

ASSETS AND INVESTMENT COMMITTEE



Date: Friday, 27 January 2017

Democratic and Members' Services
Quentin Baker
LGSS Director: Law and Governance

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. **Apologies for absence and declarations of interest**
Guidance on declaring interests is available at
<http://tinyurl.com/cccd-dec-of-interests>
2. **Minutes and Action Log of the Assets and Investment Committee** **5 - 12**
held 16th December 2016

OTHER DECISIONS

3. **Asset Management Strategy**
- oral report
4. **Finance & Performance Report - December 2016** **13 - 32**
5. **Committee Agenda Plan** **33 - 38**

6. Care Home Development

39 - 44

7. Exclusion of Press and Public

To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains 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)

8. Programme Highlight Report

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

The Assets and Investment Committee comprises the following members:

Councillor Roger Hickford (Chairman) Councillor Paul Bullen (Vice-Chairman)

Councillor Chris Boden Councillor Adrian Dent Councillor Lynda Harford Councillor David Jenkins and Councillor Paul Sales

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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encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens. These arrangements operate in accordance with a protocol agreed by the Chairman of the Council and political Group Leaders which can be accessed via the following link or made available on request: <http://tinyurl.com/ccc-film-record>.

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 <http://tinyurl.com/cambs-constitution>.

The Council does not guarantee the provision of car parking on the Shire Hall site and you will need to use nearby public car parks <http://tinyurl.com/ccc-carpark> or public transport

ASSETS AND INVESTMENT COMMITTEE: MINUTES

Date: Friday 16th December 2016

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 11.55am

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

Apologies: Councillors Harford and Sales

57. DECLARATIONS OF INTEREST

There were no declarations of interest.

58. MINUTES AND ACTION LOG OF THE ASSETS AND INVESTMENT COMMITTEE HELD 11TH NOVEMBER 2016

The Committee resolved to approve the public and confidential minutes of the Committee meeting held on 11th November 2016, and note the Action Log.

59. HIGHWAYS DEPOTS – OCCUPATIONAL ARRANGEMENTS

A report was presented on the acquisition of a new office building as a Highways headquarters and leasehold disposal of part at less than best consideration.

In discussion, the Chairman expressed concern that there had been no specific report or consultation with the Highways & Community Infrastructure (H&CI) Committee on this matter. In response, officers advised that the Assets & Investment Committee was the correct place for this decision to be taken. H&CI Members were aware of the broader need to revisit the issue of Highways accommodation as the current Highways Contract came to an end, and had previously indicated a strong preference for operating out of County Council offices rather than contractor's offices, as this gave more control. Officers apologised for not specifically engaging with the H&CI Committee, Spokes or Chairman, and agreed to do so. **Action required.**

Other Members suggested that as this decision did not reflect a change in policy, but a change in how that policy was implemented, it was legitimate to

bring it to this Committee in the first instance. Another Member commented that as Assets & Investment Committee was relatively new, the processes and reporting routes were still not clear. Members agreed that the report should be progressed given timescales, and that the decision was within this Committee's remit. However, the Chairman commented that many reports were still only being presented when issues were time critical, and therefore not allowing Members sufficient time to ask for further information or consultation.

In response to a question from the Chairman as to whether the report should be confidential, given the information on the potential sites and likely rents, officers commented that the information on the market value of the sites was publically available. Other Members pointed out that the report was heavily slanted towards authorising the Chief Finance Officer be given freedom to negotiate the best deal for the Council, but not to make a firm decision. The Chairman proposed that the Committee go into closed session for the remainder of this item. On being put to the vote, the proposal was lost.

It was noted that the current support function for the Highways Contract was currently co-located at the Skanska offices in Girton. The rental for those offices was paid for as part of the Highways Contract price. Both bidders for the new Highways Contract had indicated that they would provide office accommodation, but it would be more cost effective for the Council to control the asset, so that there was no margin payable on the operational costs. It was confirmed that the current cost for the Girton accommodation was £240,000. It was also noted that the new contract was built around an integrated staff approach, which had only been developed as part of the existing contract over the last few years.

The Committee noted that the current Stanton House accommodation was owned on a freehold, and it was envisaged that the depot would move to Swavesey in 5+ years. A Member asked if alternative locations e.g. in the north of the county, where property prices were cheaper, had been considered. It was noted that Huntingdon had always been the preference given its accessibility (i.e. A1/A14) and also the links to Peterborough. Cambridge city had not been considered on cost grounds. Locations in the north of the county had been briefly considered but never fully assessed, as there was justification for an alternative location. The Transformation team had reviewed the suitability of sites in the Council's current portfolio, and those of MAC partners, but found nothing suitable. There may be additional costs involved to the contractors if the main office was located away from Huntingdon. It was noted that both proposed sites were accessible by public transport or bike, i.e. walking distance to Huntingdon town centre and the railway station.

The Chairman commented that most of the information being discussed had been omitted from the report. He also observed that whilst the Highways Contract was 10-15 years, it could be as short as 6 years if the performance by the contractor justified an earlier termination of the contract.

The comments of the Local Members were noted.

Officers advised that they were looking at a long term lease for the new office, but agreed to also explore the possibility of a freehold. It was also agreed that a further report would be presented to the February meeting of the Committee to update on the acquisition, which would include the results of a wider search beyond Huntingdon.

The following amendment was proposed by Councillor Hickford and seconded by Councillor Bullen (additional text in bold):

authorise the acquisition of a new office building in Huntingdon on terms and conditions to be agreed by the Chief Finance Officer, **in consultation with the Chairmen of the Assets & Investment Committee and Highways & Community Infrastructure Committee**, and to formalise the occupation of part of the building by the new Highways Contractor at less than best consideration.

On being to the vote, the amendment was carried unanimously.

It was unanimously resolved to:

authorise the acquisition of a new office building in Huntingdon on terms and conditions to be agreed by the Chief Finance Officer, in consultation with the Chairmen of the Assets & Investment Committee and Highways & Community Infrastructure Committee, and to formalise the occupation of part of the building by the new Highways Contractor at less than best consideration.

60. ST IVES BRIDGE CHAPEL

The Committee considered a report proposing a formal agreement with the Norris Museum to manage the Chapel of St Ledger on the St Ives river bridge, on behalf of Cambridgeshire County Council.

Members were reminded that the bridge chapel was a Scheduled Ancient Monument which formed part of the highway asset, and was therefore maintained as such. Use of the chapel was extremely limited because of

accessibility issues, and the small size of the chapel, but there was a strong feeling in the community that more use could be made of the chapel.

Officers and Local Members had been working with the Norris Museum to draw together an agreement for the management and future use of the chapel. It was confirmed that no income was generated from the chapel, and that day to day maintenance of the structure came out of highways bridge maintenance budget.

The Chairman expressed concern about unsupervised access to the chapel, and the potential for damage or vandalism. As one of the Local Members, the Vice-Chairman Councillor Bullen explained that currently, anyone can ask for the keys to the chapel from St Ives Town Council. Under the proposed arrangement, the Norris Museum would become completely responsible, and in terms of security/liability, the arrangements were much better than the current set up. The Museum was part of the Town Council, and therefore the Chapel would be covered by the Town Council's Public Liability Insurance.

As a Local Member, Councillor Bullen thanked the Committee for their support and interest in this matter. The Chairman thanked officers for their work on this issue to reach a satisfactory conclusion.

It was resolved unanimously to:

Agree the proposed draft agreement set out by the Norris Museum for management of the asset.

61. BUSINESS PLANNING

The Committee received a report providing an overview of the draft Business Plan Revenue proposals for the areas relevant to the Assets & Investment Committee. It was noted that there had been no changes to the Revenue tables since they had been considered by Members at their Committee meeting in October. There had been two significant changes to the Capital programme, specifically:

- Equality Act works in Corporate Offices had been removed from the Capital programme (Scheme F/C.2.113)
- Housing schemes previously included in the tables at net cost were now shown at gross cost (Scheme F/C.2.240)

In terms of government funding, it was noted that the Revenue Support Grant was in line with expectations, and the Chief Finance Officer would be sending out a briefing note to all Members to update them.

A Member commented that it was very easy just to look for savings, particularly for this Committee's area of work, but taking the cheaper option was not always the viable or prudent thing to do.

It was resolved unanimously to:

- a) note the overview and context provided for the 2017/18 to 2021/22 Business Plan revenue proposals for the Service, updated since the last report to the Committee in October;
- b) comment on the draft revenue savings proposals that are within the remit of the Assets and Investment Committee for 2017/18 to 2021/22, and endorse them to the General Purposes Committee as part of consideration for the Council's overall Business Plan;
- c) comment on the changes to the capital programme that are within the remit of the Assets and Investment and endorse them.

62. FINANCE AND PERFORMANCE REPORT – SEPTEMBER 2016

Members received an oral report on the financial and performance information relating to the areas within the Assets & Investment Committee's remit as at the end of September 2016. It was noted that the wrong appendix had been issued with the covering report, and the correct appendix was tabled. The key issues were the pressures on the revenue budget, specifically from the decoupling of property and estates function from LGSS back to the County Council, as previously reported.

In response to a question on the variations in the capital programme, the Chief Finance Officer outlined the approach being taken, which took into account the historic trend of significant slippage year on year, and how each service area's capital budget was being considered en bloc, as the best mechanism to reflect actual spend and deliver a balanced budget.

It was confirmed that total overspend at the end of October was £256K i.e. the £56K revenue budget overspend, plus the building maintenance £200K overspend.

It was unanimously resolved to:

- a) review, note and comment upon the report.

63. COMMITTEE AGENDA PLAN

The Committee noted the agenda plan, with the following updates:

- Green Spaces (January Committee): to be deferred to a later date;
- Keyworker housing policy (January Committee): to be submitted to the February Committee.

64. 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.

65. PROGRAMME HIGHLIGHT REPORT

Members considered a number of information/update papers.

It was resolved to note the report.

Chairman



ASSETS & INVESTMENT COMMITTEE

Minutes-Action Log

Introduction:

This is the updated action log as at **19th January 2017** and captures the actions arising from the most recent Assets & Investment Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

Minutes of 21st October 2016

Item No.	Item	Action to be taken by	Action	Comments	Completed
43.	Ely Archives Centre	Cllr Hickford/ Cllr Shellens	Refer issue of officer process (costing, design, etc) to Audit & Account Committee (A&AC), and receive a report back.	Officer process being considered by A&AC in January (report emailed to A&IC Members 19/01/17), update on property alternatives is on the January A&IC agenda.	Ongoing

Minutes of 11th November 2016

56.	Programme Highlight Report	John Macmillan	County Farms Estate Strategic Review Working Group	Dates to be agreed for December/January. <i>Officers met with Chair and Vice-Chair and will verbally update Committee.</i>	Ongoing
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56.	Programme Highlight Report	John Macmillan	Soham Gateway – officers to update Committee by email following meeting on 16/11/17	Soham Town Council meeting postponed until 17/01/17 – officers to update Members at January Committee.	
Minutes of 11th November 2016					
65.	Programme Highlight Report	John Macmillan	Soham Road Fordham – officers to approach Local Members again.	Officers to update Committee.	Completed.
65.	Programme Highlight Report	John Macmillan	Woodditton Lease	Emailed to Committee 19/01/17.	Completed.

In addition, the following actions were identified in informal meetings between some Committee Members and officers, relating to actions and decisions made at Committee meetings:

Date of mtg	Action to be taken by	Action	Comments	Completed
09/06/16	C Malyon	CFO to make inquiries on the CHIC staffing.	Recruitment Consultants selected and work underway	Ongoing

FINANCE AND PERFORMANCE REPORT – DECEMBER 2016

To: Assets and Investment Committee

Meeting Date: 27th January 2017

**From: Head of Strategy and Assets
Chief Finance Officer**

Electoral division(s): All

Forward Plan ref: N/a Key decision: No

Purpose: To present to Assets and Investment Committee (A&IC) the December 2016 Finance and Performance Report for Assets and Investments Committee.

The report is presented to provide A&IC with an opportunity to comment on the projected financial and performance outturn position, as at the end of December 2016.

Recommendation: The Committee is asked to:

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

<i>Officer contact:</i>	
Name:	Chris Malyon
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1. BACKGROUND

- 1.1 Assets and Investments Committee will receive the Assets and Investment Finance and Performance Report at all of its meetings, where it will be 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 has responsibility remain on target.

2. MAIN ISSUES

- 2.1 Attached as **Appendix A**, is the December 2016 Finance and Performance report.
- 2.2 **Revenue:** At the end of December, Assets and Investment Committee is forecasting a year-end overspend on revenue budgets of £88k. There are no new significant forecast outturn variances by value (over £100,000) reported in section 2.2 of the report.
- 2.3 **Capital:** At the end of December, Assets and Investment Committee is forecasting that the capital programme budget will be in balance at year-end. Although there is in-year slippage of £1.1m on the capital programme, this is within the allowances made for capital programme variations.

As reported last month a number of Housing Scheme projects which form part of the Business Planning proposals for 2017/18 have progressed to the planning application stage in advance of the original schedule. The Committee is asked to approve additional budget totalling £540k in 2016/17 to reflect the predicted expenditure for these projects in the current year; this will not affect the total scheme costs. The individual projects are detailed in section 3.2 of the report.

Work on the East Barnwell Community Hub project has also been brought forward into 2016-17. The budget has been rephrased, and funding of £194k brought forward from 2017/18 into 2016/17.

- 2.4 Assets and Investment Committee has one **performance indicator** which is currently at green status.

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 Resource Implications

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

4.2.1 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource 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
A&I Finance & Performance Report (Dec 16)	1 st Floor, Octagon, Shire Hall, Cambridge

Assets and Investment

Finance and Performance Report – December 2016

1. SUMMARY

1.1 Finance

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

1.2 Performance Indicators – Current status (see section 4):

Monthly Indicators	Red	Amber	Green	Total
December (Number of indicators)			1	1

2. INCOME AND EXPENDITURE

2.1 Overall Position

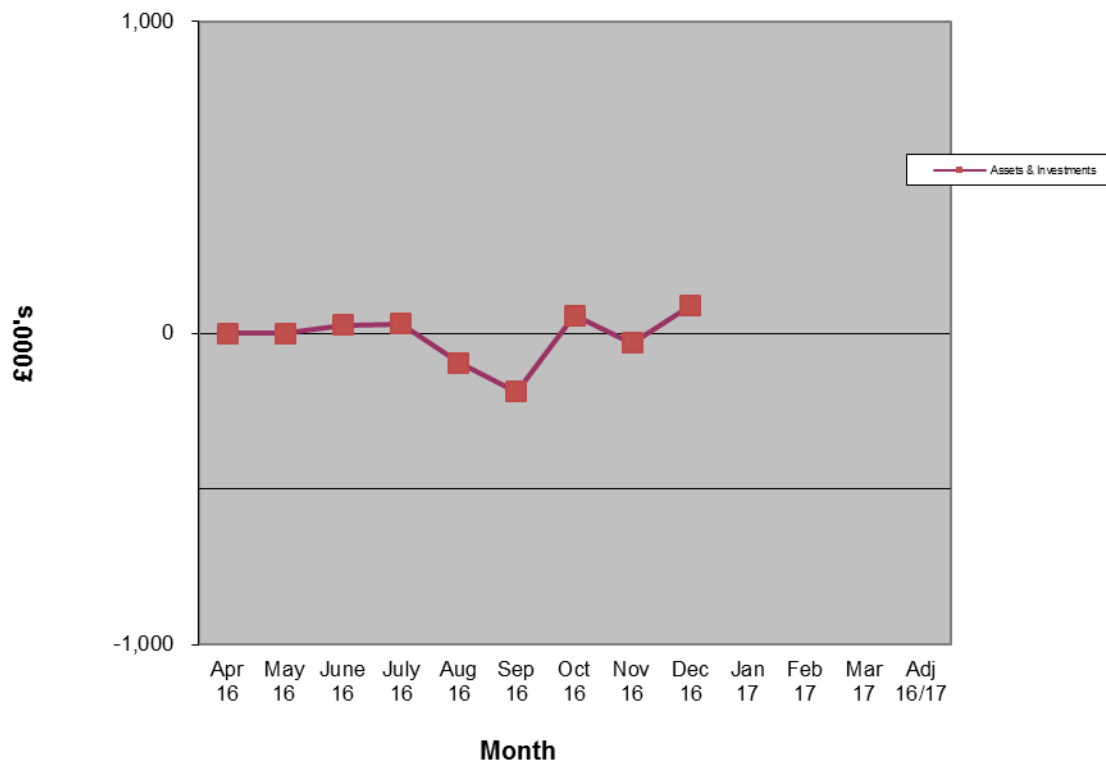
Original Budget as per BP ¹	Directorate	Current Budget	Forecast Variance - Outturn (Nov)	Forecast Variance - Outturn (Dec)	Forecast Variance - Outturn (Dec)	Current Status	DoT
£000		£000	£000	£000	%		
4,104	Assets & Investment	4,204	-32	88	2	Amber	↓
4,104	Total	4,204	-32	88	2		

¹ 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 Assets and Investment Committee for December 2016 can be found in [A&I appendix 1](#).

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

Assets & Investment Outturn 2016/17



2.2 Significant Issues – Assets and Investment

- Assets and Investment Committee is currently predicting an overspend of £88k at year-end, an adverse change of £120k compared to last month's forecast.
- There are no exceptions to report this month.

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

The following item above the de minimis reporting limit is included for December:

	Awarding Body	Expected Amount £
One Public Estate	Cabinet Office	190,000
Non-material grants (+/- £30k)		0

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

The following virements have been made this month to reflect changes in responsibilities.

	£	Notes
Non material virements (+/- £30k)	-16,887	CCR1

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

3. **BALANCE SHEET**

3.1 **Reserves**

A schedule of the Assets and Investment reserves can be found in [A&I appendix 5](#).

3.2 **Capital Expenditure and Funding**

Expenditure

- Assets and Investment Committee has a capital budget of £13.1m in 2016/17 and there is £10.3m spend to date. It is currently expected that the programme will be balanced at year-end, and the total scheme variances over the lifetime of the schemes will amount to an underspend of £3.5m.
- Although Assets and Investment Committee is reporting in-year slippage of £1.1m on the capital programme, this is within the allowances made for capital programme variations, leading to a balanced outturn overall.
- As reported last month a number of new Housing projects which form part of the Business Planning proposals for Housing Schemes in 2017/18 have progressed to the planning application stage in advance of the original schedule.

Assets and Investment Committee is asked to approve additional budget in 2016/17 to reflect the predicted expenditure for these new projects in the current year; this will not affect the total scheme costs

	£000
Belsar Farm – Willingham	55
Soham Northern Gateway	100
Clear Farm, Bassingbourn	70
Wicken, Housing Allocation	30
CFE Rural Plots	45
Management costs	<u>240</u>
	540

- Increased resourcing has also brought forward work on the East Barnwell Community Hub project into 2016-17. The East Barnwell budget has been rephased and funding of £194k has been brought forward from 2017/18 into 2016/17; this will not affect the total scheme costs.

Funding

- Assets and Investments Committee has capital funding of £13.1m in 2016/17, with the current expectation being that this continues to be required in line with the original budget proposals.

A detailed explanation of the position for Assets and Investments can be found in [A&I appendix 6](#).

4. PERFORMANCE

4.1 The table below outlines key performance indicators for Assets and Investments.

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments
Assets & Investment									
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	28/07/16	95% (£3.9m gross)	99.0%	Green	↑	

The full scorecard for Assets and Investments can be found at [A&I appendix 7](#).

A&I APPENDIX 1 – Assets and Investment Budgetary Control Report

The variances to the end of December 2016 for Assets and Investment are as follows:

Original Budget as per BP £000	Service	Look up	Current Budget for 2016/17 £000	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Dec) £000	%
<u>Assets & Investment</u>						
1,122	Building Maintenance	BM	1,099	200	200	18
			-3,453	-84	-84	-2
-3,453	County Farms	Farms				
5,052	County Offices	CO	5,045	-154	-70	-1
571	Property Services	POD	706	52	94	13
813	Strategic Assets	SAM	996	-45	-51	-5
0	Grant Income	A&I	-190	0	0	0
4,104			4,204	-32	88	2
4,104	ASSETS & INVESTMENT TOTAL		4,204	-32	88	2
 MEMORANDUM - Grant Income						
0	Assets & Infrastructure Grants		0	0	0	0
0			0	0	0	0

A&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	Forecast Variance - Outturn	
		£'000	%
County Offices	5,045	-70	-1
<p>County Offices is predicted to underspend by £70k in 2016/17, a reduction of £84k since last month. This movement is due to £60k insurance costs in respect of Castle Court and £20k staff recharges relating to office rationalisation.</p> <p>As previously reported, an additional £36k payment was received from Study Inn due to delays in installing Pay and Display parking meters. There is a £240k in-built pressure due to the prior-year savings target for a reduction of the property portfolio. This is partly offset by a predicted underspend of £55k on the dilapidations budget, less a pressure of £18k for service and cleaning charges on vacated properties. Additional income has been received from the Castle Court lease to Study Inn (£236k), due to the 100% rental agreement having started 4 months earlier than originally expected. There is a predicted surplus of £75k on Children's Centre business rates due to actual invoices received being lower than the estimated accrual for 2015/16, a predicted underspend of £55k on the Portable Appliance Testing budget, and a £21k rebate on a four year gas contract. Other pressures include £22k spending on parking meters at Shire Hall, which will result in additional income, and a £26k pressure in respect of rates for the Ely Archive Centre.</p>			
Building Maintenance	1,099	200	18
<p>Based on expenditure to date and forecast commitments to the end of the year, it is currently estimated that Building Maintenance budgets will be overspent by £200k in 2016/17.</p>			
Property Services	706	94	13
<p>An overspend of £94k is predicted on Property Services budgets, an increase of £42k since last month. Staffing costs have been reviewed following the demerger from LGSS and this increase is due to a more realistic estimate of the agency staff required to cover vacancies. As previously reported these figures include pressures of £24k from LGSS savings allocated to Property Services budgets and £37k due to the CCC and NCC Shared Services Memorandum of Understanding (MoU) for Property and Estates.</p>			
Strategic Assets	996	-51	-5
<p>It is forecast that the Strategic Assets budgets will underspend by £51k in 2016/17, an increase of £6k compared to last month's forecast. This underspend is largely due to management costs in relation to Housing schemes being recharged against capital (£244k). Income received from other local authorities for consultancy work (£90k), and staff vacancies (£20k) are offset by agency costs of £143k. In addition the forecast includes a contingency of £60k for the implementation of K2 at CCC and a £16k pressure due to the net effect of the Shared Services MoU for Property and Estates.</p>			

A&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
Grants as per Business Plan		0
One Public Estate	Cabinet Office	190
Total Grants 2016/17		190

A&I APPENDIX 4 – Virements and Budget Reconciliation

	£000	Notes
Budget as per Business Plan	0	
Transfer of Building Maintenance budget from Corporate Services	1,121	
Transfer County Farms budget from Corporate Services	-3,453	
Transfer of County Offices budget from Corporate Services	5,045	
Transfer of Strategic Assets and Property Services budgets from LGSS Finance to Assets and Investments	1,531	
Transfer of LGSS cross-cutting savings from LGSS Cambridge Office to Assets & Investment	-24	
Non-material virements (+/- £30k)	-16	
Current Budget 2016/17	4,204	

A&I APPENDIX 5 – Reserve Schedule

1. Assets and Investments Reserves

Fund Description	Balance at 31 March 2016	Movements in 2016-17	Balance at 31/12/16	Forecast Balance at 31 March 2017	Notes
	£'000	£'000	£'000	£'000	
<u>Other Earmarked Funds</u>					
Manor school site demolition costs	233	71	304	327	1
subtotal	233	71	304	327	
<u>Short Term Provisions</u>					
SPV provision	50	0	50	50	
subtotal	50	0	50	50	
SUBTOTAL	283	71	354	377	
<u>Capital Reserves</u>					
MAC - One Public Estate	230	-230	0	0	3
General Capital Receipts	0	213	213	0	2
subtotal	230	-17	213	0	
TOTAL	513	53	566	377	

Notes

- 1 Rental income from Bellerbys buildings on Manor School site is being held to offset demolition costs when the lease expires in 2021.
- 2 Capital Receipts achieved in 2016/17 will be used to fund the capital programme at year-end.
- 3 One Public Estate grant funding transferred to revenue.

A&I APPENDIX 6 – Capital Expenditure and Funding

Capital Expenditure

Assets & Investments Capital Programme 2016/17						TOTAL SCHEME	
Original 2016/17 Budget as per BP £000	Scheme	Revised Budget for 2016/17 £000	Actual Spend 2016/17 £000	Forecast Spend - Outturn (Dec) £000	Forecast Variance - Outturn (Dec) £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
550	A&I - Shire Hall Campus	765	146	495	(270)	6,209	-
-	A&I - Fenland	20	(7)	20	-	6,596	(1,115)
400	A&I - Local Plans Representations	400	96	155	(245)	4,284	-
500	A&I - County Farms Viability	500	127	450	(50)	2,604	-
600	A&I - Building Maintenance	840	105	840	-	6,025	-
20	A&I - Other Committed Projects	120	13	120	0	2,243	(237)
-	A&I - East Barnwell Community Hub	194	24	194	-	1,950	-
8,251	A&I - Renewable Energy Soham	10,225	8,706	10,225	-	10,336	-
-	A&I - Housing Schemes	1,628	1,034	1,577	(51)	197,054	-
481	A&I - MAC Market Towns Project	481	-	-	(481)	1,481	(1,481)
345	Office Portfolio Rationalisation	345	59	345	-	345	-
-	Carbon Reduction	214	14	214	-	1,673	(650)
250	Energy Efficiency Fund	250	0	250	-	1,000	-
-	Capital Programme Variations	(2,850)	-	(1,753)	1,097	-	-
11,397	TOTAL	13,132	10,317	13,132	0	241,800	(3,483)

Previously Reported Exceptions

As reported in 2015/16, a reduction in the estimated cost of final retention payments for the Awdry House site has increased the predicted total scheme underspend to £1.1m. This work is expected to be completed in 2016/17.

As reported in 2015/16 the works planned under the Carbon Reduction scheme were reviewed in 2014/15 and a new schedule was agreed. The agreed work plan is expected to deliver a total scheme underspend of £0.65m. This work is expected to be completed in 2016/17.

The Renewable Energy Soham scheme has been revised to incorporate increased costs due to currency changes re solar panels (£400k) and additional grid connection costs (£120k).

The following housing scheme budgets have been rephased, as the schemes have progressed to the planning application stage in advance of the original schedule. Funding has been brought forward from 2017/18 into 2016/17 as detailed below and this will not affect the total scheme costs.

Scheme	£000
Housing - Shepreth 7 Homes Invest to Save	55
Housing - Cottenham 200 Homes Invest to Save	110
Housing - Redevelopment of Milton Road Library, Cambridge	20
	185

The budgets for building maintenance costs at Shire Hall and other County Council sites have been revised due to the roll forward of £455k funding approved for 2015/16 that was not spent in year. This was due to unavoidable delays in completing condition surveys, meaning that works earmarked for 2015/16 could not be completed. The 2016/17 budget is already fully allocated as shown below. This additional funding relates to prudential borrowing, however this will not have a significant impact on the Debt Charges budget.

Shire Hall	£000	
Budget 2016/17	550	
Shire Hall	150	condition survey works
Castle Lodge	155	condition survey works
42 Castle St	45	condition survey works
Data Centre	265	carry forward request includes Ridge Fees & structural works & contingency amount
Babbage	50	estimated condition survey works
OPH	50	estimated condition survey works
Octagon	50	estimated condition survey works
Total of planned works	765	
Shortfall	215	
Building Maintenance - other sites	£000	
Budget 2016/17	600	
Lawrence Court	115	carry forward request
Ely Library	84	carry forward request
St Neots library	66	carry forward request
Victoria Lodge	15	replacement conservatory
Lawrence Court	13	window redecoration – completed 16/17
Stanton House, highways depot	55	condition survey works
Stanton House, Main building	80	condition survey works
Stanton Villas	9	condition survey works
Warboys library	84	condition survey works
Wisbech Castle	146	condition survey works
Sackville House	173	estimated re-roofing costs – main roof
Total of planned works	840	
Shortfall	240	
Additional funding requested	455	

Additional funding of £700k in 2016/17 has been agreed for the Soham Eastern Gateway Pratt St Access Road Phase 1 works. This includes the reconfiguration of the school car park, reconfiguration of the parking at the former caretaker's bungalow, alterations to the listed wall at Copperfield House, the relocation of a heat pump, professional fees and the planning application. This will be funded by prudential borrowing but is part of a larger housing scheme for which the County Council would receive income in the future.

The MAC Market Towns Project (March) is no longer required and so a current year underspend of £0.5m and a total scheme underspend of £1.5m is forecast. This scheme has been superseded by the new Housing budget which has been submitted via the

current Business Planning process for 2017/18, with redevelopment projects transferred to the Housing programme. Potential projects not covered by the Housing programme will be taken forward as new business plan applications in the future. This change has also impacted on the associated ring-fenced capital receipt generation, resulting in reduced funding of £0.4m.

The East Barnwell project requires rephasing, as increased resourcing has brought forward work on the project into 2016/17, in advance of the original schedule. Funding of £194k has been brought forward from the Housing budget for 2017/18 to cover the estimated costs in 2016/17; this will not affect the total scheme costs.

The Local Plans – Representations budget is forecast to underspend by £245k. This is partly due to the establishment of the Housing budget and improved management of the point at which projects are transferred from the Local Plans – Representations budget into the Housing budget. Current year costs have been reviewed to ensure that all schemes are charged to Housing once they reach the planning application stage.

Due to the phasing of projects, the above underspend is currently offset by an overspend on the Housing budget in 2016/17. A number of projects which form part of the Business Planning proposals for Housing Schemes in 2017/18 have progressed to the planning application stage in advance of the original schedule, with forecast expenditure of £235k in 2016/17. In addition, it is expected that management costs of £240k will be chargeable to the Housing project in 2016/17; this includes costs relating to staff time spent on Local Plans – Representations. The expected costs for 2016/17 are detailed below:

	£000
Belsar Farm – Willingham	55
Soham Northern Gateway	100
Clear Farm, Bassingbourn	70
Wicken, Housing Allocation	30
Management costs	<u>240</u>
	495

Capital Funding

Assets and Investments Capital Programme 2016/17					
Original 2016/17 Funding Allocation as per BP £000	Source of Funding		Revised Funding for 2016/17 £000	Forecast Spend Outturn (Dec) £000	Forecast Funding Variance Outturn (Dec) £000
10,268	Capital Receipts	A&I	10,268	3,895	(6,373)
1,129	Prudential Borrowing	A&I	2,864	9,237	6,373
11,397	TOTAL		13,132	13,132	0

Previously Reported Exceptions

As previously reported, the Capital Programme Board recommended that services include a variation budget to account for likely slippage in the capital programme, as it is sometimes difficult to predict this against individual schemes in advance. As forecast underspends start to be reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when slippage exceeds this budget.

As previously reported, capital receipts estimates were reduced by a total of £5.9m to reflect latest estimates for sales expected with high probability in 2016/17. This has resulted in an increase in the expected requirement for public borrowing of the same amount.

A&I Appendix 7 – Performance Scorecard

Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG status	Direction of travel	Comments
Assets & Investment										
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	28/07/16	1 January - 31 March 2016 (Q4)	95% (£3.9m gross)	99.0%	Green	↑	

ASSETS AND INVESTMENT COMMITTEE AGENDA PLAN

Published – 3rd January 2017
Updated – 19th January 2017



Cambridgeshire
County Council

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. Additional information about confidential items is given at the foot of this document.

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.

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
27/01/17 10:00am	+ Programme Status Report - Ely Archives Centre – alternative options - Travellers' sites – Earith Bridge and Burwell	Chris Malyon/John Macmillan	Not applicable	16/01/17	18/01/17
	Care Home Development Programme	Richard O'Driscoll	Not applicable		
	Finance and Performance Report	Chris Malyon	Not applicable		
	Asset Management Strategy update	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
24/02/17 10:00am	+ Programme Status Report	Chris Malyon/John Macmillan	Not applicable	13/02/17	15/02/17
	Wisbech Castle Update		Not applicable		
	Finance and Performance Report	Chris Malyon	Not applicable		
	Future options for Property and Estates Service	Chris Malyon	2016/028		
	Provision of Key Worker Housing	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		
31/03/17 10:00am	+ Programme Status Report	Chris Malyon/John Macmillan	Not applicable	21/03/17	23/03/17
	Future trading model of the Housing Development Agency	Chris Malyon	2017/001		
	Finance and Performance Report	Chris Malyon	Not applicable		
	Implications of digital strategy on property assets (review of Telecoms Strategy; Housing design)	John Macmillan/Noelle Godfrey	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		
28/04/17 10:00am	+ Programme Status Report	Chris Malyon/John Macmillan	Not applicable	18/04/17	20/04/17
	Finance and Performance Report	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		
26/05/17	+ Programme Status Report	Chris Malyon/John Macmillan	Not applicable	16/05/17	18/05/17
	Finance and Performance Report	Chris Malyon	Not applicable		

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Agenda Plan	Dawn Cave	Not applicable		
30/06/17	+ Programme Status Report - County Farm Income	Chris Malyon/John Macmillan	Not applicable	20/06/17	22/06/17
	Finance and Performance Report	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		
28/07/17	+ Programme Status Report	Chris Malyon/John Macmillan	Not applicable	18/07/17	20/07/17
	Finance and Performance Report	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		
18/08/17	+ Programme Status Report	Chris Malyon/John Macmillan	Not applicable	08/08/17	10/08/17
	Finance and Performance Report	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		
15/09/17	+ Programme Status Report	Chris Malyon/John Macmillan	Not applicable	05/09/17	07/09/17
	Finance and Performance Report	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		
20/10/17	+ Programme Status Report	Chris Malyon/John Macmillan	Not applicable		
	Finance and Performance Report	Chris Malyon	Not applicable		
	Future Options for Community Greenspaces	Elaine Matthews	Not applicable		

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Agenda Plan	Dawn Cave	Not applicable		

Future dates: 24/11/17, 15/12/17, 26/01/18, 23/02/18, 23/03/18, 27/04/18, 25/05/18

To be programmed: Lessons learned from Ely Archives Centre (following consideration by Audit & Accounts Committee), Acquisitions and Investment Policy Delegations, Green Spaces (Elaine Matthews), Oasis Centre, Wisbech (Hazel Belchamber)

Notice made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in compliance with Regulation 5(7)

1. At least 28 clear days before a private meeting of a decision-making body, public notice must be given which must include a statement of reasons for the meeting to be held in private.
2. At least 5 clear days before a private meeting of a decision-making body, further public notice must be given which must include a statement of reasons for the meeting to be held in private, details of any representations received by the decision-making body about why the meeting should be open to the public and a statement of the Council's response to such representations.

Forward plan reference	Intended date of decision	Matter in respect of which the decision is to be made	Decision maker	List of documents to be submitted to the decision maker	Reason for the meeting to be held in private

Decisions to be made in private as a matter of urgency in compliance with Regulation 5(6)

3. Where the date by which a meeting must be held makes compliance with the above requirements impracticable, the meeting may only be held in private where the decision-making body has obtained agreement from the Chairman of the Council.
4. Compliance with the requirements for the giving of public notice has been impracticable in relation to the business detailed below.
5. The Chairman of the Council has agreed that the Committee may hold a private meeting to consider the business referred to in paragraph 4 above because the meeting is urgent and cannot reasonably be deferred for the reasons stated below.

Date of Chairman's agreement	Matter in respect of which the decision is to be made	Reasons why meeting urgent and cannot reasonably be deferred

For further information, please contact Quentin Baker on 01223 727961 or Quentin.Baker@cambridgeshire.gov.uk

CARE HOME DEVELOPMENT

To: Assets and Investments Committee

Meeting Date: 27th January 2017

**From: Wendi Ogle-Welbourne, Interim Executive Director
Children, Families and Adults**

Electoral division(s): All

Forward Plan ref: N/a Key decision: No

**Purpose: The Committee is asked to consider a proposal to
intervene in the Care Home market in Cambridgeshire,
involving an expansion of the current level of provision.**

Recommendation: What is the Committee being asked to agree?

**a) To support the principle of using Council land assets to
secure an expansion of affordable care home provision**

**b) To support the intention to seek a strategic partner to
develop a detailed business case and implementation plan
to deliver additional care home capacity.**

<i>Officer contact:</i>	
Name:	Richard O'Driscoll
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Tel:	01223 729186

1.0 BACKGROUND

- 1.1 As part of its recently adopted Older People's Accommodation Strategy, modelling undertaken by the County Council established that there is a current shortfall of 180 affordable care home bed spaces, of all types, in Cambridgeshire. The analysis involved a methodology developed by the Housing Local Information Network coupled with local market intelligence, operational and performance data, and the Council's own market position statement. This work included benchmarking using regional and national comparators. As the County Council only purchases 35% of all bed spaces the actual capacity gap in provision is considerably higher than the number stated above and is estimated at 450 bed spaces of all types. This shortfall results in limited choice and affordability for those needing care in the community, and also has an impact on some delayed transfers of care from hospitals. Demographic pressures mean that this situation will worsen and action needs to be taken.
- 1.2 The capacity shortfall also poses considerable financial risk to the Council. In the short term this has been mitigated by a number of commissioning initiatives including the establishment of a joint brokerage (single purchasing) unit with the NHS and by developing a new block contract for residential and nursing care. As a consequence of these measures, in the short term the Council has managed to maintain the cost of care at a weekly average of £499 per week, which is below the average in our CIPFA benchmarking group of £578. However, in the longer term, the supply challenges mean that this position will not be sustainable. Currently inflation in care home prices is running at +4% per annum on new placements (with considerable variance and volatility) in excess of the impact of the national living wage
- 1.3 Further evidence of the financial challenge is that new entrants to the Cambridgeshire market have indicated an unwillingness to work with the Council as the self-funding market is far more lucrative. It is also worth noting that market conditions for potential providers are difficult (largely relating to land prices and recruitment and retention of staff) and as a consequence more providers are currently leaving than joining the Cambridgeshire market.

2.0 MAIN ISSUES

- 2.1 In connection with the Council's consideration of care home capacity, advice had previously been received from specialist Care Development Consultants, Cordis Bright, suggesting that large scale market intervention is required to try to meet both the shortfall in capacity and to manage the financial risk. It was suggested that land assets would be a beneficial lever to influence potential providers. As a consequence a Council care home task group involving property, finance and social care service representation was formed. The work was also incorporated into the Better Care Fund transformation programme, where funding was agreed to develop an outline business case.
- 2.1.2 Following a mini tendering exercise, Gleeds Advisory was appointed from the ESPO framework. They brought together a consortium of financial, care provision (Cordis Bright), property and planning specialists, and were selected both on price and quality. The scope of the work included the following:

- Planning advice as to suitability of specific identified sites in public ownership in areas of high demand. The sites were for indicative purposes only at this stage.
- Market-focused advice as to the suitability of sites for Self-funded and Local Authority funded Care Home beds, taking into account staffing requirement as well as service user choice.
- Advice on delivery model options including: direct sale of land, Council-funded development; design and build; partnerships; joint ventures; leasehold models and mechanisms by which the County has a first call on a percentage of the bed spaces for an agreed duration.
- Advice on the likely response of the market to potential delivery models.
- Current market advice on values, income, building and operating costs in the Cambridgeshire Care Home market.
- Financial modelling, including Internal Rate of Return (“IRR”) and Net Present Value (“NPV”) comparisons to support decision making.

2.1.3 Following discussion with Local Government Shared Service finance team, the scope was expanded to include an assessment of the relative financial implications of developing relevant sites for a care home rather than general residential development. This was based on recognition of competing demands for use of land assets, and the Council's stated intention to develop residential accommodation.

2.2 Consultant's Findings

2.2.1 The work undertaken by Gleeds included a qualitative and quantitative analysis and some targeted market testing. These confirmed that the concept of using Council assets to incentivise care home development was a sensible approach. It also concluded that the only viable way forward to achieve the joint aims of increased capacity and affordability is to identify a strategic partner with expertise in operating care homes. For the purposes of this exercise the model assumed that the Council would retain ownership of the land and would receive rental income from the Operator. In addition, in exchange for a long contract, the Council would receive a proportion-in the region of 35%- affordable beds, with the remainder being targeted on the self-funder market. On request, the Consultants have subsequently, advised that a strategic partnership arrangement where land transfers directly to the Operator could also be viable, and likely to deliver similar benefits. However, the relative merits of each would need to be tested in far more detail through a procurement process. The quantitative analysis suggests that the Strategic Partnering model examined in the report, would both deliver the necessary capacity and based on current prices reduce revenue expenditure by £400K per annum in future compared to a “do nothing scenario”.

2.2.2 In relation to potential alternative uses of the land assets, the Consultant's report demonstrates that care home development with a secured proportion of affordable beds outperforms the alternatives of using Council land for general residential housing or the exclusively self-funder care market. Although build costs are lower for general housing, and a greater upfront capital receipt possible for an entirely private care home, the higher income per square meter for care homes compared to general housing and the revenue savings on affordable places and ongoing rent compared to an entirely private care home recommend the strategic partnering care

approach.

3.0 ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

3.2.1 The following bullet points set out details of implications identified by officers:

- The planned development of five care homes will create significant employment opportunities both in the planning and construction of the care homes and in the day to day operations.
- Creating greater choice and affordability in the care home market will provide direct financial benefits to users of services and their carers

3.2 Helping people live healthy and independent lives

3.2.1 This work is part of a wider strategy- developed in partnership with a broad range of services including housing and public health-aimed at supporting people to live independently for longer. Where there are opportunities to provide complimentary services that support independence- such as health and community services-these will be incorporated into the development plans.

3.3 Supporting and protecting vulnerable people

3.3.1 The purpose of taking this forward is to provide greater choice and affordability for services that are aimed at supporting the most vulnerable residents of Cambridgeshire.

4.0 SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

4.1.1 The following bullet points set out details of significant implications identified by officers:

- The report puts forward the proposition that in order to reduce the future financial risk to the Council, capital assets are utilised to provide long term revenue benefits. The detail is set out in paragraph 2.2.1.
- The Consultant's report endorses the approach, and recommends further more detailed market engagement in order to develop a full business case.

4.2 Statutory, Legal and Risk

4.2.1 The report above sets out details of significant implications in **paragraphs 2.1, 2.2 and 2.3.**

4.3 Equality and Diversity

4.3.1 The report above sets out details of significant implications in **paragraphs 3.2.1 and 3.3.1.**

4.4 Engagement and Communications

4.4.1 The following bullet points set out details of significant implications identified by officers:

- This initiative has been developed as part of a multi-agency strategy. Its implementation will be shaped by working with key organisation and community stakeholders.
- The development work will include a partnership with Peterborough City Council and with Cambridgeshire and Peterborough Clinical Commissioning Group.

4.5 Localism and Local Member Involvement

4.5.1 The following bullet points set out details of significant implications identified by officers:

- As part of the wider Older People's Accommodation Strategy, work is underway to ensure the need for increased older people's accommodation, including affordable care home provision, is incorporated into Local Plans.

4.6 Public Health

4.6.1 The report above sets out details of significant implications in **paragraphs 3.2.1 and 3.3.1**.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes M Wade (CYP) / T Kelly (Adults)
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	Yes Lynne Owen
Are there any Equality and Diversity implications?	No CFA Service Director
Have any engagement and communication implications been cleared by Communications?	Yes Simon Cobby
Are there any Localism and Local Member involvement issues?	No CFA Service Director
Have any Public Health implications been cleared by Public Health	Yes Tess Campbell

Source Documents	Location
Report on Residential Care Development by Gleeds Advisory	Gleeds Report
The Older Peoples Accommodation Strategy. V.9	Older People's Accommodation Strategy V9.pdf

