

**COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES**

Date: Friday 23<sup>rd</sup> March 2018

Venue: Room 128, Shire Hall, Cambridge

Time: 10.00am – 1.20pm

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 Bradnam and M Smith (part of meeting)

Apologies: None

**90. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**91. MINUTES AND ACTION LOG OF THE COMMERCIAL AND INVESTMENT COMMITTEE HELD 23<sup>RD</sup> FEBRUARY 2018**

The Committee resolved to approve the minutes of the Committee meeting held on 23<sup>rd</sup> February 2018.

A Member expressed disappointment that his comments regarding the process of disposing of surplus properties to This Land were not included in the minutes. He advised he would be raising these points again under the Portfolio Sale item.

A Member commented that following the Committee meeting in February, the County Council had issued a press release relating to the decision to close Catering and Cleaning Services (CCS), which appeared to imply that all Members had supported the proposal, subject to some concerns about promoting healthy eating. Two Members felt that this was a misrepresentation of the conduct of the meeting.

It was agreed that given feedback Members were receiving from some of the schools which used CCS, it would be appropriate for the Committee to receive a report back, reviewing the process so far, and actions going forward e.g. how schools were being supported in procurement. **Action required.** A Member commented that the issue was not just about schools being assisted with procurement in the initial phases, but also about the disproportionate

burden in terms of management and oversight costs for small schools, and ongoing issues with procurement e.g. monitoring quality and contracts.

Shire Hall – there had been a full and robust discussion at the full Council meeting on 20/03/18 regarding the recommendations made by the Commercial & Investment Committee. The Committee would be pivotal in making many of the Key Decisions relating to the sale and relocation of Shire Hall. The membership of the Shire Hall Working Group was re-confirmed. It was suggested that the Committee should delegate to the Working Group reviewing the information from the two landowners on the two sites which were being considered. It was also agreed that there needed to be a report to the next Committee meeting on the proposed governance. **Action required.**

Members noted the following updates to the Action Log:

Item 51(1) – list of County Council assets by electoral division: whilst this information had been circulated, officers would be revisiting how this information was presented, with a view to producing a more user friendly format.

Item 80 – Workshops: it was agreed that a regular series of workshop dates would be arranged.

Item 83 – the proposal for second valuations was being taken forward, but it had been too late to carry out second valuations for the properties in the Portfolio Sale Schedule being considered later in the meeting.

It was resolved to note the Action Log.

## **92. PROGRAMME HIGHLIGHT REPORT**

The Committee considered the Programme Highlight Report. Members noted that there were few changes since the last report to Committee:

Russell St, Cambridge – application refused by the City Council.

Dubbs Knoll, Cambridge – officers had been advised informally that the application had been refused. An application for non-determination was made on 17/02/18.

Parsonage Farm, Whittlesford – application refused and likely to be appealed by This Land.

East Barnwell Community Centre, Cambridge – this scheme was being

redesigned, based on the Council's standalone site.

Clear Farm, Bassingbourn – this Planning application had not been submitted as the scheme had been put on hold.

Rampton Road, Cottenham – the appeal had taken place, and the result should be known in about 7 weeks' time. The outcome of the appeal could change the value significantly.

A Member observed that many sites had been refused at the planning stage, and asked officers what had been learned so far. This was not just an issue for This Land, as ultimately it would impact on the Council: what were the sticking points, and what mitigating actions were being taken? Officers advised that every site was different, and it was difficult to identify trends. This Land were meeting regularly with planners in both Cambridge City and South Cambridgeshire, to build up a dialogue, and answering questions as soon as they arise. This Land were also building up their expertise of working with local communities, e.g. the public consultation in Soham. It was also noted that at the recent Member workshop with This Land, there had been discussions about how data presented, especially in relation to the 'front page' document presented, and Members' comments had been taken on board to revise this. It was agreed that this document would be circulated as soon as possible. **Action required.**

A Member observed that in terms of trends, at this point, a significant number of prospective units had been refused planning permission, and he asked at what stage this started to impose on the proposed business plan. Officers advised that the business plan was predicated on sales to This Land, not on planning permissions granted.

A Member noted that whilst it had previously been agreed to focus on the 'red' status sites in the report, some contextual information e.g. how many sites were on track, was required. It was suggested that that be included in the covering report, and it was also suggested that the format of report e.g. whether a quarterly, in depth report was the way forward, would be explored further at the workshop. **Action required.**

It was resolved unanimously to:

Note the Programme Highlight report.

### **93. EXCLUSION OF THE PRESS AND PUBLIC**

It was resolved that the press and public be excluded from the meeting for the following two items on the grounds that they contained 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).

**94. PROGRAMME HIGHLIGHT REPORT - PAPWORTH**

The Committee considered a report on the disposal of the Old School House at Papworth Everard.

It was resolved unanimously to:

- 1) defer the item until the next meeting.

**95. SALE OF PORTFOLIO OF PROPERTIES TO CAMBRIDGESHIRE HOUSING AND INVESTMENT COMPANY**

The Deputy Section 151 Officer presented a report on properties identified as surplus, recommending their disposal sale to This Land, and to extend the associated financing arrangements.

It was resolved, by a majority, to:

1. to approve the disposal of the properties identified in the schedule (Appendix A, as amended, to the report) to This Land at 'best consideration';
2. to 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 the next meeting include checklist in future reports;
4. that the loan financing associated with the portfolio sale, and made available to This Land be increased to £39M – activating further within the overall sum agreed in principle by the Committee in December;
5. that the level of equity the Council is permitted to invest in This Land is increased to £2.037M alongside the foregoing loan finance arrangements.

*(Voting pattern: 6 Members in favour, 4 against)*

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

Members received a report updating them of progress on the strategic energy initiatives that the Council was supporting and developing.

It was noted that in April 2017, the Department for Business, Energy and Industrial Strategy (BEIS) had commissioned three Local Enterprise Partnerships (LEPs) in the East of England, Greater Cambridgeshire, Peterborough and New Anglia and Hertfordshire to develop an area-based local energy investment and delivery strategy covering 38 local authority areas. This strategy will be ready in May 2018 and its aim is to highlight the challenges and opportunities to delivering an energy system that is future for the future. In addition, BEIS is investing £1.29million in a Regional Energy Hub, managed and operated by the Greater Cambridgeshire Greater Peterborough LEP but serving 11 LEP's across the East, South East, London, Milton Keynes and Oxford corridor.

Members noted the background to the proposed concept for a network of smart energy grids in and around Cambridge and the along the guided busway building on the work undertaken to date on the St Ives Park and Ride for a smart energy grid. The concept is not limited to the Greater Cambridge area but can be applied to any park and ride or parking scheme. National policy is driving the electrification of transport and smart energy grids and this concept will help support policy delivery.

Councillor Wotherspoon, as Member Champion for Transport and Health, and as a member of the Greater Cambridge Partnership Smart Places Working Group, commended the report to the Committee. He urged Members to check the screen in Shire Hall reception which helped inform people's travel choices as to the location of buses. Referring to Appendix A of the report, he explained that the electrification of transport was an amazing opportunity to bring together different strands, including the use of the Chisholm Trail for linkage of fibre, and charging points for buses using the busway, and the possibility of using autonomous vehicles. It was a tremendous opportunity for the Council to be a leader in these innovative technologies.

Regarding the project pipeline for energy projects currently planned under the refit 3 programme, a Member question on libraries was raised. Officers advised that the team was working with the Assistant Director of Community and Cultural Services, to identify suitable libraries that would benefit from energy performance contracting.

It was agreed to an item on the concept for a network of smart energy grids is presented at a Member seminar, and also to set up a workshop with County Council, South Cambridgeshire and Cambridge City councillors to share the concept for a network of smart energy grids. **Action required.**

It was resolved unanimously to:

1. note the development of a Tri-LEP Local Energy Investment and Delivery Strategy sponsored by the Department for Business, Energy and Industrial Strategy (BEIS);
2. note the set-up 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;
3. support, in principle, 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;
4. support, in principle, the scoping of the outline business cases for the initial projects identified in Appendix B of the report under the recent REFIT3 procurement.

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

The Committee considered a report which requested approval to grant a fifteen year lease at a 'less than best' rent to Spaldwick Parish Council for the Community Room in that village. Comments from the Local Member, Councillor Gardener, were tabled, for Members' consideration.

There was a discussion about what would happen if the school became an academy, in terms of ownership. It was noted that whilst the school used the site extensively and had invested in it, that would not mean that it could be transferred to the ownership of the Academy.

It was resolved unanimously to:

- 1) approve granting a fifteen year lease to Spaldwick Parish Council;
- 2) approve granting of a lease at a peppercorn rent.

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

The Committee considered a report on property issues with a Council owned property which was currently leased to Fenland Area Community Trust

(FACET). A large proportion of the FACET users were funded by County Council.

Whilst FACET was responsible for repairs to the structure, there had been considerable storm damage to the roof. This had revealed weaknesses in other parts of the roof, partly due to poor workmanship in the past. FACET did not have the money to repair it, and the roof was unsafe. An insurance claim was being pursued, but extensive work was being undertaken by specialist investigators, which was taking time. It was therefore proposed that the County Council pay for the work, and reclaim it from FACET.

The Chairman commented that this centre added a huge amount of value to the community and beyond. Further clarity was requested on the Council's building insurance, and whether there had been a claim against that: it was agreed that this information would be circulated to Committee Members.

**Action required.**

If FACET became insolvent, it was confirmed that the asset returned to County Council, although the relevant Council services would have to identify alternative providers for the daycare and other services the Centre currently provided.

It was resolved unanimously:

- a) that in consideration for Cambridgeshire County Council (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, and no interest will be charged.

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

Members considered a report on whether a ten year lease extension should be granted to the current tenant of Centre E, Youth Ely Hub Charitable Incorporate Organisation (CIO), for a further ten years, at less than best rent. Comments from the Local Member, Councillor Bailey, were tabled, for Members' consideration.

The County Council had leased the building for five years, with effect from 2015, to Youth Ely Hub. That organisation was looking to apply for grants to enhance their facilities, but the limited length of the lease meant that was difficult. Members were therefore asked to extend the lease for a further ten years from 2020. A rent review could be included at that stage.

A Member observed the generous rent arrangements (10% of the rent received) and asked if it was prudent to tie the Council to such an extended lease, and asked whether the services offered, could be offered elsewhere. She added that it would have been useful to have an options appraisal included in the report. It was noted that there would always be an option for the Council to buy out the lease.

Another Member suggested that there was insufficient information provided on which to make a decision, e.g. the summary provided was of *past* users of the facilities.

Other Members observed that there was limited scope for this asset, which was basically landlocked. Its future had been debated at length in 2015, when there had been a discussion about community value versus commercial value. The site's commercial value was limited, but it had considerable community value. The rent review in two years' time was an opportunity to review the future of the site.

It was resolved, by a majority, to:

- a) agree best consideration for future use of the building is to be for Community uses and agree a lease extension until 2030, with a rent review in 2020.

## **100. ESTABLISHING A LOCAL AUTHORITY LOTTERY IN CAMBRIDGESHIRE**

The Committee considered a report proposing the establishment of a Local Authority Lottery model for Cambridgeshire. It was noted that there was a four to six month lead in time to the launch date.

Members were reminded that in December 2017, the Committee had considered a proposal for a local authority Lottery, as part of the wider External Funding Business Plan savings. This proposal also formed part of the Business Plan proposals which were considered by full Council in February.

Thirty local authorities had now adopted lotteries, which help generate significant funding, and reduce pressure on Council service. The potential for the lottery to raise significant funds for good causes was noted. The proposal was to work with an External Lottery Manager (ELM), Gatherwell, but the Council would retain full control.

It was clarified that for each £1 lottery ticket, 60p would support local good causes (with 50p of that 60p being the specific charity of the purchaser's choice), 20p would be for prizes, and 20p for administration, including the ELM's costs and VAT. It was confirmed that the set-up costs were very low, and the only other cost was the annual Gambling Licence fee. Examples of the experiences of other local authorities were noted.



With regard to the assessment of “low reputational risk”, it was noted that Public Health had confirmed that such lotteries fall in to the low risk category for gambling risk, and analysis had shown that only 6% of participants would be from the most deprived communities. Moreover, the maximum amount that could be spent by one individual was £50 per week. It was recommended that the Lottery start immediately, and be trialled for one year.

A Member asked for clarification as to whether the Committee was being asked to take a procurement decision. The Member also noted that the proposal was that charities and good causes would be selected by a Council officer, and he felt that there was a huge opportunity to have an inclusive process, with Members involved. Whilst noting the example of other authorities, he suggested that having some live focus groups would be the best way to ensure the reputational issues were addressed. In response, officers advised that a framework would be created by officers which local good causes would have to work within, and a number of good causes would be selected in time for the launch, but it was envisaged that thereafter, the good causes would grow organically, and reflect what was important to residents.

Officers were working closely with the Communications team to ensure that residents were suitably engaged. With regard to the potential for someone to exploit the system, the modelling would be revisited if this occurred, and ultimately there was no obligation to keep promoting something if it did not work for Cambridgeshire.

In response to a Member question, it was noted that it was not envisaged that the £25K prize fund would be won every week, although for participants, the odds were still better than other lottery models. £25K was the maximum that a local authority lottery was able to offer.

Councillor Wotherspoon advised that he would not be voting on the report as he had moral objections to gambling.

A Member advised that she had dissented from the decision to set this up, not for moral but for public health reasons, because £50 per week was a lot of money for someone on limited means, and could easily result in debt. She asked what would be done if it transpired that this was happening. There were many lotteries operating, and the notion that a Cambridgeshire lottery would empower citizens to think about good causes was derisory.

It was noted that ELM would provide the materials for advertising, and work with the Council’s Communications team to disseminate through scheduled Tweet. The Member commented that whilst supporting the Lottery in principle, he was against the objective of replacing grants. It was suggested that it was more appropriate to say that the Lottery would *supplement* existing grants, rather than offset them, and that the report should be amended appropriately.

In response to a Member question, it was confirmed that the lottery would not cover the Peterborough City Council area.

It was resolved, by a majority, to:

- a) Approve the County Council's proposal to establish a Local Authority Lottery with the model described in the report.

*(Voting pattern: 5 Members in favour, 2 against, 2 abstentions)*

## **101. FINANCE AND PERFORMANCE REPORT – JANUARY 2018**

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

In presenting the report officers drew attention to the increased overspend, with a £754K forecast on revenue budgets, an increase of £104K from the previous month.

A Member observed that the Committee was responsible for a number of Traded Services, and suggested that they should therefore behave like mini businesses, with information provided on the increases for Cambridgeshire Music and Outdoor Education, for example.

A Member was disappointed that the Committee was not considering the February end report. The Deputy Chief Executive explained the difficulties in terms of the scheduling of the meeting, the date of agenda publication, and the practicalities of finalising month end figures in time for those dates. This issue had been discussed recently at a Group Leaders' meeting. However, officers could verbally provide an indication of the likely position at February end for most items.

It was confirmed that with regard to Cambridgeshire Music, there was no relationship between the £80K overspend and the requirement for that Service to produce £80K for reserves.

As the appendix had been received late by most Members, it was agreed that Members would contact officers if they had any questions of detail relating to the appendix, after the meeting.

It was unanimously resolved to:

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

## **102. COMMITTEE AGENDA PLAN AND APPOINTMENTS TO OUTSIDE BODIES**

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

It was agreed that dates would be identified quarterly, rolling forward, to pencil in the Training Plan and Committee Members' diaries.

A Member requested that all reports should be available for the Chairs'/Lead Members' briefing.

It was resolved to:

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

Chairman