

COMMERCIAL AND INVESTMENT COMMITTEE



Friday, 21 February 2020

Democratic and Members' Services

Fiona McMillan
Monitoring Officer

10:00

Shire Hall
Castle Hill
Cambridge
CB3 0AP

**Kreis Viersen Room
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/ccc-conduct-code>
- 2. Minutes of the Commercial & Investment Committee held 17th January 2020** **5 - 14**
- 3. Petitions and Public Questions**

OTHER DECISIONS

- 4. Construction of the Northstowe Heritage Facility** **15 - 22**
- 5. Quarterly Monitoring Report, Mobilising Local Energy Investment** **23 - 38**

6.	Cambridgeshire Outdoors Property Capital Investment	39 - 46
7.	Defining Cambridgeshire County Council approach to Traded Services	47 - 54
8.	Rural Estate Strategic Review	55 - 64
9.	Outline Business Case for a solar car port and Electric Vehicle (EV) Charging at the Civic Hub	65 - 72
10.	Finance Monitoring Report - December 2019	73 - 92
11.	Committee Agenda Plan and Training Plan	93 - 98

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 John Gowing Councillor David Jenkins Councillor Linda Jones 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

Clerk Email: dawn.cave@cambridgeshire.gov.uk

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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>.

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<https://tinyurl.com/CommitteeProcedure>

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COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES

Date: 17 January 2020

Time: 10:00am – 11:00am

Venue: Kreis Viersen Room, Shire Hall, Cambridge

Present: Councillors J Schumann (Chairman), I Bates, A Hay (Vice Chairwoman), D Jenkins, J Gowing, L Jones, T Rogers and T Wotherspoon

In attendance: Councillor P Hudson

Apologies: Councillors Dupré and Shellens

311. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were presented on behalf of Councillors Dupré and Shellens.

312. MINUTES OF THE MEETING HELD ON 16 DECEMBER 2019 AND ACTION LOG

The minutes of the meeting held on 16 December 2019 were agreed as a correct record.

The Action Log was noted and the following items were discussed:

Item 274(2) – the Chairman advised that he was still waiting for legal advice on the This Land Board representation issue, and would circulate this as soon as it was available.

Item 294 – it was noted that the This Land shareholder meeting had taken place on 8th January.

Item 304 (1) – the Performance Reporting session would take place after the Committee meeting.

Item 304(2) - the issue of the gap between green and blue ratings in performance ratings was being addressed.

Item 307 – the date of the Alconbury Weald Business Case report would be confirmed.

313. PETITIONS AND PUBLIC QUESTIONS

There were no petitions or public questions.

314. DEPLOYMENT OF INVESTMENT FUNDS

Members considered a report on a proposal to invest £20M in a Multi-Class Credit portfolio. Representatives from Redington Ltd, the Committee's strategic investment advisors, were present to advise the Committee.

Following the development of a property portfolio over the last few years, it was agreed that investment needed to be diversified, to reduce risk and introduce greater liquidity. Based upon the Council's requirements and funding capacity, it was proposed that £20M of capital receipts be deployed in to a Multi-Class Credit fund. This involved investment in a broad range of bonds and loans with a view to generating income. These investments would be actively managed. The likely returns to this investment were set out in the report, but it was noted that these were very prudent estimates, and likely returns were likely to exceed these figures. It was also noted that in line with any investment of this kind, the value of the investment could decrease as well as increase.

The level of complexity in these investments required greater skills and knowledge, so an appropriately skilled and experienced investment manager needed to be procured. The proposed investment would be funded through £20M of capital receipts, which would be made available by requesting or swapping a further £20M of borrowing to fund commercial property investments.

A Member queried how investments would fit in with the County Council's Climate Change Strategy, e.g. investment in fossil fuels, reminding the Committee that following the agreement of that Strategy, the Council had a commitment not to invest in fossil fuels. Representatives from Redington commented that they understood the constraints that clients faced, especially around ESG (Environmental, Social and Governance) considerations, and would ensure that the fund only invested in an acceptable range of investments. There was also a strong commitment to monitoring performance and risk and presenting regular reports to the Committee. It was noted that the Council's Climate Change Strategy was separate to the Pension Fund. Councillor Rogers, Chairman of the Pension Fund, advised that ESG considerations was a major issue in pension fund investment, and investment managers had been given a clear message that only those managers with a strong appreciation of Responsible Investing and Carbon Capture would be considered for selection. He also commented that with regard to ESG considerations, there tended to be more focus on Environmental and Governance, less on Social.

Arising from the report:

- A Member noted that paragraph 5.3 of the report stated that the Committee would retain strategic decision making functions, whilst paragraph 8.1.4 stated that a new governance model would be required to effectively manage the growing investment portfolio. It was confirmed that a progress report would be presented to the Committee's Investment Group regularly, and once or twice a year to the Committee;

- A Member noted that the first recommendation referred to reassigning the £20M of capital receipts from financing commercial property to the asset classes, whereas paragraph 6.1 of the report referred to requesting or swapping a further £20M of borrowing to fund the commercial property investments. It was confirmed that the £20M would be additional investment;
- It was confirmed that the percentage of investment in Property and Non-Property should be 84% and 16% respectively;
- A Member asked how long income would be fixed (i.e. returns from the investment)? Redington representatives advised that the portfolio would be invested in a broad range of investments, but there would be considerable churn, and an associated risk. The current yield was around 5.5%, but a prudent longer term estimate of 3.6% (net of fees) had been given. The return was not fixed, but would vary as interest rates change. This was seen as acceptable as the investment was low risk, partly due to the defensive nature of the assets held, and the active management of the fund, and also because investment was in a range of assets, so the credit risk was also more limited;
- Clarification was sought on the statement *“as the investment in spread over varying assets, it is difficult to monitor the performance against similar investments”*. Representatives from Redington explained that as a largely unconstrained approach was being taken to the investments, the fund would comprise a broad range of assets in varying quantities, so could not be easily tracked e.g. against market indices such as the FTSE 100, as it would not be on a like for like basis. This was why Redington’s research team was really important, so that the performance and decision making processes of assets held could be properly understood;
- Noting that investment was in both loans and bonds, a Member asked what percentages would be invested in each. Redington representatives advised that the split between assets would vary over time. It was also acknowledged that bonds were not performing well currently. The investment manager appointed would have experience across both assets, and would be who is capable of undertaking the necessary bottom-up research, and identifying those companies with a good risk return profile, a philosophy that complimented the Committee’s objectives, and good decision making structures;

A Member suggested that the report presented to General Purposes Committee should include some of the detail given in response to the questions raised, particularly around the nature of the borrowing and the governance arrangements. It was also agreed to split recommendation (1) into two parts (a) and (b), for clarity.

It was resolved unanimously to:

1. (a) Recommend to the General Purposes Committee that £20M of capital receipts funding is reassigned from financing commercial property to the asset classes outline within the paper, thereby supporting the investment activities outlined with the Commercial Strategy 2019-21 and our Investment Strategy;
(b) Require a corresponding increase in borrowing of £20M to replace the capital receipts funding for commercial property;
2. Delegate responsibility to the Director of Business Improvement and Development, in consultation with the Chair of Commercial & Investment Committee, to appoint the required Investment Manager;
3. Note the principles around the future direction of travel for the investment portfolio predicated on a more detailed paper setting out the future direction coming to Commercial & Investment Committee.

315. FINANCE MONITORING REPORT – NOVEMBER 2019

The Committee considered a report on the financial information relating to the areas within the Commercial and Investment Committee's remit, for the period ending 30th November 2019.

There were no significant changes to the Revenue budget. On the Capital side, an underspend of £5.522M was expected at year end, with one new significant forecast outturn variance (£256K) relating to the suspension of the Woodston Closed Landfill Energy Project. Members were reminded that at their October meeting, the Committee had approved an additional capital budget of £2.484M for the Cambs 2020 Spokes programme, for the current year.

It was noted that information about Brunswick House had been circulated to the Committee, and a more detailed report would be presented to the Investment Working Group in February.

It was noted that at the This Land shareholder meeting in January, some dissatisfaction had been expressed, and there had been a commitment through the Chair of the This Land Board to hold additional shareholder meetings, and keep Members updated on sites coming forward once the new Business Plan was in place;

A Member commented that the Committee had missed its income targets each year, and there tended to be an over-optimistic view of the speed of income generation. Officers commented that some investments were longer term, and there needed to be confidence that the trajectory of the portfolio was on target in the long term, and not just taking a short to medium term view. The Chairman commented that the some of the underachievement to date related to This Land, although it had been acknowledged from an early stage that there would be challenges given the ambitious timeline. However, he was confident that the income targets in the current budget round were achievable. Officers commented that the targets were quite prudent but based on

current information, and the time lag issue should be much less of an issue in 2020/2021.

A Member queried the commercial activity in Annex 3 (Capital Expenditure), specifically that the budget had been revised upwards, yet the forecast expenditure was considerably lower. It was noted that the biggest variances were the commercial investments including This Land, and the Energy schemes, which had been considered by Members on numerous occasions.

It was resolved unanimously to:

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

316. COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES

The Committee considered the Agenda Plan and the Training Plan. Members were reminded that since the agenda despatch, it had been agreed to move the Committee session on Performance Reporting forward from 24th January to the conclusion of the meeting. The Chairman thanked Amanda Askham and Dawn Cave for arranging this, which was of greater convenience for Members.

It was resolved to note the Agenda Plan and Training Plan

317. EXCLUSION OF PRESS AND PUBLIC

It was resolved by a majority:

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 the financial or business affairs of any particular person (including the authority holding that information)

318. OPTION OF LAND FORMING PART OF NORTHSTOWE PHASE 3B – HOMES ENGLAND

The Committee considered a report on the proposals for land under option at Longstanton, which formed part of the new town of Northstowe, to Homes England.

It was resolved to:

- Approve the recommendation as set out in the report.

COMMERCIAL & INVESTMENT COMMITTEE

Minutes-Action Log



Agenda Item no. 2
Cambridgeshire
County Council

Introduction:

This is the updated action log as at **13th February 2020** 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.

Minutes of 14th December 2018

Minutes of 14 th December 2018					
183.	Disposal of ransom strip at St Ives	John Macmillan/ Brian Howard/ Hazel Belchamber	The ownership of different parts of the site to be fully detailed in the revised report, and the planning application for the residential development be included in that report.	The Education Capital team are carrying out feasibility work to extend school capacity at St Ives and are preparing a Justification of Need with regard to acquiring additional land at the St Ivo school which would include the Council's land. The initial education proposal was considered by the Capital Programme Board in July 2019 and will be reported to C&I and GPC in the spring of 2020. Valuation work commissioned by the Assets team will be completed by the end of January 2020. It was confirmed that the valuation was currently being prepared and should be available by January, and a report would be presented to Committee in March. (updated 16/12/19)	21 March 2020

Minutes of 24th September 2019

274 (2)	Resolutions for This Land AGM	Cllr Schumann	Take legal advice on the representation on the This Land Board.	Legal advice to be circulated once received.	
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Minutes of 18th October 2019

278.	Approval for Grid connection down payments for Energy Investment Projects	Cherie Gregoire	Historic Environment report for North Angle Farm would be copied to Councillors Jones and Schumann.	The archaeology work has not yet begun. The scope of the works has been settled and the procurement has been done for the contractor. However the works and writing the report will not be ready until early 2020.	Early 2020
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Minutes of 22nd November 2019

292.	Third Quarterly Monitoring Report, Mobilising Local Energy Investment	Sheryl French	Working Group to be presented with more up to date information.	This has not yet been completed.	
293.(1)	Update on Property Services	Alex Gee	Interim Head of Property to bring a Service Improvement Plan to a future meeting.	Scheduled for June 2020.	June 2020.
293.(1)	Update on Property Services	Alex Gee	Interim Head of Property to check whether assets listed on 'mapping my public realm'.		
294.	Finance Monitoring Report	This Land	Receive a report regarding This Land's revised financial model and delivery programme at the next shareholder meeting.	A This Land meeting is taking place on 9 December to discuss the model and strategy. The meeting took place on 08/01/20.	Completed.

Minutes of 16th December 2019

303.(1)	Commercial and Investment Committee Review of Draft Revenue and Capital Business Planning proposals for 2020-21 to 2024-25	John Macmillan	The Committee had previously indicated that if any Council owned agricultural land that was sold or redeployed it should be replaced in the Council's property portfolio. It was agreed this was best identified through the County Farms Working Group.	This will be considered at the County Farms Working Group in April.	Ongoing – April.
303.(2)	Commercial and Investment Committee Review of Draft Revenue and Capital Business Planning proposals for 2020-21 to 2024-25	Ellie Tod	Councillor Shellens raised a query relating to the Education Health and Care Plans, referenced in the Overview section of the report. Officers to contact Cllr Shellens.		Completed.
304.(1)	Performance Report	Amanda Askham/ Dan Sage	Agreed provisional Committee training session on 24/01/20 be used to further explore Performance reporting.	Training session took place on 17/01/20.	Completed.
304.(2)	Performance Report	Amanda Askham/ Dan Sage	Address the gap between Green (current performance on target or up to 4% over target) and Blue (current performance is over target by 5% or more).		In progress.
305.	Finance Monitoring report	Chris Malyon	Chris Malyon was preparing a detailed briefing note on the Brunswick House issue, which he would circulate to Committee	Briefing Note emailed to Members and report being produced for a future meeting.	Completed.

			Members before Christmas, and this would include the percentage return on income for that acquisition.		
307.	Milestone 4 and 5 Report for the Alconbury Weald Civic Hub – Cambs 2020 Programme	Andy Preston/ Kim Davies	It was agreed that the totality of the Business Case, including some information that was commercially confidential, should be brought back to a future meeting, so that Members could establish the overall financial position.	The full Cambs 2020 Business Case will be considered by C&I Committee in the summer.	Ongoing (Summer 2020)

CONSTRUCTION OF THE NORTHSTOWE HERITAGE FACILITY

To: Commercial & Investment Committee

Meeting Date: 21 February 2020

From: Steve Cox, Executive Director, Place & Economy

Electoral division(s): Longstanton, Northstowe & Over

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

Purpose: The construction of a heritage facility at Northstowe new town in partnership with Homes England and Highways England.

Recommendation: The Committee is asked to:

- a) to support the construction of the facility and its intended purposes
- b) to recognise the possible need for contingency and revenue as set out in para 2.5 & 2.6.
- c) to support the long term strategy for the facility in para 2.7

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Quinton Carroll	Name:	Councillor J Schumann
Post:	Joint Interim Assistant Director ECS	Post:	Committee Chairman
Email:	quinton.carroll@cambridgeshire.gov.uk	Email:	Joshua.schumann@cambridgeshire.gov.uk
Tel:	01223 728565	Tel:	01223 706398

1. BACKGROUND

- 1.1 The Historic Environment Team has been successful in securing funding from the A14 Legacy Fund and the Highways England Designated Funds for a 'heritage centre' at Northstowe. The total grant is £680,000. The site is adjacent to the new regional offices of Homes England with the new town. These were completed in summer 2019.
- 1.2 The project is a partnership initiative between the Council, Highways England and Homes England, plus the local Longstanton & District Heritage Society (LDHS). It came about from the following factors:
 - 1.2.1 Both Northstowe and the A14 project have had significant programmes of archaeological fieldwork with significant discoveries; both Highways England & Homes England wish to promote this.
 - 1.2.2 Homes England have S106 commitments relating to the LDHS for storage and display of their collections.
 - 1.2.3 The new Homes England offices provided an opportunity for co-location and to provide a unique community space in Northstowe; the project is supported as a community as well as a heritage facility.
- 1.3 A feasibility project was funded by Highways England during summer 2017 that met with stakeholders for design ideas and produced and costed a proposal that has found universal favour. This was subject to applications to Highways England and funding was awarded in November 2018 and March 2019.
- 1.4 A programme of exhibitions and themes has been drafted that focus on the archaeology of the A14 and Northstowe, local studies/stories and the military history of RAF Oakington. Audience development work undertaken that identified a possible audience of c.10,000 visitors per annum plus extensive schools engagement by connecting with the national curriculum.
- 1.5 Currently the project is entering technical design stage (RIBA Stage 4). Details and visuals are in **Appendix 1**.

2. MAIN ISSUES

- 2.1 Issues with the project fall into the following categories: procurement, planning, design and build, capital budget, revenue support and long term ownership. These will be addressed in turn.
- 2.2 **Procurement.** As the building shares a site with Homes England, expediency recommends that the same design and project team that delivered that office also do this one. This allows for efficiencies in planning and delivery. Hence the team of Tibbalds (planning), Proctor Matthew (architects) and Attol Blue (project management and QS) have been appointed. This has resulted in the need for procurement exemptions and more are anticipated for professional services but construction is expected to make use of Council or other frameworks.

- 2.3 **Planning.** The site for this and Homes England's office is in an area identified as residential in the Northstowe Masterplan. Homes England applied for a temporary planning permission for their office, initially for five years (the maximum SCDC will allow at a time), and used modular construction, so theoretically their building can be relocated. This requirement has passed to the heritage facility that will also be 'dismantleable' and subject to temporary planning permission. However practically, immediate relocation is unlikely and we anticipate an extension of the temporary permission in 2023. Assessment of this by Tibbalds indicate this is a low risk situation in planning terms
- 2.4 **Design.** Detailed design has confirmed the project is deliverable in budget, albeit it with some modifications to the design as proposed in the feasibility study. Nevertheless the core principles and design cues sourced from the aviation heritage of the site remain. Pre-application discussions with SCDC have met with favourable reactions. The building has been provisionally assessed with an EPC rating of 'A'.
- 2.5 **Build.** Creating a 'dismantleable' structure does increase complexity and to a certain extent cost, but Highways England have been clear that they will not consider a variation from this. The original design called for construction in cross laminate timber (CLT), which has appearance and sustainability advantages. However detailed costing has shown it is not possible to deliver the facility as proposed in CLT so steel frame will be used. Using CLT on a small facility like this also causes procurement problems as most contractors skilled in CLT methods would not normally tender for a small job like this; reverting to traditional steel removes this complication.
- 2.6 **Capital Budget.** The grant funding from Highways England is for design and build, plus fit out. Homes England have agreed to lease the site (plus parking) to the Council and share some services/facilities (e.g. security). The cost plan is tightly monitored by the Project Managers to keep within budget, but there is a risk as the budget is tight, with only a small amount of contingency (£32,000). Details are in Appendix 2.
- 2.7 **Revenue Support.** The Council will operate the facility using S106 Community and Heritage funding already secured from Phase 2 that will cover revenue costs for the duration of the initial lease. Homes England have indicated they will support further applications from the Phase 3 S106. In addition staff at the facility will pursue grant funding (e.g. National Lottery Heritage Fund). A longer term sustainable financial strategy will need to be developed.
- 2.8 **Long Term Ownership.** Although the intention is for the council to manage and operate the facility there is a longer term intention to transfer responsibility at a later stage. An additional piece of work is to be undertaken in 2020 to assess the wider heritage options for Northstowe; part of this will include the need to manage heritage assets and look at governance structures, including the option of a "Northstowe Heritage Trust" or similar. Should such a body be established it is recommended that the facility be transferred across to form a focal point for its activities.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

This facility provides a heritage and cultural hub for the new community at Northstowe that will be a major community asset as the town develops.

3.2 Thriving places for people to live

This facility provides a heritage and cultural hub for the new community at Northstowe that will be a major community asset as the town develops. The audience development work undertaken has identified the catchment for the facility and a set of priorities for developing the full potential in this area.

3.3 The best start for Cambridgeshire's children

This facility provides a heritage and cultural hub for the new community at Northstowe that will be a major community asset as the town develops. The audience development work undertaken has highlighted the potential for engagement with school groups and the national curriculum.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The report above sets out details of significant implications in paras 2.5 & 2.6. Whereas the budget and planning provides for capital and revenue support, there is no margin in the current model.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The report above sets out details of significant implications in paras 2.2. Jon Collyns from Procurement Team has been advising the project.

4.3 Statutory, Legal and Risk Implications

There is reputational risk to the council should the project fail.
All legal documentation to date has been drawn up or checked by LGSS Law. These include A Memorandum of Understanding between the Council, Homes England the Longstanton & District Heritage Society, and the grant agreement with Highways England. Details of the lease with Homes England still need to be clarified.

4.4 Equality and Diversity Implications

There are no significant issues under this heading. Consideration of fair access and use of the building is set out in the design and access statement submitted as part of planning.

4.5 Engagement and Communications Implications

The three main partners, the Council, Highways England and Homes England, have a Communications Strategy agreed that links to project milestones.

4.6 Localism and Local Member Involvement

Councillor Hudson is aware of the scheme and supportive. The LDHS is a partner and have been kept informed; further briefings are planned for Longstanton Parish Council and the Northstowe Community Forum.

4.7 Public Health Implications

There are no significant issues under this heading.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Sarah Heywood
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Awaiting Comments Name of Officer: Gus da Silva
Has the impact on statutory, legal and risk implications been cleared by the Monitoring Officer?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Sarah Silk
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Quinton Carroll
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Kate Parker/Iain Green

Source Documents	Location
Planning Application Pack	Members' Lounge, Shire Hall, Cambridge

Appendix 1

DESIGN VISUALS AND FLOOR PLANS

These are as at 1 December 2019. The final version may have slight detail changes which can be amended later. All images are the property of Proctor Matthews Architects.



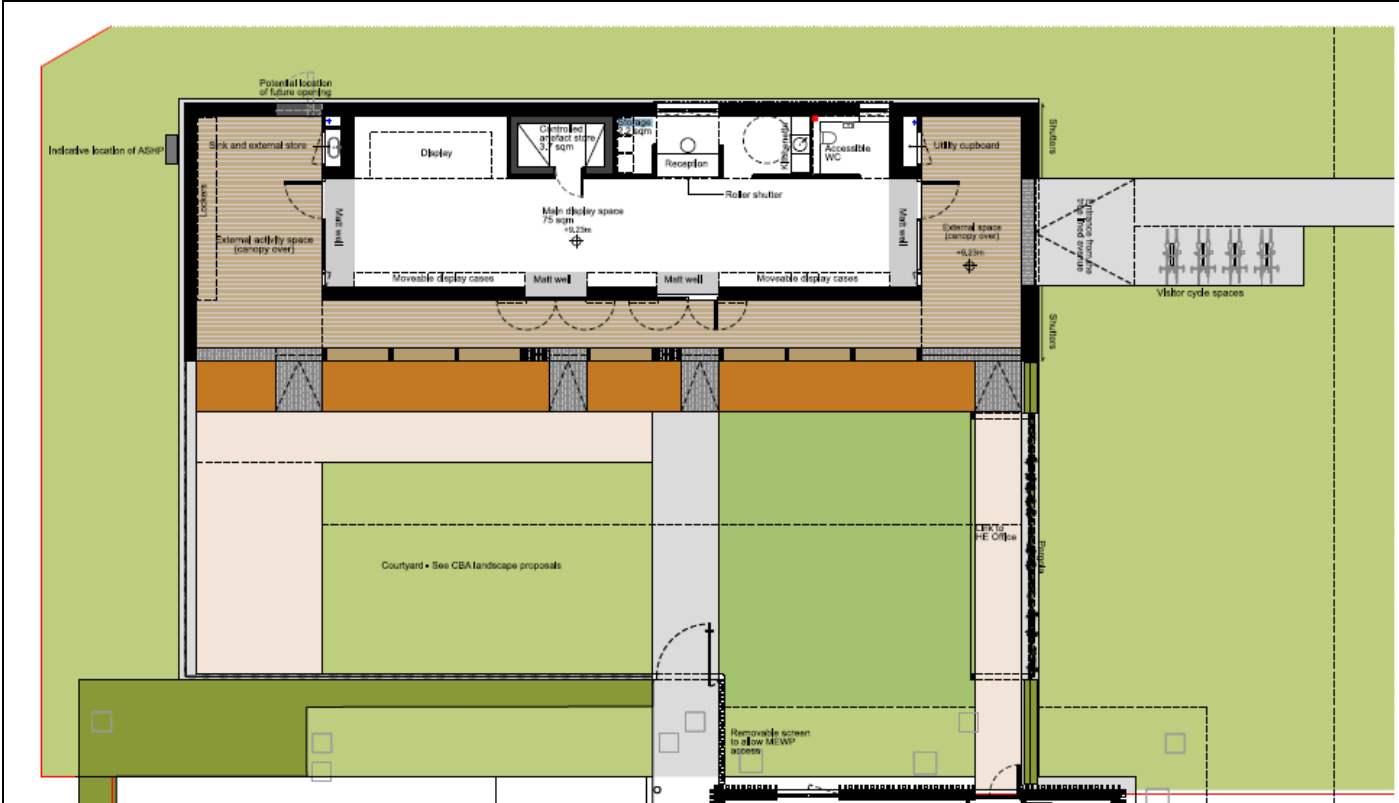
Overview. The Facility is to the left and Homes England's offices to the right.



Overview from the 'courtyard'



Visual from the road



Floor plan and layout. Homes England's office to the bottom of the image.

Appendix 2

FINANCIAL OVERVIEW

The project is funded by a grant from Highways England's designated funds, with ongoing revenue from S106 funding from Phases 2 and Phase 3 at Northstowe. Some facilities and services are shared with Homes England's offices to reduce revenue costs.

Funds are drawn down according to project milestones. An overview is presented below.

<u>MILESTONES</u>		
Amount Payable (£)	Payment Date	Milestone Evidence
20,000	Paid	
80,000	Paid	
10,000	Claimed	Submitted & part of Planning Period
25,000	28-Feb-20	Completion of display/design/curation - align with Stage 4
34,500	05-Mar-20	Completion of Stage 4 Design
56,500	13-May-20	Start of Construction - Groundworks etc.
145,000	13 May-20	Building Order
98,500	01-Jul-20	Delivery of Building to Site TBC on appointment of contractor
48,500	15-Jul-20	Completion of Framework TBC on appointment of contractor but assumed 2 weeks after delivery
45,500	08-Sep-20	Completion of interior fit out - assumed main contract works i.e. complete at Practical Completion
60,000	08-Sep-20	Practical Completion (Landscape Works Should Be Complete)
56,500	22-Sep-20	Display and Content Fit out
680,000		

QUARTERLY MONITORING REPORT, MOBILISING LOCAL ENERGY INVESTMENT

To: Commercial and Investment Committee

Meeting Date: 21 February 2020

From: Steve Cox, Executive Director - Place and Economy

Electoral division(s): All

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

Purpose: Quarterly monitoring report on the energy investment programmes.

Recommendation: Members are asked to:

- a) Approve the quarterly report; and
- b) Note the key challenges, opportunities and risks delivering the investment programmes.

<i>Officer contact:</i>	<i>Member contact:</i>
Name: Sheryl French Post: Programme Director, Energy Investment Unit Email: sheryl.french@cambridgeshire.gov.uk Tel: 01223 728552	Name: Joshua Schumann Post: Chairman, Commercial and Investment Committee Email: joshua.schumann@cambridgeshire.gov.uk Tel: 01223 706398

1. BACKGROUND

- 1.1 In March 2017, the Council approved its Corporate Energy Strategy with the view to invest in clean energy projects on its assets to generate income and make savings for the Council. The strategy also supports using the Council's assets to facilitate school and community energy projects plus work to develop the broader low carbon economy including the electrification of transport, decarbonise home heating and deliver smart communities.
- 1.2 In March 2019, Committee approved the First Quarterly Monitoring Report for the energy investment programmes and the format for subsequent progress reporting to include:
- Sharing progress on the four investment programmes;
 - Tracking development budgets allocated to the Energy Investment Programme to understand timelines for capital investment and revenue generation;
 - Identifying market changes and how these impact the Energy Investment Programme, other programmes and forecast revenues;
 - Suggesting and agreeing mitigation actions on projects where progress has slowed, e.g. political intervention on State Aid discussions;
 - Updating the Committee with new policy relating to the energy market and how these may impact future revenues positively or negatively; and
 - Identifying key opportunities for future investment and pipeline development.
- 1.3 The four investment programmes cover:
- The £1million Energy Efficiency Fund for corporate buildings;
 - The Schools £20 million Energy Programme;
 - The £51 million Energy Investment Programme comprising five significant projects; and
 - A Community Energy Programme, building a future project pipeline.

2. MAIN ISSUES

- 2.1. Progress across the four Investment programmes is summarised in Table 1 below, the supporting paragraphs 2.2-2.10 and **Appendices A and B**.

Table 1. Progress across Energy Investment Unit investments to the end of December 2019

Programme	Key Projects	Forecast /target Investment (£) Millions	Investment to date (£) Millions	Actual net profit/ Savings (£) million per annum	Total Expected net revenue over 25 years (£) million (undiscounted)	Expected or actual Carbon savings – first year (tonnes / year) ¹	Comments	Overall RAG status
Energy Efficiency Fund	51 LED Lighting Projects & 2 heating projects completed so far. 10 further LED Lighting projects currently planned. More to follow.	1	0.583	0.132	-	TBC	Previously delayed in 18-19 due to Cambs2020 spokes works. Next phase of projects are now no longer on hold and works starting on £174k worth of new projects. 14 of these projects (total value £94k) completed so far. However, further delay incurred due to change of contractor in November 2019. Fund extended to end of March 2021, with approximately £336k remaining to invest. Further projects to be scoped.	A
Schools Programme²	37 Primary & 19 Secondary	20↑	9.5	0.91	-	3,374	In 22 nd July 2016 A+I Committee approved an increased facility for schools to £20million. Schools pipeline targeting £1million investment into contracts during 19/20. To date, £578k of projects are in HLA or IGP stages, although these are not guaranteed to progress to works.	G
Community Energy	St. Ives Smart Energy Grid	3.6	0.325	--	£1.5	210	50% grant is required from ERDF to support the costs of the project. The land title was secured at the end of 2019 and discussions are underway with MHCLG on details for the grant agreement.	A
	Swaffham Prior Community Heat Scheme – Energy Centre Investment (Please note separate funding for the district heat network is under development)	£3.357 (for energy centre)	0.0297	--	TBC	1,285 forecast	The project is now forecast to save 46,000 tonnes of CO ₂ over 40 years, increasing from 474 to 1,285 tonnes annually with new project designs as a result of borehole drilling. A further £232,000 BEIS grant has been secured using the residential CCC match funding agreed in November 2018.	G

¹ These emissions reduction figures are calculated using long-run marginal electricity emissions factors for generation published on gov.uk. As the national grid decarbonises, these avoided emissions will decrease over time.

² The total net profit/savings is shared with schools. Schools receive £750,000 p.a. and the Council £155,000 p.a.

Programme	Key Projects	Forecast /target Investment (£) Millions	Investment to date (£) Millions	Actual net profit/ Savings (£) million per annum	Total Expected net revenue over 25 years (£) million (undiscounted)	Expected or actual Carbon savings – first year (tonnes / year) ¹	Comments	Overall RAG status
Energy Investment Programme	Triangle Solar Farm	Investment of 9.7 million already made	9.7	0.4	£9.3	3,570	The triangle farm solar park has been delivering since 2017 and has performed as expected.	G
	North Angle Solar Farm	27.58↑	0.084	--	£23.9	8,240	In July 2019, a paper to C+I identified the increased cost of the grid connection and the higher capital sum needed for the project. A firm connection offer has been received and accepted. The connection costs are significantly higher than those included in the original business case. Options to drive down the connection costs are currently being explored. Historic England has identified the site as an area of high potential archaeological importance and extensive survey work is required. Legal advice has confirmed that North Angle and Triangle solar farm would be viewed as two separate projects as opposed to an extension of Triangle Farm, due to their close proximity. The reason this is important is that projects over 50MW are classed as Nationally Significant and subject to a different planning process.	G
	Babraham Park and Ride Solar + battery	6.3↓	0.083↑	--	£10.4	470	A design for 160 additional car parking spaces at the site has been approved to be built by GCP. This will alleviate parking pressure once construction starts on the smart energy grid. Discussions continue with Rural Estates and HET on the path for the cabling to connect to the PPA customer. Reports to support the planning application are being prepared, the site is potentially subject to an EIA. A consultant has been secured to conduct community engagement ahead of its submittal.	G

Programme	Key Projects	Forecast /target Investment (£) Millions	Investment to date (£) Millions	Actual net profit/ Savings (£) million per annum	Total Expected net revenue over 25 years (£) million (undiscounted)	Expected or actual Carbon savings – first year (tonnes / year) ¹	Comments	Overall RAG status
	Stanground solar and battery	8.3	0.231↑	--	£8.8	500	Flexible connection cost estimate received from UKPN at a lower cost than included in the business case and savings in capital costs. Planning consultancy studies are in preparation for a planning submission early in April 2020. Planning authority has confirmed that an Environmental Impact Assessment will not be required as part of the planning application. Battery revenue remains a key uncertainty.	A
	WORK SUSPENDED							
	Trumpington P+R, Solar and battery	7.0	0.026↑	--	£7.0	0	There is uncertainty about the longevity of the site as a park and ride, therefore work is suspended on the solar and battery storage project until this is clear	-
	Woodston - Battery only	2.5	0.0084	--	Grid connection cost renders this non-viable currently	N/A	Flexible connection cost estimate received from UKPN at £2m compared to a £0.5m estimate in the business case and representing a 59% increase in project capital costs. Activity on this project is suspended as a result until such time as distribution network constraints are eased.	-
TOTAL		£89.34M↑	£20.57M ↑	£1.442M	£60.9M	17,649 t/yr↑ @£74t/CO2e =£1,306,026 social value		

Please note: The forecast CO₂ emissions have reduced for two reasons (i) suspending the Trumpington Park and Ride project until further notice (ii) more accurate figures for the Swaffham Prior Community Heat network.

Energy Efficiency Fund

- 2.2. The Energy Efficiency Fund has completed its third year, with total investment by the end of March 2019 at £488,869 split over 39 projects, mainly LED lighting upgrades. 29 of these were completed in 2018-19. Investment to date is delivering annual revenue savings of around £110,000, comprising of reduced energy consumption and maintenance savings.
- 2.3. Work has started on a further 24 LED lighting projects in 2019-20 with a total value of £174,700. 14 of these projects have been completed to date with a total value of £94,728. The property team have appointed a new maintenance contractor (Team Q) with effect from 1 November 2019, who will complete the remaining 10 projects. There is a small risk that some of the projects may need to be re-quoted by the new contractor and that the values quoted may be slightly different. On completion of the current batch of projects (and if final values are unchanged) this will leave £336,586 remaining in the fund. The timeframe for the fund was extended by Committee for a further year to March 2021. There is still plenty of scope for further energy efficiency investments across our property portfolio, which directly benefit our revenue position. Further potential projects are being scoped.

Table 2. Energy Efficiency Fund summary

Year	Number of projects completed	Investment value	Annual savings
Year 1 total (2016-17)	5	£104,470	At least £10,377 (Prior to EIU taking over the fund)
Year 2 total (2017-18)	5	£165,805	£43,917
Year 3 total (2018-19)	29	£218,593	£55,523
Year 4 completed to date (Apr-Dec 2019)	14	£94,728	£21,838
TOTAL completed to date	54	£583,596	£131,655
Year 4 planned (Jan-Mar 2020)	10	£79,816	£12,737
TOTAL expected by end of 19-20	63	£663,4124	£144,392

NB. The year that a project fits in to is determined by when a project is completed. Annual savings are forecast savings including energy bill savings and maintenance savings, where known and applicable.

Schools Programme

- 2.4. The Schools Retrofit Programme is in its fifth year of investment. Of the total number of existing schools in Cambridgeshire, 21% (56 of 265) of schools have taken up energy performance contracting of which 56% (19 of 34) of all secondary schools are included in the programme. The target investment for this year was £1m although with £578k currently in outline business case or Investment Grade

Proposal, this is unlikely to be achieved. Please see **Appendix A** for a breakdown of committed funding, income and energy bill savings.

2.5. Risks and issues are as follows:

- A pilot project is being explored for low carbon heating in the form of a Ground Source Heat Pump (GSHP) and heat network. Discussions have been opened with Comberton Village College who have agreed to move forward with a feasibility study. The scheme will be capital intensive and necessitates a new business model e.g. the Council owning the plant and supplying heat to the school under a Heat Purchase Agreement (HPA). The feasibility study results will be used as a basis for engaging with the Education & Skills Funding Agency (ESFA) on the acceptability of academies entering into long term HPAs and with BEIS on support for low carbon heat after the closure of the current Renewable Heat Incentive scheme on 31st March 2021. A phased implementation plan, aimed at decarbonising the largest heat loads ahead of RHI closure, will be explored with Comberton.

Energy Investment Programme

2.6 The Energy Investment Programme in 2019/20 sought approval to progress to the second phase of Investment Grade Proposals for Stanground Closed Landfill, North Angle Solar Farm and Babraham Park and Ride. Work has focussed on developing designs, conducting studies to support planning applications, developing detailed energy modelling, stakeholder and public engagement, and finalising grid connection agreements. **Appendix B** provides a summary of the project finance if all projects proceed, including those that have been pushed back due to current viability.

2.7 Risks and issues.

- Preparation of studies to support a planning application for the Stanground battery storage and solar project is in progress. Visual and biodiversity impacts are the key challenges to be managed. An East-West facing panel layout has emerged from options appraisal as offering increased capacity and output. However, this is at greater capital cost and with increased planning and reputational risk around visual and biodiversity impacts. The economics of a hybrid scheme (South facing panels at the northern end of the site, East-West at the southern end) are being investigated.
- A grid connection has been secured for North Angle Solar Farm, with a deposit of £200,000 paid in December 2019. An outline design of the scheme has been produced and has been shared with the ecologist and Landscape Architect working on the project. Oxford Archaeology East have been appointed to undertake the archaeological evaluations. The survey work is intrusive and includes significant trenching of the site. Therefore, conversations are taking place between Officers in Strategic Assets and the tenant to negotiate a crop compensation payment and ultimately an earlier surrender of the lease. The findings will be included in the Environmental Statement as part of the planning

application. Due to additional costs for securing the grid connection and additional planning work due to EIA screening, a paper will come forward to March committee for additional development budget to cover these additional costs.

- The planning application for Babraham Park and Ride has been delayed as the site is potentially subject to a full Environmental Impact Assessment. In response, we are in the process of developing studies on visual impact, glint and glare and a Heritage Assessment. Preliminary archaeological evidence provided by the Historic Environment Team has forced a rethink of the path of the cabling to connect to the PPA customer which is likely to add costs due to lengthening of the route.
- Longstanton Park and Ride Smart Energy Grid. South Cambridgeshire District Council approached the EIU requesting a joint project to supply electricity to the Northstowe Enterprise Zone under development just south of the site. A business case for a solar and battery storage project at the park and ride (akin to the projects at St Ives and Babraham) has been received. The project is dependent on sales of the electricity to the Enterprise Zone. At present the business case does not stack up due to the fixed costs of the canopies and the lower capacity available as the car park only has 350 spaces, as compared to 1458 at Babraham. Work is ongoing to improve the business case and if able to stack up, a paper will be brought to the March C&I Committee meeting to request a development budget. South Cambridgeshire District Council reported in January 2020 that their bid to build the Enterprise Zone was not accepted. Discussion will now begin with the successful developer on a supply agreement.

Community energy projects

- 2.8 **St Ives Smart Energy Grid.** In the last report, we reported that MHCLG had set deadlines for securing the land title (15 November) and the Power Purchase Agreement customers (15 December) as preconditions for being offered the Grant Funding Agreement. On the 27th of December, the land title was finally transferred to the Council following a protracted legal process. Detailed discussions are underway at a senior level between the Council and MHCLG to secure the grant agreement.

Swaffham Prior Community Heat Project

- 2.9 In December 2019, BEIS Heat Network Delivery Unit approved grant of £232,000 for the Swaffham Prior Heat Project. This is being match funded with £66,000 from the Council. Work is now underway developing the planning application, procuring specialist legal advice for the commercial structuring of the project and developing the funding package. A major risk for the project is the Renewable Heat Incentive (RHI) deadline of 31st March 2021. It is unclear to the project whether all homes need to be connected to a heat scheme by 31st March 2021 or whether by connecting the first home, this brings RHI eligibility to the whole scheme. Discussion will be needed with BEIS and HM Treasury to clarify how this unique project can be managed with the RHI deadlines. National and international interest in this project continues. The [IRENES](#)

[Project](#) (Integrating Renewable Energy and Ecosystem Services)is keen for the Swaffham Prior Heat project to become a case study for decarbonisation of heat and Cambridgeshire County Council has been invited to sit on the IRENES Stakeholder Project Board

Further community heat projects

- 2.10 Three further communities are looking to progress projects to shift their village off oil. These are in their early development phases. Great Staughton is looking to apply for Rural Energy Funds during February. Reach, and Barrington are currently scoping potential projects with their communities. Across all four villages (including Swaffham Prior) more than 1200 homes could feasibly progress and deliver renewable energy schemes within the next 5 years and reduce substantial levels of carbon emissions. Supporting these communities through significant projects will be important.

Table 3. Community Energy scheme investment and forecasted income

Project	Grant /Value	Match funding agreed	Investment to date to December 2019	Forecast Council Investment value	Forecast income over 25 years
St. Ives Smart Energy Grid	ERDF/£1.8million	£1.8M	*£325,000	£1.8million	£1.5million (IRR 4.2%)
Swaffham Prior Community Heat Scheme	BEIS HNDU/Round 9/£232,000	£0.0957 M	**£29,700	£3.357million	TBA
TOTALS	£2.032M	£1.8957M	£0.3547M	£5.157 M	TBA

* Please note spend to date on the St. Ives Smart Energy Grid Demonstrator Project is £325,000. Of this amount, £120,000 will be eligible for grant reimbursement.

**Round 9 Funding for Swaffham Prior has drawn down £66,000 of the £95,700 agreed by Committee.

2.11 Energy market changes, opportunities and risk

- **Smart Export Guarantee** – New solar homes and businesses creating and exporting electricity to the grid will be guaranteed a payment from suppliers under new laws to be introduced by the government. The Smart Export Guarantee (SEG) will ensure small-scale electricity generators installing solar, wind or other forms of renewable generation with a capacity up to 5MW will be paid for each unit of electricity they sell to the grid - tracked by their smart meter starting 1st January 2020. Suppliers have now published their tariff rates which range from 0.001 (Shell) to 5.6 p/kWh (Social Energy). Interestingly, Shell removed their offer very soon after publication recognising their offer was substantially lower than competitors.

- **Capacity Market** - In October 2019, a year after the UK power capacity market was suspended by the European Commission, the regulator reinstated the programme, freeing up around £1bn in deferred payments to energy providers. The government intends running three auctions during 2020 to secure the majority of the UK's capacity needs to 2024. The capacity market was designed to ensure a reliable electricity supply with energy companies bidding to supply capacity to the national grid at times of stress and in return receiving steady payments across the duration of the contract. This revenue visibility is meant to incentivise investment in new and existing generation assets. The EIU will review the opportunities to identify if these can support any of the projects currently under development.
- **Targeted Charging Review.** OFGEM has been consulting on changes to its charging regime for use of the network for all asset types (non-domestic, domestic, generation and demand) across the UK power system. It started in 2017 and is ongoing with the most recent consultations taking place during September refining the charging bands across different levels of the network and capacity needed. Renewables UK states the result of the reforms will be that the costs of building new renewable generators rises, we delay the roll-out of the lowest-cost renewable generators and existing generators have to figure out how to take on additional costs. A recent report by Oxera, which looks at the likely consequences for the renewables industry of both of the two key changes OFGEM proposes, estimates that they will increase the levelized cost of electricity from wind and solar of £4.45-£5.5 per megawatt hour (MWh). This increase alone could put at risk up to 62GW of potential solar and distribution-connected wind generation.³

2.12 Other work

- Work continues on drafting the Invitation to Tender (ITT) to procure a new contract for an engineering partner. The current procurement comes to an end in April. The procurement will be available to local authorities across England via an access fee and has been developed in close consultation with officers from Cambridge City Council, South Cambridgeshire district Council, Fenland, Huntingdonshire District Council and Peterborough City Council. A market engagement day was held on 25th November 2019 and a soft market testing questionnaire prepared and returned to the team to inform drafting of the ITT. Twenty one organisations registered to attend the market engagement day and nine provided responses to the questionnaire. Key messages included that: there was an appetite to tender for the full range of project and asset types envisaged; most responses were comfortable with an England-wide geographic scope; the tender window must allow reasonable time (e.g. 8 weeks) for tender development; the Service Provider's intellectual property must be protected; commercial sensitivities around procuring third parties to review project documents as part of our due diligence process are manageable; and the ITT should provide clear details on evaluation criteria, Ts&Cs and tendered project information. We expect to release the ITT to market in March 2020. We are currently drafting specific

³ <https://www.blog.renewableuk.com/post/the-targeted-charging-review-for-dummies>

requirements for a carbon footprint for the services and a strategy for carbon reductions for inclusion in the specification and evaluation criteria to develop a process for wider implementation across all future procurements as part of our Climate Change commitments.

- Working with the Greater Cambridge Partnership to develop a strategic infrastructure investment project to upgrade the distribution network in the Cambridge Southern and Western Fringes.
- Using the Crown Commercial Services Water Services Framework, an Invitation to Tender was issued in January 2020 for a contract to supply mains water, sewerage and ancillary services to all Council buildings, following the decision made at committee in July 2019. However, following the closing date (10 February 2020), unfortunately no bids were received. Feedback from potential bidders along with our own analysis has identified the likely reasons for lack of interest in the contract, are primarily due to some of the T&Cs. A new Invitation to Tender with slightly amended Terms is being drafted, which is likely to be more attractive to potential bidders whilst still delivering the expected benefits to the Council. In the meanwhile, water and sewerage services continue to be supplied through the 'default' service.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

Utilising the Council's assets to help the community to reduce greenhouse gas emissions, save money or generate revenue for services and improve local air quality for residents.

3.2 Thriving places for people to live

Investments into clean energy projects support the local economy through developing the local supply chain skills and knowledge, supports local energy generation, provides local jobs for consultation services, construction, and operations and maintenance of systems, helps the county to move off fossil fuels while better managing future energy costs.

3.3 The best start for Cambridgeshire's children

The Community Energy projects in particular will help prevent vulnerable households falling into fuel poverty by providing cheaper and cleaner alternatives. The schools energy work will free up resources that can be redirected to hiring teaching staff.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

All development projects carry risk which need careful management. Sometimes projects cannot progress as planned due to unforeseen changes or issues. The

impact of this on the Council's budget and forecast revenue projections will need to be monitored carefully but it is anticipated that overall benefits can be realised for the Council and its communities.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Exploring and testing new business models and schemes can bring procurement and contractual risk.

4.3 Statutory, Legal and Risk Implications

There are no statutory, legal or risk implications of this progress update.

4.4 Equality and Diversity Implications

There are no significant implications in this category.

4.5 Engagement and Communications Implications

All energy projects require engagement activities. For projects in close proximity or involved closely with the community require good communication and engagement strategies to ensure acceptance of schemes. Consultants have been procured to provide specialist public engagement expertise for the Babraham P+R, Stanground Closed Landfill and North Angle Solar Farm projects.

4.6 Localism and Local Member Involvement

Local Members are kept informed on progress with project development via Parish Council meetings and email updates.

4.7 Public Health Implications

There are no negative public health implications.

Source Documents	Location
The Council's Corporate Energy Strategy	https://www.mlei.co.uk/climateenvironment/corporate-energy-strategy
Trumpington and Babraham Outline Business Cases – May 2018 C&I Committee	https://tinyurl.com/yaya9xgj
Woodston and Stanground Closed Landfill Outline Business Cases – Sept 2018 C&I Committee	https://tinyurl.com/yxpbhmf5

Clean Growth Strategy	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700496/clean-growth-strategy-correction-april-2018.pdf
Outline Business Case for Solar Farm on Rural Estate Land at Mere Farm– Jan 2019 C&I Committee	https://tinyurl.com/y4nvgmlc
Babraham Smart Energy Grid - Investment Grade Proposal Stage 1 Update, 21 June 2019 Commercial and Investment Committee meeting	https://tinyurl.com/y2ml34y4
Stanground Solar PV and Battery Storage Project – Investment Grade Proposal Stage 1 Update, 21 June 2019 Commercial and Investment Committee meeting	https://tinyurl.com/yywsjt48
Investment Grade Proposal (IGP) Stage 1 update on the development of the North Angle Solar Farm, 12 July 2019 Commercial and Investment Committee meeting	https://tinyurl.com/y2ncl6k5
Revised Capital Business Cases for Stanground and Babraham	Not published, available from EIU Project Managers
Notice to Proceed for St Ives Smart Energy Grid, 13 September 2019, Commercial and Investment Committee meeting	https://tinyurl.com/yyjy5o5e
Approval for Grid Connection down payments for energy Investment Projects, 18 October 2019 Commercial and Investment Committee meeting	https://tinyurl.com/uo32y6c
Babraham Smart Energy Grid - Options Appraisal, 22 November 2019 Commercial and Investment Committee meeting	https://tinyurl.com/vvzotqn
Previous Quarterly Monitoring Report: Third Quarterly Monitoring Report, Mobilising Local Energy Investment, 22 November 2019 Commercial and Investment Committee meeting	https://tinyurl.com/rxbnbs

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Ellie Tod
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus Da Silva
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer: Fiona MacMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Eleanor Bell
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Emma Fitch
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer: Kate Parker

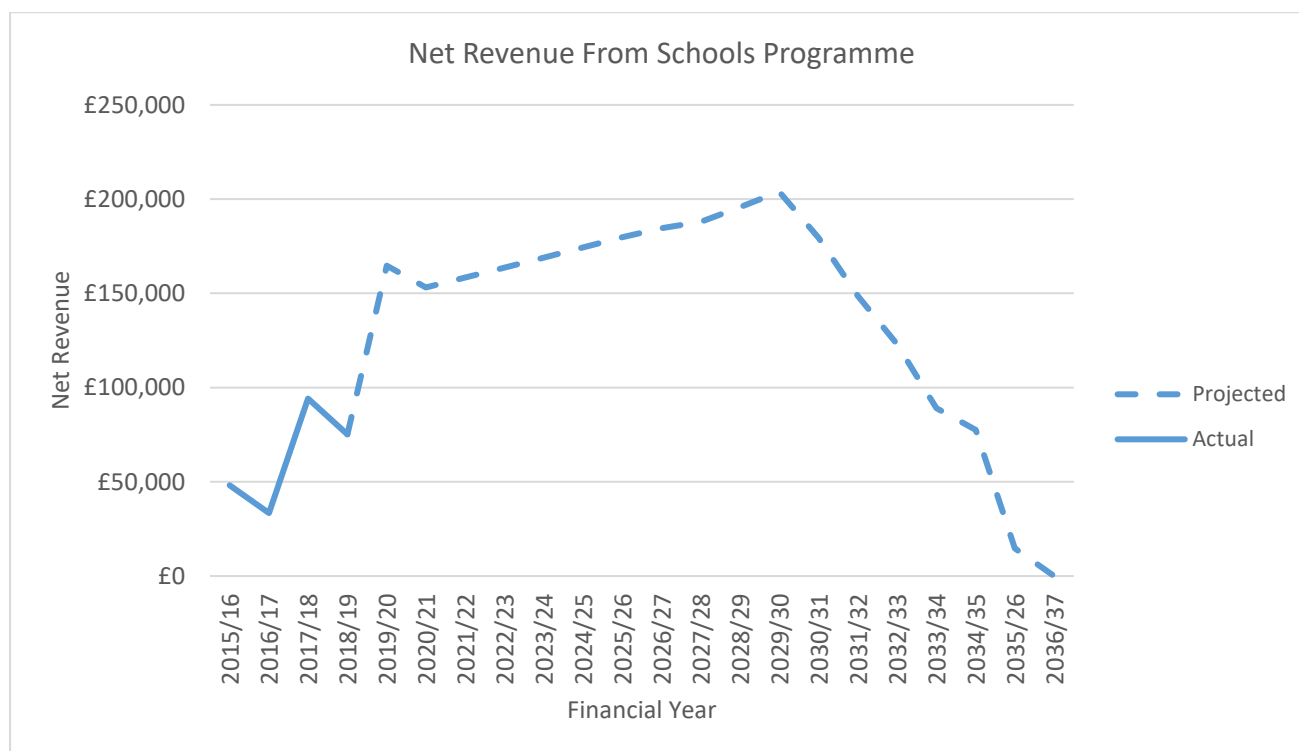
Appendix A: Schools Programme

	Number of schools	Total Value Loaned	Net Income over Loan/managed service Period*	Annual Savings to Schools		
				Cost Saving (£) ¹	Energy Saving (MWh)	Carbon saving (tonnes)
Maintained Schools	32	£2,482,504	£514,413	£181,795	2,129	780
Academies	24	£7,061,941	£1,436,524	£568,209	7,426	2,594
TOTAL	56	£9,544,445	£1,950,937	£750,004	9,555	3,374

* Loans are typically 15 years duration

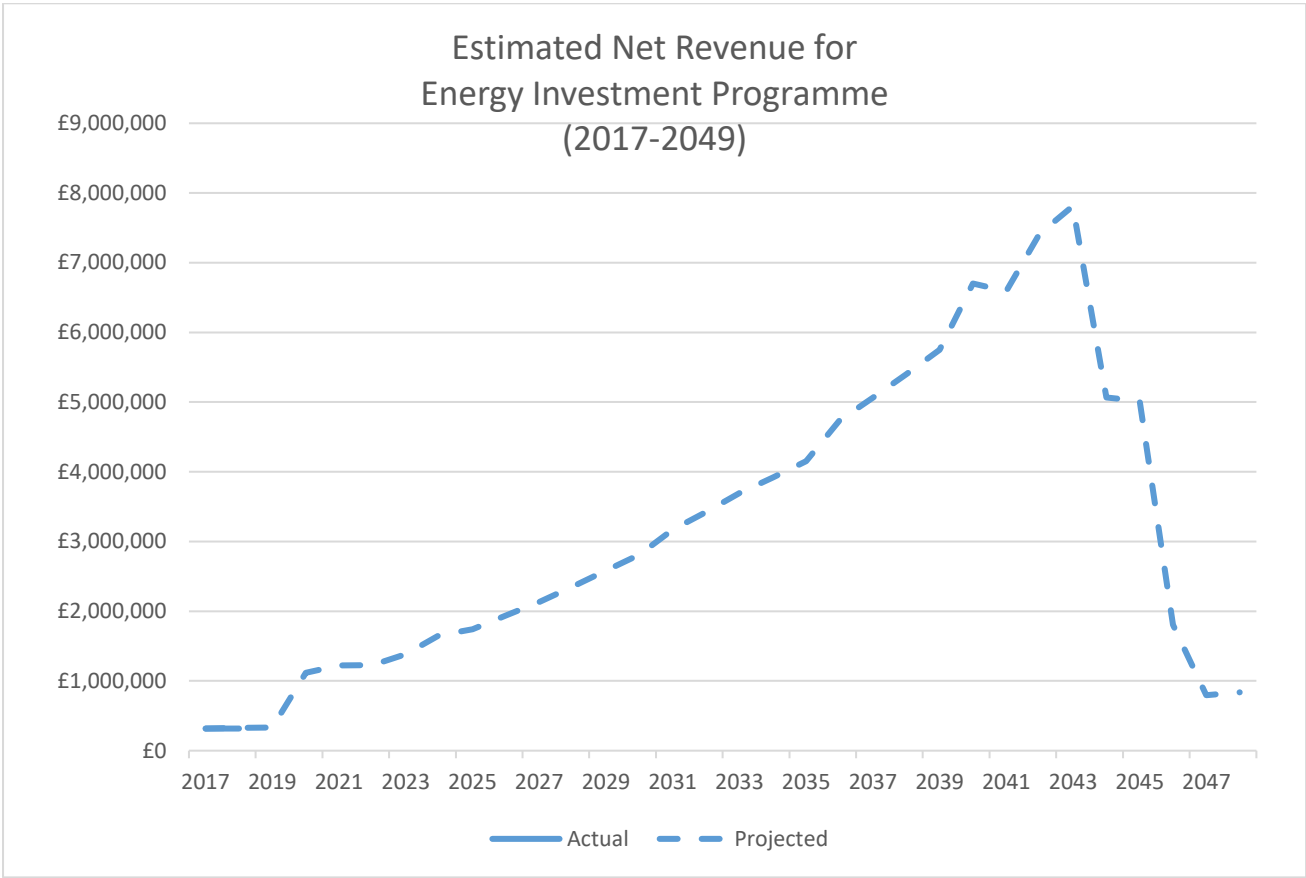
¹ Gross saving prior to loan repayment, based on first year of operation

Figure 1. Net Revenue from Schools Programme



Appendix B: Energy Investment Programme

Figure 2. Estimated Net Revenue for Energy Investment Programme (as of December 2019)



CAMBRIDGESHIRE OUTDOORS PROPERTY CAPITAL INVESTMENT

To: Commercial and Investment Committee

Meeting Date: 21 February 2020

From: Steve Cox, Executive Director for Place and Economy

Electoral division(s): Alconbury & Kimbolton, Burwell, Sawtry and Stilton

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

Purpose: Capital investment into property at the three Cambridgeshire Outdoor centres to fund essential repair, maintenance and reconstruction, facilitating the continued compliant operation of the centres.

Recommendation:

a) Support the Capital Programme Bid proposal of £940,000 for works at the three outdoor centres set out in Appendix 1 comprising of the following:

- £749,000 at Grafham Water;
- £139,000 at Stibbington Centre; and
- £52,000 at Burwell House

b) Support the submission of the Capital Programme Bid proposal to General Purposes Committee for decision.

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Alastair Hale	Names:	Cllr Joshua Schumann
Post:	National Management Trainee	Post:	Chair of Commercial & Investment Committee
Email:	alastair.hale@cambridgeshire.gov.uk	Email:	joshua.schumann@cambridgeshire.gov.uk
Tel:	01223 699 015	Tel:	01223 706398

1. BACKGROUND

- 1.1 On 12 July 2019, following an Outcome Focused Review (OFR) of the Cambridgeshire Outdoors service, Commercial and Investment Committee agreed that the three Cambridgeshire Outdoors Centres should continue to be operated by the council as part of its offer to Cambridgeshire's children and young people. The report explained that "short-term subsidies will be required in order to continue to deliver [...] positive outcomes for young people" (C&I Committee 12 July 2019, document pack p. 24), including investment to maintain buildings and retain the value of the assets (paragraph 2.11).
- 1.2 In November 2019, officers from the Property Facilities Maintenance Team visited each of the centres and assessed the sites to identify the maintenance and repair required. Cost estimates were further developed in collaboration with the Education Capital Programme Team. The total cost of works was estimated at approximately £907,000 (including a budget for contingency). The majority of this (£650,000) accounts for essential works at the Grafham Water Centre site.
- 1.3 Capital Programme Board approved a request for £907,000 funding on 17 January 2020, to be sourced from prudential borrowing. Of the total amount, £99,000 was approved immediately under the delegated authority of the Deputy Chief Executive. This portion of the funding relates to urgent investment without which the ability of the outdoors centres to operate and/or comply with health and safety and safeguarding regulations would be compromised in the immediate future. Commercial and Investment Committee are asked to scrutinise the remainder of the funding requested, which amounts to £807,607. A summary of this capital expenditure is provided in **Appendix 1**.
- 1.4 Capital Programme Board recommended that the programme of works be managed as part of the Education Capital Programme using the Minor Works Framework. This will give the centres access to experienced contractors, accustomed to performing works in schools and other educational establishments. We will seek to demonstrate value for money through a rigorous tender and procurement process, obtaining formal quotes from contractors on the framework. Working with the CCC specialist consultant, we will also evaluate and benchmark the tender costs against similar works carried out by contractors on the framework. By this method, it is hoped that the works can be delivered for less than the £807,000 being requested.

2. JUSTIFICATION

- 2.1 The purpose of the investment recommended above is to carry out essential maintenance work that has been identified by the Property Team in collaboration with the staff of each Outdoors Centre. These are essential works, which are necessary for the following reasons:
 - 2.1.1 The cost of reactive maintenance is highly likely to increase in the near future if proactive investment is not made into properties – particularly with regards to the workshop at the Grafham Water Centre. Compliance with health and safety and safeguarding regulations already means that several buildings at the Grafham Water Centre are not fully operational. Accordingly, there is a high risk that the centres will be unable to offer some or all of the products which they currently provide to

customers if investment is not made into property at the centres. This would result in a significant loss of income and reputational damage.

- 2.1.2 Without investment there is a risk that some or all of the products each centre offers could be discontinued due to lack of facilities. In the financial year 2017–18, 23,727 participants visited the sites, the majority of whom will visit each centre only once during their educational career. Consequently, even a short suspension of operations could affect hundreds of pupils, thereby significantly reducing the social impact of the centres. The centres are currently each developing a commercial strategy, aimed increasing customer numbers and expanding income generation. Investment in property is important to the realisation of each strategy.

3. RISKS

- 3.1 There is a risk that the programme of works cannot be accommodated without affecting the operation of the centres. This could lead to a loss of income for the centres and reputational damage. To mitigate this risk, the programme of works will be co-designed by the centre managers and the Capital Programme Team. Contractors on the Minor Works framework are accustomed to safely completing works on sites where children and young people are present, meaning that the risk of disruption to activities is reduced. Furthermore, it is currently anticipated that almost all of the works could be completed during the school holidays, when the core customers of Cambridgeshire Outdoors do not operate, minimising the risk of a loss of income. Additional resource will be provided by the Education Directorate to support centre managers and ensure accountability.
- 3.2 Likewise there is a risk that unforeseen costs lead to an increase in the investment required. To mitigate this risk, 8.5% of the budget has been allocated to contingency, and rigorous value engineering will be undertaken during the next stage of the project.
- 3.3 Unforeseen delays are a risk the project, potentially having implications on the ability of the centres to generate income, as discussed above. Asbestos surveys will be undertaken at the three centres, to ensure that the late detection of asbestos does not lead to delay. To further reduce the risk of delays, a design consultant has already been appointed to assist with the delivery of the most urgent works (consultancy costs are included within the overall figure as a routine part of the Minor Works programme).
- 3.4 As summarised in paragraph 5.1, prudential borrowing to cover the cost of this investment will result in a revenue budget pressure for the local authority in the financial year 2020–21, and a revenue cost in subsequent years. However, it is anticipated that some or all of this cost could be offset by a budget surplus generated by Cambridgeshire Outdoors in the future. It is anticipated that Cambridgeshire Outdoors will be in a position of budget surplus within the next five years. However, this is dependent upon the financial position of the service improving.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 A good quality of life for everyone

There are no significant implications for this priority.

4.2 Thriving places for people to live

There are no significant implications for this priority.

4.3 The best start for Cambridgeshire's children

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

- Prompt investment in the centres will enable Cambridgeshire Outdoors to continue to offer educational opportunities to pupils, especially at Key Stages 2, 3, and 4.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

There is a capital cost of £808,000, to be funded from prudential borrowing. The annual cost of borrowing for this scheme will start in 2021–22 at £24,000, and decrease each year thereafter.

5.3 Statutory, Legal and Risk Implications

5.4 Equality and Diversity Implications

The works will increase access to the sites for service users with physical disabilities, for example by installing an access ramp at the Stibbington Centre and a chair lift at the Grafham Water Centre.

5.5 Engagement and Communications Implications

5.6 Localism and Local Member Involvement

5.7 Public Health Implications

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?	No Name of Officer:
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	No Name of Legal Officer:
Have the equality and diversity implications been cleared by your Service Contact?	No Name of Officer:

Have any engagement and communication implications been cleared by Communications?	No Name of Officer:
Have any localism and Local Member involvement issues been cleared by your Service Contact?	No Name of Officer:
Have any Public Health implications been cleared by Public Health	No Name of Officer:

Source Documents	Location
C&I Committee papers 12 July 2019	https://cambridgeshire.cmis.uk.com/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1118/Committee/31/Default.aspx

APPENDIX 1 - OVERVIEW OF WORKS

6.1 The costs are broken down as follows.

	2019–20 (£)	2020–21 (£)
Grafham Water Centre: workshop	0	440,461
Grafham Water Centre: other costs	33,879	175,500
Grafham Water Centre total	33,879	615,961
Stibbington Centre	6,240	139,386
Burwell House	59,046	52,260
Total for three centres	99,165	807,607

6.1.1 All costs have been agreed by Capital Programme Board. Those relating to the financial year 2019–20 have been approved under the delegated authority of the Deputy Chief Executive. Those relating to the financial year 2020–21 are subject to approval from General Purposes Committee.

6.2 The following paragraphs summarise the condition of the property at each of the Cambridgeshire Outdoors centres, and outlines the works recommended. The programme of works will be planned in collaboration with centre managers, to minimise disruption for customers and service users. Accordingly, the majority of works should take place during the school summer holiday.

6.2.1 The **Grafham Water Centre** is the largest of the three sites, and also has the most complex needs. The condition of much of the property at the centre has deteriorated in recent years, in several cases leading to a restricted use of buildings. The largest item of recommended expenditure (£440,000) for this site is related to the workshop building, where equipment such as boats, bicycles, climbing harnesses and wetsuits are stored. Both young people and staff regularly access this building to collect equipment and (in the case of staff) to perform maintenance on it. Property compliance officers advise that the building is nearing the end of its asset life, and that the roof and cladding require imminent replacement. Lately, staff have dealt reactively with health and safety issues connected to the building as they arise. This has resulted in significant additional expenditure for the centre. It is recommended that a feasibility study be conducted to determine the best value replacement for the workshop; the £440,000 cost estimated here will extend the life of the building for an additional fifty years. Further items of recommended expenditure at the Grafham Water Centre amount to approximately £176,000. This is primarily made up of repairs to roofs, doors, and ventilation in the residential block.

6.2.2 The **Stibbington Centre** consists of two buildings and surrounding grounds. Investment of £111,000 is recommended for the terrapin building, which contains residential space and a classroom. The terrapin building is a temporary structure which has served the site for over thirty years, and is subject to a planning review in 2023. In the next five years it is recommended that the building be replaced, but investment on a smaller scale in the next financial year will ensure that it remains compliant and operational while the financial position of the centre is secured. Additionally, investment of £28,000 is recommended in the day centre, a nineteenth century listed building.

6.2.3 The **Burwell House** site consists of an eighteenth-century house and several smaller modern buildings. It is in the best physical condition of the three centres. Investment of £52,000 is recommended to repair wear and tear to windows and roofs, install ventilation and conduct other small works in the house and office block.

DEFINING CAMBRIDGESHIRE COUNTY COUNCIL APPROACH TO TRADED SERVICES

To: Commercial and Investment Committee

Meeting Date: 21st February 2020

From: Chloe Rickard, Commercial Transformation Manager

Electoral division(s): All

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

Purpose: The Committee is asked to consider the re-definition and governance of our charged service models (traded services).

Recommendation: The Committee is requested to:

- a) Approve definition of charging models and categorisation of services outlined within the paper
- b) Support the identification of revised processes and policies to enable categorised services to maximise their commercial impact
- c) Agree to close Phase 3 of the Cambridgeshire Music OFR and return service overview to CYP Committee

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Chloe Rickard	Name:	Cllr Joshua Schumann
Post:	Commercial Transformation Manager	Post:	Chair of Commercial & Investment Committee
Email:	Chloe.Rickard@Cambridgeshire.gov.uk	Email:	Joshua.Schumann@cambridgeshire.gov.uk
Tel:	01223 699717	Tel:	01223 706398

1. BACKGROUND / OVERVIEW

- 1.1 CCC Services have been able to income generate through the delivery of chargeable services for some time. However, the landscape in which many of the services operate has changed and is continuing to do so. Funding reforms, savings targets, Localism Act 2011 (Trading and Charging), external market forces and competition, and the changing approach introduced through an increasing trend of alternate delivery models means these services are needing to continually adapt and few, if any, are maximising their commercial potential.
- 1.2 Some services are wholly income generating with small surplus targets ("Traded Services" such as Education ICT), some are wholly income generating but to breakeven ("Traded Services" such as Cambridgeshire Music), some have a base CCC budget plus income target (Schools Intervention Service, Schools Admissions) and other services have started to charge without any budgetary or commercial targets. The services also range from statutory to non-statutory.
- 1.3 The approaches to charging across all services is not consistent. Though it is acceptable for services to have differing approaches, this has to be by conscious design and be transparent. The differing approaches also have to be clear in their intent.
- 1.4 Whilst a number of services have managed to successfully charge for a range of products and activities, the ability to do so commercially – i.e. for a contribution towards overheads, or a surplus generation for reinvestment into outcomes – is limited. Those services previously able to return a small contribution to CCC in previous years are now reportedly unable or the market in which they operate has changed.
- 1.5 The Council's Corporate Strategy identifies a number of key objectives that are directly linked to commercial activity and reflected in the Commercial Strategy:
 - An overarching increase in return from commercial activity to support delivery of crucial front line services
 - An embedded commercial culture across the organisation
 - A reduction in net budget for traded or semi traded services.

It is becoming evident that to explore and expand commercialism further, a new approach for income generating 'trading' services is needed.

2. PROPOSED DEFINITION AND CATEGORISATION

- 2.1 To provide the rigour, challenge and opportunity for the Council's services and products to maximise their commercial potential, a defined charging model categorisation will allow the most appropriate governance, direction and support.
- 2.2 It is proposed that all services are to be categorised based on their commercial charging model. The categorisation of the service should be based on its potential and not necessarily its current performance. Where a service has a portfolio of products spanning statutory to surplus generating potential, some consideration will need to be given as to the

best overall alignment to a category – or the specific management of similar products be re-grouped and re-categorised.

Proposed Charging Model Categories:

Charging Policy	Policy Objective	Example Service
Full commercial	The Council seeks to maximise revenue within an overall objective of generating as large a surplus from this service	
Commercial with discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service	<i>Education ICT (with the current funded activity from Education)</i>
Constrained commercial	The Council seeks to maximise income but is subject to a defined constraint – policy, competition, commitment to service users, political	
Full cost recovery	The Council wishes to make the service generally available, but does not wish to allocate resources to the service	<i>Cambridgeshire Music</i>
Cost recovery with discounts	As above, but the Council is prepared to subsidise the service to ensure disadvantaged groups have access	<i>Cambridgeshire Outdoors Non-Statutory Planning services (pre-application) Non-Statutory School Admissions</i>
Subsidised	Council policy is to make the service widely accessible, but believe users of the service should make some contribution from their own resources. Could also be due to the adverse impact a cost recovery or commercial charging policy would have on other council services.	<i>Libraries Social Care Schools Intervention Service</i>
Nominal	The Council wishes the service to be fully available, but sets a charge to discourage inappropriate usage.	<i>Home to School Transport</i>
Fully funded	Council policy is to make the service fully available at no charge	<i>Quality Governance (P&C) Adult Early Help</i>
Statutory	Charges are set by legislation	<i>Statutory Planning Services</i>

3. GOVERNANCE AND SUPPORT

- 3.1 All services, and their financial targets, are proposed to be managed within Service Committee and management structures – being based as closely as possible to their main marketplace. Aligning a service, no matter the charging model, to be as close to their market as possible should enable the service to actively participate in and respond quickly to market developments and change. Noting that any activities specifically existing to

generate funds and working cross marketplaces or corporately that these activities report to Commercial and Investments (C&I) Committee directly.

- 3.2 In the event a commercial charging model service (constrained, discounted and full) deviates significantly from approved business plan – e.g. current performance is under target and in an unrecoverable position - it will be referred to C&I from Commercial Board for review if appropriate.
- 3.3 It will be expected that all income generating activities, and the services that manage them, will have a clear and robust commercial business plan ensuring maximisation of opportunities – taking into account market potential, constraints and CCC outcome ambitions. Staff and management structures and processes (including performance management) will receive commercial acumen development to enable them to manage these models effectively. The financial performance will be monitored in line with Scheme of Financial Management and the Fees and Charges schedule.
- 3.4 It will be asked of the Commercial Team and Finance to monitor and report progress of all income generation targets. Commercial Team will escalate areas for concern as appropriate to Commercial Board and C&I where necessary. This differs slightly from standard budgetary reporting as will focus on targeted turnover and commercial margins.
- 3.5 It is proposed the Commercial Board will support development of business plans and hold services to account for their delivery and will have oversight and challenge the delivery of targets as and when Commercial Team feel need escalating
- 3.6 Commercial Team to actively support all commercial models. Specific support for full cost recovery models may be given as required to ensure business plans are robust and deliverable and support Service Committees in their commercial assessment. The Commercial Team will also deliver organisational wide acumen development.
- 3.7 Further support will be available from Finance, Procurement, HR, Property and Transformation where specific areas of development or advice are required.

4. ENABLERS

- 4.1 To maximise the potential of the commercial charging models it is anticipated that more autonomy or freedom from traditional fully funded model focussed processes and procedures may be required. Such enablers could be within recruitment and establishment control practices, pay and incentives, procurement and relationships with distributors, accounting systems and financial reporting.
Any changed enablers must ensure appropriate and rigorous controls were still in place in line with agreed risk and corporate priorities.
- 4.2 It is asked that once the categorisation of all services across the Council is undertaken that further analysis takes place to ascertain the specific enablers that would allow each category to flourish. For changes to current enablers, processes and procedures that are within our power as a Local Authority to determine, it is proposed a further report return to Commercial Board and referred back to committee where required.

- 4.3 Should the categorisation of services and types of enablers required to maximise potential not align with the corporate controls needed and present potential of too high risk, it may be determined that that service should no longer operate within the local authority. For example, if a service/product required significantly different procurement relationships that cannot be enabled within the rules and regulations placed upon a Local Authority, an arms length alternate model could be more appropriate.
- 4.4 Commercial Team will also consider whether a sub group or reclassification of current groups, e.g. Commercial Board, can have appropriate oversight and delegated authority to approve enablers.
- 4.5 It is also anticipated that to enable the services to maximise their commercial impact some investment may be required. Requests and full business cases for investment will be requested for support from C&I to General Purposes Committee as required.

5.0 IMPLEMENTATION AND REVIEW

- 5.1 Resource from the Transformation Team will be requested to aid the identification and categorisation of all services. The draft categorisation of services is to be shared with Commercial Team and Finance Team to ensure service and product potential has been captured.
- 5.2 Commercial Team will lead analysis of current blockers to the successful delivery of commercial approaches and work with organisational partners to identify appropriate enablers by summer 2020.
- 5.3 Suggest a review of categorisation and how this is translating in supporting services is undertaken twelve months. Noting earlier review may take place as market opportunities or product performance identifies a change in categorisation or approach is needed.

6.0 CAMBRIDGESHIRE MUSIC OUTCOME FOCUSED REVIEW – PHASE 3

- 6.1 In line with the proposed categorisation of services, it is proposed to formally close the Outcome Focussed Review for Cambridgeshire Music and for oversight of the service to return to CYP Committee.
- 6.2 The analysis and review at Phase 3 indicates the most appropriate charging model category for Cambridgeshire Music is to operate as a full cost recovery model. This is predicated on:
- Members agreeing that the emphasis for Cambridgeshire Music should be on expanding the number of children participating in music tuition, with a particular focus on those with barriers to access, whether that is financial, aspirational or geographical.
 - The Council does not expect a commercial return from Cambridgeshire Music but does expects it to operate on a full cost recovery basis (including all corporate costs and overheads).
 - Members expect the same level of performance management, scrutiny and reporting as with any other council service.

- 6.3 It will be expected for the service to provide a business and financial plan to CYP which a) gives confidence that Cambridgeshire Music can operate at full cost recovery and b) provides options for increasing reach and impact over the next three years (which could include options for new models).

7. ALIGNMENT WITH CORPORATE PRIORITIES

- 7.1 Developing the local economy for the benefit of all**
- 7.2 Helping people live healthy and independent lives**
- 7.3 Supporting and protecting vulnerable people**

The Council's Corporate Strategy, with these priorities at its core, identifies a number of key objectives that are directly linked to commercial activity, with this proposal supporting the implementation of that strategy.

8. SIGNIFICANT IMPLICATIONS

8.1 Resource Implications

The Commercial Team is a new and small resource for the authority therefore support will be requested from other corporate teams. There is a potential impact for some service structures whereby a change in line management may be suggested to enable the most appropriate commercial and charging model to be delivered and managed well. It will be expected that appropriate training and acumen development will be available and delivered.

8.2 Procurement/Contractual/Council Contract Procedure Rules Implications

As part of the analysis of appropriate enablers to maximise service model potential, a change to some procurement guidelines and advice may be required. Any changes would adhere to legal obligations upon a public sector organisation, however, internal advice may be amended or external vehicles created to develop more appropriate purchasing and supply chains.

8.3 Statutory, Legal and Risk implications

There are no significant implications for statutory or legal. All set financial, procurement and legal regulations will be maintained however, we may seek to review local agreements in these areas where it is the Council's choice – and align with our approach to commercialism and risk.

We would seek to explore further any risk implications by the inclusion of relevant commercial charging model categorisation in controls within the Commercial Risk Register.

8.4 Equality and Diversity Implications

There are no significant implications in this area.

8.5 Engagement and Consultation Implications

There are no significant implications in this area.

8.6 Localism and Local Member Involvement

It is not currently anticipated for any significant implications in this area however if a service/product is substantially re-categorised then discussions will be held as appropriate with Members.

8.7 Public Health Implications

There are no significant implications in this area.

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 the LGSS Head of Procurement?	n/a
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	n/a
Have the equality and diversity implications been cleared by your Service Contact?	n/a
Have any engagement and communication implications been cleared by Communications?	n/a
Have any localism and Local Member involvement issues been cleared by your Service Contact?	n/a
Have any Public Health implications been cleared by Public Health	n/a

Source Documents	Location
Commercial Strategy	https://cambridgeshire.cmis.uk.com/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/775/Committee/31/Default.aspx

RURAL ESTATE STRATEGIC REVIEW

To: Commercial & Investment Committee

Meeting Date: 21st February 2020

From: Chris Malyon, Deputy Chief Executive

Electoral division(s): All

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

Purpose: To confirm the proposed management policies for the Rural Estate following the completion of the Strategic Review.

Recommendation: Commercial & Investment Committee is requested to approve the policies and objectives as set out in this paper as agreed by the Member Working Group.

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Alex Gee/John Macmillan	Name:	Cllr Joshua Schumann
Post:	Head of Property/Group Asset Manager	Post:	Chairman – Commercial & Investment Committee
Email:	Alex.gee@cambridgeshire.gov.uk / John.macmillan@cambridgeshire.gov.uk	Email:	Joshua.Schumann@cambridgeshire.gov.uk
Tel:	0780861360	Tel:	01223 706398

1. BACKGROUND

- 1.1** Strategic reviews have been carried out regularly by the Council since 1988 and the Cambridgeshire County Council approach has been at the forefront in England and Wales. The last strategic review of the Rural Estate was in 2006 with a scrutiny review in 2011.
- 1.2** Previous reviews have been by Member working groups with officers with external support from Bidwell's. The external role was to sense check and externally validate recommendations.
- 1.3** In July 2015 General Purposes Committee (GPC) resolved to carry out a fresh strategic review of the Rural Estate.
- 1.4** Savills were procured using the Eastern Shires Purchasing Organisation (ESPO) procurement framework in August 2015 to provide a detailed review of the estate which was completed February 2016.
- 1.5** GPC delegated the review work to the Investment Review Group and this passed to the Assets and Investments Committee (renamed the Commercial and Investments Committee). The member working group formed at the outset has continued in place throughout these changes.
- 1.6** As part of the review tenants were asked to provide their views and feedback on the Estate using a questionnaire (with 73 responses) and additional workshops were held at the Tenants meetings in January 2016.
- 1.7** The Savills report noted that the estate was generally well run and raised a number of options.
- 1.8** A paper was taken to Assets and Investment Committee on 11th November 2016 summarising the various options on planning, tenancy matters, maintenance, investment, rents and non-financial issues. At the committee it was decided that member workshops were to be set up in 2017 to agree the options set out on each of the above areas. Three Member workshops were held with the Committee Members and new policies were drafted.
- 1.9** In June 2017 a General Election took place and so the matter was place on hold until afterwards.
- 1.10** In October 2017 a Rural Assets Outcome Focused Review (OFR) started and the strategic review was paused.
- 1.11** The OFR review reported to C&I in January 2018. It was agreed to proceed to the next stage of OFR which was to look at current policy surrounding the management of the Estate, analyse feedback form the 2017 Tenant workshops, review the valuations of the Rural Estate, review staffing resources and explore alternative delivery models, and identify areas for investment.
- 1.12** In early 2018 two valuations of the Estate were commissioned from Savills and Strutt & Parker which were received in April and May.

- 1.13** In May 2018 a Rural Assets OFR workshop was held with Members from the member working group and officers to determine the future for the Rural Estate. At this meeting it was decided that the main aim for the Rural Estate was to provide a return on investment.
- 1.14** At Commercial & Investment (C&I) in September 2018 the Committee considered the report on the Rural Estate OFR. Selling the estate as a whole was ruled out. They then resolved to look at 4 different management options.
- 1.15** The report on the options was taken to C&I Committee in November 2018 and it was agreed that the management of the Rural Estate should stay in house with the Strategic Assets team. It was also agreed that the OFR briefing notes and paperwork would be resubmitted to the County Farms Working Group.
- 1.16** The Rural Estate working group met a number of times throughout 2019 and policies were drafted with final agreement in December delayed by the General Election.
- 1.17** On the 17th January 2020 the policies were agreed by the working group and it was resolved that they should go to the C&I Committee in February 2020.

2. CAMBRIDGESHIRE RURAL ESTATE OBJECTIVES AND POLICIES AGREED BY COUNTY FARMS MEMBER WORKING GROUP

2.1 Estate Objectives

- The estate will be managed to optimise the income and development returns to produce a target revenue return to the Council of 4%.
- To manage the estate to promote rural businesses and healthy living and to protect the environment.

2.2 Estate Policies

Disposals and Acquisitions

Disposals from the estate should only be considered:

- as part of an agreed sale in line with the approved Council's outline disposal process for property assets;
- if the asset has no strategic value or is beyond economic use and does not contribute to the Council's objectives;
- As part of agreed land swap deals with local landowners
- Where the asset is for an agreed social or environmental benefit and there is no long term strategic value for its retention.

Acquisitions should be considered where the asset to be purchased:

- Provides strategic value to the rural estate and is in line with the Council's overarching strategic objectives;

- Produces a revenue return in line with the Council's investment strategy;
- Replaces land sold for development purposes; or
- Is identified as having long term potential development value;
- As part of agreed land swap deals with local landowners.

Estate Commercialisation

Non-Agricultural Development

- To continue to take a fully commercial approach to promoting potential development sites, including for renewable energy projects where appropriate, and Permitted Development in order to support the Council's broader financial and investment strategies.

Farm Diversification

- To consider tenant-led diversification on the estate. Subject to the receipt of suitable business plans, agreement to pay an improvement charge at the Council's standard investment threshold and if appropriate the creation of a separate tenancy agreement.
- To consider converting suitable farm buildings for office, retail, industrial or mixed use schemes where accompanied by a detailed business case demonstrating that each scheme creates a revenue return in line with the Council's investment strategy.

2.3 Agriculture

Tenant Selection

New Entrants

- The Council will use its Tenant Selection Criteria as set out to inform its selection of potential applicants.
- Long-listed candidates will be invited for an initial interview, with a final interview for shortlisted applicants.

Tenancy Renewals

- Existing tenants will follow the same application process set out above but with a single interview.
- Tenants will be expected to demonstrate how they have grown their business successfully and how they intend to develop their business in order to merit a new tenancy.

2.4 Farm Sizes and Composition

To provide a variety of farm sizes which will allow new entrants to start and others to progress into larger more commercial holdings at market rents. This will encourage new entrants and current tenants to expand their businesses on a commercial basis.

The main characteristics of a holding may include:

- Compact blocks of land with good internal access between fields;
- Suitable dwellings with good amenities;
- Land and buildings conveniently located, where possible, in relation to the dwelling with good access and yard;
- Suitable general purpose type farm buildings with good eaves height.

There is no fixed acreage for full time commercial farms, as this will reflect the profitability of the likely enterprises undertaken which is linked to land quality and soil type.

Where additional land of 1 hectare or more is to be added to a tenancy, the tenant will surrender their existing tenancy agreement and will be granted a new Farm Business Tenancy.

2.5 Tenancy Length

- All new tenants will be offered a tenancy agreement a minimum term of 5 years.
- On the expiration of their current tenancy but subject to a successful application, existing tenants will be offered a tenancy agreement of up to 15 years.
- All tenancy renewals will be subject to a formal application process set out above.

2.6 Rent

- Agricultural rents will normally be charged at a commercial level, payable half yearly in arrears.
- Notices to Quit will be served for non-payment of rent after any statutory notice periods for AHA tenancies have elapsed or, for all tenancies, where tenants have broken agreed payment plans without the written agreement of the Council's officers.
- Rent payment dates for non-agricultural leases will be agreed by negotiation before the new lease's commencement.

2.7 Sub-letting

In normal circumstances, sub-letting or allowing a formal contract farming agreement on the estate will not be permitted; however, sub-letting land for specialist cropping will be considered on the holding to help improve a holding's soil, rotation or viability.

Sub-letting for specialist cropping will be permitted for no more than 20% of the holding in each year, subject to agreeing a cropping licence with the Council beforehand. Priority will be given to current Council tenants, with the emphasis placed on the tenant sub-letting to prove that there is no demand from other Council tenants **before** agreement is reached with a non-estate farmer.

Consideration may be given, in exceptional circumstances, to sub-let dwellings in the final 5 years of a tenancy, with prior agreement from the Council

2.8 Retirement and Succession

Retirement

Renewals of existing tenancy agreements will run to the retirement age set out within the Agricultural Holdings Act 1986 (AHA). The Council will amend its retirement age in line with any changes to the AHA.

Where a tenant wishes to farm beyond the AHA retirement age, a further tenancy agreement for up to 3 years may be granted where this does not impact on the Council's broader strategy. The tenant will be required to go through the renewal process outlined above.

Succession

Whilst there is no formal right of succession on the estate, current existing tenants' close relatives (as defined within the Agricultural Holdings Act 1986) may apply for a tenancy of the holding through the renewal process outlined above.

2.9 Investment and Maintenance

Investment

The Council will seek to invest in the estate proactively where investment produces a return to the Council in excess of the Council's investment threshold or where there are overriding strategic gains to the Council or estate. This is subject to the receipt of suitable business plans, agreement to pay an improvement charge at the Council's standard investment threshold and if appropriate the creation of a separate tenancy agreement.

Maintenance

The Council will maintain dwellings and buildings as per the maintenance and repairing liabilities set out in the relevant tenancy agreement.

To reduce the Council's long term maintenance, by identifying for sale any dwellings and buildings which are beyond their economic repair and have no strategic value.

2.10 Environment and Social

- To manage the woodlands and other environmental assets, including Sites of Special Scientific Interest and Scheduled Ancient Monuments, to retain and improve community benefits.
- Where appropriate plant new woodland either to help create new community assets, or as part of carbon offsetting where suitable management agreements or leases are completed.
- To retain the existing in-hand land management schemes and look for opportunities for new, appropriate schemes that enhance or promote the estate's main objectives.
- To promote the use of land management schemes to farm tenants across the whole estate to improve both biodiversity and permissive access.
- To create new rights of way where appropriate and to promote the use of existing permissive access and rights of way on County Farms land.
- To support the delivery of the Council's Corporate Energy Strategy where appropriate. Projects will be assessed on a case by case basis.

2.11 Tenant Selection Criteria

- All applicants will be expected to provide a completed application form and business plan, to include cash flow forecasts for a minimum of 3 years, evidence of sufficient financial support to enable the proposed business to be established and any other relevant supporting information.
- Applicants should be able to show that they have obtained sufficient experience in the type of farming or enterprise for which they are applying, including some formal training in the enterprise they propose to undertake. Applicants will not be refused on these grounds alone if similar training and experience has been obtained in other ways.
- Applicants will not be discriminated against on the grounds of sex, race, marital status, sexual orientation, disability, age or other protected characteristics. However, part-time units may be more suitable for younger applicants or specialist enterprises.
- Applications from persons who are already established farmers in their own right, and who intend to run the County Farm as an extension to their existing business, will not be considered unless an advertised unit specifically invites such applications.
- The rent payment record of existing tenants will be taken into account when and if they apply for another holding on the Estate. In addition they will be required to provide accounts, audited if possible, to show the health of their business.

- Applicants who can demonstrate direct employment generation potential from their proposed business enterprise will have an enhanced likelihood of success.
- Applicants must declare any relationships they have (current or previous) with any Council Officer, Elected Member or Council Department as part of their application.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

There are no significant implications within this category.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 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: Chris Malyon
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 the Council's Monitoring Officer or LGSS Law?	Yes or No Name of Legal Officer: Fiona MacMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Jennifer Bartlett
Have any engagement and communication implications been cleared by Communications?	Yes or No Name of Officer: Christine Birchall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	N/a
Have any Public Health implications been cleared by Public Health	N/a

Source Documents	Location
Savills Strategic Review 2016	Room 117, Shire Hall, Cambridge

OUTLINE BUSINESS CASE FOR A SOLAR CAR PORT AND ELECTRIC VEHICLE CHARGING AT THE CIVIC HUB

To: Commercial and Investment Committee

Meeting Date: 21 February 2020

From: Steve Cox, Executive Director, Place and Economy

Electoral division(s): Warboys and the Stukeleys

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

Purpose: To share two outline business cases for a Solar Carport and electric vehicle (EV) charging infrastructure Project to be located at the car park of the new Civic Hub in Alconbury.

Recommendation: Committee is asked to:

a) Note the issues surrounding timing of decision making and of construction works;

b) Agree to progress a Solar Carport and EV Project for the Civic Hub as described in paragraph 2.3 and prepare an Investment Grade Proposal; and

c) Approve a development budget of £200,000 to further assess the two options set out in the paper and any other hybrid options that could come forward.

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Claire Julian-Smith	Name:	Councillor Joshua Schumann
Post:	Programme Manager – Energy	Post:	Commercial & Investment Committee Chairman
Email:	Claire.julian-smith@cambridgeshire.gov.uk	Email:	Joshua.schumann@cambridgeshire.gov.uk
Tel:	01223 715349	Tel:	01223 706398

1. BACKGROUND

- 1.1. In May 2019, the Council declared a Climate Emergency as a result of Cllr Steve Count's Environment Motion and committed the Council to develop a Climate Change and Environment Strategy and accompanying Action Plan. At Council in December 2019, a Draft Strategy, Action Plan and targets were approved for public consultation during January 2020 with the view that a final strategy is presented to full Council in March 2020 for approval. The Strategy includes ambitious targets for reducing the Council's carbon footprint.
- 1.2. A change to Building Regulations came into force on 1 January 2019 requiring all new buildings owned and occupied by public authorities to be 'Nearly Zero Energy Buildings'. In December 2019, General Purposes Committee approved the setting of 'Near Zero Energy Standards' for all new buildings it owns and occupies.
- 1.3. Work has recently started on site to build the Council's new Civic Hub building in Alconbury Weald. The 3600m² building is set in four acres of former brownfield land and has been designed to have a low environmental impact. The building will seek to maximise energy efficiency and use renewable energy as far as possible. The design of the building includes renewable energy from air source heat pumps plus solar photovoltaic (PV) panels on the roof. To improve the carbon footprint of the building even further it has been suggested to develop a solar canopy over the car park that will charge electric vehicles (EVs) on site and that can be used directly by the building to offset the use of grid electricity. It should be noted that the Alconbury Civic Hub will not include a gas supply; demonstrating the Council's commitment to reducing its carbon footprint.

2. MAIN ISSUES

- 2.1. *Timing.* There is a very tight timescale for this project, to complete design work, produce an Investment Grade Proposal, secure planning permission and complete all necessary preparations to start work as early as possible. The aim is to carefully manage the integration of the solar carport and EV project with the main construction project to be ready for March 2021. If this can be delivered it will reduce disruption to site users after moving in to the office as the car park will be available. If the project cannot be finalised for the end of March, evening and weekend construction will be planned subject to planning permission approval.
- 2.2. This paper presents outline business cases for two options based on the existing car park designs for the Civic Hub as work has already started on site, including laying tarmac.
- 2.3. *Design options.* Two indicative options for possible designs of a solar carport have been proposed. See Appendix A for details. It should be noted that they are very high-level options and significantly more design work is required to establish the optimum design, which can maximise carbon reductions for the Civic Hub, offset the purchase of grid electricity and optimise the business case. It is not yet clear if either of these two designs will provide the best overall scheme. The key factors that will affect the final design of the scheme are the capacity of the grid network at Alconbury and whether electricity can be exported, coupled with the profiled demand for electricity usage on site which will determine the level of generation required. Finally, the aesthetics of the arrangement will also need to be considered. In the context of the designs provided, it should be noted that the design for option 1 will look more aesthetically pleasing than option 2.

2.4. A summary of the two options is shown in table 1 below.

Table 1

Option	Car park layout	Carport type	Estimated Total contract cost	Estimated Payback (years)	Electricity Generation Capacity (kWp)	Expected annual generation (kWh)	Carbon savings T CO2e
1	Existing	Single bay	£ 1,366,102	24	528	465,995	129
2	Existing	Double bay	£ 637,520	16	281	251,016	70

2.5. *Finance.* Option 1 is expected to cost around £1.366m, whereas option 2 would cost around £0.637m. Option 1 is more expensive because it covers a larger area of the car park. The arrangement of pv coverage set out in option 2 is for every other row of car parking spaces. This is due to shading. Work is currently underway to identify the level of electricity demand needed on site, to better understand whether option 2 would generate sufficient electricity or whether option 1 is needed. It is expected that the site would use all or most of the electricity generated and this needs to be verified. Significant savings on the Council's electricity bills would result from generating more electricity on site as this reduces the volume purchased through the grid.

2.6. *Electricity usage and generation.* The addition of the carport would significantly increase the volume of clean electricity generated on site and increase carbon reductions targets working towards the policy standards agreed in December 2019 at General Purposes Committee. The annual electricity consumption of the building (excluding EV charging) is modelled to be 579,539 kWh per year. The design calculations are that the electricity consumption of EV charging is expected to be an additional 286,000 kWh per year. The proportions of electricity usage generated from on-site renewables for the current carport options is set out below:

Table 2

Option	Proportion of predicted annual electricity usage generated from on-site renewables
Building usage (no EV charging) & option no carport	7%
Building usage (no EV charging) & option 1 carport	87%
Building usage (no EV charging) & option 2 carport	50%
Building usage (plus EV charging) & option no carport	5%

Building usage (plus EV charging) & option 1 carport	57%
Building usage (plus EV charging) & option 2 carport	34%

- 2.7. *Payback period.* The design options presented offer an approximate payback of 24 and 16 years. This is based on an assumption that the capital works would be funded through borrowing from the Public Works Loan Board. The payback could be reduced if there was an upfront injection of capital funds.
- 2.8. *Cost of carbon.* HM Treasury values carbon at £74 per tonne of carbon dioxide equivalent emissions. It is the intention to use this value to calculate the emissions reduction savings and provide this as part of our Investment Grade Proposal.
- 2.9. *Potential savings.* Some savings to project costs might be possible through managing the two projects (the office building and the solar carport) together, for example by only having to dig trenches once.
- 2.10. *Development budget:* To progress the solar carport project will require a development budget currently estimated up to £200,000. This will cover the development of the investment grade proposal, securing planning permission, securing grid connections and project management fees. These costs will be included in the overall business case.
- 2.11. *Contractor.* Bouygues Energies and Services Ltd is the contractor for the solar Carport Project. Clear delineation of contractor responsibilities (e.g. Principal Designer) and liabilities between the two projects will need to be worked through and agreed in advance.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority.

3.2 Thriving places for people to live

The ambitions of the Council to support the development of clean energy projects will reduce carbon emissions and help mitigate the impact of climate change on our communities. The solar carport and EV charging facilities will also enhance the Civic Hub building making it a more attractive place to work.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The report above sets out details of significant implications in paragraphs 2.4 and 2.6.

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. Any resulting construction contract would only need to be in place before the expiration of the Framework.

4.3 Statutory, Legal and Risk Implications

Planning permission will be required.

4.4 Equality and Diversity Implications

There are no significant implications within this category. An equality impact screening has been completed and confirmed there are no potential negative impact.

4.5 Engagement and Communications Implications

The development of this potential project has been mentioned in previous press releases regarding the new Civic Hub.

Initial discussions have taken place between the Civic Hub Project Board and the Energy Investment Unit.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 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: Ellie Tod
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus Da Silva
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Fiona MacMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Eleanor Bell

Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Emma Fitch
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer: Iain Green

Source Documents	Location
Cambridgeshire County Council Draft Climate Change and Environment Strategy and Action Plan	https://consultcambs.uk.engagementhq.com/
CCC-Alco-Byes Initial Economic Assessment	EIU team folders

Appendix A – Design Options

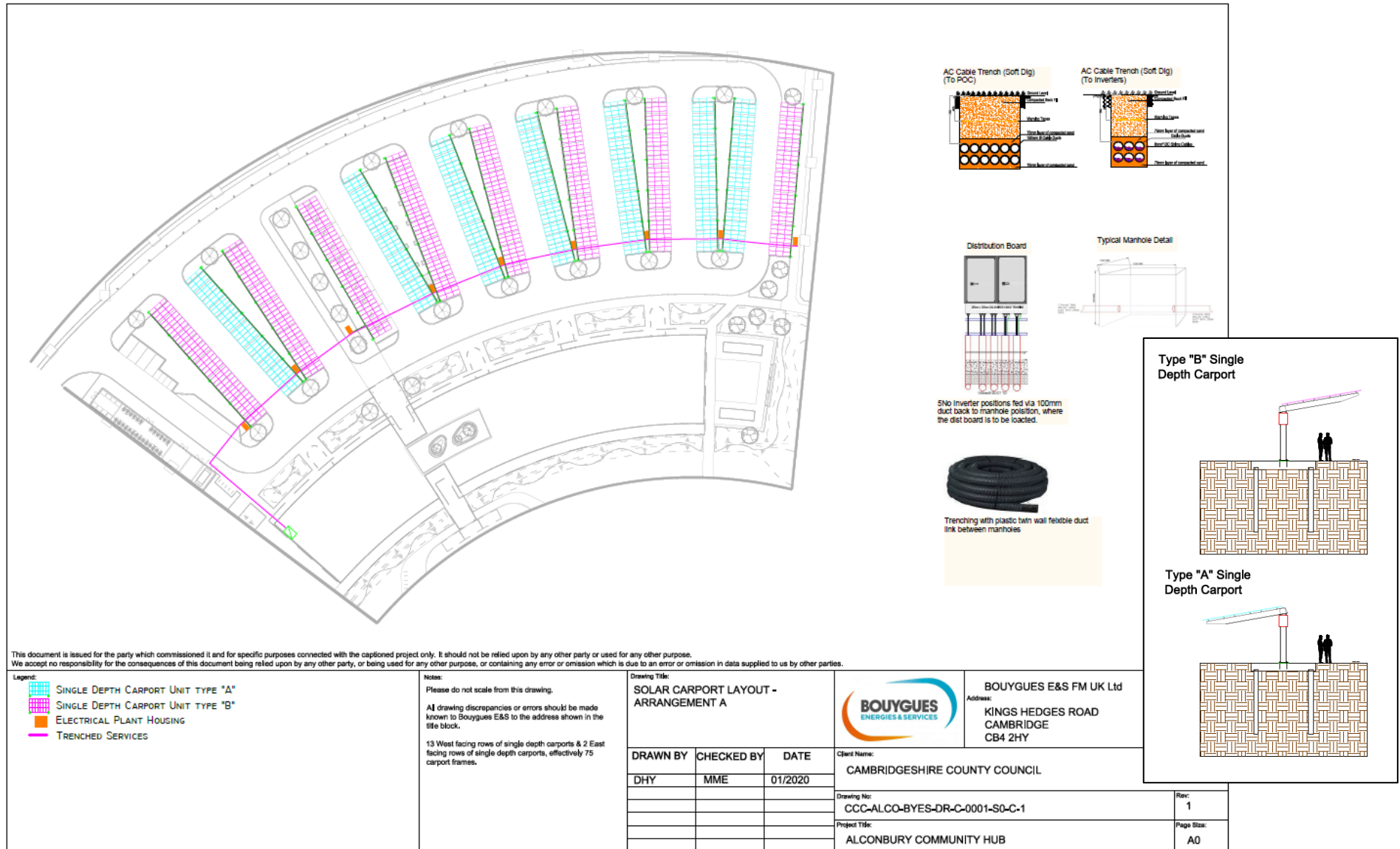


Figure 1: Option 1 design

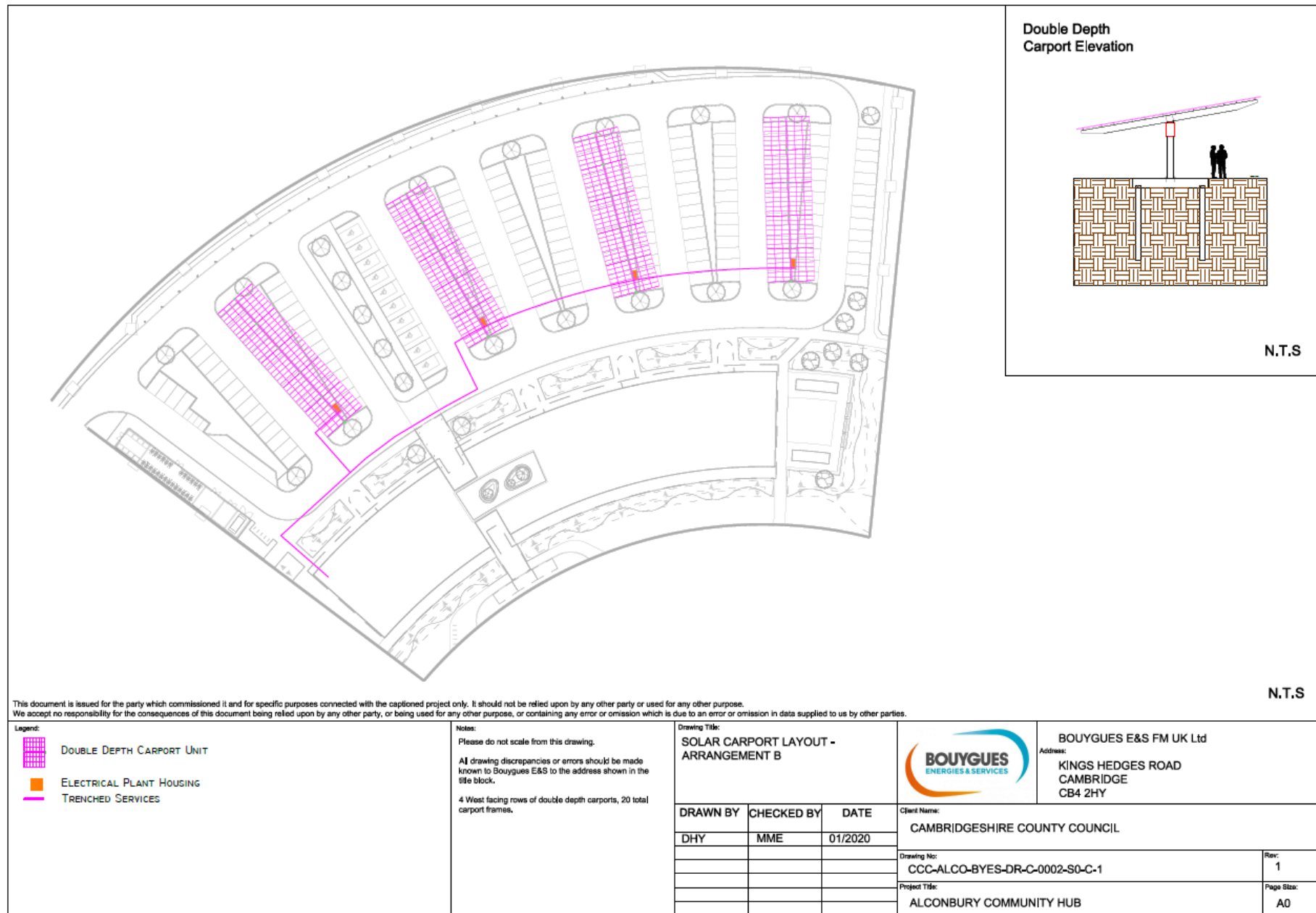


Figure 2: Option 2 design

FINANCE MONITORING REPORT – DECEMBER 2019

To: Commercial and Investment Committee

Meeting Date: 21st February 2020

From: Chief Finance Officer

Electoral division(s): All

Forward Plan ref: N/a

Key decision: No

Purpose: To present to Commercial and Investment (C&I) Committee the December 2019 Finance Monitoring Report for C&I Committee.

The report is presented to provide C&I Committee with an opportunity to comment on the projected financial and performance outturn position, as at the end of December 2019.

Recommendation: The Committee is asked to:

- review, note and comment upon the report

<i>Officer contact:</i>	<i>Member contact:</i>
Name: Eleanor Tod	Councillor Joshua Schumann
Post: Strategic Finance Manager	Chairman of Commercial & Investment Committee
Email: Eleanor.Tod@cambridgeshire.gov.uk	Joshua.schumann@cambridgeshire.gov.uk
Tel: 01223 715333	01223 706398

1. BACKGROUND

- 1.1 Commercial and Investment Committee will receive the Commercial and Investment Finance Monitoring Report at all of its meetings (except June, as there is no April report), 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 for which the Committee has responsibility remain on target.

2. MAIN ISSUES

- 2.1 Attached as **Appendix A**, is the December 2019 Finance and Performance report.
- 2.2 **Revenue:** At the end of December, Commercial and Investment Committee is forecasting an overspend of £1,335k on revenue budgets. There are three significant forecast outturn variances by value (over £100k) to report since the last report that Committee received for November 2019.
- 2.4 **Capital:** At the end of December, Commercial and Investment Committee is forecasting an underspend of £15,775k on the capital programme budget. There is one new significant forecast outturn variance by value (over £250k) to report.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire's children

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 Commercial and Investment for this Committee.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Consultation Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Eleanor Tod
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	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 Monitoring Report (December 19)	1 st Floor, Octagon, Shire Hall, Cambridge

Service	Commercial & Investment
Subject	Finance Monitoring Report – December 2019
Date	21 st February 2020

KEY INDICATORS

Previous Status	Category	Target	Current Status	Section Ref.
Amber	Revenue position by Directorate	Balanced year end position	Amber	1.2
Green	Capital Programme	Remain within overall resources	Green	2

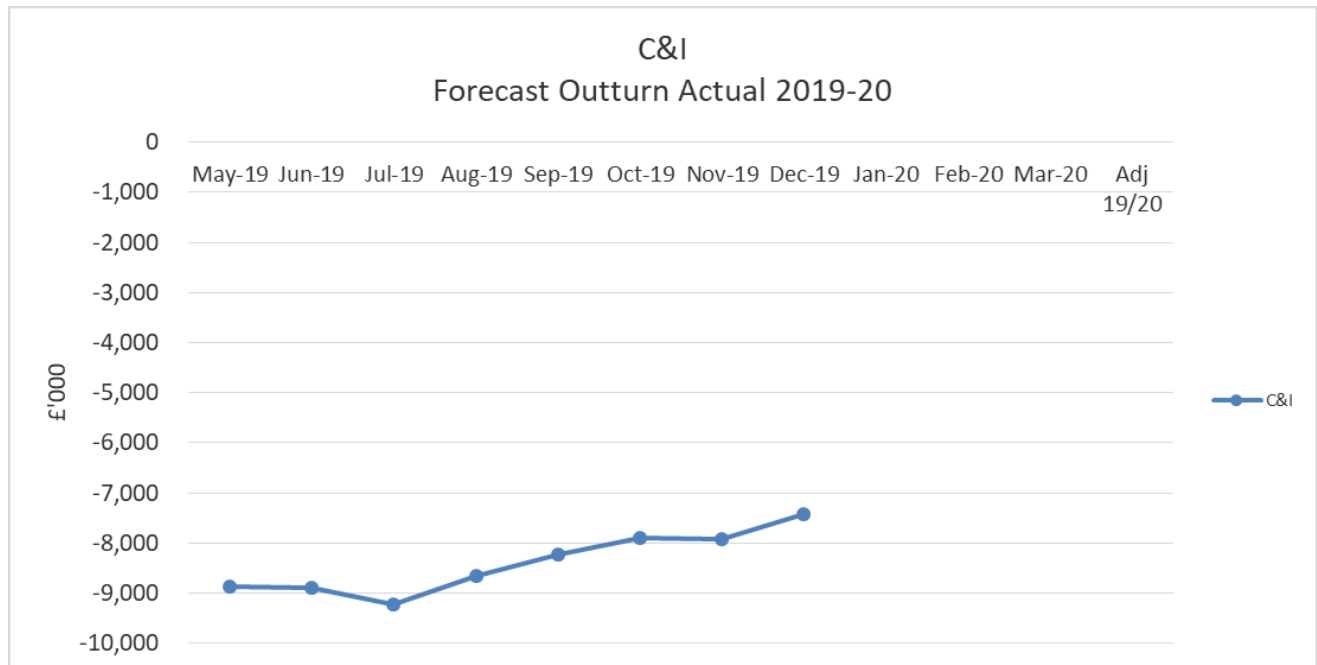
CONTENTS

Section	Item	Description	Page
1	Revenue Executive Summary	High level summary of information by Directorate Narrative on key issues in revenue financial position	2
2	Capital Executive Summary	Summary of the position of the Capital programme within Commercial & Investment	3
3	Savings Tracker Summary	Summary of the latest position on delivery of savings	4
4	Technical Note	Explanation of technical items that are included in some reports	4
Annex 1	Service Level Financial Information	Detailed financial tables for Commercial & Investment's main budget headings	5
Annex 2	Service Commentaries	Detailed notes on financial position of services that are predicting not to achieve their budget	6
Annex 3	Capital Position	This will contain more detailed information about Commercial & Investment's Capital programme, including funding sources and variances from planned spend.	8
<i>The following appendices are not included each month as the information does not change as regularly</i>			
Annex 4	Savings Tracker	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the business plan.	13
Annex 5	Technical Appendix	Twice yearly, this will contain technical financial information for Commercial & Investment showing: <ul style="list-style-type: none"> • Grant income received • Budget virements into or out of Commercial & Investment • Service reserves 	15

1. Revenue Executive Summary

1.1 Overall Position

Commercial & Investment (C&I) is forecasting an underachievement of income of £1,335k at the end of December, which is an increase of £483k from the previous forecast. C&I has a negative budget as it has an income target for 2019/20 of -£8,768k. As such, the forecast outturn variance of £1,335k means that C&I is expecting to achieve a net income position of -£7,433k by year-end as demonstrated in the following chart:



1.2 Summary of Revenue position by Directorate

Outturn Variance (Previous) £000	Directorate	Budget 2019/20 £000	Actual £000	Outturn Variance (Dec) £000	Outturn Variance %
331	Commercial Activity	-11,354	-4,618	892	7.9%
292	Property Services	6,229	5,262	273	4.4%
-96	Strategic Assets	-3,301	-2,122	-125	3.8%
325	Traded Services	-343	-230	295	86.1%
852	Total	-8,768	-1,708	1,335	15.2%

A service level budgetary control report for Commercial and Investment Committee can be found in Annex 1.

1.3 Significant Issues

At the end of December 2019, the overall position for C&I is an underachievement of £1,335k.

Significant issues are detailed below:

Commercial Activity

The Property Investments budget is forecast to underachieve by £655k, which is an increase of £475k from the previous forecast. There are currently two adverse pressures facing this area in addition to the under-occupancy situation at Brunswick House (reported in November's report):

- A further commercial property investment anticipated in South Cambridgeshire has not yet completed, due to delays in receiving information as part of the purchase process and due diligence. The Council has now exchanged on this property, subject to the Vendor meeting certain further conditions, and is due to complete in late January. However, the delay is expected to result in £478k less rental income than originally forecast. This is therefore a timing issue, but it is important the Council is able to satisfactorily complete its due diligence before completing. The scale of the purchase has also changed from the original Business Case – whilst the purchase price has decreased, the scope of units included within the purchase has also reduced which has decreased the return by £40k for 2019-20. The overall return on yield on this investment, however, remains the same and the remaining unit is subject to a put and call arrangement which could lead to the Council owning the entire site with a higher overall revenue income.
- The forecast level of capital receipts available to fund property investment in 2019-20 has reduced; as a result, additional borrowing has been required (this was approved by GPC in November 2019 and reflects changes to the timing (and amounts) of overage to be received from This Land). This creates additional financing costs and therefore reduces the level of return available by £138k in 2019/20. However, this change in financing is not expected to impact on the ability to deliver the expected income level for Property Investments for 2020-21 onwards. GPC is scheduled to consider a further increase in borrowing to fund these acquisitions in January; the impact of this change will be reflected in the January reports.

These forecast underachievements of income have been partially off-set by a £188k increase in expected return on some of the properties, mainly as a result of increased rental income following scheduled rent reviews.

The Housing Investment budget is forecast to underachieve by £541k, which is an increase of £140k from the previous forecast. This relates to continuing adjustments in relation to the amount and timing of the final construction loan due to be issued in 2019-20, and therefore reflects a timing issue.

Strategic Assets

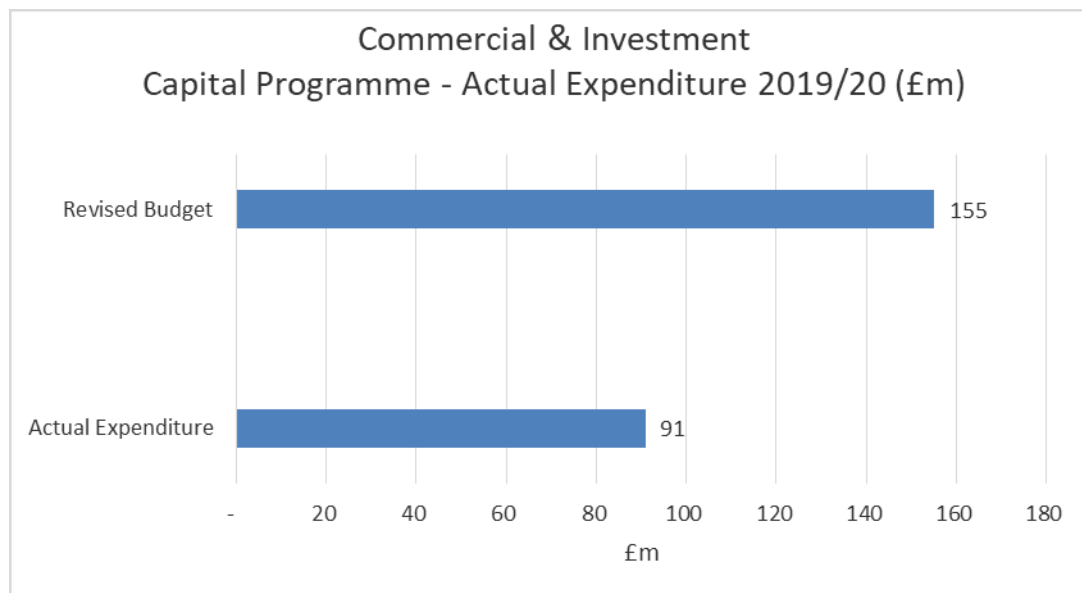
The County Farms budget is forecast to overachieve by £125k. The forecast includes a decrease in expenditure required for maintenance & repairs and an increase in income of -£54k due to a payment received which relates to last year.

A detailed explanation of the revenue position for Commercial and Investment Committee can be found in Annex 2.

2. Capital Executive Summary

2.1 Expenditure

Commercial and Investment Committee has expenditure of £90.9m to date on the Capital Programme, against a revised budget of £155.1m:



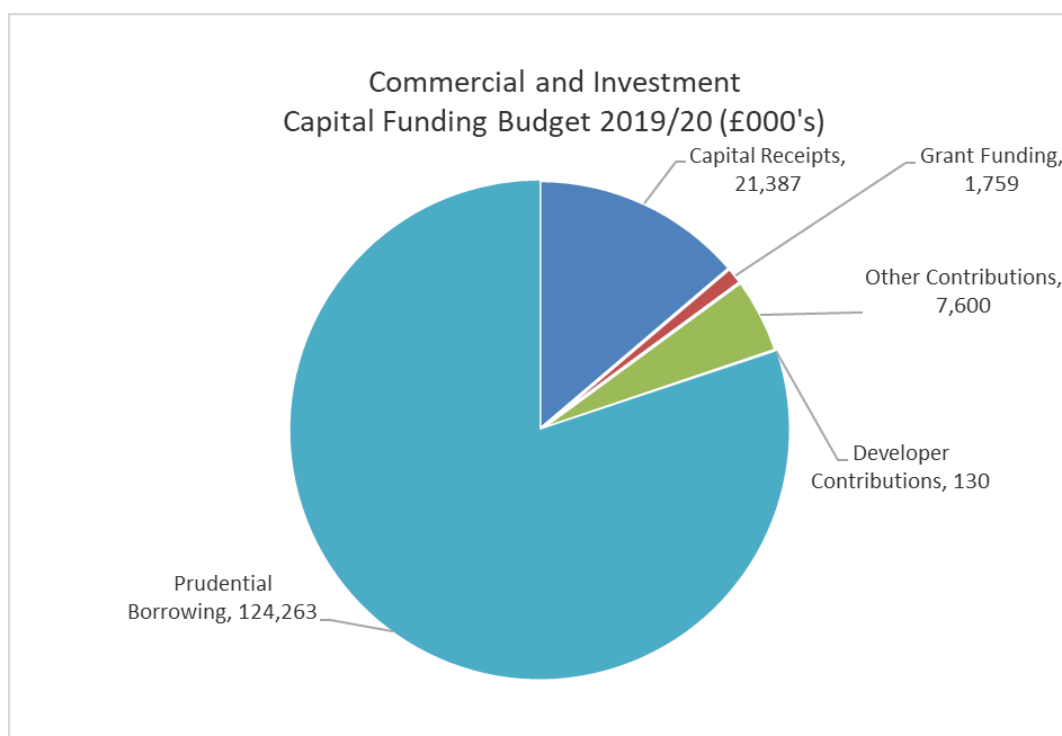
In-year, an underspend of £15,775k is forecast. The total scheme forecast is on budget.

Commercial Activity

The Housing Schemes are forecasting to underspend by -£20.2m. This is an increase of -£10.2m since the previous forecast, and relates to continuing adjustments in relation to the amount and timing of the final construction loan due to be issued in 2019-20, and therefore reflects a timing issue.

2.2 Funding

Commercial and Investment Committee has a capital budget of £155.1m in 2019/20, which is funded by the following capital resources:



A detailed explanation of the capital programme position for Commercial and Investment Committee can be found in Annex 3.

There are no new material variances to report this month.

3. Savings Tracker Summary

The savings tracker is produced three times a year. The quarter 2 report is included in Annex 4; the next update will be in the January FMR.

4. Technical note

A technical financial appendix is included as Annex 5, which covers:

- Grants that have been received by the service, and where these have been more or less than expected
- Budget movements (virements) into or out of Commercial & Investment from other services (but not within Commercial & Investment), to show why the budget might be different from that agreed by Full Council
- Service reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down

ANNEX 1 – Service Level Financial Information

Forecast Outturn Variance (Nov)		Budget 2019/20	Actual December 2019	Forecast Outturn Variance	
£000's		£000's	£000's	£000's	%
Commercial Activity					
180	Property Investments	-4,700	-3,612	655	14%
-250	Shareholder Company Dividends	-206	-1	-304	-148%
401	Housing Investment (This Land Company)	-5,728	48	541	9%
350	Contract Efficiencies & Other Income	-449	0	350	78%
-335	CCLA Managed Investment	0	-214	-335	0%
-15	Renewable Energy Investments	-271	-839	-15	-5%
331	Commercial Activity Total	-11,354	-4,618	892	8%
Property Services					
341	Facilities Management	5,369	4,589	327	6%
-26	Property Services	655	565	-26	-4%
-23	Property Compliance	205	109	-28	-14%
292	Property Services Total	6,229	5,262	273	4%
Strategic Assets					
-96	County Farms	-4,114	-2,231	-125	-3%
0	Strategic Assets	813	108	0	0%
-96	Strategic Assets Total	-3,301	-2,122	-125	4%
Traded Services					
0	Traded Services - Central	0	11	0	0%
-29	ICT Service (Education)	-200	-818	-41	-20%
0	Professional Development Centres	-71	-81	0	0%
0	Cambridgeshire Music	5	452	0	0%
353	Outdoor Education (includes Grafham Water)	-77	205	336	435%
325	Traded Services Total	-343	-230	295	86%
852	Total	-8,768	-1,708	1,355	13%
Grant Funding					
0	Non Baselined Grants	0	0	0	0%
0	Grant Funding Total	0	0	0	0%
852	Overall Total	-8,768	-1,708	1,355	15%

ANNEX 2 – Service Commentaries on the Revenue Forecast Outturn Position

Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater for a service area.

Service	Current Budget £000	Forecast Outturn Actual £000	Forecast Outturn Variance	
			£000	%
Property Investments	-4,700	-4,045	655	14
<p>The Property Investments budget is forecast to underachieve by £655k, which is an increase of £475k from the previous forecast. There are currently three adverse pressures facing this area:</p> <ul style="list-style-type: none"> - The occupancy of Brunswick House (student accommodation) is below target for the current academic year, creating an underachievement of income of £187k. There is a brand new competing property in the vicinity of Brunswick House, however, the Council is confident the offer and location of Brunswick House overall will remain very appealing to students for the years ahead, and active/varied marketing activity is continuing via the operator of the accommodation. - A further commercial property investment anticipated in South Cambridgeshire has not yet completed, due to delays in receiving information as part of the purchase process and due diligence. The Council has now exchanged on this property, subject to the Vendor meeting certain further conditions, and is due to complete in late January. However, the delay is expected to result in £478k less rental income than originally forecast. This is therefore a timing issue, but it is important the Council is able to satisfactorily complete its due diligence before completing. The scale of the purchase has also changed from the original Business Case – whilst the purchase price has decreased, the scope of units included within the purchase has also reduced which has decreased the return by £40k for 2019-20. The overall return on yield on this investment, however, remains the same and the remaining unit is subject to a put and call arrangement which could lead to the Council owning the entire site with a higher overall revenue income. - The forecast level of capital receipts available to fund property investment in 2019-20 has reduced; as a result, additional borrowing has been required (this was approved by GPC in November 2019 and reflects changes to the timing (and amounts) of overage to be received from This Land). This creates additional financing costs and therefore reduces the level of return available by £138k in 2019/20. However, this change in financing is not expected to impact on the ability to deliver the expected income level for Property Investments for 2020-21 onwards. GPC is scheduled to consider a further increase in borrowing to fund these acquisitions in January; the impact of this change will be reflected in the January reports. <p>These forecast underachievements of income have been partially off-set by a £188k increase in expected return on some of the properties, mainly as a result of increased rental income following scheduled rent reviews.</p>				
Shareholder Company Dividends	-206	-510	-304	-148
<p>The Shareholder Company Dividends budget is forecast to overachieve by £304k in 2019/20. This is due to the estimate for the dividend to be received from ESPO, which is higher than the budget.</p>				
Housing Investment (This Land Company)	-5,728	-5,187	541	9
<p>An underachievement of income of £541k is forecast on Housing Investment. This relates to interest received on loans made to This Land; the underachievement is a result of delays in making those loans and/or changes to the value of loans to be issued during 2019-20.</p>				
Contract Efficiencies & Other Income	-449	-99	350	78

Service	Current Budget £000	Forecast Outturn Actual £000	Forecast Outturn Variance £000	%
<p>The Contract Efficiencies & Other Income budget is forecast to underachieve by £350k in 2019/20. This is due to the targets for savings and additional income not being expected to be met in the year. However, work is underway to achieve this target in future years, and is expected to be taken forward by the Commercial Team once the team is in place. In addition, it has been concluded that whilst there may be some financial benefit for charities of creating a CCC lottery, this could be outweighed by the possibility of losing support through direct contributions and anxieties about control and financial burden. Resources will therefore be refocused to support other commercial initiatives.</p>				
CCLA Managed Investment	-	-335	-335	-
<p>An investment in the CCLA Managed Investment Fund was approved by Commercial & Investment Committee in February 2019. The investment in this fund is expected to make a return of £335k in 2019/20.</p>				
Facilities Management	5,369	5,696	327	6
<p>The Facilities Management budget is forecast to overspend by £327k in 2019/20. This is due to additional works following service in operational buildings, which are required for those buildings to meet required standards.</p>				
County Farms	-4,114	-4,239	-125	-3%
<p>The County Farms budget is forecast to overachieve by £125k. The forecast includes a decrease in expenditure required for maintenance & repairs and an increase in income of -£54k due to a payment received which relates to last year.</p>				
Outdoor Education	-77	258	336	435
<p>A structural pressure of £113k has been identified at Grafham Water Centre during budget preparation and has been reported from the beginning of 2019/20. This has been partially offset by underspends elsewhere in the service. A Business Development Plan is underway to address the financial sustainability of the service.</p> <p>In addition to this, there is a one-off cost in this year which is estimated at £140k, which relates to backdated pay for staff at Grafham Water Centre as a result of National Minimum Wage requirements.</p> <p>Some underachievement of income is expected at Grafham Water and Stibbington due to staff turnover in year which has caused numbers of bookings outside peak times to fall.</p>				

ANNEX 3 – Capital Position

3.1 Capital Expenditure

Commercial & Investment Capital Programme 2019/20						
Total Scheme Revised Budget £000	Original 2019/20 Budget as per BP £000	Scheme	Revised Budget for 2019/20 £000	Actual Spend 2019/20 £000	Forecast Spend - Outturn £000	Forecast Variance 2019/20 £000
		<u>Commercial Activity</u>				
144,068	51,907	Commercial Investments	104,605	76,422	104,605	-
153,009	43,067	Housing Schemes	56,847	10,055	20,222	(36,625)
3,645	3,280	St Ives Smart Energy Grid	3,378	17	81	(3,297)
11,399	383	Babraham Smart Energy Grid	452	45	70	(382)
6,969	292	Trumpington Smart Energy Grid	314	1	1	(313)
9,745	397	Stanground Closed Landfill Energy Project	454	43	235	(219)
2,526	246	Woodston Closed Landfill Energy Project	285	2	29	(256)
23,219	672	North Angle Solar Farm	695	223	908	213
40	-	Light Blue Fibre	20	20	20	-
354,620	100,244		167,050	86,828	126,171	(40,879)
		<u>Property Services</u>				
6,000	600	Building Maintenance	1,338	1,431	1,338	-
6,150	-	Shire Hall Campus	81	30	81	-
345	-	Office Portfolio Rationalisation	47	28	47	-
3,034	550	Investment in the CCC asset portfolio	3,034	17	3,034	-
15,529	1,150		4,500	1,507	4,500	-
		<u>Strategic Assets</u>				
1,000	100	Local Plans Representations	100	15	100	-
3,000	300	County Farms Investment	300	152	216	(84)
-	4,616	MAC Joint Highways Project	-	-	-	-
1,950	910	Community Hubs - East Barnwell	1,041	-	60	(981)
18,326	5,633	Shire Hall Relocation	7,971	2,460	7,971	-
113	-	Marwick Centre Roof Repairs	113	-	150	37
295	-	Meads Farm House Replacement	295	5	115	(180)
24,684	11,559		9,820	2,632	8,612	(1,208)
134	81	Capitalisation of Interest Budget	81	(31)	81	-
(40,969)	(22,591)	Capital Programme Variations Budget	(26,312)	-	-	26,312
353,998	90,443	TOTAL	155,139	90,935	139,364	(15,775)

3.3 Capital Variation

A summary of the use of capital programme variations budget is shown below. As forecast underspends are 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.

2019/20					
Service	Capital Programme Variations Budget £'000	Forecast Outturn Variance (Dec 2019) £'000	Capital Programme Variations Budget Used £'000	Capital Programme Variations Budget Used %	Revised Outturn Variance (Dec 19) £'000
C&I	-26,312	-42,087	-26,312	100%	-15,775

3.4 Capital Funding

Commercial and Investment Capital Programme 2019/20					
Original 2019/20 Funding Allocation as per BP £000	Source of Funding		Revised Funding for 2019/20 £000	Actual Spend £000	Actual Variance £000
42,077	Capital Receipts	C&I	21,387	33,898	12,511
2,309	Grant Funding	C&I	1,759	-	(1,759)
7,600	Other Contributions	C&I	7,600	7,600	-
130	Developer Contributions	C&I	130	-	(130)
38,327	Prudential Borrowing	C&I	124,263	97,866	(26,397)
90,443	TOTAL		155,139	139,364	(15,775)

3.2 Service Commentaries on the Capital Position

The schemes with significant variances (>£250k) either due to changes in phasing or changes in overall scheme costs can be found in the following table:

Revised Budget for 2019/20	Forecast Spend - Outturn (Dec)	Forecast Variance (Dec)	Variance Last Month (Nov)	Movement	Breakdown of Variance	
					Underspend/ Overspend	Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commercial Investments						
104,605	104,605	-	-	-	-	-
Commercial & Investment Committee recommended to GPC in November the approval of an additional £52m budget for Commercial Investments, but an additional £73m of Prudential Borrowing. The Council has spent, or has committed to spend, £105m on commercial property investments in 2019/20. This also requires an amendment to the capital funding for Commercial Investments. This will reduce funding from Capital Receipts by £21m and increase the Prudential Borrowing requirement by £73m.						

Revised Budget for 2019/20	Forecast Spend - Outturn (Dec)	Forecast Variance (Dec)	Variance Last Month (Nov)	Movement	Breakdown of Variance	
					Underspend/ Overspend	Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p>The reduction in available capital receipts is due to rephasing of the timing of expected overage payments from This Land.</p>						
Housing Schemes						
56,847	20,222	-36,625	-26,475	-	-	-36,625
<p>The Housing Schemes budget is forecast to underspend by £36.6m in 2019/20. This follows reprofiling of expected loans in relation to both overage and construction.</p> <p>This will reduce the prudential borrowing requirement in year by £36.6m.</p>						
St Ives Smart Energy Grid						
3,378	81	-3,297	-3,297	0	-	-3,297
<p>The St Ives Smart Energy Grid scheme is expected to underspend by £3.3m in 2019/20. Commencement of work on this project has been delayed due to prolonged negotiations over securing the land title, settling the State Aid position, customer negotiations, retendering the works, and discharging planning conditions.</p> <p>This will reduce the grant funding applied in this year by £1,759k and will reduce the prudential borrowing requirement in year by £1,538k.</p>						
Babraham Smart Energy Grid						
452	70	-382	-382	0	-	-382
<p>The Babraham Smart Energy Grid scheme is expected to underspend by £382k in 2019/20. Development work on the Investment Grade Proposal for the Babraham Smart Energy Grid Project has been slower than anticipated due to uncertainties in the battery energy storage market and the simultaneous development of several large energy projects in 2018/19.</p> <p>This will reduce the prudential borrowing requirement in year by £382k.</p>						
Trumpington Smart Energy Grid						
314	1	-314	-314	0	-	-314
<p>The Trumpington Smart Energy Grid scheme is expected to underspend by £314k in 2019/20. Pending guidance from the Property team and Members on whether the site will be put forward for housing in the Local Plan, work on any clean energy project at the existing Trumpington Park and Ride site has been suspended.</p> <p>This will reduce the prudential borrowing requirement in year by £314k.</p>						
Woodston Closed Landfill Energy Project						
285	29	-256	-	-256	-	-256

Revised Budget for 2019/20	Forecast Spend - Outturn (Dec)	Forecast Variance (Dec)	Variance Last Month (Nov)	Movement	Breakdown of Variance	
					Underspend/ Overspend	Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p>The Woodston Closed Landfill Energy Project scheme is forecast to underspend by £256k. The Committee approved an officer request to suspend activity on this project in October due to prohibitive grid connection costs and current uncertainty in the battery service market.</p>						
Investment in the CCC Asset Portfolio						
3,034	550	-	-	-	-	-
<p>This scheme was reported in the 2019/20 Business Plan as funded from Capital Maintenance Grant. The scheme will actually be funded from Prudential Borrowing, and the revised funding has been updated to reflect this.</p> <p>In October 2019 Commercial & Investment Committee Approved additional capital budget of £2,484k in 2019/20 for Investment in the CCC Asset Portfolio relating to the Cambs 2020 Spokes programme. This is to be funded from Prudential Borrowing.</p>						
Community Hubs – East Barnwell						
1,041	60	-981	-841	-140	-	-981
<p>The Community Hubs – East Barnwell scheme is expected to underspend by £981k. This is due to difficulties in obtaining the relevant planning permission, which means that the only costs in 2019/20 will be related to planning, and any construction costs will be in future years.</p> <p>This will reduce the developer contributions applied this year by £140k and the prudential borrowing requirement in year by £841k.</p>						
Meads Farm House Replacement						
295	115	-180	-180	-	-	-180
<p>Commercial and Investment Committee recommended to General Purposes Committee the approval of £295k capital budget for the demolition and rebuilding of the house at Meads Farm which has been deemed structurally beyond economic repair. This project will preserve the value of the asset and the rental income received from it, and will meet the Council's current obligation as a landlord but will not generate any additional income.</p> <p>This will increase the prudential borrowing requirement in year by £295k.</p>						

ANNEX 4 – Savings Tracker

Quarter 2 report

Reference	Title	Committee	Original Saving 19-20	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 19-20	Variance from Plan £000	% Variance	RAG	Forecast Commentary
F/R.6.001	BP 19/20 Contract Efficiency	C&I	-200	0	0	0	0	0	200	100.00	Black	Any savings made in 2019/20 will go towards the savings target carried forward from 2018/19 which was not met in that year.
F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	C&I	-19	0	0	0	-19	-19	0	0.00	Green	
F/R.7.103	County Farms Investment (Viability) - Surplus to Repayment of Financing Costs	C&I	16	0	0	0	0	16	0	0.00	Green	
F/R.7.104	County Farms Investment (Viability) - Repayment of Financing Costs	C&I	-16	0	0	0	0	-16	0	0.00	Green	
F/R.7.105	Renewable Energy Soham - Repayment of Financing Costs	C&I	-8	0	0	0	0	-8	0	0.00	Green	
F/R.7.106	Utilisation/commercialisation of physical assets	C&I	-21	0	0	0	0	-21	0	0.00	Green	

Reference	Title	Committee	Original Saving 19-20	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 19-20	Variance from Plan £000	% Variance	RAG	Forecast Commentary
F/R.7.113	Invest to Save Housing Schemes - Income Generation	C&I	-1,483	0	0	0	0	-1,183	300	20.23	Red	Dependent on land values and This Land's readiness for construction loans.
F/R.7.127	Renewable Energy Soham - Surplus to Repayment of Financing Costs	C&I	-5	0	0	0	0	-5	0	0.00	Green	

ANNEX 5 – Technical Note

1. Grant Income Analysis

There is no additional grant income recorded in 2019/20.

2. Virements and Budget Reconciliation

	£'000	Reported
Budget as per Business Plan	-9,502	
Movement of Contract Efficiency saving target from Corporate Services	-49	May 2019
Clear Traded Services Central income target from Central Services Risks budget	58	May 2019
Deployment of budget to Housing Investment to mitigate overspends, as agreed by GPC July 2019	122	June 2019
Transfer budget from Debt Charges and Interest for the debt charges relating to the Triangle solar farm	603	August 2019
Revised Budget	-8,768	

3. Reserve Schedule

Fund Description	Balance at 01 April 2019	Movements in 2018/19	Balance at 31 December 2019	Forecast Balance at 31 March 2020	Notes
	£'000	£'000	£'000	£'000	
<u>Equipment Reserves</u>					
The ICT Service (Education)	56	0	56	0	1
subtotal	56	0	56	0	
<u>Other Earmarked Funds</u>					
North Cambridge Academy site demolition costs	600	0	600	679	2
subtotal	600	0	600	679	
<u>Capital Reserves</u>					
General Capital Receipts	20,415	13,549	33,964	0	3
subtotal	20,415	13,549	33,964	0	
TOTAL	21,070	13,549	34,619	679	

Notes

- 1 ICT Equipment Reserve will to be used to replace critical equipment in 2019/20
- 2 Rental income from Bellerbys buildings on the North Cambridge Academy site is being held to offset demolition costs when the lease expires in 2021.
- 3 General Capital Receipts received during 2019/20 will be used to fund the capital programme at year-end, and This Land Capital Receipts will be used for Commercial Investment.

COMMERCIAL AND INVESTMENT COMMITTEE AGENDA PLAN

Published on 3rd February 2020
Updated on 13th February 2020



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.

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 Report;
- Agenda Plan, Appointments to Outside Bodies and Training Plan.

Committee Date	Report title	Report author	Reference if key decision	Deadline for draft reports	Agenda despatch date
21/02/20	Mobilising Local Energy Investment: Quarterly finance and progress update	Sheryl French		12/02/20	13/02/20
	Cambridgeshire Outdoors Property Capital Investment	Dan Sage/Alastair Hale			
	Outline business case for solar car port and EV charging at Civic Hub	Sheryl French			
	Rural Estate Strategic Review	Alex Gee/ John Macmillan			
	Northstowe Heritage Facility – partnership with Highways England & Homes England	Quinton Carroll			
	Defining Cambridgeshire County Council approach to Traded Services	Chloe Rickard			

Committee Date	Report title	Report author	Reference if key decision	Deadline for draft reports	Agenda despatch date
20/03/20	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham		11/03/20	12/03/20
	Purchase of St Ives Football Club Ground	John Macmillan			
	High Level Assessment for Longstanton Park and Ride energy project	Cherie Gregoire			
	Update on the North Angle solar farm project	Claire Julian Smith/Sheryl French			
	+ This Land – Strategic Financing: Construction and Acquisitions	Tom Kelly	2020/027		
	East Cambridgeshire Adult Social Care Service Development	Amanda Roach	2020/025		
	Hinchingbrooke Country Park	Alex Gee			
24/04/20	Loans to Voluntary Organisations	Tom Kelly		15/04/20	16/04/20
22/05/20	Confirmation of Chairman/Vice Chairman	Dawn Cave		13/05/20	14/05/20
	Mobilising Local Energy Investment: Quarterly finance and progress update	Sheryl French			
21/06/20	Cambridgeshire Music OFR	Cllr Hudson/ Matthew Gunn/ Sarah Rust			
	Update on Property Services	Alex Gee			
	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			
12/07/20					
16/08/20					
13/09/20	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			

Committee Date	Report title	Report author	Reference if key decision	Deadline for draft reports	Agenda despatch date
18/10/20					
22/11/20					
13/12/20	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			
17/01/21					
21/02/21					
20/03/21	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			
24/04/21					
22/05/21					

To be programmed: St Ives Football club – ransom strip benefit for CCC (John Macmillan) ICT Future Delivery Options (John Chapman); Trumpington Park & Ride Smart Energy Grid (Sheryl French); Proposed lease of Land adjacent to The Oasis Community Centre, Tinkers Drove, Wisbech PE12 3NR (A Gee/I Trafford/M Freer)

COMMERCIAL AND INVESTMENT COMMITTEE TRAINING PLAN

Ref	Subject	Desired Learning Outcome/Success Measures	Date	Responsibility	Attendance by:
1.	Provisional training slot		24th April 2020 (12-3pm)	Tbc	C&I
2.	Performance reporting		17 th January 2020	Amanda Askham	C&I
3.	Presentation on Shire Hall site plans		22 nd November 2019	Chris Malyon	C&I
4.	Committee Training: MLEI/Energy projects		18 th October (12-3pm)	Sheryl French	C&I
5.	Nearly Zero Energy Buildings members/officers workshop		24 th May 2019(1-2.30pm)	Sarah Wilkinson/Sheryl French	C&I and GPC
6.	Commercialisation training (all Members)		26 th April 2019 (1-4pm)	Amanda Askham	All Members
7.	Finance/KPIs		3 rd December 2018 (1pm)	Tom Kelly/Ellie Tod/Amanda Askham/Sue Grace	C&I
8.	Commercial Strategy		9 th November 2018 (12.30pm)	Amanda Askham	C&I
9.	Members' duties and obligations in considering Promotion Agreements.		2 nd November 2018 (12.30pm)	Chris Malyon	C&I
10.	Future Smart Energy Systems Demonstrator Project		18 th October 2018 (13.30)	Sheryl French/Emily Bolton	C&I
11.	Finance/Performance Indicators		tbc	Tom Kelly/Ellie Tod	C&I
12.	This Land Performance Workshop		12 th March 2018	David Gelling/David Bethell /Chris Malyon/John Macmillan	C&I
13.	Asset & Risk Workshop	<ul style="list-style-type: none"> • Asset Strategy • CHIC • Risk approach and risk register • Site tenure mix and retention of rental housing • Affordable housing • Community Land Trusts 	20 th October 2017	Chris Malyon/Stephen Conrad/ David Gelling	C&I

14.	Business Planning Session		15 th September 2017	Chris Malyon/ James Wilson	C&I
15.	CHIC Workshop		27 th June 2017	Chris Malyon/ David Gelling/ David Bethell/ John Macmillan	C&I
16.	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

Updated 13/02/20