

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Thursday, 12th March 2015

Time: 10.00a.m. – 11.45a.m.

Present: Councillors Bailey, Bourke, D Brown, Bullen, Harty (substituting for I Bates), Hickford, Hipkin, Leeke, McGuire (Vice-Chairman), Orgee, Reeve, Rylance, Schumann (substituting for S Count), Shuter (substituting for S Criswell), Walsh (substituting for P Sales) and Whitehead

Apologies: Councillors Bates, Cearns, Count, Criswell and Sales

93. DECLARATIONS OF INTEREST

There were no declarations of interest.

94. MINUTES – 27TH JANUARY 2015 AND ACTION LOG

The minutes of the meeting held on 27th January 2015 were agreed as a correct record and signed by the Vice-Chairman. The completed Action Log was noted.

95. PETITIONS

No petitions were received.

96. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST JANUARY 2015

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. It was noted that the overall revenue budget position was showing a forecast year end overspend of £0.2m, which was a decrease from the previous forecast reported to the Committee. Attention was drawn to the over provision of £2.5m, which had been included at Section 3.1. The Capital Programme was still a concern showing a significant forecast year end underspend. However, it was noted that the impact of borrowing less had been reflected in capital financing. Finally the performance targets were good where the outcome was under the Council's direct control and of concern where there was less direct control.

During discussion, members made the following comments:

- welcomed the fact that the Council was scheduled to come in on budget at outturn. However, it was important to note that there were some large variances between Services with some achieving savings and some having significant overspends. The Chief Finance Officer acknowledged that there were some underlying concerns in relation to Looked After Children and Home to School Transport.
- requested more information relating to the underspend of -£729k in the Transformation Fund. The Chief Finance Officer reported that the Transformation

Fund was used to managed redundancy provision. Members were reminded that £1m had been identified in 2013/14 to deal with changes to the workforce. In excess of £1m had been carried forward to 2014/15. The underspend of -£729k was against the provision of sums carried forward. They were advised that it was expected that at least £500k would be returned to the corporate coffers. However, it was important to note that redundancies were taking place on an ongoing basis.

- reported that the Council had submitted 41 bids to the Department for Education for capital condition funding but had only been successful in relation to two. Members therefore requested a report detailing the potential implications of this decision. The Chief Finance Officer reported that capital allocations had been received for the next three years (this was not Basic Need Funding), which would result in the Council actually receiving more funding in the third year. **Action Required.**
- queried the reason why Home to School Transport was budgeted completely under “Special” on page 26 of the report. Members raised the need to clarify this section in order to reflect the correct position. The Vice-Chairman reminded the Committee that following a motion to Full Council the Cambridgeshire Future Transport Task Group chaired by Councillor van de Ven would be reviewing Home to School Transport.
- queried what would happen to the un-ringfenced Revenue Support Grant. The Chief Finance Officer reminded the Committee that it had been agreed at full Council as part of the budget setting process to hold this funding corporately given that this grant had been received so late in the process. Service Committees would now need to identify proposals in relation to this funding.
- queried how the Council used reserves. The Chief Finance Officer reported that any un-ringfenced grant was managed corporately. Service Committees then had the opportunity to bid to General Purposes Committee for this funding as and when a need arose. The Committee asked the Chief Finance Officer to remind the Services and Members of how this process worked in practice. **Action Required.**

It was resolved unanimously to:

- Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action was required.

97. PERFORMANCE MANAGEMENT OF THE COUNTY COUNCIL'S BUSINESS PLAN

The Committee considered the scheme of performance management for the 2015/16 County Council Business Plan and the sharing of performance management responsibilities between General Purposes Committee (GPC) and the other service committees. Members were reminded that they had raised concerns regarding the current performance management process as it was felt it did not reflect the operation of the committee system. It was therefore proposed to split performance management into two parts with one part focusing on the progress of individual activities that led to the achievement of the Council's business plan objectives and the other reflecting on longer term performance.

The Director of Customer Service and Transformation commented that this proposal would address the issue of duplication and would bring some clarity to the strategic role of GPC.

It was resolved unanimously to split performance management/reporting arrangements into two parts:

- a) Part one to measure the progress of individual activities that 'lead' to the achievement of the County Council's business plan objectives. With performance against these indicators overseen by the service committees. *(Note: GPC remains the service committee for LGSS and Customer Services and Transformation (CS&T) activities)*
- b) Part two to reflect longer term performance against the ultimate achievement of the County Council's business plan objectives. With performance against these indicators overseen by GPC.

98. TREASURY MANAGEMENT QUARTER THREE REPORT

The Committee received the third quarterly update on the Treasury Management Strategy 2014-15, approved by Council in February 2014. The Chief Finance Officer explained that the report reflected a reduced level of borrowing linked to the slippage in the capital programme. He reminded Members that a Member Review Group was currently looking at the Treasury Management Strategy and would present any proposals to GPC.

During discussion, members queried what happened to the income the Council received from investments: It was noted that the Council received the return netted off the cost of borrowing.

It was resolved unanimously to:

- Note the Treasury Management Quarter Three Report 2014-15.

99. ELY, FORMER CENTRE E PREMISES, BARTON ROAD

Before the introduction of the report, the Vice-Chairman informed the Committee that the Conservative Group had expressed concern about the sparsity of the information contained in the report. It was felt that a member of the public would not be able to understand how the Committee had arrived at its decision. The Group was therefore requesting that more information be included.

In response, the Head of Strategic Assets explained that he was trying to balance the property decision, which GPC took at the end of the process against the raft of previous service decisions.

Members raised the need for the background section in the report to reflect how the Council had arrived at this proposal. Other Members also expressed concern about the lack of information particularly if they did not serve on all service committees and had

therefore not been party to previous discussions. It was proposed that the format of property reports to GPC should be reviewed. **Action Required.**

One Member highlighted the need to review the officer delegation for property disposals particularly where revenue streams could exceed the delegation. The Chief Finance Officer explained that the delegation was designed to prevent GPC being flooded with decisions where the capital value was low. He reported that it would be possible to review and change the delegation level. The Head of Strategic Assets added that the revenue delegation was for an annual and not an accumulated amount. It was agreed that it should receive a report to a future meeting in order to review delegated limits. **Action Required.**

The Committee considered a report detailing a request from the Youth Ely Hub (YEH) for a five year lease for the former Centre E building at a peppercorn rent. The building was no longer required for the direct delivery of County Council services and had been held for joint disposal with East Cambridgeshire District Council. However, a joint disposal was now unlikely to proceed. Members were informed that there had been an assessment of business cases from YEH and the Ely Forum Ltd and the former had been identified as the preferred potential tenant. It was noted that the prospective tenant would be expected to take on the running costs and provide a rental payment in the future from any surplus. Members were advised that the grant of a lease at a peppercorn rent fell outside the delegation to officers as the rental value was likely to exceed £20,000 per annum.

Speaking as a Local Member, Councillor Rouse reported that he was a Trustee of YEH, which was supported by the County Council, the District Council and Ely City Council. He informed the Committee that the premises were originally built as an Army drill hall for the Cambridgeshire Regiment so therefore had great significance locally. It was noted that YEH brought together front line workers and partners working with young people. He explained that there was no other provision available in Ely for young people to get involved and seek advice. It was important to bear in mind that YEH supported the County Council by working with young people thereby providing a saving in the long term. He urged the Committee to approve the proposal as it would make a real difference to the lives of young people in Ely.

In response to questions, the Local Member commented as follows:

- YEH had tried to work with the Ely Forum Limited but it had been difficult resulting in discussions breaking down. The Forum was a spin off a local church group which had managed part of the building with no formal lease. It was important to note that YEH had not excluded the future involvement of the Forum but had made it clear that its aims needed to be transparent to the public.
- acknowledged that it would be a significant challenge to stay in the building after five years. He explained that Centre 33 had rented premises in Ely but had then been subjected to a significant rent rise. It was important to note that Ely was a growing city so YEH might receive a better offer in the future. Former Centre E was currently half empty, one part had been refurbished by the County Council when a Pupil Referral Unit, and the older part was used by the Forum. He

explained that YEH would be able to do a lot more by bringing together the two parts.

- acknowledged that there could be potential for YEH to negotiate a higher concessionary rent and profit sharing. It was noted that the old part of the building contained a main meeting room and side rooms, which could be used by Centre 33. The other part of the building had a kitchen and was wired up for computer use. There were two areas at the back – one was currently used as a Food Bank and the other for storage. There was potential for increased usage particularly if the building was run as a whole. However, the potential for increasing income was currently not clear.

The Vice-Chairman reported that Councillor Bailey, the Local Member for Ely South and West Division, had circulated a paper to Group Leaders. Speaking as a Local Member, Councillor Bailey reported that this proposal provided an opportunity for an enthusiastic group of people to use a fully fitted training room, kitchens, a studio, counselling rooms, design technology workshops in the short-term. She acknowledged that the building was expensive to heat. However, it was proposed to use the facilities to bring in resource. She outlined the significant support which had already been garnered from the community including volunteers. The facility would enable a consortium of local charities to pool funds. She stressed that there was a real opportunity to sustain and develop existing services. It was also important to bear in mind that this proposal would relieve pressure on the wide system as it would save the County Council funding.

During discussion, members made the following comments:

- highlighted the fact that Ely Forum Ltd had been given the opportunity to provide a business case. The Head of Strategic Assets reported that he had been in discussion with the Forum since the publication of the report who would be prepared to work with the County Council's new tenant to achieve the outcomes detailed in the report.
- queried the possibility of YEH taking out insurance to indemnify the County Council against any future building costs. Members were advised that the freeholder would need to take out building insurance and the leaseholder liability insurance for events.
- expressed the importance of the Council becoming more entrepreneurial in the deployment of its assets. There was concern that this valuable asset was being leased for next to nothing when it could be used in a commercial way to realise considerable financial benefits. It was noted that YEH hoped to provide rental income to the County Council.
- queried why the joint scheme with East Cambridgeshire District Council had failed. It was noted that the Council had been informed by the District Council that it no longer wished to work together on the joint disposal of the site. Speaking as a Local Member, Councillor Bailey explained that the site had been identified as a medium to long-term project as part of Making Assets Count (MAC). Members were advised that the outline proposal had not been politically or financially viable for the District

Council. The District Council had urgently needed to realise the capital value of the frontage of Barton Road and had also needed to avoid any loss of parking.

- queried the impact of the proposal on the MAC project. In response, one Member commented that MAC was about achieving best value, which was not necessarily financial.
- queried the length of the temporary lease as it would prevent the Council from realising a capital receipt from the asset. The Head of Strategic Assets reported that the Committee needed to decide whether to grant a short term lease or consider commercial prospects. Attention was drawn to a break clause detailed in section 2.4 to protect the County Council's position. It was acknowledged that the lease would not limit future development on the site or preclude the County Council investigating future uses.
- highlighted the possibility of the Council carrying out its own independent housing development. It was acknowledged that development had the potential to generate capital value and had been considered at part of the work with the District Council.
- queried the other possible commercial uses which could be considered for the building. Members highlighted the need to have received the two business cases in order to consider the financial possibilities.
- queried whether the Council could really achieve a rental value exceeding £20,000 per annum particularly given the experience of other organisations in the area.
- highlighted the need to bear in mind the cost implications of replacing this community facility. Members were also asked to consider the reasons for generating income, which was to provide good community services. Children and Young People Committee had already reluctantly identified cuts in youth provision and this proposal would help to mitigate the effects of these cuts. It was therefore important to consider outside the value of the building itself and consider the social capital.
- highlighted the need to review the Council's assets to identify future community use and dual use,

It was resolved to:

- authorise the grant of a lease of the former Centre E building in Barton Road, Ely at less than best consideration, and for detailed terms to be agreed by the Director of Finance.

100. BURWELL SPORTS CENTRE

The Committee considered a report detailing a request from Burwell Community Sports Centre (BCSC) to renew its lease of Burwell Sports Centre for a further term of 25 years at a fixed rent of £1 per annum. Attention was drawn to the improvements which could be made if the lease was renewed. It was noted that the term of the lease proposed exceeded the length of the lease contained in the officer delegation.

During discussion, one member expressed concern that stating the centre was a valuable community asset as a justification for renewing the lease was not sufficient justification given the Council's financial situation: He acknowledged that social capital was likely to be the justification for approval. However, it was important to bear in mind that the Council was straining to preserve social capital in relation to cuts to its current services. Other Members commented on the need to assess the community value particularly in relation to health. This could be achieved by conducting a detailed appraisal of the health benefits. It was queried whether community use could be combined with charging.

Speaking as the Local Member, Councillor David Brown sought to clarify the situation. He informed the Committee that the Council did not own the Sports Centre, which had been built by the village. The Council's contribution had been the piece of land the Centre was located on. However, this piece of land was part of Burwell Village College so had very little commercial value. He explained that the Sports Centre was hired out in order to cover its running costs.

It was resolved to:

- authorise the Director of Finance to grant a lease on concessionary terms to Burwell Community Sports Centre Ltd.

101. RESOURCES AND PERFORMANCE REPORT (JANUARY) – CUSTOMER SERVICE AND TRANSFORMATION AND LGSS MANAGED

The Committee received a report detailing the January 2015 Finance and Performance report for the Customer Service and Transformation Directorate and LGSS Cambridge Office. Attention was drawn to the IT Managed budget and Building Maintenance in Section 2.4.

It was resolved to review and comment on the report.

102. GENERAL PURPOSES COMMITTEE AGENDA PLAN AND APPOINTMENTS TO OUTSIDE BODIES, PARTNERSHIP LIAISON AND ADVISORY GROUPS, AND INTERNAL ADVISORY GROUPS AND PANELS

The Committee was asked to review its agenda plan and to consider appointments to the Consultation Working Group and Cambridge Sports Hall Trust Management Committee. It was noted that it was unlikely the provisional meeting in April would be taken up.

It was resolved to note the agenda plan and the appointment of the following:

Consultation Working Group

Labour – Councillor Joan Whitehead

(It was resolved to delegate the appointment of a representative from each of the other four groups to the Chief Executive in consultation with Group Leaders)

Cambridge Sports Hall Trust Management Committee

Councillor Ashley Walsh

Chairman