

# COMMERCIAL AND INVESTMENT COMMITTEE



**Date: Friday, 24 November 2017**

**Democratic and Members' Services**  
Quentin Baker  
LGSS Director: Lawand Governance

**10:00hr**

Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

**Room 128**  
**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/ccs-conduct-code>

2. **Minutes and Action Log of the Commercial and Investment Committee held 20th October 2017** **5 - 20**

### KEY DECISIONS

3. **ESPO Trading Company Ltd** **21 - 32**

### OTHER DECISIONS

4. **Service Committee Review of the draft 2018-19 Capital Programme** **33 - 42**

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| <b>5.</b> | <b>Finance and Performance Report - September 2017</b>          | <b>43 - 60</b> |
| <b>6.</b> | <b>Programme Highlight Report</b>                               | <b>61 - 62</b> |
| <b>7.</b> | <b>Committee agenda plan and Appointments to Outside Bodies</b> | <b>63 - 68</b> |

The Commercial and Investment Committee comprises the following members:

Councillor Josh Schumann (Chairman) Councillor Anne Hay (Vice-Chairwoman)

Councillor Ian Bates Councillor David Jenkins Councillor Linda Jones Councillor Lucy Nethsingha Councillor Paul Raynes 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

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Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting the Democratic Services Officer no later than 12.00 noon

three working days before the meeting. Full details of arrangements for public speaking are set out in Part 4, Part 4.4 of the Council's Constitution <https://tinyurl.com/CCCprocedure>.

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**COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES**

Date: Friday 20<sup>th</sup> October 2017

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 12:15pm

Present: Councillors I Bates, A Hay (Vice-Chairwoman), D Jenkins, L Jones, L Nethsingha, P Raynes, T Rogers, J Schumann (Chairman), M Shellens and T Wotherspoon

Apologies: Chris Malyon (Tom Kelly substituting)

**45. DECLARATIONS OF INTEREST**

Councillor T Wotherspoon declared a non-pecuniary interest in the Programme Highlight Report as a Member of both Cottenham Parish Council and South Cambridgeshire District Council.

**46. MINUTES AND ACTION LOG OF THE ASSETS AND INVESTMENT COMMITTEE HELD 15<sup>TH</sup> SEPTEMBER 2017**

The Committee resolved to approve the minutes of the Committee meeting held on 15<sup>th</sup> September 2017, and note the Action Log.

Discussing the Action Log, Members noted the following items:

Item 56 – it was confirmed that the first meeting of the County Farms Estate Strategic Review Working Group had already taken place.

Item 86 – officers were in the process of setting up a workshop for Committee Members on improving the presentation of Finance & Performance reports.

Item 89 – the workshop being held after the Committee meeting would look at the Community Land Trust model.

Item 19 – officers agreed to check whether a letter had gone to the Rural Payments Agency on late payments. **Action required.**

Item 22 – officers to chase up background information on how energy and related costs had been apportioned historically. **Action required.**

**47. SALE OF MILTON ROAD LIBRARY SITE, CAMBRIDGE TO CAMBRIGESHIRE HOUSING & INVESTMENT COMPANY**

A report was presented that sought to declare the Milton Road Library site as surplus, and agree the disposal by sale to Cambridgeshire Housing and Investment Company (CHIC).

Members were advised that the Council had obtained planning consent to redevelop the existing library to provide a new ground floor Library and Community Area and seven residential flats. The Council was proposing to dispose of the freehold site at best consideration, with a 25 year lease back of the ground floor community and library areas. It was confirmed that the lease of the library by the Council would be at market rent rates, reviewable every five years. The disposal to CHIC would also be at independently determined market rates.

It was clarified that the acronym "FRI" stood for *Full repairing and insuring*.

A number of Members commented that when these reports recommending disposal were submitted to the Committee, they should provide full figures e.g. valuations, otherwise there was insufficient information on which Members could make their decisions. It was noted that such valuations were not always available, but in the case the capital value of the site was £1.82M, and the rent of the library would be £13,668 per annum. Another Member commented that the Committee was taking officers' advice that the package of capital value and market rent was at best consideration largely on trust. It was confirmed that officers had had discussions with their colleagues in the Libraries team, who were happy with the proposed arrangements.

A Member observed that the inclusion of detailed figures in reports could be difficult if the reports were considered in public, as they would then be made known to other developers. The Chairman suggested that the detailed figures could be the subject of a confidential appendix.

One Member commented that the rental charged to the Library should not be at market rates, as it was a community facility. The Chairman commented that that option was available to the Committee later in the process, but the first stage was the decision to transfer the asset to the company. Officers also reminded Members that CHIC was a company wholly-owned by the County Council, and the purpose of the company was to generate income for community benefit.

One Member commented that this was a complex ‘hybrid’ decision, involving both a capital disposal and a lease back, and this had not been fully explained clearly in the report.

It was noted that the development did not meet the City Council’s threshold for affordable housing, which was ten homes. The decision on whether to sell or rent the properties would be down to the developer. A Member commented that many developers proposed scheme just under the affordable housing threshold, and whilst this was understandable, such an approach should not be the deliberate policy of the Council. In terms of the tenure mix, officers advised that the scheme had been through a number of iterations over the last couple of years, and whilst originally there were more units, there were fewer now, partly as a result of the community consultation.

It was confirmed that the lease back arrangements were covered in the recommendation under the term “*final terms of the disposal*”.

It was resolved, by a majority, to:

- 1) Approve the disposal of land and property at Milton Road Library, Cambridge to CHIC at ‘best consideration’;
- 2) Agree that the final terms of the disposal be delegated to the Deputy Chief Executive in consultation with the Chair of the Committee.

**48. SALE OF BARE LAND, DUBBS KNOLL ROAD, GULDEN MORDEN, TO CAMBRIDGESHIRE HOUSING AND INVESTMENT COMPANY**

The Committee received a report that sought to declare Council-owned bare land on Dubbs Knoll Road in Guilden Morden surplus, and agree the sale of the land to Cambridgeshire Housing and Investment Company (CHIC). It was noted that the County Council had put forward this land in previous Local Plans, but it had not been allocated.

In discussion, Members raised the following concerns:

- (i) the lack of financial information on which Members could make their decision;
- (ii) some inconsistencies in the report, particularly relating to the number and type of homes proposed.

Given these concerns, the Committee agreed to defer the report.

Councillor Shellens, in his capacity as Chairman of the Audit & Accounts Committee, advised that he would also be speaking to both Internal and External Auditors on these the information required in disposal reports more generally i.e. recommendations based on valuations where some or all financial information was unknown.

#### **49. ELY ARCHIVES CENTRE UPDATE**

The Committee considered an update on the Ely Archive project, which provided information on the rise in construction costs, and work undertaken by officers to bring the project within budget.

The agreed budget for the project was £5.180M. In July 2017, officers were verbally informed by the contractors managing the projects that subcontractor costs were higher than expected. The estimate submitted by the subcontractors in August was £5.607M, which was £427,000 over the agreed budget. This was largely due to an uplift in construction costs across the region.

Work had been undertaken by both officers and the contractors to minimise the overspend, and the areas of savings were detailed in the report. Despite the £427,000 opening pressure, this had been managed downwards such that the additional expenditure now requested was £66,000, for specific changes in the scope of the project. Specifically, the report recommended some additional spending (£20,000) to provide suitable landscaping as a result of the proposal to relocate the Registration service to the Archive building. It was anticipated that those costs would be offset to some extent by income from the Pay & Display car park, and a reduction of £23,000 per annum from not having to rent the current Ely Registration building. The decision to move the Registration Office had been taken by the Council's Highways & Community Infrastructure Committee.

In response to a question on of the nitrate storage for photographic negatives, it was noted that the original flammable nitrate photograph negatives would be stored at the National Conservation Service in Oxfordshire, where the large collection would be gradually digitised. It was noted that the digitisation process would take time, but individual images could be digitised on request, and would be provided within a few working days.

It was resolved unanimously to:

- a) note the increase in construction costs and the work done by officers and contractors to bring the project back within budget;



- b) agree to a change in project scope to exclude the photographic nitrate store;
- c) agree to a change in the project scope to include improvements to the car park, making it fit for purpose as a pay and display facility;
- d) agree to reinstate an element of external landscaping in order to enhance the building, particularly for the purposes of registration;
- e) agree to support the additional expenditure of £66k for c) and d) above, and refer it to General Purposes Committee for approval;
- f) note the remaining risks to the project budget.

## **50. CAPITAL PROJECT – CREATE**

The Committee considered a report on current status of the Centre for Research and Engagement in Arts, Technology and Education (CREATE) project.

At the July meeting of the Committee, Members asked officers to explore the possibility of a joint venture with the neighbouring site, as well as continue work on the original proposal where possible.

Following exploratory work with the developer of the neighbouring site over the last month, he had indicated that he felt it would be difficult to create a financially viable joint development that could meet the requirements of both the project and his own scheme. The developer had made a cash offer for the County Council's site and had been advised that the Council believed the value of the site was considerably higher. It was noted that the developer's site had been rejected by the City Council for residential development.

In parallel, it had been agreed with the Arts Council for England that the income generation timeline could be extended to December 2018. Both the neighbouring school and Church Schools Trust had agreed to cease their assertion of ownership of the access route if the CREATE project was progressed.

Officers detailed the benefits of the CREATE project, which was in line with many local and national initiatives, and would be key to the development of digital culture. It would also provide resilience for the Service by providing new income streams. The main risks remained access and financial risk, although the Arts Council funding of £1M had been confirmed, and many

other public and private investments/grants had been agreed either in principle or were under discussion.

It was noted that the recommendation of the report set out two alternative options – either progressing the CREATE project, or declaring the site surplus to requirements and negotiating a cash sale.

In debating the report:

- favouring the CREATE project, a Member commented that it represented a great opportunity for children and young people across the county to access cultural and broader educational benefits. As the neighbouring developer did not have Planning Permission for his site, any cash offer was likely to be quite low, and rejecting the CREATE project would result in much private sector investment being lost: if the scheme had the wholehearted backing of the County Council, it would be easier to get the necessary private sector investment, reducing the amount the Council has to contribute to this exciting development;
- one Member noted the comment in the introduction to the report that *“no funding is committed by CCC until all funding is secured for the project”*. However, most of the potential income sources listed in the report were “under discussion”. Officers advised that these were mainly commercial and therefore confidential discussions, which had been progressing until May 2017, but had then tailed off once the Committee’s lack of commitment to the future of the scheme became apparent. It was confirmed that in addition to the Arts Council funding, there were two sources of funding which were approaching a firm commitment;
- it was confirmed that the Arts Council funding was conditional on the project being undertaken on the current site. The attractions of the site were outlined, which included its location – in the city of Cambridge, but also in a deprived area with fewer facilities - and the relationships and partnerships already built up with cultural partners in the area;
- a number of Members commented that there would be great benefit in locating such a centre outside the city, especially as it was a digitally based project, and therefore location was less important. Another Member responded that the location, in Cambridge, was absolutely critical to this project going forward, as that was where the relevant individuals (musicians, technology experts, etc) were – they were very unlikely to travel out to a site elsewhere in the county;

- in response to a question as to why there had been no progress with potential investors and sponsors since May, officers advised that they had been told to stop work on the project by senior colleagues at the end of May: although recommencing work a few weeks later, this hiatus had effectively stalled discussions, and it was difficult to rebuild those discussions;
- the Committee noted that alternative sites that had been considered when the scheme was first being developed;
- a Member commented that they had visited the site and were greatly concerned about the access constraints and the suitability of the building. Whilst the Access Strategy concluded that it was technically feasible, the two options set out meant cutting land off the sports field, and there were also safeguarding issues, given the location next to the Primary School. Whilst the project itself was hugely exciting, the Member commented that the practical delivery of the project at this location seemed unworkable;
- one Member stressed the significant funding (£1M) being offered by the Arts Council, which was conditional on the current location. Another Member highlighted the broader positive benefits of the scheme e.g. to health;
- a Member reminded the Committee that at the General Purposes Committee meeting in March 2017, Members committed to non-repayable capital investment plus an additional, repayable, loan. This significant funding had been conditional on “...*no draw down unless full funding identified from external sources*”. That Committee had also agreed to the establishment of a Member Working Group, which had never been progressed. He suggested that the choice was therefore between a well-developed, well-defined project, versus a potential sale to a developer for an unknown sum;
- a Member commented that this was a digital facility which did not have to be constrained to a particular site, and there were plenty of examples of those in creative arts being willing to travel to venues across the county. The site should be in a location where there would be maximum enjoyment and benefit by as many people as possible – it was not the case that this was the only option that would ever be available, and there was plenty of time to explore alternative avenues;
- a number of Members observed that the site was not suitable due to the very narrow access, and highlighted the lack of progress on any firm funding commitments since May. It was further suggested by those with experience of the Arts Council that they would be willing to keep the project going independent of any decision taken on this site today.

It was resolved, by a majority, to:

- a) Designate the site as “surplus to requirements” and pursue a negotiated cash purchase of the site;
- b) Establish a Member/officer liaison group to pursue funding opportunities for alternative projects.

**51. SERVICE COMMITTEE REVIEW OF THE DRAFT REVENUE BUSINESS PLAN PROPOSALS 2018-19 TO 2022-2023**

The Committee considered the draft 2018/19 Capital Programme for the Commercial and Investments Committee.

The report outlined the scale of the challenges the county faced in terms of increasing demand for services against reducing income. The ability of the Council to find new income streams and opportunities were therefore crucial going forward. One approach would be the “Outcome Focused Reviews” which had been commissioned in priority areas, to look at in detail areas where savings or income opportunities existed.

Noting Business Case F/R.7.111 (External Funding), a Member commented that there had been a request in May for a list of all County Council assets, by electoral division. **Action required (Tom/John).**

A number of Members commented that there was inadequate information provided for a number of the Business Cases, particularly in terms of financial information and risk. Officers advised that these were not the final Business Cases, and they would be further developed before the final versions were presented in December. It was acknowledged that there were particular resource issues across the Council and around the work areas covered by Commercial & Investment Committee in particular, and Members needed to be engaged in the process and regard the information presented very much as a “work in progress”. A Member commented that it was vital to have the mechanisms to resource projects e.g. transformation projects where there were potentially significant returns to be realised.

With regard to the table showing the total level of savings necessary for each of the next five years (paragraph 3.1 of the report), a Member suggested including a total on the overall saving requirement. **Action required.**

There was a discussion around the government's resistance to local authorities borrowing and making commercial decisions, with the suggestion that this may be tempered in future: whilst acknowledging this was a risk, it was true for all authorities across the country. One Member commented that the authority should raise Council Tax to the level expected by government to reduce the need for income generation.

It was resolved to:

- a) note the overview and context provided for the 2018-19 to 2022-23 Business Plan revenue proposals for the Committee;
- b) comment on the draft revenue proposals that are within the remit of the Commercial and Investment Committee for 2018-19 to 2022-23;
- c) make the following appointments to Outcome Focused Reviews:
  - Professional Centre Services (PCS); Councillor A Hay
  - Property Services: Councillor J Schumann
  - County Farms: Councillor R Hickford
  - CCS: Councillor T Wotherspoon

## **52. EXEMPT INFORMATION**

The Committee considered a report on the requirements and factors to consider for the exemption of information within Commercial and Investment Committee meetings under Schedule 12A of the Local Government Act 1972.

Before deciding to exclude the press and public, the Committee needed to determine that an exemption should be engaged, and which of the seven categories of exemption was relevant: for the Commercial and Investment Committee, this was most likely to be (3) *information relating to financial or business affairs*. Members should then consider whether the public interest in maintaining the exemption outweighed the public interest in the information to be disclosed when the item was being considered. Appended to the report was a protocol for application of commercial sensitivity exemption, which included factors in favour of disclosing and not disclosing that needed to be taken into consideration, and determining the relevant weighting.

Members were reminded that the Committee may take a decision to exercise an exemption, but information in the report could then be disclosed following a Freedom of Information request at a later stage.

The Chairman thanked officers for their report, and commented that the report and appendices would be particularly helpful to those officers who produced reports for the Committee, especially those in Asset Management, when disaggregating the information they were preparing for Committee. He also stressed the importance of having as much information in public wherever possible.

It was confirmed that exemptions agreed at previous meetings still stood.

A Member thanked Councillor Jenkins for his perseverance on this issue.

It was resolved unanimously to:

Note the contents of the report.

### **53. FINANCE AND PERFORMANCE REPORT – AUGUST 2017**

The Committee considered a report on the financial and performance information relating to the areas within the Commercial and Investment Committee's remit.

An overspend of £165K on revenue budgets was forecast at the end of August, which was an adverse movement of £266K compared to the previous month, reflecting the transfer of CCS (Cambridgeshire Catering & Cleaning Services) which was previously managed within the People & Communities directorate. CCS continued to report a forecast surplus contribution of £183K.

The Chairman commented that when GPC agreed to take over CCS, he was unaware this included taking on that Service's overspend prior to that decision. Officers advised that the Service had a structural overspend that needed to be dealt with, and it would be difficult to set a precedent of separating out that historic overspend and allocating it elsewhere.

It was noted that the mothballed C3 was a warehouse/depot facility operated as part of a previous arrangement with the Northamptonshire Catering Service "Nourish", and this facility had a potential £500K dilapidations cost to resolve before the lease could be ended, and £80K per annum ongoing costs until then. It was noted that dilapidations were always a risk, and the decision resulted from Northamptonshire Schools' decision to withdraw from Nourish.

A Member asked if the capitalisation of Local Plan representations was standard practice. Officers explained that representations were essential to create further development opportunities i.e. flagging up potential sites which

may then appear in future Local Plans. It was confirmed that any unsuccessful representations were brought back in to the Revenue budget.

It was resolved unanimously to:

review, note and comment upon the report.

Members considered an addendum to the report that had been tabled, requesting a £2.8M loan facility for CHIC. In response to a query it was outlined that the Council had previously received advice it could typically charge around 3–3.5% in excess of its own borrowing costs when loaning onto CHIC, given a range of commercial considerations for both the Council and the company. Without giving details on this specific agreement, that advice remained relevant.

It was resolved, by a majority, to:

authorise a loan facility to Cambridgeshire Housing and Investment Company for up to £2,800,000 for operating and overhead costs. The Chief Finance Officer, in consultation with the Chairman of the Committee, is authorised to agree the terms and content of the loan agreement, including repayment and interest charging arrangements.

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

It was agreed that there was no need to exclude the press and public, as the following item could be considered in public session.

#### **55. PROGRAMME HIGHLIGHT REPORT**

Members were presented the Programme Highlight Report. Members praised the improved format of this report, especially the “exception update for C&I” column.

The following items were discussed:

- Brampton Meadow View – officers were asked to check that the correct Local Member was listed. **Action required;**
- a Member observed that as this process progresses, more sites would be declared surplus for disposal. She asked what the protocol would be for those sites to come back to Committee e.g. the Committee

agreed to dispose of Russel Street in September – once sold to CHIC, what happened in terms of reporting? Officers commented that the submission of a planning application was only the first part of the process. The Chairman advised that there would be a workshop on how the reporting back from CHIC would work in practice. **Action required;**

- a Member commented that there was still an issue that the Council was acting in a way that could bring it into disrepute. He used the Cottenham applications as an example, where the County Council was pressing on with its development plan, irrespective of the views of the community as expressed by the Parish Council and through the Neighbourhood Plan that was being developed. With regard to the Cottenham developments, officers advised that an appeal had been launched with regard to the Rampton Road development, and he outlined the circumstances of the original application. Officers also advised that the Neighbourhood Plan carried no statutory weight in the planning process. As the application had been submitted under the “housing shortfall” criteria, there was a limited window for resubmission. Whilst acknowledging these points, the Member commented that the County Council was supposed to be working in partnership with other authorities, and if the Parish Council had expressed its opposition, the County Council should not be going ahead in defiance of local opinion, as continuing to do so could bring the Council in to disrepute. Other Members noted that the site was in the Local Plan, and that as a result of discussions between the Parish and County Councils on 09/08/17, certain elements had been withdrawn. It was further suggested that by the time the appeal was heard, there would be a change in the circumstances of the five year land supply;
- whilst recognising they would be of limited use, a Member asked if “total” columns could be included at the bottom of the table. He added that it would also be helpful to include the previous report’s total;

In response to comments raised by Members, the Chairman commented that the Committee had previously made clear that it wanted to take a commercial approach to development. When outline planning permission had been agreed, there was flexibility to introduce other benefits for communities. However, the overriding direction was to take a commercial approach. With regard to Cottenham Parish Council, he had offered to meet with the Chairman of that Parish Council to address their concerns.



In response, Councillor Jenkins commented that the County Council has other priorities, notably “developing the economy to the benefit of all”, not simply maximising income. Councillor Jenkins proposed an amendment to pause both Cottenham developments, and this amendment was seconded by Councillor Nethsingha. On being put to the vote, the amendment was lost.

It was resolved to:

note the Programme Highlight report.



**COMMERCIAL &  
INVESTMENT  
COMMITTEE**

**Minutes-Action Log**



**Introduction:**

This is the updated action log as at **16<sup>th</sup> November 2017** and captures the actions arising from the most recent Assets & Investment Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

**Minutes of 31<sup>st</sup> March 2017**

<b>86.</b>	<b>Finance and Performance report</b>	Chris Malyon	Requested work be carried out to improve the presentation of the figures and improve the relationship between the narrative of the report and the figures provided.	Officers will be working with Members to try and develop the information they need to support their decision making.	Ongoing
<b>89.</b>	<b>Programme Highlight Report</b>	Chris Malyon/ John Macmillan	Requested a report for a future meeting regarding the financial implications of the Community Land Trust model and provision of affordable housing.	Workshop on the Community Land Trust model held after the Oct. Committee meeting.	Completed

**Minutes of 28<sup>th</sup> July 2017**

<b>22.</b>	<b>Energy Efficiency, Invest to Save Fund for Council non-school buildings</b>	Chris Malyon	Circulate to Members background info on how energy and related costs had been apportioned historically, the issues with that decentralised function, etc.		
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**Minutes of 15<sup>th</sup> September 2017**

<b>39.</b>	<b>Finance &amp; Performance Report</b>	Chris Malyon/ David Parcell	Officers to prepare briefing note for Members on reasons for increase in costs for Sawston Community Hub.		
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## Minutes of 20<sup>th</sup> October 2017

51. (1)	<b>Service Committee Review of the draft Revenue Business Plan proposals 2018-19 to 2022-2023</b>	John Macmillan/ Tom Kelly	In May there had been a request of all County Council assets by electoral division.		
51. (2)	<b>Service Committee Review of the draft Revenue Business Plan proposals 2018-19 to 2022-2023</b>	Chris Malyon /Tom Kelly	For the table showing total level of savings necessary for the next 5 years (para 3.1 of report) include a total for overall saving requirement.		
55. (1)	<b>Programme Highlight Report</b>	John Macmillan	Ensure correct Local Member listed for Brampton Meadow View.		Completed.
55. (2)	<b>Programme Highlight Report</b>	John Macmillan	Agreed that there would be a workshop on how the reporting back from CHIC (re: progress with sites) would work in practice.	To be picked up as part of the Portfolio report to Committee.	

**ESPO TRADING COMPANY LTD.**

*To:* **Commercial & Investment Committee**

*Meeting Date:* **24 November 2017**

*From:* **Paul White – Head of Procurement.**

*Electoral division(s):* **All**

*Forward Plan ref:* **2017/048**                      *Key decision:*      **Yes**

*Purpose:*                      **The purpose of this report is to advise the Committee of the recommendations of the ESPO (Eastern Shires Purchasing Organisation) Management Committee and senior officers of the six member councils concerning the establishment of a new company, ESPO Trading Limited.**

**The report has been written to enable consideration of the matter in public. As such the detailed business case and draft documents necessary to incorporate and begin trading through the company are not appended to this report. These documents have been closely scrutinised by the ESPO Management Committee, and the senior officers and legal and financial teams of each of the six member authorities. With the exception of the business case the other documents necessary to incorporate the company have been drafted by external specialist legal advisors for Leicestershire County Council and shared with all member authorities.**

*Recommendation:*

**It is recommended that:**

- a) The decision of the ESPO Management Committee, having reviewed the detailed business case and other documents, to recommend each of the six member authorities to establish a new trading company, be noted;**
- b) Approval be given to the establishment of a new trading company, 'ESPO Trading Limited' on the basis outlined in this report and that the Chief Executive be authorised to agree the terms of and sign the necessary documentation to give effect to this decision;**
- c) It be noted that the Board of Directors of the trading company will include five officers, acting as Executive Directors made up as follows:**
  - (i) Three officers from ESPO being the following office holders:**
    - Director of ESPO**
    - Deputy Director and Chief Commercial Officer**
    - Assistant Director of Finance and IT**
  - (ii) The Director of Corporate Resources (Leicestershire County Council) or his nominee;**
  - (iii) A officer nominated by the other Shareholder (member authorities) of ESPO;**
- d) Approval be given for arrangements to be put in place to indemnify the ESPO and LCC officers in discharging their role as Executive Directors of the Company;**
- e) It be noted that the Shareholders (member authorities) may nominate up to two Non-Executive Directors to serve on the Board of the Company;**
- f) It be noted that each of the six member authorities will be equal shareholders in the new Company and that the shareholder representative on the new company will be one elected member from each member authority drawn from the membership of the ESPO Management Committee;**
- g) It be noted that the shareholder representatives (Elected Members) will be responsible for taking strategic decisions and agreeing the Annual Business Plan for the Company.**

## **Reasons for Recommendations**

1. ESPO is established as a joint committee set up in accordance with the Local Government Act 1972 and the Local Government Act 2000. Its servicing authority, Leicestershire County Council, is limited to trading under powers in section 1 of the Local Authorities (Goods and Services) Act 1970 with a limited number of organisations defined as public bodies under that Act.
2. Member authorities of ESPO have the opportunity to explore alternative markets that are not public bodies, by using the powers under:-
  - i) Section 4 of the Localism Act 2011 and Section 95 of the Local Government Act 2003 to trade for profit, through the new separate company;
  - ii) Section 3 of the Localism Act 2011 and Section 93 of the Local Government Act 2000 to make a charge through the existing joint committee and servicing authority for goods and services to organisations other than those with which ESPO may trade by virtue of the Local Authority (Goods and Services) Act 1970.
3. By virtue of being able to trade with organisations in addition to public bodies, ESPO and the new Company will be able to secure ESPO's position in an increasingly competitive market and deliver the growth and profit targets set by the ESPO Management Committee in its Medium Term Financial Strategy.

<b><i>Officer contact:</i></b>		<b>Member contact:</b>	
Name:	<b>Gus de Silva</b>	Names:	Councillor Josh Schumann
Post:	Supply Chain & Development Manager	Post:	Chairman
Email:	<a href="mailto:gdesilva@northamptonshire.gov.uk">gdesilva@northamptonshire.gov.uk</a>	Email:	<a href="mailto:Joshua.schumann@hotmail.co.uk">Joshua.schumann@hotmail.co.uk</a>
Tel:	07841 254 944	Tel:	01223 706398

## 1. BACKGROUND

- 1.1 ESPO is a public sector buying organisation operating as a Local Government Committee, jointly owned by six local authorities. As it is not a separate legal entity its functions are performed through Leicestershire County Council, which acts as the Servicing Authority to the joint committee.
- 1.2 Its main objective is the provision of a professional, comprehensive value for money purchasing, contracting and supplies service for its member authorities and other public bodies under the provisions of the Local Authority Goods and Services Act 1970. It does so by providing access to a catalogue containing nearly 27,000 product lines and over 150 framework solutions.
- 1.3 In financial terms ESPO not only has a statutory duty to recover its operating costs but also to keep these to a minimum commensurate with the level of service required and the long term development of the business. Any surpluses accrued are distributed to the member authorities in line with an agreed formula after a proportion of the profits have been set aside for a development reserve and as working capital. Last year ESPO generated a profit of nearly £4.2m of which £2.8m was distributed to the member authorities.
- 1.4 ESPO now trades successfully on a self-funded basis and is recognised as one of the leading public sector buying organisations in the country, supplying to a broad range of customers principally in the education sector. However, as its sole power to trade through its Servicing Authority is under the Local Authorities (Goods and Services) Act 1970 as a joint committee, ESPO is limited to being able to trade with organisations identified and listed under that Act. This list is updated from time to time but is strictly limited and does not include all contracting authorities that wish to buy ESPO's goods and services, such as central government departments. Whilst the Act and joint committee facilitated ESPO's creation of the organisation, it is also constrained by its constitution and structure and can trade only with other public bodies in the UK. This market is shrinking as local authority resources reduce and services are outsourced to private or voluntary sector organisations.

## 2. MAIN ISSUES

### New Trading Company

- 2.1 Restriction on trading has led ESPO's Management Committee to explore alternative markets: potential customers that are not public bodies. These fall into two groups:-
  - (a) customers that are not contracting authorities, such as charities and others in the voluntary sector, using alternative powers to trade through a separate company; and
  - (b) charging those that are contracting authorities but not public bodies, such as central government departments, on a cost recovery basis, using alternative powers to charge that do not require the use of a company.
- 2.2 The charging model for 2.1(b) above enables ESPO to continue to serve its existing customers from the wider public sector on a non-commercial basis. It is not intended as a means for actively pursuing commercial growth, rather to enable those customers to



continue using ESPO as a public sector supplier. Charging will be based on the guidance laid down by the Chartered Institute for Finance and Accountancy (CIPFA).

- 2.3 In 2015/16 the ESPO Management Committee set a target to achieve a surplus of £6m by 2020/21. Whilst most of this (£4million) will be achieved by growth rate based on ESPO's existing core business, new projects and initiatives will be needed to deliver the target surplus. These include:-
- Creation of a Private Trading Arm
  - Automation in Warehouse (in progress)
  - Personalised Procurement Service (PPS) (marketing activity)
  - International Sourcing (business as usual buying activity)
  - Mergers and Acquisitions (reviewed as opportunities arise).
- 2.4 The creation of ESPO Trading Ltd. is one of the key projects intended to drive future growth. Through it, ESPO intends to exploit the opportunity to trade in current products and services, through its existing infrastructure, but to new markets and customers. It will also allow ESPO to trade with confidence with organisations with a public sector ethos, but which are not designated as 'Public Bodies' under the Local Authority (Goods and Services) Act 1970.

### **Structure, Management and Staffing of the New Company**

- 2.5 The Company will be a separate legal person, distinct from the local authorities that comprise ESPO's joint committee. The Company's operations, whilst related to those of ESPO, will not be governed by the Consortium Agreement. Instead, the Companies Act 2006 and the Company's Articles of Association will regulate in part the relationship between the local authorities who are or subscribe to become shareholders in the Company. Overlaying these, a shareholders' agreement will complete the relationship between the shareholders.
- 2.6 The activities of the Company will be restricted to those agreed in a business plan that the shareholders will review and update when they determine.
- 2.7 Each shareholder will subscribe for an equal number of shares in the Company. Any prospective shareholder in the Company must join ESPO's joint committee, if not already a member, and agree to become bound by the shareholder agreement and the Consortium Agreement.
- 2.8 Control of the Company will be split between the shareholders and a Board of Directors. The Board of Directors will be responsible for the day-to-day management of the Company. It will comprise of up to five officers employed by the shareholders, three representing ESPO, one nominated by Leicestershire County Council (as the Servicing Authority) and one nominated by the remaining shareholders. Each category of director must be present for the Board to be quorate.
- 2.9 In addition, shareholders may appoint up to two Non-Executive Director to the Board and may appoint observers to attend Board meetings. Observers appointed will not have the right to speak or vote at Board meetings.

- 2.10 Shareholders will take strategic decisions in general meetings of the Company, where an elected member will represent each shareholder. This provides the option for shareholders to arrange for member participation in general meetings to coordinate with the separate management of ESPO through its Management Committee. These strategic decisions will concern matters reserved to shareholders and set out as such in the shareholders' agreement.
- 2.11 The shareholders agreement also describes: how the directors of the Company will determine the distribution of the Company's profits as dividends to shareholders; the financial information to be provided to shareholders; the limitations on shareholders' ability to transfer shares to others and the potential for shareholders to be required to transfer shares if they cease to be members of ESPO's joint committee or act in breach of the shareholders' agreement; the mechanism for settling any dispute; and arrangements, should the Company be wound up.
- 2.12 The primary objective of the new Company is to legally trade outside of ESPO's current boundaries. It is not envisaged as an employment vehicle. It is intended that current ESPO employees will continue to be employed by Leicestershire County Council as the Servicing Authority. If additional staffing and resources are required to fulfil operational and governance requirements of the new company, a tax efficient transfer-pricing model will be adopted, under which a recharge will be made between the new Company and ESPO.
- 2.13 Leicestershire County Council (on behalf of ESPO) and ESPO Trading Ltd. will need to enter a management agreement under which the Council provides all the services and goods to the Company. ESPO Trading Ltd will, at least in the short term, simply be a shell company with no employees or assets as a necessary requirement of statute in order to act for a commercial purpose.

## **Business Case**

- 2.14 ESPO is an established, well known and reputable brand in its current markets of education, local government and the wider public sector.
- 2.15 ESPO provides a catalogue offer for goods. It also provides procurement services, primarily in the form of access to a range of frameworks (agreements with providers or a range of providers, enabling buyers to order services without running full tendering exercises). Frameworks enable customers to access goods and services by contracting directly with the supplier.
- 2.16 The education market accounts for the majority of ESPO's catalogue business. This market has been declining in recent years, reflecting real-term reductions in funding per pupil. According to the Institute for Fiscal Studies, this market is forecast to decline by 8% over the next five years.
- 2.17 ESPO's MTFS (Medium Term Financial Strategy) has financial growth expectations for which it has set a target to increase its market share. ESPO intends to obtain these new sales by accessing new customer markets through ESPO Trading Ltd.
- 2.18 ESPO Trading Ltd will prioritise the marketing of existing products where there is already a high level of internal experience. The impact on the organisation will therefore be limited

with ESPO already well positioned to form a foundation on which ESPO Trading Ltd can be established and developed relatively easily.

- 2.19 Utilising the current products, staffing, and overall infrastructure will enable ESPO to enter the new and extended markets by simply extending its existing offer to new customers. Rather than being a new supplier in the market, ESPO Trading Ltd will simply be a new way of trading, and as such will not be subject to the barriers to entry most new company's face.
- 2.20 ESPO's competitors now trade with both private and public sector customers. They have already set out that public sector education providers can trade with private customers, so the work has been done to establish this as a viable proposition to the customers targeted. In addition, the attractive price point by which ESPO is known will also remain, making the sales pitches less difficult and will make converting new customers more achievable.
- 2.21 With the majority of ESPO's current catalogue sales in education, it has a good range of products to offer to the private, charitable and voluntary sectors. ESPO Trading Ltd also provides opportunities to expand the business, offering familiar products to organisations that fall outside the scope of public bodies and contracting authorities.
- 2.22 ESPO has examined its current trading trends and markets as well as those that will be most suited to ESPO Trading Ltd and, through a process of filtration and funnelling, has prioritised its target customer groups.
- 2.23 The commercial opportunities or target markets identified for the new Company are broadly: education sector collaboration, independent sector diversification, residential care, charities and volunteering groups, as well as potential for international education sector trade and the wider offering of framework solutions to private sector users. All of these draw on the existing infrastructure and skillsets within ESPO while addressing the legal limitations to trade within the current constitution.
- 2.24 ESPO's strong brand has performed well in the UK education market and is recognised in the wider public sector for its extensive framework solutions and individual contracts. The branding will feature in all marketing strategies in new growth areas.

### **Summary of Sales Growth potential in years 1 and 2**

- 2.25 The consolidated commercial opportunities for growth outlined above equate to a combined indicative turnover of £1m to £1.4m. This is based on a cautious approach to the selected markets:

	£m	
	Year 1	Year 2
Education via collaboration		
Region A	0.104	0.156
Region B	0.175	0.260
Region C	0.300	0.450
Education via diversification	0.140	0.210

Care, Charity and local private sector	0.281	0.350
	<b>1.000</b>	<b>1.426</b>

2.26 Through the ‘Charging’ aspect of this proposal, catalogue sales and rebate income on frameworks will also be protected. Those customer types that are not included within the Local Government Goods and Services Act 1970 list of public bodies, but which nevertheless appear to be public bodies, could be transferred from ESPO to ESPO Trading Ltd or continue to be served under a ‘Charging’ mechanism.

### **Finance**

2.27 The proposed share capital of ESPO Trading Ltd is 600 shares of £1 each held equally by each of the six member authorities. Working capital for ESPO Trading Ltd will come from ESPO’s existing reserves through a mechanism which will reflect commercial rates.

2.28 ESPO Trading Ltd will operate within the assets of ESPO and therefore under the same IT systems and processes as ESPO.

### **Governance – Practical Considerations**

2.29 As stated earlier, ESPO Trading Ltd will not require a Servicing Authority. Instead, it will be governed by the Companies Act 2006, its Articles of Association, its shareholders’ agreement, decisions of the shareholders in general meetings and by written resolution, and decisions of its Board of Directors.

2.30 As member authorities are also shareholders, each will have similar influence over ESPO Trading Ltd as they currently do over ESPO. It is therefore expected that these two entities will work under parallel but complementary systems ensuring good governance control.

2.31 The practicalities of running ESPO Trading Ltd are such that it would make sense for its governance arrangements to follow the meeting cycle and governance of the existing ESPO Management Committee and that matters relating to the new Company should be a separate item on the agenda for those meetings.

### **Timetable for Decisions (including Scrutiny)**

2.32 The ESPO Management Committee which comprises of elected members from each of the six member authorities has over the past six months considered the detailed business case that supports the establishment of the new Company. At its meeting on 20<sup>th</sup> September the Management Committee, having considered the advice of its Chief Officer Group and independent legal advice, agreed to recommend the establishment of a new company.

### **Policy Framework and Previous Decisions**

2.33 The County Council established joint arrangements for the purchase of goods and supplies and the provision of agreed services by forming a joint committee with Lincolnshire County Council, Leicestershire County Council, Norfolk County Council, Warwickshire County Council and Peterborough City Council, which has the trading name the Eastern Shires Purchasing

Organisation (ESPO). A joint committee was established in accordance with section 102 of the Local Government Act 1972.

## **Conclusion**

- 2.34 There is an underlying trend of volume decline in the core education marketplace and while ESPO continues to hold and even grow its market share, ESPO's Management Committee has agreed that continued growth will need to be underpinned by the development of new projects and initiatives. ESPO Trading Ltd is a cornerstone to ward off decline and to contribute towards ESPO's projected surplus growth being delivered to its members.
- 2.35 The member authorities' legal officers have scrutinised the legal basis for charging within ESPO and have been working with Browne Jacobson, independent legal advisors, to shape the shareholder agreement, articles of association and deed of variation required to establish a company, having due regard for the ESPO Management Committee Consortium Agreement and Constitution.
- 2.36 Having presented this groundwork to the Management Committee on 20 September 2017, they agreed to support the creation of ESPO Trading Ltd on the basis as set out above, pending the necessary approvals by the six member authorities.
- 2.37 Once established, ESPO Trading Ltd will complement the existing operation and facilitate commercial opportunities which are currently not accessible via the existing consortium arrangement.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

Report authors should evaluate the proposal(s) in light of their alignment with the following three Corporate Priorities.

### **3.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

### **3.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

### **3.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

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

- There will be no cost to any of the member authorities arising from the recommendations in this report, other than £100 each to subscribe for shares in the new Company, as the working capital for the new Company will be met from existing ESPO reserves.
- The ESPO Management Committee agreed a target surplus of £6m by 2020/21. Whilst most of this will be achieved by growth rate based on ESPO's existing core business, a number of new projects and initiatives are also needed. It is considered that there is potential for sales growth of around £1 - £1.4m within the first two years of operation of the new ESPO trading company: figures are based on a cautious approach to the selected markets.

#### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

*There are no implications for the Council in terms of Procurement and the Contract Procedure Rules*

#### **4.3 Statutory, Legal and Risk Implications**

##### **Risk Assessment**

The following bullet points set out details of risks:

- If there is a failure of management to ensure proper governance such as being non-compliant with legislation (e.g. Health and Safety, Data Protection, Employment, Freedom of Information), this would result in fines and possibly legal action. This could make it difficult to obtain insurance cover or could increase premiums. The risk of this is, however, mitigated by the oversight provided by the Internal Audit of Governance arrangements, preparation of the Annual Governance Statement and the regular liaison meetings with the Servicing Authority.
- There is also the possibility that existing customers loyal to ESPO for its public sector ethos may perceive the creation of a private trading company as tarnishing its public sector credentials leading to loss of business. This will be managed by appropriate marketing within both ESPO and ESPO Trading Ltd to ensure that customers understand that ESPO's commitment to the public sector is still at its core.
- If ESPO Trading Ltd fails to achieve its business plan, then there is the possibility that ESPO would be unable to pay dividends to its members in line with the MTFs and unable to pay its suppliers. In addition, substantial interest charges could be incurred on borrowings and aggressive credit control practices would be required to maintain cash-flow.
- This risk will be mitigated by balancing planned annual incomes and expenditure to ensure ESPO continues to generate trading surpluses and positive cash flows in line with its MTFs, maintaining robust customer credit control procedures and aged debtor reporting. Daily monitoring of Orders and Lines and weekly and monthly reporting of incomes and trading results against budget and target will also ensure that management have a detailed overview of the business and are able to course correct throughout the year as needed.
- If ESPO Trading Ltd fails to achieve proper segregation from ESPO, this could result in

inaccurate accounts, qualified audit reports, and an incorrect calculation of dividends. The risk of this happening will be minimised by employing Internal Audit investigations and Standard Operating Procedures designed to address segregation of duties.

- There is also the risk of mergers in the market and emerging competitors coming from within existing key partners but as with ESPO itself, management will continue to undertake market monitoring and benchmarking.
- While there are a range of risks as set out above, the Management Committee was satisfied that the proposed method of establishing ESPO Trading Ltd and its business model will ensure that risks are mitigated by control measures. Its risk profile will be within acceptable tolerances and will receive the same rigorous monitoring and audit as recommended by Leicestershire County Council’s Internal Audit.

## Law and Governance

- Legal Advice has been obtained on the formation of the company from external specialist commercial solicitors who have worked closely with the Council’s legal team. This has enabled assurance in relation to the vires, regulatory, constitutional and governance issues arising from the proposed company formation.
- As progress towards incorporation of the trading company is made, there will be a requirement for ongoing legal and regulatory advice. Thereafter, once incorporation has taken place, the Company will require its own separate and independent legal advice.
- The legal rationale for the trading company and the statutory limitations on trading as a joint committee are as set out in the report.

### 4.4 Equality and Diversity Implications

There are no equality or human rights implications directly arising from this report.

### 4.5 Engagement and Communications Implications

There are no Engagement and Communications implications directly arising from this report.

### 4.6 Localism and Local Member Involvement

There are no Local implications directly arising from this report.

### 4.7 Public Health Implications

There are no Public Health implications directly arising from this report.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of officer: Paul White

<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	Yes Name of Officer: Fiona McMillan
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Yes Name of Officer: Paul White
<b>Have any engagement and communication implications been cleared by Communications?</b>	Yes Name of Officer: Christine Birchall
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Yes Name of Officer: Paul White
<b>Have any Public Health implications been cleared by Public Health</b>	Yes Name of Officer: Tess Campbell

<b>Source Documents</b>	<b>Location</b>
<b>ESPO Management Committee Business Case and Appendices 1-3</b>	Available from Gus de Silva – LGSS Supply Chain and Commercial Development Manager <a href="mailto:gdesilva@northamptonshire.gov.uk">gdesilva@northamptonshire.gov.uk</a> or Paul White Head of Procurement LGSS <a href="mailto:pwhite@northamptonshire.gov.uk">pwhite@northamptonshire.gov.uk</a>



**SERVICE COMMITTEE REVIEW OF THE DRAFT 2018-19 CAPITAL PROGRAMME**

*To:* **Commercial and Investment Committee**

*Meeting Date:* **24th November 2017**

*From:* **Chief Finance Officer**

*Electoral division(s):* **All**

*Forward Plan ref:* **Not applicable**      *Key decision:* **No**

*Purpose:* **This report provides the Committee with an overview of the draft Business Plan Capital Programme for Commercial and Investments Committee**

*Recommendation:*

- a) It is requested that the Committee note the overview and context provided for the 2018-19 Capital Programme for Commercial and Investments Committee**
  
- b) It is requested that the Committee comment on the draft proposals for Commercial and Investments Committee's 2018-19 Capital Programme and endorse their development**

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## **1. CAPITAL STRATEGY**

- 1.1 The Council strives to achieve its vision through delivery of its Business Plan. To assist in delivering the Plan the Council needs to provide, maintain and update long term assets (often referred to as 'fixed assets'), which are defined as those that have an economic life of more than one year. Expenditure on these long term assets is categorised as capital expenditure, and is detailed within the Capital Programme for the Council.
- 1.2 Each year the Council adopts a ten year rolling capital programme as part of the Business Plan. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period; therefore whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and revenue streams for the Council.
- 1.3 This report forms part of the process set out in the Capital Strategy whereby the Council updates, alters and refines its capital planning over an extended planning period. New schemes have been developed by Services and all existing schemes have been reviewed and updated as required before being presented to the Capital Programme Board and subsequently Service Committees in September for further review and development.
- 1.4 An Investment Appraisal of each capital scheme (excluding committed schemes and schemes with 100% ring-fenced funding) has also been undertaken / revised in order to determine a prioritisation score. This score allows schemes within and across all Services to be ranked and prioritised against each other, in light of the finite resources available to fund the overall Programme and in order to ensure the schemes included within the Programme are aligned to assist the Council with achieving its outcomes.

## **2. DEVELOPMENT OF THE 2018-19 CAPITAL PROGRAMME**

- 2.1 Prioritisation of schemes has been reviewed individually by Service Committees alongside the addition, revision and update of schemes. Prioritisation of schemes across the whole programme was also reviewed by General Purposes Committee (GPC) in October. GPC will review the final overall programme in December, in particular regarding the overall levels of borrowing and financing costs, before recommending the programme in January as part of the overarching Business Plan for Full Council to consider in February.
- 2.2 The introduction of the Transformation Fund for the 2017-18 planning process has not impacted on the funding sources available to the Capital Programme as any Invest to Save or Earn schemes will continue to be funded over time by the revenue payback they produce via savings or increased income. This is the most financially sensible option for the Council due to the ability to borrow money for capital schemes and defray the cost of that expenditure to the Council over the life of the asset. However, if a scheme is transformational, then it should also move through the governance process agreed for the transformation programme, in line with all other transformational schemes, but without any funding request to the Transformation Fund.
- 2.3 There are several schemes in progress where work is underway to develop the scheme, however they are either not sufficiently far enough forward to be

able to include any capital estimate within the Business Plan, or a draft set of figures have been included but they are, at this stage, highly indicative. The following are the two main schemes that this applies to:

- The Adults Committee first considered the Older People's Accommodation Strategy in 2016. Following consideration of outline modelling and a business case to increase the availability of affordable care home beds in the County through more direct intervention in the market by the Council, the Adults Committee received an update in September on market engagement and next steps towards a more detailed business case and procurement. Amongst a number of options, there is potential for implications for the Council's capital plans through provision of land, other assets or involvement with construction. The Council is engaged with health partners on these challenges, and plans are also in development for an investment in housing for vulnerable people using improved better care fund monies.
- The Council is in the fortunate position of being a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This has, however, required the Council to move from being a seller of sites to a developer of sites, through a Housing Company. A Special Purpose Vehicle has been established, the Cambridgeshire Housing Investment Company (CHIC), through which the Council will operate to make best use of sites with development potential in a co-ordinated and planned manner, in order to progress those sites for a range of development options. This will generate capital receipts to support site development and create significant revenue income for the Council which will help support services and communities.

A comprehensive 10-year pipeline of development projects has been identified and the initial model is undergoing extensive review and refinement by both CHIC and the Council, taking into account the different options available. This work is nearing its conclusion, however the timing of it has meant that no update to figures has been included in this paper.

### **3. REVENUE IMPLICATIONS**

- 3.1 All capital schemes can have a potential two-fold impact on the revenue position, relating to the cost of borrowing through interest payments and repayment of principal and the ongoing revenue costs or benefits of the scheme. Conversely, not undertaking schemes can also have an impact via needing to provide alternative solutions, such as Home to School Transport (e.g. transporting children to schools with capacity rather than investing in capacity in oversubscribed areas).
- 3.2 The Council is required by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code for Capital Finance in Local Authorities 2011 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to ensure that it achieves this, GPC recommends an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan. In order to afford a degree of flexibility from year to year, changes to the phasing of the limit is allowed within any three-year block (the next block starts in 2018-19), so long as the aggregate limit remains unchanged.

3.3 For the 2018-19 Business Plan, GPC has agreed that this should equate to the level of revenue debt charges as set out in the 2014-15 Business Plan for the next five years (restated to take into account the change to the Minimum Revenue Policy agreed by GPC in January 2016), and limited to around £39m annually from 2019-20 onwards.

#### 4. SUMMARY OF THE DRAFT CAPITAL PROGRAMME

4.1 The revised draft Capital Programme is as follows:

Service Block	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
People and Communities	88,880	122,132	79,045	40,734	29,562	79,549
Economy, Transport and Environment	34,714	24,946	17,940	18,894	20,152	19,238
Public Health	-	-	-	-	-	-
Commercial and Investment Committee	54,544	6,958	800	12,051	800	18,720
Corporate and Managed Services	8,453	734	680	460	-	-
LGSS Operational	-	-	-	-	-	-
<b>Total</b>	<b>186,591</b>	<b>154,770</b>	<b>98,465</b>	<b>72,139</b>	<b>50,514</b>	<b>117,507</b>

4.2 This is anticipated to be funded by the following resources:

Funding Source	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
Grants	51,521	32,989	32,855	33,844	35,832	76,427
Contributions	25,040	44,232	54,660	16,672	8,635	192,872
Capital Receipts	15,677	4,362	5,098	17,906	500	2,500
Borrowing	68,595	70,193	22,195	13,852	10,293	8,510
Borrowing (Repayable)*	25,758	2,994	-16,343	-10,135	-4,746	-162,802
<b>Total</b>	<b>186,591</b>	<b>154,770</b>	<b>98,465</b>	<b>72,139</b>	<b>50,514</b>	<b>117,507</b>

\* Repayable borrowing nets off to zero over the life of each scheme and is used to bridge timing gaps between delivery of a scheme and receiving other funding to pay for it.

4.3 The following table shows how each Service's borrowing position has changed since the 2017-18 Capital Programme was set:

Service Block	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
People and Communities	285	16,205	38,385	3,319	795	-7,506	-3,104
Economy, Transport and Environment	13,537	462	-1,908	-2,572	-2,745	-6,435	-1,674
Public Health	-	-	-	-	-	-	-
Corporate and Managed Services	628	1,755	274	220	-	-	-
LGSS Operational	-100	-	-	-	-	-	-
Commercial and Investment Committee	340	8,999	-145	-337	-316	42	2,008
Corporate and Managed Services – relating to general capital receipts	-	5,999	890	1,517	1,630	1,409	7,056
<b>Total</b>	<b>14,690</b>	<b>33,420</b>	<b>37,496</b>	<b>2,147</b>	<b>-636</b>	<b>-12,490</b>	<b>4,286</b>

4.4 The table below categorises the reasons for these changes:

Reasons for change in borrowing	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
New	669	24,899	18,424	4,885	2,490	300	3,850
Removed/Ended	-4,986	-70	0	-170	-300	-9,550	10,715
Minor Changes/Rephasing*	-2,705	6,369	6,546	-9,333	5,748	3,320	-8,192
Increased Cost (includes rephasing)	-2,552	4,347	14,674	4,167	-1,799	-1,139	1,080
Reduced Cost (includes rephasing)	2,822	-3,341	-2,174	-1,820	-1,885	-3,182	0
Change to other funding (includes rephasing)	5,257	5,627	6,687	6,940	-2,462	1,155	154
Variation Budget	16,185**	-4,411	-6,661	-2,522	-2,428	-3,394	-3,321
<b>Total</b>	<b>14,690</b>	<b>33,420</b>	<b>37,496</b>	<b>2,147</b>	<b>-636</b>	<b>-12,490</b>	<b>4,286</b>

\*This does not off-set to zero across the years because the rephasing also relates to pre-2017-18.

\*\*This reflects removal of this budget for 2017-18, as it is a rolling budget that is refreshed every year

4.5 Since October GPC reviewed the overall prioritisation, there has been some movement regarding the levels of borrowing included within the above figures, mainly relating to:

- Addition of the new Shire Hall Relocation scheme (£10.3m)
- Addition of the new Laptop refresh scheme (£0.2m)
- Minor rephasing of school schemes
- Removal of the new Rackham primary scheme whilst the scheme assumptions are being reviewed (-£5.6m)
- Increase in cost for the new Spring Common Special School scheme to reflect latest cost estimates (£0.9m)
- Increase in cost for the new Milton Rd Library scheme to reflect fit-out of the library, as well as furniture and fixings (£0.3m)
- Refining of the General Capital Receipts forecasts, to remove any double counting with the housing schemes - this scheme has also moved from CS to C&I to reflect the movement of the Property team (-£10m over first 5 years)
- Revision to the Capital Variation budgets to reflect the above changes

4.6 The revised levels of borrowing result in the following levels of financing costs:

Financing Costs	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000
2017-18 agreed BP	18.6	18.9	22.0	22.9	-
2018-19 draft BP	18.0	19.4	23.7	25.9	27.3
<b>CHANGE (+) increase / (-) decrease</b>	<b>-0.6</b>	<b>0.5</b>	<b>1.7</b>	<b>3.0</b>	<b>27.3</b>

4.7 Invest to Save / Earn schemes are excluded from the advisory financing costs limit – the following table therefore compares revised financing costs excluding these schemes. In order to afford a degree of flexibility from year to year, the limit is reviewed over a three-year period – based on the revised

programme, the advisory limit is not exceeded for either of these 3 year blocks.

<b>Financing Costs</b>	<b>2018-19 £m</b>	<b>2019-20 £m</b>	<b>2020-21 £m</b>	<b>2021-22 £m</b>	<b>2022-23 £m</b>	<b>2023-24 £m</b>
2018-19 draft BP (excluding Invest to Save / Earn schemes)	27.8	30.3	33.9	36.2	37.8	37.8
Recommend limit	37.9	38.6	39.2	39.7	40.3	40.8
<b>HEADROOM</b>	<b>-10.1</b>	<b>-8.2</b>	<b>-5.3</b>	<b>-3.5</b>	<b>-2.5</b>	<b>-3.1</b>
Recommend limit (3 years)	115.7			120.8		
<b>HEADROOM (3 years)</b>	<b>-23.6</b>			<b>-9.1</b>		

4.8 Although the limit hasn't been exceeded, the Business Plan is still under review and as such adjustments to schemes and phasing will continue over the next two to three months. However, as there is significant headroom available, it is not expected that any further revisions will cause a breach of the advisory limit.

## 5. OVERVIEW OF COMMERCIAL & INVESTMENT SERVICE'S DRAFT CAPITAL PROGRAMME

5.1 The revised draft Capital Programme for the Council's Commercial & Investments Service is as follows:

<b>Capital Expenditure</b>	<b>2018-19 £'000</b>	<b>2019-20 £'000</b>	<b>2020-21 £'000</b>	<b>2021-22 £'000</b>	<b>2022-23 £'000</b>	<b>Later Yrs £'000</b>
Commercial & Investment	54,544	6,958	800	12,051	800	18,720

5.2 This is anticipated to be funded by the following resources:

<b>Funding Source</b>	<b>2018-19 £'000</b>	<b>2019-20 £'000</b>	<b>2020-21 £'000</b>	<b>2021-22 £'000</b>	<b>2022-23 £'000</b>	<b>Later Yrs £'000</b>
Contributions	260	-	12,942	-	2,706	168,845
General capital receipts	13,384	4,362	5,098	17,906	500	2,500
Prudential borrowing	8,265	-1,497	-3,698	300	300	1,500
Prudential borrowing (repayable)	32,635	4,093	-13,542	-6,155	-2,706	-154,125
<b>Total</b>	<b>54,544</b>	<b>6,958</b>	<b>800</b>	<b>12,051</b>	<b>800</b>	<b>18,720</b>

5.3 The full list of Commercial & Investment Service capital schemes are shown in the draft capital programme at appendix one. Table 4 lists the schemes with a description and with funding shown against years. Table 5 shows the breakdown of the total funding of the schemes, for example whether schemes are funded by capital receipts or prudential borrowing.

5.4 The following changes have been made to existing schemes in the 2018-19 Commercial & Investment Service Business Plan since September:

- F/C.2.116 Shire Hall Relocation (£10.3m)  
A statement of need has been submitted to the Capital programme Board and has been included within these tables – the Business Case will need

developing and refining over the coming months as feasibility studies are undertaken.

- F/C.2.115 Community Hubs – Sawston (£1.5m)  
This budget has moved across from Corporate and Managed Services.
- F/C.3.001 Variation Budget (-£2.6m)  
The variation budget has been recalculated to take into account the above changes.

5.5 The following updates are yet to be made:

- F/C.2.240 Housing schemes  
As referred to in paragraph 2.3, the housing model is undergoing extensive review and refinement, including regarding the timing of sales. Officers are modelling various options to maximise the benefit of the scheme. It is anticipated that the results of this work will be included within the draft revenue and capital papers which are due to be reviewed in December committees.

## **6. ALIGNMENT WITH CORPORATE PRIORITIES**

### **6.1 Developing the local economy for the benefit of all**

The Services discussed in this report play a significant role in enabling the Council to achieve this priority.

### **6.2 Helping people live healthy and independent lives**

The Services discussed in this report play a significant role in enabling the Council to achieve this priority.

### **6.3 Supporting and protecting vulnerable people**

The Services discussed in this report play a significant role in enabling the Council to achieve this priority.

## **7. SIGNIFICANT IMPLICATIONS**

### **7.1 Resource Implications**

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

- There may be revenue implications associated with operating new or enhanced capital assets but equally capital schemes can prevent the need for other revenue expenditure.
- The overall scale of the capital programme has been reduced to limit the impact on the Council's revenue budget and this in turn will have beneficial impacts on the services that are provided from that source

### **7.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

### 7.3 Statutory, Risk and Legal Implications

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

- Regulations for capital expenditure are set out under Statute. The possibility of capital investment, from these accumulated funds, may ameliorate risks from reducing revenue resources.
- At this stage, there are no proposals with significant risk arising from “pay-back” expectations.

### 7.4 Equality and Diversity Implications

There are no significant implications within this category.

### 7.5 Engagement and Consultation Implications

The following bullet point sets out details of significant implications identified by officers:

- Consultation is continuous and ongoing between those parties involved to ensure the most effective use of capital funding.

### 7.6 Localism and Local Member Involvement

The following bullet point sets out details of significant implications identified by officers:

- Local Members will be engaged where schemes impact on their area and where opportunities for strategic investment arise.

### 7.7 Public Health Implications

There are no significant implications within this category.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Yes Name of Officer: Tom Kelly
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?</b>	Not applicable
<b>Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?</b>	Yes Name of Legal Officer: Fiona McMillan
<b>Are there any Equality and Diversity implications?</b>	Not applicable
<b>Have any engagement and communication implications been cleared by Communications?</b>	Yes Name of Officer: Christine Birchall



<b>Are there any Localism and Local Member involvement issues?</b>	Yes Name of Officer: Tom Barden
<b>Have any Public Health implications been cleared by Public Health</b>	Not applicable

**SOURCE DOCUMENTS GUIDANCE**

<b>Source Documents</b>	<b>Location</b>
The 2017/18 Business Plan, including the Capital Strategy	<a href="https://www.cambridgeshire.gov.uk/council/finance-and-budget/business-plans/">https://www.cambridgeshire.gov.uk/council/finance-and-budget/business-plans/</a>
Capital Planning and Forecast: financial models	c/o Group Accountants 1st Floor Octagon Shire Hall Cambridge



**FINANCE AND PERFORMANCE REPORT – SEPTEMBER 2017**

*To:* **Commercial and Investment Committee**

*Meeting Date:* **24<sup>th</sup> November 2017**

*From:* **Chief Finance Officer**

*Electoral division(s):* **All**

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

*Purpose:* **To present to Commercial and Investment Committee (C&IC) the September 2017 Finance and Performance Report for Commercial and Investment Committee.**

**The report is presented to provide C&IC with an opportunity to comment on the projected financial and performance outturn position, as at the end of September 2017.**

*Recommendation:* **The Committee is asked to:**

- **review, note and comment upon the report**

<b><i>Officer contact:</i></b>		<b><i>Member contact:</i></b>	
Name:	Eleanor Tod	Name:	Councillor Josh Schumann
Post:	Group Accountant	Post:	Chairman
Email:	<a href="mailto:Eleanor.Tod@cambridgeshire.gov.uk">Eleanor.Tod@cambridgeshire.gov.uk</a>	Email:	<a href="mailto:Joshua.schumann@hotmail.co.uk">Joshua.schumann@hotmail.co.uk</a>
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## 1. BACKGROUND

- 1.1 Commercial and Investment Committee will receive the Commercial and Investment Finance and Performance Report at all of its meetings, 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 and performance indicators for which the Committee has responsibility remain on target.

## 2. MAIN ISSUES

- 2.1 Attached as **appendix A**, is the September 2017 Finance and Performance report.
- 2.2 **Revenue:** At the end of September, Commercial and Investment Committee is forecasting an overspend of £246k on revenue budgets. This is a favourable change of £24k compared to the figure reported the previous month for the same budget areas.  
  
This is the first report to C&I to include further traded services for parents and schools: Education ICT, professional centre services, Outdoor Education and Cambridgeshire Music. These services, which were previously within the purview of the Children and Young People's Committee will now be overseen by Commercial & Investment Committee. All of these areas are undergoing Outcomes Focused Reviews, which includes consideration of maximising commercial activity.
- 2.3 **Capital:** Predicted in-year variances of £905k have been netted off against the Capital Programme Variations budget. This does not exceed the variations budget, therefore at the end of September Commercial and Investment Committee is forecasting that the capital programme budget will be in balance at year-end. There is one significant variance (over £500k) to report on capital funding for September.
- 2.4 There are no Commercial and Investment Committee **performance indicators** reported for September 2017.

## 3. ALIGNMENT WITH CORPORATE PRIORITIES

### 3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

### 3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

### 3.3 Supporting and protecting vulnerable people

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.

##### 4.2.1 Statutory, Risk and Legal Implications

There are no significant implications within this category.

##### 4.3 Equality and Diversity Implications

There are no significant implications within this category.

##### 4.4 Engagement and Consultation Implications

There are no significant implications within this category.

##### 4.5 Localism and Local Member Involvement

There are no significant implications within this category.

##### 4.6 Public Health Implications

There are no significant implications within this category.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	N/A
<b>Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?</b>	N/A
<b>Are there any Equality and Diversity implications?</b>	N/A
<b>Have any engagement and communication implications been cleared by Communications?</b>	N/A
<b>Are there any Localism and Local Member involvement issues?</b>	N/A
<b>Have any Public Health implications been cleared by Public Health</b>	N/A

<b>Source Documents</b>	<b>Location</b>
C&I Finance & Performance Report (September 17)	1 <sup>st</sup> Floor, Octagon, Shire Hall, Cambridge



## Commercial and Investment

### Finance and Performance Report – September 2017

#### 1. SUMMARY

##### 1.1 Finance

Previous Status	Category	Target	Current Status	Section Ref.
N/A	Income and Expenditure	Balanced year end position	Amber	2.1 – 2.4
N/A	Capital Programme	Remain within overall resources	Green	3.2

#### 2. INCOME AND EXPENDITURE

##### 2.1 Overall Position

Original Budget as per BP <sup>(1)</sup>	Directorate	Current Budget	Forecast Variance - Outturn (Aug) <sup>(2)</sup>	Forecast Variance - Outturn (Sept)	Forecast Variance - Outturn (Sept)	Current Status	DoT
£000		£000	£000	£000	%		
2,702	Commercial & Investment	1,564	269	245	16	Amber	↑
<b>2,702</b>	<b>Total</b>	<b>1,564</b>	<b>269</b>	<b>245</b>	<b>16</b>		

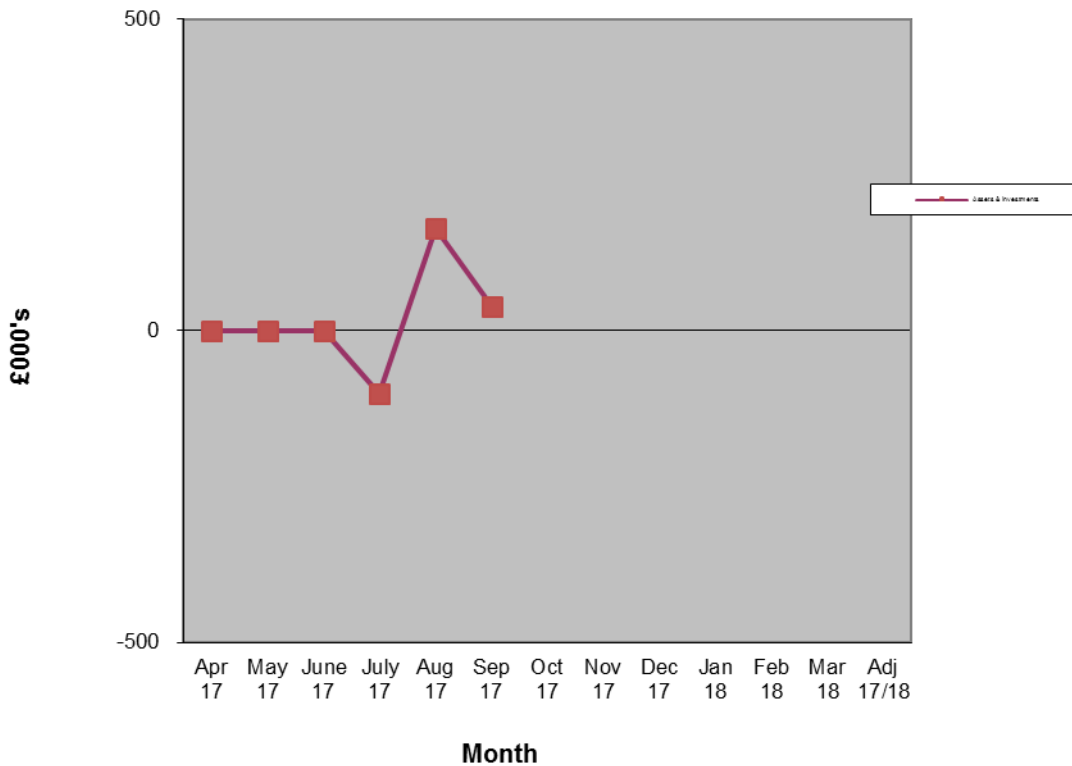
<sup>1</sup> The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan.

<sup>2</sup> The August forecast outturn variance in the table has been adjusted to reflect August forecasts for new budgets transferred in from Children and Young People Committee.

The service level budgetary control report for Commercial and Investment Committee for September can be found in [C&I appendix 1](#).

Further analysis of the results can be found in [C&I appendix 2](#).

## Commercial & Investment - Outturn 2017/18



### 2.2 Significant Issues – Commercial and Investment

Commercial and Investment Committee is currently predicting an overspend of £245k at year-end. This is a favourable change of £24k on the equivalent budget areas in the previous month.

Traded Services to Schools and Parents have been transferred from the Children & Young People Committee and are reported within the C&I tables for September. The following services have transferred:

- Education ICT
- Professional Development Centre Services
- Cambs Music
- Outdoor Education (includes Grafham Water)

There is a pressure of £104k against Grafham Water which was identified during budget build. The budget includes an internal loan of £97k in 17/18 relating to building and improvement works carried out a number of years ago. Although prices have been increased for all user groups and the centre is running at high capacity, the centre is currently unable to generate sufficient income to cover the additional costs of the loan as well as a targeted £27k over-recovery. This long standing issue



will be addressed through a review of options for Grafham Water going forward, including pricing, with the aim of achieving a realistic and sustainable budget.

### 2.3 Additional Income and Grant Budgeted this Period (De minimis reporting limit = £30,000)

The following items above the de minimis reporting limit were recorded during September 2017.

Grant	Awarding Body	Expected Amount £000
One Public Estate	Cabinet Office	90,000
Music Education Hub Grant		783,759
Non-material grants (+/- £30k)		0

A full list of additional grant income for Commercial and Investment Committee can be found in [C&I appendix 3](#).

### 2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve) (De minimis reporting limit = £30,000)

The following virements were recorded this month to reflect changes in responsibilities:

	£	Notes
Transfer of ICT budgets to C&I from C&YP	-200,000	
Transfer of PCDS budgets to C&I from C&YP	-71,000	
Transfer of Cambs Music budgets to C&I from C&YP	5,268	
Transfer of Outdoor Education budgets to C&I from C&YP	-77,123	
Non material virements (+/- £30k)	0	

A full list of virements made in the year to date for Commercial and Investments can be found in [C&I appendix 4](#).

### **3. BALANCE SHEET**

#### **3.1 Reserves**

A schedule of the Commercial and Investment reserves can be found in [C&I appendix 5](#).

#### **3.2 Capital Expenditure and Funding**

##### Expenditure

Commercial and Investment Committee has a capital budget of £116m in 2017/18 and there is £1.6m spend to date. Predicted in-year variances of £905k have been netted off against the Capital Programme Variations budget; as a result it is currently expected that the programme will be in balance at year-end 2017/18. Total scheme variances of £290k are expected over the lifetime of the schemes.

The Local Plans and Representations budget is predicted to underspend by £150k in 2017/18, and this will reduce the total cost of the scheme by the same amount. There will be a reduced budget requirement for this function in future years as more projects are developed by CHIC; this change is being addressed in the Business Planning proposals for 2018/19.

##### Funding

Commercial and Investment Committee has capital funding of £116m in 2017/18.

As reported above, projected in-year variances remain within the allowance made in the capital variation budget. The programme budget is therefore expected to be in balance at year-end, with the expectation that this funding will continue to be required in line with the revised budget proposals.

The capital receipts forecast for 2017/18 has been increased by £1.9m to reflect additional monies received, including a £3m receipt in respect of land at Bassenhally (Phase 2). This increase is partly offset by a £350k reduction in capital receipts funding for C&I schemes, which is replaced by an increase in borrowing. This reduction is as a result of a capital funding adjustment relating to the Mosaic project within Corporate Services, which necessitates £350k of Mosaic expenditure to be funded from capital receipts.

Following a review of the Mosaic project, it has been determined that £350k of Mosaic revenue costs can be classified as transformation work and is therefore eligible to be charged to capital and funded from capital receipts in 2017/18. These costs can only be classified as capital under the government directive on flexible use of capital receipts; therefore they must be funded by capital receipts rather than any other source of capital funding. This adjustment removes a pressure on the Mosaic revenue budget, bringing both revenue and capital budgets in on target. The overall level of funding through capital receipts and borrowing across the two committees is unchanged by this adjustment.

A detailed explanation of the position for Commercial and Investment Committee can be found in [C&I appendix 6](#).

#### **4. PERFORMANCE**

**4.1** Performance data for Commercial and Investments is not currently available.

## A&I APPENDIX 1 – Commercial and Investment Budgetary Control Report

The variances to the end of September 2017 for Commercial and Investment are as follows:

Original Budget as per BP £000	Service	Current Budget for 2017/18 £000	Forecast Variance - Outturn (August) £000	Forecast Variance - Outturn (Sept) £000	Forecast Variance - Outturn (Sept) %
<u>Commercial &amp; Investment</u>					
1,111	Building Maintenance	1,111	0	0	0
-4,404	County Farms	-4,404	0	0	0
4,500	County Offices	4,568	-450	-450	-10
718	Property Services	521	0	0	0
22	Property Compliance	106	0	0	0
-11	Capital Team	0	0	0	0
766	Strategic Assets	803	349	349	43
0	ICT	-200	0	0	0
0	Professional Development Centre Services	-71	0	0	0
0	Cambs Music	789	0	0	0
0	Outdoor Education (includes Grafham Water)	-77	104	104	134
0	Cambridgeshire Catering & Cleaning Services	-449	266	243	54
0	Grant Income	-1,134	0	0	0
<b>2,702</b>		<b>1,564</b>	<b>269</b>	<b>245</b>	<b>16</b>
<b>2,702</b>	<b>COMMERCIAL &amp; INVESTMENT TOTAL</b>	<b>1,564</b>	<b>269</b>	<b>245</b>	<b>16</b>
<b>MEMORANDUM - Grant Income</b>					
0	<b>Music Education Hub Grant</b>	-784	0	0	0
0	One Public Estate Grant	-350	0	0	0
<b>0</b>		<b>-1134</b>	<b>0</b>	<b>0</b>	<b>0</b>

## C&I APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000, whichever is greater.

Service	Current Budget £'000	Forecast Variance - Outturn	
		£'000	%
<b>County Offices</b>	<b>4,568</b>	<b>-450</b>	<b>-10</b>
County Offices budgets are forecast to underspend by £450k at year-end. Members will be aware that the Council has increased public access to pay and display parking at the Shire Hall Campus and following successful implementation and marketing, this is now generating significant additional revenue income (£105k). The balance of the underspend is due to a rebate (£345k) for business rate costs following the leasing of the Castle Court office building to a student accommodation provider.			
<b>Strategic Assets</b>	<b>803</b>	<b>349</b>	<b>43</b>
Strategic assets budgets are predicting a £349k overspend at year end. This is due to the ending of shared service arrangements for Property and Asset services with LGSS. Whilst shared service arrangements applied the Council benefitted from savings made across partners. At the ending of the arrangements, budgets were disaggregated to the partners. As the equalisation between LGSS partners no longer applies for this service area, Cambridgeshire no longer receives the benefit of savings made at other partners and has a remaining deficit on the delivery of these services compared to the budget.			
<b>Outdoor Education (includes Grafham Water)</b>	<b>-77</b>	<b>104</b>	<b>134</b>
Traded Services to Schools and Parents have been transferred from the Children and Young People Committee and are reported within the C&I tables. The following services have transferred:			
<ul style="list-style-type: none"> <li>• ICT</li> <li>• Professional Development Centre Services</li> <li>• Cambs Music</li> <li>• Outdoor Education (includes Grafham Water)</li> </ul>			
There is a pressure of £104k against Grafham Water which was identified during budget build. The budget includes an internal loan of £97k in 17/18 relating to building and improvement works carried out a number of years ago. Although prices have been increased for all user groups and the centre is running at high capacity, the centre is currently unable to generate sufficient income to cover the additional costs of the loan as well as a targeted £27k over-recovery. This long standing issue will be addressed through a review of options for Grafham Water going forwards, with the aim of achieving a realistic and sustainable budget.			

<b>Cambridgeshire Catering &amp; Cleaning Services</b>	<b>-449</b>	<b>243</b>	<b>54</b>
<p>As part of recent internal re-organisations within People and Communities and CCS, the service is currently being led by the Resources directorate, and the financial contribution this service makes to the Council, and associated variances, are now reflected within the C&amp;I tables. The Commercial &amp; Investment Committee will oversee the service going forward, and as part of the transformation underway to ensure alignment to the Council's commercial interests.</p> <p>CCS is currently forecasting an under recovery of £243k, which has increased from the £216k pressure identified at budget build, but an improvement of £23k compared to the figure reported in August. The movement in month primarily relates to actual staff costs for September 2017 being slightly reduced when compared with the August forecast. CCS have commenced catering service at three new schools in September 2017.</p> <p>Plans are being progressed with the transformation team to develop strategies in which the service can be competitive in price, make efficiencies to the service, and increase customer engagement. The Management Team are considering a number of additional actions for potential delivery in year, alongside wider considerations for long term model and structure. As a result of support from Transformation Team and the wider considerations, the HoS and Client Development posts are being held vacant enabling an in year saving of £70k to be held whilst appropriate structure and future model discussions take place.</p> <p>The mothballed C3 cook freeze unit has a potential £500k dilapidations cost (awaiting verification) to resolve before the lease can be ended, and ongoing £80k+ p.a. costs until then.</p>			

### **C&I APPENDIX 3 – Grant Income Analysis**

The table below outlines the additional grant income, which was not built into base budgets.

<b>Grant</b>	<b>Awarding Body</b>	<b>Expected Amount £000</b>
<b>Grants as per Business Plan</b>		0
One Public Estate	Cabinet Office	350
Music Education Hub Grant		784
<b>Total Grants 2017/18</b>		<b>1,134</b>

## C&I APPENDIX 4 – Virements and Budget Reconciliation

	<b>£000</b>	<b>Notes</b>
<b>Budget as per Business Plan</b>	<b>2,702</b>	
Business Plan adjustments	44	
Transfer of Apprenticeship Levy from CS to C&I	6	
Transfer of Energy Team from C&I to ETE	-58	
Transfer of LGSS savings from C&I to LGSS Cambridge Office	-349	
Transfer of CCS budgets to C&I from C&YP	-449	
Transfer from C&YP to C&I of Traded Services to Schools and Parents	-343	
Non-material virements (+/- £30k)	11	
<b>Current Budget 2017/18</b>	<b>1,564</b>	

## C&I APPENDIX 5 – Reserve Schedule

### 1. Commercial and Investments Reserves

Fund Description	Balance at 31 March 2017	Movements in 2017/18	Balance as at 31 September 2017	Forecast Balance at 31 March 2018	Notes
	£'000	£'000	£'000	£'000	
<b>Equipment Reserves</b>					
ICT Equipment Replacement Reserve	726	0	726	0	3
subtotal	726	0	726	0	
<b>Other Earmarked Funds</b>					
Manor school site demolition costs	362	26	389	468	1
Cambs Music Reserve	80	0	80	90	3
subtotal	442	26	469	558	
<b>Short Term Provisions</b>					
SPV provision	24	0	24	24	
subtotal	24	0	24	24	
<b>SUBTOTAL</b>	<b>1,192</b>	<b>26</b>	<b>1,219</b>	<b>582</b>	
<b>Capital Reserves</b>					
General Capital Receipts	0	3,076	3,076	0	2
subtotal	0	3,076	3,076	0	
<b>TOTAL</b>	<b>1,192</b>	<b>3,103</b>	<b>4,295</b>	<b>582</b>	

#### Notes

- 1 Rental income from Bellerbys buildings on Manor School site is being held to offset demolition costs when the lease expires in 2021.
- 2 Capital Receipts will be used to fund the capital programme at year-end.
- 3 Reserve balances transferred from P&C Committee as part of Traded Services to Schools and Parents.



## C&I APPENDIX 6 – Capital Expenditure and Funding

### Capital Expenditure

Commercial & Investment Capital Programme 2017/18						TOTAL SCHEME	
Original 2017/18 Budget as per BP £000	Scheme	Revised Budget for 2017/18 £000	Actual Spend 2017/18 £000	Forecast Spend - Outturn £000	Forecast Outturn Variance £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
550	Shire Hall Campus	550	236	550	-	5,502	-
350	Local Plans Representations	350	104	200	(150)	3,902	(150)
500	County Farms Viability	621	213	621	-	3,353	-
600	A&I - Building Maintenance	600	314	600	-	5,579	-
-	- Other Committed Projects	20	1	20	-	225	-
-	- Renewable Energy Soham	775	118	520	(255)	9,994	(140)
113,476	Housing Schemes	112,209	573	112,209	-	183,226	-
482	MAC Joint Highways Project	482	-	482	-	5,198	-
-	- Office Portfolio Rationalisation	200	8	200	-	345	-
1,068	Sawston Community Hub	1,401	77	901	(500)	1,502	-
(550)	Capital Programme Variations	(1,000)	-	(95)	905	(767)	-
<b>116,476</b>	<b>TOTAL</b>	<b>116,208</b>	<b>1,645</b>	<b>116,208</b>	<b>-</b>	<b>218,059</b>	<b>(290)</b>

### Previously Reported Exceptions

- As previously reported, the Renewable Energy Soham scheme is currently predicted to underspend by £255k in 2017/18. Of this underspend, £140k represents a reduction in the expected final cost of the project, leading to a predicted underspend against the total scheme budget, and £116k budget will be required to meet retention costs in 2018/19.
- The Commercial and Investment capital programme budget reduced by £250k due to the removal of the Energy Efficiency Fund budget, which transferred to Economy, Transport and Environment Committee.
- The Sawston Community Hub scheme is forecasting an underspend of £500k in 2017/18. This is due to delays in the build start date which may push some works back into 2018/19 and retention costs which will now be due in 2018/19; the total scheme cost is not affected. The scheme transferred from LGSS Managed to Commercial & Investment with a budget of £1.4m. Alongside this transfer, the capital programme variations budgets for Commercial & Investment and LGSS Managed were realigned, so the variations budget for Commercial & Investment returned to 20% of its budget (excluding housing schemes).

The Sawston Community Hub scheme was placed on hold in 2016/17, following delays arising from prolonged negotiations with the parish council and the village college, before the planning application could be submitted. The scheme has since been reviewed, and following market testing the total scheme costs have now been re-assessed at £1.502m. This represents an increase of £178k over the estimated total scheme costs at Milestone 3+ (£1.324m), and an increase of £193k in the total scheme budget as recorded in the Business Planning proposals for 2017/18

(£1.309m); the programme budget had previously remained at the original estimate of £1.309m pending further review of the scheme. This cost increase is due to the actual cost inflation of materials over the period the project was delayed and issues arising from detailed design work.

General Purposes Committee was asked to approve the revised budget of £1.502m at its meeting on 19th September. This revision required an increase of £193k to the Prudential Borrowing requirement.

- The Housing Scheme budgets reflect the proposals included in the Business Plan 2017/18. The CHIC financial model is currently under review and any changes will be reported when further information becomes available. Planning permission is being actively progressed on schemes in order to maximise asset values.
- As previously reported the capital programme figures include a revised Capital Programme Variations target, which effectively reduces the programme budget. As forecast underspends start to be reported, these are netted off against the forecast outturn for the variation budget, resulting in a forecast balanced budget up until the point when slippage exceeds the variation budget.

### Capital Funding

<b>Commercial and Investment Capital Programme 2017/18</b>				
<b>Original 2017/18 Funding Allocation as per BP £000</b>	<b>Source of Funding</b>	<b>Revised Funding for 2017/18 £000</b>	<b>Forecast Outturn Spend (Sept) £000</b>	<b>Forecast Outturn Funding Variance (Sept) £000</b>
81,583	Capital Receipts	81,583	83,122	1,539
33,825	Prudential Borrowing	34,625	33,086	(1,539)
<b>115,408</b>	<b>TOTAL</b>	<b>116,208</b>	<b>116,208</b>	<b>-</b>

### Previously Reported Exceptions

- As reported above, the Energy Efficiency Fund budget of £250k transferred to Economy, Transport and Environment Committee, therefore the Commercial and Investment Committee borrowing requirement reduced by this amount.
- The Sawston Community Hub scheme transferred to the Commercial & Investment Committee with an approved budget of £1.2m; General Purposes Committee was

asked to approve an increase of £193k in budget for the scheme, resulting in an increased borrowing requirement of this amount.

- The capital programme budget incorporates the following funding adjustments:
  - £1.1m funding for schemes carried-forward from 2016/17.
  - A reduction of £1.3m in respect of Housing Scheme funding which was brought forward from 2017/18 to fund expenditure in 2016/17.
  - £133k increase in the Capital Variation budget.
- Commercial and Investment Committee was asked to approve the carry forward of funding from 2016/17 into 2017/18 for the following schemes:

Scheme	£000	Notes
County Farms Viability	121	Carry forward £121k re Bettys Nose & Whitehall farm shop.
OtherCommitted Projects - K2	20	Roll forward balance of K2 funding (£20k) to fund continuing work on CCC implementation
Soham Solar Farm	775	Final network and construction costs of £315k and a retention payment of £460k are due in 17/18. A scheme underspend of £340k is forecast.
Office Rationalisation	200	Ongoing work on office rationalisation, moves and co-location projects - including Sawtry, Hill Rise, Shire Hall, Hereward Hall, Buttsgrove, Scott House/Stanton House and Meadows closure.
	1,116	

- The Capital Programme Variations target included in the Business Plan was updated based on 2016/17 slippage and to allow for other funding sources in addition to borrowing.

The Capital Programme variation target reduces the overall capital budget, resulting in a reduced funding requirement.



PPD Programme Status Report: September 2017

Date 16/11/2017

Project Information			Pre-disposal (CCC) indicative milestones						Local Member	Scheme/Project Lead
Project	Scheme/Project Description	Indicative units 1849	Planning Status			Declaring Surplus Status				
			Planning app submitted	Planning app ref	Planning consent anticipated/granted	C&I Declare Surplus for Disposal	RAG Status	Exception update for C&I		
Cambridge, 35 & 37 Russell Street	6 apartments	6	completed	17/1483/FUL	Nov-17	Sep-17	RED	City Council determination passed	Linda Jones	CHIC
March, Former Highways Depot Queen St	34 units	34	completed	F/YR16/0364/O	completed (subject to s106)	Sep-17	GREEN		Steve Count, Janet French	CHIC
Cambridge, Milton Rd Library	New library/community rooms with 7 apartments.	7	completed	16/2060/FUL	Aug-17	Oct-17	GREEN		Jocelynn Scutt	CHIC
Guilpen Morden, Dubbs Knoll Rd	20 homes	20	completed	S/0937/17/OL	Dec-17	Oct-17	RED	Uncertain when this will go to SCDC committee.	Sebastian Kindersley	CHIC
Guilpen Morden, Trap Rd	8 homes	8	Dec-17		Apr-18		GREEN			CHIC
Over, Willingham Rd	40 homes.	40	completed	S/2870/15/OL	done		GREEN		Peter Hudson	CHIC
Papworth Everard, The Old School House	6 homes	6	completed	S/1594/17/FL	Jan-18	Nov-17	RED	SCDC planners querying number of units.	Mandy Smith	CHIC
March, 34a Station Rd	12 apartments	12	Dec-17		Apr-18	Dec-17	GREEN		Steve Count, Janet French	CHIC
Ramsey St Mary's, Herne Road	10 homes	10	Nov-17		Feb-18	Dec-17	GREEN		Adela Costello	CHIC
Whittlesford, Parsonage Farm	2 homes	2	Nov-17		Jan-18	Dec-17	GREEN		Peter Topping	CHIC
Cambridge, East Barnwell Community Centre	New library, childrens nursery, Council offices, sports hall, church and circa 52 apartments and mews houses	52	Jan-18		May-18	Feb-18	RED	Planning application submission date moved after meetings with City planners to allow further finessing of design and parking.	Joan Whitehead	Stephen Conrad
Brampton, Meadow View	Provision of maximum 32 homes + potential care facility	32	Dec-17		Jan-18	Jan-18	GREEN		Peter Downes	CHIC
Cambridge, 1 Fitzwilliam Road Hostel	3 homes	3				Feb-18	GREEN		Linda Jones	CHIC
Soham Eastern Gateway	553 homes, new allotments, school playing field, Medical Centre/extension	553	completed	17/01167/ESO		Jan-18	RED	Withdrawn Nov 17 to allow further public consultation.	Paul Raynes (Bill Hunt)	CHIC
Bassingbourn, Clear Farm	26 homes	26	Dec-17		Feb-18	Feb-18	GREEN		Susan van de Ven	CHIC
Burwell, Newmarket Rd	350 homes	350	completed	15/01175/OUM	Oct-17	Mar-18	GREEN	s106 being agreed	Josh Schumann	Stephen Conrad
Wicken, Land off Church Road	6 homes	6	completed	17/01945/OUT	Jan-18	May-18	GREEN		Bill Hunt	Anna Hicks
Cambridge, Former Police Station and Registrar's Office	6 apartments (old police station); 11 units (registrar's office)	17	Apr-18		Oct-18	Nov-18	GREEN		Claire Richards	CHIC
Foxton, Foxton PRU	7 units.	7	Apr-18		Oct-18	Feb-18	GREEN		Peter Topping	CHIC
Hartford, Hartford PRU	5 units.	5	Apr-18		Oct-18	Feb-18	GREEN		Michael Shellens	CHIC
Horningsea, Northgate Farm	2 units.	2	Apr-18		Oct-18	Feb-18	GREEN		Anna Bradnam	Tom Sims
Landbeach, Beach Farm, Green End Rd	5 homes	5	Apr-18		Oct-18	Feb-18	GREEN		Anna Bradnam	CHIC
Cambridge, Camfields 137-139 Ditton Walk	25 units	25	Jun-18		Jan-19	Feb-18	GREEN		Joan Whitehead	CHIC
Soham Northern Gateway	20 units	20	Jul-18		Mar-19	Feb-18	GREEN		Paul Raynes (Bill Hunt)	Stephen Conrad
March, Hereward Hall & surrounding undeveloped land	Circa 60 units.	60	Apr-19		Oct-19	Feb-18	GREEN		Steve Count, Janet French	CHIC
Cambridge, Malta Road	10 units	10	Apr-18		Jan-18	Feb-18	GREEN		Noel Kavanagh	CHIC
Cambridge, Worts Causeway	Circa 230 homes	230	Sep-20		Jun-21	Jul-21	GREEN		Amanda Taylor	Stephen Conrad
Huntingdon, Hinchbrook	Circa 70 units.	70	Mar-21		Dec-21		GREEN		Peter Downes, Tom Sanderson	CHIC
March, Norwood Road land	25-56 units + 60-bed care facility.	25	Apr-21		Dec-21	Feb-18	GREEN		Steve Count, Janet French	CHIC
Cottenham, Rampton Rd	154 homes		completed	S/2876/16/OL		TBC	RED	Planning consent refused. Reapplication submitted.	Tim Wotherspoon	Stephen Conrad

Willingham, Belsar Farm	25 homes	25	completed	S/3145/16/FL	Sep-17	Feb-18	GREEN		Tim Wotherspoon	Stephen Conrad / HDA
Shepreth, Meldreth Rd	25 homes	25	completed	S/3052/16/FL	Oct-17	Feb-18	GREEN		Peter Topping	Stephen Conrad / HDA
Litlington, Sheen Farm	22 homes	22	completed	S/2927/17/FUL	Dec-17	Feb-18	GREEN		Sebastian Kindersley	Stephen Conrad / HDA
Cottenham, Rampton Rd	134 homes	134	completed	S/3551/17/OL	Jan-18	Apr-18	GREEN		Tim Wotherspoon	Stephen Conrad

# COMMERCIAL AND INVESTMENT COMMITTEE AGENDA PLAN

Published on 1st November 2017  
Updated 16<sup>th</sup> November 2017



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. Additional information about confidential items is given at the foot of this document.

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.

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
<b>24/11/17</b>	Programme Status Report	Chris Malyon/ John Macmillan	Not applicable		
	Finance and Performance Report	Chris Malyon/ Ellie Tod	Not applicable		
	Business Planning – Second draft of Capital Finance tables and prioritisation report	Chris Malyon/ Ellie Tod	Not applicable		
	ESPO Trading Company Ltd	Gus de Silva	2017/048		
	Agenda Plan	Dawn Cave	Not applicable		
<b>15/12/17</b>	Programme Status Report	Chris Malyon/John Macmillan	Not applicable		
	+ Shire Hall Re-location Project	Chris Malyon	2017/051		
	Finance and Performance Report	Chris Malyon	Not applicable		

<b>Committee Date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
	34a Station Road, March- to declare surplus and agree the disposal sale to CHIC (subject to planning)	Chris Malyon/John Macmillan	2017/057		
	Portfolio Sale to CHIC	Chris Malyon/John Macmillan	Not applicable		
	Parsonage Farm, Whittlesford - to declare surplus and agree the disposal sale to CHIC (subject to planning)	Chris Malyon/John Macmillan	2017/059		
	Business Planning – final draft of Full Business Plan tables for recommendation to General Purposes Committee	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		
<b>26/01/18</b>	Programme Status Report	Chris Malyon/John Macmillan	Not applicable		
	Finance and Performance Report	Chris Malyon	Not applicable		
	Meadow View, Brampton - to declare surplus and agree the disposal sale to CHIC (subject to planning)	Chris Malyon/John Macmillan	2018/006		
	Fitzwilliam Road, Cambridge - to declare surplus and agree the disposal sale to CHIC (subject to planning)	Chris Malyon/John Macmillan	2018/007		
	Outcomes Focused Reviews - phase two recommendations for: <ul style="list-style-type: none"> <li>- Cambridgeshire Catering and Cleaning Service (CCS)</li> <li>- Professional Centre Services (PCS)</li> <li>- Property Services</li> <li>- County Farms</li> </ul>	Amanda Askham	2018/018		
	<i>Business Planning</i>	<i>Chris Malyon</i>			



<b>Committee Date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
	Agenda Plan	Dawn Cave	Not applicable		
<b>23/02/18</b>	Programme Status Report	Chris Malyon/John Macmillan	Not applicable		
	Finance and Performance Report	Chris Malyon	Not applicable		
	Smart Energy Grid, Power Purchase Agreement	Sheryl French	2017/030		
	Clear Farm, Bassingbourn- to declare surplus and agree the disposal sale to CHIC (subject to planning)	Chris Malyon/John Macmillan	2018/009		
	Agenda Plan	Dawn Cave	Not applicable		
<b>23/03/18</b>	Programme Status Report	Chris Malyon/John Macmillan	Not applicable		
	Finance and Performance Report	Chris Malyon	Not applicable		
	Newmarket Road, Burwell	Chris Malyon/John Macmillan	2018/010		
	Agenda Plan	Dawn Cave	Not applicable		
<b>27/04/18</b>	Programme Status Report	Chris Malyon/John Macmillan	Not applicable		
	Finance and Performance Report	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		
<b>25/05/18</b>	Programme Status Report	Chris Malyon/John Macmillan	Not applicable		
	Finance and Performance Report	Chris Malyon	Not applicable		
	Agenda Plan	Dawn Cave	Not applicable		

To be programmed: Oasis Centre, Wisbech (Hazel Belchamber); Old School House, Papworth Everard - to declare surplus and agree the disposal sale to CHIC (subject to planning) (Chris Malyon/John Macmillan Key Decision no. 2017/021); Land fronting Dubbs Knoll Road, adjacent Number 33, Guilden Morden, Royston, SG8 0LA - to declare surplus and agree the disposal sale to CHIC (subject to planning) (Chris Malyon/John Macmillan) (Key Decision No. 2017/053)

**Notice made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in compliance with Regulation 5(7)**

1. At least 28 clear days before a private meeting of a decision-making body, public notice must be given which must include a statement of reasons for the meeting to be held in private.
2. At least 5 clear days before a private meeting of a decision-making body, further public notice must be given which must include a statement of reasons for the meeting to be held in private, details of any representations received by the decision-making body about why the meeting should be open to the public and a statement of the Council's response to such representations.

Forward plan reference	Intended date of decision	Matter in respect of which the decision is to be made	Decision maker	List of documents to be submitted to the decision maker	Reason for the meeting to be held in private

**Decisions to be made in private as a matter of urgency in compliance with Regulation 5(6)**

3. Where the date by which a meeting must be held makes compliance with the above requirements impracticable, the meeting may only be held in private where the decision-making body has obtained agreement from the Chairman of the Council.
4. Compliance with the requirements for the giving of public notice has been impracticable in relation to the business detailed below.
5. The Chairman of the Council has agreed that the Committee may hold a private meeting to consider the business referred to in paragraph 4 above because the meeting is urgent and cannot reasonably be deferred for the reasons stated below.

Date of Chairman's agreement	Matter in respect of which the decision is to be made	Reasons why meeting urgent and cannot reasonably be deferred

For further information, please contact Quentin Baker on 01223 727961 or [Quentin.Baker@cambridgeshire.gov.uk](mailto:Quentin.Baker@cambridgeshire.gov.uk) or [Quentin.Baker@cambridgeshire.gov.uk](mailto:Quentin.Baker@cambridgeshire.gov.uk)

