

Assets and Procurement Committee

Date: 16 January 2024

Time: 10.10am-11.30am

Venue: New Shire Hall

Present: Councillors Ambrose Smith, Beckett, Boden, Bywater, Connor, Count, Dupré, Ferguson, Gough (substituting for Cllr Nethsingha), Hathorn (Chair), McDonald, Meschini, Rae (Vice Chair) and Sharp (substituting for Cllr Goldsack)

26. Apologies for Absence and Declarations of Interest

Apologies were presented on behalf Cllrs Goldsack and Nethsingha, with Councillors Sharp and Gough substituting respectively.

27. Minutes of the meeting held 28 November and Action Log

The minutes of the meeting held 28 November were agreed as a correct record.

At the request of the Chair, officers provided an update on the former Mill Road library. They advised that following the withdrawal of Centre 33, Mill Road library would be remarketed in the next few weeks. The plan was to market for twelve weeks and consider recommended bids at the June Committee meeting. Consideration would be given to bids with demonstrable financial resources that would deliver environmental and social outcomes, as well as a financial receipt. Bidders would need to consider the purchase cost, which was guided at £700K, as well as the cost to refurbish, which could be more than £1M. The building had been registered as an Asset of Community Value (ACV), but this lapsed in July 2023. It could be reregistered after 06/02/24. This would mean that a qualifying community interest group could serve a Notice of Intention to bid which would trigger a six month moratorium during which the Council could not complete a sale. However, this did not mean that the sale should be postponed: the sale could continue, and if registered as an ACV, the Council would not be able to complete a sale and a qualifying community group would have six months to prepare a bid.

In response to a Member question, it was confirmed that the former library could be repeatedly registered as an ACV, even after it was sold by the Council. Another Member observed that there was a right of challenge to the ACV by the property owner. Officers advised that it had not been challenged last time, and that no party had yet reregistered.

28. Petitions and Public Questions

There were no petitions or public questions.

29. East Barnwell Community Centre and library redevelopment - update on the development being led by Cambridge City Council

The Committee considered an update on the replacement of the East Barnwell Community Centre with early years provision and the nearby library in Cambridge, being led by Cambridge City Council.

There was a longstanding Council aspiration to replace the Community Centre facilities, but it had been difficult to make this scheme financially viable. The City Council owned properties adjacent to the site. In September 2022, the Strategy and Resources Committee had approved a collaborative arrangement with the City Council, for a combined scheme including reprovisions of the community space, library and early years provision. The proposal was for the County Council to sell its Freehold interests at the site and make a £500K capital contribution to the redevelopment of a new community centre and library by the City Council. These facilities would be leased back to the County Council on a 125 year lease at a Peppercorn rent. The planned phases of the City Council scheme and the funding arrangements were noted. The Committee also noted that the scheme was heavily dependent on £9M of Homes England funding being awarded. A planning application has been submitted and a decision was expected in May or June. The County Council had carried out a Red Book valuation to assess the returns for investment, i.e. the assets plus the £500K contribution, and the difference in the valuation was marginal. The benefits and risks of the proposal were briefly outlined.

Councillor Bulat spoke to the Committee as Local Member. She thanked Members and officers, and also community members and community groups for progressing the project to this stage, a process which started over a decade ago. She was very pleased with what had been achieved so far, but stressed the need for an outcome. It was important for the County Council to focus its discussion on the library and nursery provision. Whilst there were other outstanding issues on City Council parts of development, and Committee Members had received representations from City Councillors alluding to some of these aspects, the focus of the Committee report was rightly on the County Council facilities. The feedback received from the local communities on the County Council's elements had been overwhelmingly positive. She hoped that the Committee supported this project and this resulted in a positive outcome that benefits East Barnwell and Abbey communities, as well as communities further afield.

A Member queried the statement in the report *"The value of the new assets is £5k less than the market value of the old assets, £745k, plus the proposed £500k contribution."* It was clarified that the difference was £5K, not £505K.

A Member advised that he was Co-Chair of the Bottisham Village College Governing Body, and that school was already admitting children from this area of Cambridge. He asked where funding would come from to educate those children. Officers advised that there was Section 106 funding to fit out the early years provision and the library, and this S106 funding was coming from developments in the wider area. Officers were unable to comment on the broader educational funding and admissions considerations for schools, which was a matter for Education colleagues.

A Member noted that the Council was disposing of a Freehold and in return receiving a long Leasehold. He asked why Leasehold was the preferred option, and what provision there would be for renewing that Leasehold? Officers explained that the 125 year lease was the best deal available, the original offer had been for a 25 year lease. Officers would need to

take legal advice on extending that Lease further. In the valuation calculations, the long lease plus £500K equated to the returns in terms of value.

In response to a Member question it was confirmed that this was a lease with the City Council, and that the City Council was responsible for the structural parts of the building and maintenance, and the County Council was responsible for the internal works. A Member commented that he was surprised to note that there were no plans for what happened at the end of the 125 year lease, and asked if Sections 24-28 of the Landlord and Tenant Act 1954 had been taken into consideration. Officers confirmed that once Heads of Terms had been agreed, this detail would be finalised by the solicitors, Bevan Brittain.

Given Members had some concerns on this issue, Councillor Dupré proposed that recommendation (c) be amended to read:

c) To delegate agreement to the final lease terms for the new Preschool and Library to the Executive Director of Finance & Resources **in consultation with Chair and Vice Chair of Committee** if grant funding is secured.

Her reasoning would that this would give the Committee reassurance that there was Member oversight on this matter.

One Member objected to the use an amendment, pointing out that amendments to recommendations should be made in advance of the meeting in line with the Constitution. Another Member noted that the Chair had discretion to permit amendments to ensure the efficient or proper discharge of the Council's business, and in this case it was in the interest of the public purse. Responding, the Member pointed out that the Constitution stated that this was *in exceptional circumstances*. He queried the inconsistent application of the Constitution on amendments, and requested that further guidance and advice was provided by the Monitoring Officer on this matter, and that the rules on amendments were not selectively applied. He commented that if these types of amendments were going to be permitted, the Joint Administration should request that the Monitoring Officer reviews the Constitution to reflect this. **Action required.**

A Member commented that the Council had originally considered redeveloping this site itself, and that the joint solution with the City Council had delayed the project by ten years. He felt that the City Council was looking to secure affordable homes at the County Council's expense. There were a number of unresolved issues, and he felt that the proposal to delegate was being made at too early a stage.

In response to a Member comment, officers remarked that they had worked very hard on a County Council only solution for this site, but it had not been possible to make the scheme viable due to its small size. The Chair commented that this was an opportunity to significantly improve the offer on the Council's site. A Member commented that he had outstanding concerns about the education funding aspects and questions around the lease.

It was resolved by a majority to:

a) note that that the viability of the redevelopment scheme is dependent on approx. £9m funding from Homes England;

b) approve the freehold disposal of East Barnwell Community Site; the surrender of its freehold interest in Barnwell Library and an area of highway land if grant funding is secured, on a 'less than best' basis (insofar as that is the case) on the grounds

that the scheme, as a whole, will deliver significant social and economic wellbeing improvement to the local area;

c) delegate agreement to the final lease terms for the new Preschool and Library to the Executive Director of Finance & Resources **in consultation with Chair and Vice Chair of Committee** if grant funding is secured.

30. Business and Financial Plan 2024-2029

The Committee received the report which summarised the business plan proposals, as presented to the Strategy, Resources and Performance Committee on 19 December 2023. The report covered proposals within the Assets and Procurement Committee's remit, including the rationalisation of the Council's office estate, the development of Libraries Plus, the governance of the Council's capital programme, and the continuous improvement in the Council's procurement process and saving opportunities as a key part of the Council's longer term financial planning.

It was noted that the Land and Property Strategy would not be considered by the Committee until March, enabling the Strategy to be further developed in the intervening period, which would include Member workshops. Some of the proposals in the report were for Member scrutiny at this stage, prior to approval at full Council in February. A Member asked why the Land and Property Strategy was not coming to this Committee meeting, if it impacted on the budget? Officers confirmed that the Strategy did not have direct budgetary implications on the budget being considered, and the matters set out in this report were not affected by that Strategy.

Commenting on the overall report, a Member observed that whilst it provided an accurate view of inflation estimates and other factors, the whole point about the Business Plan was that everything was interrelated, and it was very difficult for Members to consider items in isolation. He observed that the report presented "the world as we see it, moving forward", but did not refer to failures of the Council in delivering its objectives in the prior period, e.g. delays to solar generation schemes. Officers cited examples in the report where there were corrections to previous estimates e.g. the operating costs of New Shire Hall.

There was a discussion around commercially sensitive schemes where sites were being developed, and how Members should assess these. Officers confirmed that there were a number of developments e.g. in relation to Rural Farms, which were currently going through the procurement process, and it was undesirable to indicate the budget to potential bidders. Officers were happy to share with Members, confidentially, the detail of these schemes. The Member had a particular concern regarding Local Members being given full confidential information, where relevant. Officers advised that the Member/Officer Protocol clearly set out those instances where Local Members should be kept informed of developments in their area, and agreed to ensure relevant local issues were communicated with Local Members, where that was appropriate. **Action required.**

The Chair commented that she was pleased with the report, which she felt was extremely accessible. She noted that the approach of identifying efficiencies and maintaining assets

better was in line with a recent National Audit Office report picking this up as a failing in government. Given the changes to the ways in which people were working, office rationalisation was a sensible way forward.

On property rationalisation, a Member suggested that there would potentially be some very large sums of money involved, and a deep dive on those capital receipts would be very welcome. Officers indicated that the appendices had some indicative values, and reports would be brought back on relevant projects.

It was confirmed that all implications sections had been signed off. A Member asked that this should be made clear in future reports.

The Executive Director of Finance and Resources summarised the debate as follows: *There were no recommendations arising from the Asset and Procurement Committee debate of the Business and Financial Plan item. However, one point of clarity was sought around those items identified in the paper and other papers relating to 'confidential schemes' and how these would be shared with Local Members. It was noted that the reason for phrasing some schemes as confidential was due to ongoing bids for work being or due to be submitted, and not wishing to highlight the assumed budget. Members will receive more information as part of the 30th January Strategy, Resources and Performance Committee to help identify schemes for local members. No other comments were passed for clarity or raising to the Strategy, Resources and Performance Committee.*

Councillor Ambrose Smith commented that these proposals form part of the Joint Administration's overarching Council budget, and would need to be voted on without the Conservative Group's support.

It was resolved by a majority to:

a) consider and scrutinise the proposals relevant to this Committee within the Business and Financial plan put forward by the Strategy, Resources and Performance Committee 19 December 2023;

b) recommend changes and /or actions for consideration by the Strategy, Resources and Performance Committee at its meeting on 30 January 2024 to enable a budget to be proposed to Full Council on 13 February 2024.

31. Asset Management and the Maintained Schools Estate

The Committee received a report on the management of the Maintained Schools Estate.

The Council had 112 Maintained schools. Additionally, there was now a complex educational landscape due to academisation, and also complexities relating to Faith owned buildings across the county. The Council had a duty to ensure that school buildings were sufficient and appropriate for education, and feedback from the Department of Education (DoE) suggested that Cambridgeshire had a good schools estate, but there were still a whole range of conditions issues. Due to the limitations on funding available, the Council's focus was on "Warm, Safe and Dry" as its first aspiration for schools. The Council had oversight on upkeep, and also statutory compliance responsibilities such as Health and Safety and Legionella, where it audited and reviewed arrangements to ensure compliance. It also maintained overall responsibility on asbestos. The report also covered the decarbonisation agenda, where schemes were realised through loans and funding from

Salix or the Council directly, to improve schools' carbon footprint, the condition and suitability of buildings, and save resources.

The report also covered school organisation and the planning for school places. There were areas of population and decline within the county, and these were monitored carefully to meet needs. The report also outlined the Section 77 legislation, which covers the sale of school playing fields.

The Chair asked about the letter written to DoE about the challenges about RAAC. Officers advised that the Council had been very proactive in surveying its buildings for RAAC issues, and had written to the Regional Director of the DoE about reimbursement of those costs. No response had been received, but a scheme had subsequently come forward nationally, whereby claims could be made for up to £4000 per school, but only for surveys carried out between 31/08/23 and 01/11/23. The Chair commented that it was disappointing, and that the Council was effectively being penalised for being proactive. Another Member asked officers whether if this decision would be appealed, explaining that he was on a DLUHC national group and could identify if this was an issue with other authorities. Officers indicated that a letter from the Committee Chair would be helpful in this regard, as would the support of the county's Academies Chief Executives' group, and any additional support Members could provide through their contacts would be appreciated.
Action required.

Noting that the reference to the school decarbonisation programme being delivered to nine schools, a Member asked for further information on the timescales. Officers agreed to provide a written response. **Action required.**

A Member commented that the report gave the impression that the way the Council guards school assets was weak, probably due to the complex arrangements that it was required to work within. Officers commented that with regard to Academies, the Council had to work within the confines of national policy and the restrictions due to the leases. Whilst the Council has oversight, its rights were limited e.g. to inspect and review sites. The alternative of retaining ownership of the building and charging rent had initially been considered, but historically the Council had opted out of this type of arrangement as it was too complex. Considerable time was spent with Academy CEOs regarding issues such as access and joint use of sporting facilities, and it was important that the Council continued to audit and challenge cyclically. The Member commented that some sort of regularisation to the cyclical programme would be beneficial.

A Member queried the Salix decarbonisation projects, noting that funding was released in waves, usually with a very limited bidding window, and substantially oversubscribed. He asked if it was possible to receive advance notice when such Salix funding waves were being announced? Officers believed this was already the case, but agreed to confirm.
Action required.

A Member asked if there a review of school properties when they were academised, at the time of handover? He also asked about school playing fields, and asked whether any playing fields had been disposed of recently. Officers advised that there was an assessment based around the "Safe, Warm and Dry" test, and there was government funding made available to Academy Trusts to maintain properties. In terms of capital receipts, he was unaware of any disposal of school playing fields in recent years, and the requirements of the Section 77 legislation were carefully adhered to. One of the County's Primary Schools had recently closed, and the disposal of that School's playing field would be subject to Member scrutiny. Any hard standing would be subject to negotiations with the

DoE as Secretary of State approval was required, and this acted as a strong deterrent to the development of playing fields. Any disposal that was agreed had to improve school outcomes.

A Member spoke on the investment in decarbonisation of the school estate, noting that the first meeting of the Environment and Green Investment (EG&I) Committee in 2021, the Joint Administration had put forward and agreed a package of measures to come forward. For Academies, the Council offered advice on decarbonisation, but not funding. The Government were looking for all schools to become academies by 2030, so there was a question around the Council providing clean energy solutions on buildings that it did not have control over. The E&GI Committee had already considered one difficult case where a school on the decarbonisation programme had, whilst it was going through that programme and the funding identified, indicated that it was academising. In that case, the Multi Academy Trust had itself withdrawn from the decarbonisation programme. Another Member commented that whilst welcoming the Joint Administration's decarbonisation programme, this followed on from the previous administration's ambitious decarbonisation scheme which had secured government funding and reduced costs for schools.

In response to a question about the service provided to non-maintained schools, officers advised that this was a service which non-maintained schools would welcome, and the way forward would probably be more collaborative e.g. collective procurement arrangements. This would be kept under review going forward as there was increasing academisation.

A Member welcomed the work on decarbonisation, and commented that it was crucial to have joined up thinking, noting a new central heating system had been installed in Great Gidding School Primary School, a year before that school closed. The Member also thanked the presenting officer, Jonathan Lewis, on behalf of Members for his hard work and guidance. Jonathan was leaving the Council to take up a new role.

It was resolved unanimously to:

Acknowledge the implications of sufficiency planning and statutory restrictions on the use of the schools' estate for the Council's Land and Property Strategy 2024-29.

32. Committee Agenda Plan, Training Plan and Appointments to Outside Bodies

The Committee reviewed the Committee Agenda Plan.

The Committee noted that two workshops would take place on 16 February and 1 March workshops. Members were also reminded that Procurement training had gone live.

It was resolved to:

- a) note the agenda plan.

Chair