

COMMERCIAL AND INVESTMENT COMMITTEE



Date: Friday, 26 January 2018

Democratic and Members' Services

Quentin Baker

LGSS Director: Law and 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 15th December 2017** **5 - 22**

OTHER DECISIONS

3. **Outcome Focused Reviews - Update** **23 - 110**
4. **Finance and Performance Report - November 2017** **111 - 136**
5. **Milton Road Library Redevelopment Project - Letter of Intent** **137 - 138**

6.	Programme Highlight Report	139 - 146
7.	Committee Agenda Plan, Training Plan and Appointments to Outside Bodies	147 - 152

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

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COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES

Date: Friday 15th December 2017

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 12.40pm

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

Apologies: Councillor I Bates (Councillor Gowing substituting)

63. DECLARATIONS OF INTEREST

There were no declarations of interest.

64. MINUTES AND ACTION LOG OF THE ASSETS AND INVESTMENT COMMITTEE HELD 24TH NOVEMBER 2017

The Committee resolved to approve the minutes of the Committee meeting held on 24th November 2017.

Members noted updates in the Action Log, against the following items:

86 and 60: Finance and Performance Report – The Chairman thanked Ellie for the recent workshop, and Members noted that the revised Finance and Performance report would be presented to the January Committee.

51(1): Report showing County Council assets by electoral division – Officers advised that an agency had been engaged but due to the Christmas period it was suggested that the process to appoint an individual be restarted in January. The format of the report had been discussed with the Chairman.

55(2): Workshop on reporting back from CHIC – the proposed date for this workshop would be circulated before Christmas. The Workshop would include a number of areas of activities including the relaunch and rebranding of CHIC, and the reporting back process. **Action required.**

58(3): ESPO business case – this had been circulated, with a request for comments by 08/12/17. No comments had been received so the establishment of the new trading company had been given approval.

59: Breakdown of £184M housing schemes – this had been circulated to the Committee by email on 14/12/17.

61(1) and 62(2): Covering report for the Programme Highlight Report, and the Training Plan, would be provided for the January meeting.

It was resolved to note the Action Log.

65. PROPOSED USE OF HILL RISE

A report was presented detailing the proposed refurbishment of Hill Rise, Huntingdon, to relocate the current “No Wrong Door” model offer in Cambridgeshire, and move from the current site in Wisbech.

Officers outlined the wide-ranging transformational way of working with young people who are either at risk of being looked after, are already looked after or are care leavers. Part of this ‘Hub’ model is to provide services wrapping around residential children’s home provision. For a variety of reasons it was desirable to relocate this service from Wisbech to Hill Rise in Huntingdon. The current provision was located in a Victorian villa in Wisbech, and whilst attractive, it was very prone to damage and difficult to repair, with a layout that was not suitable for young people with complex needs. The location also gave rise to a number of pressures, including other children’s homes (not County Council) in that area, which put pressure on Police colleagues. Having reviewed options and undertaken a feasibility study of costs, Hill Rise emerged as the only real option.

Arising from the report:

- A Member expressed concern that the Committee was being asked to agree a decision which was outside their remit, i.e. the suitability of a particular site for Looked After Children, which should be a decision for the CYP Committee. The Chairman confirmed that the proposal had been reviewed by the CYP Committee, and reassurances given that from the perspective of professionals in that arena that this was the right thing to do. However, ultimately the Commercial and Investment Committee was responsible for assets and the change of use of assets. It was further noted that the proposal was that if the Children’s Home moved to Hill Rise, the Victoria Road building would be retained within the People and Communities portfolio for use as smaller move-on provision for older children or young adults;

- A Member commented that this report (and Committee reports more generally) should make it clear what other options were considered, so that Members could understand why the proposal was the most cost effective option available. The Deputy Chief Executive confirmed that this matter has been considered in detail by the Strategic Property Asset Board. He stressed that the Commercial and Investment Committee was responsible for the assets of the organisation, and if Members did not feel that this was the right use of that asset, it was within its gift to refuse the proposal, and charge officers with finding an alternative. He added that it was important that as an organisation, the Council maximises the use of its assets. The Chairman echoed these comments, adding that in the past there had not always been a strategic view of all the Council's assets. He added that there had sometimes been a presumption within some teams that because they used an asset, it was theirs. The new approach would emphasise that assets were corporately owned, and the best use of assets should take into consideration land values, service outcomes, etc;
- Councillor Shellens noted that Hill Rise was within his division, and he was disappointed that he had not been consulted. Officers apologised for this oversight;
- Following on from earlier comments, another Member raised issues on the way information was presented to Committees. Noting the statement that *"the Children and Young People's Committee is fully appraised of the Hub development"* it was pointed out that it did not stipulate whether that Committee was endorsing or recommending the proposal. Moreover, there was no specific business case for the future use of Victoria Road, other than *"...the Victoria Road building would be retained with the People and Communities portfolio for use as smaller move-on provision for older children or young adults"*;
- A Member commented that the report went into too much detail on costs. There was a discussion on the level of detail required, with officers pointing out that different Members asked for differing levels of information;
- In response to a question on sprinklers, it was confirmed that the Council had carried out a full review of its properties following Grenfell, and reported back through the General Purposes Committee. Sprinklers were not fitted in two level buildings, with the government guidelines specifying five floors or more. The Member commented that it would have been interesting to see what the cost would have been. It was agreed that this policy issue could be discussed outside the meeting;

- It was confirmed that the £169K to be invested was from the Council's capital programme, which was a corporate budget focused on property related investment;
- It was suggested that a report could be provided to a future meeting on the future of Victoria Road.

It was resolved, by a majority, to:

- 1) Agree to the move from the current site at Victoria Road, Wisbech, and renovations to the Hill Rise property at a cost of £169,000.

66. PORTFOLIO SALE OF SITES

The Committee received a report proposing the sale of a number of land and property assets to the Council's wholly owned development company, Cambridgeshire Housing and Investment Company (CHIC) in a single sale process, known as the 'portfolio'.

Members were reminded that the Committee had previously agreed that the financial model to be adopted would involve the Council making loans to CHIC at commercial rates, in order to provide the funding to allow that company to purchase land from the Council and to finance the costs for construction. The report went on to set out that the Council must (i) realise best value in the disposal of any asset, even if it was to a company wholly owned by the Council, (ii) such valuation needed to be based on "Red Book" Valuations; and (iii) those Red Book valuations would be based on current use which would include an element of hope value, given a number of sites would be acquired by CHIC without planning approval.

Technical advice had been sought on a number of areas surrounding the proposed portfolio sale approach. The advice provided was that the arms length relationship should be maintained, which was important to avoid state aid and procurement issues, and key to that relationship would be selling at market value. The interest rate needed to be competitive and based on the company's credit history, which was challenging as CHIC was a new company. The valuation approach had been considered and approved by the Commercial and Investment Committee in June 2017. A valuer had been appointed through a competitive tender process, and they would be reporting to CHIC and Legal as they become available i.e. not presented as a whole at the end of March.

Officers stressed that the key reason for taking a portfolio sale approach, rather than agreeing individual transfers, was that the process of sale of sites to CHIC had been slower than originally anticipated. The portfolio sale would speed up the process so that returns could be fully realised in 2018/19 and used on front line services.

It was clarified that the Deputy Section 151 Officer, Tom Kelly, would be reporting to and advising the Committee on matters relating to CHIC, as the Section 151 Officer, Chris Malyon, sat on the Board of CHIC, and therefore it was important to try and disaggregate the role from the company. The Section 151 Officer and Monitoring Officer had had discussions about future member engagement with the CHIC Board, and the importance of maintaining separation from the Council in terms of operation of the business, whilst identifying a way that would keep the company very visible to members.

The Chairman and Councillor Shellens proposed the following additions (in bold) to the recommendations:

- 1) *To authorise, **in principle**, a loan facility to Cambridgeshire Housing and Investment Company for up to £120,000,000, **at a commercial rate**, for land acquisition, construct and associated costs;*
- 2) *To delegate the negotiation of the final terms of the sale and loan agreement to the deputy Section 151 Officer in consultation with the Chairman of the Committee, including the repayment and interest charging arrangements, **and that the outcome of any further negotiations will be brought back to Committee.***

Arising from the report:

- A Member observed that as CHIC would be operating at arms' length, Members would not know what it was doing, how it was running its business, etc. The Chairman reminded Members that it had been agreed that a workshop would take place with CHIC, exploring these issues, and in particular how it would report in future to the Committee. It was also noted that as a shareholder, the Council had rights to reports, and as a bare minimum it was a regulatory requirement for the company to hold an Annual General Meeting. It was further noted that whilst the Portfolio Sale approach primarily benefitted the Council, it would also be of benefit to CHIC, enabling them to progress applications, etc;
- A Member commented that whilst agreeing with the proposals in principle, there was an inherent risk with a delegating responsibility for such a significant loan to one individual. Additionally, whilst some of the loan was secured on property, other elements were effectively unsecured and

higher risk e.g. development cost and equity. Other Members agreed that the report lacked sufficient information on the risks involved e.g. if the property market sinks, and whilst the delegation was proposed, it did not absolved the Committee of its responsibilities. She was assured with the proposed amendment to the report to bring back a further report before the decision was made. It was also agreed that the Local Member Engagement Protocol, referenced in paragraph 6.6, would be circulated to Committee. **Action required;**

- Another Member commented on the risk implications, and said that whilst recognising the potential benefits of the arrangement to the Council's revenue stream, she had concerns that this would put enormous pressure on CHIC, and questioned whether it would be able to deliver longer term;
- There was a discussion on the interest rate charged to CHIC, which was a fine balance: the Council had to ensure that it gets a reasonable return for its investment and risk exposure, but this needs to be balanced against CHIC's business plan and financial model. Members were reassured that the financial model was viable. There were also tax implications and state aid considerations, i.e. the Council cannot subsidise a private company. These issues would further be explored at the workshop around the CHIC business plan;
- It was agreed that the next report setting out the proposed delegated negotiations would be presented to the February Committee;
- With regard to risk issues, officers said that whilst not playing down the risks involved, it was important to understand that this was not a £120M *cash* loan. Rather it was transferring assets to the ownership of a wholly owned company, and financing this, in cash terms, through the capital receipt created by the transfer. This therefore minimised any external cash exposure. Whilst acknowledging this point, one Member commented that she was still not completely reassured, and the planned workshop would be vital for Members: she asked that the proposed date for this workshop be circulated as soon as possible. **Action required.** Officers cautioned that they had not anticipated including anything specific on the portfolio sale at that workshop. Another Member commented that it was really helpful to clarify that it would not be a 'cash' loan, but the situation was still not straightforward, and Members' concerns on risk exposure were still valid.

It was resolved, by a majority, to:

- a) authorise, in principle, a loan facility to Cambridgeshire Housing and Investment Company for up to £120,000,000, at a commercial rate, for land acquisition, construct and associated costs;
- b) delegate the negotiation of the final terms of the sale and loan agreement to the deputy Section 151 Officers in consultation with the Chairman of the Committee, including the repayment and interest charging arrangements, and the outcome of any further negotiations will be brought back to Committee.

67. PROCESS FOR DECLARING ASSETS SURPLUS TO REQUIREMENTS

Members considered a report reviewing the governance process around the decision taken at the last meeting to dispose of St Luke's Barn, and to assess the effectiveness of the current processes when considering assets deemed surplus to requirements.

With regard to statements made at previous Committee meetings regarding the CREATE project, the Section 151 Officer advised that he sought to clarify the suggestion that an instruction had been issued to officers to not progress on seeking further financial sponsorship. It had since been established that this claim related to an email that he had sent officers involved that had been misinterpreted, i.e. he had requested specific actions relating to the project be stopped, and it had been interpreted as stopping all actions relating to the project.

Officers explained that as discussed under the Hill Rise report, there were cultural issues that needed to be addressed within the Council about the ownership of assets. There has been a process within the Council for declaring assets surplus to requirements, but that protocol needs to be reviewed, to provide a stronger landlord/tenant relationship, and challenging the use of assets across the portfolio. The report highlighted the failings in the current system, and the need for a more holistic review, enabling officers to come back with a more robust approach, taking in to account the Committee's role.

A number of Members praised officers for presenting such a good report, and the welcomed the review, which would clarify the process and role of the Committee. One Member suggested that his favoured approach would be charging a notional rent. Another Member commented that key to this would be how the Commercial and Investment Committee's role would be squared against the relevant Service Committee's strategies.

It was resolved unanimously to:

1. Comment on the contents of the report;
2. Request officers to undertake a review of the current process for 'declaring assets surplus to requirements' and to propose a revised scheme for the Committee's approval by the end of the current financial year.

68. COMMERCIAL AND INVESTMENT COMMITTEE REVENUE AND CAPITAL BUSINESS PLANNING PROPOSALS FOR 2018-19 TO 2022-23

The Committee considered a report which gave an overview of the draft Business Plan revenue and capital proposals for services that were within the remit of the Commercial and Investment Committee. Members noted the material changes that had been made since the Committee had considered the Business Plan report in October. The Business Plan was being predicated on a 2% Adult Social Care precept increase for the period that government had announced that this was available. The actual grant settlement should be announced week commencing 18/12/17. The numbers had also been drafted prior to the adjustment in the local government pay cap, the additional pressure (increase from 1% to 2%) was not included. The Council was also bidding to be included in the Business Rates retention pilot.

Arising from the report:

- Members discussed the budget gap and what was being done to manage these pressures, and how the general reserve would pick up any shortfall, but that this in turn would cause an additional pressure going forward;
- One Member observed that politically, this resulted from the majority party's insistence on limiting the Council Tax increase to 2% Adult Social Care precept.

Turning to individual business cases:

- Members discussed pressures on the County Farms budget, including Brexit. It was suggested that the County Farms Working Group may look at the impact of Brexit. Councillor Jones commented that despite becoming a Member of this Working Group she had only been invited to one meeting to date. **Action required;**

- Commercial Investment Strategy – a Member commented that there appeared to be no reference to the risks of timeframes slipping or escalating costs. Officers confirmed that there was no risk register specifically for this, but the corporate risk register does pick up the risks associated with the Business Plan, albeit not to the level of individual projects;
- External funding – in response to a Member question, it was confirmed that the proposed Cambridgeshire Lottery would be managed by an external lottery manager. The cash flow would be retained by the external lottery manager, but voluntary organisations that wish to sign up as beneficiaries of the lottery would be authorised internally by the Council, to maintain control. Furthermore, the Council would be able to select beneficiaries for the Central Fund which can offset our own existing grants. It was agreed to provide further information to Councillor Raynes on the proposed operation of the Lottery and update the business case. **Action required.** It was suggested that this could be a full item at a future meeting. In response to a further question, officers commented that as with a number of other proposals, the Council does not currently have the capacity or skills for the Lottery, but individuals would be recruited to attract the external income this and other projects would generate, and the funding for these posts would come from the Transformation Fund. The General Purposes Committee was trying to bring forward some pump priming for these type of projects. How those individuals might be employed e.g. on a contract was discussed;
- With regard to Shire Hall maintenance, it was confirmed that this would only be required for as long as Shire Hall continued to be occupied;
- A Member expressed concern on all of business cases, as she felt they were based on unrealistic figures, and the Commercial and Investment Committee had an impact on all the other Committees. She also felt that by sticking to a 2% Council Tax increase in recent years, the Council was now trying to plug a gap that it did not need to have.

It was resolved, by a majority, to:

- a) note the overview and context provided for the 2018/19 to 2022/23 Business Plan revenue proposals for the Service, updated since the last report to the Committee in October;
- b) comment on the draft revenue savings proposals that are within the remit of the Commercial and Investment Committee for 2018/19 to 2022/23, and endorse them to the General Purposes Committee as part of consideration for the Council's overall Business Plan;

- c) comment on the changes to the capital programme that are within the remit of the Commercial and Investment Committee and endorse them to the General Purposes Committee as part of consideration for the Council's overall Business Plan.

69. FINANCE AND PERFORMANCE REPORT – OCTOBER 2017

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

The report included a specific request for a loan facility of up to £2.040M to CHIC. This was different to the portfolio sale discussed in a previous report, and related to a parcel of land that CHIC wanted to purchase from a third party. The business case for the proposal had been reviewed and stacked up reasonably well, and the loan would be secured against the land.

A Member commented that he was nervous about delegating to officers the negotiation of detailed terms, as this ought to be the responsibility of the Committee. It was noted that there were sensitive timescales involved, and having to wait for a Committee date could mean that the purchase could not be progressed. It was further noted that the majority of the terms were set out in the report i.e. the value of the loan, the length of the loan (3.5 years), with the only key remaining factor was the interest rate, which would be determined largely by the draw down date.

A Member alluded to the proposed development being in Abbey Division, and asked whether the Local Member was aware of the proposal? Officers commented that currently CHIC was only looking at acquiring the land. There was a discussion on the degree of involvement of Committee Members in the business plans behind such proposals, and the need for sufficient information to be provided to Members, to enable them to come to a reasoned decision when making such loans.

With regard to the main part of the report, the Chairman advised that because the Committee had taken on additional liabilities, the financial position had changed, although the extent of the liability had reduced.

In response to a question on the forecast variance for *Traded Services to Schools and Parents*, it was noted that this was a specific issue on equipment reserves, where the reserve was more than was required, so this was essentially part of good financial management.

It was resolved unanimously to:

- a) review, note and comment on the report;
- b) approve a loan facility at a competitive market rate to Cambridgeshire Housing & Investment Company, of up to £2.040M, for the scheme set out in Section 3 of the report, authorising the Deputy Section 151 Officer to agree detailed terms in consultation with the Chairman of the Committee.

70. PROGRAMME HIGHLIGHT REPORT

The Committee considered the Programme Highlight Report.

Members received updates on the following schemes:

- Russell Street (Cambridge);
- Guilden Morden - being recommended for refusal;
- Papworth Everard – CHIC were having discussions with planners about the number of houses on site. The Parish Council was interested in buying this site;
- East Barnwell – the planning submission date moved;
- Soham Eastern gateway application had been withdrawn to allow further public consultation following concerns raised on access into the town. It was noted that there had been no further public consultation, which had resulted in cynicism among some stakeholders. Officers agreed to check with CHIC colleagues. **Action required;**
- The Cottenham planning application which had initially been refused had been resubmitted. Hopeful have committee date early next year, had meeting with Parish Council about terms;
- The Litlington application would be going to Committee on 10/01/18.

A Member was pleased to see the indicative number of units included as a total at the top of page. It was confirmed that ten units should be deducted (Ramsey St Mary). **Action required.**

It was resolved to:

note the Programme Highlight report.

71. COMMITTEE AGENDA PLAN AND APPOINTMENTS TO OUTSIDE BODIES

Members considered the forward agenda plan for Commercial & Investment Committee. A Member suggested that standing items on the agenda plan should just be listed in the header. **Action required.**

Nominations were sought for both the Adult Accommodation and Cambridgeshire Music Member Reference Groups.

It was resolved to:

- (i) Note the Agenda Plan, including the updates provided orally at the meeting;
- (ii) Appoint Councillor Rogers to the Adult Accommodation Member Reference Group;
- (iii) Appoint Councillors Jenkins, Raynes and Schumann to the Cambridgeshire Music Members' Reference Group.

72. SMART ENERGY GRID – BUSINESS CASE AND EUROPEAN REGIONAL DEVELOPMENT FUND UPDATE

Members were reminded that following Committee approval in September 2016, the Council received approval for its outline application for European Regional Development Fund Grant (ERDF) in November 2016 for a Smart Energy Grid Project at the St Ives Park and Ride site. A full application was subsequently prepared and submitted to the Department for Communities and Local Government (DCLG) in March 2017.

In discussion with DCLG in October 2017, a timetable to secure ERDF funding has been agreed for February 2018. An updated business case and agreement that the Council would match fund the project was required. This revised business case reflected the changes and opportunities arising on the project during the last year, and the key changes were outlined. It was now estimated that a better Internal Rate of Return (IRR) and Net Present Value (NPV) would be achieved over 25 years than previously estimated.

Members noted how the project would work and its importance as a demonstrator project, enabling the Council to test new technologies and control mechanisms, and learn how to sell energy directly, i.e. it was not primarily intended as a commercial project.

A Member commented that whilst he was very supportive of the project in principle, he asked whether the recommendation for delegated decision making was required. Officers outlined the key challenges, including the complex negotiations on electricity sales with customers, and how it would be

difficult to have brought a report to members whilst they were still in the process of trying to agree commercial deals. Moreover, the discussions were further complicated in that DCLG was currently assessing the submission to determine eligibility for 50% state aid intervention: there was a risk that the state aid intensity could be reduced which would mean that the commercial deal would need to change to reflect the investment parameters agreed by members as part of this report. Due to the fluid nature of these discussions and that any deal would be within the investment parameters agreed by committee, a delegation was seen as the most appropriate way forward.

In response to a Member question, it was confirmed that the NPV was calculated on cashflows. The discount rate had changed slightly, due to increases in interest rates over the last year.

It was resolved unanimously to:

1. Approve an additional £362,453.50 investment by the Council towards the updated business case as summarised in section 2.2 of the report for the extended Smart Energy Grid project;
2. Approve the Council's overall commitment of 50% match funding for the Smart Energy Grid to draw down the ERDF grant;
3. Delegate to the Chief Finance Officer in consultation with the Chairman of Commercial and Investment Committee, the detailed negotiations and contracting with all parties involved to ensure the overall parameters of the business case, agreed in section 2.2 of the report, can be brought together and closed.

73. EXCLUSION OF PRESS AND PUBLIC

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

(Councillor Nethsingha left the meeting)

74. COUNTY COUNCIL HEADQUARTERS AND LOCAL SERVICE DELIVERY MODEL

The Committee considered a report on County Council Headquarters and Local Service Delivery Model.

It was resolved, by a majority, to:

1. Note the contents of the report and associated business case;
2. Approve that the option of 'do nothing' be rejected;
3. Agree to commence the next phase of the project to include the development of a detailed financial assessment of the revenue and capital implications of moving to a hub and spoke model;
4. Authorise the Deputy Chief Executive to enter commercial negotiations with landowners of the two sites evaluated within the business case;
5. Agree to retaining the historical and archaeological significance of the Shire Hall site as a condition of the new use;
6. Request a further report to come to the Committee in the next financial quarter setting out the outcome of those negotiations before a final commitment is made.

COMMERCIAL & INVESTMENT COMMITTEE

Minutes-Action Log



Agenda Item no. 2

Cambridgeshire
County Council

Introduction:

This is the updated action log as at **18th January 2018** and captures the actions arising from the most recent Commercial & Investment Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

Minutes of 31st March 2017 (Assets & Investment Committee)

86.	Finance and Performance report	Ellie Tod	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.	A Member/officer workshop was held on the 27th November to discuss the format of the report. As a result, a new format is currently being drafted and is anticipated to be implemented for the November report, which will be presented to committee in January.	Completed
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Minutes of 20th October 2017

51. (1)	Service Committee Review of the draft Revenue Business Plan proposals 2018-19 to 2022-2023	Chris Malyon	In May there had been a request of all County Council assets by electoral division.	S151 officer to identify resource and cost to complete task and then consult Chair/Vice-Chair	Ongoing
55. (2)	Programme Highlight Report	John Macmillan/ Chris Malyon	Agreed that there would be a workshop on how the reporting back from CHIC (re: progress with sites) would work in practice.		

Minutes of 24th November

58.(4)	ESPO Trading Company Ltd	Paul White/ Cllr Bates	Paul White and Cllr Bates would look at how the new trading company would report back to its constituent authorities.	The proposal is to update the Committee quarterly using the update report that will be provided to the Shareholder Member representatives after each ESPO Joint Committee meeting.	In progress.
60.	Finance and Performance Report	Ellie Tod	A Member asked that future reports to separate out original budget pressures and those from new service areas: Officers agreed to review the formatting of the report.		Completed
61.(1)	Programme Highlight Report	John Macmillan	Provide a covering report to Programme Highlight schedule.	This will be implemented for the January Committee.	Completed.
62.(2)	Committee Agenda Plan and Appointments to Outside Bodies	Dawn Cave	Develop a Training Plan and present regularly to Committee.	This will be implemented for the January Committee.	Completed.

Minutes of 15th December

64/ 66.	Minutes and Action Log/ Portfolio Sales of sites	David Bethell	Date of relaunch event to be circulated to Members ASAP.	Business Plan launch event scheduled for Monday 5 th February.	Completed.
66.	Portfolio Sale of sites	Dawn Cave	Local Member Engagement Protocol to be circulated to Members.	Circulated 08/01/18	Completed.
68.	Business Planning Proposals	John Macmillan/ Hugo Mallaby	Invite Cllr Jones to County Farms Working Group meetings.	Working Group not currently meeting because	

				of the Outcome Focused Review.	
68.	Business Planning Proposals	Tom Kelly/ Emily Gutteridge	Provide Cllr Raynes with further information on the proposed operation of the Lottery.	Information emailed to Cllr Raynes by Emily Gutteridge on 08/01/18.	Completed.
70.	Programme Highlight Report	John Macmillan	Check with CHIC if any public consultation had taken place re: Soham Eastern Gateway application.		
70.	Programme Highlight Report	John Macmillan	Deduct 10 units (Ramsey St Marys) from overall indicative number of units.		Completed.
71.	Agenda Plan	Dawn Cave	List standing items in header rather than against each meeting.		Completed.

OUTCOME FOCUSED REVIEWS - UPDATE

To: **Commercial and Investment Committee**

Meeting Date: **26th January 2018**

From: **Chris Malyon, Deputy Chief Executive Officer**

Electoral division(s): **All**

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

Purpose: **The purpose of this paper is to report progress to date of the Outcome Focused Reviews that are currently in progress.**

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

- a) agree the planned next steps for the Outcome Focused Reviews covered by this report; and**
- b) Comment on the progress of the programme of work.**

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	Owen Garling	Names:	Councillors J Schumann and A Hay
Post:	Transformation Manager	Post:	Chair/Vice-Chair
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Tel:	01223 699235	Tel:	01223 706398

1. BACKGROUND

- 1.1 The Council's Transforming Cambridgeshire programme is our ambitious programme of change to ensure that we have the resources and capacity to deliver at pace. We are reviewing our portfolio of services so we are clear how these services contribute to Cambridgeshire County Council's outcomes and that we are delivering these in the most cost effective and commercially advantageous ways.

Outcome Focused Reviews (OFR) are being carried out to enable us to focus on looking at what we do from the perspective of our citizens with a view to designing what we do from the outside-in. This will enable us to harness the opportunities that are presented to us from working differently, seeing ourselves as part of the Cambridgeshire system and working with others to improve what we do.

- 1.2 There are three phases to the OFR process as set out in the table below. See appendix A for the Member Briefing outlining the Outcome Focused Reviews.

Phase	Approach
Phase One Baseline Assessment	The assessment aims to provide a high level answer to the questions: "What service do we currently provide? What outcome are we aiming to achieve by providing that service? Should we continue to pursue that outcome? If so, can we improve the approach to achieving that outcome?"
Phase Two Discovery	<p>The Discovery Phase will gather together a range of information from internal and external sources, analyse performance and use benchmarking to enable directors and Members to make evidence based judgements about service potential.</p> <p>At the end of this stage, the review team will either propose an action plan for change, or will recommend that the service is put forward as a priority for Phase 3 of the review.</p>
Phase Three Design	This phase provides a complete and detailed review of the service and is likely to need specialist support, detailed work with the marketplace and with partners and a focused effort to involve citizens in service design.

- 1.3 An overarching approach to the OFR programme was agreed, this included some core principles to ensure consistence of approach and these were balanced with the flexibility needed to review the diverse range of service in scope. Each of the Outcome Focused Reviews has a lead Member and a team made up of colleagues from across the organisation and in some cases external advice.
- 1.4 This report provides an overview of where the initial tranche of Outcome Focused Reviews following the Discovery Phase (Phase Two).

2 EXECUTIVE SUMMARY FOR EACH SERVICES IN SCOPE

2.1.1 Cambridgeshire Music – Lead Member: Cllr Hudson

Background and approach taken:

Cambridgeshire Music is a service within the Learning Directorate of People and Communities. Cambridgeshire Music's vision is that all children, families and adults in Cambridgeshire take advantage of the rich cultural opportunities available in the county, and that the providers of those opportunities work together to drive quality and reach. Cambridgeshire Music's mission is to provide children, families and adults in Cambridgeshire with high quality performing arts education and therapy, through direct delivery, commissioning and strategic leadership.

The OFR group collaborated to agree key lines of enquiry covering the service's contribution to the Council's outcomes; the relationship between the service and the wider Council; the service's current structure, finances and operating model; and the service's current strategy and approach. This report contains the findings in relation to those key lines of enquiry.

Overall recommendation:

Following a motion at full Council, a Member Panel drawn from the Commercial and Investment Committee and the Children and Young People Committee has been established to review Cambridgeshire Music's strategy and specifically its proposals related to digital music.

Due to the establishment of this Member Panel, the overall recommendation of the OFR group is that the service does not progress to the Design Phase (Phase 3) at this time. Instead it is proposed that the Member Panel is provided with the findings of the OFR group and make a recommendation to Commercial and Investment Committee as to whether the service should progress to the Design Phase once their work is concluded.

Key findings:

- Cambridgeshire Music makes a strong contribution to the Council's outcomes; particularly helping to ensure that children and young people reach their potential in settings and schools.
- Cambridgeshire Music is regarded as a high-performing Music Education Hub and service under current arrangements.
- The current delivery model, comprising a local authority service and a separate charitable company, is appropriate for the current range of services provided by Cambridgeshire Music.
- Commercial opportunities are limited by the significantly grant-funded nature of the service and would likely require additional investment in the service.
- Some specific areas should be investigated for broadening the service's contribution to the Council's outcomes; in particular opportunities surrounding the expansion of arts therapies through external funding.
- There may be opportunities from improving links between Cambridgeshire Music and other services in the Council, including the Council's corporate Communications Service; and specific opportunities to work in partnership with other services.

- There are significant opportunities in the service's developing approach to digital tuition, which will be explored by the Member Panel.

See Appendix B for further details

2.1.2 **The Education ICT Service** – Lead Member: Cllr Gowing

Background and approach taken:

The ICT Service (formerly Education ICT) is Cambridgeshire County Council's ICT advisory and support service for schools. Founded in 1995, the service has been a separate trading unit for the Council since 2000, offering chargeable services to schools and settings in Cambridgeshire and beyond.

Key findings:

- A clear IT and Digital Strategy is required as an employer and provider that will give direction to the wider OFR.
- Current procurement rules should be reviewed for traded services to ensure services can meet customer time, cost and quality needs.
- As an income generating service, ICT Service has some difficulties making full use of internal CCC policies, processes and systems; some consideration needs to be given for all income generating services as to whether specific commercial focused processes and policies should be implemented.

Overall Recommendation:

- Widen and re-scope the OFR to be a Council-wide review of IT services, this would include the IT & Digital Team and LGSS IT, in addition to the ICT Service. This review should start from mid-February 2018.
- There are emerging indications that the ICT service has a worsening financial outlook going into 2018/19. Although this would need to be addressed by the service regardless of the OFR, any potential deficit will be further investigated and mitigating actions brought forward.

See Appendix C for further details

2.1.3 **Outdoor Education** – Lead Member: Cllr Bywater

Background and approach taken:

Cambridgeshire Outdoors is the umbrella name for the internal partnership of three distinct CCC managed services that operate three outdoor learning centres: Burwell House, Grafham Water Centre (GWC) and Cambridgeshire Environmental Education Service (CEES) at Stibbington Centre. The three centres provide predominantly child and schools focused day, and residential outdoor learning experiences. The three services currently sit within the Learning Directorate of People and Communities as non-statutory CCC services.

A series of workshops, one to one and small group meetings have been held with the three outdoor centres, corporate colleagues and Cllr Bywater, who all provided current professional expertise and advice. Further desk-based research and feedback from current

and booked customers has been used to inform the recommendations. This research has included a brief look into the marketplace, types of competitor models, locations, capacity and approach, and more in depth analyses of financial, and current performance of the centres.

This review was the first to commence and therefore much learning and iteration has taken place. The learning will need to inform not only Phase 3 of this review but provide insight to the commencement of other OFRs.

There has been some time constraints of the review group due to their day to day operational demands. Consideration will need to be given as to how the right group of staff is allocated to resource the next phase.

Key findings:

The centres currently achieve clear contribution and impact to Cambridgeshire County Council (CCC) outcomes. The core delivery is children and young people focused and enables those users to learn necessary life skills whilst developing personal resilience and appreciation of the wider community. The delivery clearly meets the curriculum across multiple subjects and outdoor and adventure activities in Key Stages 1-4, and gives young people the ability to apply subject knowledge in real world context. Further, the centres enables participants a chance to not only appreciate the environment, but understand the environment and their place in it.

The benefits of outdoor learning could further support other CCC outcomes or be used for specific purposes – including for example, family work or responding to the private sector training or facilitation needs, however the capacity to do this needs to be analysed.

The centres largely recover costs but separation into three distinct services means there are similarities in management and back-office activities and roles. It is clear there are opportunities for further collaboration to increase access and opportunities for all, bringing efficiencies to create further income revenues, in addition to achieving cost reductions. Current operations have limited ability to achieve current financial targets in future years (£77,123 surplus) and are unlikely to contribute to the 2018/19 £500k additional traded services income target without some redesign.

Each Head of Centre has expressed concern with lack of coherent strategic leadership and direction creating some uncertainty in future direction.

Capacity usage of the locations is different and increased usage of some of the sites may be possible.

There are some links to other outdoor / alternative place based activities, such as Forest Schools, Duke of Edinburgh award, National Citizen Service, and the Outdoor Education Advisory service, and consideration needs to be given as to how these links are extended or maintained.

Each centre requires some monetary investment to maintain the current level of condition of its site and buildings. Whilst the potential exists to increase usage and maximise capacity, further investment will be needed to improve the facilities.

Other local authority (LA) outdoor centre models have or are increasingly changing into one service that operates across multiple locations. Some models are arm's length / alternative models.

These services, alongside other income generating services, have some difficulty using and delivering within some internal authority policies, processes and systems due to the lack of specific commercially focused policies and mechanisms.

Overall recommendation:

The Outdoor Education Outcome Focused Review to progress to the Phase 3 Design stage to model the option of collation and redesign into one multi-site Outdoor Learning Service.

The Phase 3 modelling will review:

- Governance and leadership
- Staffing capacity, terms and conditions and structures
- Locations
- Investment required
- Increased or redefined usage of capacity (site, equipment and acumen)
- Increased market penetration in new primary and secondary school markets
- Increased delivery to non-schools marketplace in addition to expanding current schools marketplace
- Review other successful outdoor learning models that exist outside Cambridgeshire
- Potential for increased impact on identified outcomes.
- Use zero-based budgeting principles.

See Appendix D for further details

2.1.4 Professional Centre Services – Lead Member: Cllr Hay

Background and approach taken:

Professional Centre Services (PCS) currently sits within the Learning Directorate in People and Communities. The service currently operates out of two buildings; Cambridgeshire Professional Development Centre (CPDC) in Trumpington and Stanton House in Huntingdon. It operates as a traded service and provides training, meeting and conference space and an events management service to CCC services and external customers. They also provide tenancy management to some internal teams and voluntary organisations located at CPDC and Stanton House. The service has the responsibility of selling any excess room capacity to private and other public sector organisations (although in the main this is other public sector bodies) in order to bring in additional income that helps to subsidise the internal prices and works towards the overall surplus that goes back to the Directorate. They provide an essential learning environment for the workforce and in turn act as an enabler for the workforce to achieve the outcomes.

Key findings:

PCS as a functional delivery unit is on the whole delivering a good service. There are opportunities for them to be more digitally efficient in some areas and there could be some further efficiencies through joint commissioning of Facilities Management (FM)/maintenance works but this is likely to result in minimal cash savings. Clear direction around the use of

CPDC and Stanton House has not been given to date and this is linked into the Property Services OFR. It is recommended that Cambridgeshire County Council (CCC) should decide the overall strategic vision for training/meeting/conference space for which delivery models can then be designed and appraised and options for how this can be delivered through the Council's entire asset portfolio can be explored. Therefore, any changes in relation to PCS should not be seen in isolation of this wider work. In the interim, we recommend the following high level actions which are further complemented by the action plan set out in section five of this report:

- Line management should be moved from the Learning Directorate to the Resources Directorate due to the associated similarities, and potential duplication, with the activity delivered by Property Services
- PCS should continue to operate with a surplus target in 2018/19 until a wider strategy is in place
- Efficiencies to be achieved through digitisation of processes and better marketing
- Need for consistency in types of management of buildings (comparing efficiency of CPDC to Stanton House)
- Model of PCS to be revisited as part of a wider strategic review

Overall recommendation:

The Professional Centre Services (PCS) OFR not to progress to the Phase three Design stage until the wider Property OFR has progressed further. In the meantime, it is recommended that line management and strategic direction be moved to the Resources Directorate.

See Appendix E for further details

2.1.5 Property Services – Lead Member: Cllr Schumann

Background and approach taken:

The Property Service is based within the Resources Directorate; the Head of Service function is currently vacant, and managers of the three primary functions within Property (listed below) therefore report directly to the Deputy Chief Executive:

- Facilities management
- Compliance
- Estates (Rural Assets and Urban Assets)

With the exception of Rural Assets which is subject to a separate Outcome Focused Review, all of these services are in scope. It is also worth noting that there are other areas of property related activity which takes place within other Council services, such as education capital works and some localised facilities management arrangements. Between 2011 and 2016 the Council's property functions were managed by LGSS Property as part of a shared service arrangement with Northamptonshire County Council, before being transferred back to Cambridgeshire County Council's responsibility in October 2016. The activities carried out in the service for each of these functions is detailed in Section A of Appendix F

Phase 2 of the Property OFR was essentially the 'Discovery' Phase which gathered a range of evidence and information to make some early assessments and judgements about the potential of the service. This was a collaborative process between involving a range of people from the Transformation Team and Property Services with input from customers, Members and other colleagues and partners. From some initial workshops, a number of key lines of enquiry emerged which formed the basis for further evidence gathering and analysis:

- How the service's activities meet the Council's stated outcomes
- The organisation and structure of the service in relation the Council and the key activities it needs to carry out
- Engagement with users of the service
- Tools, processes and management information systems
- Potential opportunities for further commercialisation

Further research and analysis around these specific areas was undertaken to inform the final recommendation. This included financial and desktop data analysis, further customer feedback and research into alternate models of delivery and opportunities external to the Council.

Key findings:

The evidence and information collected and analysed in this second phase of the Property OFR indicates strongly that there are a number of areas within the current function, many of which will be central to the Council's overall success in the future, which require a more comprehensive review and redesign; a summary of the findings against the key lines of enquiry are detailed in Section C of Appendix F.

Recommendation:

The Property OFR to be progressed to Phase 3 of the OFR Programme in order to ensure this part of the business can best support and enable the delivery of the Council's strategic outcomes and aspirations in the future.

See Appendix F for further details

2.1.6 Rural Assets – Lead Member: Cllr Hickford

Background and Approach Taken:

The Rural Assets OFR (also commonly referred to as County Farms Estate) commenced in October 2017 as it was identified as having the potential to deliver new and more impactful approaches to delivering outcomes.

A number of OFR information gathering workshops, one to ones and group meetings have been held with the Rural Assets Team and Cllr Hickford to map the current service delivery model and to explore alternative models and future opportunities.

The OFR will build on the findings of the Strategic Review of the Council's County Farms Estate conducted by Savills in 2016 which concluded that "It is clear that the County Farms Estate (CFE) delivers benefits to the county of Cambridgeshire. However, it is also clear

that there is significant potential to increase the value of these benefits and that there is a need to review such benefits against alternatives". In response to this review, officers and members considered the final report and valuation prepared by Savills and met to bring forward draft policies for a new CFE strategy. The proposed policies accompany this report (Appendix 1).

Key findings:

The County Farms Estate currently contributes to delivering Cambridgeshire County Council (CCC) outcomes. This is primarily through generating income which helps to support frontline Council services, supporting the local economy through the creation of jobs, providing opportunities for new entrants into farming and helping the residents of Cambridgeshire to lead healthy lifestyles through open access to the countryside via bridleways and footpaths across its rural assets.

The benefits of the County Farms Estate could further support other CCC outcomes including optimising the educational potential of the assets and identifying opportunities which would provide greater social and community value.

The Council's position as a rural asset landlord stems from after the First World War when it was established to assist with the employment and settlement of ex-servicemen. Historically, ever increasing land values have justified asset retention. However, there are no guarantees that previous increases in capital values will continue at the same rate, or at all. Phase 3 of the OFR provides the opportunity to revisit the current approach and consider alternative strategies.

Building on the work that has already taken place with tenants to increase business profitability and revenue returns, there are opportunities to pursue a more intensive programme of diversification and development to maximise the use and value of the estate. However, the service as it stands does not have the capacity necessary to maximise the potential income, or promote the diversification and innovation opportunities to their fullest advantage.

There are opportunities to review and improve some of the current systems and processes. This will be further informed by feedback from the tenant's survey.

Overall recommendation:

The Commercial & Investment Committee is asked to agree to progress the Rural Assets Outcome Focused Review (OFR) to the Phase 3 Design stage. Phase 3 will focus on the following:

- Establishing CCC's policy position in relation to the future use of the organisations rural assets and on this basis, identifying viable opportunities and delivery models which go above and beyond the current arrangements to maximise the CFE's contribution to delivering the Council's Strategic Outcomes and the value gained from the assets.
- Analysing the feedback from the tenant's survey commissioned in December 2017 and identifying opportunities to consolidate what is working well and areas which can be improved upon.

- Review the valuation of the County Farms Estate.
- Review staffing capacity and structures to support alternative delivery models
- Identify areas of investment required

See Appendix F for further details

3.0 NEXT STEPS

3.2 Learning from the first Outcome Focused Reviews

As well as providing us with a deeper understanding of our portfolio of services, this first batch of reviews has also helped us to develop and refine our approach to how we carry out these reviews.

The reviews have provided us with an opportunity to consider the medium- and long-term impact of the services that we deliver as well as identifying any short-term actions required to ensure the continued efficiency and effectiveness of our services to the public. Therefore, we are able to move the focus of our transformation programme from 'fire-fighting' to working on designing the future. Whilst we have identified this longer-term approach, we will continue to provide support for services that need it through short, intensive pieces of work.

We have been able to help services to place the work that they do into the wider context of the environment in which we work. For example, enabling teams to think through why people may want or need their services has allowed them to place what they do in the context of the wider Cambridgeshire system and start thinking through alternative ways in which this demand could be managed.

Our initial tranche of reviews were focused on specific services. However, we have realised that we will accomplish more from these reviews by shifting and widening our focus to the *functions* that these services fulfil. Our next tranche of Outcome Focused reviews will therefore take a more holistic approach and look at more strategic themes.

3.3 Next phase of Outcome Focused Reviews

We are currently in the process of identifying the next tranche of Outcome Focused Reviews to be started. We are planning on using the expertise and knowledge of the Corporate Leadership Team to help us to shape the future programme.

Included within the next phase will be reviews of the following functions and areas:

- Cambridgeshire County Council's Capital Programme
- Automation
- The role of the Contact Centre and our communication channels
- Fostering
- Learning
- IT

Updates on all of these reviews will be presented to the most appropriate committee as work progresses.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

4.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

There are no decisions at this stage with significant resource implications. Within this item reference is made to savings expectations for two of the areas undergoing an OFR. The proposed budget before Full Council increases the surplus expectation on County Farms by £500k in 2018/19 and on the traded services mentioned above by £500k.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for this priority.

5.3 Statutory, Legal and Risk Implications

There are no significant implications for this priority.

5.4 Equality and Diversity Implications

There are no significant implications for this priority.

5.5 Engagement and Communications Implications

There are no significant implications for this priority.

5.6 Localism and Local Member Involvement

There are no significant implications for this priority.

5.7 Public Health Implications

There are no significant implications for this priority.

The contacts for the sign off process are as follows:

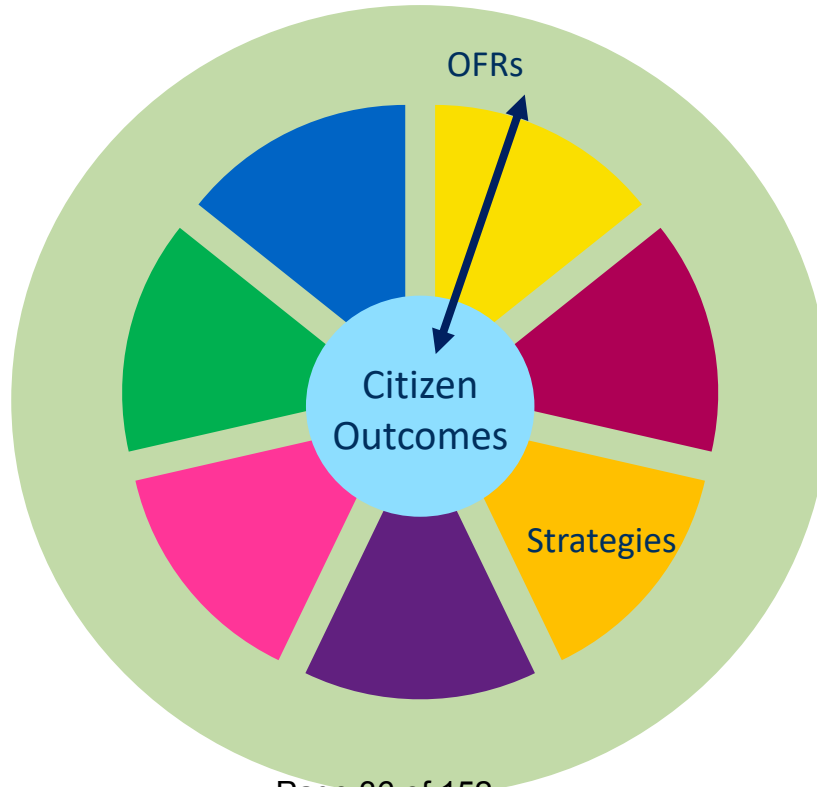
- *Resource Implications – Finance* (**Sarah Heywood**)
- *Procurement/Contractual/Council Contract Procedure Rules Implications – Finance* (**Paul White**)
- *Statutory, Legal and Risk – Legal* (**Fiona McMillan**)
- *Equality and Diversity – Service Responsibility* (**Tamar Oviatt-Ham**)
- *Engagement and Communications – Communications* (**Eleanor Bell**)
- *Localism and Local Member Involvement – Service Responsibility* (**Tamar Oviatt-Ham**)
- *Public Health – Public Health* (**Tess Campbell**)

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer:
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes or No Name of Officer:
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer:
Have the equality and diversity implications been cleared by your Service Contact?	This will be address through individual Community Impact Assessments (CIA) as part of phase 3.
Have any engagement and communication implications been cleared by Communications?	Yes or No Name of Officer:
Have any localism and Local Member involvement issues been cleared by your Service Contact?	There has been key Member involvement as stated throughout the paper.
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer:

Outcome Focused Reviews

- Framework
- Approach
- Example
- Governance

Part of our strategic approach



When do we start a service review?



Phase 1: Baseline Assessment

Baseline Assessment leads to recommendation for further phases of review.

OR

Baseline Assessment criteria met - next review point agreed. Service leaves the process.

Moderation, approval and prioritisation: gateway 1
Agreed services progress to Desktop Review and engagement

Phase 2: Desktop Review

Desktop Review leads to recommendation for Full Service Review.

OR

Service improvements recommended - action plan submitted. Service leaves the process.

Moderation, approval and prioritisation: gateway 2
Agreed services progress to Full Service Review and Options Appraisal

Phase 3: Full Review

Moderation, approval and prioritisation: gateway 3
Preferred option moves to implementation

Appendix 1 – Baseline Assessment

The following questions will be used as part of the structured conversation and challenge partner process;

Purpose of the service

What outcome are we aiming to achieve by providing this service?

What service do we provide?

Who are the beneficiaries of the service or function?

Impact / benefits for citizens

How do assess the contribution the service makes to achieving outcomes for citizens?

Have you talked to customers to understand the impact of the service on them?

Likely future demand

Should we continue to pursue the outcome?

How do you know what current and future needs the service has to meet?

What is the potential impact of demographic, technological, economic and other changes on the service?

Commissioning

How is this service commissioned?

What resources do we use to provide this service?

How do you assess the performance of the service?

Have you consulted with 3rd Party or private sector organisations to provide this service?

Opportunities

Can we improve the approach to achieving the outcome?

What is the 10-20 year vision for the service?

Could all or parts of the service be delivered differently?

How could the service make a bigger contribution to the Council's strategic aims and outcomes?

Governance

- Member engagement throughout, through working groups, squads and Service Committees
- Reports to Service Committees and GPC at every gateway
- Following Phase 3, the Commercial and Investment Committee will make recommendations to Service Committees and GPC

Cambridgeshire Music OFR**2.0 INTRODUCTION****2.1 About Cambridgeshire Music**

As lead organisation for the Cambridgeshire Music Hub (see below), it works with a wide range of organisations to create joined-up music education provision, respond to local need and deliver the National Plan for Music Education. Its direct delivery includes tuition on a wide range of instruments and opportunities for young people to play together in ensembles and bands at all levels. It loans instruments to individual learners and schools, and holds an extensive library of sheet music for reference and loan. It provides music and drama therapy in a variety of settings. Its special projects bring live music into schools and opens up opportunities for young people to work with professional artists. Its partners include schools, local authorities, higher education institutions, orchestras, arts and culture organisations and cultural education partnerships.

Cambridgeshire Music is not a statutory service, but does provide a government-funded national programme in the county. Therefore there is an element of its work that is a “required” provision. As an arts service Cambridgeshire Music is the only countywide provider; there are currently no competitors in this area. The service contributes towards statutory obligations (particularly in areas around education and safeguarding). .

Cambridgeshire Music’s services include:

- Instrumental tuition, music theory tuition and mentoring
- Significant musical projects and events across Cambridgeshire that provide opportunities for people across the county to engage in music
- Organisation and coordination of bands, choirs and ensembles
- Support to schools to deliver music as part of their curriculum, including the provision of curriculum music lessons, musical opportunities, music technology courses and workshops
- A range of resources including instrumental loans, a sheet music library, equipment hire, room hire and audio-visual production
- Arts therapies, including music and drama therapy
- Help and advice for schools, individuals and music organisations in the county.

2.2 Music Education Hub

Cambridgeshire Music is funded by the Department for Education, via Arts Council England, to act as the lead organisation for the Cambridgeshire Music Education Hub; it is responsible for the hub's coordination, funding and governance. £783k, a third of the service's income currently comes from this grant; therefore fulfilling the aims of the Music Education Hub is a core role of the service.

Music Education Hubs are groups of organisations – such as local authorities, schools, other hubs, art organisations, community or voluntary organisations – working together to create joined-up music education provision, respond to local need and fulfil the objectives of the hub as set out in the national plan for Music Education:

- supporting schools to provide a First Access opportunity for all young people for at least a term on an instrument in a whole class lesson.
- ensuring all schools enable young people to sing regularly
- developing an infrastructure to encourage progression across a range of musical styles and genres including the study of instrumental skills
- making opportunities affordable
- providing instruments on loan
- developing major projects and events in which young people can participate
- providing continuing professional development for music leaders

The service works with over 250 partners across different sectors in the county who have a strategic interest in music education and various providers in organisations, including the service's own delivery team. The hub partnership includes:

- Schools: Academies, free schools, independent schools and maintained schools across primary and secondary phases.
- Further education colleges
- Universities
- National ensembles and arts organisations such as Britten Sinfonia, Academy of Ancient Music, Aldeburgh Music, Cambridge Junction, English Folk Song and Dance Society
- Local arts organisations including Cambridge Live, Cambridge Early Music, Cambridge Youth Opera, Holiday Orchestra
- Individual professional musicians and educationalists

The projects developed with regional hub and music service partners enable better inclusion, genre-specific work and music technology growth, and benefits recognised by hubs across the region. The hub's partners commit to:

- Maintaining the partnership's expected standards in all music education activities, and the quality assurance process of partnership-supported activity
- Contributing positively and constructively to the Hub audit, needs analysis and work stream discussions
- Actively and positively promoting and signposting our work to their own local and national networks
- Helping the group identify further sources of support

- Providing data and information for evaluation of the activities we deliver and the scope of other music education activities not directly supported by the Hub
- Working together to build successful partnerships and avoid potential duplication or conflicts of interest
- Ensuring delivery of a strong programme which implement's the Hub's strategic goals

2.3 Service history

A dedicated local authority music education service has existed in Cambridgeshire for over 50 years; the service has evolved over time to meet the challenges of changing education and funding policies. Until the early 1990s, the service received core funding from central government; this was later transferred to schools with the ring-fenced funding removed, with a core level of funding provided to the local authority service to support provision, infrastructure and operating costs.

Changes in national funding approach from 1999 led to the removal of funding from the service, and the development of a significant operational deficit. Significant cost-saving measures were introduced to tackle this and in recent years the service has generated a small surplus.

Whilst no longer a statutory local authority service, the Department for Education continues to provide funding for a 'Music Education Hub' in each local authority area; Cambridgeshire Music acts as the Lead organisation for the Music Education Hub in Cambridgeshire.

3.0 CONTRIBUTION TO COUNCIL OUTCOMES

The OFR Review Team considered how Cambridgeshire Music is making a contribution across the Council's seven outcomes.

The service makes its most direct contribution to the outcome that *Children and young people reach their potential in settings and schools*. As a Music Education Hub, Cambridgeshire Music must demonstrate that it is fulfilling the objectives of a Music Education Hub as described in the National Plan for Music Education.

Specifically four key outcomes of the National Plan are most directly relevant to this outcome:

- a) Ensure that every child aged 5-18 has the opportunity to learn a musical instrument (other than voice) through whole-class ensemble teaching programmes for ideally a year (but for a minimum of a term) of weekly tuition on the same instrument.
- b) Provide opportunities to play in ensembles and to perform from an early stage.

- c) Ensure that clear progression routes are available and affordable to all young people.
- d) Develop a singing strategy to ensure that every pupil sings regularly and that choirs and other vocal ensembles are available in the area

The Arts Council adds extended roles, in addition to the ones set by the Government¹:

- Offer Continuous Professional Development (CPD) to school staff, particularly in supporting schools to deliver music in the curriculum.
- Provide an instrument loan service, with discounts or free provision for those on low incomes.
- Provide access to large scale and/or high quality music experiences for pupils, working with professional musicians and/or venues. This may include undertaking work to publicise the opportunities available to schools, parents/carers and students.

Beyond provision of musical outcomes, studies have demonstrated the contribution that musical education can make to children's development in settings and schools. The National Plan for Music Education draws on academic evidence to demonstrate:

- a direct link between music and improved reading ability in children
- a link between mathematics and music, but there needs to be a stronger match between the skills being used – for example some types of music education can encourage improvement in some elements of maths more effectively than others
- the positive impact music can have on personal and social development, including increased self reliance, confidence, self-esteem, sense of achievement and ability to relate to others
- different benefits from participating in music groups and needing to work together towards a common goal, for example school bands. These include discipline, teamwork, cooperation, self-confidence, responsibility and social skills.

3.1 Cambridgeshire Music's performance

Cambridgeshire Music is seen by the Arts Council as a high performing Hub delivering well against the aims of the Music Education Hub grant. The 'annual feedback letter' from the Arts Council highlights strengths including:

- Partnership working with Local Cultural Education Partnerships (LCEPs) in the county continue to be strong with the Music Education Hub clearly having

¹ <http://www.artscouncil.org.uk/sites/default/files/download-file/Music%20Education%20Hub%20Core%20and%20Extension%20Role%20Guidance%20FINAL.pdf>

an influential voice in advocating the value of cultural education for a diverse set of communities in a range of settings.

- The Music Education Hub has made a strong contribution to schools developing their own singing strategies, with impressive numbers of engagement across all schools in the county. This has been augmented by successful, high profile programmes and events such as Sing For Your School which culminated in a large-scale performance at Cambridge Corn Exchange.

In conversation for the review, the Arts Council's Relationship Manager for Cambridgeshire Music noted that the hub is regarded as a leading Hub in terms of:

- Partnership working with non-profit organisations
- Innovation in digital services
- Talent development in the community
- Integration with the wider offer of children and young people's services in Cambridgeshire; providing an 'enhanced' offer for children and young people compared to many hubs.

The service has engaged in a range of programmes to support the school's curriculum beyond the music curriculum. These include a song-writing project undertaken alongside the literacy team; and thematic curriculum work with history and geography using music and instruments from around the world (their world music programmes is looking to being more linked to these areas as well). The service also provides consultancy on arts education and curriculum to schools at no additional cost, contributing to school improvement and collaborative intervention for development of the arts in schools. The Arts Council is keen for the service to continue applying for funding from them, outside of the core education grant, in order to continue to expand their offer.

3.2 Contribution to wider outcomes

The OFR Group noted that whilst the Service's main contribution was to assist children and young people in reaching their potential in settings and schools, the service also made some contribution to the Council's other outcomes – these are explored further in Appendix A. However, it is worth noting the contribution of the Music Therapy services provided by Cambridgeshire Music to outcomes for older people and people with disabilities. The service provides music therapy to people with Alzheimer's and Dementia as well as people with physical disabilities, learning disabilities and sensory impairment. These services are charged for or funded through specific grants, not through the Service's core funding. Currently fewer people access these services due to a lack of subsidies.

3.3 Opportunities to maximise the service's commitment to Council outcomes

The OFR group's work highlighted a number of potential opportunities for the service to make a wider contribution towards Council outcomes:

1. Targeted work

Cambridgeshire Music could engage in more targeted work that focuses on accessing more parts of the community, for example older people or people with disabilities. This could include greater intergenerational work, more community focused work, or diversifying the current remit of the service to cover areas such as dance and drama. Most of the current programmes are targeted at children due to the nature of the Arts Council funding. Targeted work would likely require additional financial investment, from either within the Council or external funding sources.

2. Further funding for therapies and other activities

Therapies are currently only accessible to a small number of people due to the costs of the service. With additional funding support it may be possible to expand the service's reach. The Hub has also recently set up a charity that may allow it access greater funding (in terms of charitable grants) for this area.

3. Joined up working across services

Cambridgeshire Music may be able to do more work if there was more joined up working across Council services, particularly in the areas of adult and children's social care, and health services. There is potential for the service to make joint offers to customers with services such as outdoor education. Having previously used the Grafham Water centre to offer joint up programs for schools or other providers, the service could move back into this area with sufficient support for both services. The service would look for more joined up work if they had access to residential spaces, offering integrated courses with a mixture of different areas.

Cambridgeshire Music may benefit from having greater links with internal services such as the Schools Intervention Service and relevant members of the Peoples and Communities team.

4. Expanding into new areas

There are opportunities to build partnerships with other local organisations and businesses, or amateur or local professional film makers, subject to investment.

5. Bursary Scheme

The service historically provided a bursary scheme for pupils who were unable to pay for lessons, to increase take-up from groups who have less access to opportunities. If additional funding were identified this could be used to reintroduce an enhanced support scheme for under-represented groups than is possible within current business models.

6. Scaling up

There is an opportunity to scale up some of the events and programmes run by the service. In particular Cambridgeshire Music Live 2019 could be spread across county borders, in particular joining with Norfolk and Peterborough. Youth Music has also provided the service with additional funding for youth inclusion during 2017/18.

7. Digital and 'blended' learning

A key priority for the service has been to develop its digital offer and develop 'blended learning' opportunities, that mix digital and 'in person' musical education. The service envisions tuition and performance opportunities reaching more children and young people by enabling them to learn individually from resources available online, supported by tuition, which could be provided remotely – trials have included provision of tuition via Skype.

This is a key area of potential development for the service's future contribution towards the Council's outcomes. Commercial and Investment Committee and the Children and Young People Committee have agreed to form a representative panel drawn from the two committees to review Cambridgeshire Music's strategy and specifically its proposals related to digital music. The Panel will make recommendations to the Commercial and Investment Committee on the future direction of the service.

4.0 STRUCTURE AND FINANCIAL ARRANGEMENTS

Cambridgeshire Music is based within the Learning Directorate within People and Communities in Cambridgeshire County Council. Operating with a zero budget, it is required to generate sufficient income to cover its total costs. Unlike other 'traded' services, the service has a non-profit model, traditionally aiming to break even, rather than generate a surplus. The service operates from its own premises in Huntingdon, which are rented from the Council.

4.1 Hub Board Structure

Cambridgeshire Music has a separate 'Hub Board' to oversee activity supported by Arts Council England. The Council delegates defined advisory and recommendation-making powers to the Hub Board but retains overall responsibility and accountability for decisions on activity and operational matters. The Board comprises representatives drawn from the key music education sectors influencing music education in the county with additional co-opted support as required.

Representatives are drawn from:

- Lead Partner - County Councillor (Member) representation x 2
- Head of Service from the Learning Directorate, County Council
- Cambridgeshire Music (CM)
- Primary schools

- Secondary schools
- Special schools/Alternative school provision
- National Portfolio Organisations
- Bridge Organisation
- Diocesan Board of Education
- Independent School sector
- Sixth form/FE/HE Education
- Local Music Education Organisations

An Arts Council of England representative occasionally attends Board meetings as advised as an observer.

4.2 Service structure

Cambridgeshire Music employs over 80 staff and manages many of its own support services; however the Council does provide a range of 'back office' functions on behalf of the service, including finance, human resources, and recruitment. Cambridgeshire Music pays for these services from its revenue budget. In 2016/17, these payments were:

HR Support	£3,318.09
Invoice Processing	£543
Insurance	£1,808.17
Telephony Recharge	£7,296
Rates	£17,727.70
TOTAL	£30,692.96

The service moved to new premises in Huntingdon during 2016/17. The service was previously based at Papworth under an agreement that no rent was payable, but the service paid for maintenance and other work on the building itself. This agreement has so far continued for the service's Mayfield Road headquarters, with the estimated cost of work to date being around £35k to £40k. This arrangement is under review and an agreement on future property charges to be paid by the service will be confirmed by April 2018.

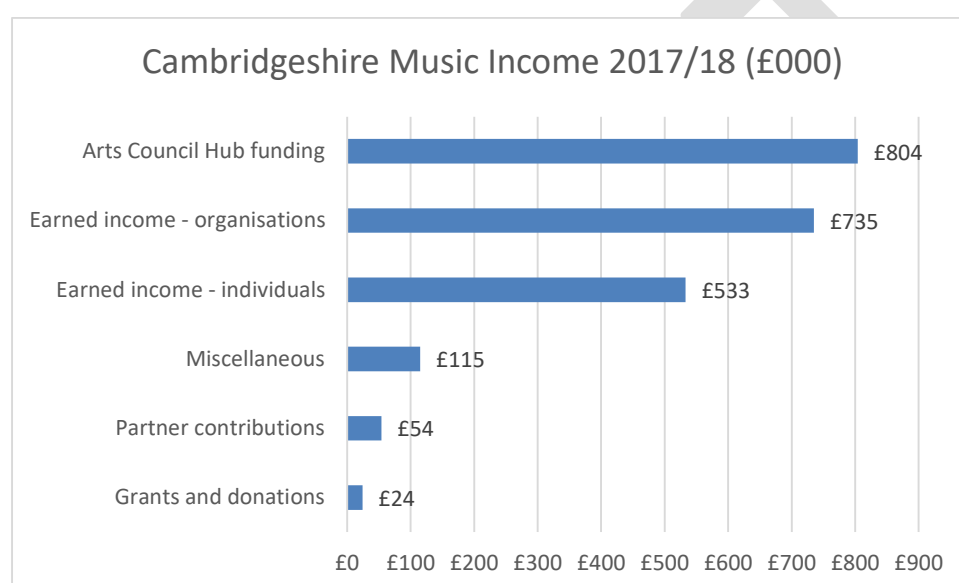
Unlike many traded services, who rely solely on income generated from the services that they provide, Cambridgeshire Music receives significant external funding from an Arts Council England Music Hub grant. This means that the conditions of the Arts Council England funding have a significant influence on the focus and direction of the service – the relationship with Arts Council England is arguably as important to the sustainability of the service as its relationship with the Council.

As well as the Council traded service, a separate but supportive charity called Cambridgeshire Culture Foundation has been developed. Collaboration with the charity may allow the service to generate further external income from trusts and foundations; as well as to develop new partnership opportunities.

4.3 Financial arrangements

Cambridgeshire Music operations are currently self-funded through three sources: the Arts Council England Music Education Hub grant; earned income; and other small project grants.

The annual turnover of the service is in the region of £1.8m. Around £800k of this originates from Arts Council England, to make music education accessible to all young people. The remainder of the budget comes from earned income made up of parental contributions, schools, other organisations and individuals who purchase goods and services from Cambridgeshire Music. Project grants are sourced mostly from public funders such as Arts Council England, Youth Music and Cambridgeshire School Improvement Board (CSIB).



Cambridgeshire Music budgeted income 2017/18.

As a large portion of the service's funding comes from the Arts Council England on behalf of the Department for Education, this could create a risk to the sustainability of the service, if the funding were to be withdrawn at short notice.

This risk is considered to be minimal in the short to medium term (up to five years) given indications from both the Arts Council and central Government of a continued commitment to Music Education Hubs. It is anticipated that a future change in policy would be consulted on in advance, and would lead to a phased withdrawal of funding. This would allow the service and wider authority to plan for the change. Some form of financial support for music education provided by these types of services has been provided for decades and it is unlikely that a change in support would not be linked to a revised mechanism for funding this type of provision.

The service should continue to look for income in addition to its core Music Education Hub funding; the Service is already mindful of this and it is reflected in Cambridgeshire Music's business plan.

Cambridgeshire Music's earned income comes from a range of services provided to individuals and schools. A large part of Cambridgeshire Music's offer is access to instrumental and singing lessons. Schools are charged £36 per hour, individuals are charged £12 per 20 minute lesson (£6 per 20 or 30 minutes lesson for small group lessons depending on size). Pupils can also borrow instruments for £28 per term. Schools can also book curriculum music at primary and secondary level at £53 per hour which supports students towards earning their Arts Award. There are a range of primary specialist packages available to cover from singing to orchestral ensembles, these are available from £31 to £57 per hour for a term. Schools can also opt to offer large group lessons on rarer instruments; the cost to schools for this is £28 per 30 minutes booked termly including provision of the instrument. The service then suggests that schools can recover the costs of this service by charging £2.80 per pupil per session. Out of schools ensembles are available for a range of levels starting from £35 per term.

In recent years the service has managed its work within budget; in 2014/15 and 2015/16 the service returned a small contribution to the local authority of £27,627 and £38,799 respectively. Since 2016/17, the service has had an agreement with the Council that allows it to build its own reserves by keeping the first £80k of any surplus it achieves through its operations. This was intended to allow the service to generate funding for the CREATE project.

In its Strategic Plan, the service has identified funding development as a priority – with an aim of increasing income from private sources, via three main methods - setting up a charity, using expertise to work with partners project by project, and getting direct sponsorship.

4.4 Current working relationship between Cambridgeshire Music and Cambridgeshire County Council: considerations

- Whilst the service does not receive core funding from the Council, its status does afford some protection against the cashflow challenges experienced by many independent arts organisations. The burden of risk from any overspend lies with the Council (as with any other Council service). Cambridgeshire Music has greater autonomy than many other internal services, which allows it the freedom to engage with stakeholders that would not traditionally work with the Council.
- Equally, there may be a degree of added credibility that the service has as a part of the Council, when dealing with partners. The Council is a relatively low risk stakeholder for outside services and organisations to engage with and invest in. The Council has extensive links with schools across a range of services and know the market well; and can identify future areas of opportunity across a broad set of services. This knowledge can then be utilised by the service to enhance their opportunities and offer. Staff are employed by Cambridgeshire Music on County Council Terms and Conditions. As such, the Local Government Pension

Scheme is attractive when Cambridgeshire Music is drawing in new employees, and there is stability in the employer structure with Council backing. Additionally the Council can offer training and development which may not be available to those that are self-employed. However, the cost of these Terms and Conditions is built into the service's overall price to schools. As many schools now engage with self-employed tutors, competing for business is becoming more challenging as the self-employed tutors' rates do not need to reflect this.

- For the wider Council, Cambridgeshire Music provides the opportunity to access relevant knowledge around music and other performing arts education. As the specialists in their field, this allows the Council to draw down information when needed and research into new areas where desired. The service also provides a degree of educational knowledge to the Council's internal teams. The service is able to plan and engage in regional activities on behalf of the Council, using their own network of contacts. In particular, they are able to help develop the Council brand by engaging in public relations and offering communications opportunities – although as noted above it was felt that there are more opportunities currently being missed. For customers and beneficiaries, the service encourages the view that the authority provides an ongoing, trustworthy service.

4.5 Relationship with support services

The service broadly feels that the relationship with support services works well, however it has experienced some frustrations around recruitment which are directly related to the Council's processes and procedures – most notably a delay in recruiting to new or existing posts created by the Council's recruitment processes. The service has recently been given more autonomy around recruitment to address capacity issues; and the introduction of Peoples and Communities recruitment and support advisers should also aid in this area if the proposed business plan is passed. Monitoring will be needed to ensure the system is now working at the pace required for the service.

There is a less-well developed working relationship with some other support services in the Council. In particular, communications are managed very separately from the Council's Corporate Communications Service. Currently the service develops its own publicity surrounding its own events and activities. It also informs CCC's Corporate Communications Team of approaches made to media as these are made, or sometimes retrospectively following coverage. Cambridgeshire Music felt that its information could be used more widely by the Council or amplified through greater access to the Council's social media channels. However, the Corporate Communications Team felt that often the service did not sufficiently acknowledge the involvement of the Council. This can make it challenging to the corporate team, which has a remit to promote Council activities first and foremost.

4.6 Commercial opportunities

The service is structured primarily to deliver a social return and be cost neutral to the local authority – and does not currently seek to generate a commercial return. On that basis, the service does not currently generate sufficient surplus to create a financial return for the Council. If Members wanted the service to act more commercially, there are some areas that could be explored:

- Cambridgeshire Music could consider increasing the charges for its services or opportunities to develop more explicitly commercial services. If the service wanted to increase its trading surplus there could be opportunities to expand some of its current activities in therapies, and expand across other arts education such as dance and performing arts. However, arts therapies, dance and performing arts activities currently require subsidy. Currently high demand for arts therapies is unable to be met due the high costs of the activity, which cannot be afforded by all beneficiaries. This would need some initial investment and it may be difficult to estimate the return. The service could explore charging more for lessons, instrument hire, or targeted events. However, the service is already undercut by self-employed music teachers operating within some schools. . The Arts Council also requires Music Education Hubs to be available and affordable to all, as part of this the service reviews its pricing annually. Raising costs or charging for additional service will cause the service to see a loss of uptake; this has been observed in the past under similar changes.
- Further income could be sought through introducing further charges to schools. However, with schools currently facing pressure on their own budgets, the service has already seen some schools reduce purchases. The ability to offer a holistic music service at the same price as employing individual music teachers is the main attraction for schools, which is the service's main customer segment. There could be further opportunities from expanding services further to schools outside of Cambridgeshire. However, the Arts Council expects Music Education Hubs to operate within their own areas unless they are working in partnership with another Hub. Cambridgeshire Music could use this as an opportunity to expand their partnership working with hubs and other organisations across the region, and further afield.
- Advertising music lessons to a wider audience, including adults, could increase customer base, however this again could be faced with constraints, given that the service's teaching staff are operating at capacity. To take on further customers the service would need to employ additional staff; this cost could not be subsidised by grant funding.

4.7 Alternate Delivery Models

Nationally the majority of services have remained in local authority control. Arts Council England advised that at August 2016, there were five main structures for hub governance:

Model	No. of hubs
Local authority	96
Independent trust	15

Other company / organisation structure	8
Other (not specified)	4
Total	123

The OFR group conducted some limited analysis of publicly available performance data to identify whether there was a difference in performance between different models of governance. Based on a limited sample:

- Independent trusts appear to generate more alternative income; and in particular they receive a greater percentage of their income from parental contributions (39.2%, compared to a national average of 16.8%).
- Analysis shows no significant difference in efficiency based on administrative costs as a percentage of total expenditure
- There is no significant difference in the number of schools engaged with based on hub structure.

Externalising the service into an alternate delivery vehicle may increase the grant funding opportunities available to the service in some situations. However, the service has established an independent but supportive charity, which is intended to apply for funding opportunities not available to the Council. This will improve the opportunity for collaborative work to realise additional funding. There are potentially other benefits of externalisation into a charity with regard to operating processes and structures and potential growth but these benefits need to be offset against the security and benefits to the Council of a high profile, well respected music service and hub within its own structure.

4.8 Summary

The OFR group agreed that on balance the current relationship between the service and wider Council works well. Both Cambridgeshire Music and the wider Council benefit from the current structure – for Cambridgeshire Music, they are separate enough from the Council to have their own reputation and yet maintain close links, making the most of the opportunities afforded by that link. The Council benefits from a contribution towards its outcomes; and the service meets its own costs without core funding.

5.0 SERVICE IMPACT AND REACH

5.1 School and pupil engagement

In reviewing engagement with schools, the group drew on engagement and service reach data held by the service. Much of this data is reported annually to the Arts Council and can be compared to data from other Music Education Hubs.

Cambridgeshire Music does some engagement with all Cambridgeshire schools each year in delivery of its core Music Education Hub role; this compares to a national average of 87.9%.

During 2016/17, Cambridgeshire Music provided or supported individual singing or instrumental lessons to 3,789 people; 4.6% of pupils – this compared to a national average of 1.9% of pupils. The service provided small and large group lessons to a smaller number of pupils than average – 1.2% in total, compared to 4.8% nationally.

Cambridgeshire Music supported more pupils to engage with musical ensembles than the national average – during 2016/17, Cambridgeshire Music supported 14 ensembles, engaging 4,743 pupils. This equates to 5.7% of Cambridgeshire pupils, compared to a national average of 4.3%.

5.2 Audience Spectrum

Cambridgeshire Music has commissioned an 'Audience Spectrum' report to explore its reach across the county. By reviewing the postcodes of participants or attendees of Cambridgeshire Music activity, the report uses 'Mosaic profiling' to draw conclusions about the overall reach of the service. The report suggests: Cambridgeshire Music is reaching more people who are relatively knowledgeable and connected to artistic activity; for example, those already playing musical instruments and understanding of the world of music performance. More 'family-oriented' profiles are strongly represented; as are groups which place a high value on children and young people's educational and personal advancement.

Lower engaged groups are consistently lower engaged for all artistic organisations for reasons including wider educational, cultural or socio-economic factors. They will need to be brought in through specific activities and initiatives. The spread of participants geographically is fairly well-distributed throughout the county with a slightly more urban/suburban basis than rural. The 'cold' spots tend to match the lower engaged and less wealthy socio-economic groups.

Overall, the research suggests that the service's reach reflects the population of the Cambridgeshire area. However, the audience base includes some higher engaged and wealthier groups and these could be considered for fundraising campaigns; Cambridgeshire Music has reflected this aim in its Business Plan. Finally, given that the report notes that there is lower engagement of some groups; and that these tend to match the lower engaged and less wealthy socio-economic groups, the service should continue to consider how it is offering opportunities to all pupils and consider how to target activity at under-represented groups.

5.3 Case Studies

1. Music Therapy with a gentleman with dementia: 'E'.

I began work with E believing that music therapy could make a contribution to improving his quality of life by enhancing interactions and ways of relating available to him. When I started working with him, his speech was confused but he was able to follow the flow of a conversation. As the year went on, his comprehension and interactions reduced. To enhance interactions with E, I encouraged him to use his skill as a musician (he is a clarinettist) and help him to interact musically, where words were not so important.

E sometimes had music therapy sessions with his wife, also a musician. At first, he was unable to play the clarinet but he began to make some sound and play parts of his favourite Italian arias ("Oh Mio Babbino Caro"). As time progressed, his wife played the piano with him ("Abide with Me") and sometimes sang as he played ("Oh Danny Boy"), which encouraged him to play a wider range of notes. By using musical jokes such as sudden surprising sounds or 'cheeky' trills he was able to share humour in a way that he could not do verbally.

E began to recognise the simple chord structure of our 'hello' song which meant that he could improvise with me. Often we improvised freely together which, on one occasion brought about a soulful and melancholy interaction, which seemed to substitute for verbal conversation in its apparent feeling and content. Occasionally I verbalized what I thought he might want to say.

E's retained musical ability meant that he was able to communicate in a way that he no longer could by using language and he was able to continue to have meaningful interactions.

2. Music Factory student progress

When L joined The Music Factory he was very unsettled, he appeared to have little sense of self-esteem. He seemed to find it difficult to engage with the other students and was exhibiting signs of anxiety and was rather disruptive. (Finding it hard to settle) He told me he had ADHD and was always getting into trouble in class.

He worked on an Adelle song with another student and we noticed that he had a very good vocal range and a good memory for remembering melody and lyrics for which he was praised. He worked extremely hard all session and was clearly enjoying himself and his relationship with the other student improved dramatically.

The following week he performed the song in front of the whole group, he was brilliant and he said how much he had enjoyed the experience despite being extremely nervous about it.

L has continued to make positive improvement and is now learning to play guitar, he has a natural sense of rhythm and timing and now works well with other students in the group. He said to me that he feels much calmer and that the music has given him a sense of purpose, he also mentioned that he was not getting into trouble in class as much now and that he is finding learning in school easier.

3. Cambridgeshire Music Hub Live 2017:

Leverington Primary - Goldfield Ensemble

“All the children had an excellent time during the performance and listened really well. The story telling with music was an excellent idea for primary children. The staff also enjoyed the performance (far more than they thought they would!)”

Wheatfields Primary – Academy of Ancient Music

“The children really enjoyed the show and loved seeing and hearing the live instruments. They particularly enjoyed learning how old some of the instruments were and loved the demonstration on the French Horn. They liked the fact that the group engaged the audience and loved the bits where the children could take part such as the conducting. They also enjoyed the joke elements such as playing back to back.”

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APPENDIX A: Contribution to wider outcomes

Whilst the service's main contribution is to children and young people reaching their potential in settings and schools, the OFR group noted the following contributions to other Council outcomes:

1. Older people live well independently

The service provides music therapy to people with Alzheimer's and Dementia etc. (they base their assessment of older people on health rather than age). Currently there are fewer older people accessing their services due to a lack of subsidies.

2. People with disabilities live well independently

Music therapy is also available to people with a range of disabilities and the structure of the service is that it is accessible to anyone. The service has previously done workshops with people with Autism and deaf people (funded through grants). They also provide specialist instruments that are adapted for people with disabilities.

3. People at risk of harm are kept safe

The service has safeguarding structures in place and works with young people who are disengaged. They also support mental health work through their music and drama therapy programmes.

4. People lead a healthy lifestyle

There is a link between enjoyment and health, people who are involved in music have higher levels of happiness and are therefore more likely to be healthier. Additionally music is a physical activity, requiring stamina and building lung capacity.

5. The Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents

The service brings investment into Cambridgeshire through its national grant allocation. As part of the links the service has to the Council it is seen as a fairly secure and safe place to invest, and has a leverage ratio of 1.71 to 1. The service also works in partnership with other hubs, for example its collaboration with Hertfordshire and Essex Hubs (Music Net East) is raising funds for work to support young people at risk of being Not in Education, Employment or Training (NEET) and the service is developing links with the National Citizenship Service scheme via the Youth Support Service.

6. People live in a safe environment

The service helps to create resilient communities by helping to make people more culturally connected and producing a sense of shared identity. The service has looked in the past at working with offenders and is considering this again for the future. They also offer open days at their building in Huntingdon along with community workshops and activities to create a greater link with the community.

ICT Service OFR

1. Background of the service

The ICT Service has a staff set of over 60. They offer the following ICT services to schools:

- ICT equipment, installations and upgrades
- Technical advice and support
- Training and consultancy for the curriculum and management information systems
- The ICT Service helpline
- E-safety
- Managed services such as centrally hosted SIMS and email
- ICT in school building projects

The service is driven by a commitment to education as the team believe that ICT can make a significant difference to children's learning and wellbeing and that it is business-critical for schools. The team has a strong belief that Britain's future depends upon the development of citizens who are creative, confident and responsible users of technology. The service sees these objectives as linking to the following outcomes: People with disabilities live well independently, adults and children at risk of harm are kept safe and places that work with children help them reach their potential.

2. Progress of the review

A workshop was held between the ICT Service, Finance, HR, Communications and the Transformation Team. The group talked through the Business Model Canvas for the team as it currently stands and a number of key lines of enquiry were also highlighted. These included, issues around procurement, HR and invoicing as well as queries around different business models, customers and services available.

It was apparent during the early part of this review that there could be greater potential should this OFR be re-scoped to include all ICT Services within the Council, including the IT & Digital Team and LGSS IT, rather than reviewing them separately as per the original plan. None of these services have been reviewed together in recent years and there are some cross overs between the three teams where shared learning, staff, resources and purchasing could be applied.

There are emerging indications that the ICT service has a worsening financial outlook going into 2018/19. Although this would need to be addressed by the service regardless of the OFR, any potential deficit will be further investigated and mitigating actions brought forward.

Therefore, the review team proposed focusing efforts on stabilising the current situation and reshaping of the OFR to include all ICT Services. It is anticipated that the newly shaped review will start by mid-February 2018.

3. Procurement issues

Although the main review is currently on hold, it is relevant to note that the current procurement rules result in the service not being able to buy goods effectively and therefore, sometimes losing business as a result. These issues include the process for purchasing taking too long and being too costly for the customer. These issues could also apply to the other IT based services within CCC. The issues will continue to be explored further, for the ICT service alone and also in conjunction with the re-scoped OFR. A few potential solutions have already been identified, some of which would require changes to the procurement process for the ICT Service. They are as follows:

- 1) A bespoke exemption process based on different criteria and with commitment to quick turnaround could be created for the ICT service or all traded services. The criteria for the exemption could focus on whether any financial risk to CCC exists – i.e. if the procurement is only for a guaranteed re-sell to a named school at a named price then as part of a specific bid for work – then it should always be approved as there is no value for money risk to CCC
- 2) A bespoke set of procedures agreed permanently (or for a given period). Changes for traded services might include:
 - Changing the threshold at which the mini-tender requirement kicks in
 - Replacing the required mini-tender process with a different way for oversight to happen of bigger expenditure, for example getting 3 quotes and Procurement involved in all decisions.
 - Agreement to consider each piece of work for each school separately – rather than thinking about likely total spend over 4 years across the whole organisation – principle based on viewing it as ‘the school’s procurement’ not CCC’s
- 3) Other solutions not requiring changes to the Council’s procedural rules include:
 - Asking schools to procure themselves
 - Influencing the decisions of schools around the equipment they request

If after further investigation the first two options above prove to still be included as recommended options then a full paper detailing the issues and proposed solutions will be brought back to the Commercial and Investments Committee for approval.

4. Next steps

The Committee is asked to endorse this approach. Updates on the re-scoped ICT OFR will be reported to the most appropriate committee.

Outdoor Centres Outcome Focused Review

1.0 Purpose

Members and SMT have asked the Transformation Service to help the organisation to deliver a series of Outcome Focused Reviews. These reviews are an opportunity for us to have a deep look at what we do, why we do it, and how we do it. The outcomes are being used as a focus for these reviews so that we can look at our organisation in a way that is broader than just considering each service in turn.

We are focusing on looking at what we do from the perspective of our citizens with a view to designing what we do from the outside-in. This will enable us to harness the opportunities that are presented to us from working differently, seeing ourselves as part of the Cambridgeshire system and working with others to improve what we do.

It was agreed by SMT that Outdoor Centres would be included in the first phase of reviews. This discovery phase of the OFR must answer the overall questions of how current activities and delivery impact on the organisation's Outcomes and Strategic Themes, and whether there is potential for greater impact by taking a holistic view.

1.1. Outdoor OFR Approach

A series of workshops, one to one and small group meetings have been held with the three outdoor centres, corporate colleagues and Cllr Bywater who all provided current professional expertise and advice. Further desk-based research and feedback from current and booked customers has been used to inform the recommendations. This research has included a brief look into the marketplace, types of competitor models, locations, capacity and approach, and more in depth analyses of financial, and current performance of the centres.

This review was the first to commence and therefore much learning and iteration has taken place. The learning will need to inform not only Phase 3 of this review but provide insight to the commencement of other OFRs.

There has been some time constraints of the review group due to their day to day operational demands. Consideration will need to be given as to how the correct group of staff are allocated and resource the next phase.

2.0 Background of Centres

Cambridgeshire Outdoors is the umbrella name for the internal partnership of three distinct CCC managed services that operate three outdoor leaning centres: Burwell House, Grafham Water Centre (GWC) and Cambridgeshire Environmental Education Service (CEES) at Stibbington Centre. The location of the three centres is detailed on the map below.



The three quality accredited centres each have their own unique style and offering of both day and residential outdoor learning experiences, predominantly child and schools focussed, led by highly qualified, experienced and motivated staff.

The three services currently sit within the People & Communities (P&C) directorate as non-statutory CCC services.

2.1. Burwell House

Burwell House is a grand 18th Century house situated in three acres of gardens, providing numerous opportunities for learning and exploration. Purchased by the council in 1964 and opened a year later, the Centre provides sole residential occupancy for up to 56 young people with 9 accompanying adults across a total of 11 bedrooms. It offers a wide range of outdoor activities across the curriculum, including environmental science, geography, history and art, and indoor activity sessions in its craft room. Burwell House also has a professionally equipped TV studio in which groups can film scripts that they have developed in school prior to the visit – a cross curricular literacy / teambuilding / computing experience.

2.2. Grafham Water Centre

GWC was purpose built in 1969 and provides residential occupancy for up to 130 young people with accompanying adults over two main accommodation areas. GWC can also provide basic facilities for up to 300 campers with separate showers and toilets, as well as accommodation for 24 staff. The centre is fully accessible to disabled users with a hoisting system to bedrooms and specialised disabled bathroom facilities. The centre also has five conference rooms, accommodating from 15 to 100 attendees. It is located on the shores of Grafham Water, England's third largest reservoir. The Centre is set in ten acres of grounds - partly owned by CCC and partly leased from Anglian Water - and provides the ideal setting for adventurous activities such as high ropes, orienteering, paddlesports, climbing, sailing, raft building, mountain biking, problem solving and archery.

The Centre undertook a large scale redevelopment in 2011 with a loan of £1.34m. Loan repayments from the service commenced in 2011 for a period of 25 years.

2.3. Stibbington Centre

Set in an acre of imaginatively designed grounds, the Stibbington Centre consists of an original Victorian school building developed for specialist educational day visits, and beside it, a purpose-built Residential Environmental Education Centre, housed in the Terrapin building, which was opened by the County Council in 1988. This provides sole residential occupancy for up to 34 young people with 4 accompanying adults, and has easy access to a variety of sites of environmental interest. A wide range of activities can be tailored to support many subjects across the curriculum. An award winning Eco-Centre, and main base of CEES, Stibbington's ethos encourages residential visitors to learn about sustainable lifestyles during their stay. Stibbington's day classroom within the Victorian school building is equipped for re-enactments of Victorian times or for a World War Two evacuation experience, accommodating up to 68 visitors per day.

3.0 Value Proposition

The three Outdoor Centres have a complementary value proposition:

Outdoor learning experiences and residential provide the opportunity for exploration and discovery, developing a sense of wonder and investigation and helping to cultivate skills of resilience, independence and self-awareness. Through taking part in a wide range of high quality outdoor activities, people develop meaningful and positive relationships with others and the environment around them.

Currently children are at the core of delivery and should remain at the heart. Although, through children and young people, their families, their communities and the wider society, there is opportunity for greater integration with targeted groups. This value proposition stands the test of current customer groups and potential new customers/users.

Whilst each individual Centre has its own characteristics, there are a number of strengths common to all:

- Wide range of high quality outdoor learning activities available at each site
- Highly skilled, passionate and committed Centre staff teams
- Accessible locations with good road networks (as shown on the map above)
- Reputation for delivering high quality services with consistent positive feedback from customers.

Key Activities that should be offered to support the Cambridgeshire Outdoor Value Proposition

- Provide inclusive outdoor opportunities for children and young people through residential, day experiences, in community and in school learning
- Provide expertise, advice and training for teachers and leaders to enable their delivery of excellent outdoor learning
- Enable families, individuals and communities to take part in high quality activities and events which promote community cohesion and healthy active lifestyles
- Maintain a range of outdoor activities that are sustainable, accessible and affordable to a range of user groups

- Enable the wider private sector and business community to use facilities to support their own development as well as the wider community
- Engage, prepare and train a varied workforce including future leaders, volunteers and isolated professionals.

These activities must be commercially focussed. A portfolio of activities and customers will enable targeting and delivery to specific groups through the sale of some surplus generating products to subsidise the delivery to non-paying / targeted users. There is some current activity, such as facilitating corporate groups, which already support this approach.

4.0 Current Contribution to CCC Outcomes and Strategic Framework

Principally, the Outdoor Centres have strong and clear alignment with the following CCC outcomes and strategic framework, as evidenced hereafter:

- ***Places that work with children to help them to reach their potential***
- ***People live in a safe environment***
- ***People lead a healthy lifestyle and stay healthy for longer***
- ***Commercial strategy***

Outcome / Strategic Goal	Contribution to Outcome and Associated Research
<i>Places that work with children to help them to reach their potential</i>	<ul style="list-style-type: none"> - All centres deliver activities with a strong relationship to positive outcomes for children, and supports the curriculum and its aims. - Outdoor education and learning in natural environments promotes activities that improve life skills (teamwork, resilience, respect etc.) and are widely associated with improvements in attendance, higher achievement, and improved behaviour in schools. - School pupils participating in adventure learning make approximately three additional months' progress in terms of learning outcomes in comparison to their peers.¹ - Adventurous activities delivered at the centres (unable to be delivered at school) have a greater impact on encouraging emotional and social development of children, taking them out of their comfort zones to new experiences. - A learning away residential will encourage staff to develop positive relationships² – more informal, equal relationships between staff and students that promote students' ownership of and engagement³ with their learning
<i>People live in a safe environment</i>	<ul style="list-style-type: none"> - Children are educated to appreciate and understand the environment and their impact upon it. This is then passed onto their peers and families. - Young people are doing activities which promote risk management strategies.

¹ <http://publications.naturalengland.org.uk/publication/5253709953499136?category=6502695238107136>.

² <http://learningaway.org.uk/impact/learning-experience/relationships/>.

³ <http://learningaway.org.uk/impact/learner-engagement/engagement/>.

	- There is a clear correlation between activities delivered in natural environments to social capital and sense of belonging and community ⁴ .
<i>People lead a healthy lifestyle and stay healthy for longer</i>	<ul style="list-style-type: none"> - Outdoor centres deliver a range of dynamic activities to suit all needs and include every participant. - Clear benefits to be gained from engaging in outdoor activities and experiences on physical and mental health and wellbeing.⁵ Whilst savings are linked to NHS this is a positive impact for the Cambridgeshire system. This could also look at targeting overweight children, sedentary population. - Sport England Research shows young people taken take part in more outdoor activities support their parents to become more active. - Sports Minister, Tracy Crouch: <i>“investment in leisure not only can reduce the burden on more expensive budgets but it also builds and bonds communities, and helps tackle social problems, hidden or otherwise, that can quietly eat away at the core of society until it is too late”</i>.
<i>Commercial strategy</i>	The Outdoor Centres are ‘traded services’ and all generate income to cover operational costs through a wide range of activity. Each centre has a surplus income target contributing to CCC achieving a balanced budget.

It is also understood that there are some contributions the Outdoor Centres have to additional CCC outcomes, such as helping people with disabilities live well independently, however these are not fully exploited due to the current focus on children and young people, in addition to capacity and financial challenges. There may be potential for greater impact and involvement with older people or targeted groups (see Appendix 1 for a full list).

The Review group feel that the current contribution to outcomes should remain and any increase in activity be to enhance their impact or commercial efficacy.

It has become very clear how these services currently contribute to outcomes and the general wellbeing and development of those accessing the sites – from provision of curriculum/acumen based development through to life skills. There is further opportunity to maintain this impact whilst enabling cost reductions, better usage of capacity and potential new users accessing the sites.

5.0 Current Performance of the Centres

5.1. Customers / Users

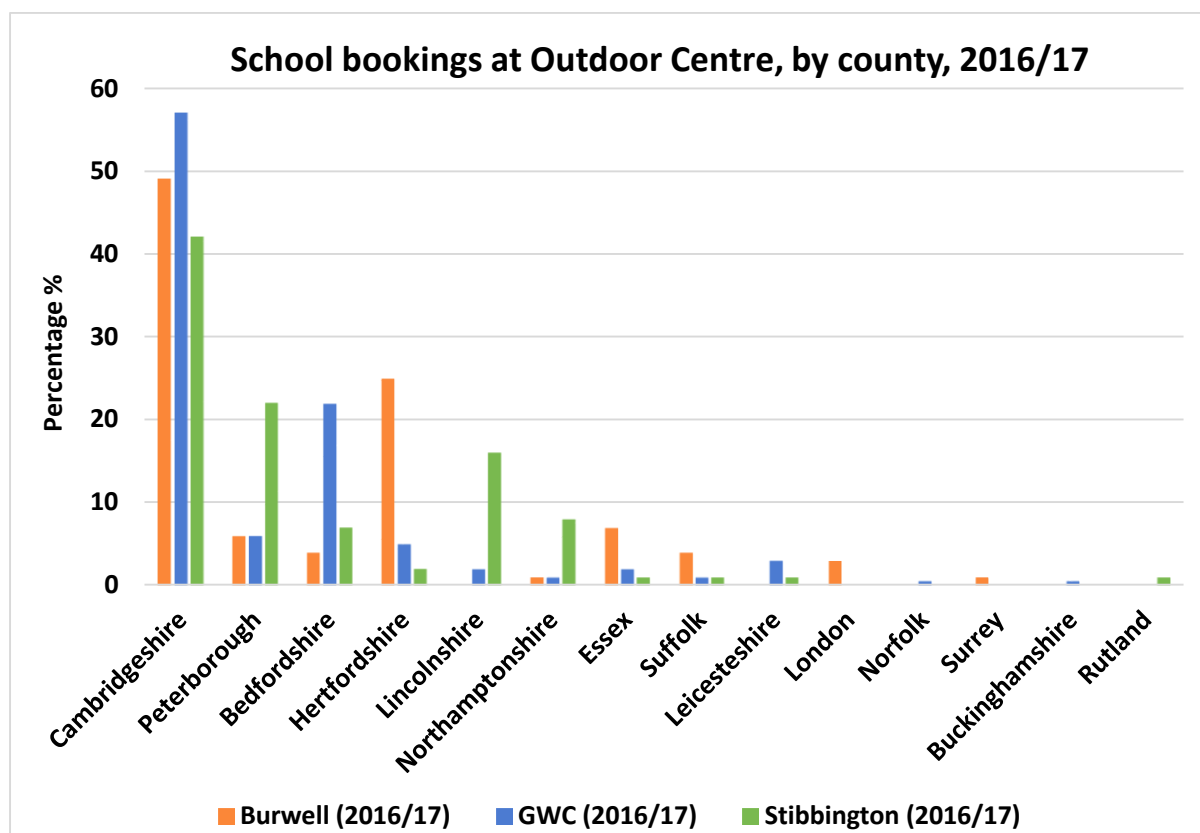
Between 80% and 90% of all Outdoor Centre customers across all three sites are schools (or booked via the relationship with schools). On average 50% of school customers are located within Cambridgeshire (60% in total including Peterborough - a key market for Stibbington) with the rest of schools travelling to the centres from

⁴ <http://publications.naturalengland.org.uk/publication/5253709953499136?category=6502695238107136>.

⁵ <http://publications.naturalengland.org.uk/publication/5748047200387072>.

out of county. All three centres mainly accommodate primary schools with a breakdown of the location of school groups is provided in the chart below.

Note: The secondary school market represents a very small part of the overall numbers of customers using the centres.



In total over 27,000 pupils from 437 schools benefitted from the activities and resources delivered at the centres in 2016/17 of which 222 were Cambridgeshire schools, as shown below.

	Number of Cambridgeshire schools	Total number of all schools	Total number all pupils
Burwell	50	92	3,364
GWC	115	210	15,658 ⁶
Stibbington	57	135	8,500

On average, residential school visitors travel from within a 1.5 hour radius of the three centres. Some customer feedback has indicated the need for close proximity to a child's school or home for their first residential. Such feedback also includes indications that some customers prefer a small, more enclosed site; whereas others enjoy being co-located and sharing with other groups across a larger space. More in-

⁶ The number of residential school and day school groups – youth groups (1,131) – NCS (180)

depth customer engagement and feedback is required to inform future location, activities and marketing.

There is some thought currently that the schools marketplace is yet to reach full maturity nationally and other providers are still expanding. Particularly the building and expansion of new schools may enable greater usage, as well as a concerted effort in the secondary school / post 16 markets.

Other centre customers include:

- youth and adult groups
- targeted vulnerable groups (Looked After Children (LAC), Young Carers groups, Youth Offending Service (YOS))
- private residential bookings
- corporate hire.

Understanding more about corporate customer segments beyond the schools market place could help deliver key income streams to help sustain the outdoor centres to continue deliver outcomes to all children from all backgrounds.

5.2. Customer Feedback

All centres receive regular feedback that indicates a general high standard of satisfaction (feedback from teachers is rated as Good and Outstanding more than 80% of times across the three collectively, and individually some centres are receiving 100%). Pupil feedback is also high, with over 90% of children rating the following as changing “a lot or quite a lot” following their stay: *“the Centre staff helped us to learn; we had to look after each other; I learned how to work in a team; I helped my group to solve problems”*. Further details are in Appendix 2.

Schools book some two to three years in advance to secure their residential experiences therefore satisfaction is high to re-book so quickly and frequently.

Some of the lowest ranked feedback for at least two sites includes physical aspects of the properties indicating that investment is required. Outdoor learning is a competitive market and children and parent’s standards are high. Therefore significant investment may be required to ensure that the outdoor centres continue to be competitive, attractive and offer a range of activities that are educational and challenging but also exciting and sustainable.

In Phase 3 more engagement with customers who no longer use the sites or have never used will allow further assessments to be made about suitability of the centres.

5.3. Finances

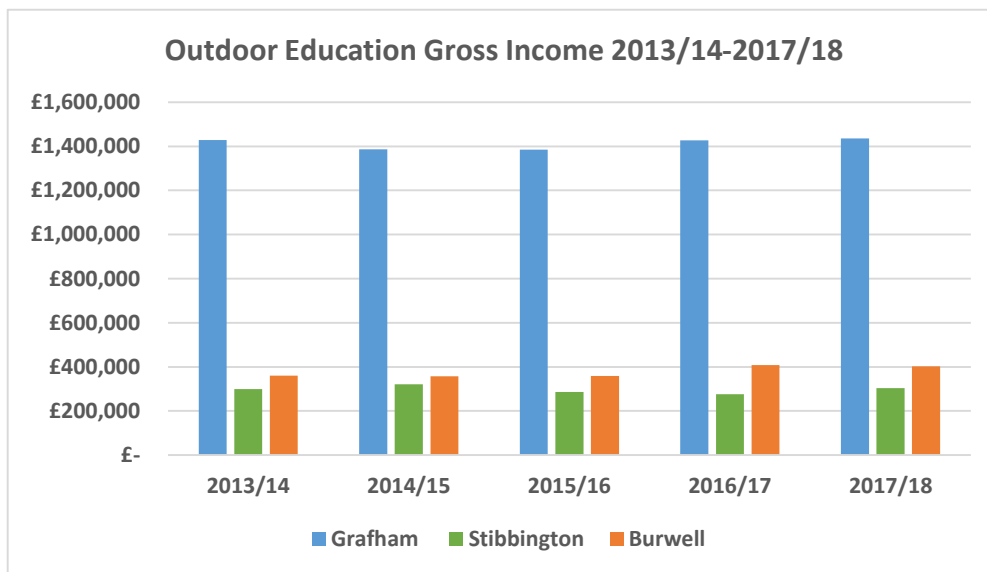
The Centres are required to recover directly attributable costs and generate a small surplus.

They contribute towards shared back-office costs and pay other direct costs such as LGSS processing, HR, utilities, small scale décor and maintenance, etc. but do not currently have all overhead costs reflected (such as contribution to management structures, corporate services, etc.). This is standard for most income generating

services and something to consider as a wider analysis for providing mechanisms to enable income generating services to operate and achieve greater commercialism.

£	Burwell	Grafham	Stibbington	Total
Staffing and Delivery (Direct) Costs	£352,764	£1,288,999	£265,469	£1,907,232
Property and back-office (Indirect) Costs	£27,512	£111,963	£19,522	£158,997
Loan Repayment	£5,357	£96,882	n/a	£102,239
2017/18 pressure		(£103,515)*		(£103,515)
Income Turnover	(£402,636)	(£1,436,440)	(£303,000)	(£2,142,076)
Surplus Target	(£17,003)	(£42,111)	(£18,009)	(£77,123)
Net surplus margin	4.2%	2.9%	5.9%	3.6%
2017/18 Forecast Outturn	(£17,003)	(£61,404)	(£9,009)	(£35,392)
Performance against target	Target achieved	£103,515 Under recovered	£9,000 Under recovered	£112,515 Under recovered
3-5 year forecast projections	Assumed average of 2% increase relating to increase in sales and pricing. However, expenditure has a similar profile.	Assumed average of 3% increase in income due to price increases which equates to approximately £50k each year. GWC Schools prices are at the top end of the market. Average of 2% increase in expenditure in current model.	Assumed an average increase of 3% in line with inflation on income and expenditure.	
Commentary	Income analysis: School residential is 71% School Day Visits 1%	GWC undertook extensive build works to increase capacity. This was funded partly from	Income analysis: School residential courses is 59%	

	<p>Non-school 28% (conferences, weekend bookings).</p>	<p>grants and fundraising, a five year CCC internal loan and a 25 year prudential loan. The service are currently in year 7 of repayment to CCC with this year's being £96k.</p> <p>Income analysis: school and youth residential is 67% youth day is 13%, Non-school 20% (conferences, targeted groups, community groups)</p> <p>GWC is reporting an under recovery largely due to factors beyond its control; an increased income target, increased staffing costs due to Pension and NI, trouble in recruiting catering staff and subsequent restructure to address this issue.</p>	<p>School day activities is 26% Non-school (conferences, weekend bookings) 15%</p> <p>CEES has had to develop a new management structure over the last 18 months. Potential developments for future growth are being identified and realised.</p> <p>Stibbington Centre Greener Future Trust was established in 2002. Investment of over £43k from private company donations.</p>	
Pricing	<p>Each Centre sets own prices but typically adopt a seasonal pricing strategy reflecting lower demand from schools during winter months.</p>			

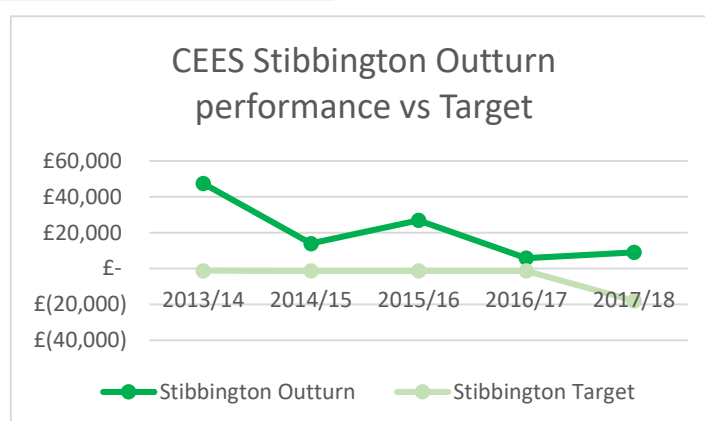
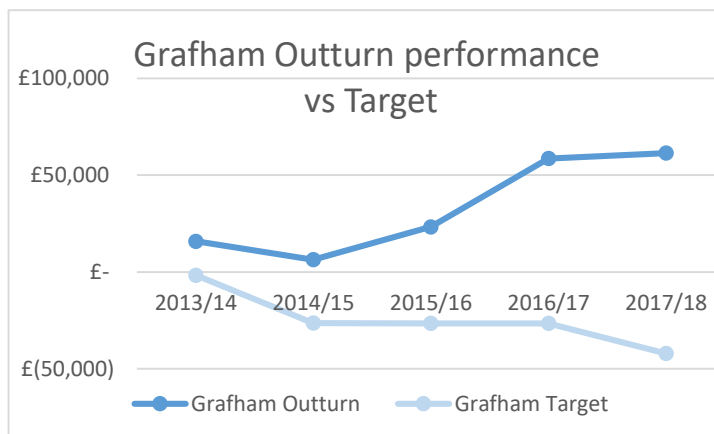
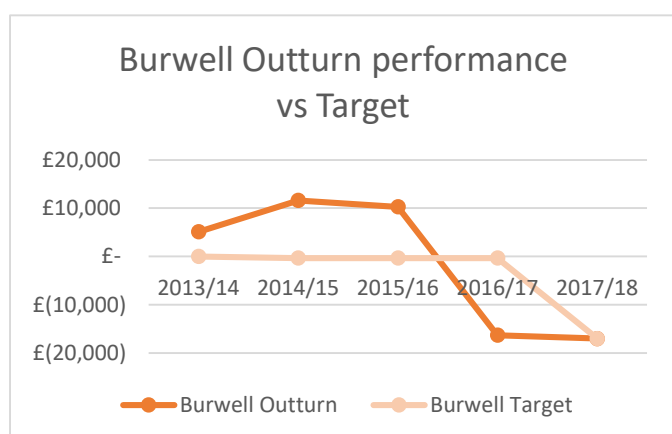
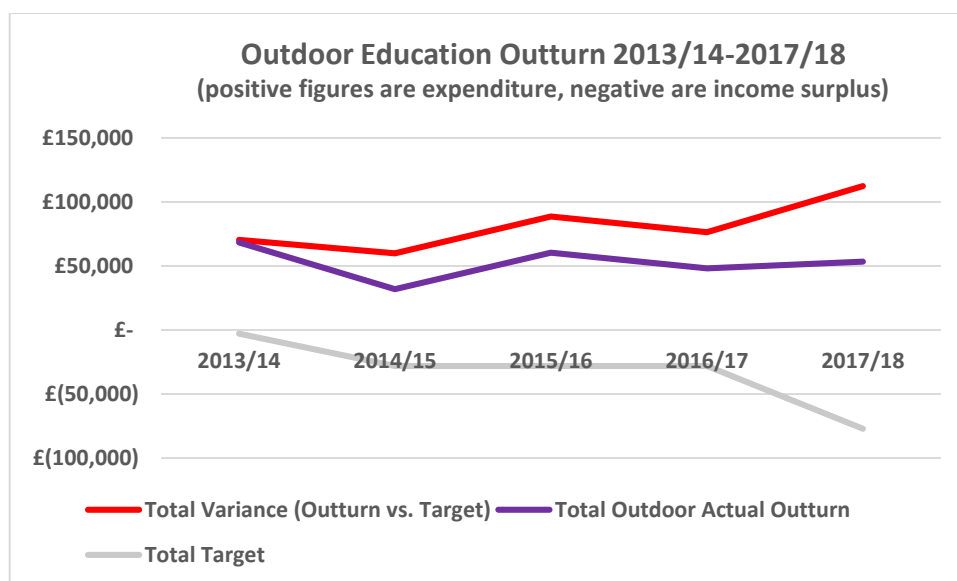


In 2017/2018 an income target of £50k was agreed with the Outdoor Centres. This income target was the first time that the group of centres had been collective tasked to work together, to achieve a specific target. This came with some associated challenges by way of support and planning to ensure this could be met and achieved. Ultimately we are now seeing an indication that the centres need support in achieving these new financial targets.

It is apparent that the financial targets set in recent years have been done so without significant support to the services to identify how these targets could be reached. In addition, Grafham Water Centre are required to repay a business loan that was based on a weak business case, and as a consequence the position has worsened.

Further modelling and support in Phase 3 is required to understand how to fully overturn this financial position.

Gross Income and Outturn for the Centres are detailed below - note that 2017/18 figures are estimated and budgeted amounts.



5.4. Properties

The three Outdoor Centres are CCC owned properties, corporately managed by the Facilities Management (FM) and Strategic Assets. All centres have recently been subject to an independent property condition survey as directed by FM which assessed the condition of the buildings with estimated costs given for maintenance and repair recommended to upkeep the buildings over the next 9 years. The estimated costs are at Appendix 3.

It was clear from the condition surveys that there is need for maintenance across all three sites. However, the cost of this work has been challenged by all Head of Centres and the lead member who argue that there are some inaccuracies in the reports. Equally some maintenance work can be carried out at much lower cost than identified as has been achieved at the Centres recently, or may not actually be required if plans for the centres changed (for example, repairing the flat roof at GWC will not be necessary if the plan is to replace/extend the dining room etc., thus costs will vary). Since the capital works undertaken between 2008 and 2010, there has been no reinvestment into GWC, and the temporary Terrapin building used for accommodation in Stibbington is past its original lifespan, is dated and tired, despite temporary planning permission approvals being granted in its current state. Whilst there needs to be a rolling programme of maintenance and improvement is in place for the buildings, there will need to be some individual conversations to understand and challenge some of the details within the reports from independent contractors.

This needs to be fully scoped with the service in the design stage of the OFR process. However, the Centre Managers with their knowledge of current conditions plus the information from the surveys have collated some initial estimates of the investment required:

Outdoor Centre	2018 - 2021	Future – to be assessed in Phase 3	Notes
Burwell House	£72,200	£115,400	The commissioned report did not make any reference to the office building – partly a portakabin with temporary planning permission, and partly an inefficient and poor condition wooden lean-to. Replacement for these buildings has previously been on a council MTSP, but it has been removed from such a plan, and no further replacement plan formulated. There may also be a potential opportunity for expansion of the residential provision, or creation of an additional facility at the Centre through redevelopment of the on-site caretaker's bungalow, currently in good use, but with the potential for alternatives to be investigated.
GWC	£425,000	TBA	The report has attached some high costs to the ongoing maintenance of the workshop and mobile classroom, to the

			tune of £97k. Both these facilities are not fit for purpose so it seems illogical to keep maintaining them.
Stibbington	£90,200	TBA	Recent condition survey indicates a replacement for the current temporary building could be circa £1.3m. Stibbington Centre Greener Future Trust would support and be involved in fundraising/grant finding activity towards a new building.
Total	£587,400	Expected to be over £1m based on condition survey and need to replace temp buildings	The figures do not include any major build works to increase numbers of bedrooms, buildings or sites.

There are some restrictions on the types of usage and groups at Grafham Water Centre. The lease agreement states that the Centre be used 'as a training centre for educational groups and for such other purposes as are usually connect therewith'. However there is a positive relationship with Anglian Water and they have recently approved use of adjacent land to build some overnight sleeping shelters. Anglian Water are keen to attract more recreational visitors to the area so any change to the service or customer base which supports this may well be viewed positively.

Burwell House has a number of trees subject to Tree Preservation Orders.

No further covenants on the centres that restrict the use of the buildings, and therefore options to increase the offer of functions at these venues could bring in an increased income. This will require significant investment, but could contribute to the surplus target.

Longer-term work will need to be undertaken in the design phase of the OFR to fully evaluate the best location and offer for Cambridgeshire Outdoors, which may include operating from all three sites as is, a different offer from one or two of the centres, or a completely new centre elsewhere in the county. This feasibility work will take into account a range of factors to ensure sustainability of the model, to maximise outcomes to residents but also financially.

5.5. Capacity

Each centre has its own pricing structure, but all have seasonal pricing which is higher at peak times such as the summer term. This does try to ensure that there are customers occupying the three centres throughout the year to maximise capacity usage and income.

Each manager operates with relative autonomy to decide the best capacity usage at their centres. There are some variations in the approach to accepting / seeking bookings outside of term-time, in evenings or at weekends as the Centres have not previously needed to operate consistently and are managed separately to achieve their own specific targets. There are also tiered cost structures in place to reflect popularity and help fill the centres at quieter periods, but it is believed more could be explored in phase 3 of the OFR process.

It must be noted that 100% capacity is not attainable. The Centres must be able to be maintained and so may limit full 24/7 operation as well as the centres needing to manage the capacity of staffing models, equipment and kit, as well as ensuring health and safety. For example, a centre may have 60 beds available but the mix of male / female may not allow for the dorm rooms to be fully occupied. Further, there is a maximum capacity on all resources and activities to ensure safety at all time, for example a maximum number of boats are allowed on the lake at any one time, or there are only a certain number of children allowed to use the TV studio.

5.6. Staffing

Each Centre operates as an independent service with the Head of Centres designing their own staffing model, different terms and conditions and capacity. There is disparity across the Centres that has created some challenge in developing a collaborative service and as it currently stands it is difficult to share resources and expertise.

This is widely due to the spread of the sites (although not to detract from the benefits the current locations may have on attracting a range of out of county customers), absence of common strategic purpose and the variation in size and requirements at each centre. There are a range of roles such as housekeepers, caterers, instructors, teachers and managers.

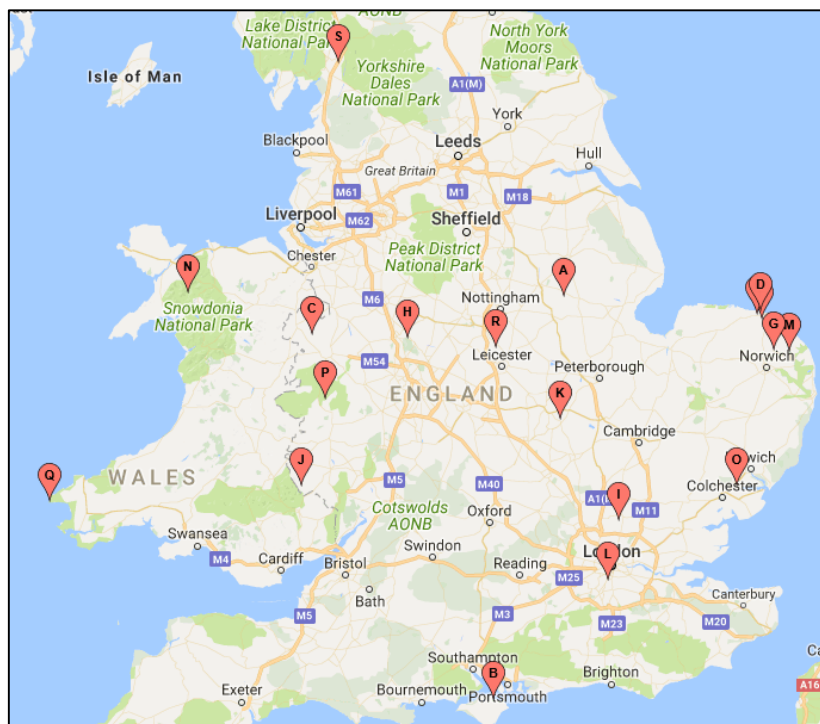
5.7. Marketplace

There are a number of additional residential Outdoor Centres operating in the counties bordering Cambridgeshire, with the closest being just 21 miles away; Frontier Centre in Higham Ferrers. The map below details the three Cambridgeshire Outdoor Centres in blue, with other Outdoor Centres in the Eastern region offering a residential offer highlighted in red.

It is noted that not all of these Outdoor Centres attract Cambridgeshire schools, with 12 of these centres not used by any schools in Cambridgeshire in the past 3 years. It is therefore a consideration that not all of these centres may be offering identical or attractive products, or even have capacity for new customers, and therefore may not be classed as direct competition. That said, it is noted that 57 Cambridgeshire schools used 9 of these Outdoor Centres in the past year (with the most popular noted as Hilltop Outdoor Centre in Norfolk, and PGL in Lincolnshire) and therefore work in phase 3 will research what customers want to ensure that Cambridgeshire Outdoors remains competitive.



The below map shows the other locations across the UK that Cambridgeshire Schools, primary and secondary, visit for outdoor activity. Typically schools visit a centre due to either having an established relationship with a centre or if the centre has particular access to a resource (e.g. forest, beach, sea, specific group support).



All of these centres have competitive offers and it is important that more work is committed into understanding the market. Marketing is a key aspect of ensuring that potential customers are kept up to date. A concerted effort to improve marketing and be open to adapting will help secure Cambridgeshire Outdoors further shares of the market to use any spare capacity.

Many Outdoor Centre models across the UK are increasingly changing into one service that operates across multiple locations. Some models are arm's length or alternate models, whilst some continue to be run within the local authority. Further work is required to understand how Cambridgeshire Outdoors may best function.

6.0 Risks

There are three main areas of risk for this review:

Staffing – any future development and increase of contribution – whether outcome focussed or financial – will most likely mean a change to the staffing model. Current staff and acumen may reduce in performance during any period of change.

Customers – any changes in staffing models or the approach of the wider organisation could have some impact on customers. The Centres are operating in a competitive marketplace so changes need to be managed well to ensure day to day operations and experiences are still of quality.

Financial – the centres require investment in the physical property to maintain current customer levels and enable increases. The recent condition surveys do not completely reflect the nature of Outdoor Centres and so investing in maintenance schedules rather than larger more future-proofed plans will be inefficient. Additionally, the services need to make full use of capacity and commercial acumen in order to achieve a financial return on any investment employed. There may be further financial risks around increased centres currently adhering to CCC terms and conditions and the potential impact of 2018-19 pay increases. Also associated risks around pricing sensitivities, and the speed at which the centres can adjust their pricing policies.

Property – a lack of maintenance and investment of the properties may mean relatively urgent health and safety related issues are undelivered. If the centres become dangerous and have to stop delivering elements of their current offers then customers will not rebook, leading to a bigger financial issue.

7.0 Findings

The Centres currently achieve clear contribution and impact to CCC outcomes. The core delivery is children and young people focussed and enables those users to learn necessary life skills whilst developing personal resilience and appreciation of the wider community. The delivery clearly meets the curriculum across multiple subjects and outdoor and adventure activities in Key Stages 1-4, and gives young people the ability to apply subject knowledge in real world context. Further, the Centres enables participants a chance to not only appreciate the environment, but understand the environment and their place in it.

The benefits of Outdoor Learning could further support other CCC outcomes or be used for specific purposes – including for example family work or responding to the private sector training or facilitation needs, however the capacity to do this needs to be analysed.

The Centres largely recover costs but separation into three distinct services means there are similarities in management and back-office activities and roles. It is clear there are opportunities for further collaboration to increase access and

opportunities for all, bringing efficiencies to create further income revenues, in addition to achieving cost reductions.

Current operations have limited ability to achieve current financial targets in future years (£77,123 surplus) and are unlikely to contribute to the 2018/19 £500k additional traded services income target without some redesign.

Each Head of Centre has expressed concern with lack of coherent strategic leadership and direction creating some uncertainty in future direction.

Capacity usage of the locations is different and increased usage of some of the sites may be possible.

There are some links to other outdoor / alternate place based activities – such as Forest Schools, Duke of Edinburgh award, National Citizen Service, and the Outdoor Education Advisory service – and consideration needs to be given as to how these links are extended or maintained.

Each Centre requires some monetary investment to maintain the current level of condition of its site and buildings. Whilst the potential exists to increase usage and maximise capacity, further investment will be needed to improve the facilities.

Other Local Authority (LA) Outdoor Centre models have or are increasingly changing into one service that operates across multiple locations. Some models are arm's length / alternate models.

These services, alongside other income generating services, have some difficulty using and delivering within some internal authority policies, processes and systems due to the lack of specific commercially focussed policies and mechanisms.

7.1 Head of Centres' Views

As it stands all three Centres operate independently, with separate budgets, different staffing structures and a variety of approaches to business operations. There are some inefficiencies in terms of marketing, staffing and commercial viability. Furthermore it creates a confusing message to the school customer base. A clear picture is yet to be established of what an outdoor learning journey in Cambridgeshire should look like and where teachers and leaders need to go for support in delivering this to their young people.

Head of Centres feel that a more collaborative approach to working would offer a range of outdoor learning services that were more accessible and inclusive to all young people of Cambridgeshire. A partnership approach would create efficiencies across the service therefore possibly driving down costs and / or increasing revenue, ensuring a more accessible offering is available for those targeted groups of young people. A clear outdoor learning route would be created to support teachers and leaders in developing high quality outdoor learning programmes, but also increase the commercial activity of the services.

8.0 Conclusion

It is apparent that clear strategic direction and management capacity is needed to enable greater efficiencies and contribution.

Shared operations are most likely to achieve and garner the greatest efficiencies and opportunities, this is most likely to be enabled through the more formal collaboration and merger of the three services into one service operating over a number of sites. It is noted that current contribution and impact on principal outcomes should continue and be added to, not reduced.

Although more detailed design modelling needs to take place it is becoming apparent that there are opportunities for growth and possible cost reductions (staffing models and joining of back-office activities) and increased income (increased usage of capacity and sale of products to the private sector to subsidise other activities).

The centres are in need of some investment to continue in their current guise – as investigated via condition surveys. Further, if more capacity is to be used or more customers gained, further investment is needed to future proof and sustain the services. Current operations have limited ability to achieve current financial targets in future years (the current surplus target is £77k) and are unlikely to contribute to the 2018/19 £500k additional traded services income target without some redesign and collaboration.

Current estimated return on investment profile:

	Investment	Return / Year
Review	Transformation resource plus potential consultant expert	Cost reductions and increase of income in 2019/20
Property	Estimated £587k to 2021 as per Centre Manager amended condition surveys	Current surplus target of £77k per year would mean a full return achieved in year 2025. A 7.5 year return However other LA models indicate an average annual total surplus of £100k is achievable. Therefore a £100k target from 19/20 may enable full return by year 2024, a six year return.

This Review must improve this profile. This will be achieved through the following recommendation.

9.0 Recommendation

It is recommended that this OFR will move to the phase 3 design stage to investigate and model a one service operation.

This recommendation heavily relies upon a number of sub considerations:

- This design to be focused on greater collaboration of the centres and the option being that of one service operating multi-site. Without detailing how this option is governed, designed and operated we assume that there will be impact on:
 - staffing models (types of staff, T&Cs, capacity) which are likely to require a consultation early in 2018/19)
 - locations (analysis of locations and resources needed, investment to maintain, investment to future proof)
 - potential change/increase in activities and customers
 - ensuring maximum usage of site, resource, activity, staff capacities.
- Investment will be made available
- Confirmation that current contribution and impact on outcomes should continue and be added to not removed
- Strategic management be reviewed at pace which may result in a two-step staffing consultation process
- Outdoor Centre hierarchical line management be moved to the new Environmental and Commercial Services from 1st February
- Likelihood that financial 2018/19 targets (both the current overall surplus target of £77k plus contribution to the new £500k traded services target) will not be achieved but actions to be undertaken at pace to ensure 2019/20 financial benefit
- Consideration of the use of Centres for delivery of additional CCC activities (fostering, respite, family work)
- A decision during the design phase to be made as to whether the review widen to include other outdoor related and complementary activities/ services
- Further engagement with users needed
- Further engagement with experts and/or reviews of other models across the country to inform.

A full list of both short and long-term recommendations are detailed in Appendix 4.

Appendix 1: Contribution to Further Outcomes

Cambridgeshire Outdoors enables benefits to be felt to by wider residents and communities. There is further potential for the future growth as the nature of public services adapts to suit a changing demographic, something that can be explored further in the design phase of the OFR process.

Contributions to other CCC outcomes:

Outcome / Strategic Goal	Contribution to Outcome and Associated Research
<i>Older people live well independently</i>	<ul style="list-style-type: none"> - Outdoor Centres create an environment for older people to meet in and visit with families. - Older people regularly work as volunteers and trustees for CEES. - Over 65's less likely to use natural environments for physical activity, however, growing evidence suggests a positive correlation between older adults finding well-being and maintenance of skills through physical activity in outdoor contexts.⁷
<i>People with disabilities live well independently</i>	<ul style="list-style-type: none"> - GWC is fully accessible for people with disabilities. It provides weekly programmes and day bookings to Community Support Services, Sense, Kick and Hunts Youth Centre. 550 Adults and Young People with emotional and physical needs access the centre through these programmes. Activities focus on gaining confidence, resilience and developing positive relationships with others. - It provides residential experiences to 7 special needs and secondary schools and clubs delivering programmes to 190 young people. (Churchill School, Upside Down, Highfield, Spring Common, Phoenix, Samuel Pepys School, St Peters School). - It hosts two annual programmes to the BURNS Charity who focus on supporting Young People affected by burns to live positive independent lives. 137 young people and adults access this residential programme. - Most school groups that visit GWC have a wheelchair user or a number of their students classed as ADHD or Autistic and require 1-1 supervision. GWC is used as it is fully accessible and encourages integration and cooperation with colleagues. - GWC site houses and supports the RYA Sailability organisation which provides sailing opportunities for adults with disabilities. - It is open three days a week. - Others: <ul style="list-style-type: none"> • Mrs X's group, August 2017, 9 guests • NCS 23 in 2017

⁷ <https://www.outdoor-learning.org/Portals/0/IOL%20Documents/JAEOL/Ageing%20adventure%20and%20the%20outdoors%20issues%20contexts%20perspectives%20and%20learning.pdf?ver=2017-01-31-124715-377>.

	<ul style="list-style-type: none"> • Hinchingsbrooke Diabetics, August 2017, 8 Guests plus adults • Harbour School (day group) July 2017 26 in group plus leaders • Romsey Mill (day group) August 2017 18 guests plus leaders • Woolgrove school (day group) March 2017 12 guests plus leaders • Private tuition for a lady with hearing difficulties who needed an assistance dog (3 sessions) • Totals nearly 100 extra visitors. <p>- The downstairs of Burwell House is fully accessible, and includes one room which can be utilised as accessible bedroom accommodation, and a fully accessible hygiene suite; CEES is all on one level so therefore accessible for wheelchair users. Special schools regularly use the centre for day visits. Annually 11 groups of disabled people using GWC as a residential centre.</p> <p>- Disabled groups are less likely to use natural environments for physical activity.⁸ That said, the centres offer a range of activities to suit a range of needs.</p>
<i>Adults and children at risk of harm are kept safe</i>	<p>- All centres have a wide variety of targeted youth groups that are already supported (for example NCS, LAC, Youth Offending Service).</p> <p>- Promotion of positive risk taking to support people to know how to remain safe and teachers are supported to understand their students better when they are taken out of the classroom environment.</p> <p>- Limited evidence suggests that learning in natural environments may be of particular benefit to specific groups such as children suffering mental distress, those with low self-perceived social and personal skills, children on the autistic spectrum and those with other special needs.⁹</p>
<i>The Cambridgeshire economy prospers to the benefit of all residents</i>	<p>- Developing apprenticeships and traineeships are supported within the centres, particularly GWC.</p> <p>- Teacher training being supported on site at CEES.</p> <p>- Local people and contractors are employed at the centres, and local services and suppliers are used.</p>

⁸ <http://publications.naturalengland.org.uk/publication/6719816098906112>.

⁹ <http://publications.naturalengland.org.uk/publication/5253709953499136?category=6502695238107136>.

Appendix 2: Schools Feedback

All Centres collate online feedback from their schools, including both teachers¹⁰ and pupils. These will be reviewed fully as part of phase 3. A summary is provided below.

Burwell

- Teacher feedback
 - Highest (rated Outstanding or Good 100% of the time)
 - Grounds/garden/site, course materials/equipment, programme design and planning, self-esteem/confidence, involvement of all pupils
 - Lowest (rated Outstanding or Good 90% of the time)
 - Support during evening
- Pupil feedback
 - *“That it is better to work as a team and not to do it all on your own. I also learnt how to think outside the box especially when we were faced with the task of crossing a muddy terrain on a pair of skis. I also learnt how to look after myself more as we had different responsibilities: we had to clean up after mealtimes. Working as a team is better than working by yourself in most activities: when you work together you can try to work out things quicker and easier.”*

GWC

- Teacher feedback
 - Highest (rated Outstanding or Good 100% of the time)
 - Self-esteem/confidence, meeting challenges (personal/social/physical/intellectual), subject knowledge of staff
 - Lowest (rated Outstanding or Good 56% of the time)
 - Contribution to literacy / SATS
- Pupil feedback
 - *“I think this was an amazing and enjoyable trip and if I had the chance to go again I definitely would! I loved my stay and the food was absolutely fantastic. I’d love to come again everything was brilliant! Thank you so much for having us. Thanks. To help each other more than we do at school. Also I learned how to work as a team. I talked more to people I don’t normally talk to. I learnt to be a good 😊 team player, to trust people and believe what they said and what they did.”*

Stibbington

- Teacher feedback
 - Highest (rated Outstanding or Good 100% of the time)
 - Helpfulness of Centre staff to your group domestic needs, quantity of food, pre-course administration, balance of activities, links to subject areas, programme design and planning, achievement of your course objectives, skill development (social/physical/intellectual), social skills/teamwork,

¹⁰ Broadly, teachers are asked to provide feedback on the administrative / domestic arrangements; the course content; course contribution to pupil progression; teaching of staff.

knowledge/understanding of subjects, subject knowledge, relationship with visiting staff, management of behaviour and safety, planning, organisation and use of time during learning activities, involvement of all pupils, inspiration to pupils, teaching methods and activities

- Lowest (rated Outstanding or Good 87% of the time)
 - Shower and toilet, contribution to literacy/numeracy/SATS
- Pupil feedback
 - *“Thank-you to all the Stibbington staff for a wonderful trip. We have learnt so much and we can't stop talking about it!”*

Appendix 3: Figures from Condition Surveys

Outdoor Centre	2018/19	Next 5 years to 2023	Next 9 years to 2027
Burwell House	£153,400	£270,000	£467,500
GWC	£239, 160	£500,456	£662,614
Stibbington Total	£38,200	£238,400	£436,000
Stibbington (School building)	£26,050	£93,650	£159,200
Stibbington (Terrapin building)	£12,150	£144,750	£276,800

Appendix 4: Draft Actions for Consideration in Phase 3

The following lists have been collated following a range of discussions in group workshops, 1:1 meetings with the Head of Centres, advice from corporate supporting teams and from the KLOEs. There has been almost the same suggestions from all managers.

There is a general keenness to create and enable greater efficiencies both in isolation as a centre and through shared operations. It is widely acknowledged that shared operations are most likely to achieve and garner the greatest efficiencies and opportunities.

Whilst any type of 'review' brings certain nervousness, all colleagues are open to change, to hear others views and to express their own – albeit some fora have allowed this to happen more openly than others.

Any actions and options listed below are to be analysed for their own merit and may link to form a package of recommendations. This analysis will be without prejudice to allow objective recommendations.

2018/19

Area	Option	Action / Analysis Required	Measures
Staffing	Review terms and conditions and capacity across all sites (note: may very well need a mix)	<ul style="list-style-type: none"> – Analyse all activities to see what acumen and skills are needed for delivery (assumes the activities remain largely the same or new can be implemented within 3 months) – Identify the full model required including staff models using volunteers, trustees, consultants, target workforce – Jo Patrickson to do objective review with a view to confirming staffing model 	<ul style="list-style-type: none"> – Staff ratios: employment and retention, developments – Incentives?
Location(s) of centre	Confirm best locale for activities and customers; potential re-site of activities to alternate locations	<ul style="list-style-type: none"> – Analyse resources needed to deliver activities – Understand which activities are best to be co-located – Confirm reasons customers attend/don't attend specific locations – Identify typical journey mileage and time for customers – Map location of repeat customers – Map location of potential customers (based on average journey) – Radial analysis of competitors 	
Capacity	Maximise usage of resource capacity	<ul style="list-style-type: none"> – Confirm maximum realistic capacity of locations – Identify current typical usage of capacity – Analyse potential usage by customer type – Identify all implications and impact of increasing usage and develop a hierarchy of usage 	

Strategic Leadership	Have a cohesive view of outdoor opportunities and lead professional acumen and consistency	<ul style="list-style-type: none"> – Linked heavily to staffing models actions – Discuss support and move to Place and Economy with Graham Hughes – Confirm success criteria for the service(s) both qualitative and financial – Create KPIs 	<ul style="list-style-type: none"> – # quality badges & attainment – # individuals accessed service (Cambridge shire centric, total, target groups) – Impact on outcomes – “Right” for every child –
Building maintenance and improvements	Confirm building works needed and gain funding to deliver	<ul style="list-style-type: none"> – Collate condition surveys and list all actions: current and not potential – Deliver the H&S / high risk items – Review opportunities linked to the ‘Location’ actions to understand whether investment worthwhile – Discuss with Members and Finance the approach to securing property related investment/capital funds – Planning permission: re-secure – Develop rolling maintenance programme - Who should maintain / pay / improve going forward? 	
New / Increased activities	Implement new or more activities for increased income	<ul style="list-style-type: none"> – Undertake Boston Matrix analysis – Analyse ‘21st century’ options and methods of delivery of current activities – need a range – Refer to Social Mobility report and identify relevant actions – Specifically consider outreach and additional place-based activities 	
New / Increased customers	Deliver to more customers for increased impact and income	<ul style="list-style-type: none"> – Design activities and understand impact if deliver the opportunities presented by KLOE 1 and 2 (links with outcomes) – Undertake Ansoff Matrix 	<ul style="list-style-type: none"> – Need to measure existing with repeat custom / OFSTED reports / customer feedback

CCC usage	User Centres for delivery of CCC activities (eg, in depth family work)	<ul style="list-style-type: none"> – Feed into a thematic discussion on best use of CCC resources 	
Financial	Review financial targets with a view to remove or reduce costs, and consider how to increase income	<ul style="list-style-type: none"> – Feed into 'Being Commercial' strategy and approach to consider financial mechanisms needed to maximise income and minimise costs – Specific review of GWC loan to confirm future payment – Model £ impact of all above actions – Model impact of price increases; analyse optimum market value – Ascertain what the maximum commercial output could be in terms of surplus 	<ul style="list-style-type: none"> – Financial target

Future – Within Five Years

Area	Option	Action / Analysis Required	
Operational delivery model(s)	Bring together into one service / Sharing operations (note: start from the 2016 Options Analysis but play in the new data)	<ul style="list-style-type: none"> – Model the three options: <ul style="list-style-type: none"> - Continuing separately - Sharing management and back-office <ul style="list-style-type: none"> ▪ Teaching resources ▪ Delivery staff ▪ Marketing and sales ▪ Administration ▪ Financial management ▪ Grant finding / fundraising ▪ Combined budget and re-charge to CCC ▪ Facility management ▪ Service and strategic management ▪ Catering and Cleaning management/operations - Full integration – Using customer, activity and location analyses, confirm the activities and 'best' location for each and feed into above models. – Consider next step option analysis of governance model and whether an Alternate Delivery Model will enable even greater impact – Understand links with NCS, Forest Schools, OEA, DofE 	

Location(s)	Have fit for purpose resources in the most inspiring and relevant locations for activity and customers	<ul style="list-style-type: none"> – Using 18/19 location analysis, design a solution that would enable the maximum impact – Consider use of all CCC owned resources – what is the best use of each location (may not be outdoor activity) – Consider use of general public / alternate place options (eg, nature reserves) – Exploit the widest catchment – Understand whether S106 or similar funding mechanisms should pay for new or co-location of environmental and outdoor activities and 'place' 	
Future proofing	Developing service and resources that get and stay ahead	<ul style="list-style-type: none"> – Identify opportunities of a more joined up CCC / PCC partnership and Combined Authority – Link with CCC Energy Action Plan to identify the new/'21st Century' needs and opportunities for environmental activities and resources 	
Customers	What do customers want?	<ul style="list-style-type: none"> – Undertake analysis to truly understand what customer want, and specifically would stop them accessing activities 	

Professional Centre Services (PCS) Outcome Focused Review

1.0 RATIONALE FOR THE OUTCOME FOCUSED REVIEW

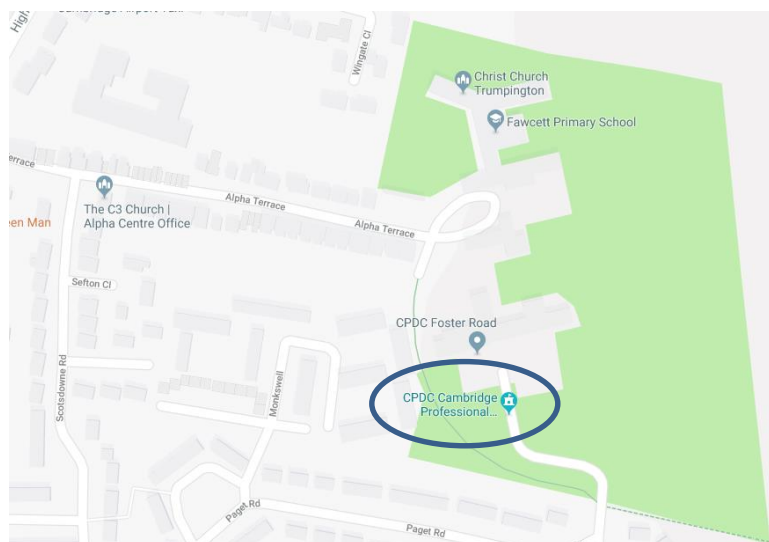
Professional Centre Services (PCS), in addition to a number of other traded services within the Learning Directorate, were put forward by for an Outcome Focused Review by the Strategic Management Team.

2.0 INTRODUCTION TO THE SERVICE – PURPOSE AND STRUCTURE

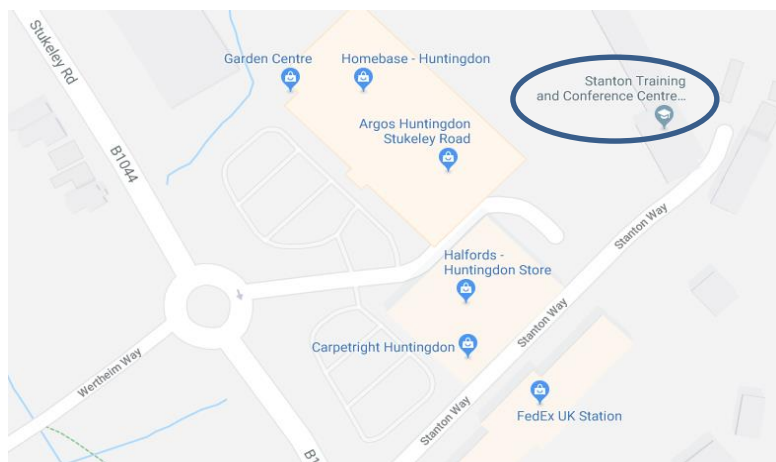
Professional Centre Services (PCS) current sit within the Learning Directorate in People and Communities. The service currently operates out of two buildings; Cambridgeshire Professional Development Centre (CPDC) in Trumpington and Stanton House in Huntingdon (see below map locations). For context CPDC is located at the heart of a residential estate, close to a school with immediate links to the M11. Stanton House is located on an industrial estate with close links to the A14.

It operates as a traded service and provides training, meeting and conference space and an events management service to CCC departments and external customers. They also provide tenancy management to some internal teams and voluntary organisations located at CPDC and Stanton House. The service has the responsibility of selling any excess room capacity to private and other public sector organisations (although in the main this is other public sector bodies) in order to bring in additional income that helps to subsidise the internal prices and works towards the overall surplus that goes back to the Directorate. They provide an essential learning environment for the workforce and in turn act as an enabler for the workforce to achieve the outcomes.

Cambridgeshire Professional Development Centre – map location



Stanton House Training Centre, Huntingdon – map location



2.1 Main activities that the service provides

The activities that PCS provides are categorised into four main distinct areas as described below. There is some potential duplication of activity with Corporate Facilities Management and other parts of the organisation that book venues. This has been identified through the Property OFR. The unique selling point for PCS is the events management and marketing aspect of their business, although the marketing activity is limited, and their ability to enact changes and repairs within very short timescales. These aspects set them apart from the Facilities Management Service provided corporately.

Activity	Description
1. Events management	<ul style="list-style-type: none"> Meeting needs of trainer, person who delivers or individual needs e.g. special requests Front desk and plasma TV welcome screen for attendees Variable size meeting rooms – facilitation / room set up / equipment for both venues Marketing of venue Admin e.g. invoicing for use of rooms etc. Catering service to customers and tenants
2. Facilities management (CPDC only)	Electric / heating / cleaning / light maintenance / decorations / carpet cleaning / grounds maintenance / caretaker for evening meetings
3. Tenancy management	Reception for tenants at CPDC, invoicing charges
4. Compliance	Health and safety / fire

Stanton House and CPDC operate two slightly different models. At CPDC, PCS has control of the whole building and have responsibility for facilities management which enables them to plan/budget for improvements /maintenance to the building and get them done in a timely manner. At Stanton House, PCS is reliant on Corporate Facilities Management (FM) to keep the building to an aesthetically pleasing standard. The reception function at Stanton House provided by PCS doesn't work particularly well as people assume the reception is for the whole building and not just the training centre.

3.0 ASSESSMENT OF THE SERVICE

3.1 How do these main activities link to the Council's outcomes?

PCS indirectly supports many of the CCC outcomes by providing some of the training and meeting facilities to support the training and development of the workforce. In addition the service continues to make a financial surplus shown in section 4.1

4.0 FINANCES

4.1 Expenditure and income from 2014 to 2018

The below table shows the expenditure and income ranging from 2014 to 2018:

Year	Expenditure	Internal Income	External Income	Final Position
2014/15	£369,625	£266,817	£147,521	-£44,713
2015/16	£379,532	£248,954	£163,110	-£32,532
2016/17	£358,426	£268,703	£150,972	-£61,249
2017/18*	£319,614	£248,900	£141,714	-£71,000
		£1,033,374	£603,317	-£209,494
*Predicted				

Year on year, PCS has returned a surplus back to the Council. From 2016 this shows a steady decrease in expenditure as internal efficiencies (such as streamlining staffing structures, spend on furniture and painting etc.) have brought down expenditure. Internal income has remained around an average of £250k.

Diagram 6: Expenditure and income from 2014 to 2018

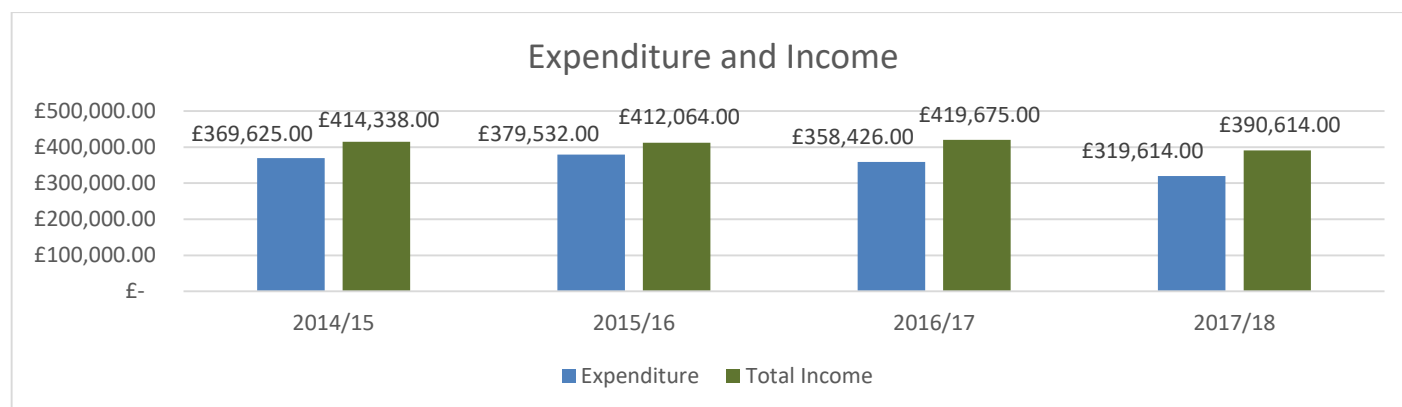
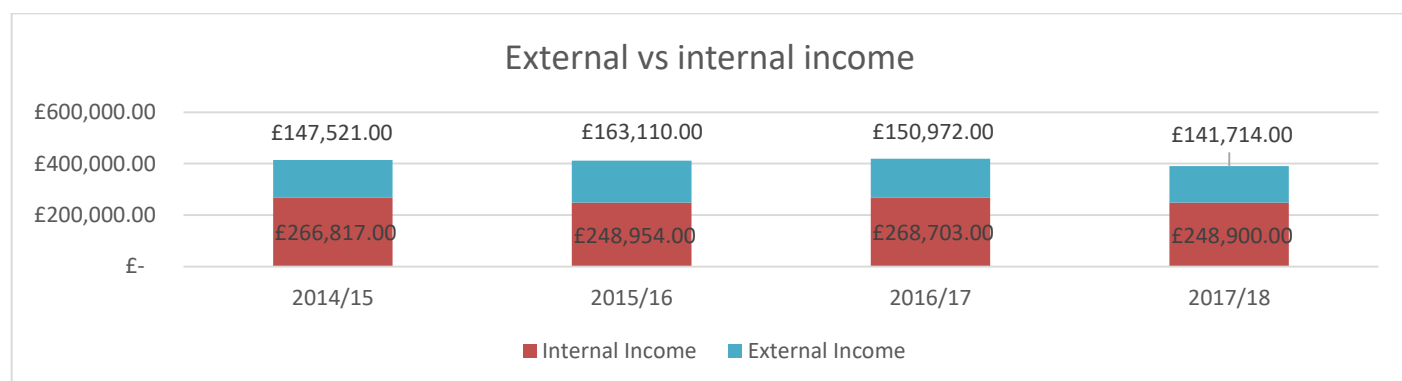


Diagram 7: External versus internal income from 2014 to 2018



5.0 CUSTOMER FEEDBACK

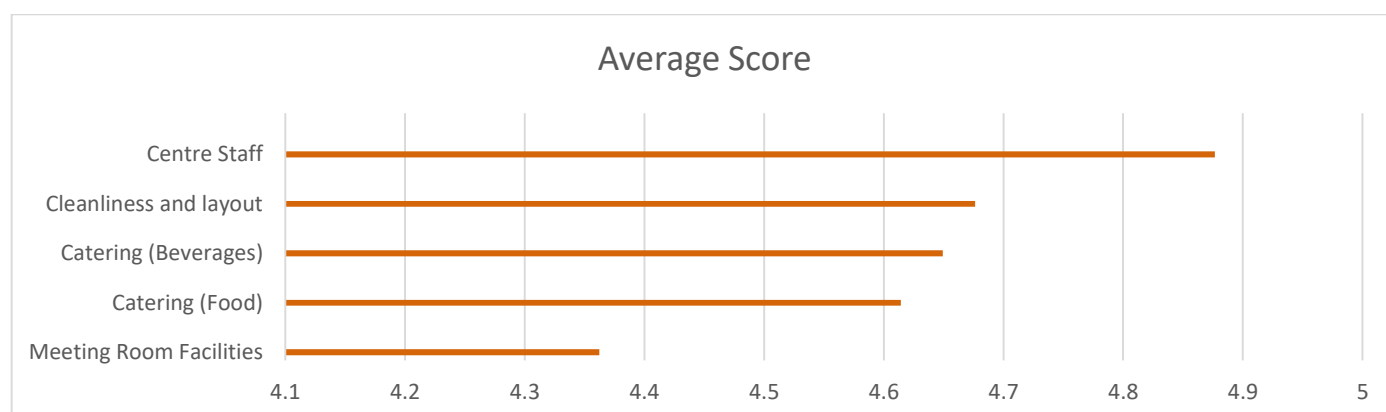
5.1 Customer feedback – Cambridgeshire Professional Development Centre (CPDC)

There is a range of customers that use both CPDC and Stanton House. Whilst the highest proportion of their business comes from internal customers, there is still a proportion that comes from external customers. PCS attracts much repeat business and this provides some indication that the market indicates that the offer is fit for purpose.

PCS provides paper feedback forms to all those that attend PCS for training, conferences etc. This process could be improved by providing a digital solution for feedback. This paper form asks for feedback in five categories (as bulleted below) and attendees are asked to score each on a 1 – 5 scale, with 5 being the highest. Feedback forms from 2016 and 2017 were analysed for CPDC (46 in total). NB: not all forms were completed fully so these results are based on the maximum possible score. 41 out of 46 respondents (89 per cent) said that they would consider using the centre again.

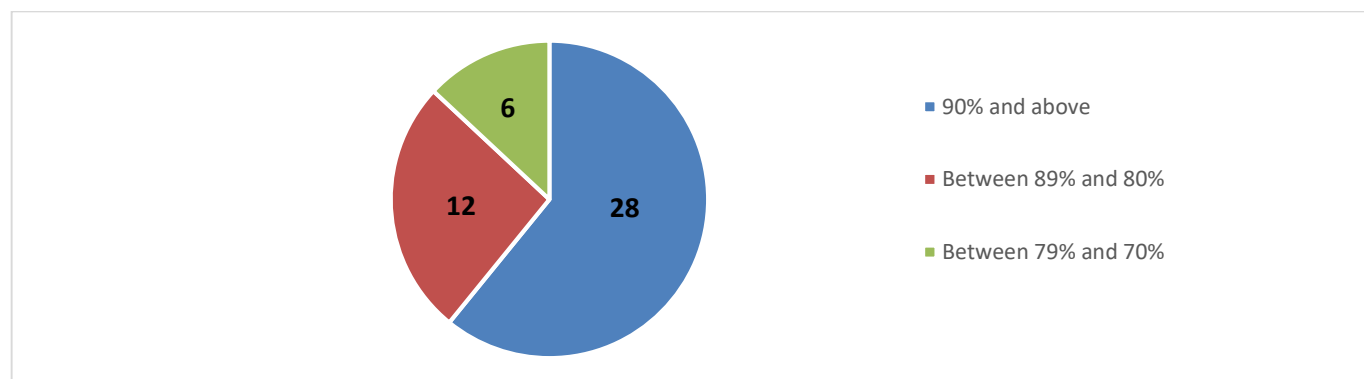
- Centre staff – this includes: service offered by reception office / helpfulness of centre staff
- Cleanliness and layout – this includes: cleanliness of room / cleanliness of toilet facilities / layout of centre
- Catering (Beverages) – this includes: service / quality / quantity
- Catering (Food) – this includes: service / quality / quantity
- Meeting room facilities – this includes: décor of the room / AV equipment / furniture / general comfort

Diagram 1: Average customer score against the five categories



This graph shows that the services offered / helpfulness of the Centre staff were rated most highly with meeting room facilities coming slightly lower down on the scale.

Diagram 2: Overall satisfaction rate



Although the sampling may be considered limited, this data shows a reasonably high satisfaction rate with the service.

5.2 Feedback from LGSS Learning and Development Team and the Learning Directorate

There are two parts of the Council that book venues at scale for training purposes. These services were asked to provide some feedback on their criteria for booking rooms, spend and feedback on both CPDC and Stanton House.

5.2.1 LGSS Learning and Development Team (Workforce Development)

The Learning and Development Team has over 800 courses a year which are open to CCC and non-CCC staff and use a number of venues to meet this requirement. In total they spent in the region of £84k on venues and refreshments, split by £51k spend internal and £33k external.

A proportion of this spend is made with CPDC and Stanton House. They have an arrangement with CPDC where they permanently hire out the Granta room just for their team use at circa £9,500k per annum. This room is predominately used for moving and handling training in which equipment is able to be stored on site and checked (hospital bed). In addition to this, they also spend a further circa £42k at Stanton House and CPDC, totalling circa £51k spend with PCS.

They report that the top three criteria they apply when looking for venues includes:

- 1) The terms of the cancellation policy
- 2) The price
- 3) Accessibility which includes parking / mobility issues and public transport links

They report that Huntingdon is a good geographic location for training as it is more accessible for people located in the Fenland area and also central with Peterborough; opportunities for joint training in the future with Peterborough City Council make Huntingdon an ideal location.

5.2.2 The Learning Directorate

The Learning Directorate provides a training programme for early years providers and childcare. They have over 200 courses per year with a total approximate spend of circa £61k in 2016/17 on venues, split by circa £8k on internal venues and circa £53k on external venues. Courses are delivered across the county; South Cambs and City (approx. 78), Huntingdonshire (approx. 72) and East Cambs and Fenland (approx. 54).

Stanton House and CPDC are expensive in comparison to other venues such as The Meadows Community Centre or the Cambridgeshire Football Association, so they tend not to book these venues very often (during 2016/17 approximately 17 courses were booked at CPDC and 28 at Stanton House). A lot of training they offer is in the evening. Stanton House and CPDC charge an additional caretaker fee for evening use so they tend to use alternative venues that are considerably cheaper.

5.2.3 Summary of comparison

Across these two Directorates alone, they are spending circa £86k per annum on external venues and circa £59k on internal venues. For context and for comparison, preliminary findings show that as an organisation we spent circa £592,000 on venues and associated costs in 2016/17, split by circa £391k externally, £175k internally and £26k is unknown. This would warrant further exploration to determine whether we are getting best value for money.

6.0 COMPETITION IN THE MARKET PLACE

CPDC and Stanton House offer a range of different rooms that vary in capacity, depending on the layout and price. Room rates include screen, TV, video, DVD, flipchart and pens.

CPDC room layout and prices

Please note the 2+ shown are 2 facilitators located at the front of the room							
Room	Layout and capacity					Prices	
	Theatre style	Horseshoe style	Cabaret/ Café style	Semi circle of chairs	Boardroom style	Half day	Full day
Boardroom	-	12	-	-	-	£75	£121
Brooke	-	-	-	-	10	£62	£95
Byron	40+2	18+2	24+2	30+2	-	£86	£147
Conference Hall	100+2	30+2	49+2	35+2	-	£147	£251
Fawcett	30+2	14+2	18+2	25+2	-	£83	£142
Hobson	30+2	14+2	18+2	25+2	-	£83	£142
Pemberton	60+2	24+2	34+2	36+2	-	£104	£177
Tennyson	15+2	12+2	12+2	15+2	-	£76	£125

Stanton House room layout and prices

Room	Layout and capacity			Prices	
	Theatre style	Boardroom style	Café style	Half day	Full day
Suite 1	60	30	30	£72	£122
Suite 2	60	30	30	£72	£122
Suite 3	30	18	16	£70	£112
Boardroom	18	18	14	£67	£107

6.1 Venue comparison

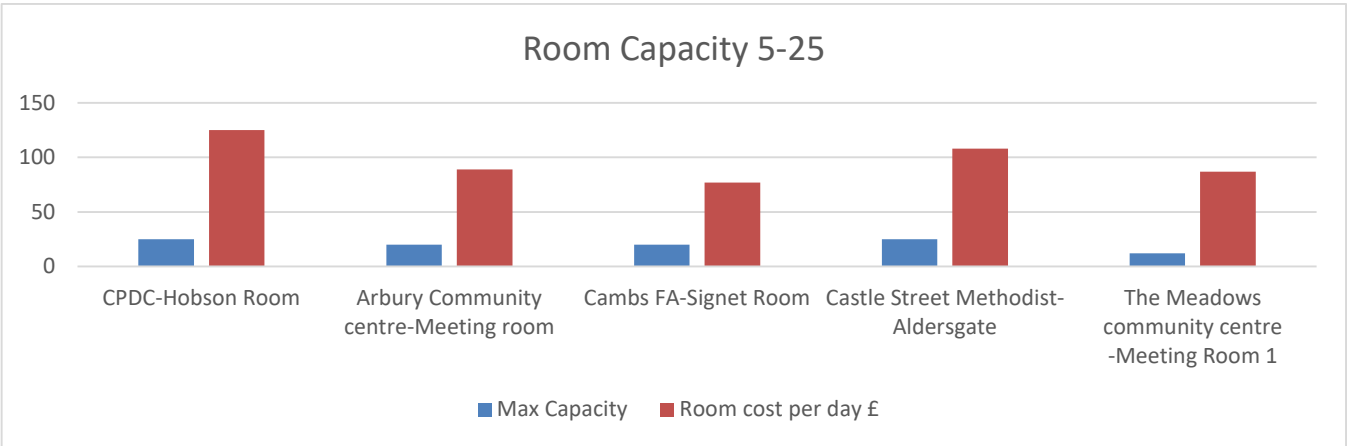
Some venue comparison has been done on CPDC versus other venues in Cambridge. Comparison of other venues against the Stanton House model would be beneficial. The parameters for inclusion in the comparison were:

- Venues chosen were only fixed price for half day or whole day, and hourly rate
- To work out the room cost per day the hourly rate has been multiplied
- For maximum capacity every room is measured against theatre style
- A further focus of the venues chosen for the graphs shown is parking as these venues would be the most popular so affect attendance
- Unless stated otherwise most venues give access to business equipment included in the day rate
- Where possible the same venues have been used for comparison, and where there is more than one room in a venue that fits into the section, the highest value has been chosen.

Diagrams 3 to 6 below show the comparisons in graphical format. This shows that there are five venues that offer a comparison to CPDC. However, it should be noted that the majority of these venues are self-serve and do not have an events management service, which the feedback suggests is valued by the customers that use CPDC. The graphs show that, on average, CPDC is more expensive than these

other venues in Cambridge. However, the price that CPDC charge includes a number of extras that other venues make additional charges for, such as business items or parking.

Diagram 3: Venue comparison for up to 25 people



Please note: Cambs FA flipchart and pens, projector available with prices on application, screen available in all rooms, TV/DVD available in all but boardroom; Castle Street Methodist Church does not have any business equipment and parking is pay and display; The Meadows Community Centre charges £10+VAT per business item.

Diagram 4: Venue comparison for 26-50 room capacity

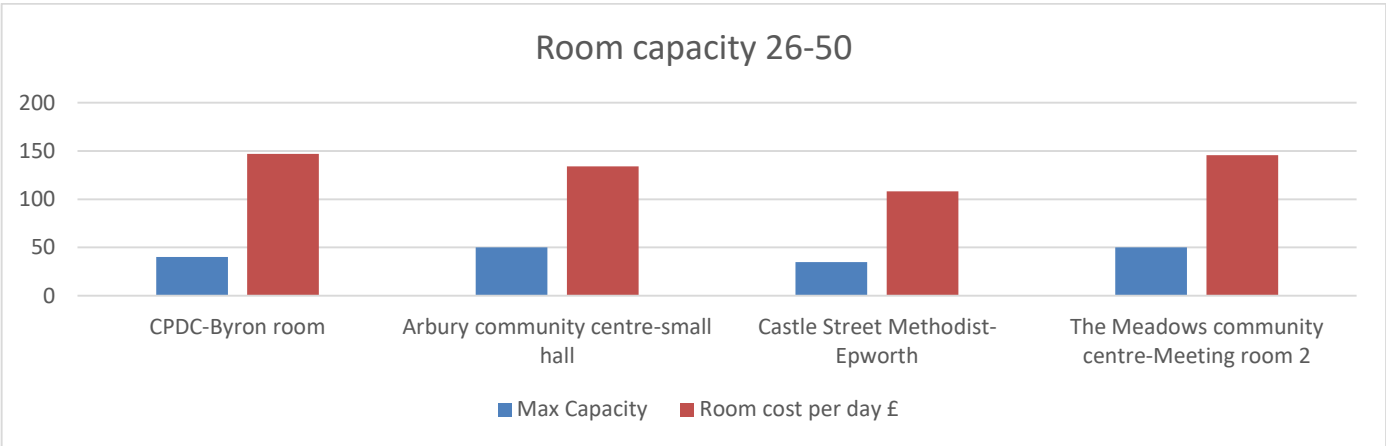


Diagram 5: Venue comparison for 51-99 room capacity

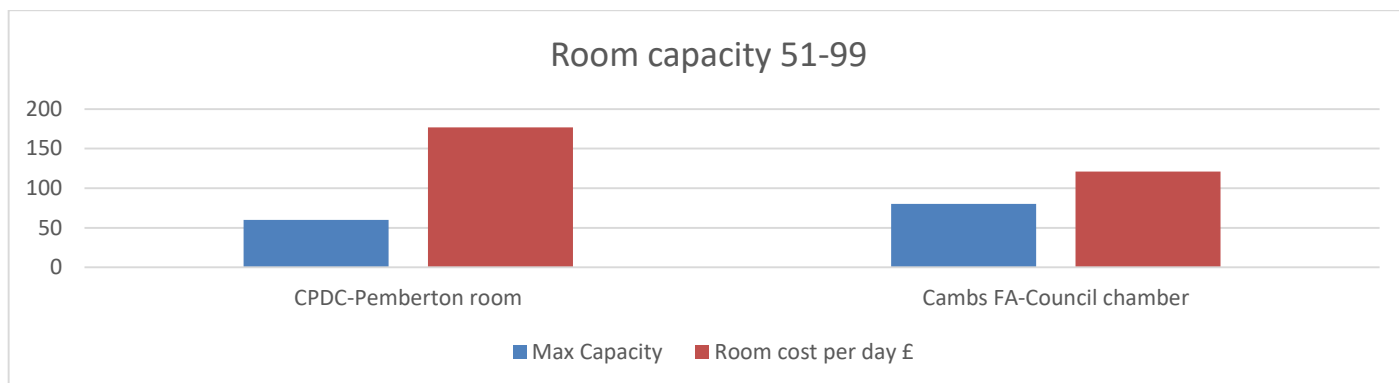
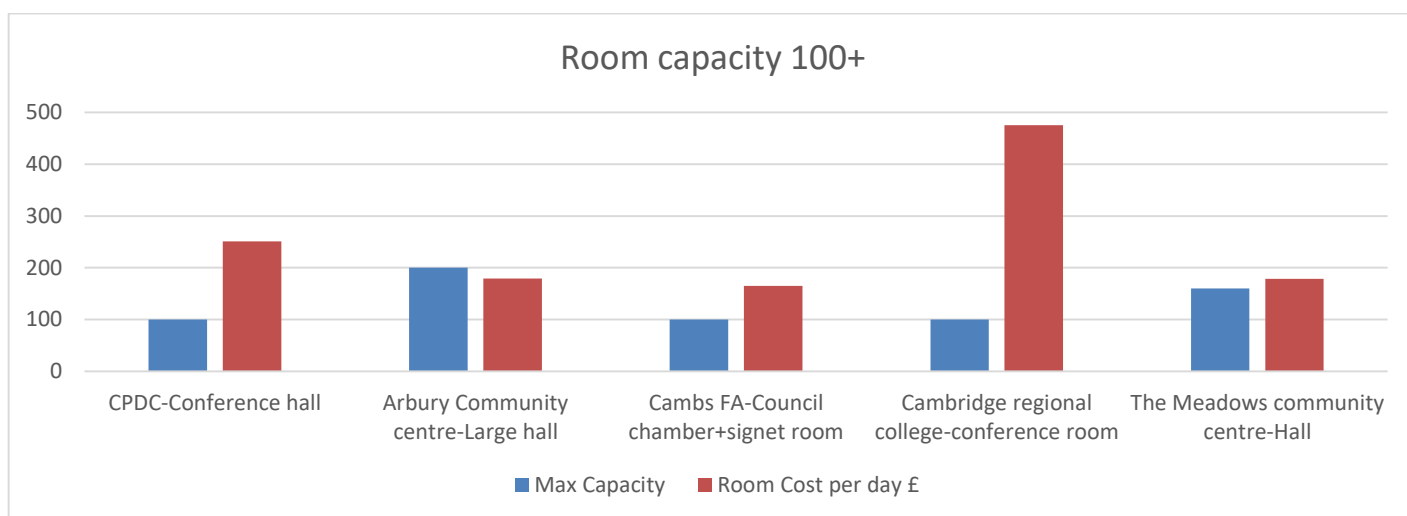


Diagram 6: Venue comparison for 100+ room capacity



NB: Cambridge Regional College - all prices subject to VAT not included in graph.

7.0 KEY FINDINGS AND CONCLUSIONS FROM THE DISCOVERY PHASE AND SUBSEQUENT ACTION PLAN

PCS as a functional delivery unit is on the whole delivering a good service. There are opportunities for digitisation in some areas and there could be some further efficiencies through joint commissioning of FM/maintenance works. At this stage the recommendation is that this service does not go forward to the Design Phase as this work should not be seen in isolation of the Property OFR. Therefore, a further recommendation is that the service should be line managed within the Resources Directorate due to the associated similarities with the activity delivered by Property Services. Strategically, we recommend that further consideration should be given to the model of training delivery / venue booking management across the organisation in the future. The below table sets out the recommended next actions in relation to this OFR.

7.1 ACTION PLAN:

CONCLUSION	Action	Lead	Timescale
1. On the whole, customer feedback is good and the service is delivering a surplus.	<p>1a) Feedback to be analysed from users of Stanton House as currently limited to CPDC. This should also include venue comparison for Stanton House.</p> <p>1b) Need to understand if the model at Stanton House works for the organisation rather than the service</p> <p>1c) Feedback questions are limited. Expansion needed to understand why our internal services choose to book CPDC/Stanton House to feed into longer term planning of how the service is managed.</p>	Service (TBC)	February 2018
2. There is some opportunity to automate processes to make areas like feedback, online booking and charging more efficient.	2a) Scope of this work to be identified with colleagues in the Transformation Team, IT and Finance and new systems put in place as appropriate.	Transformation Team	February 2018
3. Identify economies of scale through contracting that would be worth exploring further such as through cleaning, grounds maintenance etc.	3a) PCS to work with Corporate Facilities Management to understand what these opportunities might be and implement them as appropriate.	Service	March 2018
4. PCS don't do any direct marketing to private business as they don't have the capacity to accommodate further footfall; commercial opportunities are therefore limited. The service feels that this goes against the value proposition of the service and its enabling role in the organisation achieving its outcomes.	<p>4a) Capacity monitoring established identifying trends for internal usage.</p> <p>Using this information to create a more commercial approach to income generation.</p>	Transformation Team	March 2018
5. The highest proportion of income is from internal customers.	5a) Work to explore if there are any hidden costs in the processing of these invoices? Are we moving money around in the organisation in inefficient ways?	LGSS Finance	February 2018
6. There are some activities that PCS provides that are also provided by the Corporate Property Service and other parts of the organisation.	<p>7a) Further exploration is needed to see if this is the most efficient operation of the service. Moving the line management of the service.</p> <p>7b) The conclusion from this OFR is given the linkages with Corporate Property Services, it would be appropriate for this service to be line managed within the Resources Directorate.</p>	To be picked up under the Property OFR	<p>TBC</p> <p>With immediate effect</p>

7. As an organisation we spend a significant amount per annum (circa £592k) both internally and externally on venues and associated spend (i.e. refreshments and resources) and a strategic review of this would be beneficial.	<p>8a) Investigate what type and location of venues are required across the organisation to primarily support the workforce development requirements. Consider expanding this remit with Peterborough.</p> <p>8b) Review of the assets we have to support the need.</p> <p>8c) What is the best model for delivery and how this impacts on the current CPDC/Stanton House model – via an options appraisal/business case.</p>	Task and Finish Group with key stakeholders	TBC

Property Outcome Focused Review

Section A - Service main activities

A summary of the main activities carried out in the service for each of these three functions is summarised in the table below.

Facilities Management	Compliance	Estates
<ul style="list-style-type: none"> • Contracts/contractors management (cleaning, maintenance, security, mechanical & electrical, conditions surveys, PAT testing, grounds maintenance etc) • Site management functions across CCC offices • Access control, stationery ordering • Car park management for CCC staff car parks and the public car park at Shire Hall • Provide property programme and project management for all works related to the CCC estate (excluding county farms) including maintenance, office moves, changes to buildings to meet service needs • Court of Protection 	<ul style="list-style-type: none"> • Ensure all CCC buildings meet current statutory legislation (Legionella, fire, asbestos, contractor control, CCTV, safeguarding, first aid, incident investigation, corporate security) • Provide asbestos and fire safety training • Provide information and advice and liaise with contractors to carry out works identified i.e. asbestos removal • Work relating to the Equality Act 	<p>Urban Assets:</p> <ul style="list-style-type: none"> • Asset management • Business rates and rating • Leases, licences, Service Level Agreements, acquisitions, transfers and disposals • Court of Protection <p>Rural Assets:*</p> <ul style="list-style-type: none"> • Strategic Planning identifying best use of CCC county farms estate • Managing the County Farm Estate including monitoring and promoting innovation with tenant farmers to increase rental values • Valuations of assets • Health & safety and compliance for farm dwellings/buildings
<p>* Rural Assets, the fourth area, is currently under the scope of a separate outcome focused review</p>		

Section B - Financial Position

The total value of the Council's asset portfolio is detailed below¹:

Type of asset	Value (£)
Land and buildings*	882,345,300
Community assets	686,000
Surplus assets	5,465,000
Assets under construction	72,246,000
Assets held for sale	3,531,000
Investment properties	7,222,000
Total	971,495,300
*Excludes County Farms Estate value (£129,893,700)	

The 2017/18 revenue budget for the property services in scope that are responsible for the majority of this portfolio is as follows:

Service area	2017/18 allocated budget (£)	% of allocated budget
Facilities Management	559,632	52.9
Compliance	45,582	4.3
Estates	453,072	42.8
Total	1,058,286	

The Property budget also generate a number of income streams from internal and external sources to support its activities; this includes income from compliance related activity and from rents and leases. In 2017/18 this income figure is expected to be in the region of £225,000.

Section C – Phase 2 Findings

A range of information and evidence has informed the recommendation to progress to Phase 3, and a summary of the key lines of enquiry that emerged during Phase 2 are detailed in this section.

Impact of Property on organisational outcomes

Property is ultimately responsible for managing and maintaining the primary environments in which most Council services are delivered, and the case can therefore be made that the property function contribute to all of the Council's strategic outcomes, albeit most often indirectly. One of the more direct relationships between the function of property and the organisational outcomes relate specifically to the provision of ensuring safe and compliant environments for people that use the Council's buildings and spaces. A good example of this is the responsibility that property have for ensuring children are in safe and legally compliant learning

¹ [Cambridgeshire County Council Statement of Accounts and Annual Governance Statement 2016-17](#): Note 14

environments (irrespective of whether the schools are maintained), which supports the organisational outcome of supporting children and young people to reach their potential.

Corporate Landlord Model

Cambridgeshire County Council operates under a Corporate Landlord Model whereby the ownership of assets and the responsibility for their management, maintenance and funding are transferred from services to a central corporate body (the Property Service). The Council's 2017 Capital Strategy outlines the organisations intention to 'strengthen the Corporate Landlord Model', the primary advantages of which include a more strategic approach to property management, aligned with the Council's strategic objectives and the creation of economies of scale through the more centralised organisation of similar activities.

To date, the following activities have been undertaken:

- A central governance body in the form of the Strategic Property Asset Board and Operational Asset Board has been established
- The majority of property management budgets have been centralised within the central corporate body
- The framework for developing a corporate landlord and tenant relationship for all property in CCC is in the process of being drafted

The evidence and analysis undertaken to date as part of the OFR process indicates that the Corporate Landlord Model is most likely to continue to be the most appropriate for the Council going forward, and that there are a number of as yet unexplored opportunities which should be pursued in the next phase of this work to determine the future model of delivery in more detail. These include, but are not limited to:

- A full assessment of the more appropriate asset management and governance arrangements
- Cohesion and where appropriate, integration of the Asset Management Strategy with the broader organisational strategies and direction
- Exploration of the delivery vehicles available to deliver an effective Corporate Landlord Model, and the broader partnership opportunities that may be available.

Property Management System

The Council is currently in the process of implementing a property management system to replace the current system of internal databases and spreadsheets, which are not widely accessible. The implementation of the new system was initiated whilst the Property Service was under the remit of LGSS, and is expected to be functional by the end of 2018. This system will be the 'single version of the truth' required to more effectively allocate costs, collect rents, control occupation and ensure health and safety compliance, and to inform strategic decisions about the Council's estate in order to utilise and maximise the value and opportunities available.

Commercial Opportunities

The next phase of the OFR will consider how best to build upon the existing commercial practices that take place within the Property Service (eg. the current provision of Compliance to Academies), and maximise all of the opportunities that may be available from the Council's estate.

Customer Engagement

The current customer base for the Property Service is predominantly internal Council teams and services. Strong and productive customer relationships, based on mutual trust and a shared understanding of priorities, is crucial to the success of the Property Service and the ability to meet the varied needs of services. The customer engagement activity that took place during this phase of the OFR yielded a mixed of customers experiences when they have property or assets issues. Individual officers were valued for their expert property knowledge and advice, and the significance and importance of effective communication around property and asset projects was reaffirmed by the current customer base.

Rural Assets Outcome Focused Review

1.0 RURAL ASSETS BACKGROUND AND CURRENT POSITION

- 1.1 Cambridgeshire's County Farms Estate (CFE) is the largest estate of its kind in England and Wales at 13,400ha and includes 4 wildlife sites. A map of the County Farms Estate can be viewed online <http://my.cambridgeshire.gov.uk/?tab=maps>
- 1.2 Key data relating to the estate is included below.

County Farms Estate Breakdown	
Number of holdings	196
Number of tenants	181
Average holding size	68ha
Number of farmhouses	150
Number of let residential properties	4
Number of local wildlife sites	4
Renewable energy sites, including small scale solar, wind farms and the Soham Solar Park	55
Financial	2016/17 (£'000)
Income	4,546
Expenditure	900
Surplus	3,646

- 1.3 The estate provides the Council with an important financial return. In 2016/17 the income raised through rentals was £4.546 million; capital receipts from easement agreements and the sale of 0.01ha totalled £386,000. The Council-owned 60 acre solar farm site in Soham makes a significant contribution to income. The solar farm has been running since December 2016. In 2028/29 once the investment loan has been repaid, the Council will move from making £350,000 a year to a forecast £1 million.
- 1.4 The 2016/17 return on investment equates to 3.12% (excluding the Solar Farm). If Savills' 2015 existing use valuation is used, the return is 1.92%. Savills' Vacant Possession value assumes no income, as all assets are available to sell free from the current tenancies.
- 1.5 The management of the rural assets estate is currently undertaken by the Rural Assets Team which sits under the Property and Estates function. The team consists of a Rural Assets Manager, 2fte Principal Surveyors (currently 1fte vacancy), Graduate Surveyor and Estates Officer. A structure chart accompanies this report.

The key activities of the team include:

- Re-lettings/end of tenancy matters
- Rent reviews
- Compliance including health & safety, tenancy terms and tree management
- Repairs and maintenance
- Sales
- Renewables
- Environmental

2.0 FINDINGS

Phase 2 exploratory work has highlighted a number of viable opportunities across the rural assets portfolio and a range of potential delivery vehicles which should be explored to maximise the value and impact of rural assets.

The following key lines of enquiry have emerged and form the basis of much of the activity that has taken place during the OFR to date, including the development of an evidence base and testing assumptions around these areas:

- a) Key business activities, systems and processes
- b) Relationships with stakeholders
- c) Finance and revenue

2.1 Key business activities, systems and processes

2.1.1 Organisational Outcomes/Social Value

Principally, the County Farms Estate is aligned with the following CCC outcomes:

Outcome	Contribution to Outcome
Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents	<ol style="list-style-type: none">1. The Council's rural assets contribute to the delivery of the strategic outcomes through generation of £3.646m net profit per annum and through the retention of a significant capital asset.2. NFU research suggests that for every £1 of public investment, £7.40 is returned to the economy (<i>NFU: Vision for the Future of Farming – A New Domestic Agricultural Policy (March 2017)</i>). This equates to approximately £19.5million from CCC tenants.3. CFE is a source of capital for essential estate reinvestment which assists rural economic generation and contributes funding for the provision of other Council services.

	<p>4. CFE provides a means of entry into farming/and or diversified rural businesses for those who may not otherwise have the opportunity to farm including supporting the aspirations of the young farming community. Over the past two years there have been 11 new tenant farmers enter the CFE and 100 since 2000.</p> <p>5. CFE is a valuable source of rural employment opportunities in remote locations. Research carried out by the Council in July 2013 (<i>County Farms Holding Consultation (unpublished)</i>) indicated that 1,300 jobs are created by the CFE at peak times each year, including seasonal workers</p> <p>6. CFE provides the opportunity for tenants to establish and develop viable business enterprises.</p>
People lead a healthy lifestyle and stay healthy for longer	The estate has been used to open public access to the countryside with miles of new bridleways and footpaths to improve the landscape with new woods and hedges and protect biodiversity and archaeology.

The current arrangements for the management of the rural assets mean it is not possible to accurately quantify the social benefits of the rural assets estate on the Cambridgeshire economy, and the historic factors for retaining this asset around provision of business opportunities is not an area that has routinely been considered in any detail. Moving to the next phase of the OFR will provide the opportunity to explore in greater depth the value of the estate to the Council and to Cambridgeshire through commercial and social lenses.

2.1.2 Management, systems and processes

The Strategic Review carried out in 2016 by Savills recommends developing an asset management plan classifying individual holdings and identifies landholdings with short/medium/long term development potential.

Some of the systems and processes in place do not maximise the potential opportunities to diversify the use and value of the estate, and the service as it stands does not have the capacity necessary to maximise the potential income, or promote the diversification and innovation opportunities to their fullest advantage.

CCC's tenant application process is in the process of being adopted by Suffolk and Norfolk County Councils. Preliminary feedback from tenants suggests that there is still some scope to improve the current application process and CCC's current approach to attracting the new tenants that will maximise delivery of outcomes and income.

The feedback gathered by Savills as part of the review suggests that there is scope to improve the current systems and processes in place to be more responsive to tenants'

requests for repairs, improvement and maintenance. In doing so, there is the opportunity to review and potentially reduce or minimise the cost of repairs and maintenance by adopting an alternative approach to commissioning to ensure best value.

There is an opportunity to increase business intelligence work carried out regarding the CFE.

2.2 Relationships with stakeholders

Currently feedback is obtained from tenants to inform service improvement and development through regular contact. However this approach could be made more consistent by the development of an exit interview process and ongoing engagement forums.

During Phase 3 of the review, a full summary of stakeholder feedback regarding their experience of the service will be produced to inform the decisions regarding the future of the service.

To date, we have produced a random sample of 30 of our tenants. 7 of these 30 have already responded to our questions, providing us with a mixed review of their experience of the support provided by the CFE Service. The feedback received so far highlights the need to proceed to the next stage of the OFR process and gain more views as part of this. An initial information gathering meeting to explore alternative management models and opportunities for joint working has been held with rural asset colleagues at Peterborough City Council. Discussions to identify opportunities will be ongoing throughout Phase 3.

2.3 Finance and revenue

Based on an assessment by Savills of planning and minerals opportunities, the market value of the CFE as at 11 October 2015 was estimated to be £210,000,000 and the value with vacant possession is estimated to be £280,000,000. Given that this valuation is now over two years old, a request for quotes to value the County Farms Estate has recently been released. The successful bidder/s will be awarded at the end of January 2018 and the final valuations will be submitted at the end of February 2018.

Rural assets are considered relatively low risk income generating schemes by other bodies (eg. The Church of England), however the value of the Council's rural estate in the context of the financial position should rightly prompt detailed consideration of all opportunities that enable the organisation to maximise the value gained from the asset. Particularly in light of the 2018/19 £500k revenue savings target.

The Strategic Review benchmarking exercise carried out by Savills suggests that AHA tenancy rental rates are at market level, rents for FBTs are below market levels and that a policy should be adopted to seek the recommendation of an external consultant to proposed rent review settlements to ensure that they are fair and reasonable to landlord and tenant.

In order to further maximise the financial gain to the Council of this significant asset, preliminary work undertaken as part of the OFR suggests that there are opportunities to pursue a more intensive programme of diversification building on the work that has already taken place with tenants to increase their businesses' profitability and revenue returns through a wide range of existing diversified businesses which include livery yards, equine training and breeding, farm shops, children's nurseries, food processing, mechanical and agricultural engineering, educational centres and timber businesses.

3.0 PHASE 3 KEY LINES OF ENQUIRY

3.1 Based on the findings of the review, it is proposed that the next phase of the outcomes focused review explore a number of different opportunities with a view to maximising the current benefits and in doing so, the contribution that rural assets make to the Council's strategic outcomes.

3.2 Strategic outcomes

The varied portfolio of rural assets means that some of the current activities being delivered by farms within the estate support the delivery of the Council's outcomes. However, the evidence suggests that this is mostly by chance, as opposed to strategic design. Exploring the following would provide the opportunity to maximise CFE's contribution to delivering the Council's outcomes:

- a. People live a healthy lifestyle – reviewing the estate to identify opportunities for creating new permissive rights and promoting environmental projects/benefits
- b. Children & young people achieve their potential in settings and schools – optimising the educational potential of CFE/links with FACE, EDGE and Henry Plumb Foundation
- c. Supporting independence – Apprenticeships/life skills
- d. Utilising land for social and community initiatives/schemes – identifying opportunities which would provide greater social and community value from the CFE.

3.3 Renewable energy market – commercial and environmental

In the past, CFE has been proactive in pursuing opportunities for renewable energy including photo voltaic panels fitted to residential properties, and the development of wind turbines. Income generated by these current arrangements amount to approximately £140k plus royalty payments depending on energy produced. The renewable energy industry is constantly evolving and there may be new opportunities which have the potential to offer greater returns than those currently received from let land. Eg. The CFE is currently working with the Energy Investment Unit to look at the financial viability of large scale battery storage on the estate. It is anticipated that an initial assessment of the first scheme will be completed next month.

3.4 **Tenant innovation and diversification**

Exploring ways in which CFE can help to inspire and promote diversification and innovation among tenants through:

- a. Innovation events/business skills training
- b. Clear guidance on what diversification opportunities would be supported/ CCC to identify diversification/innovation opportunities and advertise these opportunities linked to specific sites
- c. Incentives

Explore options to address some of the real/perceived barriers associated with the following:

- i. Lease length – review of policy
- ii. Farm size – opportunities to enlarge or amalgamate existing land/purchase of additional land

3.5 **Asset Management Model/Delivery Vehicles**

Explore and assess a range of different rural asset delivery vehicles including:

- In-house delivery options and alternative management models and expanding the existing consultancy arrangements
- Alternative delivery vehicles eg. change of ownership to address legal barriers that apply to LA ownership
- Blended approach

In order to be able to assess the relative benefits and disadvantages of each approach, it will be important to establish what the Council currently offers which couldn't be offered by alternative landlord arrangement and what restrictions govern local authorities or smallholdings which would not be in place if an alternative delivery vehicle was established to manage the rural estate.

3.6 **Development**

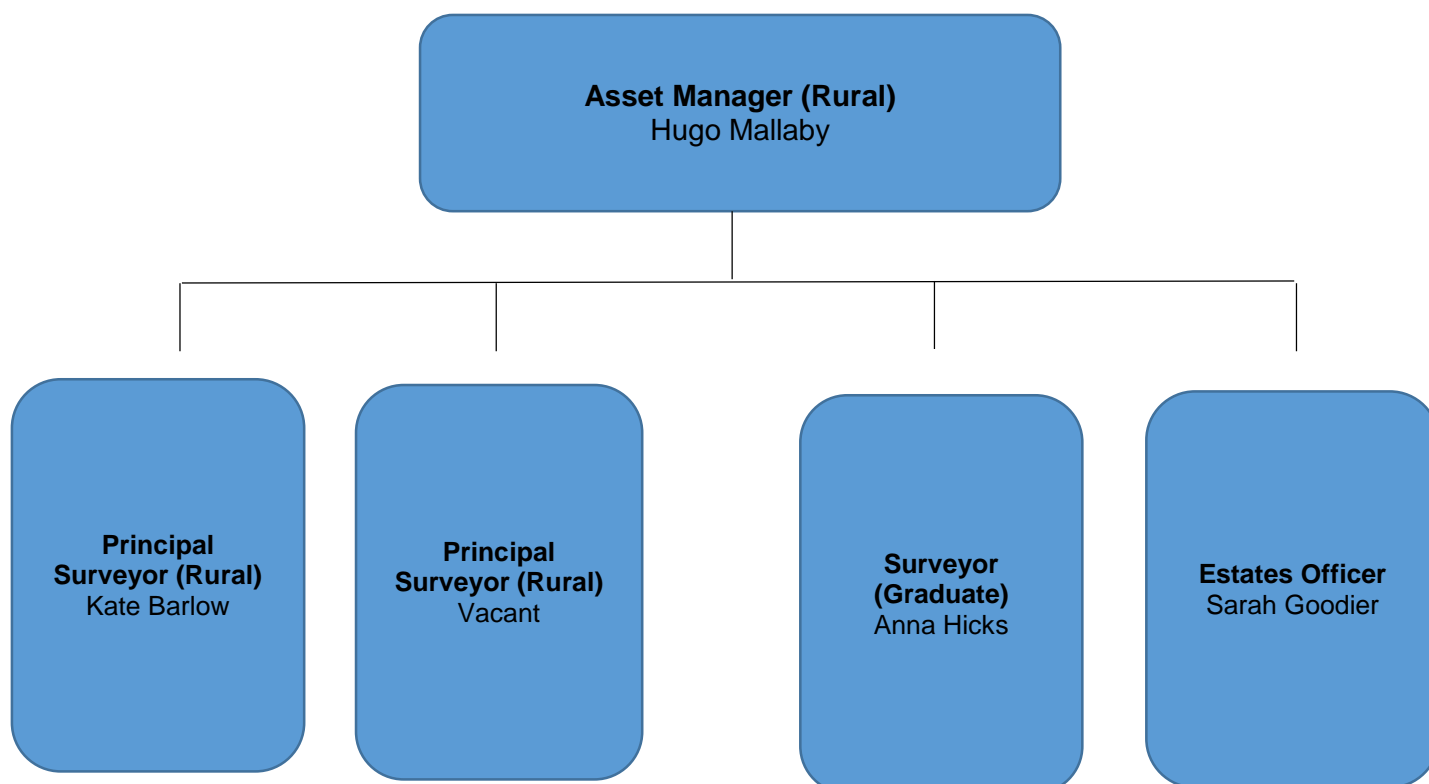
Identify opportunities for increasing net returns by moving from let land to an alternative asset class. The strategic review conducted by Savills identified a range of opportunities including:

- The review compared the Council's mineral resources plan against the CFE boundaries, and suggested that there are a number of opportunities to construct reservoirs through sand and gravel extraction.
- Change of use from agricultural to commercial eg. industrial buildings/usage
- Exploring all residential planning opportunities
- Asset disposal – selling parts of the estate which have no realistic development potential and do not offer any significant agricultural benefits through scale, or benefits to the wider community.

3.7 **Brexit**

Given the current uncertainty surrounding Brexit, the Council's rural assets provides the opportunity to secure the continuation of local agricultural production.

The Rural Assets Team



FINANCE AND PERFORMANCE REPORT – NOVEMBER 2017

To: **Commercial and Investment Committee**

Meeting Date: **26 January 2018**

From: **Chief Finance Officer**

Electoral division(s): **All**

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

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

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

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

- a) review, note and comment upon the report in the appendix**
- b) recommend to General Purposes Committee the approval of £197k additional borrowing in relation to the County Farms Investment capital scheme**

<i>Officer contact:</i>	<i>Member contacts:</i>
Name: Eleanor Tod	Cllrs Schumann and Hay
Post: Group Accountant	Chairman and Vice-Chairwoman
Email: Eleanor.Tod@cambridgeshire.gov.uk	
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1. BACKGROUND

- 1.1 Commercial and Investment (C&I) 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 November 2017 Finance and Performance report.
- 2.2 **Revenue:** The Commercial and Investment budget has reduced by £1.6m during November, following the transfer to C&I of budgets relating to the Housing Investment Company (-£1.4m) and the ESPO dividend (-£200k). At the end of November, C&I Committee is forecasting an overspend of £584k on revenue budgets; £67k relates to existing C&I budgets and £517k relates to the two budgets that have transferred in during November. There are two material variances reported for November, which include explanations of the variances that have transferred into the C&I budget.
- 2.3 **Capital:** Predicted in-year variances of £884k have been netted off against the Capital Programme Variations budget. This exceeds the variations budget of £720k, therefore at the end of November C&I Committee is forecasting that the capital programme budget will be underspent by £164k at year-end. There is one material variance (over £250k) to report on capital for November, as well a recommendation to General Purposes Committee to approve £197k of additional capital funding for County Farms Investment by means of borrowing (please see Appendix A for further detail).
- 2.4 There are no Commercial and Investment Committee **performance indicators** reported for November 2017.

3. ALIGNMENT WITH CORPORATE PRIORITIES AND SIGNIFICANT IMPLICATIONS

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.

3.4 Resource Implications

This report sets out details of the overall financial position for Commercial and Investment for this Committee.

3.5 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

3.6 Statutory, Risk and Legal Implications

There are no significant implications within this category, apart from those set-out in section 3.

3.7 Equality and Diversity Implications

There are no significant implications within this category.

3.8 Engagement and Consultation Implications

There are no significant implications within this category.

3.9 Localism and Local Member Involvement

There are no significant implications within this category.

3.10 Public Health Implications

There are no significant implications within this category.

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

Source Documents	Location
C&I Finance & Performance Report (November 17)	1 st Floor, Octagon, Shire Hall, Cambridge

Commercial and Investment

Finance and Performance Report – November 2017

1. SUMMARY

1.1 Finance

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

2. INCOME AND EXPENDITURE

2.1 Overall Position

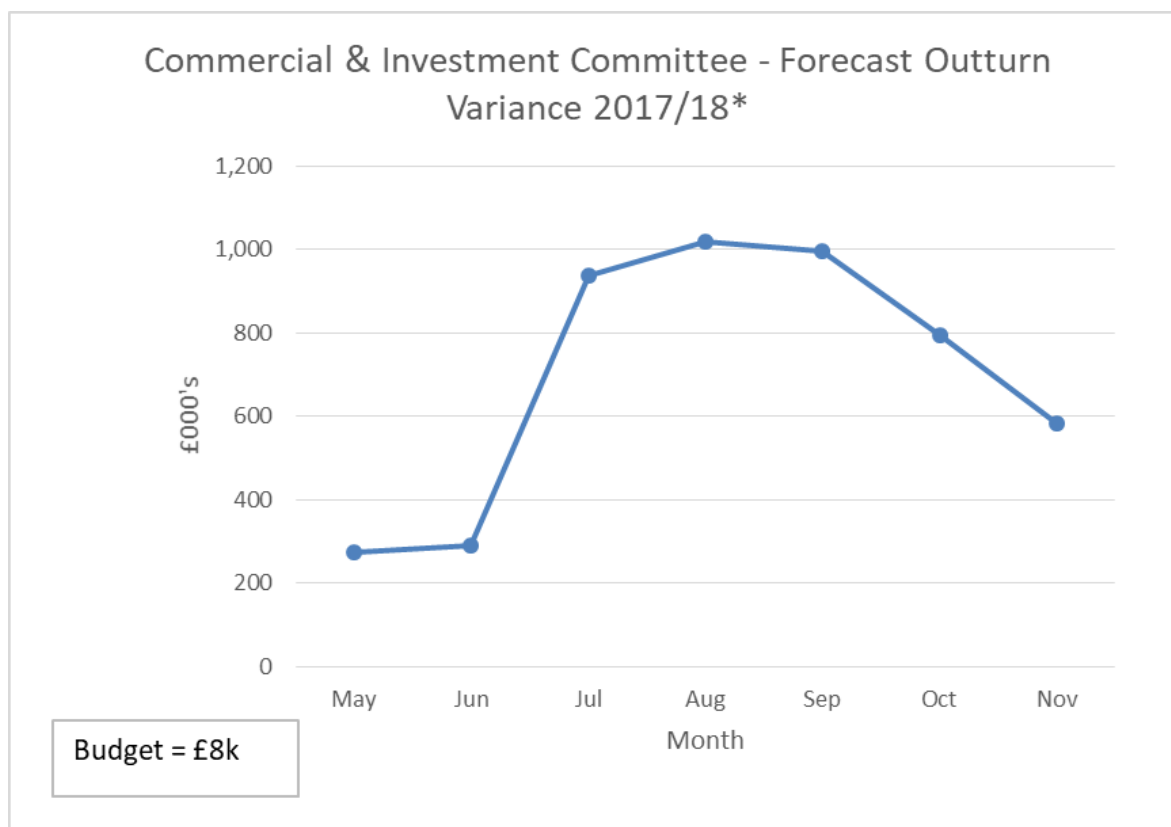
Original Budget as per BP (1)	Directorate	Current Budget £000	Forecast Variance - Outturn (Oct) £000	Forecast Variance - Outturn (Oct) %	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Nov) %	Current Status	DoT
£000		£000	£000	%	£000	%		
0	Commercial Activity	-1,624	692	43	517	32	Amber	↑
6,340	Property Services	6,306	-450	-7	-407	-6	Green	↓
-3,638	Strategic Assets	-3,951	349	9	349	9	Amber	↔
10	Traded Services To Schools and Parents	-724	202	28	126	17	Amber	↑
2,712	Total	8	793		584		Amber	

¹ 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.

² The October forecast outturn variance in the table has been adjusted to reflect the October forecasts for new budgets transferred in from Corporate and Customer Services.

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

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



* Previous forecast outturn variances have been adjusted to reflect the new budgets transferred to C&I Committee.

2.2 Significant Issues – Commercial and Investment

The Commercial and Investment budget has reduced by £1.6m during November, following the transfer to C&I of budgets relating to the Housing Investment Company (-£1.4m) and the ESPO dividend (-£200k).

Commercial and Investment is forecast to overspend by £584k in 2017/18. This is an improvement of £209k when comparing equivalent budgets, primarily due to the increase in the forecast surplus for the ESPO dividend and the ICT Service (Education) as explained below:

- As previously reported under Corporate and Customer Services, a £750k pressure is forecast following the re-phasing of expected income streams from the Housing Investment Company in 2017/18.
- A favourable variance of £233k is forecast this month for the ESPO dividend budget. The CCC share of the ESPO dividend for 2016/17 has been confirmed as £458k, exceeding the accrual of £400k which was made in the 2016/17 accounts; the £58k underspend was previously reported under LGSS Managed. A further surplus of £175k is being forecast this month for the 2017/18 dividend.

- The ICT Service (Education) is predicted to underspend by £67k following a substantial decrease in staffing, due to some team members leaving the service.

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

No new items were recorded during November 2017.

A full list of additional grant income for Commercial and Investment 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 in November to reflect changes in responsibilities:

	£	Notes
Transfer from Financing Costs budget to C&I	-1,424,000	CHIC interest costs and income generation
Transfer from LGSS Managed to C&I	-200,000	ESPO Dividend
Non material virements (+/- £30k)	-	

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

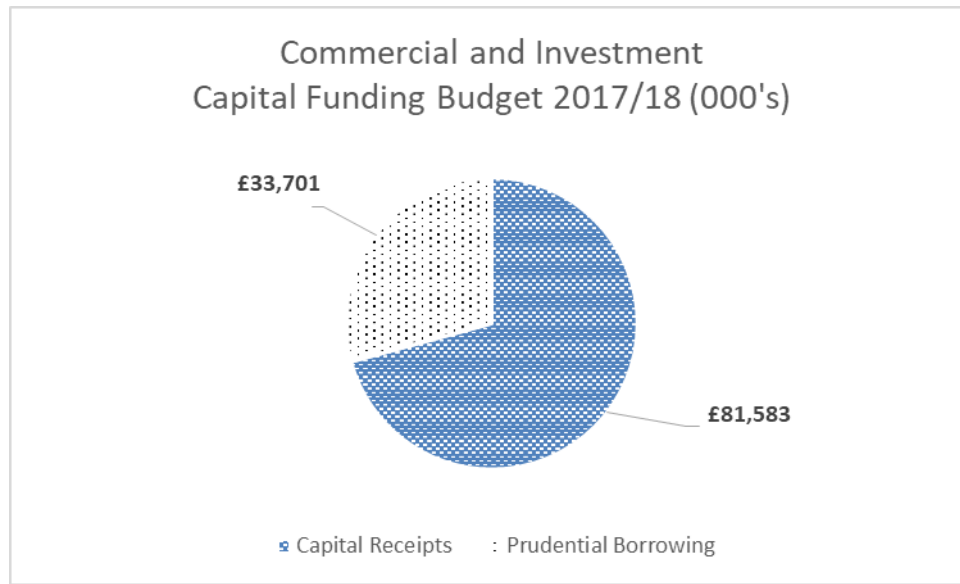
3. BALANCE SHEET

3.1 Reserves

The Commercial and Investment reserves contain various earmarked reserves (held for specific purposes), as well a short term provision (held for a potential liability) and capital funding. A schedule of these reserves can be found in [C&I appendix 5](#).

3.2 Capital Expenditure and Funding

Commercial and Investment Committee has a capital budget of £115m in 2017/18, which is funded by the following capital resources:



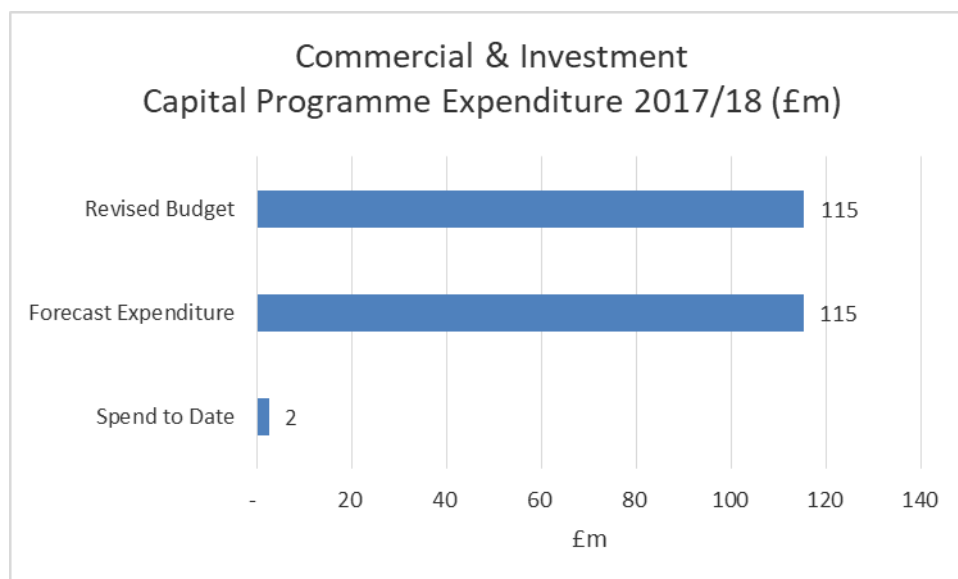
Variations Budget

A summary of the use of capital programme variations budget is shown below. As forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when slippage exceeds this budget.

Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (Nov) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Nov) £000
C&I	-720	-884	720	100%	-164

Expenditure

Commercial and Investment Committee has expenditure of £2.5m to date on the Capital Programme, against forecast expenditure of £115m:



Predicted in-year underspends of £884k have been netted off against the Capital Programme Variations budget; as a result it is currently expected that the programme will be underspent by £164k at year-end 2017/18.

Total scheme variances of £287k underspent are expected over the lifetime of the schemes.

The following changes to expenditure budgets are being reported for November:

- County Farms Investment: C&I are asked to recommend a request to General Purposes Committee to approve additional budget of £197k for the County Farms Investment projects, as recommended by the Capital Programme Board; this expenditure is to be funded by borrowing.

In 2017/18, County Farms Investment expenditure has been dominated by three large investments totalling £640k, comprising:

- a new cold store and HGV loading facilities to a holding at Milton
- the conversion of a farm building to a farm shop and café near Farcet, Peterborough
- extension to a dwelling at Benwick, near Chatteris.

Additional requests for investment on the estate have included improvements to farm yards and buildings, security fencing, an equine arena and the installation of 3 phase electricity. The tenants have all agreed an Improvement Charge to provide a return on each project of 7%.

The budget is currently forecast to be overspent by £197k, but will produce £55k additional revenue income for County Farms. This is greater than the annual cost of borrowing the additional £197k, which starts at £11k in 2018/19 and decreases each year thereafter. At present, it is not anticipated that there will be any further new projects to come forward during the current

financial year, and it is requested that the additional budget of £197k be approved.

- Sawston Community Hub: The C&I capital budget has reduced by £1.4m due to the transfer of the Sawston Community Hub scheme to Highways and Community Infrastructure Committee. There has therefore been a corresponding reduction of £280k in the Capital Programme Variations budget.

The following material expenditure variances are being reported for November:

- MAC Joint Highways Project: The project is predicted to underspend by £482k in 2017/18. Although some of the partners have withdrawn, the Highways Agency are engaged, but it is not envisaged that there will be any spend in this financial year. The project has received One Public Estate revenue grant funding of £50k which is being used for some initial feasibility work. The future of the scheme will be clearer when the next project meeting is held before this year end.

Funding

As reported above, projected in-year variances now exceed the allowance made in the capital variation budget. The programme budget is therefore expected to be underspent by £164k at year-end, leading to a reduction of the same amount in the expected funding requirement.

The following changes to funding budgets are being reported for November:

- County Farms Investment: As reported above, additional funding of £197k has been requested to fund County Farms Investment projects. This will result in an increase in the borrowing requirement.
- Sawston Community Hub: As reported above, the C&I capital budget has reduced by £1.4m due to the transfer of the Sawston Community Hub scheme and there has been a reduction of £280k in the Capital Programme Variations budget. This has led to a net reduction of £1.1m in the Commercial and Investment borrowing requirement.

The following material funding variances are being reported for November:

- MAC Joint Highways Project: As reported above, the MAC Joint Highways Project is expected to underspend by £482k in 2017/18, resulting in a reduced borrowing requirement.
- Capital Receipts: The Capital Receipts forecast for 2017/18 has been increased by £345k to reflect the latest estimates for predicted sales. This increase is partly offset by a capital funding adjustment relating to the capitalisation of Transformation Team costs. It has been identified that an additional £86k of Transformation Team costs may need to be capitalised,

and these costs can only be funded by capital receipts, under the flexible use of capital receipts government directive. Therefore this adjustment will result in a reduction of £86k in the use of capital receipts funding for C&I schemes and a matching increase in Commercial and Investment borrowing.

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 Investment Committee is not currently available as performance indicators have not yet been set for the committee; work to review all indicators is still ongoing. As the committee starts to undertake commercial investment, relevant indicators will be developed in conjunction with the committee and subsequently exceptions will be reported against these.

C&I APPENDIX 1 – Commercial and Investment Budgetary Control Report

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

Original Budget as per BP £000	Service	Current Budget for 2017/18 £000	Forecast Variance - Outturn (Oct) £000	Forecast Variance - Outturn (Oct) %	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Nov) %
Commercial & Investment						
<u>Commercial Activity</u>						
0	Cambridge Housing Investment Company	-1,424	750	53	750	53
0	Other Commercial Activity	-200	-58	-29	-233	-117
0		-1,624	692	43	517	32
<u>Property Services</u>						
1,111	Building Maintenance	1,111	2	0	0	0
4,500	County Offices	4,568	-452	-10	-407	-9
718	Property Services	560	0	0	0	0
22	Property Compliance	68	0	0	0	0
-11	Capital Team	0	0	0	0	0
6,340		6,306	-450	-7	-407	-6
<u>Strategic Assets</u>						
766	Strategic Assets	803	349	43	349	43
-4,404	County Farms	-4,404	0	0	0	0
0	Grant Income	-350	0	0	0	0
-3,638		-3,951	349	9	349	9
<u>Traded Services to Schools and Parents</u>						
10	Traded Services to Schools and Parents	68	-150	-220	-160	-235
0	ICT Service (Education)	-200	0	0	-67	-34
0	Professional Development Centre Services	-71	0	0	0	0
0	Cambs Music	789	0	0	0	0
0	Outdoor Education (includes Grafham Water)	-77	113	146	113	146
0	Cambridgeshire Catering & Cleaning Services	-449	239	53	240	53
0	Grant Income	-784	0	0	0	0
5,414		-724	202	28	126	17
8,116	COMMERCIAL & INVESTMENT TOTAL	8	793	9,948	584	
MEMORANDUM - Grant Income						
0	Music Education Hub Grant	-784	0	0	0	0
0	One Public Estate Grant	-350	0	0	0	0
0		-1,134	0	0	0	0

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	%
County Offices	4,568	-407	-9
<p>Reported in July 17 F&PR:</p> <p>County Offices budgets are forecast to underspend by £407k 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.</p>			
Strategic Assets	803	349	43
<p>Reported in July 17 F&PR:</p> <p>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.</p>			
Traded Services to Schools and Parents	68	-160	-235
<p>Reported in October 17 F&PR:</p> <p>The following Traded Services to Schools and Parents have been transferred from the Children and Young People Committee and are reported within the C&I tables:</p> <ul style="list-style-type: none"> • ICT • Professional Development Centre Services • Cambs Music • Outdoor Education (includes Grafham Water). <p>An underspend of £160k is reported, following a review of likely income achievable and the related utilisation of equipment replacement reserves, in the Education ICT and Cambridgeshire Music Services.</p>			
ICT Service (Education)	-200	-67	-34
<p>Reported in the November 17 F&PR:</p> <p>The ICT Service (Education) is predicted to underspend by £67k at year-end, following a substantial decrease in staffing due to some team members leaving.</p>			

Service	Current Budget £'000	Forecast Variance - Outturn	
		£'000	%
Outdoor Education (includes Grafham Water)	-77	113	146
<p>Reported in September 17 F&PR:</p> <p>There is an ongoing pressure of £113k 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.</p> <p>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. We will look to mitigate the pressure in the short term via any emerging underspends elsewhere within the service.</p> <p>Further, a £9k under recovery is now being forecasted against Stibbington Centre which has an overall income target of £18k. Under recovery here will also be addressed as part of the ongoing review of Outdoor Education services.</p>			
Cambridgeshire Catering & Cleaning Services	-449	240	53
<p>Reported in August 17 F&PR:</p> <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&I tables. The Commercial & 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 £240k. The forecast has increased from the £216k pressure identified at budget build, and is £1k worse than the £239k reported in October. The outturn will largely be determined by the service's success in achieving the targets for meal take-up and staffing costs by managing the staffing resources to maintain service provision through the winter period.</p> <p>The movement in-month primarily relates to a marginal reduction in provisions costs when compared to the September forecast. CCS commenced catering services at three new schools in September; all are new schools with good growth potential. Conversely, the Diamond Learning Trust have concluded a tender process with the result that CCS will no longer supply catering at three schools from January 2018.</p> <p>Plans are being progressed with the Transformation Team to develop strategies in which the service can be competitive on 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</p>			

Service	Current Budget £'000	Forecast Variance - Outturn £'000 %
<p>considerations, the HoS and Client Development posts have been held vacant since June, 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 cost, including annual £80k lease/rates costs and approximately £250k dilapidations costs to resolve before the 2020 break clause.</p>		

C&I APPENDIX 3 – Grant Income Analysis

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

Grant	Awarding Body	Expected Amount £000	Reported
Grants as per Business Plan		-	
One Public Estate	Cabinet Office	260	July 17
One Public Estate	Cabinet Office	90	September 17
Music Education Hub Grant		784	September 17
Total Grants 2017/18		1,134	

C&I APPENDIX 4 – Virements and Budget Reconciliation

	£000	Reported
Budget as per Business Plan	2,702	
Business Plan adjustments	44	May 17
Transfer of Apprenticeship Levy from CS to C&I	6	May 17
Transfer of Energy Team from C&I to ETE	-58	May 17
Non-material virements (+/- £30k)	11	June 17
Transfer of LGSS savings from C&I to LGSS Cambridge Office	-349	July 17
Transfer of CCS budgets to C&I from C&YP	-449	August 17
Transfer from C&YP to C&I of Traded Services to Schools and Parents	-343	September 17
Head of Service – Traded Services	68	October 17
Transfer of CHIC costs from Debt Charges to C&I Committee	-1,424	November 17
Transfer of ESPO dividend budget from LGSS Managed to C&I	-200	November 17
Current Budget 2017/18	8	

C&I APPENDIX 5 – Reserve Schedule

1. Commercial and Investment Reserves

Fund Description	Balance at 31 March 2017	Movements in 2017/18	Balance as at 31 November 2017	Forecast Balance at 31 March 2018	Notes
	£'000	£'000	£'000	£'000	
Equipment Reserves					
The ICT Service (Education)	726	0	726	0	1
subtotal	726	0	726	0	
Other Earmarked Funds					
Manor school site demolition costs	362	53	415	468	2
Cambs Music Reserve	80	0	80	0	3
subtotal	442	53	495	468	
Short Term Provisions					
SPV provision	24	0	24	24	
subtotal	24	0	24	24	
SUBTOTAL	1,192	53	1,245	492	
Capital Reserves					
General Capital Receipts	0	3,099	3,099	0	4
subtotal	0	3,099	3,099	0	
TOTAL	1,192	3,152	4,345	492	

Notes

- 1 The reserve is committed to the replacement of essential equipment, which will be implemented before the end of March 2018.
- 2 Rental income from Bellerbys buildings on Manor School site is being held to offset demolition costs when the lease expires in 2021.
- 3 Annual reserve agreed by GPC to develop and support the Cambridgeshire Music CREATE program which will look to create new purpose-built accommodation.
- 4 Capital Receipts will be used to fund the capital programme at year-end.

C&I APPENDIX 6 – Capital Expenditure

1. Capital Expenditure Summary 2017/18

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
113,476	<u>Commercial Activity</u>						
	Housing Schemes	112,209	710	112,209	-	183,226	-
113,476		112,209	710	112,209	-	183,226	-
	<u>Property Services</u>						
600	Building Maintenance	600	333	600	-	5,579	-
550	Shire Hall Campus	550	236	550	-	5,502	-
1,150		1,150	569	1,150	-	11,081	-
	<u>Strategic Assets</u>						
350	Local Plans Representations	350	203	203	(147)	3,902	(147)
500	County Farms Viability	818	752	818	-	4,017	-
-	Renewable Energy Soham	775	214	520	(255)	9,994	(140)
482	MAC Joint Highways Project	482	-	-	(482)	5,198	-
-	Office Portfolio Rationalisation	200	6	200	-	345	-
-	Other Committed Projects	20	20	20	-	225	-
1,332		2,645	1,194	1,761	(884)	23,681	(287)
(550)	Capital Programme Variations	(720)	-	-	720	(487)	-
115,408	TOTAL	115,284	2,474	115,120	(164)	217,501	(287)

2. Previously Reported Amendments – Capital Expenditure Budgets 2017/18

Capital Scheme	2017/18 Original Budget £'000	2017/18 Revised Budget £'000
Energy Efficiency Fund	250	-
<p>Reported in July 17 F&PR:</p> <p>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.</p>		
Sawston Community Hub	-	1,401
<p>Reported in July 17 F&PR:</p> <p>The Sawston Community Hub scheme has transferred from LGSS Managed to Commercial & Investment. It had a 2017/18 budget of £1.2m (before changes to budget – see below); alongside this the capital programme variations budgets for Commercial & Investment and LGSS Managed have been realigned, so the variations budget for Commercial & Investment has returned to 20% of its budget (excluding housing schemes).</p>		
Capital Programme Variations	-550	-1,000
<p>The Capital Programme Variations budget has been recalculated each time a scheme has moved in or out of the Commercial & Investment budget, or as a result of any other changes to budget.</p>		

3. Previously Reported Amendments - Total Scheme Expenditure Budgets

Capital Scheme	Total Scheme Original Budget £'000	Total Scheme Revised Budget £'000
Sawston Community Hub	1,309	1,502
<p>Reported in July 17 F&PR:</p> <p>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.</p> <p>General Purposes Committee approved the revised budget of £1.502m at its meeting on 19th September. This revision required an increase of £193k to the Prudential Borrowing requirement.</p>		

4. Previously Reported Exceptions – Capital Expenditure 2017/18

Capital Scheme	Current Budget 2017/18 £'000	Forecast Variance - Outturn £'000
Housing Schemes	112,209	-
<p>Reported in May 17 and August 17 F&PRs:</p> <p>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.</p>		
Renewable Energy Soham	775	-255
<p>Reported in August 17 F&PR:</p> <p>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.</p>		
Sawston Community Hub	1,401	-500
<p>Reported in August 17 F&PR:</p> <p>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.</p>		
Local Plans and Representations	350	-150
<p>Reported in September 17 F&PR:</p> <p>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.</p>		
Capital Programme Variations	-1,000	905
<p>Reported in September 17 F&PR:</p> <p>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.</p>		

C&I APPENDIX 7 – Capital Funding

1. Capital Funding Summary 2017/18

Commercial and Investment Capital Programme 2017/18				
Original 2017/18 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2017/18 £000	Forecast Outturn Spend (Nov) £000	Forecast Outturn Funding Variance (Nov) £000
81,583	Capital Receipts	81,583	83,381	1,798
33,825	Prudential Borrowing	33,701	31,739	(1,962)
115,408	TOTAL	115,284	115,120	(164)

2. Previously Reported Amendments – Capital Funding Budgets 2017/18

Capital Scheme	Original Budget 2017/18 £'000	Revised Budget 2017/18 £'000																		
Roll Forwards (Prudential Borrowing)	982	2,098																		
<p>Reported in May 17 F&PR:</p> <p>Commercial and Investment Committee was asked to approve the carry forward of funding from 2016/17 into 2017/18 for the following schemes:</p> <table border="1"> <thead> <tr> <th>Scheme</th><th>£000</th><th>Notes</th></tr> </thead> <tbody> <tr> <td>County Farms Viability</td><td>121</td><td>Carry forward £121k re Bettys Nose & Whitehall farm shop.</td></tr> <tr> <td>OtherCommitted Projects - K2</td><td>20</td><td>Roll forward balance of K2 funding (£20k) to fund continuing work on CCC implementation</td></tr> <tr> <td>Soham Solar Farm</td><td>775</td><td>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.</td></tr> <tr> <td>Office Rationalisation</td><td>200</td><td>Ongoing work on office rationalisation, moves and co-location projects - including Sawtry, Hill Rise, Shire Hall, Hereward Hall, Butts Grove, Scott House/Stanton House and Meadows closure.</td></tr> <tr> <td></td><td>1,116</td><td></td></tr> </tbody> </table>			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, Butts Grove, Scott House/Stanton House and Meadows closure.		1,116	
Scheme	£000	Notes																		
County Farms Viability	121	Carry forward £121k re Bettys Nose & Whitehall farm shop.																		
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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, Butts Grove, Scott House/Stanton House and Meadows closure.																		
	1,116																			
Housing Scheme Rephasing (Prudential Borrowing)	113,476	112,209																		
<p>Reported in May 17 F&PR:</p> <p>A reduction of £1.3m in respect of Housing Scheme funding which was brought forward from 2017/18 to fund expenditure in 2016/17.</p>																				
Capital Programme Variations (Prudential Borrowing)	-550	-1,000																		
<p>Reported in May 17 F&PR:</p> <p>The Capital Programme Variations budget has been recalculated each time a scheme has moved in or out of the Commercial & Investment budget, or as a result of any other changes to budget.</p>																				
Energy Efficiency Fund (Prudential Borrowing)	250	-																		
<p>Reported in July 17 F&PR:</p> <p>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.</p>																				
Sawston Community Hub (Prudential Borrowing)	-	1,401																		
<p>Reported in July 17 F&PR:</p>																				

Capital Scheme	Original Budget 2017/18 £'000	Revised Budget 2017/18 £'000
The Sawston Community Hub scheme transferred to the Commercial & Investment Committee with an approved 2017/18 budget of £1.2m (and a request for additional funding of £0.2m – see below).		

3. Previously Reported Amendments - Total Scheme Funding Budgets

Capital Scheme	Total Scheme Original Budget £'000	Total Scheme Revised Budget £'000
Sawston Community Hub (Prudential Borrowing)	1,309	1,502
<p>Reported in July 17 F&PR:</p> <p>General Purposes Committee approved an increase of £193k in budget for the scheme, resulting in an increased borrowing requirement of this amount.</p>		

4. Previously Reported Exceptions – Capital Funding

Capital Scheme	Current Budget £'000	Forecast Variance - Outturn £'000
General Capital Receipts	81,583	1,539
<p>Reported in September 17 F&PR:</p> <p>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 for C&I schemes. 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.</p> <p>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.</p>		
Prudential Borrowing	34,625	-1,539
<p>Reported in September 17 F&PR:</p> <p>As reported above.</p>		

MILTON ROAD LIBRARY REDEVELOPMENT PROJECT – LETTER OF INTENT

To: **Commercial & Investment Committee**

From: **Chris Malyon, Deputy Chief Executive**

Electoral division(s): **Arbury**

Purpose: **To highlight upcoming expenditure associated with redevelopment of Milton Road Library Site.**

Recommendation: **To approve a further Letter of Intent for investigation and initial construction work expenditure relating to the redevelopment of Milton Road Library by Cambridge Housing & Investment Company should the Council not proceed with the sale to them.**

<i>Officer contact:</i>	
Name:	John Macmillan
Post:	Group Asset Manager
Email:	John.macmillan@cambridgeshire.gov.uk
Tel:	01223 699092

1. BACKGROUND

- 1.1** Cambridgeshire County Council (The County) holds a freehold interest in Milton Road Library Site (0.08 ha) located on the corner of Ascham Road and Milton Road, Cambridge. The County has submitted a planning application (Ref: 16/2060/FUL) to redevelop the site to provide a ground floor Library and Community Area and seven residential flats (2x2 bed, 5x1 bed) on the first and second floors. The planning application was recommended for approval by Cambridge City Council in March 2017 subject to the S106 Agreement being finalised. The County is proposing to dispose of the site, to Cambridge Housing & Investment Company (CH&IC), on a sale and lease back basis of the ground floor community and library areas.

2. MAIN ISSUES

- 2.1** The freehold sale of the property is contingent on establishing an agreement to lease and lease of the community and library areas of the ground floor of the new building from CH&IC. The property was declared surplus by Commercial & Investments Committee in October 2017. Heads of Terms for the leaseback were finalised at the beginning of January 2018. The sale documentation is currently being drafted and finalised.
- 2.3** CH&IC has previously requested that the County cover their expenditure for the Stage 2 works up to £120,000 should the County not proceed to dispose of the site to CH&IC. This allowed design work to continue and avoid construction delays. CH&IC has now requested that the County cover their expenditure for further works (to cover the demolition and other procurements such as piling, groundworks, pre-cast flooring, steelwork and tree felling) totalling £273,500.00
- 2.4** A Letter of Intent being drafted which will cover CH&IC for these costs.

PROGRAMME HIGHLIGHT REPORT

To: **Commercial & Investment Committee**

Meeting Date: **26 January 2018**

From: **Chris Malyon, Deputy Chief Executive**

Electoral division(s): **All**

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

Purpose: **The Programme Highlight Report covers the sites in the County Council's housing development pipeline**

Recommendation: **It is recommended that the Committee:**

- 1. Note the content of the Programme Highlight Report**

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	John Macmillan	Names:	Councillors Joshua Schumann
Post:	Group Asset Manager	Post:	Committee Chairman
Email:	John.macmillan@cambridgeshire.gov.uk	Email:	Joshua.schumann@hotmail.co.uk
Tel:	07808 861 360	Tel:	01223 706398

1. BACKGROUND

- 1.1 An accompanying report with the Programme Highlight Report was requested by Cllr Jenkins at the November Commercial & Investment Committee.
- 1.2 The Programme Highlight Report covers the sites in the County Council's housing development pipeline and records where in the planning process the application is, when the valuation report is expected, when the disposal of site is expected to be taken to committee, and when the sale is expected to complete, a RAG rating which record the risk of delay, comments on reasons for a delay and notes who the local member is.

2. MAIN ISSUES

- 2.1 Valuations have been commissioned and a number have been completed. The aim is to complete sales by the end of March.
- 2.2 The following sites have a Red RAG status:
 - **Russell St, Cambridge** – City Council determination of the planning application was 27 October 17 and has passed without a decision. CHIC have been informed that the planning application will be refused under delegated powers. The reasons have not yet been provided by the City Council.
 - **Dubbs Knoll, Cambridge** – We have been informed that the application will be refused. The reasons have not yet been provided by South Cambridgeshire District Council.
 - **Parsonage Farm, Whittlesford** – CHIC have been informed that the application will be refused. The reasons have not yet been provided by South Cambridgeshire District Council.
 - **Soham Eastern Gateway** – The Planning application withdrawn Nov 17 to allow further public consultation after concerns about access into the town through the development. The consultation by CHIC is programmed to start in February 2018.
 - **East Barnwell Community Centre, Cambridge**. RAG Status Amber. Planning application submission date moved to January 2018 following meetings with City planners who require further finessing of design and parking.
 - **Rampton Road, Cottenham** – The initial planning application was refused. An application to appeal the decision was submitted on 16 Oct 2017. A planning inspector has been appointed and a hearing date has been proposed on the 14th March. A second planning application was registered on 10 October 2017. This had been expected to go to the January planning committee but was deferred while South Cambridgeshire are reviewing their position regarding housing land supply.
- 2.3 The following sites have an Amber RAG status:
 - **The Old School House, Papworth** – South Cambridgeshire Planners would like the number of units to be reduced. The local Parish Council have expressed an interest in buying but have not come forward with an offer.

- **East Barnwell Community Centre, Cambridge.** Planning application submission date moved to March after meetings with City planners to allow further finessing of design and parking. Diocese/Church undecided about selling their site with a 26 January deadline for agreeing Heads of Terms
- **Soham Northern Gateway** – The site may be subject to a commons land claim. Counsel's opinion is expected by the 19th January.
- **Sheen Farm, Littleington** - Advised that a delegated approval was to be made in Jan 18 but at this has now been deferred to Feb/March.

Programme Status Report: January 2018

Date 01/12/2017

Project Information			Pre-disposal (CCC) indicative milestones									
Project	Scheme/Project Description	Indicative units	Planning Status			Valuation expected	Target for Legal to complete	To C&I for Disposal	RAG Status	Exception update for C&I	Local Member	Scheme/Project Lead
		1714	Planning app submitted	Planning app ref	Planning consent anticipated/granted							
Cambridge, 35 & 37 Russell Street	6 apartments	6	submitted	17/1483/FUL	Jan-18	Completed	31 March 2018	Sep-17	RED	Informed that this will be refused under delegated powers.	Linda Jones	CHIC
March, Former Highways Depot Queen St	34 units	34	submitted	F/YR16/0364/O	Completed (subject to s106)	Completed	31 March 2018	Sep-17	GREEN		Steve Count, Janet French	CHIC
Cambridge, Milton Rd Library	New library/community rooms with 7 apartments.	7	submitted	16/2060/FUL	Granted	Completed	31 March 2018	Oct-17	GREEN		Jocelynn Scutt	CHIC
Guilden Morden, Dubbs Knoll Rd	16 homes	16	submitted 17 March 2017	S/0937/17/OL	Dec-17	05 February 2018	31 March 2018	Mar-18	RED	Recommended for refusal although not formally notified yet.	Sebastian Kindersley	CHIC
Guilden Morden, Trap Rd	8 homes	8	Dec-17		Apr-18	05 February 2018	31 March 2018	Mar-18	GREEN			CHIC
Papworth Everard, The Old School House	6 homes	6	submitted	S/1594/17/FL		26 February 2018	31 March 2018	Mar-18	AMBER	SCDC planners want number of units reduced. The local Parish Council have expressed an interest in buying but have not come forward with an offer.	Mandy Smith	CHIC
March, 34a Station Rd	10 apartments	10	Apr-18		Jul-18	12 February 2018	31 March 2018	Mar-18	GREEN	consultation	Steve Count, Janet French	CHIC
Ramsey St Mary's, Herne Road	10 homes				Feb-18				GREEN	CHIC not buying.	Adela Costello	CHIC
Whittlesford, Parsonage Farm	2 homes	2	submitted		Feb-18	19 February 2018	31 March 2018	Mar-18	RED	SCDC recommending refusal - design/ bat survey/no opportunity to discuss/no pre app	Peter Topping	CHIC
Cambridge, East Barnwell Community Centre	New library, childrens nursery, Council offices, sports hall, church and circa 52 appartments and mews houses	52	Jan-18		Jun-18	12 March 2018	31 March 2018	Mar-18	AMBER	Planning application submission date moved after meetings with City planners to allow further finessing of design and parking. Diocese/Church undecided about selling their site.	Joan Whitehead	Stephen Conrad
Brampton, Meadow View	Provision of maximum 32 homes + potential care facility	32	Mar-18		Jul-18	12 February 2018	31 March 2018	Mar-18	GREEN	Planners require further archaeological investigation.	Peter Downes	CHIC
Cambridge, 1 Fitzwilliam Road Hostel	3 homes	3				22 January 2018	31 March 2018	Feb-18	GREEN		Linda Jones	CHIC

Soham Eastern Gateway	553 homes, new allotments, school playing field, Medical Centre/extension		submitted	17/01167/ESO	12 March 2018	31 March 2018	Mar-18	RED	Withdrawn Nov 17 to allow further public consultation after concerns about access into the town through the development.	Paul Raynes (Bill Hunt)	CHIC	
Soham Eastern Gateway	553 homes, new allotments, school playing field, Medical Centre/extension	553		17/01167/ESO	12 March 2018	31 March 2018	Mar-18	RED	CHIC hope to start public consultation in February.	Paul Raynes (Bill Hunt)	CHIC	
Bassingbourn, Clear Farm	26 homes	26	Jan-18		Feb-18	05 February 2018	31 March 2018	Mar-18	GREEN		Susan van de Ven	CHIC
Burwell, Newmarket Rd	350 homes	350	submitted	15/01175/OUM	Granted subject to s106	12 March 2018	31 March 2018	Mar-18	GREEN		Josh Schumann	Stephen Conrad
Wicken, Land off Church Road	6 homes	6	submitted	17/01945/OUT	Feb-18	19 February 2018	31 March 2018	Mar-18	GREEN		Bill Hunt	Anna Hicks
Cambridge, Former Police Station and Registrar's Office	6 appartments (old police station); 11 units (registrar's office)	17	Apr-18		Oct-18	05 February 2018	31 March 2018	Mar-18	GREEN		Claire Richards	CHIC
Foxton, Foxton PRU	7 units.	7	Apr-18		Oct-18	Completed	31 March 2018	Feb-18	GREEN		Peter Topping	CHIC
Hartford, Hartford PRU	5 units.	5	Apr-18		Oct-18	22 January 2018	31 March 2018	Feb-18	GREEN		Michael Shellens	CHIC
Horningsea, Northgate Farm	2 units.	2	Apr-18		Oct-18	29 January 2018	31 March 2018	Feb-18	GREEN		Anna Bradnam	Tom Sims
Landbeach, Beach Farm, Green End Rd	5 homes	5	Apr-18		Oct-18	29 January 2018	31 March 2018	Feb-18	GREEN		Anna Bradnam	CHIC
Cambridge, Camfields 137-139 Ditton Walk	25 units	25	Jun-18		Jan-19	22 January 2018	31 March 2018	Feb-18	GREEN		Joan Whitehead	CHIC
Soham Northern Gateway	20 units/some employment	20	Jul-18		Mar-19	05 March 2018	31 March 2018	Mar-18	AMBER	May be subject to a Commons land claim. Counsel's opinion has been sought.	Paul Raynes (Bill Hunt)	Stephen Conrad
March, Hereward Hall & surrounding undeveloped land	Circa 60 units.	60	Apr-19		Oct-19	12 February 2018	31 March 2018	Mar-18	GREEN		Steve Count, Janet French	CHIC
Cambridge, Malta Road	10 units	10	Apr-18		Aug-18	29 January 2018	31 March 2018	Feb-18	GREEN		Noel Kavanagh	CHIC
Cambridge, Worts Causeway	Circa 230 homes	230	Sep-20		Jun-21	05 March 2018	31 March 2018	Mar-18	GREEN		Amanda Taylor	Stephen Conrad
March, Norwood Road land	25-56 units + possible 60-bed care facility.	25	Apr-21		Dec-21	12 February 2018	31 March 2018	Mar-18	GREEN		Steve Count, Janet French	CHIC
Cottenham, Rampton Rd	154 homes		submitted	S/2876/16/OL		05 March 2018	31 March 2018		RED	Planning consent refused. Appeal submitted 16 Oct 2017. Appeal hearing March 2018.	Tim Wotherspoon	Stephen Conrad
Cottenham, Rampton Rd	125 homes	125	submitted	S/3551/17/OL	Jan-18	05 March 2018	31 March 2018	Mar-18	RED	S Cambs reviewing position regarding housing land supply and deferred January committee decision.	Tim Wotherspoon	Stephen Conrad

combination

sheryl

Willingham, Belsar Farm	25 homes	25	submitted	S/3145/16/FL	Granted subject to s106	Completed	31 March 2018	Feb-18	GREEN		Tim Wotherspoon	Stephen Conrad / HDA
Shepreth, Meldreth Rd	25 homes	25	submitted	S/3052/16/FL	Granted subject to s106	15 January 2018	31 March 2018	Feb-18	GREEN		Peter Topping	Stephen Conrad / HDA
Litlington, Sheen Farm	22 homes	22	submitted	S/2927/17/FUL	Feb/March	19 February 2018	31 March 2018	Mar-18	AMBER	Advised that a delegated approval was to be made in Jan 18 but at this has now been deferred to Feb/March.	Sebastian Kindersley	Stephen Conrad / HDA

COMMERCIAL AND INVESTMENT COMMITTEE AGENDA PLAN

Published on 2nd January 2018
Updated 18th January 2018



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.

The following are standing agenda items which are considered at every Committee meeting:

- **Minutes of previous meeting and Action Log;**
- **Finance and Performance Report;**
- **Agenda Plan, Appointments to Outside Bodies and Training Plan;**
- **Programme Status Report.**

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
26/01/18	Outcomes Focused Reviews - update	Amanda Askham	Not applicable	17/01/18	18/01/18
23/02/18	Portfolio Sale	Tom Kelly/ John Macmillan	2017/017	14/02/18	15/02/18
	Smart Energy Grid, Power Purchase Agreement	Sheryl French	2017/030		
	<i>Report back from Cambridgeshire Music Member Reference Panel</i>	Matthew Gunn	n/a		
	Cambridge Catering & Cleaning Services (CCS) report+	Chris Malyon	2018/032		

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
23/03/18	Endorsement of the BEIS funded Local Energy Investment Strategy for Cambridgeshire, Hertfordshire, Norfolk and Suffolk	Sheryl French	n/a	14/03/18	15/03/18
	Portfolio Sale	Tom Kelly/ John Macmillan	2018/006		
27/04/18	Outline business case for Smart Energy Grids for Trumpington and Babraham park and ride sites	Sheryl French	2018/033	18/04/18	19/04/18
25/05/18	Outline business cases for two Battery Storage Projects	Sheryl French	2018/034	16/05/18	17/05/18
22/06/18				12/06/18	14/06/18
20/07/18				11/07/18	12/07/18
17/08/18				08/08/18	09/08/18
14/09/18				05/09/18	06/09/18
19/10/18				10/10/18	11/10/18
23/11/18				14/11/18	15/11/18
14/12/18				05/12/18	06/12/18
18/01/19				09/01/19	10/01/19
22/02/19				13/02/19	14/02/19
22/03/19				13/03/19	14/03/19
26/04/19				15/04/19	16/04/19
24/05/19				15/05/19	16/05/19

To be programmed: Oasis Centre, Wisbech (Hazel Belchamber)

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
2018/032	23/02/18	Cambridge Catering & Cleaning Services (CCS) report	Commercial and Investment Committee	Report of Chief Finance Officer	Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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.

6.

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
or Quentin.Baker@cambridgeshire.gov.uk

COMMERCIAL AND INVESTMENT COMMITTEE TRAINING PLAN			The Training Plan below covers those sessions that have already taken place. Members are asked to identify areas where they feel additional training would be beneficial.		
Ref	Subject	Desired Learning Outcome/Success Measures	Date	Responsibility	Attendance by:
1.	Introductory Session for the Commercial & Investment Committee	The Committee's remit, focus on work areas e.g. CHIC, Strategic Estates, Facilities Management and Horizon Scanning	26th May 2017	Chris Malyon/ John Macmillan	C&I
2.	CHIC Workshop		27 th June 2017	Chris Malyon/ David Gelling/ David Bethell/ John Macmillan	C&I
3.	Business Planning Session		15 th September 2017	Chris Malyon/ James Wilson	C&I
4.	Asset & Risk Workshop	<ul style="list-style-type: none"> • Asset Strategy • CHIC • Risk approach and risk register • Site tenure mix and retention of rental housing • Affordable housing • Community Land Trusts 	20 th October 2017	Chris Malyon/Stephen Conrad/ David Gelling	C&I

