

## **COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES**

**Date:** 24 May 2019

**Time:** 10:00-12:00

**Venue:** The Council Chamber, Shire Hall, Cambridge

**Present:** Councillors J Schumann (Chairman), I Bates, L Dupré, A Hay (Vice Chairman), J Gowing, D Jenkins (items 231-237), L Jones, L Nieto (substituting for Councillor Wotherspoon), T Rogers and M Shellens

**In attendance:** Councillor T Sanderson (Items 231-234 only)

**Apologies:** Councillor Wotherspoon (Cllr Nieto substituting)

### **231. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were presented on behalf of Councillor Wotherspoon (Councillor Nieto substituting).

Councillor Shellens declared a non-pecuniary interest in item in item 234 as a resident of Brampton.

### **232. MINUTES OF THE MEETINGS HELD ON 26 APRIL 2019 AND ACTION LOG**

The minutes of the meeting held on 26<sup>th</sup> April 2019 were approved as a correct record.

With regard to item 196(1), it was confirmed that this information had been circulated on 23/05/19, and any queries could be dealt with offline.

Item 211 – it was confirmed that Urban & Civic's timescales for the town centre development at Alconbury Weald had not been circulated, and officers would be asked to progress this.

It was resolved to note the Action Log.

### **233. PETITIONS AND PUBLIC QUESTIONS**

There were no petitions or public questions.

### **234. HINCHINGBROOKE COUNTRY PARK**

The Committee received a report relating to a request from Huntingdonshire District Council (HDC) to agree a new lease for Hinchingbrooke Country Park for 99 years, at a peppercorn rent.

The freehold to the Park was owned by the County Council, and the current lease to HDC was due to expire in April 2026. In 2018, a request to transfer the freehold to HDC

had been rejected by the County Council's Group Leaders, who suggested that a lease extension may be considered. This had been explored by senior officers from both authorities, and an offer made of a 99 year lease at a peppercorn rent, on the understanding that any surplus generated would be reinvested in the site. This proposal had been rejected by HDC. The report set out a number of options to progress this issue. It was noted that the statement *"likely to create tensions between the two councils that may have broader ramifications"* had been included in the 'benefits' column of the Options table, whereas it should be included in the 'risks/issues' column.

Councillor Sanderson spoke as Local Member. He declared a non pecuniary interest as a Member of both Huntingdonshire District Council and Huntingdon Town Council. His main concern was that the Park required investment, but he acknowledged that HDC's Business Plan for the Park was not as ambitious as it could be. The Park was currently running at a loss (£70K pa) and would not generate significant profits. He advised that HDC was now willing to ringfence any surplus from Hinchbrook Country Park specifically to that park. The Town Council had also indicated that they would be willing to take responsibility for the Park, and whilst they had a good track record of managing green spaces, he felt that such an acquisition may be too ambitious.

In response to Member questions, Councillor Sanderson:

- advised that Urban & Civic had indicated that they would be providing another park north of Huntingdon, with direct access from Oxmoor, as part of the Alconbury Weald expansion;
- commented that his aspiration was for more people to use the Park, and he felt that a local authority was best placed to achieve this objective;
- acknowledged that the location was constrained and there were traffic problems, especially at peak times, but suggested that the Highways Agency's proposals for the area would lead to some improvement;
- confirmed that the District Council did engage with the local community, and there was an active user group.

In discussion:

- it was noted that the business case included a proposal of £1.5M to extend the car park, with the majority of parking income expected from the nearby hospital, £200K for refreshing the play equipment and £500K+ for a new visitor centre/café;
- it was noted that HDC's position as conveyed to the Deputy Chief Executive, as reflected in the report, was different to that conveyed to the Local Member;
- a number of Members expressed strong support for the provision of the Park as a valuable local amenity, and suggested that the local authorities should work in partnership for the benefit of residents;
- it was noted that Option C in the report did not close down any of the other options, i.e. Options A and B, but allowed for a thorough exploration of all possible outcomes;

- a number of Members commented that the facilities currently available in the Park were quite limited and required investment;
- a Member commented that it would have been helpful to have been provided with the HDC Business Case, although it was noted that this was publically available;
- one Member suggested that the report should be deferred and further information provided, including a thorough exploration of the Business Case, and further information on the pattern of use, access, etc. Responding, the Chairman stated that a Member steer was needed to establish whether Members have an appetite for the possibility of an alternative provider to be explored, and this should be done by the Committee, not in private. Another Member suggested that money should not be spent exploring options which were unlikely to generate income. The Chairman suggested that such an exploration of all opportunities, including those that were likely to generate income e.g. car parking, would be facilitated by Option C;
- a Member commented that any commercial venture would not be viable without real traffic improvements, and this may involve using the “tractor field”, that was owned by Hinchbrook School.

A number of Members expressed concerns about the wording of Option C, particularly the reference to *“another provider”*. It was also suggested that it should be a joint decision, with the relevant other local authorities, but the Chairman commented that whilst it was reasonable to discuss the Park with other local authorities, ultimately it was the County Council’s asset. Another Member suggested that the problem with Option C as currently set out was that there were no constraints, i.e. all possibilities could be considered, including options which could alienate the public.

A number of amendments were put forward:

Councillor Shellens proposed that the decision was deferred, and this was seconded by Councillor Dupré. On being put to the vote, the proposal was unsuccessful.

Councillor Jenkins proposed that Option C be reworded to read *“Undertake, in discussion with Huntingdonshire District Council and Huntingdon Town Council, an evaluation of taking back the ownership of all options above, and running the operations with another provider”*. This was seconded by Councillor Shellens. On being put to the vote, the amendment was unsuccessful.

Councillor Jones proposed that the report recommendation be amended to read *“consider the request from Huntingdonshire District Council and explore Options B and C, in collaboration with Huntingdonshire District Council and Huntingdon Town Council, and report back to Committee”*. On being put to the vote, the amendment was carried unanimously.

It was resolved to:

Consider the request from Huntingdonshire District Council and explore Options B and C, in collaboration with Huntingdonshire District Council and Huntingdon Town Council, and report back to Committee.

## 235. FINANCE AND PERFORMANCE REPORT – FINAL REPORT 2018/2019

The Committee considered a report on the financial and performance information relating to the areas within the Commercial and Investment Committee's remit, for year end 2018-19.

At the end of the 2018/19 financial year, there was an overspend £6.416M on the revenue budgets, which was an improvement of £85K since the February report, mainly due to an improvement in the position for County Farms and Strategic Assets, (improvement of £104K and 146k respectively), offset by additional overspend in Property Services (£169K).

The Capital budget recorded an underspend of £30.867M, with three new significant outturn variances relating to Commercial Activity (Housing Schemes), Property Services (Building Maintenance) and Strategic Assets (Shire Hall relocation).

A Member queried how capital financing was reflected in Committee papers, i.e. the net interest costs across the Council's various capital project. Officers explained that capital financing was reported to the General Purposes Committee (GPC), as capital financing was recorded as a cost for the Council as a whole, rather than individual projects. It was acknowledged that the Committee was in a unique position, in that its borrowing for a commercial return, and the Committee needed to ensure that there was a net positive return on those investments. It was agreed that ways of reporting capital financing to the Committee would be explored further outside the meeting. **Action required.**

Arising from the report, Members:

- noting the 2268% variance for Cambridgeshire Music, it was agreed that an officer from that team would be asked to attend the meeting to explain the overspend when the Finance & Performance report was next presented to Committee. **Action required;**
- discussed stretch targets, and how they were deliberately challenging. Whilst some stretch targets had proved to be less robust, these were generally getting better;
- noted that performance indicators were being established in line with the development of the Council's Commercial Strategy, as well as taking into account overall changes to the system of reporting performance;
- with regard to the deposit for the land purchase for the Shire Hall relocation, noted officers' assurances that this would be paid in May 2019.

It was resolved to:

- (i) review, note and comment on the report.

## 236. COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES

Members considered the Committee's Agenda Plan, Training Plan and appointments to Outside Bodies. It was confirmed that the appointments to the Outcome Focused Reviews (OFRs) for Cambridgeshire Outdoors and Cambridgeshire Music were within the Commercial & Investment Committee's remit, as they were Traded Services.

Members noted the addition of the Commercial Strategy to the Committee Agenda Plan for June.

It was resolved to:

- (i) review its agenda plan attached at Appendix 1 to the report;
- (ii) review its training plan attached at Appendix 2 to the report;
- (iii) agree the appointments to outside bodies as detailed in Appendix 3 to the report;
- (iv) agree the appointments to Internal Advisory Groups and Panels as detailed in Appendix 4 to the report.

## **237. EXCLUSION OF PRESS AND PUBLIC**

It was resolved unanimously to:

exclude the press and public from the meeting on the grounds that the following report contained exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed: information relating to any individual, and information relating to the financial business or affairs of any particular person (including the authority holding that information).

*Councillor Jenkins declared a personal interest in the following item and withdrew from the meeting.*

## **238. COMMERCIAL PROPERTY ACQUISITION IN SOUTH CAMBRIDGESHIRE**

The Committee considered a report recommending the acquisition of a site in South Cambridgeshire, as part of the development of a commercial investment portfolio generating a revenue return.

It was resolved unanimously to:

- a) Endorse the acquisition of the site in South Cambridgeshire, in accordance with the parameters set out in the report, delegating authority to the Chief Finance Officer, in consultation with the Chairman of the Committee, to consider and agree remaining terms of any purchase, at a later date.

Chairman