.</p> <p>In February 18 F&amp;PR, the Property Services capital schemes forecast to underspend by £540k, also resulting in a reduced borrowing requirement.</p>		



**COMMERCIAL & INVESTMENT COMMITTEE AGENDA PLAN, TRAINING PLAN  
AND APPOINTMENTS TO OUTSIDE BODIES, PARTNERSHIP LIAISON AND  
ADVISORY GROUPS, AND INTERNAL ADVISORY GROUPS AND PANELS**

*To:* **Commercial & Investments Committee**

*Meeting Date:* **25 May 2018**

*From:* **Democratic Services**

*Electoral division(s):* **All**

*Forward Plan ref:* **Not applicable**      *Key decision:* **No**

*Purpose:* **To review the Committee's agenda plan, and to consider appointments to outside bodies, internal advisory groups and panels, and partnership liaison and advisory groups.**

*Recommendation:* **It is recommended that the Committee:**

- (i) reviews its agenda plan attached at Appendix 1;**
- (ii) reviews its training plan attached at Appendix 2;**
- (iii) agrees the appointment with in the schedule attached at Appendix 3.**

<b><i>Officer contact:</i></b>	
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Tel:	01223 699178

## 1. BACKGROUND

- 1.1 The Commercial & Investment Committee reviews its agenda plan and training plan at every meeting.
- 1.2 The County Council's Constitution states that General Purposes Committee has
  - Authority to nominate representatives to Outside Bodies other than the Cambridgeshire and Peterborough Fire Authority, the County Councils' Network Council and the Local Government Association.
  - Authority to determine the Council's involvement in and representation on County Advisory Groups. The Committee may add to, delete or vary any of these advisory groups, or change their composition or terms of reference.
- 1.3 The General Purposes Committee has previously agreed to refer appointments to Internal Advisory Groups and Panels, and Partnership Liaison and Advisory Groups to the relevant Policy and Service Committee. All the appointments are attached for the Committee's attention. However, the Committee only needs to focus, at the meeting, on the appointments with a XXX background and in bold italics.
- 1.4 On 15<sup>th</sup> September 2017, the Committee agreed to 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 & Investment Committee, to the Deputy Chief Executive in consultation with the Chairman of Commercial & Investment Committee Chairman.

## 2. APPOINTMENTS

- 2.1 The internal advisory groups and panels where appointments are required are set out in **Appendix 2** to this report (appointments with a yellow background and in bold italics). The previous representative(s) is indicated. It is proposed that the Committee should agree the appointments to these bodies.
- 2.3 There is only one partnership liaison and advisory group where an appointment is required, and the details are set out in **Appendix 3** to this report. The previous representative is indicated. It is proposed that the Committee should agree the appointment to this body.

## 3. ALIGNMENT WITH 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 There are no significant implications within these categories:

- Resource Implications
- Procurement/Contractual/Council Contract Procedure Rules Implications
- Statutory, Legal and Risk Implications
- Equality and Diversity Implications
- Engagement and Communications Implications
- Localism and Local Member Involvement
- Public Health Implications

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Not applicable
Have the procurement/contractual/Council Contract Procedure Rules implications been cleared by Finance?	Not applicable
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
Committee agenda, report and minutes – 15 September 2017	<a href="https://cmis.cambridgeshire.gov.uk/ccs_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/555/Committee/31/Default.aspx">https://cmis.cambridgeshire.gov.uk/ccs_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/555/Committee/31/Default.aspx</a>



<b>COMMERCIAL AND INVESTMENT COMMITTEE AGENDA PLAN</b>	Published on 1st May 2018 Updated 10 <sup>th</sup> May 2018		Cambridgeshire County Council
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**Notes**

Committee dates shown in bold are confirmed.

The definition of a key decision is set out in the Council's Constitution in Part 2, Article 12.

\* indicates items expected to be recommended for determination by full Council.

+ indicates items expected to be confidential, which would exclude the press and public.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.

The agenda dispatch date is six clear working days before the meeting.

**The following are standing agenda items which are considered at every Committee meeting:**

- **Minutes of previous meeting and Action Log;**
- **Finance and Performance Report;**
- **Agenda Plan, Appointments to Outside Bodies and Training Plan;**
- **Programme Status Report.**

<b>Committee Date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
<b>25/05/18</b>	Notification of the Appointment of the Chairman/ Chairwoman and Vice Chairman/ Chairwoman	Democratic Services	n/a	16/05/18	17/05/18

<b>Committee Date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
	Outline business case for Smart Energy Grids for Trumpington and Babraham park and ride sites	Cherie Gregoire	n/a		
	Former Mill Road Library	John Macmillan	n/a		
	Process for declaring assets surplus to requirements	John Macmillan	n/a		
<b>22/06/18</b>	Report back from Cambridgeshire Music Member Reference Panel	Matthew Gunn	n/a	12/06/18	14/06/18
	Issues around appointing a Councillor to This Land Board	Chris Malyon	n/a		
	Smart Energy Grid, Power Purchase Agreement	Sheryl French	2017/030		
<b>20/07/18</b>	Update on arrangements for schools currently using CCS for school meals	Sass Pledger	n/a	11/07/18	12/07/18
<b>17/08/18</b>				08/08/18	09/08/18
<b>14/09/18</b>	Closed Landfill Sites (x2) energy project feasibility	Cherie Gregoire	N/a	05/09/18	06/09/18
<b>19/10/18</b>				10/10/18	11/10/18
<b>23/11/18</b>				14/11/18	15/11/18
<b>14/12/18</b>				05/12/18	06/12/18
<b>18/01/19</b>				09/01/19	10/01/19
<b>22/02/19</b>				13/02/19	14/02/19

<b>Committee Date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
<b>22/03/19</b>				13/03/19	14/03/19
<b>26/04/19</b>				15/04/19	16/04/19
<b>24/05/19</b>				15/05/19	16/05/19

To be programmed: Oasis Centre, Wisbech (Hazel Belchamber);

## COMMERCIAL AND INVESTMENT COMMITTEE TRAINING PLAN

Ref	Subject	Desired Learning Outcome/Success Measures	Date	Responsibility	Attendance by:
1.	Introductory Session for the Commercial & Investment Committee	The Committee's remit, focus on work areas e.g. CHIC, Strategic Estates, Facilities Management and Horizon Scanning	26th May 2017	Chris Malyon/ John Macmillan	C&I
2.	CHIC Workshop		27 <sup>th</sup> June 2017	Chris Malyon/ David Gelling/ David Bethell/ John Macmillan	C&I
3.	Business Planning Session		15 <sup>th</sup> September 2017	Chris Malyon/ James Wilson	C&I
4.	Asset & Risk Workshop	<ul style="list-style-type: none"> <li>• Asset Strategy</li> <li>• CHIC</li> <li>• Risk approach and risk register</li> <li>• Site tenure mix and retention of rental housing</li> <li>• Affordable housing</li> <li>• Community Land Trusts</li> </ul>	20 <sup>th</sup> October 2017	Chris Malyon/Stephen Conrad/ David Gelling	C&I
5.	This Land Performance Workshop		12 <sup>th</sup> March 2018	David Gelling/David Bethell /Chris Malyon/John Macmillan	C&I
6.	<i>To be confirmed – provisional training session</i>		20 <sup>th</sup> July 2018 (12:00)		C&I
7.	<i>To be confirmed – provisional training session</i>		18 <sup>th</sup> October 2018 (13.30)		C&I
8.	<i>To be confirmed – provisional training session</i>		17 <sup>th</sup> January 2019 (10:00)		C&I
9.	<i>To be confirmed – provisional training session</i>		26 <sup>th</sup> April 2019 (12:00)		C&I

## **CAMBRIDGESHIRE COUNTY COUNCIL APPOINTMENTS TO PARTNERSHIP LIAISON AND ADVISORY GROUPS**

<p><b>Mobilising Local Energy Investment (MLEI) in Cambridgeshire and Peterborough – Project Advisory Board</b></p> <p>The Partnership includes Cambridgeshire County Council, Peterborough City Council, Cambridge City Council, South Cambridgeshire District Council, Huntingdonshire District Council and Cambridge University. The project provides capacity in the local authorities involved to pilot public sector projects to deliver energy-generating schemes and retrofit projects.</p>	<p>1 representative required</p>	<p>Existing appointment: Councillor T Wotherspoon (Con)</p>	<p>Sheryl French Project Director, Energy Investment Unit (EIU) Cambridgeshire County Council</p> <p>01223 728552</p> <p><a href="mailto:sheryl.french@cambridgeshire.gov.uk">sheryl.french@cambridgeshire.gov.uk</a></p>
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## COMMERCIAL AND INVESTMENT COMMITTEE TRAINING PLAN

Ref	Subject	Desired Learning Outcome/Success Measures	Date	Responsibility	Attendance by:
1.	Introductory Session for the Commercial & Investment Committee	The Committee's remit, focus on work areas e.g. CHIC, Strategic Estates, Facilities Management and Horizon Scanning	26th May 2017	Chris Malyon/ John Macmillan	C&I
2.	CHIC Workshop		27 <sup>th</sup> June 2017	Chris Malyon/ David Gelling/ David Bethell/ John Macmillan	C&I
3.	Business Planning Session		15 <sup>th</sup> September 2017	Chris Malyon/ James Wilson	C&I
4.	Asset & Risk Workshop	<ul style="list-style-type: none"> <li>• Asset Strategy</li> <li>• CHIC</li> <li>• Risk approach and risk register</li> <li>• Site tenure mix and retention of rental housing</li> <li>• Affordable housing</li> <li>• Community Land Trusts</li> </ul>	20 <sup>th</sup> October 2017	Chris Malyon/Stephen Conrad/ David Gelling	C&I
5.	This Land Performance Workshop		12 <sup>th</sup> March 2018	David Gelling/David Bethell /Chris Malyon/John Macmillan	C&I
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