

**ASSETS AND INVESTMENT COMMITTEE: MINUTES**

Date: Friday 27<sup>th</sup> January 2017

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 12.10pm

Present: Councillors Boden, Bullen (Vice-Chairman), Dent, Harford, Hickford (Chairman), Jenkins and Sales

Apologies: None

**66. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**67. MINUTES AND ACTION LOG OF THE ASSETS AND INVESTMENT COMMITTEE HELD 16<sup>TH</sup> DECEMBER 2016**

The Committee resolved to approve the public and confidential minutes of the Committee meeting held on 16<sup>th</sup> December 2016, and note the Action Log.

Item 60/St Ives Bridge Chapel – the Vice-Chairman advised that the County Council Chairman had officially handed over responsibility for the Chapel to the Norris Museum on 25/01/17.

Item 56/Soham Gateway – officers continued to talk to landowners, and another meeting was being arranged for the end of February. It had emerged that the cost of electrical infrastructure would be £6M, which was impacting on the viability of the site and land value. The presentation of the planning application proposals to the Town Council in January had received a mixed response, with some Town Councillors supporting the proposals, but some were more focused on issues such as affordable housing. The Committee discussed the delays in preparing a Landowners Agreement which had been agreed in principle when Councillor Hickford had met with the landowners twelve months ago. Detailed agreement has proved difficult to achieve and although the majority of terms are now agreed the other landowners financial expectations cannot be delivered by the current scheme and a final meeting is being organised for the end of February. Following discussion, the Committee agreed that officers should take a firmer approach – if the three other landowners, including the Town Council were unable to accept the

County Council's terms, the County Council should proceed on its own.

**Action required.**

CHIC appointment – Four candidates for Director had recently been interviewed by the Vice Chairman, Deputy Chief Executive Officer and Monitoring Officer. It was confirmed that two candidates had been shortlisted, who were competent and very energised and enthusiastic. The Committee Chairman would be involved in the next stage in selecting the preferred candidate.

Item 65/Local Member comments on the Fordham and Isleham sites were tabled. Officers sought a steer on whether or not to progress these schemes, given the Local Members' views. The Committee noted that there was no Local Member opposition to the Isleham proposal, and agreed that this should be progressed. Whilst noting the comments on the Fordham site, the Committee agreed that given the criteria on which the Committee evaluated schemes, this site should be put forward for the East Cambridgeshire District Council (ECDC) Local Development Framework. One Member commented that the Committee did not have unfettered rights to develop all assets under the Council's control, as the Council had other priorities. In discussion, Members agreed that a balance needed to be struck between taking Local Members' and stakeholders' comments into account, and pursuing the Council's objectives. The Committee reconfirmed that they would like officers to proceed with the Fordham site.

**68. ASSET MANAGEMENT STRATEGY**

An oral update on the Asset Management Strategy was presented by the Deputy Chief Executive Officer. He advised that the outline Strategy had first been drafted last year, and that could be used as a basis for the Strategy. It was agreed that all Committee Members would be invited to a workshop to shape the Strategy further.

The Deputy Chief Executive Officer advised that a supplementary issue was the future of the Shire Hall site, i.e. vacating Shire Hall and establishing a new Headquarters elsewhere. A report had been presented to Group Leaders on this subject, and they had agreed that a Working Group be convened through the Assets & Investment Committee, to progress this matter. These meetings would take place monthly over the next 3-4 months. It was agreed that all Committee Members would be invited to these meetings, and papers would be submitted to Members in advance. It was further agreed that both the Shire Hall and Asset Management Strategy Working Groups would ideally be scheduled on the same day as the Assets & Investment Committee, to reduce

unnecessary attendance/travel to Shire Hall. **Action required.** Members urged officers to keep reports short. It was agreed that the initial Business Case document regarding the Shire Hall relocation would be circulated electronically to the Committee.

It was unanimously resolved to:

Note the report.

## **69. FINANCE AND PERFORMANCE REPORT**

The Committee considered a report on the financial and performance information relating to the areas within the Assets & Investment Committee's remit as at the end of December 2016. The only significant issue was a £60K movement in the Revenue account, which related to the insurance premium applicable to Castle Court. The Deputy Chief Executive Officer was challenging this, given the long term lease of Castle Court, but he observed that it may relate to the Castle Court car park. He agreed to email the Committee with the outcome of his investigations. **Action required.**

It was resolved unanimously to:

1. review, note and comment upon the report;
2. consider the request for approval of additional capital budget in 2016/17, as detailed in section 3.2 of the report.

## **70. COMMITTEE AGENDA PLAN**

The Committee noted the agenda plan. It was noted that the Green Spaces report had been deferred until later in the year, following agreement at Highways & Community Infrastructure Spokes recently. Whilst noting this, Members asked the Democratic Services Officer to email them further details on the rationale behind the deferral. **Action required.**

It was resolved unanimously to:

note the agenda plan.

## **71. OLDER PEOPLE'S CARE HOME DEVELOPMENT PROGRAMME**

Members received a report on a proposal to intervene in the Care Home market in Cambridgeshire, involving an expansion of the current level of provision.

The Head of Service Development (Older People) outlined the shortfall of care home bed spaces in Cambridgeshire, and the financial challenges this placed on the Council. Gleeds Advisory had been appointed to assess future options, including the viability of using Council owned land to develop new care homes, with the assistance of a strategic partner. Their findings were included in a confidential appendix to the report. The report had been presented to Adults Committee on 24/01/17, and that Committee had overwhelmingly supported the report recommendations.

In response to a Member question, it was confirmed that around 18% of hospital discharge delays were caused by the local authority, which in practice was equal to 6 or 7 people in any one week being discharged from Addenbrookes. This compared favourably against the national average.

There was a wide ranging discussion on what was the crucial element for Assets & Investment Committee. Some Members felt that decision making on Council assets could be skewed if the first option for Care Homes was to utilise Council land, when it may be better to use Council land for other purposes and pursue other options for Care Homes. Some Members commented that objective decisions needed to be made on the actual costs and benefits of utilising various sites in different ways. Other Members agreed, commenting that they were unsure what the motivation behind the report was, and the reasons for looking at the proposed approach was not defined. The Committee agreed that there needed to be a clear statement from the outset i.e. was this strategy to alleviate problems in adult social care or to maximise Council assets?

In discussion, it was noted that the potential for the Council to intervene not only addressed the potential shortfall of care home beds, but the extra capacity could reduce prices more broadly i.e. the Council could influence the market. It was further noted that the consultants' analysis of the sites was overly cautious, and there were a number of viable sites that were discounted due to this approach, which the Assets & Investment Committee may wish to explore. The Head of Service Development confirmed that the main reason for coming to Committee was the issue of using assets for this purpose. Part of the paper explored the comparative value of assets, and it was seen as appropriate for both A&I and Adults Committees to be aware of the full rationale.

A Member cautioned against the Council taking a silo approach to this issue, adding that it was appropriate to seek strategic partner. He felt strongly that

the fact that the Council owns land should not be the main driver – the Committee had a responsibility to ensure that assets were being utilised in the best way available.

There was some discussion on the recommendations, and it was suggested that they could be amended to read:

(a) support the principle of using Council land assets to secure an expansion of affordable care home provision *where that is cost effective from the County Council's overall viewpoint*;

(b) support the intention to seek a strategic partner to develop a detailed business case and implementation plan to deliver additional care home capacity *and seek an improved marginal return on County Council assets*.

A Member pointed out that returns could be maximised in two different ways: in the straightforward cash sense, and “in kind”, to achieve the best value on assets. Issues such as the internal savings that would be made needed to be taken into consideration. Officers advised that in terms of business cases, the total impact on the Council's bottom line would need to be considered.

Another Member observed that this was a very difficult subject, and whilst the discussion was focusing on the marginal rate of return, there were broader issues of market failure to be considered. Moreover, it was not just a financial decision, there were the objectives set out in the Council's Strategic Priorities.

In response to a Member question, the Head of Service Development advised that the intention was to work with an organisation that was a specialist in developing care homes, and together come up with business cases that maximise return for the County Council whilst meeting the adult social care objectives. The individual business cases would be presented to Assets & Investments Committee.

Officers confirmed that they had sufficient steer from both Committees, so Members agreed to omit report recommendation (b), and agree to recommendation (a) as per the report.

It was resolved unanimously to:

- (a) support the principle of using Council land assets to secure an expansion of affordable care home provision.

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

It was resolved unanimously that the press and public be excluded from the meeting during the consideration of the following reports on the grounds that it

is likely to involve the disclosure of exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

### **73. PROGRAMME HIGHLIGHT REPORT**

Members considered a number of information/update papers.

#### **Ely Archives**

It was resolved, by a majority, to:

confirm the decision, made by the Highways & Community Infrastructure Committee on 11th October 2016, that the new Archives facility should be progressed at the former Strikes Bowling Alley in Ely.

#### **Traveller sites at Earith Bridge and Burwell**

It was resolved unanimously to:

transfer traveller sites at Earith Bridge in Burwell to East Cambridgeshire District Council, on 125 year leases for £1 each at a nominal annual rent of £1 per annum.

#### **Acquisition opportunity**

It was agreed, by a majority, to:

delegate the decision on the potential property acquisition under consideration to the Deputy Chief Executive Officer, in consultation with the Committee.

Chairman