

Assets and Procurement Committee: Minutes

Date: 22 January 2025

Time: 10.00a.m. – 12.05p.m.

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

Present: Councillors Beckett, Boden, Bywater, Connor, Count, Dupré, Ferguson, Goldsack, Gough, Hathorn (Chair), Hay, McDonald, Meschini, Rae (Vice-Chair) and Wilson

72. Apologies for Absence and Declarations of Interest

Apologies were received from Councillor Ambrose Smith (substituted by Cllr Hay), as well as Councillor Nethsingha (substituted by Cllr Wilson).

Councillor Connor declared he is the Chairman for Fenland District Council Planning Committee, and as the item on the Department for Education Capital Bid may be presented at District Council, he would not partake in discussion or voting.

73. Minutes of the meeting held 15 October 2024 and Action Log

The minutes of the meeting held 15 October were agreed as a correct record and signed by the Chair.

An updated Action Log was circulated to the Committee and updates were noted at the meeting. Members noted that there were several ongoing actions and requested that they be fulfilled or else dates provided for anticipated completion.

74. Petitions and Public Questions

No petitions or public questions were received.

75. Mill Road Library Update

The Committee was reminded of the report brought forward on 15 October 2024 which resolved to approve Bidder 1 as the preferred bidder for the Mill Road Library, and delegated 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 the Assets and Procurement Committee.

The Head of Terms had been agreed and signed by both parties on 3 December 2024, representing the next step in the sale. The building had been opened to the public with the purchaser present on 7 December 2024 with approximately 60 visitors from the community. The purchaser and the Local County Councillor held an introductory meeting.

The update report reflected the outcome of discussions following the previous Committee meeting, including changes from the original bid, the details of which were confidential. The officer recommendation was to continue to proceed with the sale, noting the changes in the

revised bid. Though the original offer had changed, the proposed use of the building had not, with its intended use being in creative arts for community benefit.

This remained the best option for the Council taking account of the financial considerations that it would reduce the Council's financial liability for an asset it no longer required nor used, and result in a capital receipt to support service delivery and the capital programme.

The Chair invited the Local Member for Petersfield, Councillor Howitt to address the Committee. Councillor Howitt confirmed he had met with the preferred bidder and had confidence in his good faith, however expressed the concerns raised by his constituents. He acknowledged there were trust issues in the community, demonstrated by the 3,000 people who had signed the petition against the sale, and requested that officers share as much information as possible about the changes and restrictions in the documents for the sake of transparency. Councillor Howitt sought reassurance that the building would remain an Asset of Community Value (ACV) as well as reassurance around the enforceability of the pledges being made. Officers confirmed that there were restrictions around confidentiality, however reiterated that the intended use of the building had not changed. Officers stated that the current ACV would run until 2029, following which it would need to be reapplied via a process with the City Council. Finally, Councillor Howitt proposed a meeting between preferred Bidder 1 and Bidder 2, suggesting that the relationship between the two ought to be fostered as there could be opportunities for the second bidder to have some involvement. The officer confirmed that it was in the preferred bidder's best interest to form relationships with the local community.

Arising from the report:

- A Member queried what could be implemented to limit the building's future use and prevent it from being flipped and repurposed. Officers confirmed that conditions which had been required from the previous Committee meeting in terms of restrictions going forward had been put into the Heads of Terms.
- Around the Government's proposal for a unitary council, a Member asked whether any discussion had been held with the City Council as to potential future use of the building should this Council become a unitary authority. It was confirmed that the City Council was consulted at the beginning of the process and it advised it had no use for the building.
- A Member queried whether the outcome of surveys done on the building would be publicly available. An Officer reassured that all efforts had been made to ensure the longevity of the building in terms of its condition which had been part of the Heads of Terms negotiations.
- A Member identified that the impact of restrictions and covenants on future use of the building had been discussed at the previous Committee meeting, and that a lease sale would give more protection than a freehold sale, however these had not changed in this update.
- The report provided rationale around the changes made which a Member stated he disagreed with, however had raised his concerns with the Chief Executive Officer outside of the Committee meeting.

It was resolved unanimously to:

- a) Note progress towards the sale of the former Mill Road library.
- b) Agree the revised terms.
- 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.

76. Disposal of Stibbington

Members were presented a report regarding the disposal of Stibbington Outdoor Centre. On 27 January 2023, the Children and Young People Committee approved closure of the site which ceased operation from 31 August 2023. The site was given a Grade II listing in February 2024. Options considered for the site included leasing the building, marketing with potential planning consent, or development, however consideration was given to the holding and potential refurbishment costs of these options. Issues of the site included the expiry of planning consent and archaeological interest in the site.

The site went to market in June 2024 as a freehold sale with flexibility of offering it as a single plot or two separate plots. Nine bids were received, of which seven were for the site as a whole (single plot). Bids were scored on a basis of 40% deliverability of funding and 60% financial offer. The report sought for Committee to approve and review the preferred bidder, Bidder 9, with commitment to complete before the end of the financial year pending Committee approval.

The Chair invited the Local Member for Sawtry and Stilton, Councillor Bywater to address the Committee. He expressed agreement with the report, stating he had no concerns and felt only that the action was overdue as the decision to close the centre was made in 2023. Councillor Bywater raised the question of longevity in relation to the future of local government, however agreed with the report and was pleased that the building would keep its charm within the community. This position was supported by multiple Members.

In response to the report:

- Members raised concern that closure of the property was agreed in January 2023, services ceased in August 2023, and the property was marketed in June 2024. The Member queried the reason behind the delay in marketing and questioned the logic behind completing actions sequentially rather than concurrently. The Officer explained that the disposal policy was adhered to following the removal of services in August 2023 to deem the site surplus before due diligence was done with agents regarding routes for marketing, as well as fitting reports into the committee process. However, the officer agreed to raise the matter with the team and report back to Committee on lessons learned. **ACTION REQUIRED**
- The reason given in the report not to lease the site was in part due to the energy rating, where a property must have an EPC rating of at least E to lease, however this property had a rating of G. A Member suggested that a buyer would need to improve this energy rating, therefore questioned why the Council would not do so to provide the additional option of leasing rather than selling. Officers stated there were various costs associated with improving the energy rating especially of a listed building, including replacing the oil tank and updating the roof insulation. As there was no service need for the building, such costs could not be justified. Rather, this would be for the purchaser to fulfil, and

such energy improvements would be different depending on the individual needs of the purchaser.

- A Member identified that the site contained a classroom with significant historic value and queried what would come of the historic furniture within. The officer agreed to look into the question and report back to Committee. ACTION REQUIRED
- A Member speculated whether the capital receipt from Stibbington Outdoor Centre could be earmarked to support the sustainability of similar centres in Cambridgeshire; Burwell House and Grafham Water. Officers stated that regardless of the service into which receipts were received, all would go into the capital programme which had a bidding process, and the finance team managed the treasury pot to ascertain investments. Ringfencing funds could potentially draw opportunities away, therefore it would be for the Children and Young People directorate to engage with the long-established bidding process to secure investment for the alternative two centres. A Member proposed to write to the Chair, Vice Chair and Service Director of the Children and Young People Committee to promote the creation of a business model for the two outdoor centres, which the Chair agreed to do. ACTION REQUIRED
- A Member identified that the recommendation on this from the Children and Young People Committee had been that if closure were agreed, a proposal be made to the Strategy and Resources Committee for the earmarking of the capital receipt to support the investment and sustainability of Burwell House and Grafham Water. It was explained that the Strategy and Resources Committee was no longer established and that the functions of the disposal sat with Assets and Procurement Committee, however the financial element sat with Strategy, Resources and Performance Committee. It was due to this that the recommendation was to note the disposal to Strategy, Resources and Performance Committee upon approval from the Assets and Procurement Committee.

It was resolved unanimously to:

- a) Review and approve the recommended offer received after the recent marketing of the property, in accordance with Section 123 of the Local Government Act.
- b) Delegate authority to the Executive Director of Finance and Resources in consultation with the Chair and Vice Chair of the Asset and Procurement Committee to agree on terms, execute the necessary documentation, and complete the disposal of the site.
- c) Note the disposal to the Strategy, Resources and Performance Committee as requested by Children and Young People's Committee, noting the s151 advice as set out at Paragraph 3.1.

77. Department for Education Capital Investment Bid: Children in Care Residential Property

The Committee considered a report on the repurposing of a rural estate property into a children's home suitable for two children and their carers. The property identified was a vacant bungalow at Richly Farm south of Whittlesey that was in poor structural condition and not needed for the rural estate.

In Autumn 2024, the Department for Education (DfE) launched an open application for capital match funding to provide additional facilities for children with complex needs and challenging behaviour. This bungalow was deemed by the Care Team to be appropriate and would be suitable for some children, offering a well screened garden and isolate location. The proposal was to apply for DfE funding which would be match funded partly using the site's value in the reach of £150k and agreed by the Corporate Leadership Team. Should the DfE bid be successful, a business case would be presented to the Capital board and the Children and Young People Committee for final approval.

The design build contract would use the minor works framework overseen by the Council's Education Capital team and would comply with sustainable urban drainage system regulations, include air source heat pumps and solar panels, and would provide a high level of insulation. The property would be leased to an externally commissioned provider on a maximum 10-year lease.

Resulting from the presentation of the report:

- Officers elucidated the Committee on the timeline of events since the property became vacant when the previous tenant passed away in 2021. The Council was in the process of preparing the sale when there arose an urgent need to house an adult, at which time the property was let out to Peterborough City Council which carried out works to the house. A Member raised a concern around the management of the asset and the passage of time since the property became vacant in 2021. The Officer agreed to review this and share lessons learned with the Committee. **ACTION REQUIRED**
- Officers provided information about the building, stating it was a bungalow built in 1962. It was being monitored in 2020 with another report completed in 2024 which stated it required a significant amount of work, and engineers recommended that it would be better to start afresh.
- A Member suggested that photographic evidence or map references ought to be provided with these types of reports, particularly for those Members who were not local and therefore less familiar with the properties.
- A Member questioned whether the site would be suitable for children based on its isolated location. Officers confirmed that the Council would conduct a full location risk assessment with the provider, and that Social Care and Commissioning colleagues had reviewed the site and deemed it to be appropriate largely because of its remote location. This would be because the types of children living at this site would be those requiring safe space to regulate following challenging circumstances. Due to their circumstances, the types of children residing at this setting would not be attending school therefore home-to-school transport was not a consideration.
- Officers confirmed that a consultant had been appointed to conduct design and build on the planning investigations, and they would provide advice in advance of submitting a bid.

It was resolved unanimously to:

- a) Agree to demolish a failing farm bungalow and to re-build a new house on the site for use as a Children in Care residence.

- b) Agree to the lease of the new house to an external service provider for a period of up to 10 years.
- c) Delegate authority for awarding and executing construction contracts starting in 2025 and extension periods 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.

78. Transfer of Property to Peterborough City Council: Cresset Centre

The Committee was presented the proposal to transfer the lease of the Cresset Centre from Cambridgeshire County Council (CCC) to Peterborough City Council (PCC). Officers explained that this was a legacy issue, as the transfer ought to have completed in 1998 when PCC became a Unitary Authority, however the lease remained registered under CCC at the land registry. PCC had been managing the property and intended to sublet the building to be used for a dementia resource centre.

There were no financial implications other than the shared legal costs between the two parties. Seeking approval from the Assets and Procurement Committee was the advice given by the Monitoring Officer and Pathfinder Legal.

In response to the report:

- Officers clarified that there was a requirement to transfer the lease in accordance with the order, which stated Cambridge (City of Peterborough) structural boundary and electoral changes order 1996, the reorganization of the Peterborough City boundary meets property interests which fall into certain boundary areas would be transferred from CCC to PCC.
- Officers confirmed that for all intents and purposes, the building had been treated as though the transfer had been completed in 1998, therefore CCC had not incurred any financial implications since that time. It appeared that the freeholds had transferred at the time and the lease had been overlooked.
- Resulting from the process of transferring all lease documentation from the existing database, a review had been conducted to ensure there were not any other properties with similar circumstances, therefore officers could confirm this had been an anomaly.

It was resolved unanimously to agree to legally formalise the transfer of the Cresset Centre leasehold interest to Peterborough City Council from Cambridgeshire County Council.

79. Business Plan and Budget

The overall Business and Budget Plan was presented to Strategy, Resources and Performance Committee on 17 December 2024. As part of the proposals, it was recommended that scrutiny take place through service and policy committees throughout January 2025. Feedback gathered from the Assets and Procurement Committee would be taken forward to inform the Strategy, Resources and Performance Committee before it would make its recommendations to Full Council.

The report outlined the Council-wide position ahead of the provisional settlement announced on 18 December 2024, stating £75m of pressures with £41m of funding

identified, resulting in £34.2 million overall savings required across the Council. The report included the impact of areas covered by this Committee, as well as details of pressures, growth, investment, and savings and income proposals. Issues flagged included the £1.5m office improvement and rationalisation programme. Highlighted matters included lessons learned around time taken to dispose of assets and assumptions around planning, investment in the Council's estate, and the Council's wholly owned company, This Land reflecting updates presented to both the Strategy, Resources and Performance as well as the Assets and Procurement Committees during the year. The report identified proposed savings around digital changes, particularly the challenge of contracts and licenses expected to yield around £830k across coming 3 years. It also set out the net budget for property and procurement as well as medium-term financial planned net budgets, and capital including through specific farms.

The release of the Devolution White Paper on 16 December 2024 meant that the local government reform would need to be considered in relation to asset planning going forward.

Commenting on the overall report:

- A Member noted the fluctuating market and property rationalisation, querying how confident officers were that £1.5m savings could be achieved in the coming year. Officers acknowledged this would need to be reviewed in future, particularly due to the local government reform. It was noted that there were lessons to be learned as pertaining to the assumptions around progressing with large asset disposal as well as asset retainment.
- The report mentioned the budget for the Finance and Resources directorate, and a Member sought clarity on the inflationary pressures for staffing over the coming five years. Officers stated it was a straightforward 3.5% uplift year by year across the whole of the Council, with larger increases in recent years focused on the bottom pay scales. Members sought clarity over the 3.5% uplift, and officers agreed to review this information and disseminate written clarification. ACTION REQUIRED
- A Member queried whether staffing inflation had previously been held centrally, and it was confirmed that due to Member feedback, it had changed to be allocated to directorates to give a clearer sense of the budget.
- Officers explained that the Executive Director had a total gross budget of £43.4m, and deducting the income of £28m would leave a net budget of £15.3m. The report further showed where income was clustered, for example property services from the county farms estate, lead authority services operating some services for the full council partnership, and property investment activity. Members expressed confusion regarding the reductions in certain areas which reflected income not directly attributed to the area. Officers agreed to review this information and disseminate written clarification. ACTION REQUIRED

The Executive Director of Finance and Resources summarised the debate as follows: *One main point to feed back to Strategy, Resources and Performance was that the Assets and Procurement Committee noted the risk in the coming year of delivering £1.5m saving target around property rationalisation. It was also noted there would be two written responses; one in relation to the Executive Director of Finance and Resources line and the other in relation to the inflation line. These would not be noted to Strategy, Resources and Performance, but written responses to Committee would be actioned.*

It was resolved to:

- a) Consider and scrutinise the proposals relevant to this Committee within the Business Plan and Budget 2025-26 to 2029-30 put forward by the Strategy, Resources and Performance Committee, 17 December 2024.
- b) Recommend changes and / or actions for consideration by the Strategy, Resources and Performance Committee at its meeting on 28 January 2025 to enable a Business Plan and Budget to be proposed to Full Council on 11 February 2025.
- c) Receive the fees and charges schedule for this Committee included at Appendix 2.

80. Corporate Performance Report 2024-25 Quarter 2

The Committee was presented a report on performance for quarter 2, 2024-2025 of available indicators monitored by the Assets and Procurement Committee, of which there were two red, one amber, seven green, and one contextual. The red indicators were the percentage of contract waivers submitted less than five days before their proposed start date and the annual forecast of gross income from commercial investment as a percentage of initial investment.

The method whereby the Council would deliver social value through procurement would change. Match My Project would be launched in April 2025, moving away from monitorisation and toward a tool to deliver place-based social value. Additionally, a new set of indicators were being developed and would be presented to this Committee. The indicators would be selected to provide the best overview of performance in line with the Council's strategic ambitions, and where possible, would be benchmarked against national and regional performance, setting appropriate targets to allow fair scrutiny.

In response to the report:

- The Chair sought clarification about the graph measuring social value achieved, noting it had gone up and questioning the reason for this. The Officer agreed to review and provide a written response to circulate to Committee Members. It was also agreed to present this information going forward in future committee meetings. ACTION REQUIRED
- A Member queried whether the percentages presented in the report were a rolling total or reflected the expenditures during that quarter. It was confirmed it was spending per quarter, though officers agreed to deliver it by quarter or an average over the year.
- A Member queried the changes in the marketing approach regarding the Cromwell Leisure Park, including when these were made. Officers noted this had been discussed at a previous committee, that the Local Authority was then marketing both nationally and through local agent, however agreed to review this and provide a response pertaining to the exact dates of these changes. ACTION REQUIRED
- A Member expressed uncertainty around the commentary of the wholly owned company, This Land, and expressed they felt there may be operational issues that were not entirely understood by Members. In addition, the Member queried what other housing the Council had if not entirely within This Land. It was confirmed that This Land was the entirety of the housing investment block. It was agreed that the Shareholder

Sub-Committee would meet for the first time the following week and would cover this matter.

- Officers explained that in property, housing, and collective investment fund category, the Council was optimising the existing investments and exposure for renewable energy through active management.

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

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

The Committee reviewed the Committee Agenda Plan.

The Chair and Vice Chair of the Shareholder Sub-Committee were voted upon and appointed as follows:

- Chair, Councillor Hathorn as nominated by Councillor Beckett and seconded by Councillor Meschini
- Vice Chair, Councillor Meschini as nominated by Councillor Hathorn and seconded by Councillor Wilson

It was resolved unanimously to:

- a) Review its agenda plan attached at Appendix 1.
- b) Appoint the Chair and Vice Chair of the Shareholder Sub-Committee for the remainder of the municipal year.
- c) Note any appointments to Outside Bodies and Internal Advisory Groups and Panels, as necessary.

Chair