

COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES

Date: Friday 26th January 2018

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 12:40pm

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

Apologies: Councillor I Bates (Councillor R Hickford substituting)

75. DECLARATIONS OF INTEREST

There were no declarations of interest.

76. MINUTES AND ACTION LOG OF THE COMMERCIAL AND INVESTMENT COMMITTEE HELD 15TH DECEMBER 2017

The Committee resolved to approve the minutes of the Committee meeting held on 15th December 2017.

Members noted the following update in the Action Log:

Minute 51. (1) – Members were informed that following minor adjustment a schedule by division would be made available to all Councillors the following week.

It was resolved to note the Action Log.

77. OUTCOME FOCUSED REVIEWS - UPDATE

An update was presented on progress to date with the Outcome Focused Reviews (OFR) that were currently being carried out that formed part of the wider transformation programme within the Council.

Officers explained that there was no set process for the reviews due to the complexity and diversity of services and an assessment of the approach to the reviews formed part of the process.

Arising from the report, Members:

- Requested that each review be presented as a report in its own right rather than as an appendix to a covering report.
- Noted the volume of reviews being presented to the Committee and requested that a rolling programme of reviews be adopted as there were too many for each review to be debated thoroughly. Officers explained that there was an initial focus for reviews regarding commercial activity to be presented first which were the remit of the Commercial and Investment Committee.
- Drew attention to the variance in the presentation of financial data within each review and requested that the presentation be standardised in future reports presented to the Committee. **ACTION**
- Questioned whether there was a specification for the first stage of the reviews. Officers confirmed that the specification underpinned the reviews but was not presented as part of the report.
- Emphasised the objective of the reviews to be completed in a timely manner.

Councillor Peter Hudson presented the first OFR regarding Cambridgeshire Music. The review focussed on the contribution of the service to the Council's outcomes, in particular opportunities surrounding the expansion of arts therapies through external funding.

During discussion of the review Members:

- Encouraged the Member Panel created to review Cambridgeshire Music's strategy to address all the arts and not just music.
- Requested that financial information be presented within the main body of the report in future.
- Commented that while the numbers of people that went on to have careers in music were relatively low, there were many people that music was a significant part of their lives. Music was an important, growing sector of the economy and it was therefore vital that it be supported.
- Commented that trend data regarding competition for school's business with self-employed tutors would illustrate more effectively the challenges the service faced.

- Welcomed the opportunity for Cambridgeshire Music to engage in joined up working with other parts of Council business and committees.
- Questioned whether there was a strategic or business plan for Cambridgeshire Music. Officers confirmed that a business plan was provided annually to the Arts Council.
- Highlighted potential funding streams available to the service and the wider long term view of the benefits to mental health and social mobility provided by the service.
- Confirmed the composition of the Member panel. The Chairman announced that owing to other commitments he would have to step down from the panel and would liaise with Members regarding the appointment his replacement.

It was resolved to:

Not progress to the Design Phase (Phase 3) at this time. The findings of the OFR Group would be provided to the Member Panel reviewing Cambridgeshire Music's strategy and make a recommendation to Commercial and Investment Committee as to whether the service should progress to the Design Phase once their work is completed.

Councillor John Gowing introduced the second OFR to Members regarding the Education ICT Service and drew the Committee's attention to the recommendation of the review set out in the report.

During discussion:

- Highlighted the issues regarding procurement rules that had been identified within several of the OFRs. Officers explained that there were significant challenges for traded services, especially for the Education ICT Service. Through following procurement regulations there was approximately a 30% price difference between the Council and its competitors. A possible solution, Members were informed could be to adopt a model such as Cambridge Housing and Investment Company (CHIC) that operating outside of the local authority could provide a certain agility regarding procurement and decision making.

- Emphasised the need for a full business plan for the service that included a SWOT analysis of the procurement regulations noting that schools desired and required flexibility.
- Drew attention to the sensitive data held by schools and sought assurance regarding the security of that information given the flexibility schools had regarding where they purchased equipment. Members were informed that head teachers were acutely aware of their responsibilities regarding data security and providers of management information systems assess the security of the school environments in order to ensure security.
- Questioned whether the service was necessary given the flexibility of schools regarding the sourcing of equipment. Officers explained that if the service was not provided, schools would have to source a vast array of service and support. Although schools sourced their equipment from another provider, frequently after a period of time schools came back to the Council due to the level of service provided.
- Requested that Phase 3 of the review assess providing a back office and support service only.
- Have difficulty understanding the second part of recommendation – we are putting things in pace for next year – not in remove second part,
- Clarified what widening and re-scoping of the OFR would involve. Officers explained that the three services highlighted in the report had not been considered together before and by doing so could provide opportunities.

The Chairman with the agreement of the Committee removed the second part of the recommendation of the OFR.

It was resolved to:

Widen and re-scope the OFT to be a Council-wide review of ICT services, this would include the IT & Digital Team and LGSS IT, in addition to the ICT Service. This review would start from mid-February 2018

Councillor Simon Bywater presented the third OFR regarding Outdoor Education. Councillor Bywater began by expressing his thanks to the officers involved in the review and emphasised to Members the benefits of outdoor learning and the clear impact on outcomes. The opportunities provided for children that they would not ordinarily receive from classroom based learning

was highlighted together with the benefits for children facing and overcoming adversity.

During discussion:

- The Chairman declared a non-statutory interest in this review as he was a trustee at Burwell House.
- Clarification was sought regarding the financial pressure of £103k. Officers explained that the majority related to a loan that had been approved several years ago.
- The links to the core objectives of the Council were highlighted and the benefits of the service that saved money for other areas of the Council.
- It was questioned whether if there was charging for attendance at the centres it could exclude some children from attending. Members were informed that bursaries were available and schools were also able to provide assistance to parents in certain circumstances.

It was resolved to progress to the Phase 3 Design stage to model the option of collation and redesign into one multi-site Outdoor Learning Service.

Councillor Anne Hay presented the OFR regarding Professional Centre Services. Councillor Hay also highlighted the concern that approximately £391k was spent on external meeting venues which warranted further investigation as to whether value for money was being achieved.

It was resolved to:

Not progress to the Phase 3 Design stage until the wider Property OFR has progressed further. In the meantime, it is recommended that line management and strategic direction be moved to the Resources Directorate.

Councillor Schumann presented the OFR that concerned Property Services. Members were informed that the service had undergone a number of reviews under various guises in the past and in order to progress the review further it was necessary to move to Phase 3 Design Stage.

During discussion:

- Officers undertook to provide an explanation regarding recorded surplus assets of 5.5m. **ACTION**
- Members questioned the readiness of staff to be able to deliver the moving of the Council from its Shire Hall premises. Officers explained that there work would be required in order to ensure sufficient staff capacity.
- Officers explained that a traded service was one that were self-financing and received external funding through the purchasing of its services.
- Attention was drawn to the Council's property estate and how it was utilised for the benefit of the organisation and the wider community.
- The building of a Council run care home was highlighted and concern was expressed regarding the progress that had been made regarding the development. Officers assured Members that the development was progressing and monitored closely by the Adults Committee.

Councillor Hickford presented the Rural Assets OFR. In presenting the review Councillor Hickford informed Members that Cambridgeshire County Council had the largest county farms estate in the country and represented the largest single collective single asset of the Council. A revised valuation of the estate was due to be received by the end of February. A meeting had taken place with tenants at which the OFR was introduced. Despite initial anxiety regarding the review, tenants were broadly positive and provided constructive challenge.

It was resolved to:

Agree to progress the Rural Assets Outcome Focussed Review to the Phase 3 Design Stage.

78. FINANCE AND PERFORMANCE REPORT – NOVEMBER 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 and recommendation b) of the report that General Purposes Committee approve £197k of additional capital funding for County Farms.

During the course of discussion Members:

- Drew attention to the capital expenditure budget of £115m, of which only £5m had been spent. Officers explained that it contingent on the CHIC portfolio goes though. There is risk of slippage. The Committee will make decision in long term benefit of the Council.
- Noted that a 7300% overspend within the report had arisen due to the re-baselining of the budget following transfer of functions to the Committee. It was agreed that in this case it was not a helpful figure.

It was resolved to:

- a) review, note and comment on the report;
- b) Recommend to General Purposes Committee the approval of £197K additional borrowing in relation to the County Farms investment capital scheme.

79. MILTON ROAD LIBRARY REDEVELOPMENT PROJECT – LETTER OF INTENT

Members received a report that sought for the Committee's approval for a further Letter of Intent for investigation and initial construction work expenditure that related to the redevelopment of Milton Road Library by Cambridge Housing and Investment Company (CHIC) should the Council not proceed with the sale to them.

During discussion of the report Members:

- Noted that it was anticipated that the legal work would have been completed during January 2018, however it was taking longer than initially expected.
- Confirmed that LGSS Law was providing legal services to the Council but was not providing services to CHIC.

The Chairman drew the attention of the Committee to the submission received from the local Member for Arbury Division, Councillor Scutt. Members acknowledged the comments from Councillor Scutt however were satisfied with the reports recommendation.

It was resolved to:

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

80. PROGRAMME HIGHLIGHT REPORT

The Committee considered the Programme Highlight Report.

Members received updates on the following schemes:

- Russell Street (Cambridge);
- Dubbs Knott, Cambridge;
- Parsonage Farm, Whittlesford;
- Soham Eastern Gateway;
- East Barnwell Community Centre;
- Rampton Road, Cottenham;
- Old School House, Papworth;
- Soham Northern Gateway;
- Sheen Farm, Litlington.

During discussion of the report Members:

- Encouraged Cambridge Housing Investment Company (CHIC) to be more visible regarding their public communications following confusion from residents regarding the commencement of development at a site.
- Noted that information regarding the allocation of affordable housing within developments was available within the relevant Local Plan. The general allocation was 40%, however the figure was depended on viability and sustainability. Members welcomed that affordable housing allocations including the number of units as well as percentages could form part of the CHIC performance data.
- Questioned the learning by officers from the planning application process. Officers explained that the planning process was often longer than was expected and that the lack of an adopted Local Plan posed significant challenges. There also appeared to be limited benefit to seeking pre-application planning advice. A meeting had taken place with the Development Control Manager at South Cambridgeshire District Council that had been beneficial and formed part of a more collaborative approach across the local authorities.
- Drew attention to similar issues faced by Cambridge University as a developer and suggested that learning could be gained from their experiences.

- Following the next meeting of the Committee it was suggested that a working group session be arranged regarding reporting data. **ACTION**

It was resolved to:

Note the Programme Highlight report.

80. COMMITTEE AGENDA PLAN AND APPOINTMENTS TO OUTSIDE BODIES

Members considered the forward agenda plan for Commercial & Investment Committee. Members noted the addition of a report entitled, Closed Landfill Sites (x5) Energy Project Feasibility that would be presented at the 22 June meeting.

It was resolved to:

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