

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 7th October 2014

Time: 10.00 a.m. to 12.55 p.m.

Present: Councillors Bailey, Bates, D Brown, Bywater (substituting for Councillor Bullen), Count (Chairman), Criswell, Divine (substituting for Councillor Clapp), Downes (substituting for Councillor Bourke), Hickford, Hipkin, Jenkins (substituting for Councillor Cearns), McGuire, Nethsingha (substituting for Councillor Leeke), Orgee, Reeve, Sales and Whitehead

Apologies: Councillors Bourke, Bullen, Cearns, Clapp and Leeke

45. DECLARATIONS OF INTEREST

There were no declarations of interest.

46. MINUTES – 9TH SEPTEMBER 2014 AND ACTION LOG

The minutes of the meeting held on 9th September 2014 were agreed as a correct record and signed by the Chairman subject to the inclusion of apologies from Councillor Whitehead. The Action Log was also noted:

47. PETITIONS

No petitions were received.

48. RE-PROCUREMENT OF SERVICING TESTING AND REPAIRS CONTRACTS

The Committee was informed that two contracts with regional suppliers relating to repairs to non-school buildings including roofing, drainage, doors and windows, and for statutory servicing and testing of the engineering services such as heating and lighting, including repairs were due to end next year. It was proposed to jointly procure replacement contracts with a total of value of £1m with Northamptonshire County Council.

During discussion, members queried the following:

- whether four individual companies could successfully bid for the four lots, which comprised the contracts. It was noted that two different companies could bid for the two Cambridgeshire lots and the same for the Northamptonshire lots.
- whether the qualification process had been simplified to encourage Small and Medium Enterprises (SMEs) to apply. Members were informed that the accessibility of the process to SMEs had not changed. SMEs had, however, highlighted the fact that the Pre-Qualification Questionnaire was too cumbersome and time consuming to complete. The Chairman informed the Committee that workshops had been held with SMEs to simplify this process. He suggested that further workshops should

now be held to identify whether the Council had delivered what SMEs wanted.
Action Required.

- whether SMEs could form a consortium. The Head of Property Services confirmed that the Council would encourage such action. The Committee noted that the Council had issued a publication six months ago to inform local contractors of the process for procuring replacement contracts. Although, there would be a single supplier for the two contracts, the County Council would have some control over the second tier supply chain.

It was resolved unanimously to:

- a) approve the commencement of the re-procurement of the Bundled Hard FM Contract for a term of 4-years from 1 April 2015 to 31 March 2019; and
- b) delegate authority to the LGSS Director of Law, Property and Governance and Head of Property Services, in consultation with the Chairman of the General Purposes Committee, to appoint contractors following a competitive process and complete all necessary contractual documents in accordance with Council procedures.

49. MAKING ASSETS COUNT: MARCH OFFICE RATIONALISATION PROJECT – HEReward HALL

The Committee received a report setting out the preferred option arising from the March Office, Rationalisation Business Case regarding Hereward Hall, March. The Making Assets Count Reference Group and Programme Board had considered a full Business Case in relation to office accommodation in Fenland. The Business Case had concluded that the preferred solution for the partners' main office accommodation in March was to retain Hereward Hall and dispose of Fenland Hall. It was therefore proposed that the County Council should vacate Hereward Hall and declare the property surplus to its requirements. Its staff would then be relocated to other under-utilised properties.

During discussion, members made the following comments:

- acknowledged that the Committee was being asked to declare Hereward Hall surplus to requirements and dispose of the property. It would be a decision for Fenland District as to whether it purchased the building. The decision to dispose was therefore not based on the District Council agreeing to purchase the property.
- queried whether Hereward Hall had been considered as possible accommodation for Cambridgeshire Archives. The Committee was informed that this building had been considered but had been deemed unsuitable for conversion.
- queried whether the Council had looked at all potential options for revenue generation. The Head of Strategic Assets confirmed that options had been discussed with Fenland District Council.

It was resolved unanimously to:

- a) declare Hereward Hall surplus to requirements and dispose of the property;
- b) authorise the Director of Finance to agree the detailed terms for the disposal of Hereward Hall, in consultation with the Chairman of the General Purposes Committee.

50. LITTLEPORT SCHOOL LAND EXCHANGE

The Committee received a report relating to land required for a new school site in Littleport. A land swap had been agreed in principle using land on the County Farms Estate. The Committee's approval was being sought as the land values were in excess of the Director of Finance's delegated limits.

During discussion, members made the following comments:

- expressed disappointment that the report did not contain sufficient detail particularly in relation to the value of the land. It was suggested that 20 acres of development land was worth more than bare land. Although it was acknowledged that the figure was likely to be confidential, Members queried the amount of land the Council was looking to swap, it was noted that it was between 50 and 100 acres.
- queried whether the tenant farmer on the County Farms Estate had been content to surrender the land. It was noted that the tenant farmer was not seeking an alternative farm. He had been looking to vacate at the end of his term and this proposal fitted in with his plans.
- highlighted the need to monitor disposal of land on the County Farms Estate, which if carried out regularly could erode the whole of the Estate. The Head of Strategic Estates reported that previously approved plans had identified farms within the Estate with the strategic potential for disposal; four farms had been identified so far. One Member reported that he was against the proposal as it would continue the erosion of the Estate. He was concerned that there was insufficient Member involvement in the running of the Estate and felt that there should be a policy detailing Member involvement. The Chairman acknowledged that the Council should be involved in discussion about the County Farms Estate.
- queried the effect of the disposal on the Capital Programme. The Chief Finance Officer reported that it would appear as debit and credit activities. The cost of the school would be funded from capital receipts.

It was resolved to:

- a) approve the request to dispose of assets worth in excess of £500,000, which was in excess of the limit delegated to the LGSS Director of Finance; and
- b) authorise the LGSS Director of Finance to agree the detailed terms for the disposal of assets, in consultation with the Chairman of the General Purposes Committee.

51. CAMBRIDGESHIRE GUIDED BUSWAY DEFECTS

The Chairman informed the Committee that the report had a confidential Appendix D. He hoped that the report could be considered in public session, but confirmed that the press and public would need to be excluded if the Committee wished to refer to it.

The Committee received a report detailing the expert technical and legal advice regarding the rectification of defects in the construction of the Cambridgeshire Guided Busway and the recovery of costs from the contractor Bam Nuttall. The report covered the background, an overview of the defects, the process and basis for a possible claim, the expert's opinion, recent discussions with Bam Nuttall, the costs of action and a summary of the position. A letter from Bam Nuttall's Operations Director, to the Executive Director: Economy, Transport and Environment dated 24 September and the Executive Director's response were tabled at the meeting.

In introducing the report, the Director: Strategy and Development reported that Cambridgeshire Guided Busway Defects should have been included on the Corporate Risk Register. He reassured the Committee that, as demonstrated in the report, the risks had been managed. He explained that he would draft an appropriate entry for the Register based on the decision taken by the Committee.

During discussion, members made the following comments:

- queried whether officers were confident that the cost of litigation would not exceed the cost of the busway repairs. It was noted that the cost of litigation was estimated at £5m whilst the cost of repairing the defects was between £25m to £35m.
- highlighted the importance of recommendation d). It was queried what would happen to the defects if funds could not be secured from Bam Nuttall. There was concern that the Council could be running a busway which was unsafe. The Director: Strategy and Development reported that the busway was not unsafe. The structural defects were monitored and reactive repairs took place as and when necessary. The safety of the route was also managed with the use of speed limits.
- queried what Bam Nuttall meant by the use of the word "issues" instead of defects. It was noted that issue was not a legal term whilst the word defect was linked directly to the contract.
- queried whether the Council had now abandoned its assurance that the Busway would not cost the local taxpayer. The Chairman reminded the Committee that the Busway had been a magnificent success.
- queried how the safety of the route was managed constantly. It was noted that Bus Drivers was asked to observe the route and report back any bumps, which were then monitored closely. A speed limit could be imposed if necessary. The bump was then inspected at the first available opportunity and an Emergency Response Team sent out, if appropriate, to effect a repair. However, it was important to note that as the rate of such issues increased, the operational effectiveness and attractiveness of the Busway would decrease, particularly if a series of speed limits was needed to maintain the safety of the route.

- highlighted the following in Appendix C: "Without immediate correction, CCC will be left with a significant, continuing and unpredictable safety risk in its public transport infrastructure asset" and the fact that bumps in the ride could endanger public standing passengers. The Chief Executive reminded the Committee that the Busway was not unsafe. It was being managed by a team of people who were monitoring it and rectifying issues as they emerged.
- queried whether the Council had a good case to take a legal gamble. The Monitoring Officer reported that the Council had tried to improve its risk profile by taking advice from the foremost construction QC and other experts. On the basis of the advice, it had been informed that there was a good prospect of success. The Chairman and the Chairman of Economy and Environment Committee highlighted the fact that the Council had a very strong case as demonstrated in Appendix A. Other Members acknowledged that the legal arguments presented a much stronger case than the previous round of litigation.
- queried the current cost of monitoring and repairing the Busway. Members were informed that the table at the top of page 10 set out the costs of legal action. The Chairman reported that the Council would be claiming the costs associated with investigating and fixing defects.
- queried whether there was any risk if the Council fixed the Busway or a longer term defect that it could damage the legal case. The Director: Strategy and Development reported that officers had requested legal advice on whether this would invalidate the Council's guarantee. The Council had received confirmation from a QC that it could take action only if Bam Nuttall had been invited to resolve the problem first and there had been no action taken by the company after 28 days.
- requested assurance that the Council would not be liable for the design faults after it had signed off the design as part of the contract process. The Director: Strategy and Development reported that Bam Nuttall was responsible for the design as part of the design and build contract. Whilst the Council had reviewed and accepted the designs, it had not approved the designs which therefore rested with the designer. The Council was therefore not liable.
- queried the response in relation to patent defects (i.e. those defects which had already been ascertained) and potential defects. The Director: Strategy and Development reported that the Council was aware of patent defects such as the design of the bearing pads. The resolution would cover all known patent defects. It was queried whether patent design faults which had not yet manifested themselves would be financed by Bam Nuttall.
- queried whether all the defects were rectifiable. The Committee was informed that Atkins had identified a design to rectify all known defects.

It was resolved unanimously to:

- a) note the advice of the Council's expert technical advisers regarding the causes of, and options, for rectification of the defects as set out in the report and Appendices A, B and C.

- b) note the advice of Mr Stephen Furst QC regarding the Council's legal remedies and assessment of the strength of case, as set out in confidential Appendix D.
- c) note the correspondence received from Bam Nuttall and the discussions that have taken place between Bam Nuttall representatives and the Project Manager.
- d) resolve to carry out works to rectify all of the superstructure, foundation and drainage defects in accordance with the assessment of the Project Manager and the advice of the Council's expert technical advisers, subject to securing funds from Bam Nuttall in accordance with the defect provisions in the construction contract or alternative legal argument.
- e) instruct Officers to initiate negotiations and any necessary legal proceedings to recover the assessed cost of defect correction in accordance with the contract, consequential losses arising from those defects, and any costs incurred to date and incurred in future in investigating and taking advice on the defects.

52. PROPERTY ACQUISITION

The Chairman informed the Committee that the report had a confidential Appendix B. He hoped that the report could be considered in public session, but confirmed that the press and public would need to be excluded if the Committee wished to refer to it.

The Committee considered a report proposing that the Council enter into a conditional contract to acquire a preferred property located in Ely subject to planning consent. The Highways and Community Infrastructure Committee had approved the relocation of the Archives Service to premises suitable for long term operation, subject to confirmation of property acquisition by the General Purposes Committee, at its meeting on 23 September 2014.

Speaking as a Local Member, Councillor Rouse expressed his strong support for the proposal. Ely had a long heritage and history and the building would add to the attractions of this small City. He explained that Ely Museum, which had responsibility for a number of local museums, was keen to work with the Archives Service. The City was also very accessible for both March and Cambridge.

During discussion, members made the following comments:

- explained that the Member Review Group had considered a number of options and buildings. This proposal had received strong support. Members congratulated and thanked the Head of Community and Cultural Services and her staff, and Estates, for identifying a proposal which would come in at least £2m under budget. The Chairman of Highways and Community Infrastructure Committee expressed his support and informed the Committee of the need to monitor the costs of the project to ensure it came in under the £4m maximum limit.

- highlighted the need to promote the small businesses which the Archives Service could charge for when it moved into its new accommodation.
- highlighted the tourist opportunities this project would create for Ely. Members acknowledged the good transport links but commented on the poor links to the west of the county.

It was resolved unanimously to authorise the Director of Finance to acquire a property in Ely.

53. DRAFT 2015-16 CAPITAL PROGRAMME AND CAPITAL PRIORITISATION

The Committee received a report detailing an overview of the full draft Business Plan Capital Programme and results from the capital prioritisation process.

During discussion, members made the following comments:

- expressed concern regarding the Department for Education's (DfE) shortfall in funding for Education Basic Need. The Chairwoman of the Children and Young People Committee highlighted the fact that there had been a reallocation of savings since the previous report when the full Education Basic Need had been included. She reported that the Committee had commented on the compelling evidence of overwhelming growth needs in Cambridgeshire. It had agreed that lobbying on this issue needed to be sustained.
- the need to change the total scheme cost on page 6 to thousands from millions.
- the need to reflect the outcome of the Children and Young People Committee on 16 September in relation to changes to Burwell, Fordham and March, which were not reflected in the report to General Purposes Committee. **Action Required.**
- the need to include school buildings which had been put on hold as they would ultimately be needed. The Chief Finance Officer drew attention to Appendix C, which included deferred schemes. The Chairwoman of the Children and Young People Committee reiterated her frustrations with the DfE, which had money to build schools in areas of increasing population but not Cambridgeshire. The Chairman commented that he did not know any more different ways of telling the Government that Cambridgeshire was the fastest growing county in the country. One Member raised concern that the Government was providing money for schools in areas where they were not needed. He urged the Council to put pressure on the Government to change its approach to unnecessary free schools.
- queried the timing and cost of the Ely Crossing. The Chief Finance Officer drew attention to Appendix C, which included costs and Appendix D, which included an actual profile. The Chairman queried whether the profiling of the Ely Crossing would need to be amended given the speed of decision by the Secretary of State for Communities and Local Government.
- the need to consider the class of investment when prioritising schemes. It was suggested that 'Invest to Save' and 'Statutory' should receive priority. However, it

was queried whether 'Other' with the exception of Highways Maintenance, which could be classified as 'Invest to Save' should receive priority particularly given the revenue situation of the Council. The Chief Finance Officer reminded the Committee that it had set and agreed the process for the Capital Programme, which had involved setting a target not a cap. This programme was affordable with its primary source of funding around borrowing. It was acknowledged that it would have an impact on the revenue budget so services would need to identify budget reductions to invest in infrastructure.

- highlighted the number of projects which were statutory and therefore provided very little room for manoeuvre. It was suggested that the people of Cambridgeshire should be consulted on cuts in services. The Chairman reported that all Members would receive an indicative result following the public consultation on the Business Plan at the Members' Seminar on 10 October 2014.
- highlighted the need to include definitions behind projects in the table on page 6. It was queried whether projects were included if they were fully funded by grants. The Chief Finance Officer confirmed that every grant funded project should be included in the programme. He asked Councillors to identify any schemes which were missing.
- queried whether the Council was maximising funding from Section 106 agreements. The Chief Finance Officer reminded the Committee that these agreements were a matter of negotiation. He explained that the maximum sum was always pursued. However, the Council needed to question the boundaries in order to be careful to avoid the developer going to appeal. The Chairman of Economy and Environment Committee reported that Section 106 negotiations were conducted by District Councils. Viability was a test throughout the country.

It was resolved unanimously to:

- a) note the overview and context provided for the 2015-16 Capital Programme;
- b) note and comment on the results of the capital prioritisation process, taking into consideration the most up to date estimations for financing costs and the overall revenue position; and
- c) comment on the draft proposals for the full 2015-16 Capital Programme and endorse their development.

54. CORPORATE RISK REGISTER

The Committee received a report detailing the profile of Corporate risks faced by the Council. There had been no significant changes to the Register. Risk 9, 'Failure to secure funding for infrastructure' remained a red residual risk from the previous report presented to Committee. There was one red residual risk, in Public Health, relating to failure to address health inequalities, particularly in the north of the County.

During discussion, members made the following comments:

- queried why Cambridgeshire's recent Ofsted rating of 'good' for safeguarding, which had involved jumping two Ofsted grades, was not included as a significant change. Members were informed that it would be picked up during the next review cycle.

Action Required.

- the need to include the risk relating to the Cambridgeshire Guided Busway Defects.
- the need to take a more robust approach, in relation to Risk 9, to promoting the County. The Chairman reported that Greater Cambridgeshire had recently been the subject of two visits from authorities in Oxfordshire.
- welcomed the steps being taken to address health inequalities in March and Wisbech.

With the unanimous agreement of the Committee, it was proposed to amend the recommendation to reflect the Cambridgeshire Guided Busway Defects risk.

It was resolved unanimously:

- note the report
- delegate to the Director of Customer Services and Transformation, in consultation with the General Purposes Committee Chairman, the addition to the Corporate Risk Register of a relevantly framed risk relating to the Cambridgeshire Guided Busway Defects.

55. SERVICE COMMITTEE REVIEW OF THE DRAFT 2015-20 REVENUE PROPOSALS

The Committee considered a report detailing an overview of the draft Business Plan Revenue Proposals for Corporate and Managed Services Budgets.

The Chief Finance Officer advised that the draft revenue budget proposals would be revised to take into account feedback from October service committees. Firm spending plans would be considered by service committees in November. General Purposes Committee would review the overall programme in November before recommending it in January as part of the overarching Business Plan to Full Council. The Chief Finance Officer reminded the Committee that the Council continued to face huge financial challenges. Delivering the level of savings required to balance the budget was becoming increasingly difficult each year. At this point in the Business Planning Process proposals were still being developed to deliver a number of currently unidentified savings.

The Director of Customer Service and Transformation drew attention to the overview of Corporate and Managed Services draft revenue programme.

During discussion, members made the following comments:

- noted that nearly £6m possibly more of savings still needed to be found in Children, Families and Adults (CFA). Members queried what would happen if the Council could not discharge its statutory responsibilities. The Chairman reminded the

Committee that there were a number of options including allocating the savings to other non-statutory areas. Cambridgeshire was not the only Council in this position. However, its net revenue funding spend was lower than any other County Council. It would therefore continue to make the case to Government for fairer funding. The Chief Finance Officer reported that the Council could not work on a silo basis but needed to adopt some radical thinking. The Council's Management Team had already started this process, which would involve engaging with communities and identifying what they should be responsible for.

- reiterated the lack of room for manoeuvre for demand led statutory services particularly in CFA. The Service had focussed on putting funding into prevention but was now getting to the point where it could not provide statutory services within the budget it had been given. Reducing staffing was also not an option as it just had an impact on delivering statutory services.
- stressed that CFA just delivering statutory services would not necessarily save money. It was important to keep sending messages to Government that Cambridgeshire did not get its fair share of funding. Some Members queried whether the time had come to put money aside for a Council Tax referendum to enable the Council to be in control of its own finances. Other Members highlighted the need to bear in mind the impact of any Council Tax increase on some households. The Chief Executive reported that he had recently attended a meeting of Permanent Secretaries of all Government Departments. A lead professional in the Treasury had explained that austerity would continue for ten years from 2014. There was no funding available as the national tax take was decreasing. Half the budget was currently spent on welfare. The outlook was therefore worse than thought and there were very few areas left to cut. Local authorities would therefore continue to take the biggest hit which could result in no Revenue Support Grant by 2020. There was a perception that County Councils had fared better than Northern Metropolitans. The County Council would therefore need to consider ways of solving the financial problem itself. This would need to involve a relationship with its residents to help them help themselves.
- welcomed the discussion at General Purposes Committee. It was important that every Service Committee did its best to meet its statutory duty. However, it was important to challenge what was demand led to see whether it needed to be provided by the Council or if it would trigger a judicial review if it was reduced.
- highlighted the need to ensure that the Council's partners were aware of the difficult financial position it was in. Local buy and external revenue streams were critical. It was suggested that the Council should engage with its local residents to see whether they were prepared to pay more for essential services. It was therefore important to share how deep the financial crisis was with the local community.
- suggested that it was the role of Members to have conversations regarding budgets with their Parish Councils. The Council's lead member for Localism had addressed Parish Council conferences in a number of Districts. He informed the Committee that he had a motion coming to Council concerning District Councils and the wider public purse.

- requested information for the next report on what constituted an efficiency saving, a reduction or a removal of service in order to be able to communicate to the public.
Action Required.
- queried whether the Council had reviewed sufficiently the number of administration staff particularly Personal Assistants. There was also a need to review the number of staff in Communications. There was concern that Huntingdonshire District Council had declined to be part of LGSS. However, it was suggested that the change which would deliver significant savings was unitary status.
- queried who was making sure people were properly managed, which was particularly important given the recent office moves, and LGSS where some staff were working in one place and being managed by someone based somewhere else. The Chief Finance Officer reported that there was a performance management framework which included an appraisal process. It was acknowledged that it was a challenging environment where communication was key. Members queried how this applied in relation to day to day contact. It was noted that Managers were managing in an agile environment where different skills were needed. However, it was suggested that management did not necessarily need to be face to face. The Committee was advised that there was a training programme associated with the office moves on the Shire Hall site and other workforce sessions.

The Chairman reported that Councillors should present worked up finance plans to the Director Customer Service and Transformation to bring to Committee. He hoped that the committee system would encourage all Councillors to unify behind the budget in February.

It was resolved unanimously to:

- a) note the overview and context provided for the 2015-20 Revenue Proposals for Corporate and Managed Services Budgets;
- b) comment on the draft proposals for Corporate and Managed Services 2015-20 revenue budgets and endorse their development; and
- c) note that a Business Case and further information on the service pressures for Corporate Services, paragraph 2.7, would be brought before the Committee for consideration at its meeting on 4 November 2014.

56. DISPOSAL POLICY

The Committee received a report setting out a proposal for a revised Disposal Policy.

One Member queried whether 1.3 (iii) had been removed. The Head of Strategic Assets reported that the Service had minimised formal valuations but did still obtain the advice of agents rather than relying on the offer. Members welcomed the fact that the policy had been tidied up.

It was resolved unanimously to approve the revised Disposal Policy as set out in the report.

57. SHIRE HALL LIFT

The Committee considered a proposal to install a new compliant lift to all floors in Shire Hall. During discussion, members made the following comments:

- requested the provision of a floor plan with the report. Members were informed that the lift would be installed at the front of Shire Hall to the right of the main entrance. The basement window and ground floor would form part of the tall door opening. The floor plate would be cut to provide access to all three floors.
- queried the impact on the appearance of Shire Hall. It was noted that informal agreement had been sought from English Heritage and planners. The lift would be inside the building.
- queried the trigger for installing the lift given the Council had not been compliant for some time. It was noted that the trigger was the increase in the use of the Shire Hall complex including the need to accommodate more staff with disabilities.
- queried why the Council was spending money when there was access available to Shire Hall. Members were informed that the current access including both the Shire Hall and Octagon lifts were not compliant. It was noted that the lift design would be fire compliant and there would be the same security measures as other parts of the building to prevent people accessing Shire Hall without going to reception first.

It was resolved unanimously to approve the installation of a new compliant lift to all floors in Shire Hall.

58. GENERAL PURPOSES COMMITTEE AGENDA PLAN AND APPOINTMENTS TO INTERNAL ADVISORY GROUPS

The Committee was asked to review its agenda plan.

It was resolved unanimously to note the agenda plan.

Chairman