

## **ASSETS AND INVESTMENT COMMITTEE: MINUTES**

Date: Friday 11<sup>th</sup> November 2016

Venue: Kreis Viersen Room, Shire Hall, Cambridge

Time: 10.00am – 11.40am

Present: Councillors Boden, Bullen (Vice-Chairman), Hickford (Chairman), Jenkins and Reeve (substituting for Councillor Dent)

Apologies: Councillors Dent (Cllr Reeve substituting), Harford and Sales

### **50. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **51. MINUTES AND ACTION LOG OF THE ASSETS AND INVESTMENT COMMITTEE HELD 21<sup>ST</sup> OCTOBER 2016, AND CONFIDENTIAL MINUTES OF THE ASSETS AND INVESTMENT COMMITTEE HELD 16<sup>TH</sup> SEPTEMBER 2016**

A correction was agreed to the October confidential minutes: last bullet point on page 12:

~~“Suggested that~~ **resolved that** the Town Council be given four plus four months...”

The Committee resolved to approve the confidential minutes of the Assets and Investment Committee held 16<sup>th</sup> September 2016, the public and confidential minutes (as amended) of the Committee held on 21<sup>st</sup> October, and note the Action Log.

It was confirmed that there would be a report back to the Committee in January on whether there were any viable alternative schemes to the Ely Archives Centre. It was noted that there had been a request from the Project Officer to consider alternative expenditure in relation to Milestone 3 (MS3), which had been refused. The point had been made clear to Highways & Community Infrastructure Committee Members that there should be no additional expenditure prior to the January Committee.

In relation to the action in the Action Log on the Ely Archives officer process being referred to Audit & Accounts Committee, the Democratic Services

Officer agreed to follow up the date with the Chairman of the Audit & Accounts Committee.

It was noted that the report on the St Ives Chapel had been deferred to the December meeting.

## **52. HIGHWAYS DEPOTS – OCCUPATIONAL ARRANGEMENTS**

A report was presented on leasehold disposal at less than best consideration of four Highways depots located at March, Witchford, Huntingdon and Whittlesford.

The sites would be occupied by the successful company in the current tendering process for the Highways Contract. Both potential contractors have indicated that they would wish to operate from the four existing highways depots, which would also continue to be occupied by existing County Council Highway staff. The occupation of these sites by an independent third party provider for the duration of the contract needed to be formally documented and approved. The proposed licence arrangement for the depots would be at “less than best” consideration, because if a market rent was charged, this would just increase the overall cost of the Highways Contract.

It was confirmed that:

- there was no specific requirement for contractors to use the four depots;
- the granting of the licence would be linked to the contract;
- there were termination provisions in the contracts, which meant that the licences could be terminated within 3-12 months, depending on the contract.

A number of Members expressed concern that contractors would essentially be given use of County Council depots, free of charge, which gave them the opportunity to make additional profit at the expense of the taxpayer, and they were unconvinced that this privilege would be reflected in a reduced price in the contract. In response, it was suggested that if the contractors did not use the depots, they would not be used and would not earn an income, and the Council would incur the management costs for the vacant units. It was noted that the current Highways contractor, Skanska, was already operating out of the four depots. It was confirmed that during the competitive dialogue process, the strategic approach had been tested, i.e. whether it was still appropriate to have four depots.

A Member spoke favourably about the proposed approach, as he felt it made sense and would save the Council money as part of the competitive process. It was confirmed that the provisions of Section 24 of Landlord and Tenant Act 1954 would be excluded from the licence, which was for a shared operation and occupation between the County Council and the operator. It was suggested that it would be useful to know how much value each provider was putting on the sites, as part of the competitive dialogue process.

A Member commented that he was not reassured on the issue of opportunity cost of those sites i.e. if a licence was not offered to the successful Highways Contractor, could those sites be used for other purposes? He observed that the report gave no indication that alternative uses had been explored for those sites, e.g. through Making Assets Count. Officers advised that from the start of dialogue with bidders, the consensus was that the four depots were required, and there had been no subsequent discussions about looking at alternative sites, although previously there had been discussions about reducing down the number of sites although the locations were strategic in terms of the county's geography. Whilst it may be possible to develop some of the sites for other purposes, the scope for e.g. residential development, that would probably be limited due to their locations e.g. for residential development.

Committee Members commented that some of the issues raised in this report should have been brought to Committee at an early stage, e.g. exploring alternative options, and these different options presented to the Committee rather than presenting a fait accompli. They urged officers to take this approach in future reports.

It was unanimously resolved to:

- (i) permit the Head of Strategic Assets to formalise the occupation of the four Highways depots located at March, Witchford, Huntingdon and Whittlesford at less than best consideration.

## **53. FINANCE AND PERFORMANCE REPORT – SEPTEMBER 2016**

Members received an oral report on the financial and performance information relating to the areas within the Assets & Investment Committee's remit as at the end of September 2016. It was noted that the written report had not been available for the meeting, and would be circulated to the Committee as soon as it was available.

The Deputy Chief Executive reminded Members that the property and estates functions had been demerged from LGSS, and was again under the auspices of Cambridgeshire County Council (CCC). Whilst part of LGSS, the service had effectively been subsidised to some degree by Northamptonshire County Council, i.e. CCC had benefited from that arrangement. Therefore one of the consequences of demerging, was that it was necessary to find additional funding. This was being mitigated where possible by rationalisation.

A Member suggested that one way forward may be for CHIC to take responsibility for CCC's property and estates functions, suggesting that this arrangement may be advantageous to both CHIC and CCC. A number of Members indicated their support for this approach and it was suggested that it should be explored further.

It was resolved to:

- a) note the oral report.

#### **54. COMMITTEE AGENDA PLAN**

The Committee noted the agenda plan.

The Vice-Chairman commented that it was regrettable that the St Ives Chapel report was not available. Officers responded that it was not a straightforward issue, as one of the key legal issues still needed to be resolved, in relation to ownership issues.

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

It was resolved unanimously that the press and public be excluded from the meeting during the consideration of the following reports on the grounds that it is likely to involve the disclosure of exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

#### **56. PROGRAMME HIGHLIGHT REPORT**

Members considered a number of information/update papers:

It was resolved unanimously to:

note the report.

Chairman