

**GENERAL PURPOSES COMMITTEE: MINUTES**

**Date:** Tuesday 1st July 2014

**Time:** 10.00 a.m. to 1.50 p.m.

**Present:** Councillors Bailey, Bates, Bourke, D Brown, Bullen, Cearns, Clapp, Count (Chairman), Criswell, Hickford, Hipkin, Leeke, McGuire (Vice-Chairman), Orgee, Reeve, Sales and Whitehead

**12. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**13. MINUTES – 20TH MAY 2014 AND ACTION LOG**

The minutes of the meeting held on 20th May 2014 were agreed as a correct record and signed by the Chairman. The Action Log was noted.

**14. PETITIONS**

No petitions were received.

**15. BUSINESS PLANNING – CAPITAL STRATEGY**

The Committee received a report detailing the Council's Capital Strategy, which had been revised as part of the 2015/16 Business Planning Process. Members were reminded that the Strategy was an important part of the budgeting process. It was noted that the majority of the Council's Capital Programme was generated in direct response to statutory requirements. The current agreed programme had been identified as affordable following robust scrutiny. However, it was important to note that maintaining the current level of borrowing for the Council was unsustainable as the revenue impact of this (debt charges) would become an ever increasing percentage of the Council's budget. It was therefore proposed to introduce a limit on debt charges that equated to the level of revenue debt charges as set out in the 2014/15 Business Plan over the next five years and capped at £45m from 2019/20 onwards. This recommended limit would exclude borrowing relating to Invest to Save/Earn Schemes.

During discussion, members made the following comments:

- the need for the investment appraisal approach to consider quality as well as efficiency. There was also a need to consider whole life costs when prioritising schemes such as the impact on the community, equality and diversity, and community engagement. Members were informed that the investment appraisal reflected an overarching approach and would not have a direct impact on the community. The Chairman reminded the Committee that a revised Investment Appraisal System was not yet in place. Members acknowledged the need for any revised system to be approved by the General Purposes Committee.

- the need to address unsustainable borrowing. There was concern that the revenue impact would restrict spending in other areas. There was also particular concern about the impact of future interest rate rises over the next five to ten years. It was therefore suggested that the Council needed to make further economies. This could involve sacrificing quality, which the Council could not afford, in its capital projects. It was proposed that a future council should equip itself to have a more business-like approach and be more entrepreneurial in order to generate revenue.
- the need to consider the total timeframe for the programme, which showed that prudential borrowing in 2016/17 and 2017 /18, was less than borrowing in 2015/16.
- concern regarding the reduction in capital funding from Government to fund school places. The Council had received £30m less than it needed for the period 2015/16 to 2016/17. Members were informed that the Council had been lobbying the Department for Education (DfE) for a fairer funding settlement. In the meantime, Members raised the need to investigate the reason why Cambridgeshire's average cost per primary school place was in the highest quartile for both permanent expanded schools and new schools. It was acknowledged that a previous assessment of school design costs needed to be reviewed. There was also a need to take a critical look at the design costs of new schools, and the environmental impact of providing home to school transport. The Chief Finance Officer agreed to provide a detailed report on the Schools' Capital Programme for the next cycle. **Action Required.**
- concern that the total investment for housing provision was greater than the total net return, which meant that the Council was providing more affordable housing than the developer. The Chief Finance Officer agreed to provide the Committee with an update. **Action Required.**
- acknowledged the importance of excluding borrowing related to Invest to Save/Earn schemes from the recommended borrowing limit.
- the importance of prioritising revenue generating schemes. One member suggested that officers should be asked to develop a list of revenue generating schemes regardless of their political feasibility. Other members felt that it was the role of the service committees to identify such schemes relating to their area. It was considered the role of the Committee to commission joint pieces of work. However, there was concern about using limited resources to pursue schemes, which were unlikely to have a political life.
- concern that there was a risk service committees would not align their spending plans with affordable borrowing levels since individual service committees did not have oversight of, and were not responsible for, the revenue impact of these decisions.
- queried the use of the word "capped" in recommendation a), as it indicated an absolute limit, which could bind the Council in the future. It was also suggested that advisory should be used instead of "recommended".
- the need to compile a list detailing areas of spend which were not a statutory requirement such as the Cromwell Museum and the Tour de France.

The following amendment to the recommendations as set out in the report was proposed by Councillor Bourke and seconded by Councillor Cearnis:

General Purposes Committee, in light of the "Capital Strategy" and as part of the forthcoming budget process, invites the service committees to consider whether they would like to ask officers to prepare a comprehensive list of potential revenue-generating schemes for their consideration, regardless of the Council's previously agreed policy positions.

On being put to the vote, the amendment was lost.

The following amendment to the recommendations as set out in the report was proposed by Councillor Count and seconded by Councillor Bates:

Recommendation a) - amend "a recommended" to an advisory; and

Add an additional recommendation g) inviting the relevant Service Committees to consider approaches to reducing the average capital cost of providing new school places.

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

It was resolved to recommend to Full Council the revisions to the Capital Strategy, to include:

- a) an advisory limit on the level of debt charges (and therefore prudential borrowing) that equated to the level of revenue debt charges as set out in the 2014/15 Business Plan over the next five years and set at £45m from 2019/20 onwards.
- b) that both the recommended limit on debt charges, and the associated level of borrowing this related to, be reviewed annually by General Purposes Committee at the beginning of the Business Planning Process and be flexed if required.
- c) that changes to the phasing of the recommended borrowing limit be allowed within any three-year block, to provide for flexibility of phasing.
- d) that borrowing related to Invest to Save/Earn schemes be excluded from the recommended borrowing limit.
- e) that prioritisation of schemes be undertaken using an improved version of the Investment Appraisal system; the revised Appraisal System to be approved by General Purposes Committee.
- f) that the process for determining the Children, Families and Adults Programme be highlighted more specifically within the Capital Strategy in order to bring the level of information in line with that for the rest of the Programme.
- g) inviting the relevant Service Committees to consider approaches to reducing the average capital cost of providing new school places.

## 16. BUSINESS PLANNING PROCESS

The Committee received an update on the Business Planning Process, which included a more detailed timetable, vision and priorities, and consultation with residents. During discussion, members made the following comments:

- the need to set out the national context for the public in Part 1: Introduction – The current situation.
- the need to set out the implications of not changing Council Tax in Part 3: Council Tax, and in Section 1.2 on page 9. One member asked why the Council was asking people about Council Tax when they were unlikely to want an increase. He also asked for a brief analysis of the cost of the consultation and queried what the Council was likely to get from it. The Committee was informed that there was no statutory requirement to consult the public but there was a requirement to consult partners. It was agreed that the figures should be circulated. **Action Required.**
- suggested that there were Equality and Diversity Implications particularly for those people who were not included within the consultation sample for the questionnaire and did not have Internet access. It was noted that the questionnaire would also be delivered through a household survey and would cover a representative sample.
- the need to review questions 7 and 8 on page 13 as they were effectively the same question.
- the need to review question 3.3 on page 16 as it was misleading. It was suggested that the percentages needed to be put in to context i.e. actual funding amounts included.
- the need to add an additional question to Questions 2.1 and 2.2 -15. Investing in renewable energy (wind turbines, solar) to raise funds for services.
- the need to review page 8 to ensure consistency in relation to the savings figure. There was also a preference for the word cuts instead of budget.
- the need to reflect the fact, on page 18, that some people received services from three councils rather than just two.
- suggested that it was not possible to reflect on the outputs from the Service Committees when they had not yet been received. The Committee agreed unanimously that in the future should be added to recommendation d).
- the need to provide a percentage on page 9 to show the level of savings in order to demonstrate what had happened in the past. One member suggested a comparison over three years rather than two.
- the need to reflect culture and arts in Questions 2.1 and 2.2.
- the need to include the cost of a referendum in Section Three: Council Tax. There was also a need to reflect the Government's position i.e. "The Pickles Promise".

- the need to include on page 16 the rate of Council Tax increase, which would remove the need for budget cuts.

Councillor Whitehead informed the Committee that she would be meeting officers on 3 July to go through the questionnaire. She therefore invited members of the Committee to e-mail any minor comments directly to her. One Member commented that although Councillor Whitehead could talk to officers no individual councillor should be the final filter or arbiter of the questionnaire in case it skewed the views of the committee in one direction.

It was resolved to:

- a) approve the updated Business Plan timetable for 2014/15;
- b) confirm the Council's commitment to its existing vision and priorities for the 2015/16 Business Plan;
- c) agree that the vision statement for the 2015/16 Business Plan be authored to be approved by the General Purposes Committee;
- d) in the future reflect on the outputs from the Service Committees during this year's Business Planning process and consider how the Council's vision and priorities might need to adapt in future years to meet the changing role of the Council; and
- e) comment on proposals and options for consultation with residents, agreeing an approach which would be used for this year's business planning process.

## 17. **BUSINESS PLANNING OVERVIEW – CUSTOMER SERVICE AND TRANSFORMATION AND LGSS MANAGED**

The Committee received an overview of the business planning context for the Council. Attention was drawn to section 2.9 detailing an over allocation of base funding for 14/15 in the sum of £2.5m. The Committee was asked to provide a steer on whether this additional resource should be maintained within the service for 2015/16 to mitigate the challenging savings targets within the Older People's budget or allocated to the in year cash limit in order to maintain stability within the service. The Committee agreed, unanimously, to correct recommendation c) to the 2014/15 Business Plan.

During discussion, members made the following comments:

- queried the 2019/20 figure for 'Reserves' of -556. Members were informed that 2019/20 was not part of the Business Plan. The Chief Finance Officer would therefore investigate why it had been included. **Action Required.**
- the need to amend "the sale of Castle Court" in section 4.6 to the disposal of.
- the need to reflect the fact that 2.12 demonstrated better delivery and use of resources for Highway Maintenance rather than was financially driven.

- the need to include the over allocation of base funding in general reserves in order to give the General Purposes Committee the flexibility to alleviate budget pressures in any particular area. The Committee suggested that issues such as this should be included in the report recommendations in future.

It was resolved to:

- a) note the Council-wide financial overview set out in section 2;
- b) note the overview and financial context for Customer Services and Transformation;
- c) comment on the proposed approach to achieving the savings for Customer Services and Transformation set out in the 2014/15 Business Plan; and
- d) endorse the proposal that officers work with Group Leaders and members of the General Purposes Committee to develop more detailed proposals to be presented to the 9th September meeting. **Action Required.**

## 18. SCHEME OF FINANCIAL MANAGEMENT

The Committee received an updated version of the Council's Scheme of Financial Management. The Scheme was an operational guide that supported the Council in delivering the requirements of the Council's Constitution. During discussion, members made the following comments:

- the need for the Committee to receive a report detailing the total number of debt write offs per service for each year. **Action Required.**
- the need for the LGSS Collections Strategy (Process Flow) to include a notification back to the supplier to enable them to go back to the purchaser to recover the debt. It was important that the supplier was aware that a purchaser had defaulted so that they did not continue to supply goods. It was suggested that the supplier should be notified after 38 days of issue.
- the need to 'blacklist' purchasers who did not pay their debts.
- the need to avoid restricting Managers to only using approved County Council suppliers if they felt strongly that they should purchase goods elsewhere. It was important that the Scheme provided some flexibility. One Member commented that Hinchbrook Hospital had made significant savings after being released from the NHS procurement process.
- agreed, unanimously, to delegate to the Chief Finance Officer, in consultation with the Chairman, the need to incorporate the revisions proposed at the meeting in the scheme.

It was resolved to:

approve the revised Scheme of Financial Management subject to the delegation to the Chief Finance Officer, in consultation with the Chairman, to incorporate the revisions proposed at the meeting. **Action required.**

## **19. COUNCIL'S YEAR END RESOURCES AND PERFORMANCE POSITION FOR 2013/14**

### **a) Integrated Resources and Performance Report for the Year Ending 31st March 2014**

The Committee considered a report detailing the performance of the Council for the 2013/14 financial year. During discussion, members made the following comments:

- queried the definition of "Planned Business Planning Adjustments". It was noted that these were agreed by full Council.
- requested an update on the Mobilising Local Energy Investment Provision. The Chairman highlighted the need for a clear steer as to whether the Council should continue with the project. Members were informed that the Economy and Environment Committee would receive a report at its next meeting on the project. It was noted that less than half of the £669k had been spent.

It was resolved to:

- a) note the Council's year end resources and performance position for 2013/14.
- b) approve the virement of £337k from LGSS reserves to LGSS Operations to fund their redundancy and pension strain costs incurred from service restructuring during 2013/14 (section 3.2.7).
- c) approve the capital virement of £445k from Effective Property Asset Management (EPAM) – Other Projects to EPAM – Building Maintenance to offset the in-year overspend on EPAM – Building Maintenance (section 11.2.4).
- d) approve the framework set out in Appendix 3 for the treatment of service based reserves.

### **b) Customer Service and Transformation and LGSS Managed Finance and Performance Report – Outturn 2014**

The Committee received the final outturn Finance and Performance information for the Corporate Services and LGSS Cambridge Office for 2013-14. Members were informed that an underspend of £2.7m in capital financing reflected the way the Directorate delivered the service and a slippage in interest rates. The numbers were not due to the Capital Finance Team. The Chief Finance Officer informed the Committee that its service base reserve was the general reserve and any savings made would be

aggregated throughout the services or used by the service. It was also possible to use the underspend to repay debt. The Chairman requested a briefing paper on this issue.

**Action Required.**

It was resolved to:

review the final outturn Finance and Performance information for the Corporate Services and LGSS Cambridge Office for 2013-14.

## **20. INTEGRATED RESOURCES AND PERFORMANCE REPORT – MAY 2014**

The Chairman reported that since the agenda had been published, the item had been identified as a key decision. He informed the Committee that he had given his consent as Chairman to allow it to be determined at the meeting.

The Committee received a report detailing financial and performance information to assess progress in delivering the Council's Business Plan. It was noted that the overall revenue budget position was showing a forecast year end overspend of £1.1m, which reflected property rationalisation in relation to the future of Castle Court and a projected overspend in Looked After Children Placements. Members were reminded that there was also an over provision, as reported, in Older People and Adult Mental Health.

During discussion, members made the following comments:

- queried the total average unit cost in table 4.2 Adult Social Care: May 2014 for the Physical Disabilities Service and Learning Disability Service. It was suggested that the latter should be £742 not £755.
- queried what would happen to the Service Transformation function after two years. It was noted that the need for a team to support the robust programme of transformation would be reviewed.
- queried the rationale for moving the over provision of funding in Older People and Adult Mental Health if the service overspent. The Chief Finance Officer explained that the way cash limits were structured complicated the matter. It was noted that there were four service blocks, Children, Families and Adults was one service block covering two service committees (Adults and Children and Young People). The service block overspend was an amalgamation of these two areas. It was therefore a matter for the service committees to escalate if there was then an overspend.
- the need to review the performance target relating to percentage of Cambridgeshire residents aged 16-64 in employment as it was an over claim of the Council's influence. The Chairman informed the Committee that it would be reviewing the performance targets for 2015/16. It was agreed that this target should remain until new ones were established but this comment should be included as part of any assessment.**Action required.**



It was resolved to:

- a) analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action be required.
- b) approve the virement of £512k Operational Savings from reserves to Corporate Services to support the continued provision of the Service Transformation function to Cambridgeshire County Council (section 3.2.4).
- c) approve the use of the full £20.5m capital carry forward funding in 2014/15 (section 6.5).
- d) approve the reduction of -£0.8m to the Prudential Borrowing requirement in 2014/15 in relation to the project cost reduction of two schemes within CFA where expenditure had been reclassified (section 6.5).
- e) approve the reduction of -£0.7m to the Prudential Borrowing requirement in 2014/15 in relation to 'Schools – Scheme Final Payments' that were set for completion in 2014/15 (section 6.5).
- f) approve that the Universal Infant Free School Meals capital funding of £1.3m in 2014/15 be allocated in full to CFA (section 6.5).
- g) approve the allocation of the Special Educational Needs (SEN) Reform Grant (£810,875) in full to Children, Families and Adults (section 7.1).
- h) approve the allocation of the Adoption Reform Grant (£579,941) in full to Children, Families and Adults (section 7.1).

## **21. CUSTOMER SERVICE AND TRANSFORMATION & LGSS MANAGED FINANCE AND PERFORMANCE REPORT**

The Committee received a report detailing the May 2014 Finance and Performance Information for the Customer Service and Transformation Directorate and LGSS Cambridge Office. During discussion, members made the following comments:

- the need to review the key performance indicator "Number of FOI requests received annually" as this was a measure the Council had no influence over. The Committee acknowledged that it was helpful to understand the volume of requests but this did not need to be achieved through a performance indicator.
- suggested that the first LGSS Managed Key Performance Indicator "Strategy and Estates – capital receipts target managed and achieved" was not useful.
- queried the role of the Travellers Support Officer. Members were informed that this officer worked alongside Economy, Transport and Environment Service colleagues to support their enforcement role, and had saved the council money as a result of enabling negotiations to take place. It was also noted that the same officer was available to support education and other services.
- queried the need to set aside funding for Carbon Trading Provision. The Chief Finance Officer acknowledged that the scheme was now defunct. He would

therefore investigate whether there were any outstanding contractual requirements.**Action required.**

- the need to allocate funding for future IT requirements. One Member felt that Members' IT requirements were not being fully met. The Chief Finance Officer drew attention to funding for Optimising IT for Smarter Business Working and IT Infrastructure Investment on page 15. He acknowledged the need to move to a more agile way of using IT.

It was resolved to:

approve the list of Customer Service & Transformation and LGSS Managed performance indicators for ongoing reporting.

## **22. PROPOSED NORTHSTOWE JOINT VENTURE**

The Committee considered a report outlining emerging options for Investing in Northstowe through a Joint Venture (JV) with the Homes and Communities and Agency (HCA) and South Cambridgeshire District Council. Members were reminded that the Council's Business Plan identified a total of £15m to be invested in Northstowe. The HCA had proposed a JV between itself, South Cambridgeshire District Council and the County Council as a means of securing investment. Attention was drawn to the Council's two objectives for investing in Northstowe and the proposed options. It was important that the Council had an opportunity to influence the overall development. Members were informed that they were not being asked to approve the investment in a JV at this stage. Instead they were being asked to give in principle support to a corporate joint venture which would allow further work to proceed. A detailed proposal and a business case would be considered at a future meeting.

During discussion, members made the following comments:

- queried why Option 4 was preferred to Option 2. The Committee was informed that the Council was tied into an option agreement with the HCA, which it would need to remove itself from before it could mobilise Option 4. The Council had also received legal advice that it would be difficult to take Option 4 forward.
- highlighted the need to keep all Members informed. One Member was concerned that he had only been informed of this development recently. The Service Director: Strategy and Development acknowledged the importance of bringing this issue before Members. It was noted that page 120 of the Business Plan had included detail of the investment and the issue had also been considered by Cabinet.
- queried how the Council proposed to manage risk if it was to be part of a full JV. Members were advised that if the Council decided not to enter into any JV option it would have even less influence. It was important to bear in mind that the HCA as a Government agency was less financially driven than a developer. Members were advised of the need for the Council to influence the shape of the development as it could impact on the return on its investment.
- the need to consider the impact of Option 4 being pursued at Burwell.

- queried how much longer it would take the Council to realise its full return if it adopted Option 2. It was noted that HCA had a financial model detailing how much the total investment needed to be. The Service Director: Strategy and Development acknowledged that he would need to investigate but he thought it would be at least 10 to 15 years before the Council had a positive cash balance. **Action required.**
- queried the need to be able to draw on expertise if the Council was seriously contemplating a developer role. It was therefore important that any business case included the import of this acumen and skill. Members were informed that external advice had been sought in relation to Burwell. It was acknowledged that the Council would need to draw on the support of the private sector. However, it would not be 100% commercially driven.
- queried the need to build on the green belt. One member was very concerned about any proposal to build on land the Council owned which was on the green belt. Other members commented that the land was not on the green belt. **Action required to clarify.**
- queried the need to involve the HCA particularly as it had no money of its own. One Member suggested that the Council should consider Option 4 and an option which did not involve the HCA. Members were informed that returns were based on financial input. It was noted that the HCA would be bringing land to the JV.

It was resolved to:

- a) note the provision in the business plan for investment in Northstowe
- b) support the twin objectives for that investment as set out in 2.1
- c) support in principle investing in a corporate joint venture with the Homes and Communities Agency and South Cambridgeshire District Council to develop Northstowe
- d) confirm that in principle support to the Homes and Communities Agency, and
- e) instruct officers to continue to develop detailed proposals and a business case for the proposed joint venture for future consideration.

## 23. LOCALISM

The Committee received a report on the potential appointment of a lead Member to maintain an overview of localism across the Council.

Councillor Criswell reminded the Committee that he had previously led on this issue and was happy to continue. He reported that he had arranged a meeting with Heads of Service to discuss this work and would be meeting Chairs and Vice-Chairs to take it through the committee structure.

It was resolved to:

appoint Councillor Steve Criswell as the lead Member for Localism.

## **24. CORPORATE RISK REGISTER**

### **a) Corporate Risk Register Update**

The Committee received a report detailing the current status of corporate risk and the outcome of the annual review of the Risk Management Policy. There was currently one red residual risk relating to the failure to secure funding for infrastructure. Risk No. 15 “Failure to Safeguard Vulnerable Children and Adults” would now be recorded on an annual basis. During discussion, members made the following comments:

- highlighted the need for Strategic Management Team to revisit Risk No. 15 following the findings of the recent Ofsted inspection.
- the need to be specific in relation to Risk No.9 as to whether it was a statutory duty or in the five year plan.
- the need to reflect the impact of the lack of funding from DfE on the provision of school places. It was suggested that the risks for schools also needed to be identified.
- the need for the Chairs of Adults and Children and Young People Committees need to consider Risk No.15 in detail. The Chairwoman of Children and Young People Committee reported that the Committee constantly kept this risk under review. She would be attending a Safeguarding Committee meeting after the meeting of the General Purposes Committee. The Chairman of Adults Committee acknowledged that this issue was also of paramount importance to his committee.

It was resolved to:

- note the position in respect of corporate risk; and
- approve the annual review of the Council’s Risk Management Policy.

### **b) Customer Service and Transformation Risk Register Update**

The Committee was provided with details of Customer Service and Transformation Directorate risks.

It was resolved to:

note the position in respect of the Customer Service and Transformation Risk Register.

## **25. UPDATE TO GRIEVANCE POLICY**

The Committee considered an outline of the updated grievance policy and recommended changes to appeal stages. It was noted that a review of employment policies had identified that the current approach to dealing with grievances was overly bureaucratic and did not support the quick and efficient resolution of issues. It was therefore proposed to reduce the number of steps in the process from four to three and remove appeals to Councillors. It was noted that the Trade Unions were fully supportive of a shorter and less formal process that addressed the concerns of their members more effectively. They were also clear that managers should be trained to ensure that they undertook their responsibilities effectively.

During discussion, members made the following comments:

- stressed the importance of formality in the process in order to avoid misunderstandings. Some Members commented that they did not want Members to be removed from the process as it took away the independence of one of the stages. It was also suggested that training managers was an additional expense. Members were reminded that Trade Unions were fully supportive of the changes.
- queried whether the policy was the same as Northamptonshire County Council's. It was noted that the stages were the same but the policies were different. One Member queried the impact on consistency for LGSS staff. It was noted that the policy was more in line with best practice and ACAS guidelines.

It was resolved to:

approve the updated grievance procedure, attached at Appendix 1, for immediate implementation.

## **26. PROPERTY DISPOSALS AT LESS THAN BEST CONSIDERATION - DELEGATIONS**

The Committee received a report which it had withdrawn from the last meeting in order to enable further discussions to take place with Group Leaders before it was rescheduled. It was reminded that under the Cabinet system, there had been a number of delegations for the agreement of disposals of property assets at 'less than best' consideration. The Committee was again asked to consider a replacement system for the committee structure. Decisions to authorise disposals of leases in excess of 7 years or above the value threshold of £20,000, and all freehold disposals outside the delegation described at paragraph 1.8 of the report, remained with the Committee.

Whilst it was acknowledged that Local Members were always informed, the following amendment to the recommendation as set out in the report was proposed by Councillor Criswell and seconded by Councillor Bates:

Add after "£20,000" following consultation with the Local Member at proposal stage.

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

It was resolved to:

agree the authorisation of disposals of property assets by occupational agreements of less than 7 years to community-based and partner users on School and other County Council sites at less than best consideration be delegated to the Director of Finance, where the annual market rental value of the site was less than £20,000, following consultation with the Local Member at proposal stage. A schedule of decisions taken would be provided to the Committee as required.

## **27. CONCESSIONARY LEASE – SAWTRY YOUTH AND COMMUNITY CENTRE**

The Committee considered a request by Sawtry Community College to lease Sawtry Youth and Community Centre at less than best consideration. It was noted that the Centre had been declared surplus by the Director of Finance. It was therefore proposed that the Centre be leased to the Community College at nil rent for two years, which would enable the Council to explore the opportunity to sell the freehold with vacant possession to a partner authority, the Community College, any other community group, or on the open market.

Speaking as a Local Member, Councillor Bywater explained that the College would struggle to get funding to develop the site if it only received a two year lease. He therefore asked the Committee to consider a longer lease over five years which would provide the College with time to raise capital funding to accommodate its sixth form. He informed the Committee that the College was situated in the centre of the village and was used by community groups. It was also the focal point of the locality team. One member of the Committee asked the Local Member if the College was prepared to have a full repair insuring lease. The Local Member confirmed that this could be an option.

During discussion, members made the following comments:

- acknowledged that the College was very much part of the community as demonstrated by the name change to a community college. However, it was in a strong position having benefitted from Grant Maintained status. It was now facing a different future with a new secondary school proposed for Yaxley and Facet.
- highlighted that two years was not sufficient to attract investment and that a timeframe of five years was needed. One member suggested that the Council would save itself £12,000 if it changed to a five year lease. The Head of Strategic Assets reported that it would be missing £18,700 per annum. Another member reminded the Committee that the community needed the resource.
- suggested the possibility of building in a review process in the next two years with the option of an extension to help the College.
- highlighted the need to bear in mind the Council's funding situation. It was suggested that a two year rather than a five year lease would provide the College with a focus to raise funding to take on the building permanently. There was also an opportunity within the time to work with Making Assets Count partners.

One Member queried whether the three members of the Committee who were also Huntingdonshire District Councillors should declare a disclosable pecuniary interest. The Head of Strategic Assets confirmed that there was no benefit for the District Council.

The following amendment to the recommendation as set out in the report was proposed by Councillor Reeve and seconded by Councillor Clapp:

Amend “provision to break after two years” to five years.

On being put to the vote, the amendment was lost.

It was resolved to:

grant Sawtry Community College a lease of the site at a peppercorn rent, with provision to break after two years, during which period the site was to be offered for sale to community-based organisations, and a further report brought to the Committee to determine the future of the site.

## **28. UK MUNICIPAL BONDS AGENCY**

The Committee received a report on the Local Government Association UK Municipal Bond Agency and investment proposition. Attention was drawn to the background to the proposition, current sources of long term borrowing and current borrowing and projections. It was assumed that, to be an attractive proposition, Local Authorities should have a reasonable expectation that they could reduce their borrowing costs by 0.2% - 0.25% per annum versus the Public Works Loan Board (PWLB). However, Councils were now being invited to invest equity in order to get the Agency off the ground. It was noted that an investment in the Agency would require full Council approval because the Treasury Management Strategy Statement approved by Council did not cover equity investments.

During discussion, members made the following comments:

- acknowledged that it was uncertain whether the Agency would be successful in reducing interest rates. However, it could have wide benefits for local authorities and therefore the County Council should support it. Other Members were in full support but highlighted the need for more detailed work in relation to investment.
- highlighted the fact that Transport for London and the University of Manchester had cut loan rates this way. It was noted that one local college had even secured funding at better rates than the County Council. It was therefore suggested that the Agency would at least improve PWLB loan rates.
- queried the need to borrow to invest when the Council had reserves. The Chairman informed the Committee that this proposition had not been included in the Business Plan. He reminded Members that reserves were not kept sacrosanct in a separate bank account rather the Council used internal borrowing in the first instance, after allowing for cash flow.

The Committee resolved unanimously to amend the recommendation to reflect a total investment of £400,000 (£50,000 at mobilisation phase and £350,000 at launch phase). However, this was predicated on the confirmation of pledges from other local authorities that met, with those of the Council, the full cost of the two phases.

It was resolved:

- i) to support the establishment of the UK Municipal Bonds Agency.
- ii) to request that Council amend the Council's current Treasury Management Strategy Statement to enable the investment of equity in the Local Government Association UK Municipal Bonds Agency vehicle to a maximum of £50,000 for the mobilisation phase and £350,000 for the launch phase.
- iii) that this investment be subject to the confirmation of pledges from other local authorities that meet, with those of this Council, the full cost of the two respective phases.

## **29. MAKING ASSETS COUNT**

The Committee received a report detailing the background, objectives and 2014/15 priorities for the Making Assets Count Programme. Attention was drawn to Appendix B listing the 18 tangible benefits and 20 procedural/governance benefits of the programme. During discussion, members made the following comments:

- reported that item 11 Ely Magistrates Courts had been purchased by Ely City Council but was still part of the programme.
- reported that item 19 Land swap – Burwell was not just about Burwell; the new Fire Station would support the wider community of Cambridgeshire.
- highlighted the good work which had taken place in Wisbech. A proposal to expand the list to include case studies was welcomed.
- welcomed the need to remove complicated governance structures to enable organisations to be able to easily rent buildings off other organisations. The Chairman reported that the Memorandum of Terms of Occupation had made it easier for organisations to move in and out of properties at half rent.
- queried the programme's lack of coverage of Cambridge. It was noted that the City Council's formal decision to join the project was only taken twelve months ago.

It was resolved to:

- note the contents of this report; and
- support the development and delivery of Making Assets Count projects to deliver the Programme objectives.



### **30. GENERAL PURPOSES COMMITTEE AGENDA PLAN**

The Committee was asked to review its agenda plan, which included the addition of three items for the September meeting. Members raised concerns about the size of the Committee's agenda and suggested that monthly meetings might need to be considered.

One Member objected to the scheduling of an important item on the provisional meeting planned for October as it clashed with a party conference. The Chairman informed the Committee that the Member had received a response detailing why the item needed to be scheduled then. He was invited to use his substitute members for this meeting.

It was resolved to:

note the agenda plan, including the updates reported orally at the meeting.

Chairman