

COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES

Date: Friday 25th May 2018

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 11.50am

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

Also present: Councillors A Bailey and K Cuffley

Apologies: None

113. NOTIFICATION OF CHAIRMAN/WOMAN AND VICE-CHAIRMAN/WOMAN

The Committee noted the appointment of Councillors Schumann and Hay as the Chairman and Vice Chairwoman respectively of the Commercial & Investment Committee for the municipal year 2018/19.

114. DECLARATIONS OF INTEREST

There were no declarations of interest.

115. MINUTES AND ACTION LOG OF THE COMMERCIAL AND INVESTMENT COMMITTEE HELD 27TH APRIL 2018

The Committee resolved to approve the minutes of the Committee meeting held on 27th April 2018.

Members noted the following updates to the Action Log:

Item 58 (4) – a quarterly report from ESPO trading services would be available shortly. It was agreed that this would be built in to the future work programme. **Action required.**

Item 96 – Tri-LEP Local Energy Investment and Delivery workshop – Sheryl French had spoken to officers at Cambridge City and South Cambridgeshire Councils about how to go about setting this up, and it was anticipated that the workshop would be arranged for September.

Item 109 – It was agreed that a session on Performance Indicators and Finance would take place on the first provisional training slot identified in the Training Plan (20th July). **Action required.**

It was resolved to note the Action Log.

PUBLIC QUESTION

A public question was presented by Antony Carpen (transcript of question and response attached at Appendix 1).

116. OUTLINE BUSINESS CASE FOR SMART ENERGY GRIDS FOR TRUMPINGTON AND BABRAHAM PARK AND RIDE SITES

A report was presented giving the outline business cases for two Smart Energy Grids at the Trumpington and Babraham Park and Ride (P&R) sites. The merits, funding options and risks for each site were outlined.

Since the report had been drafted, the Combined Authority had announced it would be undertaking a Strategic Transport Review.

In discussion:

- one Member indicated that she was pleased to see this proposal coming forward, as it was potentially a huge opportunity to expand solar energy in the county. She noted the ongoing issues with possibly relocating the Trumpington P&R site on County Council land west of the M11, or using both sites at Trumpington for P&R, as suggested by the Greater Cambridge Partnership. Officers confirmed that several different options were being considered. The planning application would be based on the current P&R site, as given the proximity to the Biomedical Campus, both Trumpington and Babraham P&R sites would be needed to support demand. If the Trumpington P&R site moved to the new site west of the M11, the project could go ahead on that site, albeit with some redesign and additional costs, so further risk profiling would be required;
- A Member asked if it would be more advisable to phase one project before the other, noting that much had been learned from the first project at St Ives, and more lessons could be learned from the second site. Whilst he understood there was scope for bulk purchases, etc, if the Trumpington and Babraham sites were progressed in tandem, he could see potentially more benefits from developing the sites

separately. Officers confirmed that the Babraham site could be progressed first, as the more viable site, and it was suggested that it may progress more quickly anyway;

- with regard to progress on the St Ives site, the Chairman requested that an update could be circulated to the Committee. **Action required;**
- with regard to the joint funding, it was noted that there had already been discussions with Connecting Cambridgeshire. Innovate UK had also recently put out a call for innovative energy systems although that option had not yet been explored. In addition, the Department for Business, Energy & Industrial Strategy (BEIS) had just announced its Smart Systems and Flexibility Plan, with £250M being allocated to smart energy systems. Once there was clarity with regard to the Combined Authority's Transport Plans, this could also be a potential source of funding;
- it was noted that there was broad agreement within the industry on the chemical makeup of the batteries, and costs were reducing. The size of batteries would be dictated largely by the network connection, and there would be engagement with UKPN on this point;
- a Member urged officers to tap in to the work the University of Cambridge was doing on batteries;
- officers confirmed that they had been in contact with South Trumpington Parish Council, and would be meeting the Council in July.

The Chairman thanked officers for their informative presentation. It was confirmed that a report back would be presented in the autumn.

It was resolved unanimously:

- a) to agree the outline business cases; and
- b) to support the development budget of £150,000 for each site to fund the development costs to the first stage of an Investment Grade proposal.

117. FORMER MILL ROAD LIBRARY – UPDATE ON ISSUES WITH LEASE TO INDIAN COMMUNITY AND CULTURAL ASSOCIATION

A report was presented on issues with the former library at Mill Road, Cambridge, a Grade 2 listed building, which was let to the Indian Community and Cultural Association (ICCA). The ICCA paid a peppercorn rent and were responsible for maintenance. A recent survey indicated that maintenance work in the region of £200,000 was required.

Legal advice had been sought on how to enforce the ICCA's maintenance obligations, and officers had met with the Chair of the ICCA in April. Options discussed included a Negotiated Surrender, however, the ICCA does not have an alternative building to move in to. Cambridge City Council had expressed an interest in the property. The property was currently limited to D1 planning Use Class, which was fairly restrictive, but there was still the potential for significant rents to be obtained.

Speaking as the Local Member, Councillor Jones advised that she had spoken with City Councillors, and from a City Council perspective, the high cost of repairs was a real deterrent. It was noted that the wider membership of ICCA had not been consulted, and there were some sensitivities, not least as there was a shrine on the site.

It was noted that if the tenant was unable to fulfil their responsibilities, the liability rested with the County Council as property owner. It was noted that the Trustees had been consulted and there was an issue of financial liability to the Charity, and closing the Charity and surrendering the Lease was a possibility, without any liability for dilapidations, which would then fall to the County Council. Greater clarity was required on the potential costs and potential returns if all works were carried out. It was agreed that there was some urgency, given further delay would lead to further deterioration in the property and greater costs.

One Member commented on the wider issue this raised about carrying out regular inspections of County Council properties, given this was a Listed building, and it had been originally leased to the ICCA in 1999. Officers advised that the issues at this particular site had come to their attention in 2016. Whilst they would like to be able to inspect more frequently, the team was not resourced to do this.

Another Member sought reassurances that there were not other County Council owned sites with similar issues. Officers were unaware of any other Listed buildings that were leased out, but the point that the deterioration of the estate when leased to tenants would be fed through the Outcome Focus Review process. **Action required.**

A Member queried the suggestion in the report that change of use from D1 was unlikely. Officers confirmed that this was the case, unless similar community facilities were provided elsewhere or on another part of the site. It was further confirmed that pre-application discussions were a possibility.

With regard to the Charity Trustees being unable to meet the costs and surrendering the site, greater clarity was required. It was noted that although the meeting had been with the Chair of Trustees, she had indicated she had discussed a Negotiated Surrender with other Trustees, but not the wider membership. One Members suggested more time should be given to see if the ICCA could secure some of the funds required from its wider membership.

It was resolved unanimously to:

1. agree that officers agree a negotiated surrender of the lease of the old Mill Road Library from the Indian Cultural and Community Association, and to explore options for sale or letting;
2. agree the final terms of the surrender be delegated to the Deputy Section 151 Officer in consultation with the Chairman of the Committee.

118. DISPOSALS POLICY

A report was presented on proposed refinements to the existing asset disposals policy, to better reflect the Committee's preferred direction in terms of future disposals.

The background to this subject, including the debate and resolutions on the Disposal Process for property assets, considered at the Committee in June 2017, were noted, as were some of the issues that arisen subsequently. One particular issue was what way meant by "surplus to requirements", and also the need for a more robust approach internally, before the decision reaches the Committee stage. The report also sought to clarify that all assets were owned by the body corporate, regardless of who was using them, and the role of Local Members, which was set out in the Constitution.

A Member indicated that whilst it was a Constitutional issue, they would be happier for Local Member involvement to also be included as part of the Disposal Policy flowchart. The Member indicated that whilst acknowledging that it would ultimately be a Committee decision, it was important that Local Members had full information and were able to comment and share their views with the Committee. **Action required.**

A Member observed that it appeared there was no Member or Committee involvement in the process to confirm an asset as surplus, which suggested that an asset could be declared surplus with no Member involvement at all. Whilst this was understandable for some assets, where the decision to confirm as surplus was very straightforward, there needed to be an opportunity for Member involvement. The Chairman pointed out that if an asset was declared surplus, nothing actually happened to it, and the ultimate decision to dispose of an asset would still rest with the Committee.

It was confirmed that there would be deadlines in the new process. In response to a Member question, it was noted that the Operational Assets Board was made up of middle managers across the organisation, especially those with a property focus. The Strategic Property Asset Board was chaired by the Deputy Chief Executive and included more senior representatives from across the organisation. The governance of both Asset Boards was currently being reviewed, and it was likely that the latter would become the governance arrangement for Cambridgeshire 2020 going forward.

Another Member expressed dissatisfaction about the involvement of Local Members in the process, especially given that some assets had a significant value to their communities, and the process as proposed appeared to suggest This Land was being prioritised above Local Members.

There was a discussion around the term “*surplus to requirements*”. It was agreed that this should be changed to “*surplus to operational requirements*”.

Action required.

A Member pointed out that Highways had 6,000 parcels of land, historically purchased for highway use which were not used in the current highway boundary extent, and that some of these parcels of land were quite significant and could present additional sale or development opportunities. He asked where decisions on these parcels of land would be made. Officers advised that whilst these parcels of land were recorded in a separate database, they were still assets owned by the body corporate, and would therefore go through the same process.

It was resolved, by a majority, to:

adopt the refined asset disposal policy as set out in Appendix 2 to the report.

119. PROGRAMME HIGHLIGHT REPORT – PROGRESS OF SALES TO THIS LAND

The Committee considered the progress of sales to This Land. Members' attention was drawn to a table showing a detailed breakdown for each site.

Members noted:

- the list of 14 sales completed on 13/04/18;
- Soham Northern and Milton Road had completed by 22/05/18;
- there had been delays with the Willingham, Landbeach, Litlington and Wicken sites, originally anticipated for completion by 22/05/18;
- current progress being made with the Whittlesford, Shepreth, Burwell, Malta Road and Soham Eastern sites;
- Planning consent for 154 house had been granted at Rampton Road, Cottenham following an appeal, but there was still the possibility of judicial review. A Member pointed out that every effort should be made to work cooperatively with District and City Planning Committees – overturning decisions was not desirable;
- an application for ten houses at Clear Farm had been submitted on 17/05/18.

A Member pointed out that the report referred to the Shire Hall 'sale' which should read 'disposal'. **Action required.**

A Member asked for more information in the table in future reports e.g. how many units, and who was making the application (i.e. County Council or This Land). **Action required.**

It was resolved unanimously to:

- a) note the content of the Programme Highlight Report;

120. FINANCE AND PERFORMANCE REPORT – OUTTURN REPORT 2017/18

The Committee considered a report on the financial and performance information relating to the areas within the Commercial and Investment Committee's remit, for the year 2017-2018.

At the end of the 2017/18 financial year, the Committee recorded an overspend of £534K on Revenue budgets. There were six material variances, which were detailed in the report.

Predicted in-year variances of £1.5M in the Committee's Capital budgets were netted off against the Capital Programme Variations budget. An increased in-

year underspend on the Housing schemes of £83.3M resulted in a total programme underspend of £84.1M in 2017-18. The scale of capital underspend was rather large and reflects the attempts to transfer to This Land in 2017-2018, i.e. a number of transfers had not taken place until the 2018-19 financial year. Work on re-profiling had already started.

In response to a Member question, it was noted that the report presented significant changes since previous reports, as the Committee had made a conscious decision not to repeat issues at every meeting, but to focus on the latest variations. However, all budget virements throughout the year will have been reported to Committee. It was agreed that this would be discussed further at the July training session.

A Member asked for more detail on the reasons for the year-end overspend of £154K on the Property Services budget (Building Maintenance). It was agreed that this would be clarified and reported back. **Action required.**

It was noted that the under recovery on Cambridgeshire Catering & Cleaning Services (CCS) was a failure to deliver on profits, not an actual loss.

It was noted that virements and transfers to/from Reserves were always reported, on a monthly basis in section 2.4 of the appendix to the report.

It was confirmed that as this was the final report for 2017/18, March figures were included.

It was confirmed that only exceptions were included in the “Significant Issues” section of the Appendix. A Member requested that this should also include a brought forward/previous column. It was agreed that these issues could be discussed further at the workshop on 20th July.

It was unanimously resolved to:

1. review, note and comment upon the report in the appendix.

121. COMMITTEE AGENDA PLAN AND APPOINTMENTS TO OUTSIDE BODIES

The Committee considered a schedule of appointments to outside bodies, internal advisory groups and panels, and partnership liaison and advisory groups, noting that only one appointment needed to be made. It was proposed by the Chairman to appoint Councillor Wotherspoon to the

Mobilising Local Energy Investment (MLEI) in Cambridgeshire and Peterborough – Project Advisory Board.

It was resolved to:

- (i) review the Agenda Plan;
- (ii) review the Training Plan;
- (iii) agree the appointment, as set out above.

Thank you Chairman, this question that I've submitted comes on the back of a response Cllr Raynes gave to me a few full Council meetings ago, regarding a proposal that's everything to do with heritage, and I also note that the former Mill Road library is also on the agenda. Local people are really interested in the future of this site, as well as obviously the Mill Road library, and I wanted to – basically my proposal for this site was around expanding the Museum of Cambridge as a possibility, given where the car parks currently stand where we used to have a wonderful Court House. And since the full Council meeting, I have been in touch with some architects, and am in a position to potentially commission them to do an outline study on whether it would be possible for part of the site to be used for a Museum of Cambridge and another part of the site to effectively build a castle keep to have offices in them, and to be a potential source of revenue and one of the things I would like advice on is whether I should go ahead and spend some of own money and commission those architects, because it's good for business, isn't it, and with a Conservative majority, Conservatives like business, I assume.

Secondly, I would like to see a comparison between the potential revenues over, let's say a 50 or 100 year period of a long-term lease for this building turned into hotel, because I'm not particularly fussed what happens to it, so long as the revenue that comes back can be put towards local government and effectively create an independent stream, as well as helping support the Museum, versus selling off site completely, so that you have a proper sound evidence base as to which one would be more in the public interest. Again, I would be grateful if at all possible, at some stage we could see the data, mindful of the commercial considerations.

In terms of the wider benefits, one of the things that those of you who come into Cambridge regularly will know, especially at this time of year, is that it becomes very, very crowded, and one of the advantages of turning this into a proper heritage site, beyond what it currently is, is that it extends the tourist trail all the way up to the top of hill, and with those plans it could potentially create a new heritage hub, where we could also potentially have a new transport stop, so we have not just got one single City Centre hub, bearing in mind the plans that Mayor James Palmer has. Having that would again, as well as, creating jobs and revenue, and could also create a new restaurant quarter.

So finally, the real question really is what detailed consideration was given to my proposals, of turning part of the Shire Hall site into an expanded Museum of Cambridge and a heritage site which Councillor Raynes said he would ensure would be considered in response to the public question, because I didn't really see that much of it in the officers' response?

Councillor Raynes' response:

I have a prepared response but some of the issues that Mr Carpen has raised go beyond this will be on this written response and I have also added a few points to that. Mr Carpen's previous question to full Council was very welcome, and it highlighted an issue that we feel is very important as Members of this Council, we said at the time we take very seriously the need not only to preserve but to enhance the importance of the scheduled ancient monument and the other historic features of the Shire Hall site as we consider options for its disposal - I very carefully drafted the word 'disposal', just to respond to what Mr Carpen has been saying there - our starting point is indeed the Council's policy for assets like this is not outright freehold sale but leasehold sale, so that's the starting point for our considerations. This has been reflected since in formal conclusions of this Committee which has we took decisions forward highlighted the heritage issues, and indeed at Full Council. It may be worth stressing that this is not principally driven by the historic importance we attach to the heritage of the County Council, even though we're very proud of that. The County Council was originally located in the centre of the city and has been on this site for about ninety years. Rather, we want to celebrate the longer and broader significance of this site which has been home to Anglo-Saxon burghers, Norman administration, a Civil War fortress, and many other uses which places it at the heart of the history of Cambridge and Cambridgeshire.

Now it is too early in the process to set out exactly what the future enhancement of the historic site will look like: we need first of all to engage with the market, to understand fully what commercial uses of the existing Shire Hall building and its neighbours are going to be most advantageous to the taxpayers of Cambridgeshire. But we've got five key elements which for us are a given as we take that forward.

First, is that we want to consider the site in the round, and to that end this Committee has halted previous plans to separately dispose of no. 42 Castle Street, the old police station, registry office, so that they can be considered as part of an overall masterplan for the site.

Secondly, we don't intend to dispose of the part of the site which is a scheduled ancient monument, but there may be creative options for partnering with or delegating to other organisations the day-to-day management.

Thirdly, we want the future use of this site, including access arrangements and design, and I hope this is in line to where the question is coming from, to enhance the overall historic offer and attractiveness to tourists of the Castle Hill area, which has a number of other important historic features and attractions. Our current assessment is that a completely new museum is unlikely to be financially sustainable, so we will be focussing our efforts on conversations about how to make

the most of the site in partnership with existing organisations, and exploring the contribution that a new occupier of the Shire Hall building might be able to make.

Fourthly, we want to work collaboratively on options for the future of the site with other partners, including partners that have been mentioned by Mr Carpen.

Lastly, this work is being taken forward as part of a distinct workstream within the overall programme, to ensure it receives the level of attention it deserves, and specialist County Hall staff will be engaged in that workstream, people who really know about the heritage, know about the museum economy and ecology of Cambridgeshire and so on.

The future picture for Shire Hall and Castle Hill will develop over the near future as we engage further with partners and develop our plans. So while we can't at this point get in to the level of detail Mr Carpen's question might hope for, we do welcome the continuing interest he and others are showing in this element of the Cambridgeshire 2020 project and we are very happy to undertake to keep the public updated on progress through future agenda items and future discussions in this Committee. And just to again go beyond that prepared answer and respond directly to a point Mr Carpen has raised, it is obviously a choice for him, Chairman, whether he wants to put his own capital at risk, engaging an architect or whatever, but if he has an outline sketch, an idea, a broad plan he wants to send in to the Working Group that are working on this, we will be very happy to read that, take that into account, as we consider what the options for the site may be