

# ASSETS AND PROCUREMENT COMMITTEE



**Tuesday, 15 October 2024**

**Democratic and Members' Services**  
Emma Duncan  
Service Director: Legal and Governance

**10:00**

New Shire Hall  
Alconbury Weald  
Huntingdon  
PE28 4YE

**Red Kite Room**  
**New Shire Hall, Alconbury Weald, Huntingdon, PE28 4YE**

## **AGENDA**

**Open to Public and Press**

### **CONSTITUTIONAL MATTERS**

- 1 Apologies for absence and declarations of interest**  
*Guidance on declaring interests is available in [Chapter 6 of the Council's Constitution \(Members' Code of Conduct\)](#)*

- 2 Minutes - 17 September 2024 and Action Log** **5 - 18**

- 3 Petitions and Public Questions**

### **KEY DECISIONS**

- 4 Disposal of Mill Road Library** **19 - 24**

- 5 Accommodation Improvement Programme** **25 - 36**

<b>6</b>	<b>Employee Benefits Contract</b>	<b>37 - 40</b>
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## **DECISIONS**

<b>7</b>	<b>Light Blue Fibre Annual Progress Report</b>	<b>41 - 44</b>
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<b>8</b>	<b>Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels</b>	<b>45 - 46</b>
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### **Date of Next Meeting**

19 November 2024

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The Assets and Procurement Committee comprises the following members:

Councillor Ros Hathorn (Chair) Councillor Catherine Rae (Vice-Chair) Councillor David Ambrose Smith Councillor Alex Beckett Councillor Chris Boden Councillor Simon Bywater Councillor David Connor Councillor Steve Count Councillor Lorna Dupre Councillor Stephen Ferguson Councillor Mark Goldsack Councillor Neil Gough Councillor Peter McDonald Councillor Elisa Meschini and Councillor Lucy Nethsingha

Clerk Name:	Jenna Harron
Clerk Telephone:	01945482685
Clerk Email:	jenna.harron@cambridgeshire.gov.uk



## Assets and Procurement Committee: Minutes

Date: 17 September 2024

Time: 10.00a.m. – 11.42a.m.

Venue: Red Kite Room, New Shire Hall, Alconbury Weald

Present: Councillors Ambrose Smith, Boden, Bywater, Connor, Ferguson, Goldsack, Hathorn (Chair), Kindersley, M King, S King, McDonald, Meschini, Nethsingha and Rae (Vice-Chair)

### 55. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Count, Dupré (Councillor M King substituted), Gough (Councillor S Kindersley substituted), and Councillor Beckett.

Councillors Kindersley and Connor declared non-statutory disclosable interests in relation to Item 4: Children in Care Residential Service- Property Usage as members of the County's Planning Committee.

### 56. Minutes of the meeting held 17 July 2024 and Action Log

The minutes of the meeting held 17 July were agreed as a correct record and signed by the Chair.

An updated Action Log had been circulated to the Committee and updates were noted at the meeting.

### 57. Petitions and Public Questions

There were no petitions or public questions.

### 58. Children in Care Residential Service – Property Usage

The Committee received a report on the use of two Cambridgeshire County Council owned properties at Soham as a Residential Service for Cambridgeshire County Council Children in Care (CIC). It suggested that this proposed option was more financially sustainable than property purchasing and renting as it would generate cost avoidance of up to £630k by providing Council-owned properties to a service provider. Both properties were vacant and would not be required for the farms on which they stood, though both would require planning change of use, and one would require a change to agricultural occupancy restrictions.

Their isolated, rural locations were preferred for children with higher support needs. With a refurbishment cost estimated at £1m, work to secure the environment would include added safety glass, underfloor heating, upgrading the energy performance, and securing the

outside area. Upon completion, the properties would then be let to service providers on commercial full repairing and insurance tenancies for up to 10 years, with rent equivalent to the farmhouse rent. The 2024/25 business plan made provision for the spend, and though the business case was revised down and approved by the Capital Board in March, it had not yet been updated in the Council's Capital programme. The Children and Young People Committee had considered a report on the Children in Care Residential Strategy in June 2024 and had approved the business case to procure an external service provider to deliver CIC residential services. Subject to approval, works were hoped to be ready for a service provider by Spring 2025.

Arising from the report:

- Members sought clarity on the location of the properties being considered. Clarification was given that these were Engine Farm Soham and Middle Mere Farm Soham, located near one another.
- A Member highlighted the requirement for the locations of children's homes to be assessed in compliance with The Children's Homes (England) Regulations 2015 for the purpose of ensuring children could thrive. Such assessment should address safeguarding concerns, accessibility to local services, risk of exploitation, proximity to other facilities, environmental hazards, neighbourhood suitability, and availability of services (such as leisure, faith, culture, and healthcare facilities). It was confirmed that at the onset of the project, approximately five properties were identified, however some were discontinued as the service sought more remote properties which were not overlooked. Upon narrowing the options, internal location risk assessments had been conducted on these proposed properties prior to tender to identify their suitability to provide young people with 'space to pace'. Though some risks were identified, there were none raised which could not be addressed. Upon going to tender, it was then the expectation of bidders to complete a location risk assessment which went through an evaluation process. It was also clarified that these properties were part of a pilot programme, and that other categories of properties would be considered in a second phase targeted for children with different needs.
- The needs of the children and young people who might use these properties was explained. Upon review of previous cases, it was identified that some young people required bigger outdoor space and to be surrounded by nature to help them recover from their experiences, including trauma. Though the properties could house five young people, the proposal had been modelled on an occupancy of no more than four at any given time. Upon progressing through the system, the young people would then have the opportunity to move into other shared accommodation on a case-by-case basis.
- A Member outlined the requirement for there to be a change in use for these properties through the planning process and with local residents. One property was identified as having an occupancy restriction which the Local Authority would apply to freeze for a number of years. Should change of use not be approved, it was confirmed that the initial plan would be resumed to seek suitable properties in the market. Consideration would also be given to the construction of new properties should this be proven a more viable option.
- A Member identified that the decision had been considered by the Children and Young People as well as Assets and Procurement Committees, however there seemed to be an absence of consideration from the County Farms Working Group as it pertained to the erosion of the rural estate. Officers clarified the properties were not required for

farm use as the land had been amalgamated to a larger farm, therefore the houses were surplus. Given the properties were council owned, it was felt beneficial to find appropriate council use for them.

- A Member requested the use of local resources for the refurbishment work rather than sourcing workers from outside the immediate, local area.

It was resolved unanimously to:

- a) Agree to the use of two council properties, from the Council's Rural Estate, by the Children in Care residential service for a period of up to 10 years.
- b) Delegate responsibility for awarding and executing construction contracts in 2024 to the Executive Director of Finance and Resources in consultation with the Chairs and Vice Chairs of the following Committees: Children and Young People, Assets and Procurement Committees, and Strategy, Resources and Performance.

## 59. Enterprise Resource Planning System Cloud Hosting

Members considered a report regarding the strategic options for the short, medium and long-term use of the Enterprise Resource Planning (ERP) solution implemented across the shared service (Cambridgeshire County Council, Milton Keynes City Council, North Northamptonshire Council, and West Northamptonshire Council). The Committee considered the significance and importance of the system, also known as ERP Gold or Business World, in operations, governance and reporting, paying staff and suppliers, receiving income, and managing contributions for Social Care. In place since 2018, ERP Gold had been a reliable system hosted in the Cloud through a third-party supplier. The report detailed the change in commercial approach by the supplier where they wished to host the system directly.

The report identified three phases of the approach: the immediate phase (up to Spring 2026) which ensured the ongoing continuity of service negotiated by the lead contracting authority, West Northamptonshire; the medium-term phase (2026-2029) setting out the compliant procurement route identified to maintain access to the existing ERP system; and the long-term phase (2029 onward). The report summarised the financial position for Cambridgeshire forecasted to be close to on budget over the coming years.

In response to the report:

- Members expressed disappointment over the actions of the enterprise software supplier, suggesting it was unreasonable for it to end a significant product with only approximately 12 months' notice, as a move to a new product would result in significant strain and upheaval. It was suggested that any agreement to this proposal would be done reluctantly as it was felt the Council would be rewarding the supplier's failure to honour its previous contract.
- Queries were raised regarding the potential breach of contract by the supplier and whether recompense would be sought. It was assured that the lead authority, West Northamptonshire was responsible for the necessary negotiations and that partners would be entitled to a share of recompense should breach of contract be determined. Upon being queried, Officers could not confirm whether breach of contract would be

pursued pending the acceptance of this proposal.

- A Member queried whether other councils and organisations had experienced the same issue regarding the supplier not fulfilling its contract. Officers confirmed that the Council had liaised with other local authorities and organisations which were in the same position, and indeed all of the supplier's customers across Europe and the United States had been given the same direction from the supplier.
- Members expressed concern over security should data be moved onto a public cloud system. Officers clarified that whilst the local name for the product was ERP Gold, it was provided by a major supplier operating across the United Kingdom, Europe, as well as the United States. The product was already in the Cloud and provided by Microsoft Azure, one of the most robust, global cloud technologies. As a result, previous security measures had been in place, such as users having access only to data for which they had authorisation, and only the Council having access to hardware dedicated specifically to it rather than being available publicly. Officers reassured Members that the Council was undertaking its due diligence in the pre-procurement process to ensure the product was fit for purpose.
- Members sought to elucidate the carbon neutrality of cloud-based solutions, stating that they in fact required large quantities of water and electricity, and therefore were only carbon neutral because their carbon footprint was offset by actions such as planting forests.

Councillor Kindersley proposed a recommendation, seconded by Councillor Boden, to add "for the County Council's part" to be added to recommendation b) to reflect the fact that the responsibility for awarding the contract sat with the lead authority, in this case, West Northamptonshire. On being put to the vote, the amendment was carried unanimously.

It was resolved unanimously to:

- a) Approve recommended option to commence procurement of Enterprise Resource Planning System Cloud Hosting, through the Lead Authority Shared Service arrangements, with West Northamptonshire Council as the lead Contracting Authority.
- b) Delegate responsibility, for the County Council's part, for awarding and executing a contract for the provision of Enterprise Resource Planning System starting April 2025 and extension periods to the Executive Director for Finance and Resources in consultation with the Chair and Vice Chair.
- c) Delegate authority to the Executive Director of Finance and Resources, in consultation with the Chair and Vice-Chair, to agree, for the County Council's part, to any minor variations that might arise during the progression of this proposal and to agree to any revised or updated inter-authority agreements that result.

## 60. Corporate Performance Report

The Committee considered an update on the performance monitoring information for the 2024/25 quarter one period, covering 1 April to 30 June 2024. Stated in the report were three red indicators, two amber indicators, two green indicators, and three blue indicators. The blue indicators identified issues which were greater than 5% better than expected



performance. One of the red indicators related to contract waivers. It was noted that while the volume of waivers increased, the value decreased (less than £30k). Officer training had impacted on the higher value contracts, though headway was still needed on the lower value contracts, and it was noted that the Chief Executive had asked for further inspection into this. Also noted was the slippage in gross income from commercial income, as well as the key performance indicators (KPIs) relating to performance of the corporate properties team.

Resulting from the presentation of the report:

- A Member sought reassurance that discussions about the rent per acre indicator would be reported to the County Farms Working Group and queried how often that group met. Officers reassured that the working group would be part of the process and that a meeting was due to take place, the date of which would be emailed to all Members, who were also reminded of the availability of upcoming Rural Farms training. **Action Required**
- Officers clarified that there were two libraries which could not be accessed for fire risk assessments in quarter 1, but that these were carried out within the first week of quarter 2. A Member expressed concern over missed fire risk assessments potentially leading to outstanding reviews, and it was explained that fire risk assessments remain valid on a rolling three-year programme.
- A Member expressed concern over the indicator about contract waivers, identifying the financial implications as evidenced by the value of such failures rather than merely the number of failures. It was acknowledged that awarding contracts in a timely manner was not always possible, but 58% of total waivers being submitted late was worrying. Concern over these failures spoke to the culture of the organisation, which the Member felt ought to be led by the Head of Paid Service and the Leader of the Council. It was identified that the Chief Executive had acted on this matter by establishing a procurement pipeline so more procurements could be achieved within required periods. Officers explained that the organisation had a range of training opportunities to develop processes around higher value contracts, and that the result of an internal audit emphasised logging teams and individuals who were repeat offenders to offer specific training. Officers acknowledged that it had been a difficult period with the implementation of the Procurement Act but felt that the recording of waivers was good practice, and that the honest monitoring of waivers was to be applauded, as these matters were also reported to this Committee and picked up by the Corporate Leadership Team. It was stated that scrutiny on this matter was welcome, and appreciation was shown to the change in direction of the culture.
- A Member queried why the preceding two quarters had seen a continuing decline in the timely awarding of contract waivers when work should have been done to improve this. Officers explained that much focus had been put on high value contracts, specifically those over £100k in the procurement pipeline, and not as much on lower value contracts. The usual length of a contract was three to seven years, therefore spikes could be seen over time depending on when they were awarded (post or pre-Covid) and when they came to renewal. They could also be affected by changes in officers with the decoupling from Peterborough.
- Officers confirmed that contract waivers were denied frequently, and that they were being questioned earlier in the process more regularly, explaining that denials could occur within the first five days before commencement of the contract. It was explained

that the increase in retrospective waiver denials was often an administrative matter picked up by the breach process.

- The scrutiny process of contracts was explained where waivers under £25k required approval only by the Executive Director, between £25k to £100k were approved by the Service Director of Finance and the Head of Procurement, and those over £100k were also approved by the Monitoring Officer.
- A Member raised that an agreement had been reached to double the Children and Young People Committee's sign-off allowance on contract values which could affect the risk of the contract waivers indicator to a higher value. Officers confirmed that this would not affect the contract waiver procedures, however it was agreed to provide a written response. **Action Required**

It was resolved unanimously to note performance information and act, as necessary.

## 61. Procurement Compliance Report

The Committee was presented with a report outlining the Council's new Contract Procurement Rule (CPR) breach process. Where Officers were not compliant with the contract procedure rules stated in the Council's constitution, they were reported as non-compliance and investigated as a breach by the Head of Procurement and Head of Internal Audit where applicable. The first three months of the new breach process were reported upon, including a summary of the breaches that occurred, mitigations implemented, and processes put in place to ensure those breaches would not reoccur.

In response to the report:

- A Member expressed concern that three breaches in the first three months potentially identified a systemic problem. It was suggested that breaches carried the potential of significant implications, including the objection of interested parties leading to the involvement of the courts, which could cause the cancellation of contracts and court-issued fines commensurate with the desire to ensure the breach would not be repeated. Conversely, it was also stated that while serious, it would be worse if breaches were not reported at all leading to an inability to demonstrate the implementation of processes to identify breaches and how to deal with them. Officers clarified that three of the four reported breaches were legacy issues and commended the authority's transparency in reporting breaches, stating lessons learnt had driven the authority's position going forward.
- A Member queried whether further breaches were identified beyond the initial three months reported upon. Officers confirmed there were further breaches of contract procedure rules which would be reported upon in the next quarter's performance report.
- It was confirmed that there was a risk management system in the procurement and commercial team's risk register around non-compliance and challenge, and that this was owned by the Head of Procurement.
- A Member queried if there was any comparison with other councils on reporting of breaches. Officers agreed to ask peer networks who report on this for benchmarking purposes. However, it was noted that other councils could have different levels of

compliance and different reasons for breaches, therefore zero reports may not in fact be indicative of zero breaches. **Action Required**

- Officers confirmed that the authority was ready for the new Procurement Act. The Constitution and Ethics Committee would be presented with a revised set of procedure rules which were compliant with the Act. There was a full change management plan including communications to contract managers and commissioners, and training was currently being updated. It was acknowledged, however that the act would not come into force until 24 February 2025 at the earliest, including the government's 'find a tender' service, though the authority had been discussing this process with smaller businesses to prepare them for registering on the new portal.
- A Member identified missing portions on the narrative of adequate mitigations in the report, particularly pertaining to the matter of Royal Mail being paid to provide postal services. The Head of Procurement agreed to provide more detail on mitigations in future reports. **Action Required**

It was resolved unanimously to note the content of this report.

## 62. Contract Management Update

Members considered an update on the contract risk assessment process and, more widely, the work undertaken by the Procurement and Commercial Team to support contract managers in service areas, such as training and guidance through the Teams channel. The majority of risk assessments were undertaken when contracts were reprocured, with higher risk contracts having been undertaken proactively covering 92%. The report did not cover risk assessments which individual contract managers had in place for their own contracts. It summarised the classification and level of risk assessments undertaken, as well as issues uncovered as a result.

Following presentation of the report:

- A Member commended the transformation of the process which was on the path to significant improvement.
- In response to a Member query, the Officer explained that risks were assessed on a range from one to four, and upon reaching four, mitigations were put in place. A Member interpreted from this that the risk appetite was therefore three, as mitigations were not put in place until risk was assessed at level four.
- A Member queried the silver portfolio of contracts which was valued at £725m, with each contract valued at over £2m, yet the category was identified as low risk. The Officer explained that these contracts were routine, and though each was high value, integral mitigations in terms of risk management were in place. Officers agreed to provide further information at a future meeting. **Action required**
- A recommendation from the procurement and governance audit identified that the business continuity assessments for suppliers and contracts be reviewed, with the aim to ensure a set process to understand the authority's risks in terms of silver portfolio contracts.

It was resolved unanimously to note the contract management support being provided by the Procurement and Commercial Team.

### 63. Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels

The Committee reviewed the Agenda Plan, noting the addition of one item to the next Committee meeting's agenda, Light Blue Fibre Annual Progress Report.

It was noted that two members had been appointed to the internal advisory group, County Farms Working Group, whilst two vacancies remained to be filled.

In reviewing the Agenda Plan, a Member queried the public relations process surrounding the confidential item, Cambridge Biomedical Campus. Officers confirmed that the item was of a commercial nature, that the Monitoring Officer would be consulted in terms of transparency, and that the authority would provide communications, as appropriate, regarding the ongoing development, however noting that external parties engaged in the site would follow their own public relations processes.

A Member sought an update on the disposal of Old Shire Hall. Officers confirmed the delegation to the Executive Director for Finance and Resources, in consultation with the Chair and Vice Chair, agreed at the previous Committee, subject to the exclusivity period of 9 October, that there was a four-week extension if deemed reasonable. It was agreed that Members would be updated following that period. **Action Required**

It was resolved to note the Agenda Plan and appointments to the internal advisory group.

Chair

## Assets and Procurement Committee Minutes - Action log

This is the updated action log as at 7 October 2024 and captures the actions arising from the most recent Assets and Procurement Committee meetings and updates Members on the progress on compliance in delivering the necessary actions.

### Assets and Procurement Committee minutes of 18 October 2023

Minute	Item	Officer	Action	Comments	Status
9.	Procurement Governance and Performance Report	Clare Ellis	Waivers: Member asked if a list could be provided by quarter, to cover the previous eight quarters, so any trends could be monitored, and that information was provided on (i) number of waivers as a percentage of contracts let in the period, and (ii) the value of contracts subject to waiver, grouped in bands.	The waiver information will be provided regularly with effect from the September Performance Report.  Planned for the September Committee.	In progress

### Assets and Procurement Committee minutes of 28 November 2023

Minute	Item	Officer	Action	Comments	Status
20.	This Land – publication of Shareholders Agreement	Michael Hudson	A Member asked officers to carefully consider the governance issues and potential conflict of responsibility that existed as a result of having a Councillor as a Director.	Officers are meeting at the end of January to review the governance arrangements and Committee will be updated in one of the next two upcoming meetings with options.  A review of the arrangements of This Land in 2022, followed by further Council and Board effectiveness reviews have identified this a possible, but a report to the July	Ongoing

				<p>Committee looks at the role of the Shareholder through this Committee and ensuring strong governance.</p> <p>Further training will be provided to members in Autumn 2024.</p>	
22.B	Major Energy Projects – Progress Update	Sheryl French	Actual income figures for Triangle Farm and St Ives to be provided once those schemes started generating.	<p>Triangle Farm/North Angle information circulated to Committee on 9 September. St Ives info to be circulated when available.</p> <p>Energisation of St Ives Smart Energy grid is scheduled for mid-November. The details of generation and income will be supplied when actuals are available in 2025.</p>	In progress
23.	Procurement Performance Report	Clare Ellis	Update on review of risk management of the Council's largest/highest risk contract to be provided in a future Committee report.	Planned for the September Committee.	Ongoing

### Assets and Procurement Committee 17 July 2024

Minute	Item	Officer	Action	Comments	Status
50.B	Corporate Performance Report	John MacMillan	There was a discussion on whether farm buildings were included as part of the rental costs, and officers agreed to provide further detail, and investigate if there was a more useful target.	<p>Farm buildings are included in rental valuations.</p> <p>A more detailed report on how rents are agreed together with suggestions on benchmarking can be discussed at</p>	In Progress

				the next County Farms Member Working Group.	
52.	Sale of Shire Hall, Cambridge	Tom Kelly	Briefing note to be provided (refer to confidential minute)		

### Assets and Procurement Committee 17 September 2024

Minute	Item	Officer	Action	Comments	Status
60. A	Corporate Performance Report	Michael Hudson	Officers advised that a meeting of the County Farms Working Group was due to take place, the date of which would be emailed to all Members.		Ongoing
60. B	Corporate Performance Report	Michael Hudson	A Member raised that an agreement had been reached to double the Children and Young People Committee's sign-off allowance on contract values which could affect the risk of the contract waivers indicator to a higher value. Officers confirmed that this would not affect the contract waiver procedures, however it was agreed to provide a written response.		Ongoing
61. A	Procurement Compliance Report	Michael Hudson	Officers agreed to ask peer networks/authorities to compare breaches for benchmarking purposes.		Ongoing

61. B	Procurement Compliance Report	Clare Ellis	A Member identified missing portions on the narrative of adequate mitigations in the report, particularly pertaining to the matter of Royal Mail being paid to provide postal services. The Head of Procurement agreed to provide more detail on mitigations in future reports.	Ongoing
62.	Contract Management Update	Clare Ellis	A Member queried the silver portfolio of contracts which was valued at £725m, with each contract valued at over £2m, yet the category was identified as low risk. The Officer explained that these contracts were routine, and though each was high value, integral mitigations in terms of risk management were in place. Officers agreed to provide further information at a future meeting.	Ongoing
63.	Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels	Michael Hudson	A Member sought an update on the disposal of Old Shire Hall. Officers confirmed the delegation to the Executive Director for Finance and Resources, in consultation with the Chair and Vice Chair, agreed at the previous Committee, subject to the exclusivity period of 9 October, that there was a four-week extension if deemed reasonable. It was agreed that Members would be updated following that period.	Ongoing







## Disposal of the former Mill Road Library, Cambridge

To: Assets and Procurement Committee

Meeting Date: 15 October 2024

From: Executive Director of Finance and Resources

Electoral division (s): Petersfield

Key decision: Yes

Forward Plan ref: 2024/059

Executive Summary: This Report considers the disposal of the former Mill Road library in Cambridge

Recommendation: The Committee is invited to:

- a) Receive the results of the marketing and invitation for bids and consider this fully, drawing on the assessment the Council has undertaken and officers' recommendation.
- b) Approve and accept the bid from bidder 1.
- c) Delegate authority to the Executive Director of Finance and Resources to agree terms, execute the documentation, and complete the disposal, in consultation with the Chair and Vice-Chair of Assets and Procurement Committee.

Officer contact:

Name: Jane Webster

Post: Principal Surveyor

Email: [jane.webster@cambridgeshire.gov.uk](mailto:jane.webster@cambridgeshire.gov.uk)

# 1. Creating a greener, fairer, and more caring Cambridgeshire

- 1.1 This proposal aims to support all the Council's ambitions, by disposing of a surplus property to provide a financial receipt and support our wider service delivery.

## 2. Background

- 2.1 The former Mill Road Library in Cambridge was built in 1892 and operated as a library until 1996. It was then used for a variety of short term uses until it was let to the Indian Community & Culture Association in 1999 on a 25-year lease at a peppercorn rent. The building is Grade II listed and was registered by English Heritage in 1972. It is in the Mill Road Conservation Area. The former Library was renominated as an Asset of Community Value (ACV) in 2024; the list of ACVs is held by Cambridge City Council.
- 2.2 The current planning Use Class of the building is F1. This limits use to include schools, museums, galleries, libraries, halls, places of worship, law courts, non-residential education, and training centres.
- 2.3 The building was repossessed in January 2020 from the Indian Community & Culture Association after an application to the County Court.
- 2.4 The Council was obliged to bring the building back into good repair by Cambridge City Council, Conservation Department. Donald Insall Associates, conservation architects, were appointed to specify and oversee the work required which was completed in 2021 at a cost of almost £500,000 and the building is now vacant.
- 2.5 The local member has been sent a copy of the report but is yet to comment.

## 3. Main Issues

### Surplus Asset and Marketing

- 3.1 The former Mill Road Library has not been in operational use as a County Council operated asset since the late 1990's. Future needs and uses for the building were considered according to the Council's procedures for surplus assets and the disposal policy. This confirmed there was no present or foreseen Council service or operational need for the building, partly because of its condition, layout, location, and accessibility factors. Both This Land and Cambridge City Council were offered the opportunity to acquire the building in line with the Council's disposal policy, but both declined.
- 3.2 The County Council have considered, as part of its general disposal policy and process, leasing the property and disposal of the freehold. Officers recommend that in this case, it is preferable to dispose of the asset. As a historic Listed Building the property is costly to maintain and operate at a time when the Council faces continued and significant financial pressures. The County Council's previous experience of leasing out the building resulted in its condition seriously deteriorating, and it cost considerable public funds to put it back into good repair. The market for the building is not likely to improve and its condition because of its age will deteriorate more quickly than a modern building. A freehold sale is preferred to allow the Council to recover the restoration costs and reduce future liability across its overall estate. The Council's financial business plan includes a targeted level of capital

receipts which are used to finance the Council's capital programme such as improvements to schools.

- 3.3 The Property was first marketed in August 2022, by agents Gerald Eve. This attracted a lot of interest and the tender closed, on 12 January 2023 with 8 bids received. Bids were evaluated and assessed, and a preferred bidder was proposed with a recommendation taken to the Council's Strategy and Resources Committee in March 2023. The recommendations within that [Report](#) (Key Decision 2023/017) were agreed and Council solicitors were instructed to proceed with the preferred bidder. Unfortunately, the preferred bidder was unable to proceed and complete, when estimated construction costs exceeded their budget, and they pulled out in November 2023.
- 3.4 The Council put the property on the market again in February 2024. It was marketed by the agents Gerald Eve for sale or lease, with a preference for an unconditional sale. The particulars are found at [Former Library, Mill Road, Cambridge, CB1 2AZ | Gerald Eve](#). Cambridge City Council, as the administrator of the List of Assets of Community Value, were informed of the County Council's intention to dispose of the asset which triggered an initial moratorium during which a qualifying community group could notify their "intention to bid." Several groups indicated that they intended to bid which then triggered a further six-month moratorium period during which contracts to dispose of the building could not be exchanged or completed, other than with a qualifying community group. The moratorium ended on 12 August 2024.
- 3.5 Bidders were asked to provide proof of funding, experience of managing a historic building, details of the proposed use, any planning implications, and the economic, social, and environmental impact of their proposal. A copy of the Bid Proforma and covering email can be seen [here](#). The Tender closed on 12 August 2024, resulting in 7 bids being received. During the marketing period, which was extended from initially April 2024 to August 2024 to provide community bidders more time to prepare and submit their bid and which aligned to the Asset of Community Value moratorium period, 89 enquiries were received, and 26 viewings were carried out over 4 viewing days. In addition, officers and the agent held two open afternoons to allow the public, bidders, and other interested parties to view the property, - an opportunity that had not been available during the prior marketing period due to Hill Residential's occupation.

## Sale of Property and Statutory Context

- 3.6 Cambridgeshire County Council is bound in its decision making to dispose of any property by the requirements of section 123 of the Local Government Act 1972. This includes that disposal of land, and buildings must be for the best consideration that can reasonably be obtained (unless there is consent of the Secretary of State). Best consideration is differentiated from best value and is clearly defined in case law as the best cash consideration for an unrestricted disposal. However, the Secretary of State has given a general consent to local authorities to sales at an undervalue of no more than £2 million, where such a disposal is likely to significantly contribute to the achievement of one of the wellbeing objectives, which are:

- promotion of improvement of economic wellbeing
- promotion of improvement of social wellbeing
- promotion of improvement of environmental wellbeing

3.7 In this case, the property has been marketed and the Council is proposing to sell to the highest financial bidder and has complied with s123 LGA 1972. Given the value of this property, any undervalue will be less than £2 million and therefore the general consent is likely to be applicable and regard to the wellbeing objectives permissible. These criteria were therefore included in the bid pro-forma issued to bidders as set out in paragraph 3.5 above.

## Offers Received and Assessment

3.8 Seven bids were received from a range of organisations and individuals, including several community bids, with a variety of proposed uses, both unconditional and conditional on achieving planning consent. Six of the proposals were freehold purchases and one was a leasehold.

3.09 The Council’s assessment process allowed for each bid to be scored independently by an officer from the Strategic Assets team, the external property agent, and another council officer with Education/Communities experience. Normally, where a capital receipt is deferred for a period (in the case of an interim or agreed initial lease; a “Net Present Value” (NPV) is calculated based on the terms of the lease proposed, the market conditions and outlook. Unfortunately, despite numerous requests, the lease bidder has not provided proposed lease terms other than rent, and so the financial offer for this bid could not be scored on the same basis as the freehold offers.

3.10 An anonymised summary of the detailed scoring of the bids (cumulative by all three evaluators), including the criteria and score given is set out below. This table shows how each bid scored against the criteria and their position against the other bidders. The preferred bidder (Bidder 1) scored highly in all areas, where other bids did not score as well in one or more areas, impacting their overall score and position. A confidential Appendix 1 contains the full scoring matrix which includes the details of the bids received, scoring and comments on each. It is noted that bidder 1 has current experience of successfully delivering community focused enterprises in more than one London location and offers to complete the sale quickly and has the intention to use the facility for community purposes, including letting studio space for the creative arts, dance, music, art and writing, albeit bidder 1’s plans are also capable of being fluid and dynamic to react to the demands of the Cambridge community, engaging with local projects creating opportunities and events. He has a long-standing connection with Cambridge.

Bidder Number (Position)	Deliverability (Max Score 150)	Financial Offer (Maximum Score 60)	Economic Impact (Maximum Score 30)	Social Impact (Maximum Score 30)	Environmental Impact (Maximum Score 30)
1	145	60.00	29	30	27
2	25	47.25	26	26	20
3	95	47.25	2	3	1
4	26	48.94	10	22	11
5	16	47.25	12	11	12
6	14	0.00	19	24	25
7	3	33.75	1	4	0

3.11 The bids were scored on the following criteria by each evaluator independently. Two moderation meetings were held to discuss scores, request further information or seek clarification from bidders and to finally agree a recommended preferred bidder.

Element of scoring	Value attributed	Criteria for scoring
Deliverability	50%	Conditionality of the offer, use, requirement for planning permission (and likelihood of achieving permission), timing of offer, proof of funds and security, previous experience, supporting evidence.
Financial offer	20%	Scoring based on actual offer, or Net Present Value (NPV) where the offer is to lease; to value all offers on the same basis. The highest financial offer achieves the maximum score.
Economic impact	10%	Impact of the <u>bid</u> on the economy
Social impact	10%	Impact of the <u>bid</u> on the community
Environmental impact	10%	Impact of the <u>bid</u> on the environment

3.12 A petition in support of a community acquisition which was started on the 29 September 2024 has been excluded from this report. A link to the petition appears here. [Former Mill Rd library petition](#) The Council's Constitution says that *petitions from, or submitted on behalf of a business, or person, where the main purpose of the petition is to influence a forthcoming commercial decision of the Council, or the terms and conditions of a commercial transaction* are excluded from consideration under the Council's Petition Scheme and consequently it is reported here just for information.

## 4. Alternative Options Considered

- 4.1 Retain for Council use: There is no service demand, and the property was declared surplus to requirements. it has been deemed unsuitable for modern service use.
- 4.2 Consideration was given to other bids. It is noted that Bidder 3 offered financially less than Bidder 1 although the bidder was able to provide proof of funds. They also committed to exchange within 30 days of receiving legal contracts and completing 30 days after. However, they did not provide any additional information to support their bid and together with a lower bid than bidder 1, were the reason they were scored third.
- 4.3 In the case of Bidder 2, they too offered financially less than bidder 1. Their funding relied on grant applications so was less certain than bidder 1 or bidder 3. Bidder 2's bid was also conditional, and they committed to purchasing within 12 months subject to being able to obtain funding, obtaining planning and Listed Building consent, and Building Regulations approval. Together, the financial amount of the bid, the delay in time to purchase and the uncertain funding were the main reasons they were placed second.

## 5. Conclusion and reasons for recommendations

- 5.1 Our recommendation is bidder 1 who had the highest score in all elements, both when independently scored and after moderation meetings. The bid is the highest financial offer and is considerably more than the £700,000 guide price, with evidence of readily available funding, and was considered the most deliverable as it is an unconditional bid. The bidder is strongly motivated to preserve the architectural features of the building and has sufficient resources to do so. The proposal is to let to community users in the creative arts, which would not necessarily require planning permission, but given that the bid was unconditional the bidder would take on that risk. The bidder already successfully delivers community focused enterprises in London and offers to complete the sale within 30 days of agreeing Head of Terms. In addition, the bidder agrees in principle to place a restriction against residential use on the property which would keep the community orientated use going forward. This will be included as a condition in the Head of Terms and sale. One of the bidder's existing community focussed enterprises was visited by the agent and a council officer.
- 5.2 The preferred bidder proposes a community focussed use of the property, without major changes to the space, letting space for the creative arts, dance, music, art, and writing, albeit being fluid and dynamic to react to community demands, so that the enterprise can be self-funding.
- 5.3 A sale to bidder 1 allows the Council to proceed towards a financial receipt which will support its service delivery, whilst offering economic, social, and environmental benefits to the local community and in the creative arts.

## 6. Source Documents

- 6.1 The following documents are referred to within the Report:

[Invitation to Bid and Bid Proforma](#)

[Former Library, Mill Road, Cambridge, CB1 2AZ | Gerald Eve](#) Property Particulars



## Accommodation Improvement Programme: Tranche 1 Update

To:	Asset and Procurement Committee
Meeting Date:	15 October 2024
From:	Executive Director of Finance and Resources
Electoral division(s):	Huntingdon North and Hartford, March North and Waldersey, Ely South, Huntingdon West, St Ives South and Needingworth
Key decision:	Yes
Forward Plan ref:	2024/010
Executive Summary:	The Committee is being asked to note progress and endorse the Tranche 1 proposal of asset rationalisation, adaptations and employee moves as part of the initial phase of the Accommodation Improvement Programme.
Recommendation:	<p>The Committee is recommended to:</p> <ol style="list-style-type: none"><li>a) Endorse the Tranche 1 proposal of the rationalisation of our office estate, including the closure or lease termination as applicable of Hereward Hall March, Buttsgrove Huntingdon, Noble House Ely, Speke House St Ives, and Stanton House Huntingdon, while retaining Marshland House, Victoria Road in Wisbech for Supervised Family Time and Scott House in Huntingdon.</li><li>b) Endorse the level of expenditure as set out at Appendix 2 (£1.85million capital) required to deliver the proposal and investment in retained accommodation to facilitate moves.</li></ol>

Officer contact:  
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Email: [chris.ramsbottom@cambridgeshire.gov.uk](mailto:chris.ramsbottom@cambridgeshire.gov.uk)

# 1. Creating a greener, fairer and more caring Cambridgeshire

1.1 The Accommodation Improvement Programme Tranche 1 proposal supports the following Strategic Framework ambitions:

- Ambition 1: Net Zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes.
- Ambition 4: People enjoy healthy, safe and independent lives through timely support that is most suited to their needs.
- Ambition 6: Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised.
- Ambition 7: Children and young people have opportunities to thrive.

## 2. Background

2.1 A key objective of the County Council's approved Corporate Land and Property Strategy for 2024-29 is to challenge our assets to ensure they are fit for purpose and contributing to both the Council's Strategic Framework ambitions and our future service delivery requirements. An assessment of utilisation of the current office accommodation portfolio carried out in mid and late 2023, identified that the total office portfolio was at that time operating on average at less than 25% occupancy across the traditional working week (Monday to Friday).

2.2 The cost of running and maintaining these assets, which are poorly utilised, has presented opportunities to rationalise the portfolio and save revenue operating costs whilst also delivering capital receipts through disposals.

2.3 The Accommodation Improvement Programme was established to rationalise the underutilised office accommodation estate whilst also raising the flexibility and quality of the office portfolio the Council will retain. The Programme focuses on optimising assets through a hub, spoke and satellite model, enabling flexible, cost-effective service delivery closer to communities. By consolidating office space, the programme aligns with the Council's net-zero goals and aims to invest in retained properties, ensuring they are fit for purpose.

2.4 The original revenue savings attributed to the programme in the 2024/25 Business Plan are £414k in 2024/25, and £1.7 million for the period of 2025 to 2029, with a potential overall capital receipt of £11 million achieved through disposal of the following assets:

<b>East Cambridgeshire</b>	<b>Huntingdonshire</b>
Noble House, Ely (leased)	Butts Grove, Huntingdon
<b>Fenland</b>	Speke House, St Ives
Marshland House, Victoria Road, Wisbech	Stanton House, Huntingdon
Hereward Hall, March	Scott House, Huntingdon
<b>Cambridge City</b>	
Signet Court, Cambridge	
Fawcett House, Cambridge	

- 2.5 The overall Programme is proposing a phased delivery approach to deliver the £2.2m of revenue savings from closing some buildings, as well as the net capital receipts of £5.1m from disposing of those buildings (after accounting for the capital cost to invest and improve the quality of buildings the Council will retain and be utilised as Hub, Spokes and satellite buildings).
- 2.6 The outcomes that will be achieved under the tranche 1 proposal are:
- 1. Property Disposals:** Five key properties (Hereward Hall, Buttsgrove, Noble House, Speke House, and Stanton House) will be closed and/or disposed of releasing £888k of annual recurring revenue savings, with the potential to generate £2.65 million of capital receipts.
  - 2. Team Relocations:** Affected County Council teams will be relocated to alternative base locations for the purposes of their contracts of employment, including New Shire Hall, Ely Library, March Community Centre, and The Princess of Wales Hospital, ensuring service continuity and operational efficiency.
  - 3. Asset Improvement:** Refurbishment and preparation of alternative office space to facilitate the delivery of Tranche 1, with a cost of £2.130 million (£1.850 million capital funding & £280k revenue funding) to optimise our retained assets.
- 2.7 The Tranche 1 proposal will yield more immediate savings and set the foundation for rationalisation in future tranches, safeguarding essential services and contributing to long-term financial sustainability and environmental goals.

### 3. Main Issues

#### 3.1 Impact on employees

- 3.1.1 The Accommodation Improvement Programme's Tranche 1 will affect 791 Full-Time Equivalent (FTE) employees across multiple directorates. The primary impact on our people will be changes to their contractual work location, as several offices will be closed, and employees will be relocated to alternative sites. Approximately 22% of the 791 are colleagues who are relief workers that will require a contractual change of work base for the purposes of claiming mileage, but they are not required to actually move to a new location. Key impacts include:

#### 3.1.2 Relocation of Work Locations

- Employees based in properties earmarked for disposal will be moved to alternative office spaces such as New Shire Hall, Ely Library, March Community Centre, and Awdry House.
- The change in location may require employees to adjust to new commute times and potential changes in proximity to service users.
- Through engagement with services to understand their accommodation needs, affected colleagues will be moved to new locations that will meet both service and any specific locality based needs.

### 3.1.3 Formal Employment Law Consultation requirements

- A formal 45-day consultation process will be initiated for affected employees and the recognised trade unions to listen to their views, opinions and proposals and address concerns. This will be on an asset by asset basis.
- The change in work bases will require variations to contracts of employment for impacted employees, and transitional compensation for relocation expenses to be evaluated.
- Most moves are within the same locality where required, to minimise disruption to service delivery. Some teams which provide corporate or enabling services with no specific locality requirements have been moved to other hub locations e.g. into the additional space that will be created at New Shire Hall.

### 3.1.4 Flexible Working and Space Allocation

- The desk ratio in the new office spaces will vary depending on the asset, with a range of 1 desk for every 0.5 people to 1 desk for every 2.1 people for those assets included in Tranche 1.
- Specific provisions will be considered for those teams involved in directly delivering services to the public to ensure they can access adequate workspace to deliver their statutory duties and often complex services. This will be possible to be addressed, based upon the currently low utilisation rates across the office accommodation portfolio.

### 3.1.5 Impact on employee morale and wellbeing

- The closure of existing familiar workspaces has the potential to cause concerns as well as disruption and a full Communication and Engagement Plan is being developed to support colleagues through this change.
- Meeting room availability, parking concerns, and the need for secure spaces for sensitive work (e.g. supervised family time or child protection meetings) are key issues raised by employees, which will be minimised as much as possible by investment in adaptations to ensure that assets are made fit for purpose for service delivery.

## 3.2 Consultation and Engagement

3.2.1 The Programme team has engaged with employees and unions via several methods:

3.2.2 An accommodation needs survey, co-designed across directorates, was sent to all Heads of Service to gather data on team designations, full time-equivalent (FTE) employee numbers, building bases, current working conditions, storage needs, and the strengths/weaknesses of current spaces. The responses informed the mapping of teams to alternative work bases. FTE data gathered was cross-referenced with other sources including HR/Payroll System data, organisational structure charts and individual team charters to estimate headcounts, with allowances for vacancies and employees with working patterns other than full-time.

3.2.3 A number of teams could not initially be mapped to alternative bases based on the information provided in their survey responses and follow up meetings were therefore held with all un-mapped teams to gather further information on their accommodation needs.

- 3.2.4 Property Services held ongoing informal discussions with teams with specific accommodation concerns, e.g. the accommodation requirements to deliver Family Time/Supervised Contacts. Overall, these have been very positive and brokered an ongoing dialogue that it is felt will help with future moves / tranches.
- 3.2.5 Mapping to revised bases has been shared with Executive Directors for feedback and engagement has occurred via Directorate Management Team (DMT) meetings to gather feedback before the proposals were presented and endorsed by both the Accommodation Improvement Programme Board and the Council's Change Board. The Change Board provides operational governance for all the Council's Portfolio of Major Change Programmes and this Board endorsed the Tranche 1 proposal on 16<sup>th</sup> September 2024 to enable progression to Committee.
- 3.2.6 The impact on service users needing to travel to revised locations is assessed as minimal, as all services that require to be based in a specific location have been relocated to an asset within the same locality area. We also engaged, through One Public Estate, our partners to consider the impact and opportunities the programme has for all our partners' mutual benefit and at this Tranche there are no issues to flag with partners supportive of proposals.
- 3.2.7 Recognised Trade Unions partners have been engaged on an ongoing basis, through the monthly Corporate Joint Panel. They will continue to be an integral part of the formal consultation process once we have approval to proceed and will be briefed regularly throughout the consultation process.
- 3.2.8 Following the mapping, engagement and consultation activity outlined above, the Tranche 1 proposal is to relocate employees as follows:

<b>Building proposed for closure</b>	<b>Approximate number of employees</b>	<b>Approximate number of employees relocated to:</b>
Butts Grove	320	Scott House (236) New Shire Hall (4) Broadleas (80)
Speke House	52	Sunley House (9) South Cambs Hall (43)
Hereward Hall	128	Awdry House (109) March Youth and Community Centre (17) New Shire Hall (1) Amundsen (1)
Noble House	124	Princess of Wales Hospital (76) Ely Library (41) New Shire Hall (7)
Stanton House	167	New Shire Hall (98) Vantage House (7) Whittlesey Library (temporary until Sunley House) (45) Stanton Annex (17)

- 3.2.9 The number of employees has been estimated from CCC's records of employees' contractual bases, though it is acknowledged that there are inaccuracies in this dataset as

information may not have been kept up to date on changes of address or local arrangements put in place. These numbers also may not reflect where these employees work in practice (e.g. support workers need a contractual base but work in the community).

3.2.10 Adaptations required to the retained assets to accommodate teams varies at each site and details are included in Appendix 2. The revised temporary location of Whittlesey Library relates specifically to the HR - Learning and Development team. Longer term it is planned that this service will relocate to a proposed Learning and Development Centre and this will be included in the next tranche of the programme in 2025. Where teams have a need to be based in a particular locality to support service delivery they have been mapped to their nearest geographical location. A map to show the proximity of current to revised work bases can be found at Appendix 3.

3.2.11 There is a need to provide further space within central Huntingdonshire and thus the Tranche 1 proposal includes creating additional space within New Shire Hall. This will include the provision of 60 additional desks and the installation of 6 new meeting pods. This moves the building to car park capacity and will need further review of office working patterns, including meeting room occupation.

### 3.3 Risks and Mitigations

3.3.1 A full risk log for the proposal is in place to mitigate potential disruptions, financial impacts, and operational challenges. The sections below summarise the key risks and mitigation measures.

3.3.2 **Operational Disruption:** The relocation of colleagues across multiple teams may cause short-term disruptions in service delivery. To mitigate this, the programme is taking a phased approach to avoid managing multiple moves and changes at the same time. Clear communication and regular updates will be provided to staff ensuring clarity on timelines and expectations. Engagement has been on-going with services, particularly at Service Director and Executive Director level to ensure the proposal meets service needs.

3.3.3 **Employee Wellbeing and Engagement:** Changes in work locations could negatively impact staff morale and create uncertainty. To mitigate this, the programme has developed a Communication and Engagement Strategy. A 45-day formal employment consultation process will be completed for all teams required to relocate to ensure employees and trade unions are fully consulted, employees' staff are supported, and any concerns are addressed. A network of internal "change champions" will help communicate with teams, gather feedback, and provide hands-on support during the transition.

3.3.4 **Financial Risk:** Delays in asset disposals could undermine the delivery of anticipated revenue savings and capital receipts. To mitigate this, the programme has taken a "best-fit approach" to the mapping of teams to revised work bases with teams allocated to available assets based on information available to the programme including accommodation needs survey responses, minimising delays as much as possible.

### 3.4 Financial Considerations and Procurement

3.4.1 Appendix 2 sets out the estimated costs of relocation under the Tranche 1 proposal. The core principle agreed through the Change Board is that capital costs are self-financed through receipts generated from asset rationalisation. Tranche 1 achieves this through

anticipated receipts of £2.65m versus capital costs of £1.85m. However, the capital receipts generated will actually be deployed to fund the Council's overarching capital programme in line with the Council's policy on use of capital receipts, rather than to finance the capital costs of this specific proposal. This is to ensure the most efficient and effective use of capital receipts across the Council's overall programme.

- 3.4.2 The revenue costs of £280k, largely relocation costs, will be funded from identified reserves. This will yield a payback from revenue of circa 6 months, although noting this is already included as part of the savings proposals rather than to replenish reserves. Most of these costs it is noted will be 2025/26 (£59k 24/25 and £221k 25/26).
- 3.4.3 The Council has a policy in place that provides financial assistance to staff, for a period of one year, whose contractual base is changed. The sum paid is to help mitigate the additional cost of travelling to a work base that is further away. It should be noted that information is still being collated to determine the cost of this relocation allowance for this Tranche 1 proposal, so this revenue figure is not currently included in the costs at Appendix 2.
- 3.4.4 Appendix 1 provides a breakdown of the £888k expected revenue savings and £2.65 million capital receipts for each asset. Revenue savings are achieved through a combination of reduced property and grounds maintenance costs, utilities, business rates, cleaning and security, as well as rent payments for Noble House.
- 3.4.5 Procurements are planned for 'Office Moves, Furniture Removals and Storage Services', 'Consultancy Services' and 'Furniture'. Those procurements are each valued under the Key Decision Threshold and are therefore being managed by officers in line with the Contract Procedure Rules. There are also several refurbishment projects which will be procured through the Council's existing Minor Works Framework. Any future procurements valued over the Key Decision Threshold will be brought back to this Committee for approval.

### 3.5 Timescales

- 3.5.1 A detailed delivery plan is being developed for the Tranche 1 proposal that will include all required employment consultation, communication and engagement activity as well as adaptations and refurbishment activity for each asset. However, high level estimates at this stage currently indicate that all activity will take place between November 2024 and August 2025. Consultations, engagement and moves will be planned and delivered on an asset by asset basis. The indicative timeline, before further considerations and consultation feedback, is as follows:
- **Buttsgrove:** Currently vacant. Formal clearance and closure provisionally scheduled for November 2024. Capital receipt from sale of building anticipated 2025/26 financial year.
  - **Speke House:** Clearance and closure of Speke House estimated to be completed in March 2025. Capital receipt from sale of building anticipated 2025/26 financial year.
  - **Noble House:** Current lease expires October 2024. Requirement to continue to occupy until end of April 2025 whilst enabling works at the receiving buildings are undertaken (Princess of Wales, Ely Library & Larkfield). Clearance and closure estimated for June 2025.

- **Stanton House:** Clearance and closure of Stanton House estimated to be completed end May 2025. Dependency on enabling works at the receiving buildings being completed (NSH and Whittlesey Library). Capital receipt is pending completion of new depot at Swavesey.
- **Hereward Hall:** Clearance and closure of Hereward Hall estimated to be completed in August 2025. Capital receipt dependency on enabling works at Awdry House and March Community Centre, as well as any disposal requirements.

## 4. Alternative Options Considered

- 4.1 **Do nothing:** This is not a viable or recommended option based on the financial impact of keeping all our current office assets open, when utilisation rates are so low, and the savings that the Council is required to make.
- 4.1.1 **Cost Savings:** Reducing the amount of underutilised office space will significantly cut costs.
- 4.1.2 **Efficiency:** Streamlining office space will lead to more efficient use of resources and better allocation of space for employees, that are more suitable to modern ways of working.
- 4.1.3 **Flexibility:** Collaborative sharing of new and more innovative use of space with other services can create a better-cross working partnership. Increased and improved technology and employee development that will drive growth and innovation.
- 4.1.4 **Improve our Environmental Impact:** Reducing office space will lower the environmental footprint and reduce the number of properties that we need to decarbonise, which is of significant cost.

## 5. Conclusions

- 5.1 In order to ensure that our office estate is fit for purpose, flexible, low carbon, the right size, highly utilised and cost effective it is recommended that this Tranche 1 proposal is endorsed. The level of investment required is affordable within the context of projected capital receipts and will ensure that savings are maximised. To optimise the pace at which savings are achieved, we have adopted a “best fit” approach when allocating teams to alternative accommodation. All retained assets will undergo adaptations and improvements. The proposals also propose to limit the investment in non CCC owned assets.
- 5.2 Alongside the financial savings that this Tranche 1 proposal will achieve, it will also safeguard the delivery of our statutory services and ensure business continuity, whilst also contributing towards our Net Zero targets through the disposal of assets.

## 6. Significant Implications

### 6.1 Finance Implications

Financial implications are included at section 3.4 of this report and in Appendices 1 and 2.



## 6.2 Legal Implications

Legal implications relate to asset disposals, such as contracts and negotiations with potential buyers of assets as well as a change of use property planning application that will be required for March Community Centre.

For each individual building where refurbishment is required a call off contract will be put in place with the successful bidders. This will be one of the following depending on the level of works required:

- JCT Minor Works Building Contract, 2016 Edition
- JCT Minor Works Building Contract with Contractors Design, 2016 Edition
- JCT Intermediate Building Contract, 2016 Edition
- JCT Intermediate Building Contract with Contractors Design, 2016 Edition

Pathfinder Legal will be appointed to put these contracts in place.

All colleagues that require a contractual change to their current work base will form part of a formal employment consultation process.

## 6.3 Risk Implications

Risks are covered at section 3.3 of this report.

## 6.4 Equality and Diversity Implications

An initial draft of an Equality Impact Assessment (EQIA) has been produced and our Equality Diversity and Inclusion Team has supported this and has a record. This is currently an evolving document as we gather more data and information on individuals impacted by the proposal.

This proposal will directly impact all those who directly use the assets in scope as follows:

- Teams/staff contractually based in buildings that will be closed
- Partners located in buildings that will be closed
- Teams/staff who use buildings that are closing but not their contractual base
- Teams working in buildings that are changing / require adaptation
- Teams working in buildings where displaced teams are relocated
- Library staff
- Library users
- Members of the public who use the buildings that are closing
- Service users who visit / use the buildings that are closing

It is expected that the employees who are based at offices that will close will experience the greatest impact. Analysis of workforce data by protected characteristic will help us to understand if any employees will be disproportionately impacted. Comparisons will be done of the overall workforce to those impacted. Work is on-going to gather information on an individual level for all staff impacted by this Tranche 1 proposal using HR data including ERP as well as survey responses. This includes drilling down to postcode level for all staff to ascertain changes in distance to travel to revised work bases to accurately cost

relocation allowances. Information on individuals with Personal Emergency Evacuation Plans (PEEPS) is also being collected. On-going communication and engagement with staff is also assisting to capture further details around impact.

Staff with specific requirements whose needs are met through reasonable adjustments, particularly disabled colleagues and neurodivergent colleagues may be concerned by the proposed changes and require assurance that their requirements will be considered and accommodated. This will be picked up via the implementation of the Programme Communication and Engagement plan as well as via the formal HR consultation process that will be required. As an employer, we have a duty to make reasonable adjustments and therefore where employees may be unduly impacted by a change to their office location, it will be managed and mitigated through our existing policy and guidance to meet the needs of our employees.

Whilst the implications of this proposal have been identified and summarised above, the data at an individual person level is still being collated and this is a lengthy, manual task. The EQIA is therefore being added to and continuously developed as further data and evidence is gathered and analysed. The current iteration of the EqIA relates specifically to colleagues impacted by this Tranche 1 proposal. The EqIA will be developed further to assess the impact of all future defined tranches of the programme.

## 6.5 Climate Change and Environment Implications

The Council's direct (scope 1 and 2 – Council buildings) and indirect (scope 3 - emissions from the council's contractors, suppliers, employees or service users) carbon footprint will reduce contributing towards the Councils Net Zero targets through the disposal of assets. All adaptations to the retained office assets will take into consideration the council's net zero ambitions. The reduction in tonnes of CO<sub>2</sub>e per year that will be realised in total for the assets disposed under this proposal is 81 TC02e and this breaks down as follows:

- Buttsgrove: 41 TC02e
- Noble House: 4 TC02e
- Stanton House: 9 TC02e
- Speke House: 12 TC02e
- Hereward Hall: 15 TC02e

Any adaptations to our retained assets would result in some minimal carbon emissions.

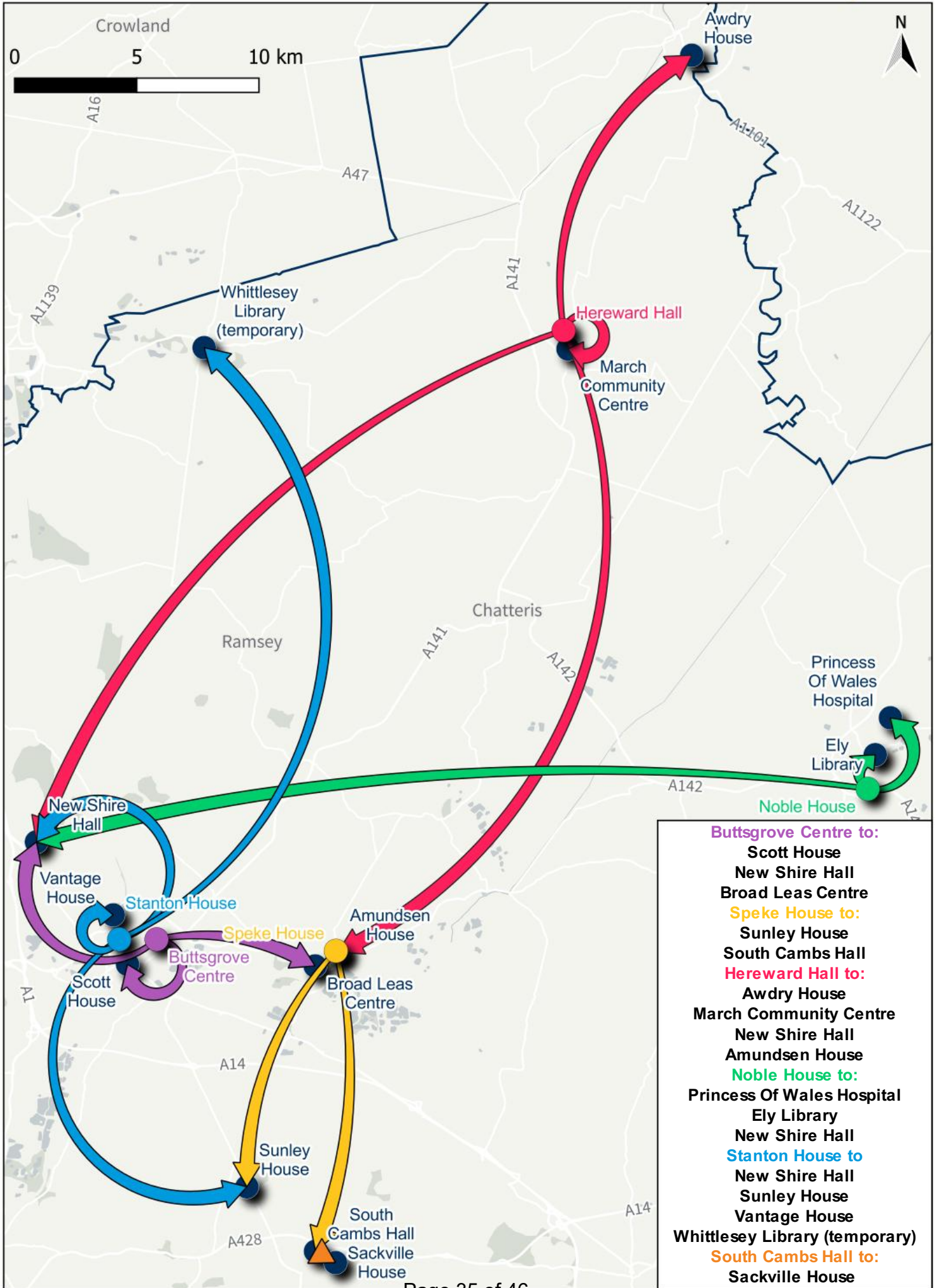
## 7. Source Documents

### 7.1 None

Appendix 1: Capital and Revenue Receipts (Confidential)

Appendix 2: Tranche 1 High Level Costs (Confidential)

Appendix 3: Map to show the proximity of current to revised work bases



- Buttsgrove Centre to:**
- Scott House
- New Shire Hall
- Broad Leas Centre
- Speke House to:**
- Sunley House
- South Cambs Hall
- Hereward Hall to:**
- Awdry House
- March Community Centre
- New Shire Hall
- Amundsen House
- Noble House to:**
- Princess Of Wales Hospital
- Ely Library
- New Shire Hall
- Stanton House to**
- New Shire Hall
- Sunley House
- Vantage House
- Whittlesey Library (temporary)**
- South Cambs Hall to:**
- Sackville House



## Re-Tender of the Council's Employee Benefits Contract

To: Assets and Procurement Committee

Meeting Date: 15 October 2024

From: Executive Director of Strategy and Partnerships

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2024/078

**Executive Summary:** This report requests the Assets and Procurement Committee's approval to re-tender Cambridgeshire County Council's Employee Benefits Contract. The purpose of this procurement exercise is to seek best value contract/s, ideally through a managed service provider, to provide Council staff with a range of employee benefits, including lease cars, a cycle to work scheme, employee loans and savings as well as employee discounts. This will ensure that we have continued provision of employee benefits in line with our People Strategy.

This is a concession contract and whilst the full value of the current contract is still being determined, it is considered over threshold and therefore is a key decision requiring Committee approval.

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

- a) Approve the re-procurement of the Council's Employee Benefits Contract.
- b) Delegate responsibility for awarding and executing a contract for the provision of employee benefits starting 1 November 2025 for a period of 3 years, with a clause to extend for two further years, to the Executive Director of Strategy and Partnerships in consultation with the Chair and Vice Chair of this Committee.

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# 1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 The re-procurement of our employee benefits contract is an activity identified within our People Strategy. The People Strategy is an enabling strategy supporting delivery of all 7 ambitions within the Strategic Framework 2023-2028.

## 2. Background

- 2.1 Our current Employee Benefits Contract was awarded to iCOM (now known as Terryberry) on the 1 November 2019, under the Council's former shared services arrangement (LGSS). A subsequent novation to contract in July 2021 transferred the contract terms over from LGSS to Cambridgeshire County Council.
- 2.2 Terryberry is a managed service provider, offering an online platform through which employees can access a range of employee benefits and discounts. The initial contract was for a 3-year period to November 2022. This was subsequently, within the terms of the contract, extended for a further 2 years to 31 October 2024. On the advice of Procurement, a further 1-year extension has now been agreed with Terryberry to 31 October 2025, to allow time to gain the appropriate approval and to undertake the necessary procurement activity.
- 2.3 The current contract with Terryberry is cost neutral and therefore the Council does not pay directly for their services. Instead, Terryberry provides free access to its employee benefits portal, earning commission directly from the providers which we have signed up to as part of the contract (currently Halfords Cycle to Work Scheme, Tuskers Lease Car Scheme and Salary Finance for loans and savings).
- 2.4 Committee approval is therefore being sought to re-procure a cost neutral employee benefits contract, via the ESPO framework to ensure we continue to have best value provision/s in place, which deliver maximum benefit to our staff. This will not only benefit our existing workforce but support our ability to attract and retain staff in the future.

## 3. Main Issues

- 3.1 The proposal to re-tender this contract via an ESPO framework, follows consultation with procurement and legal teams, taking account of the result of the soft market testing and the known providers on the ESPO framework.
- 3.2 Whilst the contract is ultimately cost neutral to the Council, as a Concession contract the Council incurs expenditure before recouping that money from employees. Because this initial expenditure is expected to be over £500,000 approval is being sought for the procurement.
- 3.3 The HR service is working with the Procurement and Commercial Team to devise a set of appropriate evaluation criteria focusing on how the successful bidder will work as a managed service provider, thereby reducing the administrative burden on the Council of managing multiple contracts.

## 4. Alternative Options Considered

- 4.1 In April of this year, we held a soft market engagement event to determine whether there were any providers who could deliver all three of our employee contract provisions (Employee Assistance Programme, Occupational Health and Employee Benefits), as each contract was aligned to end in October/November 2024.
- 4.2 This event determined that there were no providers able to offer the full range of services to the specification required and therefore procurement has already commenced for our Occupational Health Services and Employee Assistance Programme contracts via the ESPO and CCS frameworks respectively (both contracts are valued under the key decision threshold).

## 5. Conclusion and reasons for recommendations

- 5.1 In order to deliver on the commitments set out within our People Strategy, it is important that we are able to provide an attractive benefits package, offering a range of retail, lifestyle and wellbeing related offers and discounts.
- 5.2 Many of the benefits provided under this contract will support our wider ambitions as a Council, e.g. offering a cycle to work scheme supports our commitment to achieving net zero emissions by 2045 and supporting a healthy and sustainable lifestyle. Likewise, having loans/savings schemes in place, supports the financial wellbeing of our staff and ensures accessibility for all, including those on lower incomes.

## 6. Significant Implications

### 6.1 Finance Implications

There is financial risk to the organisation if we are unable to procure this contract by October 2025, as we may be without a benefits offer upon cessation of the current contract which would have an impact on our attractiveness in the recruitment market as well as engagement levels amongst the existing workforce.

There is a further risk that should it not be possible to recoup money from employees for services rendered, that ultimately the Council will be responsible for making those payments, however the risk of this is low.

### 6.2 Legal Implications

As this is a concession contract, although the cost of the contract to the Council is neutral and therefore below threshold, Pathfinder Legal have advised that this is a key decision, requiring committee approval because of the value of the total contract to the provider. The use of the ESPO Framework provides a route to market compliant with procurement law. Pathfinder Legal will review the terms of any contract with a provider.

### 6.3 Risk Implications

This procurement is required to ensure that we can continue to offer an attractive benefits package to our workforce, supporting the organisation's ability to recruit and retain staff. In the event we are unable to procure a new contract, we will be unable to provide a comprehensive package of staff benefits which may impact recruitment and retention rates and result in current employees losing access to benefits they are currently taking advantage of.

### 6.4 Equality and Diversity Implications

It is imperative that our employee benefits offer is accessible to all and therefore this requirement will be set out in any tender specification and responses from providers assessed accordingly. We will be clear in any tender specification the requirement for key benefits to be accessible to those on lower incomes, e.g. that any lease car scheme offers lower value vehicles that are affordable to frontline staff.

### 6.5 Climate Change and Environment Implications

When procuring an employee benefits contract, we will ensure that environmental considerations are taken into account and that the chosen provider is able to demonstrate a commitment to operating sustainably and to providing sustainable benefits options to our workforce.

## 7. Source Documents

7.1 None.



## Light Blue Fibre Annual Progress Report

To:	Assets and Procurement Committee
Meeting Date:	15 October 2024
From:	Executive Director for Place and Sustainability
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	N/A
Executive Summary:	The purpose of this report is to update the Committee on the progress of the Light Blue Fibre Joint Venture Company between Cambridgeshire County Council and the University of Cambridge.
Recommendation:	The Committee is asked to note the progress of the Light Blue Fibre over the last year.

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# 1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 Ambition 1: Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes.

The installation of empty fibre ducts in new transport schemes and then making them available to telecom providers allows operators to avoid costly retrofitting. This minimises disruption to highways users and reduces carbon emissions (approximately 20 tonnes co2 to date).

# 2. Background

- 2.1 In 2019, the Council's Commercial and Investment (C&I) Committee approved the creation of a joint venture company with the University of Cambridge, named Light Blue Fibre. The purpose of Light Blue Fibre is to commercially market the fibre assets of both the University and the Council.
- 2.2 As part of the governance arrangements, the C&I Committee transferred oversight of Light Blue Fibre's operations to the Environment and Green Investment (E&GI) Committee, which established an annual reporting cycle. This report marks the third annual progress update for Light Blue Fibre. The first [report](#), presented to the E&GI Committee in January 2022, provided an overview of the company's structure and operations. The [second report](#), delivered in July 2023, offered a brief overview of Light Blue Fibre's annual progress.
- 2.3 This report provides an overview of Light Blue Fibre's progress within the last 12 months, along with a confidential appendix detailing the company's operational and financial status.

# 3. Main Issues

## Strategic Context

- 3.1 In 2021, the Cambridgeshire and Peterborough Combined Authority Board approved a Digital Connectivity Strategy for 2021-2025 and allocated funding to expand the Connecting Cambridgeshire Programme. This initiative aims to enhance digital connectivity across Cambridgeshire and Peterborough. As part of the strategy, the innovative 'Dig Once' policy was included, to incorporate fibre ducting into new transport infrastructure projects, yielding significant economic, community, and environmental benefits.
- 3.2 Fibre ducting is essential for carrying fibre optic cables, which form the backbone of high-speed broadband. This infrastructure supports all types of digital connectivity, including fixed services (such as home broadband and business connections) and mobile services (like 4G and 5G).
- 3.3 The true benefits of the Dig Once policy is exemplified by the early success of the proactive Light Blue Fibre joint venture. This policy has led to the installation of empty fibre ducts in new transport schemes, making them available to telecom providers. This allows telecom operators to avoid costly retrofitting, encouraging them to expand gigabit-capable broadband networks to businesses and communities that might otherwise lack access.

- 3.4 Additionally, avoiding retrofitting minimises disruption to highways users and reduces carbon emissions (approximately 20 tonnes co2 to date). Dig Once schemes in Whittlesey and Linton have already been leased via the company to local fibre providers, together with ducting developed with the Milton Road (Cambridge) scheme already leased to a telecoms operator before it is complete.
- 3.5 This approach not only provides a modest financial return to the Council but also helps improve digital connectivity for Cambridgeshire.

### Light Blue Fibre Progress

- 3.6 Since its formal establishment in late 2019 to help the Council expand the county's fibre network, Light Blue Fibre has now completed its fourth year of trading. The company is performing both operationally and commercially ahead of its original business plan. As outlined in the updated business plan, Light Blue Fibre is also progressing in forming a strategic partnership with a major global cloud services provider. This partnership aims to extend the reach of its infrastructure and maximise financial returns. Light Blue Fibre benefits from strong collaboration and a positive working relationship between the University and the Council, with a joint management team overseeing daily operations and project delivery. The commercially sensitive financial details of Light Blue Fibre's operations are available in Appendix 1.

## 4. Source Documents

- 4.1 Source documents:

[Cambridgeshire & Peterborough Digital Connectivity Infrastructure Strategy 2021-2025](#)

[Light Blue Fibre Annual Progress Report July 2023](#)



# Assets and Procurement Committee Agenda Plan

Published on 1 October 2024

## Notes

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.

The following are standing agenda items which are considered at every Committee meeting:

- Minutes of previous meeting and Action Log
- Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
15/10/24	Accommodation Improvement Programme	C Ramsbottom / C Rose	2024/010	03/10/24	07/10/24
	Disposal of the former Mill Road Library	J Macmillan	2024/059		
	Employee Benefits Contracts	A Syson	2024/078		
	Light Blue Fibre Annual Progress Report (with confidential appendix)	C Clulow	Not applicable		
19/11/24	Cambridgeshire County Council's Disposal Policy	S Anderson	Not applicable	07/11/24	11/11/24
	Cambridge Biomedical Campus+ (Confidential)	J Macmillan	2024/023		
	Performance Report	J Wise / R Springbett	Not applicable		
	Freehold Sale of Stibbington	H Coulston / J Macmillan			
22/01/25	Scrutiny of Draft Business Plan and Budget	M Hudson	Not applicable	10/01/25	14/01/25
	Cyber Security – Revenue Budget Proposal	J Patmore	2025/008		

Committee Date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
07/03/25				25/02/25	27/02/25

Please contact Democratic Services [democraticservices@cambridgeshire.gov.uk](mailto:democraticservices@cambridgeshire.gov.uk) if you require this information in a more accessible format

Future items to be programmed:  
Eastnet procurement - 2025