

COMMERCIAL AND INVESTMENT COMMITTEE



Date: Friday, 23 March 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/ccc-conduct-code>

2. **Minutes and Action Log of the Commercial and Investment Committee held 23rd February 2018** **5 - 20**

OTHER DECISIONS

3. **Programme Highlight Report** **21 - 22**
4. **Exclusion of Press and Public**

To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to any individual, and

information relating to the financial or business affairs of any particular person (including the authority holding that information)

5. Programme Highlight Report - Papworth

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

KEY DECISIONS

- 6. Sale of Portfolio of properties to This Land 23 - 30**

OTHER DECISIONS

- 7. Tri-LEP Local Energy Investment and Delivery Strategy and other strategic energy initiatives 31 - 40**
- 8. Approval for a 'less than best' lease to be granted to Spaldwick Parish Council 41 - 50**
- 9. Proposed Business Case to fund the roof works required at the Marwick Centre, March 51 - 64**
- 10. Request from tenant to extend lease for a further ten years at Centre E, 24 Barton Road, Ely 65 - 72**
- 11. Establishing a Local Authority Lottery in Cambridgeshire 73 - 86**
- 12. Finance and Performance Report - January 2018 87 - 94**
- 13. Committee Agenda Plan, Training Plan and Appointments to Outside Bodies 95 - 100**

The Commercial and Investment Committee comprises the following members:

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

Councillor Ian Bates Councillor David Jenkins Councillor Linda Jones Councillor Lucy Nethsingha Councillor Paul Raynes Councillor Terence Rogers Councillor Mike Shellens and Councillor Tim Wotherspoon

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Clerk Name: Dawn Cave

Clerk Telephone: 01223 699178

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Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting the Democratic Services Officer no later than 12.00 noon three working days before the meeting. Full details of arrangements for public speaking are set out in Part 4, Part 4.4 of the Council's Constitution <https://tinyurl.com/ProcedureRules>.

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COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES

Date: Friday 23rd February 2018

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 12.55pm

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

Apologies: Councillor Hay

81. DECLARATIONS OF INTEREST

There were no declarations of interest.

82. MINUTES AND ACTION LOG OF THE COMMERCIAL AND INVESTMENT COMMITTEE HELD 26TH JANUARY 2018

The Committee resolved to approve the minutes of the Committee meeting held on 26th January 2018.

Members noted the following updates to the Action Log:

55(2)/CHIC workshop – a date had not been set and would be arranged as a matter of urgency. **Action required.**

70/Programme Highlight Report – the consultation had commenced in Soham, and this included a mailshot to Soham residents, street surveys, and a meeting had been arranged for w/c 26/02/18.

77(2)/it was clarified that in accounting terminology ‘surplus assets’ were assets likely to be retained for more than a year before being disposed, whilst ‘assets held for sale’ were those which an organisation plans to sell within a year.

68/County Farms Working Group – whilst the OFR had been considered at the last Committee meeting, only the first phase had been completed, so the Working Group was still required. It was confirmed that dates would be circulated shortly. **Action required.**

It was resolved to note the Action Log.

83. SALE OF PORTFOLIO OF PROPERTIES TO CAMBRIDGESHIRE HOUSING AND INVESTMENT COMPANY

The Committee considered a report on properties identified as surplus, recommending their disposal sale to Cambridgeshire Housing & Investment Company (CHIC), and to confirm the associated financing arrangements.

Officers advised of a number of small changes to the recommendations:

- Cambridgeshire Housing & Investment Company (CHIC) had recently changed its name to "This Land", so references to CHIC needed to be updated accordingly;
- following a correction to the valuation of one of properties, an amended discount had been applied, which changed the loan facility total from £11.005M to £11.130M, and the Equity value from £0.551M to £0.557M.

Savills had been appointed to carry out independent "Red Book" valuations of the sites, taking into account known liabilities and the prospects for obtaining planning consent. To date 13 valuations had been obtained from Savills, 10 of which are included in the confidential appendix. These external valuations had been undertaken and accepted by both parties, but would inevitably change on those sites where permission had not yet been granted. Valuations were previously obtained from a different supplier for Milton Road, Russell Street and the former Highways Depot at March.

The Council would be making a 5% equity investment alongside any loan financing, and would therefore receive a capital receipt to the value of 95% of the land. In addition, the Council would receive interest payments with respect to the loan issued to This Land. If This Land was to default on the loan, the Council would have the priority registered charge on the properties, which significantly mitigated the risk on the loans. In addition, This Land was wholly owned by the Council.

Members discussed the affordability issues, suggesting that there needed to be some more discussion on exactly what 'affordability' entailed. It was confirmed that this would vary from site to site, but in line with the This Land Business Plan, it would be policy compliant on affordable housing, subject to viability. Affordable levels already agreed have been 40% in South Cambridgeshire, 25% in Burwell and none at the former highways depot in March site. It was stressed that this was no different to the choices faced by other developers. Some Members commented that the difference was that This Land was wholly owned by the County Council, so it had a big impact on the Council's reputation, and the Council also had objectives such as "developing the local economy for the benefit of all". A Member remarked that

the This Land brochure heavily featured upmarket images which suggested that affordability was not one of their main drivers. The Chairman pointed out that the point of the proposals/housing vehicle was to generate as much income to support services for vulnerable residents as possible.

In response to a Member question, it was confirmed that the three other subsidiary companies registered were all wholly owned subsidiary companies of This Land, therefore they were in turn ultimately wholly owned by the Council.

A Member commented that the mitigation table in the report was lacking in the assessment of key risks, such as 'Building Cost escalation' and 'Significant planning consents not obtained': the Member felt these may get worse, and there should be greater risk assessment of the level of risk after the mitigation had taken place. Officers responded that they were comfortable with the risk assessment and mitigation information presented, which acknowledged that costs would increase, but accepted that these risks needed to be presented in a more developed way.

Noting that some of the first sites were valued by a different supplier to Savills, a Member asked whether there was a comparison with Savills i.e. whether a separate valuation was carried out for any of the sites. Officers confirmed other that their own 'sense check', as experienced professional chartered surveyors and valuers, there were no second valuations on any sites. Savills provided a respected valuation service, and all valuations had been undertaken on an independent "Red Book" basis, a globally recognised standard. Undertaking an additional valuation would cost in the region of £1500 per site.

Members debated the merits of obtaining a second valuation at length. A number of Members said that they were satisfied that the Savills valuations would be accurate, and could see no advantage to carrying out additional valuations, and although the cost was quite low, it was questionable whether this was a good use of taxpayers' money. It was also pointed out that the sales were not being made to an external body, and that the process of obtaining one valuation was in accordance with the policy agreed by the Committee last summer. Officers pointed out that some of the early sites, valued by a different valuer to Savills, were very similar to sites subsequently valued by Savills, and had been given a very similar value, e.g. Russell Street was very similar to Malta Road.

Two Members felt strongly that given the comparative low cost of undertaking second valuations, a spot check should be carried out, which would assure both Members and the public that this was being considered seriously.

Another Member agreed, saying the second valuation would give everyone confidence that Savills were undertaking their role effectively and reliably. It was further suggested that this need not delay the current process, i.e. valuations did not have to be carried out for those sites already being progressed, but for some of the sites coming forward. It was acknowledged that valuations were unlikely to be identical, but they should be within a reasonable range.

The Deputy Chief Executive observed that the only way to see if the valuation was truly accurate would be to value them on the open market. It was agreed that outside the meeting, officers would review how they looked to assess valuations for future sites, and this would be reported back. **Action required.**

In response to a Member question, it was noted that there was an error in the report at paragraph 2.4 of the report, which incorrectly listed Litlington and Burwell as some of the 13 sites under consideration for disposal: these would be considered in the report to be presented to the March meeting.

A Member asked what would happen if a planning application was turned down i.e. a site was not viable. It was confirmed that the procedure set up for buying back those sites still stood, and that the interest accrued would be paid by This Land.

A Member queried whether This Land had the authority to change its name, or whether that should have been a decision for the County Council as the shareholder. The Monitoring Officer confirmed that the company was entrusted with the day to day running of the company, and whilst there were various reserved rights for shareholders i.e. powers that cannot be exercised, change of name of the company was not one of them – the Board of Directors had the authority to change the name. As Directors, the Monitoring Officer and Deputy Chief Executive had agreed to the change of name. Moreover, Committee Members had all been invited to the rebranding event, and whilst there had been comments around the name, at no point had Members given any indication that they had strong objections to the change.

A Member commented that the Committee was being asked to agree to the transfer of very substantial assets to a company when Members do not fully understand the reporting and governance arrangements: a workshop on these issues has been promised but had not happened. The Committee was unaware of the name change/ rebranding until the invitation to the relaunch event. The Member suggested that the decision be deferred pending the workshop being carried out. Another Member agreed, saying that this proposal was effectively being presented as a fait accompli, and she

reiterated her concerns on the Risk Register and mitigation of the risks presented.

The Monitoring Officer and Deputy Chief Executive reassured Members that they took their roles very seriously, especially in ensuring the governance of the organisation was carried out in an appropriate way. Operational issues were the responsibility of the This Land Board: the Committee was not running the company. The Committee had appointed the Managing Director and shareholder representatives. Whilst the workshop on governance and reporting processes had not yet taken place, the Committee had had a workshop on the processes involved in the portfolio transfer, and there was no lack of transparency or openness on how that process was taking place.

In response to a Member question, it was confirmed that the Committee did not normally have the right to the commercially confidential minutes of the Board of Directors, but the Directors and Managing Director would be happy to talk to Members as shareholders.

A Member noted that whilst one of the recommendations was to declare the properties listed in the confidential Appendix 1 to the report as surplus, but there was no information provided on why those properties were surplus. In terms of process and audit trail, this information was required. Officers pointed out that the schedules and reports on these properties had been presented to the Committee over the course of the last 18 months.

A Member highlighted that the Committee was in uncharted territory, and whilst This Land clearly had a clear business plan, there was nothing to compel them to realise their objectives, and the company had no mission statement, vision or values. The Deputy Chief Executive commented that those issues had been set out in their Business Plan, specifically about how the company sought to differentiate itself. He stressed that the Council's role as shareholder meant that they could not compel the company to deliver a certain percentage of affordable housing – if the Council did that, the dynamic would change, and the relationship would become contractual, which would have implications for the company's ability to operate in a commercial environment.

With regard to the valuations, Members noted that planning consent had been agreed subject to a Section 106 agreement, a 15% discount had been applied to the value, and where planning consent had not been obtained, discounts of up to 70% had been applied to reflect the risk involved in obtaining the consent. 'Overage' clauses are included when sites are sold so that as much of the discount can be recovered as possible, once planning permission had

been obtained, and a Section 106 agreement had been reached, subject to the costs of obtaining these consents being deducted by This Land.

A number of Members commented that they were uncomfortable about agreeing the portfolio sale before the workshop on governance and reporting arrangements had been carried out, and it was agreed that the workshop would be arranged as a matter of urgency. **Action required.** The Chairman commented that the arrangements with This Land had not changed since the company was set up.

A Member asked (i) if the recommendation requesting that the Committee draw down part of a loan facility was in line with what the Committee had already agreed to; (ii) if the transfer of properties was in line with a set of policies that had already been agreed by the Committee; and (iii) the governance arrangements of the organisation that the properties were being transferred to had already been agreed by the Committee. Officers confirmed that all three points were correct. Another Member commented that whilst these three points may be true, it had been assumed that there would be a parallel process in which certain things would happen in terms of Member engagement, and that had not proceeded as rapidly as expected. The Chairman acknowledged the Member's concerns but stressed that he was keen to progress with the process, so that houses could be delivered – including affordable housing – and the benefits in terms of financial returns to maintain services to vulnerable communities could be realised.

Councillor Nethsingha proposed that the Committee defer the official decision on this portfolio transfer until the committee had had its workshop, and then hold a special meeting to consider this report. This was seconded by Councillor Jenkins. On being put to the vote, proposal was lost.

It was resolved, by a majority, to:

- 1) approve the disposal of the properties identified in the schedule (Appendix A to the report) to This Land at 'best consideration';
- 2) delegate the final terms of the disposal to the Deputy Section 151 officer in consultation with the Chairman of the Committee;
- 3) that the Committee receive feedback on the effectiveness of the process at a future meeting;
- 4) that £11.130m of the loan facility agreed in principle by the Committee in December, now be confirmed as available to This Land in relation to the properties listed in the schedule at Appendix A to the report (in line with section 3 of the report);

- 5) that equity to the value of £0.557m is invested by the Council into This Land alongside the foregoing loan finance arrangements.

84. TRANSFER OF FREEHOLD OF CROMWELL MUSEUM BUILDING TO HUNTINGDON TOWN COUNCIL

The Chairman advised that since the recommendation went against what had previously been agreed by full Council, he was recommending a deferral on this item, to enable further discussions to take place with Huntingdon Town Council, and to ensure all Members were fully briefed.

A meeting with Huntingdon Town Council would be arranged as soon as possible. **Action required.**

It was resolved unanimously to defer the report.

85. FINANCE AND PERFORMANCE REPORT – DECEMBER 2017

The Committee considered a report on the financial and performance information relating to the areas within the Commercial and Investment Committee's remit. In presenting the report officers drew attention to the forecast overspend on revenue budgets of £650K, and a programme underspend on capital budgets of £47.338M.

Arising from the report, it was noted:

- that the additional budget of £171K required for the Shire Hall relocation project needed to be recommended to the General Purposes Committee (GPC), which related to initial project work, feasibility studies, etc. It was confirmed that this was capitalisation of expenditure that had already taken place, which had been commissioned by the Shire Hall Working Group;
- Housing schemes had not progressed as quickly as originally anticipated, hence the £47M capital underspend – this reflected a change in timing, not the overall scheme detail;
- the report recommended that the Committee request that GPC approves an additional budget of £328k for the capitalisation of Corporate Redundancies budget within Corporate Services and Transformation;

- that the difference between the £47.209M and £47.338M was that the former included just housing schemes;
- that the £80K Cambridgeshire Music Reserve related to the CREATE project that was being held in abeyance. It was confirmed that there would still be £80K at the end of the financial year and the reserve schedule would be amended; **Action required.**
- that the “revised budget for 2017/18” figures in Appendix 6 to the report (Capital Expenditure Summary 2017/18) reflected one year of multiple year budgets i.e. the total scheme costs were not just those costs incurred in 2017/18, but included future years. The overall budget was not expected to change;
- that the loan arrangements were on track for Housing Investment in Appendix 2, following the decision made earlier in the meeting;
- that the substantial decrease in staffing due to some team members leaving (ICT Service (Education) in Appendix 2) related to vacancies held pending a service restructure: in terms of deliverables lost, officers would need to check with the Service. **Action required.**

Officers agreed to check an anomaly in the figures in Appendix 6 relating to County Farms investment, which appeared to imply that £197K additional investment would produce £55K additional revenue. **Action required.**

It was unanimously resolved to:

1. review, note and comment upon the report in the appendix;
2. acknowledge the impact on the level of borrowing required within the Commercial and Investment Committee capital programme if General Purposes Committee approve additional budget of £328K for the capitalisation of Corporate Redundancies budget within Corporate Services and Transformation;
3. recommend to General Purposes Committee the approval of £171K additional budget in relation to the Shire Hall Relocation project, to be funded from borrowing;
4. note the change in funding profile for the Housing Schemes to reflect the assumptions approved as part of the 2018/19 Business Plan.

86. PROGRAMME HIGHLIGHT REPORT

The Committee considered the Programme Highlight Report.

Members received updates on the following schemes:

- Russell Street (Cambridge) – the application had been refused, and it was likely that This Land would appeal. In response to a question, a Member was advised that This Land should be approached about the grounds for that appeal;
- Dubbs Knoll, Cambridge – formal refusal had not been received but was likely;
- Parsonage Farm, Whittlesford – the application has been refused, and This Land would be appealing the decision;
- Soham Eastern Gateway – the consultation had commenced;
- East Barnwell Community Centre – the proposal had depended on the adjoining site being purchased, which looked less likely now, so the focus would be on the part of the site which was owned;
- Rampton Road, Cottenham – a planning appeal would be taking place on 14/03/18, for a smaller application for 125 homes had been withdrawn after South Cambridgeshire District Council (SCDC) had indicated that permission would be refused. A second planning application was registered on 10/10/17 which had been withdrawn as SCDC had advised that they would refuse the application after obtaining Counsel's opinion on the wider five year housing supply.

With regard to Soham Northern Gateway, it was confirmed that this site may be subject to a Commons land claim, and Counsel's opinion had been sought.

At a Member's request, it was agreed to move in to private session:

It was resolved that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to any individual, and information relating to the financial or business affairs of any particular person (including the authority holding that information).

It was resolved to:

Note the Programme Highlight report.

(the meeting returned to public session)

87. COMMITTEE AGENDA PLAN AND APPOINTMENTS TO OUTSIDE BODIES

Members considered the forward agenda plan for Commercial & Investment Committee.

Changes to the Agenda Plan were noted. The Chairman suggested that items/dates could provisionally be included in the Training Plan for possible events in the next 12-18 months.

It was resolved to:

- (i) note the Agenda Plan, including the updates provided orally at the meeting;
- (ii) note the Training Plan.

88. EXCLUSION OF THE PRESS AND PUBLIC

It was resolved that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to any individual, and information relating to the financial or business affairs of any particular person (including the authority holding that information).

89. CAMBRIDGESHIRE CATERING AND CLEANING SERVICE

The Committee considered a report on the rationale and implications for the proposal to exit the school's catering and cleaning market together with a proposed exit strategy.

It was resolved, by a majority to agree:

- 1) the closure of the Catering and Cleaning Service with the proposed exit strategy;
- 2) to delegate, to the Deputy Chief Executive, operational oversight of the exit strategy within the boundaries outlined in the paper;

3) that the Catering and Cleaning Service be moved back into the business (from the Transformation Team) to manage the close-down process.

COMMERCIAL & INVESTMENT COMMITTEE

Minutes-Action Log



Agenda Item no. 2
Cambridgeshire
County Council

Introduction:

This is the updated action log as at **15th March 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 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.	Emailed to Committee by Chris on 02/03/18.	Completed
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.	Meeting arranged for 12/03/18.	Completed

Minutes of 24th November 2017

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.
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Minutes of 15th December 2017

68.	Business Planning Proposals	Julia Tuner/ Claire Barrett	Invite Cllr Jones to County Farms Working Group meetings.	The County Farms Member Working Group meetings are currently on hold pending the design stage of the rural assets outcome focused review, it is expected that when the options have been fully worked up the review will re-establish this group to work alongside officers in assessing the options for a recommendation to C & I Committee.	Ongoing
70.	Programme Highlight Report	John Macmillan	Check with CHIC if any public consultation had taken place re: Soham Eastern Gateway application.	Consultation had commenced in Soham.	Completed.

Minutes of 26th January

77.(1)	Outcome Focused Reviews - Update	Amanda Askham/ Owen Garling	Requested that presentation of financial data within OFR reports be standardised in future in Committee reports.	Transformation officers have noted the requirement to present financial information consistently in the OFR reports and will apply this to all future reports.	Completed
77.(2)	Outcome Focused Reviews – Update (Property Services OFR)	Chris Malyon/ John Macmillan?	Provide an explanation regarding recorded surplus assets of 5.5M	In accounting terminology 'surplus assets' were assets likely to be retained for more than a year	Completed.

				before being disposed, whilst 'assets held for sale' were those which an organisation plans to sell within a year.	
80.	Programme Highlight Report	John Macmillan	Following the 23/02/18 meeting of the Committee it was suggested that a working group session be arranged regarding reporting data.		
Minutes of 23rd February					
83.	Sale of Portfolio of properties to Cambridgeshire Housing & Investment Company	Tom Kelly/ John Macmillan	Review how valuations were assessed for future sites (i.e. second valuation proposal)		
85.	Finance & Performance Report	Ellie Tod/ Tom Kelly	Cambridgeshire Music Reserve to be amended.	Report updated.	Completed
85.	Finance & Performance Report	Ellie Tod/ Tom Kelly	Identifying deliverables lost following substantial decrease in staffing from ICT Service (Education)	The service is currently holding vacancies whilst a restructure is pending; this will remove back office staff and also excess capacity, created by the changing demand for the service (including the tailing off of work related to the Building Schools for the Future programme, and also the transfer of schools to Academies that provide their own IT service).	

85.	Finance & Performance Report	Ellie Tod/ Tom Kelly	Officers agreed to check an anomaly in Appendix 6 relating to County Farms investment, which appeared to imply that £197K additional investment would produce £55K additional revenue.	The £55K is the additional revenue income generated per annum by the total County Farms Investment budget of £818K. The additional £197K budget included within that will contribute £13K of the £55K. The report has been updated to make this clearer.	Completed.
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Programme Status Report: March 2018

Date 15/02/2018

Project Information			Pre-disposal (CCC) indicative milestones												
Project	Scheme/Project Description	Indicative units	Planning Status			Valuation expected	Time from submission to decsion (days)	Agreed affordable	Target for Legal to complete	To C&I for Disposal	RAG Status	Exception update for C&I			
			Planning app submitted	Planning app ref	Planning consent anticipated/granted									Local Member	Scheme/Project Lead
Cambridge, 35 & 37 Russell Street	6 apartments	6	submitted	17/1483/FUL	Refused	Completed	111	0	31 March 2018	Sep-17	RED	Refused 20th Dec 17. This Land to meet City Planners to		Linda Jones	This Land
Guilden Morden, Dubbs Knoll Rd	16 homes	16	submitted 17 March 2017	S/0937/17/OL	Dec-17	Completed			31 March 2018	Mar-18	RED	Recommended for refusal although not formally notified yet. This Land have appealed for non determination on 17 Feb 2018.		Sebastian Kindersley	This Land
Whittlesford, Parsonage Farm	2 homes	2	Refused	S/4153/17/FL	Feb-18	Completed		0	31 March 2018	Mar-18	RED	This Land will appeal refusal		Peter Topping	This Land
Cambridge, East Barnwell Community Centre	New library, childrens nursery, Council offices, MUGA and circa 25 appartments and mews houses	52	Jan-18		Jun-18						RED	Site purchase from Diocese not proceeding. Reverting to CCC standalone site. Design not finalised to allow valuation and sale.		Joan Whitehead	This Land
Soham Eastern Gateway	553 homes, new allotments, school playing field, Medical Centre/extension		submitted	17/01167/ESO	Withdrawn	Completed			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)	This Land
Soham Eastern Gateway	553 homes, new allotments, school playing field, Medical Centre/extension	553		17/01167/ESO		Completed			31 March 2018	Mar-18	RED	This Land started public consulation in February.		Paul Raynes (Bill Hunt)	This Land
Bassingbourn, Clear Farm	10 homes	26	Feb-18		Jun-18	Completed			31 March 2018	Mar-18	RED	Planning propasal reduced from 26 to 10 with balance of land proposed to be let to Parish Council although there are concerns about access and visibility splays.		Susan van de Ven	Stephen Conrad
Cottenham, Rampton Rd	154 homes		submitted	S/2876/16/OL		Completed	314		31 March 2018		RED	Planning consent refused. Appeal submitted 16 Oct 2017. Appeal hearing 14 March 2018.		Tim Wotherspoon	Stephen Conrad
Cottenham, Rampton Rd	125 homes	125	submitted	S/3551/17/OL	Withdrawn	Completed			31 March 2018	Mar-18	RED	Application withdrawn as S Cambs informed that they would refuse the application after getting Counsels opinion on wider 5 year housing		Tim Wotherspoon	Stephen Conrad

SALE OF A PORTFOLIO OF PROPERTIES TO THIS LAND (formerly Cambridgeshire Housing and Investment Company)

To: Commercial & Investment Committee

Meeting Date: 23 March 2018

From: Deputy Section 151 Officer / Resources Directorate

Electoral division(s) All

Forward Plan ref: 2018/006 **Key Decision:** Yes

Purpose: To declare the properties identified in the schedule below surplus and agree the disposal sale of the properties to This Land.

To extend the associated financing arrangements.

Recommendation: It is recommended that:-

- (1) The Committee approve the disposal of the properties identified in the schedule (Appendix A numbered 14-29) to This Land at 'best consideration'
- (2) The final terms of the disposal be delegated to the Deputy Section 151 officer in consultation with the Chairman of the Committee
- (3) The Committee receive feedback on the effectiveness of the process at a future meeting
- (4) Loan financing, associated with the portfolio sale, and made available to This Land is increased to £41.446m - activating further within the overall sum agreed in principle in December
- (5) The level of equity the Council is permitted to invest in This Land is increased to £2.073m alongside the foregoing loan finance arrangements

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	John Macmillan/Tom Kelly	Names:	Cllr Schumann
Post:	Group Asset Manager / Head of Finance	Post:	Committee Chairman
Email:	John.macmillan@cambridgeshire.gov.uk / tom.kelly@cambridgeshire.gov.uk	Email:	Joshua.schumann@hotmail.com
Tel:	076808861360 / 01223 703599	Tel:	01223 706398

1. BACKGROUND

- 1.1 The Council has established a wholly owned housing company in order to derive a financial return. The underlying objective of creating a commercial vehicle of this nature is to provide new revenue sources to support the delivery of front line services to Cambridgeshire residents. In this report, the company is referred to as 'This Land'. The company was originally known as Cambridgeshire Housing & Investment Company but has now rebranded and changed its name at Companies House. 'This Land' now comprises a number of subsidiary entities in addition to the parent (the subsidiaries are This Land Development Limited, This Land Investment Limited, This Land Asset Management Limited and This Land Finance Limited). Cambridgeshire County Council is the sole and ultimate owner of all parts of the This Land group.
 - 1.1.1 The financial model that the Committee have previously agreed will be adopted is that the Council will make loans to This Land, at commercial rates in order to provide the funding to allow This Land to purchase land from the Council and to finance the costs of construction and development. As the Council can borrow at less than commercial rates it will derive a financial margin on the loans. This margin has already been included as a revenue benefit within the Council's budget. The Council will receive capital receipts in the short term and eventually also dividends from the Company but this will not arise for a number of years given the debt ratios of the Company in the early years of trading and the lead times for delivery of residential housing on sites currently used for other purposes.
- 1.2 The Council's Constitution provides that the authority for all property disposals rests with the Commercial and Investments Committee (C&I), with an agreed delegation to the Director of Finance to exercise that authority for transactions where the capital value is less than £500,000, or the revenue value is less than £150,000.
- 1.3 Previously at a meeting on the 30 June 2017 the Commercial & Investment Committee when considering the principle of selling sites to This Land agreed "to declare surplus land and property on a case by case basis to achieve best consideration".
- 1.4 Following initial plans to stagger sales to This Land, at a meeting of Commercial & Investments Committee on the 15 December 2017 it was agreed to bring forward the sale of all of the sites in the development pipeline in a single sale process, a portfolio approach. In February 2018 the Committee then agreed to dispose, at best consideration, of 13 sites as the first tranche of that portfolio. This report covers the second tranche (sites 14-29) completing the portfolio.
- 1.5 The Committee has previously resolved in principle to grant a loan facility of up to £120m to This Land, at a commercial rate, for land acquisition, construction and associated costs. £11.1m of that loan, associated with the first 13 sites, was permitted by the Committee at the last meeting. The further sites under consideration at this meeting take the loan requirement up to £41.45m. Further loan financing will be required by This Land in due course to finance overage payments, construction and other development costs. Alongside loan financing, it is necessary for the Council to consider equity investment in This Land. So far £0.6m has been approved, this report requests to increase this to £2.073m equity.
- 1.6 This Land acts as an arm's length company and officers responsible for property deal with it on that basis.

2 PROPERTY AND VALUATION ISSUES

- 2.1 Valuations have continued according to the independent “Red Book” methodology previously agreed by the Committee as part of the best consideration approach. Valuations have been completed by external agents appointed by the Council taking into account known liabilities and the prospects for obtaining planning consent. Valuations are more straightforward, and less assumptions have to be made, if planning consents are in place.
- 2.2 Where planning consent has been obtained the full value will be paid otherwise a discount is applied to the value with planning consent to reflect the risk of getting a consent.
- 2.3 Where planning consent has not been obtained discounts of up to 90% have been applied to reflect the risk involved in obtaining the consent.
- 2.4 In order to protect the Council's interests, as much of the enhanced value as possible will be recovered using overage clauses applied when planning consent has been obtained, subject to This Land's reasonable costs being deducted.
- 2.5 Sites at Cottenham and Guilden Morden are subject to appeal and at Whittlesford the application was refused. The valuations are heavily discounted and in the case of Cottenham is only 3 times agricultural value, as the valuers conservative assumption is that planning consent will not be obtained.
- 2.6 Some sites may be subject to a later price adjustment if the developer encounters abnormal costs, for example contamination or archaeology or if the developer makes a windfall gain that could not have been anticipated at the time of planning. This would be subject to a further valuation.
- 2.7 Two sites at Whittlesford and Willingham will be sold with tenants in situ. An offer of ‘less than best consideration’ has been received on the Papworth site, from a third party, and is considered in a separate report at this Committee meeting.
- 2.8 One site at East Barnwell, Cambridge has dropped out of the portfolio. It is a mixed use site with a library, relocated Locality team, a childrens nursery and community facilities as well as residential. Initially this was to form part of a larger site through the acquisition of adjacent land from Ely Diocese but that has fallen through. Redesigned plans are being prepared and the proposal will involve a sale and lease back of the council/community facilities. The scheme is not at a stage when it can be valued to allow a sale.
- 2.9 **Timing.** There is a risk that not all sites will transfer on the 31 March 2018. Some sites are large and will be sold in phases. Others may have unforeseen complications which have to be resolved, such as access but every effort is being made to ensure that the deadline is met. LGSS Law Ltd have been appointed to handle the sales.

3.0 REPORTING AND GOVERNANCE

- 3.1 A workshop for members of C&I was held on Monday 12 March. Five Members attended and together with Managing Director of This Land and the Deputy Chief Executive of the County Council (Non-Executive Director of This Land) discussed governance and

performance reporting.

- 3.2 An example of a quarterly report was presented and circulated to all Members of the Committee. The report in quarterly and annual format would be presented to Commercial and Investment Committee members, as shareholders. Feedback has been received including around:
- Providing updates through this mechanism on progress with planning applications and third party land acquisition
 - Key targets and performance measures, relative to the initial business plan and objectives
 - Presenting trend and performance information in a more graphical format than the first draft.
- 3.3 The company has been set up as a commercial entity to generate profit rather than pursue policy objectives. It will be able to operate within the market as a commercial entity. For example this would mean being able to purchase building contractors or property management services without tendering according to public sector parameters.
- 3.4 External legal advice was previously received on company governance. This included the clear steer around the differing roles of shareholder and director within the company's governance.
- 3.5 The Council will be the sole shareholder and C&I would exercise the Council's rights as shareholder and will control the company through the appointment and removal of directors and certain other statutory rights. Appointment of further non-executive directors is pending, subject to the loan financing coming into place.
- 3.6 Local authorities commonly have control over a company through approving the business plan and the requirement that certain listed decisions, referred to as "reserved matters", be referred back to the Council as shareholder rather than being within the discretion of the board of directors. The Council has been advised that it should limit control exercised through reserved matters as this could prejudice the company's arm's length nature and the benefits that brings. The rights of the Council should focus on the control and monitoring of commercial performance in the light of the equity investment by the Council.

4. FINANCING ARRANGEMENTS AND RATIONALE

- 4.1 Fuller description of the financing arrangements and financial rationale and risk assessment have been set out in previous reports to this Committee (linked in the source documents section below). This report seeks to extend the loan financing to This Land, for land acquisition. The total loan financing associated with the portfolio sale is now £41.446m (including the 13 sites previously agreed), as set out on a site-by-site basis in the confidential **appendix**.
- 4.2 The key features of the financing arrangements include:
- Loans for land transfers are secured against the value of that land, with a legal charge placed on the assets at HM Land Registry in the event that This Land were to default
 - Overage and profit share provisions within sales agreements and commitment to best

value procurement approach by This Land protect the Council's interests where values change following the land transfer due to the stage in the development pipeline at the point of transfer

- This Land has undertaken detailed financial modelling for the sites and developments that it will acquire as a result of the portfolio sale. The initial business case has been developed significantly to reflect site valuations, cost estimates and timings and reflects quarter-by-quarter income and expenditure estimates across the next decade for each of the sites under consideration.
- Financial modelling continues to demonstrate that This Land is an appealing investment prospect for the Council over the long term, with initially significant interest payable to the Council ahead of residential sales and profit making in This Land in later years.
- An equity investment equivalent to 5% of the loan financing will be made at a similar time to the portfolio sale loan.

5. ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

Sites developed across the county will undoubtedly contribute to the local economy creating additional jobs in the house building industry. In turn those employed in the industry will create secondary spend in the localities where they work and live.

5.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

5.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

6. SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

The sale of assets to This Land are included within the Council's Business Plan. Delays to the original profile of sales is causing an in year pressure and this has already been reported to GPC within the Integrated Finance Report. This reports seeks to ensure that the sale of sites takes place within a portfolio sale within the current financial year thereby mitigating further capital and revenue implications. These are highlighted in the report. Overall, the report sets out the favourable resource implications to the Council from progressing the housing development vehicle described.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Bevan Britain LLP and LGSS Legal Ltd have advised on procurement, best consideration, lending and security, accelerating implementation and State Aid

6.3 Statutory, Legal and Risk Implications

Specialist legal advice has been sought jointly from Bevan Brittain LLP on procurement, best consideration, lending and security, accelerating implementation and State Aid. LGSS Law have also advised.

6.4 Equality and Diversity Implications

There are no significant implications within this category.

6.5 Engagement and Communications Implications

There are no significant implications within this category.

6.6 Localism and Local Member Involvement

Local Members have been notified of the proposed sites for transfer.

6.7 Public Health Implications

No comments received to date.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes / No No implications raised.
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Reference made to the Disposal Process of Property Assets that was agreed at the Committee's meeting on 30th June LGSS Law lead on disposal is Mickaela McMurtry.
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: John Macmillan

Have any engagement and communication implications been cleared by Communications?	Name of Officer: Christine Birchall Head of Communications and Information
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: John Macmillan
Have any Public Health implications been cleared by Public Health	n/a

Source Documents	Location
Schedule of properties to be declared surplus	Appendix A
Paper to C& I Committee 30/06/17	https://tinyurl.com/y73aq6u5
Paper to C& I Committee 15/12/17	https://tinyurl.com/y7nosuat
Paper to C& I Committee 23/02/18	https://tinyurl.com/FebCIreport

**TRI-LEP LOCAL ENERGY INVESTMENT AND DELIVERY STRATEGY & OTHER
STRATEGIC ENERGY INITIATIVES**

To: **Commercial and Investment Committee**

Meeting Date: **23rd March 2018**

From: **Graham Hughes, Executive Director, Place and Economy**

Electoral division(s): **ALL**

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

Purpose: **To update Members on progress on the strategic energy initiatives that the Council is supporting and developing.**

Recommendation: **Members are asked:**

- **To note the development of a Tri-LEP Local Energy Investment and Delivery Strategy sponsored by the Department for Business, Energy and Industrial Strategy (BEIS)**
- **To note the setup of Regional Energy Hubs sponsored by BEIS from April 2018 to support the delivery of emerging Local Energy Investment and Delivery Strategies across the UK**

Members are asked for in principle support

- **To develop the concept for a network of smart energy grids, initially on the Council's park and ride sites, to support the electrification of transport across Cambridgeshire**
- **To scope the outline business cases for the initial projects identified in Appendix B under the recent REFIT 3 procurement**

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	Sheryl French	Names:	Councillors Schumann and Hay
Post:	Project Director	Post:	Chair/Vice-Chair
Email:	sheryl.french@cambridgeshire.gov.uk	Email:	Joshua.schumann@hotmail.com Anne.hay@cambridgeshire.gov.uk
Tel:	01223 728552	Tel:	01223 706398

1. BACKGROUND

- 1.1 The UK energy model is evolving with increased diversity of technologies and relationships in the energy supply chain that is changing the traditional model of energy provision. This is creating challenges and opportunities that require a new strategic approach to our energy provision, a new approach is needed that will enable the energy system to sustain communities and support growth and the electrification of transport in a way which can benefit the whole economy.
- 1.2 UK Government's Industrial Strategy published in 2017 highlights several ways in which it supports clean energy development, and its role in our economy, including:
- Launching a new programme 'Prospering from the energy revolution' to develop world-leading local smart energy systems that deliver cheaper and cleaner energy across power, heating and transport, while creating high value jobs and export capabilities;
 - Working with the energy sector to identify how it can support rapid adoption of Artificial Intelligence technologies at scale to support and lead the fourth industrial revolution;
 - Developing UK leadership in low carbon transport and investing into innovation to develop clean technologies across road, rail, aviation and maritime transport; and
 - Delivering affordable energy and keeping energy costs down for businesses through energy efficiency.
- 1.3 The Department for Business, Energy and Industrial Strategy (BEIS) published the Clean Growth Strategy on 12 October 2017 as a legal requirement of the Climate Change Act. This sets out the Government's proposals for decarbonising all sectors of the UK economy through the 2020s. The Clean Growth Strategy commits to growing our national income while cutting greenhouse gas emissions and tackling air quality. In addition it will drive the uptake of ultra-low emission vehicles including a rollout of electric vehicle (EV) charge points through a £1billion investment fund. A further £900 million of public funds will be invested in smart systems for energy storage, demand response technologies, new nuclear, and reducing the cost of renewables.

2. MAIN ISSUES

- 2.1 *Tri- LEP Local Energy Investment and Delivery Strategy*
- 2.2 In April 2017, BEIS commissioned the three Local Enterprise Partnerships (LEPs) in the East of England, Greater Cambridgeshire and Greater Peterborough, New Anglia and Hertfordshire to develop an area-based local energy strategy covering 38 local authority areas to support the implementation of the Industrial Strategy and the Clean Growth Strategy.

- 2.3 To underpin the strategy, a data platform has been collated to host information on energy demand, supply, generation, distribution and storage facilities across the tri-LEP area, overlaid with critical information that affect the energy system including:
- Grid power and gas networks and any constraints that may exist;
 - Areas of projected housing and commercial growth;
 - Development of electric charging infrastructure;
 - Indices of fuel poverty; and
 - Domestic and non-domestic electricity and gas consumption.
- 2.4 The strategy will be completed by May 2018 and once signed off by the three LEP Boards, will be presented to BEIS. Local Authorities in the area can endorse the final strategy which will set out actions to meet strategic aims under the following four themes:
- Housing Growth and Commercial Site Infrastructure;
 - The shift to a non-gas domestic economy;
 - The transition to an electricity and hydrogen transport system; and
 - Affordable, secure, low carbon consumption in all sectors.
- 2.5 *Regional Energy Hubs*
- 2.6 In addition to the initial financial support for strategy development across the country, BEIS is looking to set up regional energy hubs to bring forward projects identified in the local strategies and delivery plan process. BEIS is proposing five energy hubs across England with one of the hubs covering the 11 LEPs in the Greater South East region, based in Cambridgeshire. The South East Energy Hub will receive £1.29 million for two years, from April 2018. The Greater Cambridgeshire Greater Peterborough LEP will act as the lead LEP operating and managing the Hub. A team of eight dedicated, technical staff will work with the different local authorities on strategic projects to deliver the changes to our energy system to ensure a thriving a modern economy.
- 2.7 *Initial concept for a network of Smart Energy Grids on Park and Ride & other sites*
- 2.8 The challenges of local air quality and the electrification of public and other transport require new innovative energy solutions. The Greater Cambridge area is a particular challenge owing to a heavily constrained local electricity distribution network.
- Smart Energy Grids are a potential solution to the local grid challenges as these allow renewable energy generation and battery storage to be delivered without the need for expensive upstream grid reinforcements. Building on the learning developed at St Ives park and ride, the concept for a network of smart energy grids is being developed connected to interval electricity charging on key public transport routes. Initial proposals cover the Greater Cambridge area, please see **Appendix A**, but the idea is to extend this concept more broadly across Cambridgeshire.
- 2.9 *Pipeline of Energy Projects under development*
- 2.10 During 2017 a procurement using the Refit 3 Framework was undertaken to appoint a service provider to design and construct energy performance projects for the Council. Bouygues Energies and Services Ltd (BES Ltd) were appointed 1st November 2017 under

the Refit 3 Framework. BES Ltd bring valuable energy engineering, design, and construction skills to support the development and delivery of projects.

Projects currently being scoped to identify outline business cases include:

- Solar and battery storage for five landfill sites in partnership with the Waste Management Team;
- A 3MW battery storage project in partnership with the Farm Estates Team;
- Smart Energy Grids for Trumpington and Babraham Park and Rides in partnership with the Park and Ride team; and
- A pipeline of over twenty school projects.

Please see **Appendix B** for the range of projects in the pipeline.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

The strategic energy initiatives and projects will benefit the local economy through building a local energy market, unlocking clean growth and developing skills and high quality jobs locally.

3.2 Helping people live healthy and independent lives

All the energy initiatives are looking to reduce greenhouse gas emissions and improve air quality leading to better health for all.

3.3 Supporting and protecting vulnerable people

Without a strong focus on upgrading our energy infrastructure and developing local energy markets the cost of energy will become unaffordable putting more homes and people into fuel poverty.

4. SIGNIFICANT IMPLICATIONS

4.1.1 Resource Implications

The development of the Local Energy Investment and Delivery Strategy along with the concept for a network of Smart Energy Grids and other energy projects will reduce carbon emissions, improve air quality and promote sustainable energy generation and consumption.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications.

4.3 Statutory, Legal and Risk Implications

There are no significant implications at this point.

4.4 Equality and Diversity Implications

There are no significant implications.

4.5 Engagement and Communications Implications

Over 200 stakeholders attended an event on 26th February 2018 on the development of the Tri-LEP Local Energy Investment and Delivery Strategy. In addition a number of workshops have been run to engage Local Authorities in the development of the evidence base, key themes and issues for the strategy.

Discussions on the initial concept for a network of Smart Energy Grids have been undertaken internally including the Park and Ride and Connecting Cambridgeshire teams. In addition the concept has been shared with the Greater Cambridge Partnership and officers at the Combined Authority.

Public engagement meetings will be held at Trumpington Park and Ride, 07.30-09.30am on Monday 19th and 20th March 2018 to discuss the concept ideas for a Smart Energy Grid on the site. Local residents and businesses will be invited to attend the sessions alongside discussions with park and ride users. This will help gather data and start a dialogue on the Smart Energy Grid concept.

4.6 Localism and Local Member Involvement

Sharing the strategic energy initiatives and emerging energy projects with Members at this early stage will help build understanding of our future energy challenges. This provides the opportunity for Members to start conversations in their communities and seek new ideas and solutions from our communities to bring forward innovation.

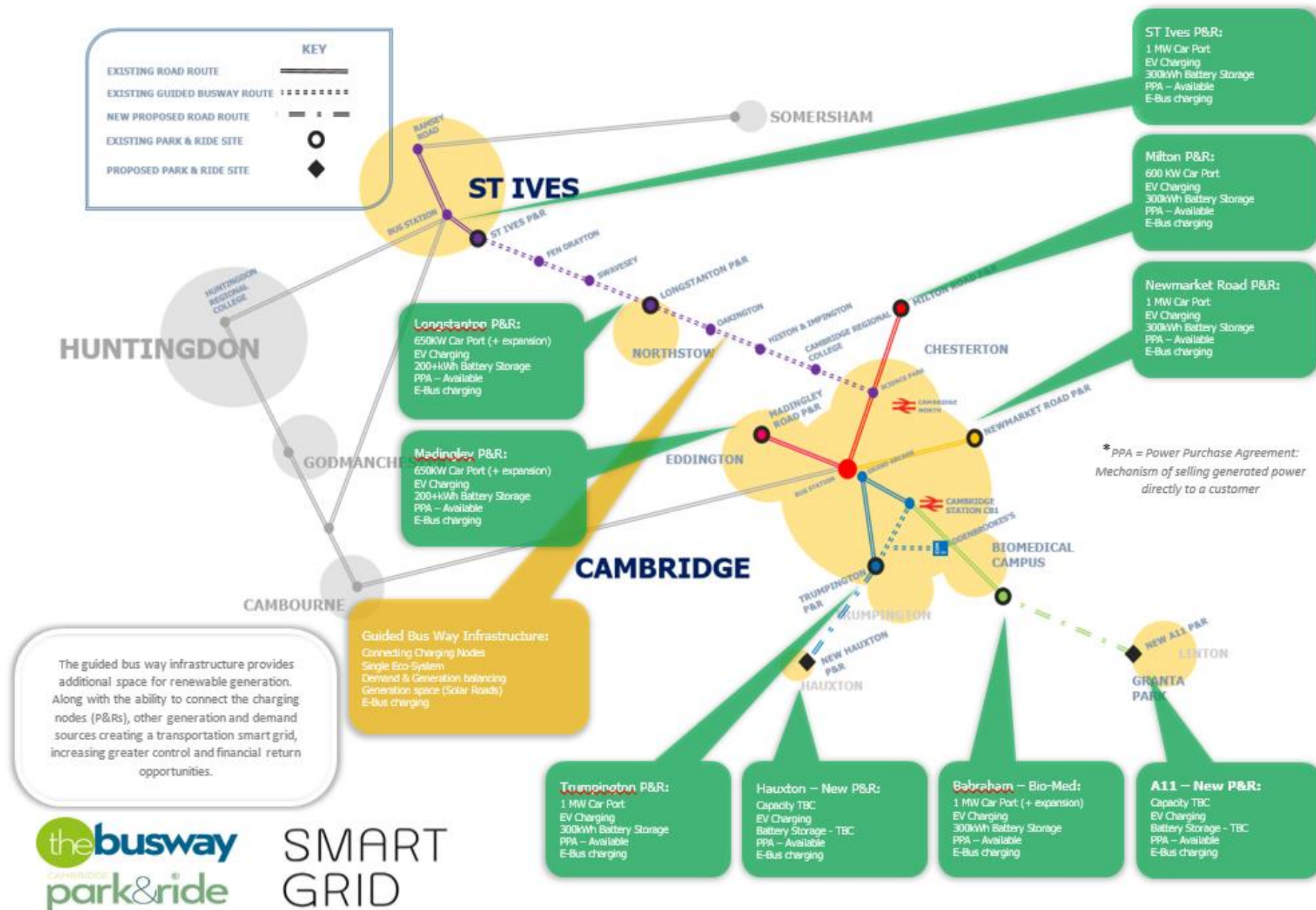
4.7 Public Health Implications

The strategic energy initiatives will help mitigate climate change and bring air quality benefits for our communities.

Source Documents	Location
Industrial Strategy – Building a Britain Fit for the Future, 2017	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf
The Clean Growth Strategy, 2017- Leading the way to a low carbon future	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/651916/BEIS_The_Clean_Growth_online_12.10.17.pdf

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Sarah Heywood
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Debbie Carter-Hughes
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Tamar Oviatt-Ham
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Jo Shilton
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Tamar Oviatt-Ham
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Iain Green

Appendix A: Initial Concept for a network of Smart Energy Grids



Refit 3 Programming - 2018

Revised 22/2/18

Quarter	Project	Feasibility / HLA / IGP	School / Non school	Priority (1-3) 1 being the top priority	Likelihood	Potential Capital Value (best guess)
?	Burwell Housing Energy and Water Sustainability	HLA	Non school	3		>£1M
Q1 2018	Trumpington P+R SEG feasibility	HLA	Non school	1		>£3M
Q1 2018	Babraham P+R SEG feasibility	HLA	Non school	1	2	>£2M
Q3 2018	Battery Storage on CCC Estates - Cambridgeshire Professional Development Centre (1MW)	HLA	Non school	1		>£1M
Q1 2018	Battery Storage on CCC Estates - Wolvey Holes (3MW)	HLA	Non school	1		>£3M
Q2 2018	Swaffham Prior District Heat	Feasibility Study	Non school	2		>£2.5M
Q1 2018	Impington Village College EnPC	HLA	School	1		£500k
Q1 2018	up to 10 Primary Schools (tranche 1)	HLA	School	1		
Q1 2018	Cam Academy Trust (3 secondaries + primaries tbc)	HLA	School	1		
Q1 2018	South Cambs Streetlighting	HLA	Non school	2		

Q1 2018	Closed Landfill Sites (5x) - Conington - Godmanchester - Stanground - Thriplow - Woodston	HLA	Non school	1		£5M - £10M
Q2 2018	Smart Streetlighting / Street furniture	HLA	Non school	3		
Q2 2018	South Cambs Headquarters in Cambourne	HLA	Non school	2		
Q1 2018	Libraries Portfolio	Feasibility Study	Non school	2		
Q2 2018	Tranche 2 Schools	HLA	School	1		
Q2 2018	South Cambs Northstowe Healthy Buildings Initiative	Feasibility Study	Non school	3		
Q2 2018	Impington Village College EnPC	IGP	School	1		
Q2 2018	Tranche 1 Primary Schoools	IGP	School	1		
Q2 2018	Cam Academy Trust Schools	IGP	School	1		
Q2 2018	Electric Bike Charging at train stations - Cambridge North and Waterbeach (Waterbeach may be moving lcoation)	Feasibility Study	Non school	3		
Q2 2018	Renewable energy to light Greenway cycle paths	Feasibility Study	Non school	3		
Q3 2018	Academy Energy Centre	Feasibility Study	School			
Q3 2018	Tranche 2 Academies	HLA	School	1		
Q3 2018	Impington Village College EnPC	WOS	School			
Q3 2018	Cam Academy Trust (3 secondary)	WOS	School	1		
Q3 2018	Tranche 1 Primary Schoools	WOS	School	1		
Q3 2018	Tranche 2 Primary Schools	IGP	School	1		

**APPROVAL FOR A 'LESS THAN BEST' LEASE TO BE GRANTED TO
SPALDWICK PARISH COUNCIL**

To: **Commercial and Investment Committee**

Meeting Date: **23 March 2018**

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

Electoral division(s): **Alconbury & Kimbolton**

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

Purpose: **To gain approval to grant a 15 year lease at a less than best rent**

Recommendation: **1) To approve granting a 15 year lease to Spaldwick Parish Council
2) To approve granting of a lease at a peppercorn rent**

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	John Macmillan	Name:	Cllr Schumann
Post:	Group Asset Manager	Post:	Committee Chairman
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Tel:	01223 699092	Tel:	01223 706398

1. BACKGROUND

1.1 The Spaldwick Community Room is located at Spaldwick Community Primary School, Ferriman Road, Spaldwick, PE28 0TQ which Cambridgeshire County Council own the freehold of.



1.2 The Community Room was first added to school building around 1989, then extended some years later. The funding for the original building came from the Education capital budget. It was procured through the LEA property department.

1.3 When the room was extended in 2001, Huntingdon District Council (HDC) put in an £11,000 grant towards the total build cost of £25,000. It is standard practice that other authorities are invited to contribute funds to further enhance the facilities, and this was given by HDC as there was no other community provision at Spaldwick at that time.

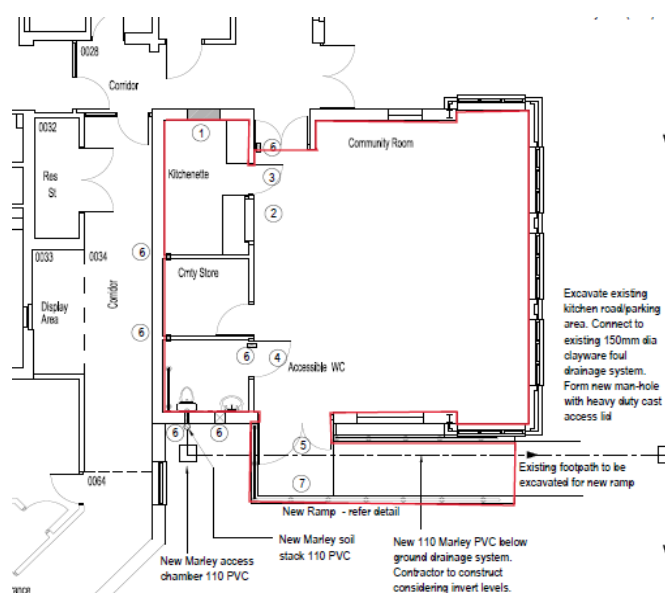
1.4 The Village Hall fell into disrepair some years ago and due to the low number of residents and the small precept it was decided to sell the property. The proceeds of this sale are held in Trust and can only be used to buy a new Village Hall, unfortunately with low interest rates and high property prices the Parish Council have struggled to find a replacement option and there are no other suitable community facilities within the village.

1.5 There is no agreement currently in place and the community use needs to be formalised.

1.6 The room is currently used on a weekly basis by a range of community users including the Bowls Club, the village youth club and Mother and Toddler group. The Parish Council hold monthly meetings. In addition the room is used by Huntingdon District Council as a polling station.

2. THE MAIN ISSUES

- 2.1. The School are currently managing the Community Room and want occupation of the Community Room for their own purposes. They served the Parish Council notice to vacate without consulting them. Discussions have been ongoing for the past two years and a resolution has been reached for the Parish to take a lease for the Community Room.
- 2.2. During the investigation CCC identified safeguarding concern regarding the day time shared usage of the room as there were no way of controlling access from the Community room into the school. In addition there were no separate WC facilities so the users of the Community room were having to use the school's facilities.
- 2.3. Terms have been agreed with Spaldwick Parish Council, on the basis of a 15 year in lease for community use, with a rent of £1 if demanded (a peppercorn rent). The rent of a peppercorn was agreed with the Parish Council.
- 2.4. The Parish Council has limited uncommitted funds as the majority of their precept (the 2018/19 budget sets the precept fund at £10,405) is used to cover grass cutting and Clerk wages. Their intention is to let this space to members of the community at a reduced rate to encourage as much use as possible whilst promoting health and wellbeing. If The Parish Council had to pass on the cost of a market rent to users it would not be viable, the cost would be too great.
- 2.5. Under the proposed lease the school will still have use of the room 10 times a year.
- 2.6. In response to concerns about safeguarding and health and safety, it was agreed by the Education team that CCC would carry out some repairs and improvements to the Community Room (new layout in plan below) which amounted to around £50,000 and were completed in 2017. The tenant will be responsible for internal repair and maintenance.



- 2.7. Works carried out include; new electric heaters in the community room (CCC disconnected the schools heating from this room). New water meter in kitchen, new electric meter in school electric cupboard. In addition create new concrete ramped entrance with handrails and new main doors. Installed a new WC with electric heating, DDA compliant. Installed new foul drain connection from WC to foul drain manhole the other side of the school car park. Installed new entrance in to existing kitchen within community room and blocked up door leading into school (from kitchen). Provided new electric hot water heater to WC and kitchen. Provided new fire rated serving hatch to the kitchen, Installed some new kitchen cupboards. Installed new water meter in kitchen. Installed new electric meter, located in electric cupboard in the school hall (directly outside the schools main kitchen). Minor making good to decoration.
- 2.8. The outcome of these repairs and improvements carried out by CCC in 2017 is that the Parish Council can now manage the community room as a standalone facility they have their own separate access, toilet facilities and their own meters. The concerns regarding safe guarding whereby members of the public could access the school via the community room have also been resolved.
- 2.9. Protection of the CCC investment made for the improvements is required and to ensure continued community use in the event of the school converting to an Academy. If the school is to become an Academy then in accordance with the Academies Act 2010 the premises could be transferred to the Academy Trust if the School have been using it in the last 8 years.
- 2.10. The Community Room is an important aspect to the village and brings people together enabling them to develop the community, not just the Parish Council but also other local groups.

3.0 OPTIONS

- 3.1 Agree the terms of the proposed lease to Spaldwick Parish Council for 15 years at a peppercorn rent (less than best rent).
- 3.2 The Parish Council to provide a contribution to external maintenance costs recharged associated with the Community Room and any business rates and utilities. They will be responsible for internal repairs and maintenance which they will carry out themselves.
- 3.3 Continue with the current arrangement although this could lead to the School taking more occupation so there is not the availability for other users and subsequently no community space.

4.0 SUMMARY

4.1 Granting a lease of the Community Room to the Parish Council secures protection of the CCC asset and enables continued community use.

4.2 It is proposed that the Parish pay a peppercorn rent which will enable them to pass on a reduced rate to community users.

5.0 ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

- The Community Room can be used by members of the public groups etc to hold meetings, run classes.
- The intention is to let this space to members of the community at a reduced rate to encourage as much use as possible whilst promoting health and wellbeing.

5.2 Helping people live healthy and independent lives

- The community room is used for promoting health and wellbeing there are exercise classes run from the room
- The bowls club which is a source of exercise and socialising use the community room
- The elderly members of the community regularly meet at the community room
- Mother and toddler classes are an important aspect providing a support network.

5.3 Supporting and protecting vulnerable people

- The Community room is used by members of the public and especially the older people who have nowhere else in the village to meet
- As a meeting place the Community Room reduces isolation and provides a supportive platform and sense of inclusion.

6 SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

There are no significant implications within this category.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

6.3 Statutory, Legal and Risk Implications

6.4 Equality and Diversity Implications

There are no significant implications within this category.

6.5 Engagement and Communications Implications

There are no significant implications within this category. Christine Birchall has confirmed that they would like to issue communications for a story promoting community

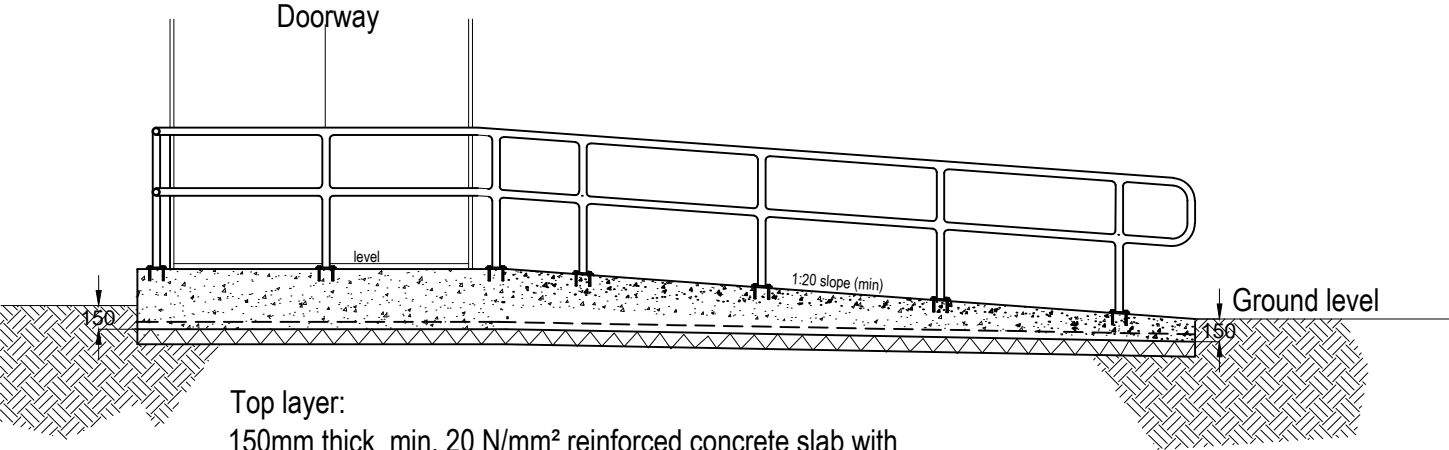
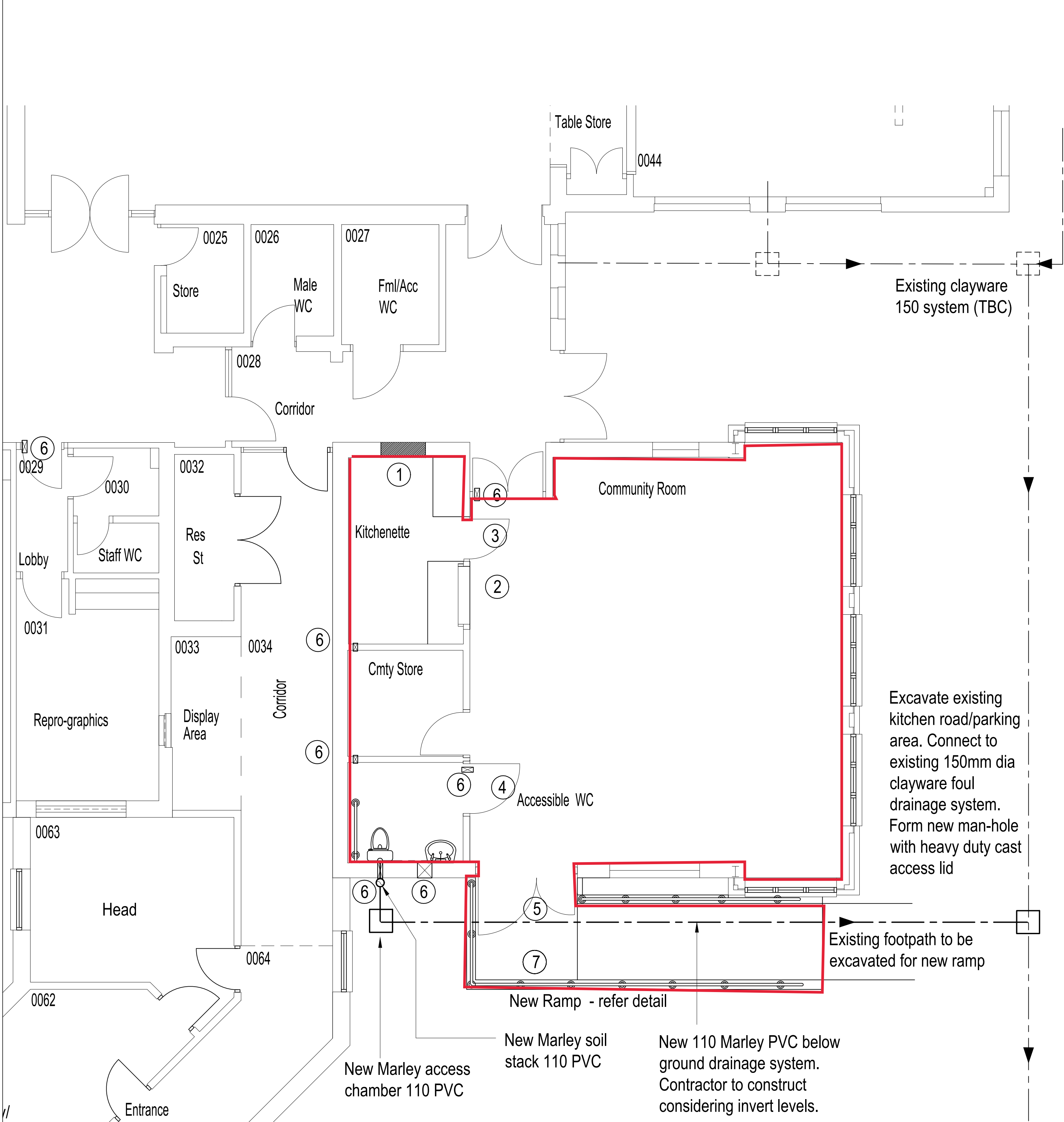
6.6 Localism and Local Member Involvement

Local members have been involved in the Community Room.

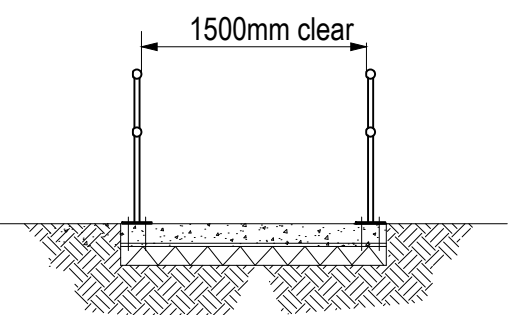
6.7 Public Health Implications

Public Health implications have been identified in section 5.1, 5.2 & 5.3.

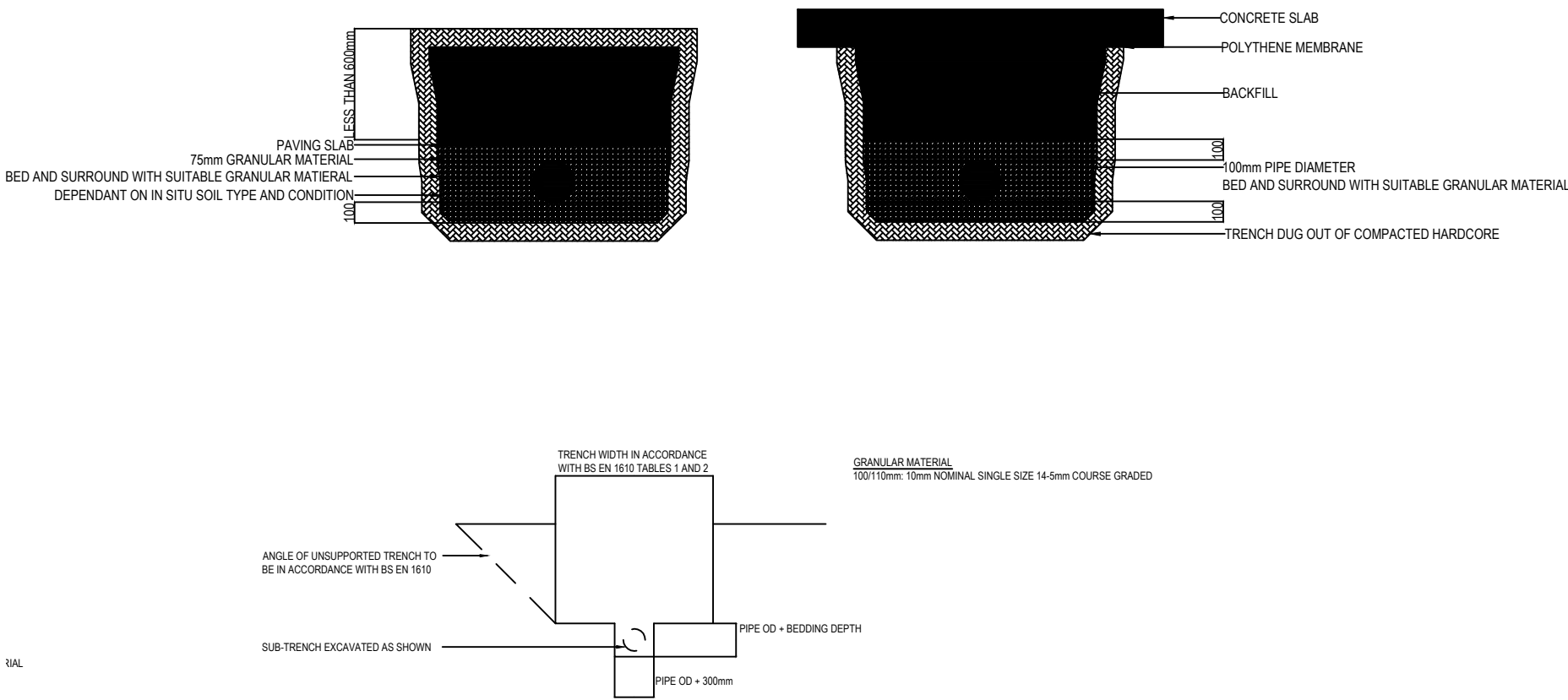
Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: John Macmillan
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Councillor Gardener is fully supportive of the Community Room being leased to the Parish Council.
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Kate Parker



RAMP DETAIL



MANHOLE DETAILS



- Do Not Scale**
Use only written dimensions. All dimensions must be verified prior to the works being put into hand and any discrepancies reported to the originator.
- General Notes**
- BUILDING SPECIFICATION**
- Existing door and frame to be removed and existing opening to be rebuilt in lightweight blockwork with plaster finish and decoration to match existing.
 - Existing roller shutter to be removed and opening modified to suit a new Westwood roller shutter, 1500mm drop x 1200mm wide with electric operation and control gear, connected to the fire alarm system and dedicated smoke detector and audio/vision warning panel to enable and warn of closure in event of fire
 - New frame to be installed to accommodate a new 926mm wide 1hr fire door with vision panel and c/w door furniture. Exact location to be decided on site. Kitchen worktops and base units to be modified to suit
 - Entrance opening to be modified to accommodate a new 926mm wide door complete with door furniture
 - Remove existing double door and frame, mprepare opening for a new leaf and a half double glazed uPVC door set and frame, considering the required reduced threshold for disabled access. New door set shall be c/w internal crashbar and external handle and lock, combined colour of door to be colour coded dark brown. Contractor to ensure existing security door contacts are refitted to new door.
 - Holes in wall to be formed to suit by Structural contractor for Electrical and Mechanical services
 - Existing footpath to be excavated and new ramp built as per details shown

T1	Tender issue	09/06/2017	MT
Rev.	Details of Revision	Date	Sign
Client:			
Project:			
Cambridgeshire County Council Spaldwick Community Primary School Cambridgeshire PE28 0TH			
Title:			
Builders work Layout Accessible Toilet			
Drawing No:			Revision:
P2369CR-S-[00]-102			T1
Scale:	Drawn:	Designed:	Checked:
1:50	MT	MT	DW
Original Size:	Date:	Date:	Date:
A1	07-06-2017	7-06-2017	09-06-2017
Status:			
Tender			
Originated By:			
 Innovation through Experience www.cjrmidlands.co.uk			
<input checked="" type="checkbox"/> CJR Midlands Ltd. (Head Office) 4 Premier Court, Borden Close, Moulton Park, Northampton, NN3 6LF t: 01604 493577			
<input type="checkbox"/> CJR Midlands Ltd. (Nottingham Office) Broadgate House, Broadgate, Beeston, Nottingham, NG9 2HF t: 0115 957 4877			

Agenda Item No: 9

PROPOSED BUSINESS CASE TO FUND THE ROOF WORKS REQUIRED AT THE MARWICK CENTRE, MARCH PE15 8PH

To: Commercial and Investment Committee

Meeting Date: 23 March 2018

From: Chris Malyon, Deputy Chief Executive

Electoral division(s): March North and Waldersey

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

Purpose: To agree the strategy to fund the repair to the roof at the Marwick Centre, 21 Marwick Road March, PE15 8PH

Recommendation: a) That in consideration for CCC paying for the roof works of £92,934.60 plus VAT if the insurers do not agree a settlement then FACET pay CCC back a fixed sum over the period of the lease
b) Financial support can be provided to FACET for the roof

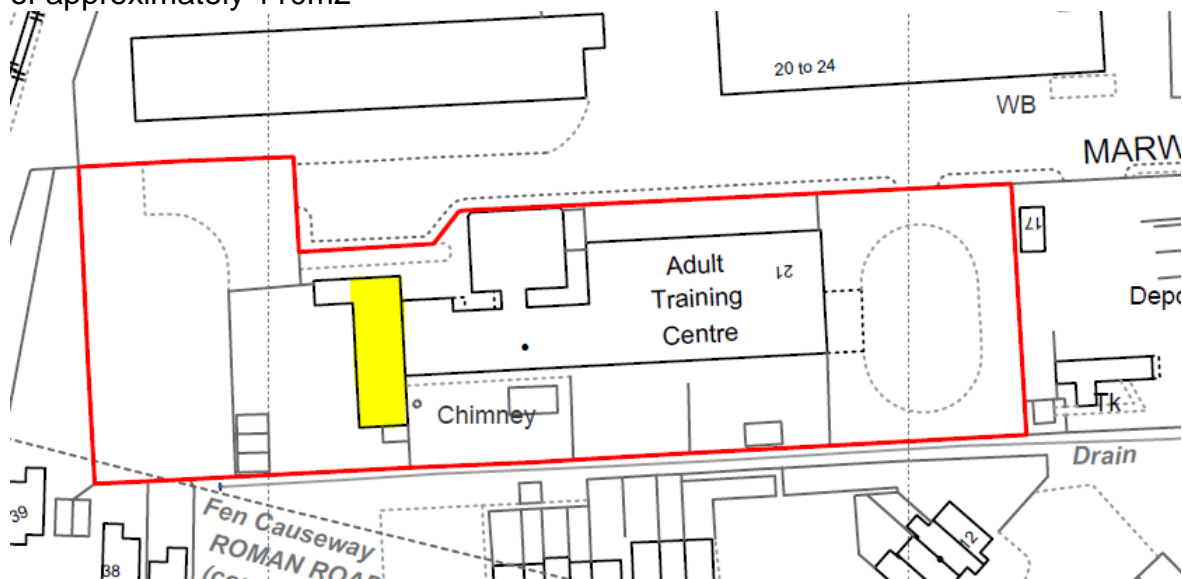
<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	John Macmillan	Names:	Councillor Joshua Schumann
Post:	Group Asset Manager	Post:	Committee Chairman
Email:	John.macmillan@cambridgeshire.gov.uk	Email:	Joshua.schumann@hotmail.com
Tel:	01223 699092	Tel:	01223 706398

1. BACKGROUND

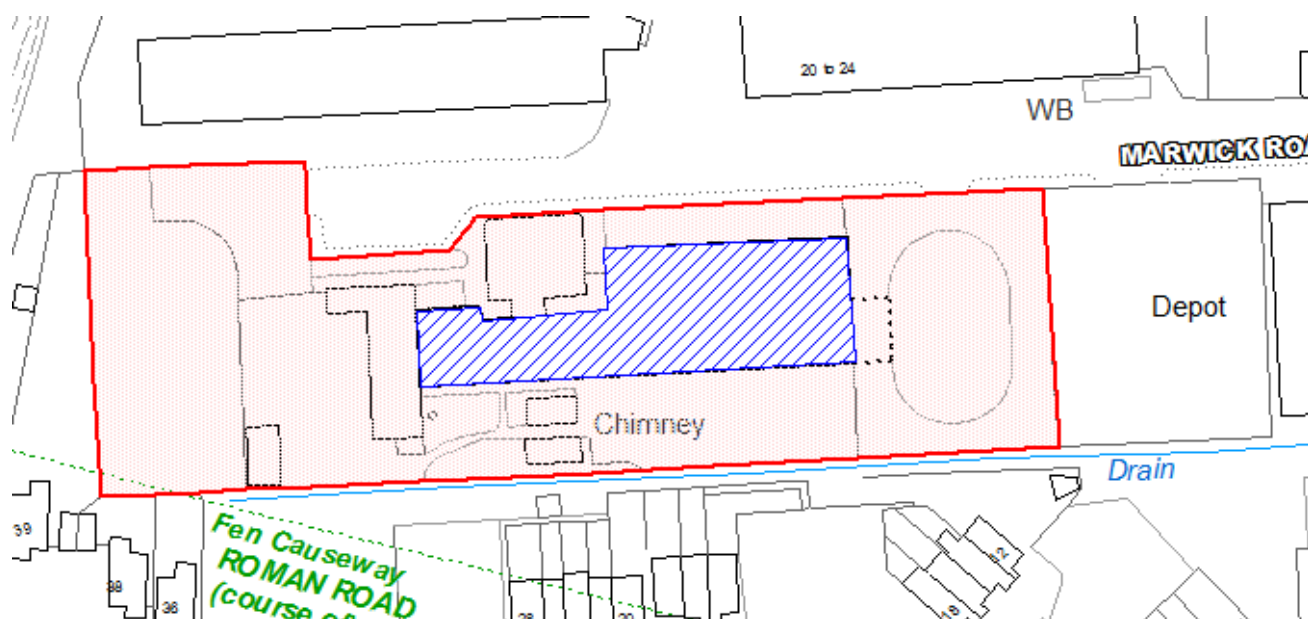
- 1.1 The Marwick Centre is a CCC freehold property currently occupied by Fenland Area Community Trust (FACET). The main building is approximately 1,350 m², providing training facilities, a sensory room, two halls and garden centre area. Prior to FACET taking occupation the 1960's part of the building which has a flat roof construction and had been in a state of disrepair.
- 1.2 FACET are a Registered Charity who provide training and day care to adults with learning disabilities within Fenland. They deliver over 31,750 training sessions per year, with circa 140 students attending each week, 69 of whom are directly funded by CCC.
- 1.3 In 2010 FACET secured some grant funding from the Social Enterprise Investment Fund (National Government source). This was conditional upon a new 25 year lease being granted and the original committee decision agreed that to agree the 25 year lease FACET needed to raise the funding necessary to improve the building. A total of £425,617 was spent on repairs, including £134,000 to replace the flat roof.
- 1.4 FACET have requested CCC's assistance in funding the additional roof repairs and have written to the Council appealing for help.

2 MAIN ISSUES

- 2.1 On 23 February 2017 the building was hit by Storm Doris the main hall roof at the western end of building lifted off causing significant damage. FACET appointed Morton & Hall Consulting Ltd, structural engineers to assess the damage and provide recommendations to them.
- 2.2 CCC's insurance team instructed loss adjusters Cunningham & Lindsay (C&L), and in discussion with Morton & Hall the insurance claim. Morton & Hall put out a tender to five contractors which East Coast Building won, the roof works were completed in 2017.
- 2.3 The roof area repaired under the original settlement is highlighted in yellow below, an area of approximately 110m²



- 2.4 The remainder of the flat roof shown hatched blue below, is still considered dangerous. There is concern that the building could be condemned if there is further deterioration or in the event of bad storm it could be lifted off.



- 2.5 A temporary fix to keep the roof secured down by strapping was carried out by East Coast, but a permanent solution is required to make the roof secure and safeguard against a similar situation occurring in the event of another bad storm. FACET wish to start works on the rest of the roof as soon as possible to make the building safe.
- 2.6 After putting out to tender two contractors provided quotes to Morton & Hall - East Coast Building quoted a budget figure of **£80,000** depending on final specification. The second quote from Wren Roofing was for **£85,000 plus VAT** but their proposal was not feasible due to the existing rubber bonded fabric being glued to the surface of the Celotex.
- 2.7 East Coast were the preferred contractor to use as they have prior knowledge and experience of working on the flat roof and its existing covering.
- 2.8 Morton & Hall and C&L have differing views regarding the cuts and slashes found in the roof rubber. A specialist report was commissioned on guidance from C&L to assess whether the damage to the rest of the flat roof and the slashes resulted from storm Doris.
- 2.9 The report proved inconclusive and recommended further investigation, C&L's loss adjuster is liaising with a further specialist in relation to the investigation required. In parallel a case against the original contractor who installed the roof in 2010 is also being pursued as the storm fell within 6 years of FACET paying the final invoice for the works. The opinion of Morton & Hall is that they did not carry out the works to the specification required, although the works were signed off by Fenland District Council at the time.
- 2.10 Therefore whilst legally FACET are responsible for the repair of the building they cannot afford the cost of this work and as time is of the essence regarding the stability of

the roof have appealed to CCC as landlord to help fund the works whilst the outstanding matters of the claim are resolved.

3 PROPOSED OPTIONS FOR CCC

- 3.1 Continue to pursue insurance claim, commission the second specialist report.
- 3.2 FACET have been provided with a quote for temporary repairs to fix the slashes in the covering and give the existing roof a more ridged and sound base. They have recommended this should be replaced by the permanent solution within 12-18months. The cost of this being **£13,670** plus VAT (**Appendix 1**).
- 3.3 Agree to assist FACET with the cost of full roof replacement pending final insurance settlement. The final quote from East Coast for the specification discussed with Morton Hall and C&L came in at **£92,934.60** plus VAT and a variation of £5,560 for roof lights and sill details. (**Appendix 2**).
- 3.4 Pursue the claim against the original roof contractor.
- 3.5 If the insurance claim for the full amount is not settled agree with FACET annual payments towards the cost of the roof over the term of the lease.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

- FACET employ 37 staff, with 4 being the Senior Management Team.
- They have 4 charity shops in Fenland and train some of their students in retail so they may go on to work outside of FACET.
- A placement at FACET costs less than any form of supported living or residential placement that may otherwise be required.

4.2 Helping people live healthy and independent lives

- FACET provide training and day care for adults with learning disabilities.
- They provide lessons in everyday life skills such as cooking and healthy living.
- They also provide lessons and training in Maths, English, Science, IT, woodwork and horticulture

4.3 Supporting and protecting vulnerable people

- FACET provide support and training to those with disabilities and also their families and carers.
- They employ a specialist in autism
- The facilities such as the sensory room allow for a wide spectrum of learning abilities to be catered for.

4 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

The report above sets out details of significant implications.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

5.3 Statutory, Legal and Risk Implications

5.4 Equality and Diversity Implications

The report above sets out details of significant implications.

5.5 Engagement and Communications Implications

There are no significant implications within this category.

5.6 Localism and Local Member Involvement

Councillor Count commented *“that this is a building occupied by vulnerable individuals on a daily basis. I don’t know the condition but I ask that you consider whether you can make a favourable decision in consultation with the chair (or declare the building unsafe until insurers repair) under delegated powers and then C & I can debate the degree with which to pursue cost recovery from insurers or FACET”*.

5.7 Public Health Implications

The report above sets out details of significant implications in 4.2, 4.3

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer: Helen Penny
Have the equality and diversity implications been cleared by your Service Contact?	Yes or No Name of Officer: John Macmillan

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?	Yes or No Councillor French and Councillor Count have been consulted and Councillor Count is supportive of FACET and CCC providing assistance.
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer: Tess Campbell

Source Documents	Location
Appendices 1 + 2	Attached

FTAO Linda Ingram
FACET
21 Marwick Road
March
Cambs
PE15 8PH

ESTIMATE

Re: Temporary roof repair works at 21 Marwick Rd, March.

Further to your recent enquiry regarding the above project, we have pleasure in quoting you as follows:-

To supply and install 12mm plywood strips at 300mm wide, fixed through existing roof with M6 bolts at 600mm centres ensuring the bolts penetrate the glulam beams.

EPDM rubber set over plywood strips bonded to existing roof covering.

Labour & materials	£13,670.00 + VAT
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PLEASE NOTE whilst this is a temporary repair and will give the existing roof a more ridged and sound base, we can not guarantee the works, and would strongly advise a more permanent solution of a timber structure set over with plywood and EPDM rubber as detailed by Morton & Hall Engineers within 12-18 months.

Should you require any further information, please don't hesitate to contact me.

Regards

Jonathan Gull
Company Director.

- Supply and install UPVC window
- Supply and install razor socket
- Install only thermostatic mixer bar, riser rail and shower over bath (all pipework concealed).
- We include to tile around the bath/show area, full height to ceiling.
- Supply and install radiator and towel rail.
- Supply and install wood panelling around walls to window cill height.

Please note: We do not include for any tiles at this stage.

Labour & materials £2,830.00 + VAT

Bay Windows

- Remove and dispose of old roofing felt and chipboard on both bay windows.
- Supply and install 18m OSB board, covered with EPDM rubber coating.
- We also include for at least 200mm of new quilt insulation within roof void.
- Install new plasterboard to the ceiling of the bay in bedroom 1 and plaster.

Labour & materials £1,080.00 + VAT

Wet Room

- Remove and dispose of existing bathroom suite.
- Remove and dispose of wall panelling.
- Excavate floor, install sewer waste pipe, insulate floor and screed.
- Install only new basin, pedestal, WC and wet room screen. All connected to new soil stack and waste pipes outside.
- Cut out new door opening, install lintel, new door frame and re-hang existing door.
- Install only low profile shower tray together with enclosure.
- Install only thermostatic mixer bar with riser rail and rain head (all pipework concealed).
- Supply and install radiator and towel rail.
- Install only tiles around wall to 1m high.
- Supply and install new UPVC window.

Labour & materials £3,687.00 + VAT

Dining Room / New Kitchen

- Remove and dispose of decorative brickwork around fireplace.
- Install hot and cold feed in to room.
- Install 6^{no} double splash back sockets, light feed for larder unit, 2^{no} sockets in island for appliances and electrical feed for extractor.
- Install TV point and socket on chimneybreast.
- Supply and install new UPVC window.
- Supply and install new window seat in timber around bay window; primed, undercoated and glossed.
- Install gas supply for cooker.
- Install only splash back tiling between worktop and wall units.

Labour & materials £2,387.00 + VAT

- Install only kitchen units & appliances.

Labour & materials £ 100.00 per unit + VAT

Hallway

- Supply and install feature timber panelling to hallway (as per design issued), continuing up the stairs at the same height. All new timber to be primed, undercoated and glossed (colour TBC).

Labour & materials £1,427.00 + VAT

Internal Doors

- Supply and install 11^{no} white door knobs to existing doors.
- We have allowed to trim/adjust doors as necessary and fit roller ball type catches.

Labour & materials £ 330.00 + VAT

- Supply and install new UPVC window in stairwell area and new composite front door (colour and style TBC).

Labour & materials £1,175.00 + VAT

Rear Chimney Stack

- To remove approximately 12 courses of bricks from the rear chimneystack, cap off and point up remainder of brickwork.

Labour & materials £ 760.00 + VAT

- Decorate entire house, consisting of 2 coats of emulsion to all walls and ceilings (front lounge murals to remain).
- Install wooden panelling to stairwell area.
- Undercoat and gloss all woodwork and doors.

Labour & materials £6,300.00 + VAT

Bedroom 5

- Supply and install 2^{no} UPVC windows.
- Remove and dispose of water tank and associated pipework.

Labour & materials £ 840.00 + VAT

- Supply and install lead flashing on roof above central wall in bedroom. Point brickwork around and seal.

Labour & materials £ 930.00 + VAT

Any extras would be charged at a rate of £28.50 per hour.

Any extra electrical sockets would be charged at £85.00 per socket.

LPG Tank – Above ground (base preparation)

- To excavate ground, install hard core and shuttering.
- Pour concrete with a float finish (position of tank TBC after rep visit).
- Supply and install gas pipe feed from LPG tank to location of proposed boiler.

Labour & materials £2,530.00 + VAT

Should you require any additional information, please do not hesitate to contact me.

Kind regards

Jonathan Gull
Company Director

1st November 2017

Dear Richard,

Further to your letter dated 20th October and amended drawing H5229/01c.

Please find our revised tender below, including for the extra roof area and a variation to cover; roof light covers and detail where new roof covering meets the window sills.

REVISED TENDER

<u>Quantity/Description</u>	<u>Item Price</u>
Skips	£ 2,000.00
Scaffold	£ 5,500.00
New roof deck	£37,453.00
New roof covering	£28,533.00
External making good	£11,000.00
Sub-total	£84,486.00
Contingencies @ 10%	£ 8,448.60
Total (excluding VAT)	£92,934.60
Variation: (roof lights & sill details)	£ 5,560.00

Agenda Item No: 10

**REQUEST FROM TENANT TO EXTEND LEASE FOR A FURTHER 10 YEARS AT
CENTRE E, 24 BARTON ROAD, ELY**

To: **Commercial and Investment Committee**

Meeting Date: **23 March 2018**

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

Electoral division(s): **Ely South**

Forward Plan ref: **n/a**

Key decision: **No**

Purpose: **To agree whether a 10 year lease extension can be
granted to the current tenant at a less than best rent**

Recommendation: **a) To consider the feasibility of the buildings future.
b) Agree if the best consideration for future use of the
building is to be for Community uses then agree a
lease extension with a rent review in 2020.**

<i>Officer contact:</i>	<i>Member contact:</i>
Name: John Macmillan Post: Group Asset Manager Email: john.macmillan@cambridgeshire.gov.uk Tel: 01223 699092	Name: Councillor Joshua Schumann Post: Committee Chairman Email: Joshua.schumann@hotmail.com Tel: 01223 706398

1. BACKGROUND

1.1 Centre E, 24 Barton Road, Ely CB7 4DE is a CCC freehold property, located in the centre of Ely.



1.2 The property is surrounded by a public car park owned by East Cambs District Council (highlighted pink on the plan below) and opposite the grounds of Kings School Ely.



1.3 The current lease between Cambridgeshire County Council (CCC) and Youth Ely Hub CIO for a term of 5 years from 1 May 2015 until 30 April 2020.

1.4 Centre E is listed as an Asset of Community Value with East Cambs in accordance with The Localism Act 2011(LA). The register details - The primary use of this building is to provide a space for social and charitable use and is of benefit to a

number of community groups and their users. Date nominated 12/04/17 (removal date 30/05/2022) by Youth Ely Hub Charitable Incorporated Organisation. This means that in the event of the property coming up for sale during this period the party nominating the asset have the opportunity to bid to purchase the property (at market value would be best consideration unless otherwise agreed by Members) and have six months to prepare their case, although CCC would not be obliged to sell to them.

- 1.5 The building consists of a 2 storey brick building which opened as the Cambridgeshire TA headquarters in 1939.



2. THE MAIN ISSUES

- 2.1. The current lease runs for 5 years from 1 May 2015 until 30 April 2020, and there is a licence to Centre 33. The current rental is 10 % of the income received from third parties.
- 2.2. Centre E are marketing the hire of their rooms using Membership Rate - £10 per hour, Community Friendly Rate - £15 per hour and Casual/Commercial Rate - £20 per hour. They are also letting rooms on a monthly basis at rates of £229 per month, £236 per month and £390 per month. Centre E are currently in the process of being furnished with computers and associated furniture by Sanctuary Housing Association to create a community computer suite. They also have a purpose-built therapy room for hourly hire by local small business to serve the community.
- 2.3. Centre E have requested at least an additional 10 years lease extension which comes as a result of an application for funding to upgrade the kitchen facilities. They are hoping to secure £40,000 of funding. They are seeking to obtain an extension asap so that the additional funding can be applied for.
- 2.4. This brings forward the question as to the future use of the building.
- 2.5. Previously the possibility of demolition and redevelopment of the subject property has been investigated. The redevelopment scheme explored was a joint initiative with East Cambs District Council (ECDC) to redevelop the area of car park in their ownership and the parcel of land including Centre E but they decided to develop on their land only.

- 2.6. The condition and lifespan of the building may need to be reviewed and the long term strategy for the property needs to be considered in light of CCC's financial position.
- 2.7. ECDC's development company Palace Green Homes are currently developing the part of the car park adjacent to the subject property with six family townhouses and five apartments (including two affordable units). The apartments due to be completed by May 2018 are currently being marketed by Cheffins for £199,995 for the 1 bedroom (all sold subject to contract) and £299,995 for the 2 bedroom Penthouse. This raises the question as to whether CCC should consider possible options for the building.
- 2.8. Centre E have advised that in recognition of their co-operation and support of the new housing development adjacent, Palace Green Homes developers offered the following: entire outer surface of the exterior area of the Centre will be re-surfaced this year plus a new perimeter wall, including improved and ornamental pedestrian and vehicular access gates to replace the current wire fence aligning the new development

3.0 OPTIONS

- 3.1 Agree a lease extension by way of a reversionary lease for 10 years which would give Centre E security until 30 April 2030 continuing on the same lease terms. This would be a 10 year lease at a less than best rental.
- 3.2 Agree a lease extension by way of a reversion lease for 10 years which would give Centre E security until 30 April 2030 which would incorporate a rent review in 2020 to assess whether the existing mechanism of 10 of income received from third party is still relevant if not incorporate a market rent or fixed increase every 5th year.
- 3.3 Continue with existing lease term and review position in 2020
- 3.4 Conduct feasibility appraisal for the building – to assess the building condition and possible development appraisal.

4.0 SUMMARY

- 4.1 What is the best use of the building and strategy for the long term future of the building needs to be clarified.
- 4.2 Whether redevelopment is something that should be explored now or in the future will impact on the length of lease that can be offered to Centre E.

5 ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

- The Centre have been hiring out rooms for meetings/office space/rooms which encourages small business development
- They hold local events

5.2 Helping people live healthy and independent lives

- The Centre facilities are used by the youth group to encourage and promote numerous activities (user group summary Appendix 1).
- The facilities are used for exercise classes for adults and children
- They are currently developing a community computer suite to enhance members of the community IT skills and opportunities
- Centre E are also developing a therapy room

5.3 Supporting and protecting vulnerable people

- Centre E provides a variety of classes and a safe environment for young people to go
- The programme of events includes weekly meetings for disabled adults, children with special needs, youth carers, polish classes

6 SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

There are no significant implications within this category.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category

6.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

6.4 Equality and Diversity Implications

There are no significant implications within this category.

6.5 Engagement and Communications Implications

There are no significant implications within this category.

6.7 Localism and Local Member Involvement

Local member support and involvement in Centre E

6.8 Public Health Implications

Public Health implications have been identified in section 5 of this report

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White Confirmed no issues
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer: Helen Penny
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: John Macmillan
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall Confirmed that they would like to issue a story
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Councillor Bailey has been involved in bringing the proposed lease extension forward.
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Kate Parker

Source Documents	Location
<i>List of previous users of Centre E</i>	Appendix 1

Appendix 1

Summary of Past Users of Centre E provided:

SPORT AND EXERCISE

All4Sports (sport club for pre-school children)
Krav Magna (adults self-defence)
Keep Fit 60+ (exercise for over 60s)
Bujinkan (adults martial arts)
Peaceful Warrior (adults martial arts)
Body Shape Fitness Camp (adult fitness training/assessments)

PERFORMANCE AND EXERCISE

Julia Pilates/Zumba (older age group)
4th Dimension Dance (dance for children/young people)
Happy Feet (dance for younger children)
Horizons Dance Academy (dance for children and young people)
Sophies Pilates (adults)
Ely & Littleport Riots (morris dancing troupe)
Choir of Ely Sinfonia (rehearsal space)

ARTS ACTIVITIES

Playright Youth Theatre (youth theatre company)
KD Theatre (youth theatre company)
ADEC Youth Music Project (music development – older youth)
Snail Tails Storytelling (educational theatre company)

HEALTH AND WELLBEING SERVICES/SUPPORT GROUPS

Square Peg (support and activity group for disabled children and their parents/carers)
Young Carers (children living as a carer)
The Kite Trust (social and support group for LGBT young people)
Choices Counselling (adults suffering due to sexual abuse as children)
Comma Counselling (counselling services)
East Cambridgeshire Counselling (counselling services)
CPFT Foundation, NHS Trust for Child & Adolescent Mental Health (Neurodevelopmental Team)
National Childbirth Trust (events)
Sabrina's Natural Therapy (NAET Allergy Practitioner)
Ely Hypnotherapy, Psychotherapy & CBT (complimentary health and counselling services)

EDUCATIONAL

Home Education Group (group activity/socialising for children that are home educated)

Polish Community School (children and youth people polish language to GCSE level)

*Guardian article 2016: <https://www.theguardian.com/society/2016/oct/25/speak-polish-saturday-school-language-history>

St John's Ambulance Cadets (Ely branch young people)

Mini Professors (sciences based activities for young children)

August 2018 – Cosmos Roadshow

Centre E will be hosting a free week long public educational science exhibition by the Cambridge Science Centre in partnership with Greater Cambridge, Greater Peterborough Learning Enterprise Partnership (educational charity providing hand-on exhibits, interactive shows and workshops about science, technology, engineering and maths)

COMMUNITY GROUPS/EVENTS

Aquarius Group (social group for disabled adults)

Ely Allotment Association (group meetings)

Ely Flea (monthly antique and collectors fair)

St John's Ambulance (Ely branch)

CHARITIES/SMALL BUSINESSES

Centre 33 – (significant office and counselling room provision for area services)

Ely Food Bank (district storage and distribution facility)

Arts Development East Cambs (storage of community equipment)

Mobile Studio Company (office use)

RGP Security (training facilities)

Eel Catchers Daughter (office use)

Narshada Photography (pop-up studio space)

COMMUNITY AND LOCAL AUTHORITY SERVICES

Polling Station – Ely East Ward

DVLA (theory driving test centre for local area)

Cambridgeshire Probation and Youth Offending Services (CCC – young offenders)

Cambridgeshire (Huntingdon and Bedfordshire) Constabulary (youth services)

Cambs City Unit 1 (CCC - children support services)

Cambs City Unit 4 (CCC - children support services)

East Cambs Unit 4 (child supervised contact)

East Cambs CLT East (community liaison)

Supervised Contact Service (CCC – children support services)

Office of the Cambridgeshire Police & Crime Commissioner (community liaison events)

Venue for parties and celebrations for the public (christenings, birthdays, weddings etc)

YEH - Youth Hub (youth club for 8-25 years)

ESTABLISHING A LOCAL AUTHORITY LOTTERY IN CAMBRIDGESHIRE

To: **Commercial & Investments Committee**

Meeting Date: **23rd March 2018**

From: **Transformation Team**

Electoral division(s): **All**

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

Purpose: **To present to members with a detailed Local Authority Lottery model proposed for Cambridgeshire, noting that there is a four to six month lead in time to the launch date.**

Recommendation: **Committee are asked to approve the County Council's proposal to establish a Local Authority Lottery with the model described in this paper.**

<i>Officer contact:</i>		<i>Member contact:</i>	
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1. BACKGROUND

- 1.1 A proposal for a Local Authority Lottery was presented at Commercial and Investment (C&I) Committee on Friday 15th December 2017 as part of the wider External Funding Business Planning saving of an estimated £200k in 2018/19 (see full Business Case for full details).
- 1.2 Following advice at Commercial Board on the 8th March 2018, the proposed lottery model is to be presented back to C&I Committee as a standalone business case so that members can review the proposed model and make a decision to approve implementation.

2. MAIN ISSUES

2.1 Why do we need to undertake this project?

- 2.1 Cambridgeshire County Council (CCC) is researching new ways to save money, drive better returns and increase income. This project invests into the future of residents by generating income to deliver Cambridgeshire County Council services or to fund services through other mechanisms and offset costs.
- 2.3 Stronger Together is CCC's strategy for building resilient communities and was endorsed by General Purposes Committee (GPC) in October 2015. Having strong communities at the heart of this vision is paramount and this strategy will support a vision for a stronger future for our communities where strengths are recognised and where people can easily find the information and advice they need to be happy and healthy citizens. In a changing climate, CCC aims to enable, support and encourage communities to utilise assets available at a local level and also become more reliant on themselves in order to reduce demand on services that are no longer funded in the same way. CCC recognise that funding is fundamental to the 'start-up' and the sustaining of the local Voluntary and Community Sector (VCS). To help address the budgetary pressures facing the council and to enable the local VCS to 'self-help' by gaining access to funding, this project proposes the setup of a local lottery in Cambridgeshire.
- 2.4 Lotteries, which are regulated by the Gambling Act 2005, have long been a way of smaller organisations raising income. There are different types of lotteries available, however, in this proposal we are only discussing Society Lotteries. A Local Authority Lottery will help to support the local VCS to raise funds by encouraging all local charities that meet the criteria to sign up, but also towards a "Central Fund" which CCC can use to offset existing grants for good causes that meet our strategic vision, therefore creating a saving. All moneys raised by the lottery go to good causes – the council in effect takes no funding, rather it defers its existing committed funding, thereby releasing general funds back to CCC.
- 2.5 **What would happen if we did not complete this project?**
- 2.6 A lottery would be a step towards more innovative models of funding for Cambridgeshire to help maximise outcomes for residents. In addition to offsetting some existing CCC grants, the lottery also creates new funds for local VCS that were not there previously.

- 2.7 **Details of the economic context, what other organisations are doing and any changes in the market which may impact on this.**
- 2.8 Over 30 local authorities have now established local lotteries including Aylesbury District Council, Gloucester City Council and Portsmouth City Council via an External Lottery Manager (ELM), Gatherwell. If another community lottery were set up locally before the County Council introduces a lottery, this would significantly decrease the Council's ability to control which local causes the lottery supports and therefore CCC would not be able to offset costs.
- 2.9 There are a number of widely known national lotteries in England and Wales, such as the National Lottery, the Euro Millions, the Health Lottery and Postcode Lottery, however the odds of winning and the share of prizes that go to good causes in the aforementioned national models are lower than that of the local authority lotteries using the model described in this proposal. By launching a local authority lottery, Cambridgeshire County Council can offer local charities a larger percentage of funding, plus give customers a 1 in 50 chance of winning a prize, much higher than any of the above models. This has proved popular in other local authority areas and appears to be a big incentive for ticket buyers and local VCS groups to join the local authority lottery, with up to 2.5% of the local population reported to purchase tickets in other local authority areas.
- 2.10 **Aims and Objectives**
- 2.11
- To generate savings through offsetting existing CCC grants.
 - To support local VCS to enable them to access to new funding streams that were not there previously; a significant investment that will help contribute to local charity services that will support community resilience and may reduce demand on CCC services.
- 2.12 **Cambridgeshire Lottery Proposed Model**
- 2.13 It is proposed to launch a Cambridgeshire local lottery with 60 per cent of proceeds supporting local good causes, which includes funds that can be used to offset some existing grants. A Cambridgeshire Lottery may also reduce demand on council services by creating funding streams to organisations that further support a community resilience approach and relieve pressure on services.
- 2.14 The launch is expected to be in mid-2018, and tickets would cost £1 with a maximum prize of £25,000. The draws would be weekly and all tickets would be sold online. All sales for the lottery would operate via a dedicated website hosted by the ELM (accessible on mobiles, tablets and desktop applications), with an expected return in year one of £170k, of which £30k could be used to offset existing CCC grants. The remaining £135k will go towards local good causes that would not have received this funding otherwise. With a growth in ticket sales over a five year period, the lottery could bring in over £300k to the Central Fund to offset existing grants, which does not include a further £1.7m in the same period that would go directly to eligible good causes that sign up – a significant investment that will help contribute to local charity services that may reduce demand on CCC services.
- 2.15 This is based on a model whereby players can choose to buy a ticket to support either:
- The Central Fund (the default ticket type) – all 60% goes to the central fund to be

distributed by the existing council processes.

- Specific Good Cause – 50% goes directly to the chosen good cause and the other 10% goes to the central fund.

2.16 Players can buy tickets for as many different causes (including the central fund) as they wish.

2.17 Proceeds Apportionment

	Specific Cambridgeshire Good Cause Ticket		Central Fund (no specific good cause selected)	
	% Allocation	£ Allocation per ticket	% Allocation	£ Allocation per ticket
Specific Good Cause	50	£0.50	n/a	n/a
Central Fund	10	£0.10	60	£0.60
Prizes	20	£0.20	20	£0.20
Gatherwell Ltd	17	£0.17	17	£0.17
VAT*	3	£0.03	3	£0.03
Total	100	£1.00	100	£1.00

* The assumption is that any potential income will substitute the budget the Council is currently funding for such good causes and does not include a 3% VAT rebate. The VAT element is reclaimable, and could potentially be used to offset the costs of running the lottery if necessary. It is also assumed that the income will substitute any current grants and not new causes initially.

2.18 The income generated via the Cambridgeshire Lottery has been assumed on a staged uptake, based on AVDC's experience. A full breakdown of projections is shown below.

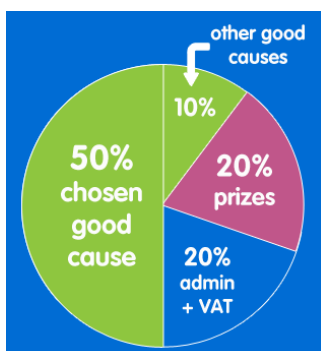
2.19 Cambridgeshire Ticket Sales Projections

£1 Ticket Price / 1 Ticket per week						
Ticket Price	Number of players	% of Pop*	Gross Return	Central Fund (10%)	Good Causes (50%)	
£1	6519	1	£339,009	£33,901	£169,504	Year 1 Target
£1	9779	1.5	£508,513	£50,851	£254,257	Year 2 Target
£1	13039	2	£678,018	£67,802	£339,009	Year 3 Target
£1	16299	2.5	£847,522	£84,752	£423,761	
£1	16299	2.5	£847,522	£84,752	£423,761	

* Based on the mid-2016 estimates for Cambridgeshire of 651,940. Cambridgeshire and AVDC actually have similar demographic proportion of 16+ (who would be eligible to buy tickets), therefore we have confidence in this model being an approximate estimation of sales expected in Cambridgeshire.

2.20 Winning players are notified via email and will receive their prize directly into their nominated account or they can choose to donate their winnings to their chosen good cause. Good causes are paid their income automatically on a monthly basis.

- 2.21 The ELM provides the council with the day to day running of the lottery as well as providing marketing materials and expert support. The jackpot is an insured prize, i.e. if there is not enough money in the prize fund then the lottery is insured and the insurer will pay the prize(s). The prize fund is held in a Client Deposit Account. The ELM, Gatherwell, will set up this account and also underwrites the risk if the prizes won – other than the jackpot – exceed the monies held in the Client Deposit Account.
- 2.22 CCC will work with eligible good causes to raise awareness of the lottery so that they can sign up, and continue to work with finance and services to identify grants or funding the County Council gives to local charities which could be replaced by the lottery Central Fund.
- 2.23 Authorisation
Voluntary organisations that wish to sign up as beneficiaries of the lottery would need to meet criteria designed by CCC and be authorised by a CCC officer - this ensures that all good causes are in alignment with CCC outcomes. Only once they have been authorised will it be possible for Cambridgeshire residents to donate to the cause through the lottery. CCC would be able to select beneficiaries for the Central Fund which can offset our own existing grants if we so wish.
- 2.24 In the proposed model, the day-to-day running of the proposed Cambridgeshire Lottery would be coordinated by an ELM. Income from the lottery will be retained and distributed by the ELM and they would also notify CCC of any new voluntary organisations that wish to apply to the lottery. The ELM will also produce advertising materials for the lottery and handle enquiries. This model reduces significant administration work and costs for CCC.
- 2.25 Project Costs and Resources
Aside from a one off small set up fee of £3k there is no ongoing payment to the ELM and all running costs are funded via the service charge at 17% of ticket sales (see breakdown of ticket sales below).



- 2.26 In setting up a local lottery, the Council will need to be licensed by the Gambling Commission, a requirement of which is for the council to contribute to the support of problem gambling. The website will contain a section providing links to gambling support organisations, and there is a license fee to go towards problem gambling.
- 2.27 Ongoing resource to approve the good causes and market the lottery but we believe this will be integrated into business as usual. The 3% VAT element is reclaimable, and could potentially be used to offset the costs of running the lottery if necessary.

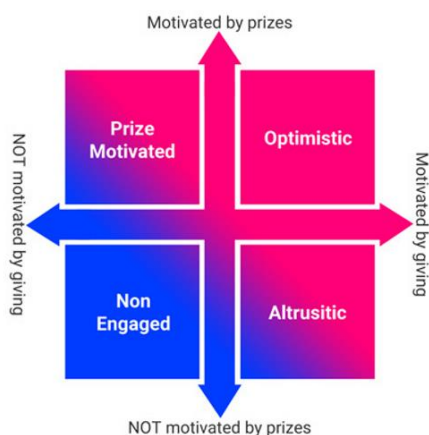
- 2.28 A full breakdown of costs and net revenue from 2018-23 is detailed below. This is a conservative estimate based on all ticket buyers donating 50p to a Specific Good cause and 10p to the Central Fund. It is noted that any buyer can opt to donate the whole 60p to the Central Fund, therefore increasing income.

Item	Current Year	2018/19	2019/20	2020/21	2021/22	2022/23		
	£000*	£000	£000	£000	£000	£000		
Set up costs (one-off) (Gatherwell and Licensing)		3						
Licensing and Lotteries Council (Annually)		2	2	2	2	2		
Potential income through Central Cause Fund		-36	-50	-67	-84	-84		
Net revenue implication	0	-30	-48	-65	-82	-82	-308 over 5 years	

- 2.29 Further analysis behind the decision for CCC to use an ELM is provided in the Delivery Options section of the Business Case below.

2.30 Assumptions

- 2.31
- 1% of Cambridgeshire's population will purchase lottery tickets each week. This is a conservative estimate based on actual figures for AVDC who exceeded this in their first year. Essex County Council have also recently launched their own lottery and have informed us that it is increasingly growing in popularity after just 4 months since the first draw. There is also research to say that lotteries attract not only prize motivated supporters, but altruistic and optimistic supporters, covering a range of customer motivations (see below).



- 2.32
- Some charities that currently receive grants from CCC could be funded through the lottery instead. Work with both Finance and Service colleagues is ongoing to ensure these are identified for 2018/19 to ensure that statutory services are not at risk of lost funding as a result of the lottery.
- 2.33
- That charities will sign up to be beneficiaries of the lottery. Transformation are working with Strengthening Communities to identify local charities that can be contacted to sign up. There will be marketing of the lottery ahead of the launch time to get key charities signed up which will attract ticket buyers and increase marketing of the scheme. Furthermore, charities will be able to sign up at the request of ticket buyer who will encourage charities of choice to be part of the lottery. All charities will

get automated payments directly from the ELM of any money awarded to them, so there is an incentive to sign up.

- 2.34 • The council can source a suitable ELM. Engagement with the ELM, Gatherwell, has so far been positive and with Committee approval we could seek to secure a competitive contract with only a one year minimum sign up.
- 2.35 • The funding achieved through the lottery far exceeds any costs of running the lottery. As shown above, the costs for setting up the lottery are minimal and the ongoing running costs are largely covered by the ticket sales.

2.36 **Constraints**

- 2.37 There are various licensing requirements which dictate how a local authority lottery can operate. That said, licensing and lottery council membership will ensure that CCC are operating within a model that best contributes to gambling awareness and supports the prevention of problem gambling.

2.38 **Delivery Options**

- 2.39 The lottery will be run by an External Lottery Manager.
- 2.40 An in-house lottery was considered by Aylesbury Vale District Council to cost somewhere in the region of a £80k to 100k for set-up costs alone. This would include a lottery manager and the necessary development of software systems to run the lottery.
- 2.41 Further financial analysis has been undertaken to understand if there would be any benefits to the authority if CCC were to host the lottery instead of this being fulfilled by an ELM. If CCC was to run the lottery and manage the income from tickets, there would be an opportunity to recover some costs through interest. That said, the total amount in the account at any one time would only be the monthly total ticket costs (as expenditure to good causes and the prize fund is paid regularly) plus the 17% that would have paid the ELM which be required to cover CCC administration costs.
- 2.42 It is estimated that in year one monthly ticket sales will achieve £24k which would achieve negligible interest at current rates. As the market lead, the ELM already has custom from many other local authorities and it is therefore not deemed possible to easily scale up and sell our services elsewhere to increase this income. It is noted that the prize fund is also covered by the lottery manager, and CCC would have to pay for insurance to underwrite the prize fund to ensure that at any given time the £25k jackpot is available. The ELM covers this by economies of scale, offering their services to over 30 local authorities, therefore increasing their overall account fund, something that CCC cannot achieve with one lottery.
- 2.43 Overall, it is therefore believed that the lottery would not provide any additional financial benefit to CCC if run by CCC instead of an ELM and there would be significantly more risks with this option.
- 2.44 The decision to go with an ELM means that CCC will have expert support and advice; the running costs for the ELM are covered by ticket sales; there is value in the lottery being at arm's length from CCC in that CCC can cease the one year contract if any unforeseen issues arise. With a one of low set-up cost of £3k to the ELM, it is believed this model

provides far greater benefits to CCC. The ELM will run the day to day operations of the lottery and tickets sales fund their role. This is a two way dependency, but one that is beneficial to each party.

2.45 ELM to be Procured

2.46 While there are a number of External Lottery Managers, Gatherwell Ltd are the only ELM to have worked with local authorities. Benchmarking identifies that there are no other suppliers available who offer the comprehensive end to end service CCC require.

2.47 Negotiations with Gatherwell resulted in the proposed one off set-up fee being reduced from £5k to £3k if we were to sign-up.

2.48 The contract for ELM Gatherwell would include the day to day management and running of the lottery, as well as:

2.49 **1)** Creation and management of a CCC dedicated Website

- Hosted on a domain decided by CCC
- Branding unique and aligned to CCC causes
- Support for ALL devices: Windows, Mac, Linux, Tablets and Mobile
- HTTPS secured across ALL pages

2.50 **2)** Customer Support

- Email support using CCC domain
- CCC dedicated telephone support number

2.51 **3)** Social Media Support

- CCC branded social media accounts
- Automatic sharing of lottery news and results across CCC social channels

2.52 **4)** Payments

- Administered to all winners and good causes on behalf of CCC
- All payments will appear on CCC supporter's statements with CCC brand (no customer confusion from generic branding)

2.53 **5)** Marketing materials

- Bespoke marketing materials which are updated regularly as well as customisable material

2.54 **6)** Online dashboard

- Track and manage the lottery in real time

2.55 Gatherwell Ltd would be appointed on an initial 12 month pilot with a view to extend should the lottery be successful in its objectives.

2.56 A review on Gatherwell Ltd has been undertaken and the company has been found to be solvent and has the required licenses under the Gambling Commission.

2.57 Non-Financial Benefits

2.58 **1)** Cambridgeshire residents will have direct input into supporting campaigns that are important to them by being able to choose charities that receive donations.

2.59 **2)** Reduce demand for CCC services. Voluntary organisations that wish to sign up as beneficiaries of the lottery would need to meet criteria designed by CCC and be authorised by a CCC officer. This ensures that all good causes are in alignment with

CCC outcomes and therefore the lottery can help fund charities that focus on priority causes and may prevent residents from requiring Council services.

- 2.60 **3)** CCC acts as an enabler, shifting residents' perceptions of the council from commissioner to enabler, with a more innovative way of thinking about services.
- 2.61 **4)** Maximising benefits to the community by building capacity locally. More proceeds go to good causes than any national lottery models.
- 2.62 **5)** Enables other local organisations, e.g. local schools, to have access to a local lottery instead of funding the set-up of their own lottery.

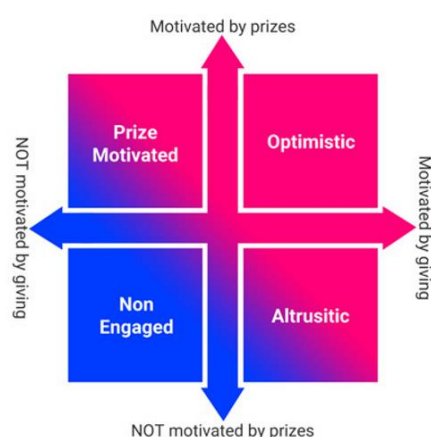
2.63 Risks

- 2.64 **1)** Reputational risk of CCC promoting gambling.

2.65 There is a risk that a lottery being set up by a local council could be seen as encouraging gambling, though it should be noted that lotteries fall into a lower risk form of gambling.

There are number of actions that CCC will take on to help mitigate against this:

- CCC will pay towards the Lotteries Council which will help support and raise awareness of problem gambling. CCC will signpost to gambling help pages on the lottery website.
- There is no instant gratification or instant reward to taking part.
- Being only payable via pre-arranged sign up and non-cash methods means there is reduced risk of impulse gambling. No player can have more than 50 tickets, plus they can only buy 10 tickets at a time so practically very few buyers do that.
- The lottery is compliant with the Gambling Commission.
- Research indicates that there are three different customer segments for the lottery (see below), not only attracting prize motivated supporters, but altruistic and optimistic supporters also. This therefore indicates that the ticket buyers can be motivated by much more than gambling, and is therefore largely funded by those who wish to donate to their community.



- 2.66 **2)** People in deprived areas may be attracted to purchasing tickets over any other demographic.

2.67 Lotteries were traditionally aimed at the working classes, however, ACORN analysis conducted by Alyesbury Vale on their ticket buyers showed that less than 6% of customers fall within a demographic ACORN would link to a level of deprivation. As the lottery is all administered online, CCC can conduct analysis on demography of ticket buyers and

assess this using ACORN analysis also, monitoring this take up to ensure this is low.

2.68 **3)** Fewer charities than anticipated sign up to be beneficiaries of the lottery.

2.69 Transformation are working with the Strengthening Communities Service to identify local charities that can be contacted to sign up. There will be marketing of the lottery ahead of the launch time to get key charities signed up which will attract ticket buyers and increase marketing of the scheme. Furthermore, charities will be able to sign up at the request of ticket buyer who will encourage charities of choice to be part of the lottery. All charities will get automated payments directly from the ELM of any money awarded to them, so there is an incentive to sign up. If no charities sign up then the lottery will not run, however, as the ELM are funded by ticket sales they will assist with marketing of the lottery. There will be no additional financial loss to the council other than the low set up fee of £3k.

4) Fewer tickets than anticipated are sold.

2.70

The ELM will provide marketing materials to advertise the lottery, providing ongoing support and new materials. Analysis of other local authority lotteries managed by Gatherwell show that there are predicted ticket sales of up to 2.5% of the local population once the lottery is established, therefore it is likely to assume a similar figure for Cambridgeshire. If no tickets are sold, there will be no additional financial loss to the council other than the low set up fee of £3k.

2.71

5) If unsuccessful the set up cost of the lottery via the ELM is lost.

2.72

If there is no awareness created within CCC and the residents are not engaged with the idea, the set-up costs could be lost. As the one-off set up costs to the ELM are low (just £3k) this is very low risk. Marketing campaigns and marketing through the ELM to reach communities and charities to promote support prior to launch will help mitigate this (see above).

2.73

6) If established the local lottery could impact on future national, health and other lottery bids.

2.74

The establishment of a local lottery could impact on the successful bidding for funds from other lotteries. The Big Lottery Fund recognised that this is a 'new issue', and indicated that it may have an impact on bids, but that applications would still be judged on a case by case basis. They also recognise that the amount of money generated by local lotteries is still small in comparison, while the Lotteries Council has stated that there is no evidence that local lotteries have a detrimental impact on other lotteries, e.g. the National Lottery, so make good cause aware of potential impact.

2.75

Additional Information

2.76

It has been brought to the attention of CCC that although Peterborough City Council signed up to their own lottery in 2017, they have decided not to launch this. CCC were informed by Peterborough in March 2018 that this was not due to a problem with the lottery model, but rather it was purely a strategic priority decision. The lottery savings were going to supplement a council reduction in grants, but it was decided that the grants were not going to be reduced, and therefore the lottery was not required to supplement these savings.

2.77

- 2.78 CCC can not only use the lottery to supplement grants, but also enable local charities an extra funding stream that may help Cambridgeshire residents further support a community resilience approach and relieve pressure on council services. It is therefore recommended that the lottery is trialled for one year and the benefits of this measured.

3. ALIGNMENT WITH CORPORATE PRIORITIES

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

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

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

- A number of the local charities supported by the lottery are likely to help people live healthy and independent lives.

3.3 Supporting and protecting vulnerable people

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

- A number of the local charities supported by the lottery are likely to support and protect vulnerable people.
- Vulnerable people can include those with gambling addiction but as raised earlier in the report there will be a CCC donation to the Lotteries Council to help provide support for problem gambling.

4. SIGNIFICANT IMPLICATIONS

Report authors should evaluate any further significant implications using the seven sub-headings below. These significant implications should also be evaluated using the questions detailed in the table below. Each specific implication must be signed off by the relevant Team within the Council before the report is submitted to Democratic Services.

4.1 Resource Implications

There are no significant implications within this category.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

While there are a number of External Lottery Managers, Gatherwell Ltd are the only ELM to

have worked with local authorities, as evidenced below. Benchmarking identifies that there are no other suppliers available who offer the service CCC require. This has been detailed in a Procurement Exemption report.

4.3 Statutory, Legal and Risk Implications

There is a risk that a lottery being set up by a local council could be seen as encouraging gambling. However there are number of actions that CCC will take on to help mitigate against this:

- CCC will pay towards the Lotteries Council which will help support and raise awareness of problem gambling. CCC will signpost to gambling help pages on the lottery website.
- There is no instant gratification or instant reward to taking part.
- Being only payable via pre-arranged sign up and non-cash methods means there is reduced risk of impulse gambling. No player can have more than 50 tickets, plus they can only buy 10 tickets at a time so practically very few buyers do that.
- This is compliant with the Gambling Commission.

4.4 Equality and Diversity Implications

The lottery will be an opt-in model available to all adults over the age of 16, both inside and out of county. As this is opt-in and there are no statutory requirements to sign up, there is deemed no requirement for a public consultation.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

- Lotteries are considered to be a form of gambling which may result in “problem gambling” that is linked to adverse health and social care outcomes. These include mental ill health, drug and alcohol misuse and smoking. The effects are felt by families and friends with relationship breakdowns, financial stress and other social effects. High rates of problem gambling is associated with vulnerable and more deprived population groups. Though it should be noted that lotteries fall into a lower risk form of gambling, with mitigating actions detailed above to help provide support for this, including a CCC donation to the Lotteries Council to help provide support for problem gambling.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance/Procurement?	Yes Name of Procurement Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Virginia Lloyd
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Chris Malyon
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Chris Malyon
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Val Thomas

Source Documents	Location
None	

FINANCE AND PERFORMANCE REPORT – JANUARY 2018

To: **Commercial and Investment Committee**

Meeting Date: **23 March 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 January 2018 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 January 2018.

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

- a) review, note and comment upon the report in the appendix**

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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 January 2018 Finance and Performance report.
- 2.2 **Revenue:** At the end of January, C&I Committee is forecasting an overspend of £754k on revenue budgets. This is an increase of £104k since last month; there are no new material variances to report.
- 2.3 **Capital:** Predicted in-year variances of £849k have been netted off against the Capital Programme Variations budget. This exceeds the variations budget of £720k, therefore at the end of December C&I Committee is forecasting that the element of the capital programme budget subject to a capital variations budget will be underspent by £129k at year-end.

In addition to this, an in-year underspend of £47,209k is reported on the Housing schemes as a result of the re-profiling reported in the December F&PR. This takes the total programme underspend to £47,338k in 2017-18.

There are no new material variances to report.

- 2.4 There are no Commercial and Investment Committee **performance indicators** reported for January 2018.

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 (January 18)	1 st Floor, Octagon, Shire Hall, Cambridge

FINANCE AND PERFORMANCE REPORT – JANUARY 2018

To: **Commercial and Investment Committee**

Meeting Date: **23 March 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 January 2018 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 January 2018.

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

- a) review, note and comment upon the report in the appendix**

<i>Officer contact:</i>		<i>Member contacts:</i>
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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 January 2018 Finance and Performance report.
- 2.2 **Revenue:** At the end of January, C&I Committee is forecasting an overspend of £754k on revenue budgets. This is an increase of £104k since last month; there are no new material variances to report.
- 2.3 **Capital:** Predicted in-year variances of £849k have been netted off against the Capital Programme Variations budget. This exceeds the variations budget of £720k, therefore at the end of December C&I Committee is forecasting that the element of the capital programme budget subject to a capital variations budget will be underspent by £129k at year-end.

In addition to this, an in-year underspend of £47,209k is reported on the Housing schemes as a result of the re-profiling reported in the December F&PR. This takes the total programme underspend to £47,338k in 2017-18.

There are no new material variances to report.

- 2.4 There are no Commercial and Investment Committee **performance indicators** reported for January 2018.

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 (January 18)	1 st Floor, Octagon, Shire Hall, Cambridge

COMMERCIAL AND INVESTMENT COMMITTEE AGENDA PLAN

Published on 1 March 2018
Updated on 15 March 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:

- **Shire Hall Relocation Programme (*with effect from April*);**
- **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
23/03/18	Tri-LEP Local Energy Investment and Delivery Strategy and other Strategic Energy Initiatives	Sheryl French	n/a	14/03/18	15/03/18
	Portfolio Sale	Tom Kelly/ John Macmillan	2018/006		
	Cambridgeshire Lottery	Chloe Rickard/ Paul Tadd	n/a		
	Spaldwick Community Room	Julia Carroll	n/a		

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	FACET, March	Julia Carroll			
	Centre E, Ely	Julia Carroll			
27/04/18	Report back from Cambridgeshire Music Member Reference Panel	Matthew Gunn	n/a		
	Transfer of Freehold of Cromwell Museum building to Huntingdon Town Council	Christine May	n/a		
25/05/18	Outline business cases for two Battery Storage Projects	Sheryl French	2018/034	16/05/18	17/05/18
	High Level Assessment of Battery Storage project at Wolvey Holes Farm	Cherie Gregoire/ Hugo Mallaby	n/a		
	Outline business case for Smart Energy Grids for Trumpington and Babraham park and ride sites	Sheryl French	2018/033		
	Smart Energy Grid, Power Purchase Agreement	Sheryl French	2017/030		
22/06/18	Closed Landfill Sites (x5) energy project feasibility	Cherie Gregoire	N/a	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

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
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

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

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

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

For further information, please contact Quentin Baker on 01223 727961 or Quentin.Baker@cambridgeshire.gov.uk 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
5.	This Land Performance Workshop		12 th March 2018	David Gelling/David Bethell /Chris Malyon/John Macmillan	C&I

