

COMMERCIAL AND INVESTMENT COMMITTEE



Friday, 24 April 2020

Democratic and Members' Services
Fiona McMillan
Monitoring Officer

10:00

Shire Hall
Castle Hill
Cambridge
CB3 0AP

COVID-19

During the Covid-19 pandemic Council and Committee meetings will be held virtually for Committee members and for members of the public who wish to participate. These meetings will be held via Zoom and Microsoft Teams (for confidential or exempt items). For more information please contact the clerk for the meeting (details provided below).

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

- 1. Apologies for absence and declarations of interest**
Guidance on declaring interests is available at <http://tinyurl.com/ccs-conduct-code>
- 2. Minutes and Action Log of the Committee meeting held 21st February 2020** **5 - 20**
- 3. Petitions and Public Questions**

OTHER DECISIONS

- 4. Disposal of land at Lode and former Dullingham Depot site** **21 - 26**

5. **Water Procurement Update** 27 - 34
6. **Commercial and Investment - Covid-19 Update Report**
- to follow
7. **Commercial and Investment Committee agenda plan, Training Plan and Appointments to Outside Bodies.docx** 35 - 40
8. **Exclusion of Press and Public**

To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains 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 the financial or business affairs of any particular person (including the authority holding that information)

KEY DECISIONS

9. **This Land - Multi-Year Business Plan, Financing and other updates**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

The Commercial and Investment Committee comprises the following members:

Councillor Josh Schumann (Chairman) Councillor Anne Hay (Vice-Chairwoman)

Councillor Ian Bates Councillor Lorna Dupre Councillor John Gowing Councillor David Jenkins Councillor Linda Jones Councillor Terence Rogers Councillor Mike Shellens and Councillor Tim Wotherspoon

For more information about this meeting, including access arrangements please contact

Clerk Name: Dawn Cave

Clerk Telephone: 01223 699178

Clerk Email: dawn.cave@cambridgeshire.gov.uk

COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES

Date: 21 February 2020

Time: 10:00am – 12.30pm

Venue: The Council Chamber, Shire Hall, Cambridge

Present: Councillors J Schumann (Chairman), I Bates, L Dupré, A Hay (Vice Chairwoman), D Jenkins, J Gowing, L Jones, T Rogers, M Shellens and T Wotherspoon

In attendance: Councillors S Bywater and P Hudson

Apologies: None

319. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies or declarations of interest.

320. MINUTES OF THE MEETING HELD ON 17 JANUARY 2020 AND ACTION LOG

The minutes of the meeting held on 17 January 2020 were agreed as a correct record.

The Action Log was noted and the following items were discussed:

Item 278 North Angle Farm – this report would be considered at the March Committee meeting.

Item 292 MLEI – this action related to a request that the most current and accurate information be presented to both the Committee and the Working Group. This was being actioned and more up to date information should be available for the next Quarterly Monitoring report.

Item 293 Mapping My Public Realm – officers agreed to circulate an update on this action.

Item 304 (2) KPIs – Committee Members had participated in a performance reporting session on 17/01/20 and a new set of KPIs would be available shortly.

321. PETITIONS AND PUBLIC QUESTIONS

There were no petitions or public questions.

322. CONSTRUCTION OF THE NORTHSTOWE HERITAGE FACILITY

The Committee considered a report on the construction of a heritage facility at Northstowe, in partnership with Homes England and Highways England.

Members noted how the Historic Environment Team had been successful in securing funding from the A14 Legacy Fund and Highways England Designated Funds for a 'heritage centre' at Northstowe. These grants totalled £680,000. The project was a partnership initiative between the Council, Highways England and Homes England, plus the local Longstanton & District Heritage Society (LDHS). Homes England had Section 106 commitments relating to the LDHS for storage and display of their collections.

The site would be co-located with Homes England offices, and would reflect the construction of those offices. It was noted that Homes England had applied for a temporary planning permission for their office, which was on an area identified as residential in the Northstowe Masterplan. Those offices used modular construction, so theoretically their building could be relocated. This requirement would also apply to the heritage facility, i.e. it would be 'dismantleable' and subject to a temporary planning permission. There was a very good chance that the current planning consent would be extended.

At the invitation of the Chairman, Councillor Hudson spoke as Local Member. He advised that he was very excited by the project, which he fully supported, and paid tribute to officers working on this project, particularly Quinton Carroll, for the massive amount of work they had undertaken with the local community, and for keeping him informed as Local Member throughout the whole process. He raised the following points:

- Construction of the Heritage Centre should not relieve Homes England of their S106 duty to fund on planning to supply and build a storage and display centre for LDHS;
 - The temporary nature of the Planning Permission;
 - That Northstowe was effectively being built on top of, rather than adjacent to, Longstanton. He expressed strong concerns on the progress of the Northstowe development, in terms of changes to the original plans e.g. promises about the Green Spaces, and the lack of governance since the Northstowe Joint Development Control Committee (JDCC) had been disbanded. He commented that relationships between residents of the two communities had not been helped by Homes England or the developers. He felt strongly that the heritage centre should reference the name of Longstanton as well as Northstowe. Officers agreed to progress this point.
- Action required.**

Arising from the report, Committee Members:

- noted corrections to paragraph references in the recommendations;
- queried the purpose of the report, specifically whether it was seeking approval for contingency funding for the project. It was also noted that the report recommendation sought Committee support for the long term strategy, although there was no long term strategy set out in the report;

A Member commented that there were a number of implicit risks in the project, and whilst it was good that the capital costs of the building were being paid for, the operating/ongoing revenue costs needed to be picked up, and it was not clear where this responsibility lay, but it was likely that the Council would assume all those risks. Another Member supported these points and commented that the cost implications for the Council were unclear in the report, e.g. it was unclear who paid for the lease of the site going forward. She also queried who had responsibility for the “*additional staff for the facility*”.

Officers advised that whilst the building was in theory dismantlable, in practice it would be difficult to move, and the likelihood that it would need to be moved was very low. However, this facility reflected the origins of the project and the Planning issues faced.

The budget for the project was fully costed but was very tight, so a contingency of £32,000 had been allocated. The project was currently £4,000 over budget but it was likely that this could be reduced. In terms of support for the operation of the heritage facility, this would be primarily through volunteer support, and ongoing funding would be through Section 106 monies. A Member commented that it was still unclear whether the Committee was being asked to recognise there was £32,000 in the contingency, or recognise that the shortfall may be greater than this, and that there may be some type of financial commitment longer term. The Chairman commented that the report set out the project risks very clearly, and if further funding was required at any point, a separate report would need to come back to Committee. As it stood, no funding was being requested.

A Member commented that there was no long term strategy within the report, and asked if this could be brought back to the Committee once it had been developed. In response, officers confirmed that long term the intention was that the operation of the heritage facility would not be the Council’s responsibility. An independent Heritage Trust would be established which would also maintain open spaces and other heritage assets around Northstowe. Work was ongoing with partners to develop this longer term strategy.

One Member welcomed the partnership working and the development of the heritage facility, in particular the co-location with the Homes England offices, and supported the Local Member’s request that Longstanton be included in the name.

Speaking as the former Chairman of the Northstowe JDCC, Councillor Wotherspoon acknowledged that following the cessation of that body, there had subsequently been issues with the District Council which had not been resolved to the satisfaction of all. Whilst recognising there were some risks with the project, it would be a great asset to the communities of Longstanton and Northstowe, and he paid tribute to the LDHS and officers in progressing this project.

It was resolved, by a majority, to:

- a) Support the construction of the facility and its short term strategy for its intended purpose;
- b) Recognise the possible need for contingency and revenue as set in paragraphs 2.6 and 2.7 of the report;
- c) Develop the long term strategy for the facility.

323. QUARTERLY MONITORING REPORT, MOBILISING LOCAL ENERGY INVESTMENT

The Committee considered a report on the energy investment programmes. When the last quarterly report had been presented, Members had expressed some concerns that the figures were out of date. This had been resolved and more up to date figures were included in the report.

Officers highlighted a number of key points:

- £583K had been spent to date of the £1M Schools Programme budget. This Programme was in its fifth year, so fewer schools were coming forward. The ones that were tended to be more complex e.g. Academy Trusts (where negotiations took longer), or smaller schools. It was noted that Maintained Schools were included in the County Council's carbon footprint;
- a procurement exercise was being progressed for a new contract for the Council's engineering service provider. This process would conclude in April. An existing pipeline of projects was already in place. A methodology was being developed on how to reduce the Service's carbon footprint;
- an Invitation to Tender had also been issued in January for water and sewerage services to Council buildings. No suppliers had come forward, so the clarification questions from prospective companies were being reviewed, to identify the reasons for the lack of interest: it was likely that some of the Terms and Conditions were seen as too stringent;
- the Renewable Heating Incentive in Swaffham Prior, looking to move the community from oil to renewable heating, was progressing. However, the Incentive (a

nationally funded scheme) finished in March 2021, and it was unclear how much needed to be in place by this date, as the RHI provided the majority of the financing for this scheme;

- OFGEM had been consulting on changes to its charging regime, which may have cost implications for new renewable schemes, such as solar. However, one benefit to the Smart Export Guarantee approach would be that homes and businesses would be guaranteed a fee from energy suppliers.

A Member asked about the Woodston scheme, where estimated costs for connection via UKPN had risen from £500K to £2M. Officers outlined the negotiations currently taking place nationally for energy suppliers to pay, and the need to increase energy capacity across the country

In response to Member questions, officers confirmed that one of the main issues was that most schools in the programme were quite small, and whilst these required similar costs and resources, in terms of outcomes, there was less carbon reduction. Officers agreed to provide the data on Maintained Schools, which were reflected in the Council's carbon footprint. **Action required.**

It was noted that one of the key benefits of the new energy arrangements was that electricity could be sold without using the distribution network. A more strategic approach to the Council's assets needed to be taken in terms of ensuring, where possible, that Council assets could be provided with renewable energy from the Council's own land.

It was acknowledged that the risks of asbestos contamination and removal was an issue that needed to be managed, and the team was currently working with Education Capital colleagues on this. A Member suggested that data from completed projects where there had been asbestos removal needed to be quantified so that those issues could be addressed in discussions with prospective schools. Officers agreed to include a summary in the next MLEI update on the asbestos removal investments made to date. **Action required.** A Member commented that the Council's statement of a Climate Emergency was something of a gamechanger, and the Council may be sending the wrong sort of messages if it was not decarbonising the schools within its control.

A Member commented that as other communities became aware of the Swaffham Prior Heat Scheme, they were interested in the potential for their Parish to run similar schemes. She asked what capacity the team had to deal with those type of enquiries. Officers confirmed that there was funding available for oil based communities to explore the potential for collective renewable schemes. A post was being included to specifically support such enquiries.

The Chairman outlined presentational changes to the appendices that would be helpful in future reports.

It was resolved unanimously to:

- a) Approve the quarterly report; and
- b) Note the key challenges, opportunities and risks delivering the investment programmes.

324. CAMBRIDGESHIRE OUTDOORS PROPERTY CAPITAL INVESTMENT

Members received a report outlining the capital investment required into property at the three Cambridgeshire Outdoor centres to fund essential repair, maintenance and reconstruction, facilitating the continued compliant operation of the centres.

Introducing the report, Councillor Bywater reminded Members that at their Committee meeting in July 2019, Members directed officers to continue the Outdoor Centres on a cost recovery basis. The Capital Programme Board had recently approved £99K for urgent investment for repairs and maintenance, to enable the Centres to continue to operate. A further £807,607 investment was required, funded through Capital borrowing. The reasons for this requirement, the justification and the risks were noted. In response to a Member question, it was confirmed that the Service could not continue without this investment.

Councillor Hudson, with the Chairman's agreement, spoken on this matter. He commended the tireless work undertaken by Councillor Bywater on this issue. However, he explained that on a personal basis, he did not feel it was justifiable to borrow nearly £1M to invest in the Outdoor Centres, effectively bailing out a service which was losing money. He noted that a large proportion of the children who attended the Centres were from outside Cambridgeshire. He compared this to the Outcome Focused Review for Music, where most children in the county could no longer access music tuition at school.

A Member welcomed the proposal, stressing the importance of outdoor activities for children's physical and mental wellbeing, irrespective of where they lived, noting that income from schools outside the county earned the Service money and helped to cover its costs.

A Member observed that the Committee had previously supported the continuing existence of this service, and that the question before Members related to the additional capital investment required. He noted that the original estimate had fell short of the true cost, and that the Committee would continue to challenge on delivery. Another Member supported these comments, noting that it was a small increase in the funding required. He also asked whether sponsorship opportunities were being explored, and also where the future governance of Cambs Outdoors rested. It was confirmed that ongoing governance would be the responsibility of the Children & Young People Committee, but this issue was for Commercial & Investment Committee's

consideration as it related to capital investment, and the Committee was responsible for the County Council's assets. It was agreed that officers would provide a briefing note on the respective Committees' responsibilities in terms of this service. **Action required.** In terms of sponsorship, officers confirmed that they would be working with Anglian Water regarding potential opportunities for collaboration, and also exploring other opportunities for sponsorship. Each of the three centres was developing its own commercial strategy, with a particular focus on attracting schools from within the county.

It was resolved unanimously to:

- a) Support the Capital Programme Bid proposal of £808,000 for works at the three outdoor centres set out in Appendix 1 to the report, comprising of the following:
 - £616,000 at Grafham Water;
 - £139,000 at Stibbington Centre; and
 - £52,000 at Burwell House.

- b) Support the submission of the Capital Programme Bid proposal to General Purposes Committee for decision.

325. DEFINING CAMBRIDGESHIRE COUNTY COUNCIL APPROACH TO TRADED SERVICES

The Committee considered a report which proposed the re-definition and governance of the County Council's charged service models (traded services).

Officers explained that over the years, there had been different approaches to Traded Services: some services had been specifically named as such, and some of these recovered all costs and generated a small surplus, whilst others had a baseline budget but also generated some income. The Council's Corporate Strategy identified a number of key objectives that were directly linked to commercial activity, and it has become clear that a new approach for income generating 'trading' services, across the spectrum, was required. The proposed Charging Model categories were outlined, and it was noted that a number of services may fit under more than one category. The report also explored the governance and support these services required. It was suggested that all full commercial services should come under the remit of Commercial & Investment Committee.

Arising from the report:

- a Member suggested that in practice, the lines between the categories were indistinct, and many services were liable to move between categories, so there was an element of false science in this approach. This was acknowledged by officers e.g. Cambs Outdoors would need to move into full cost recovery before looking at generating surplus;

- there was a discussion on assessing related bodies such as ESPO using this methodology, and also how one service, e.g. the Library Service could comprise various elements, so some parts of the Service were looking to operate at full cost recovery, whilst others were not;
- a Member queried the terminology used, with referenced to the category 'Nominal' and the objective of "discouraging inappropriate usage" as both were very subjective. There was also a discussion on how the hierarchy of categories was set out, noting that the hierarchy related more to governance and presentation rather than implied hierarchy of the models. It was also noted that for some services, it would be undesirable to "move up" the hierarchy to a cost-covering or income generating model. Another Member suggested that in terms of presentation, the categories could be represented as a circle rather than a ladder. It was also suggested that the term "traded services" was misleading, especially in sectors such as social care, and should be removed.

It was resolved, by a majority, to:

- a) Approve the definition of charging models and categorisation of services outlined within the report;
- b) Support the identification of revised processes and policies to enable categorised services to maximise their commercial impact;
- c) Agree to close Phase 3 of the Cambridgeshire Music OFR (Outcome Focused Review) and return service overview to Children & Young People Committee.

326. RURAL ESTATE STRATEGIC REVIEW

Members received a report on the proposed management policies for the Rural Estate following the completion of the Strategic Review. The Rural Estate Working Group had developed a set of Estate objectives and policies which were presented for the Committee's consideration.

One of the key changes was the inclusion of a Target Revenue Return of 4% to the Council, which was a stretching target. The policy also included sections on increased diversification and commercialisation.

It was noted that new tenants were offered a minimum of a five years initial term, and that this was flexible and dependent on each applicant's circumstances e.g. where there was a familial relationship with the previous tenant.

In response to Member questions:

- it was noted that the response rate of 73 to the questionnaires was around 30% of all farm tenants;
- it was confirmed that the team were sympathetic to those suffering from issues outside their control e.g. flooding or financial issues. This was made clear in the regular newsletter, and the team enjoyed good communications with tenants.

There was a discussion on the target return of 4%, and why a target above that was not considered, and also the objective of achieving maximum social value. It was acknowledged that whilst there were tensions in the Estate objectives, judgements needed to be made on a case by case basis.

It was resolved, by a majority, to:

Approve the policies and objectives as set out in this paper as agreed by the Member Working Group.

327. OUTLINE BUSINESS CASE FOR A SOLAR CAR PORT AND ELECTRIC VEHICLE (EV) CHARGING AT THE CIVIC HUB

The Committee considered two outline business cases for a Solar Carport and electric vehicle (EV) charging infrastructure project to be located at the car park of the new Civic Hub in Alconbury.

The addition of a carport would significantly increase the amount of energy generated on site. The report set out two high level indicative design options, but the final business case was likely to be a hybrid of options in terms of the panel coverage and volume of electricity generated. The key issue was the timing, as there was a very tight timescale within which to complete the design work, produce an Investment Grade Proposal, secure planning permission and complete all necessary preparations to start work as soon as possible, ideally in tandem with the timeline of the main Civic Hub project. Evening and weekend working may be required, subject to planning permission approval.

In response to a Member question, it was confirmed that the project was still at the design phase, and once a firm design had been agreed, an approach would be made to Planning. A meeting was scheduled with UKPN in March to ascertain the feasibility of connecting to the grid. However, the G99 application to UKPN had not yet been submitted so the capacity available on site was not yet known. Councillor Rogers, speaking as Local Member, commented that the broader issue of car parking was a concern at the Alconbury Weald site. The Chairman assured him that parking was a key issue for officers working on the Civic Hub arrangements.

A Member asked if it would be possible to work with neighbouring car parks to see if economies of scale could be achieved by rolling out a larger scheme. Officers

confirmed that they would raise the issue with Urban & Civic, but it was noted that the project was already complex and time constrained.

It was resolved unanimously:

- a) Note of the issues surrounding timing of decision making of construction works;
- b) Agree to progress a Solar Carport and Electric Vehicle project for the Civic Hub as described in paragraph 2.3 of the report, and prepare an Investment Grade Proposal; and
- c) Approve a development budget of £200,000 to further assess the two options set out in the paper and any other hybrid options that could come forward.

328. FINANCE MONITORING REPORT

The Committee considered a report on the financial information relating to the areas within the Commercial and Investment Committee's remit, for the period ending 31st December 2019.

Members noted the significant changes to the Revenue and Capital budgets. The increase in Property Investments budget underachievement was due to (i) the delay in completing on a South Cambridgeshire property, which would result in less rental income than originally forecast, and (ii) the forecast level of capital receipts available to fund property investment had reduced, increasing the borrowing requirement and therefore additional financing costs, reducing the level of return available.

A number of queries raised, including:

- A Member queried a vacant unit in Wisbech. It was confirmed that there was a 24 month rent guarantee on that unit, and that there had been discussions with the Managing Agents are marketing the unit and have had viewings. It was agreed to report back to the Investment Working Group on this issue as there were commercially confidential issues;
- In response to a Member question, it was confirmed that the This Land forecast outturn had worsened slightly, but officers were confident that the revised level would be achieved;
- It was noted that the variance in Education ICT may be an in-year pressure e.g. where equipment had been sold but the schools had not been billed;
- There was a query about the non-payment of the National Minimum Wage in Outdoor Education. It was confirmed that this was an oversight, not intentional, and it was agreed to circulate a briefing note. **Action required;**

- It was confirmed that the County Council Lottery scheme was no longer being explored, and had cost £2,300 in total.

A Member commented that every year there were issues with budget figures, primarily income, where actual performance fell – sometimes significantly – short of targets, and more realistic targets should be budgeted. The Chairman commented that by its nature, the Committee set ambitious but achievable targets.

The Contract Efficiencies & Other Income budget was forecast to underachieve by £350K in 2019/20, but work was underway to achieve this target in future years, and would be taken forward by the Commercial Team once the team was in place. There was a discussion on how contract efficiencies could be achieved, with one Member expressing concerns that overly ambitious targets could drive the wrong type of behaviour. She gave the example of larger contracts that resulted in smaller companies being unable to tender. Officers advised that the reverse was true in a number of instances, and gave an example of a recent contract where all bidders had been smaller companies. The focus on contract efficiencies was not just on procurement but also contract management. A Member commented that whilst achieving contract efficiencies was a laudable objective, there would eventually be an end point. Officers were asked to quantify an ambitious target for contract efficiencies and responded that £1m over a number of years solely from contract efficiencies would be a very ambitious target.

It was resolved unanimously to:

Note the report.

329. COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES

The Committee considered the Agenda Plan and the Training Plan.

A number of changes were noted to the Agenda Plan. It was confirmed that the provisional Committee training session following the April meeting would be on Investment training.

It was resolved to note the Agenda Plan and Training Plan.

Chairman

**COMMERCIAL &
INVESTMENT
COMMITTEE**

Minutes-Action Log



Introduction:

This is the updated action log as at **16th April 2020** and captures the actions arising from the most recent Commercial & Investment Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

Minutes of 14th December 2018

183.	Disposal of ransom strip at St Ives	John Macmillan/ Brian Howard/ Hazel Belchamber	The ownership of different parts of the site to be fully detailed in the revised report, and the planning application for the residential development be included in that report.	St Ives Football club have obtained an outline planning consent for 30 houses on their site. CCC has both a ransom and restrictive covenant on the site. Until the football club has secured a place to move to they are unwilling to have further discussions. When this situation changes a paper will be taken to C&I.	
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Minutes of 24th September 2019

274 (2)	Resolutions for This Land AGM	Cllr Schumann	Take legal advice on the representation on the This Land Board.	Legal advice to be circulated once received.	
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Minutes of 18th October 2019

278.	Approval for Grid connection down payments for Energy Investment Projects	Cherie Gregoire	Historic Environment report for North Angle Farm would be copied to Councillors Jones and Schumann.	The archaeology work has not yet begun. The scope of the works has been settled and the procurement has been done for the contractor.	Completed.
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				However the works and writing the report will not be ready until early 2020. Report was due to be considered at March Committee and subsequently circulated to the Committee for comments.	
Minutes of 22nd November 2019					
292.	Third Quarterly Monitoring Report, Mobilising Local Energy Investment	Sheryl French	Working Group to be presented with more up to date information.	This has not yet been completed.	
293.(1)	Update on Property Services	Alex Gee	Interim Head of Property to bring a Service Improvement Plan to a future meeting.	Scheduled for June 2020.	June 2020.
293.(1)	Update on Property Services	Alex Gee	Interim Head of Property to check whether assets listed on 'mapping my public realm'.	Emailed to Committee 21/02/21.	Completed.
Minutes of 16th December 2019					
303.(1)	Commercial and Investment Committee Review of Draft Revenue and Capital Business Planning proposals for 2020-21 to 2024-25	John Macmillan	The Committee had previously indicated that if any Council owned agricultural land that was sold or redeployed should be replaced in the Council's property portfolio. It was agreed this was best identified through the County Farms Working Group.	This will be considered at the next meeting of the County Farms Working Group (originally scheduled for April but deferred due to Covid-19 priorities).	Ongoing.
304.(2)	Performance Report	Amanda Askham/ Dan Sage	Address the gap between Green (current performance on target or up to 4% over target) and Blue	Completed - quarterly reporting of KPIs and risk agreed.	Completed.

			(current performance is over target by 5% or more).		
307.	Milestone 4 and 5 Report for the Alconbury Weald Civic Hub – Cambs 2020 Programme	Andy Preston/ Kim Davies	It was agreed that the totality of the Business Case, including some information that was commercially confidential, should be brought back to a future meeting, so that Members could establish the overall financial position.	The full Cambs 2020 Business Case will be considered by C&I Committee in the summer.	Ongoing (Summer 2020)
Minutes of 21st February 2020					
322.	Construction of Northstowe Heritage Facility	Quinton Carroll	Request that Longstanton be included in the name of the Heritage Facility.	This request has been communicated to all parties and has been well received in Longstanton. It will be actioned in due course.	In progress.
323.(1)	MLEI Quarterly Monitoring Report	Sheryl French	Circulate data on Maintained School to Committee.		
323.(2)	MLEI Quarterly Monitoring Report	Sheryl French	Include data on Asbestos removal in future Quarterly Monitoring Reports.		
324.	Cambridgeshire Outdoors Property Capital Investment	Amanda Askham/ Tom Kelly	Circulate briefing note on the respective responsibilities for Cambs Outdoors (C&I/CYP) to Committee.		
328.	Finance Monitoring Report	Vic Stacey/ Tom Kelly	Briefing note to be circulated regarding query about the non-payment of the National Minimum Wage in Outdoor Education.	Circulated by email 24/02/20	Completed.

DISPOSAL OF LAND AT LODE AND FORMER DULLINGHAM DEPOT SITE

To: Commercial and Investment

Meeting Date: 24th April 2020

From: Deputy Chief Executive, Chris Malyon

Electoral division(s): Woodditton

Forward Plan ref: N/a **Key decision:** No

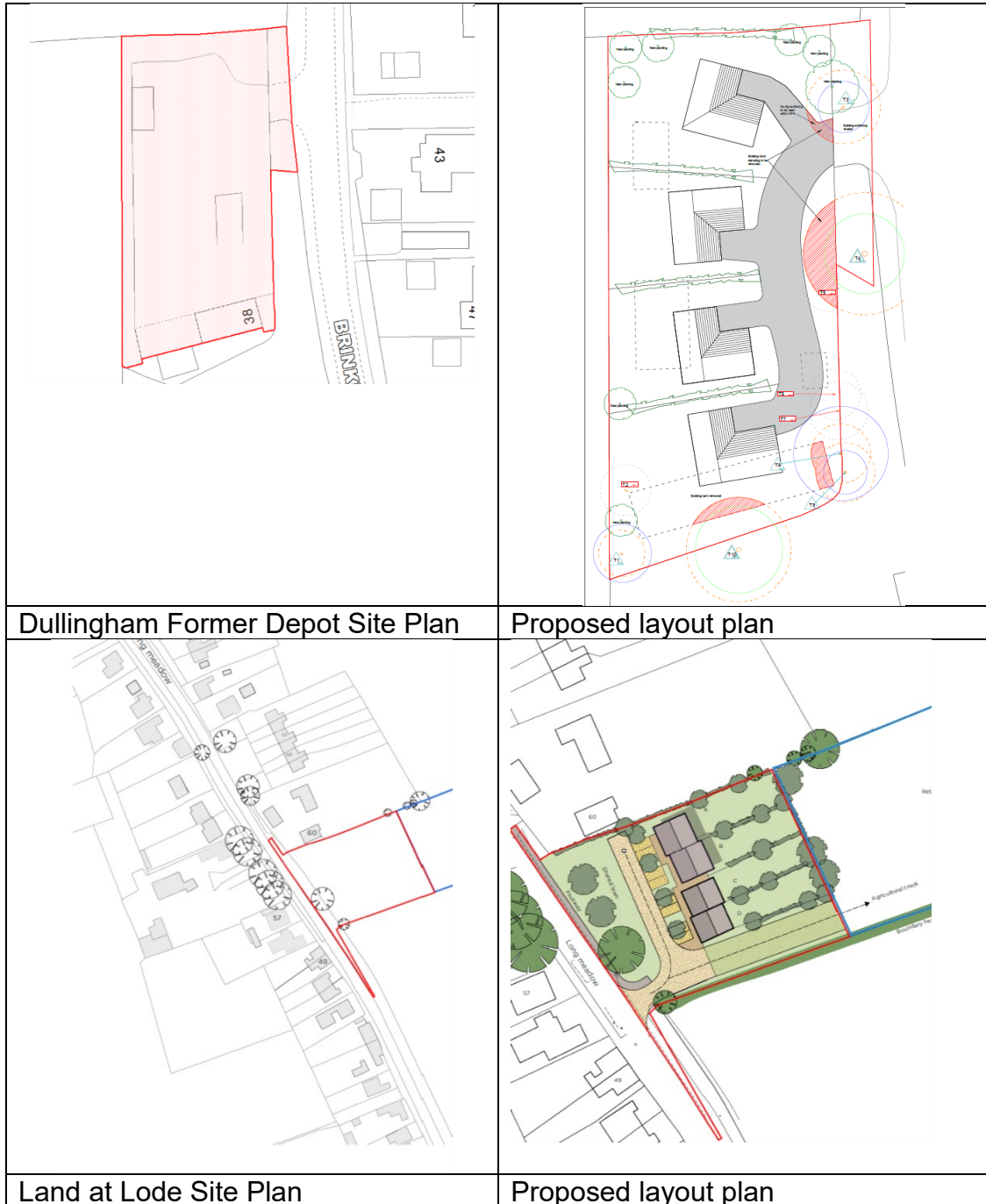
Purpose: To inform Commercial & Investment Committee of the disposal of two sites: Land at Lode and the Former Dullingham Depot Site.

Recommendation: To approve the disposal of Land at Lode and Former Dullingham Depot Site by way of a decision delegated to the Deputy Chief Executive in consultation with the Commercial & Investment Committee Chairman; should the agreed sale price of each site exceed £500,000. If the purchase price falls under £450,000 for each site, approval of the disposal will be required from C&I Committee.

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Sara Anderson	Names:	Councillor J Schumann
Post:	Strategic Asset Manager	Post:	Chairman of Committee
Email:	Sara.anderson@cambridgeshire.gov.uk	Email:	Joshua.Schumann@cambridgeshire.gov.uk
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1. BACKGROUND

1.1 Cambridgeshire County Council obtained two outline planning permissions, each for four residential units, on two freehold sites; Dullingham Former Highways Depot (0.21ha) and Land at Lode (0.29 ha) in October 2019 and January 2020 respectively.



1.2 As outline planning permission for each site was obtained under the housing shortfall opportunity in East Cambridgeshire, East Cambridgeshire District Council has stipulated that the applications for reserved matters must be within 2 years from the date of each of the decision notices.

- 1.3 In line with Cambridgeshire County Council's (CCC) Disposal Policy, the two sites were declared surplus to operational requirements: Dullingham depot on 31st October 2019 and Land at Lode on 2nd April 2020. Both sites, on obtaining planning permission, were offered to This Land who declined the opportunity to purchase the sites. Subsequently, both sites were offered to the respective Parish and District Councils and members of the One Public Estate (OPE) group. The Parish Council's both declined to purchase. East Cambridgeshire District Council initially registered an interest in the Dullingham Site, but no further response was received within the timescales for a decision. No responses were received from OPE members.

2. MAIN ISSUES

- 2.1 Strategic Assets proceeded with obtaining quotes from four agents, operating locally and regionally, to market the sites. The agents' quotes included an indication of the expected sales values to be achieved and the fee proposal for their marketing services. For both sites, the agent's opinion of the expected sale values produced a range of results.
- 2.2 All agents advised that there would be significant interest in both properties in what is considered to be a buoyant market for these opportunities, currently.
- 2.3 Given the proposed sale values for each site, it is highly likely that each site will sell for in excess of £500,000. In line with CCC's Scheme of Authorisation, the disposal of an asset with a value in excess of £500,000 requires Commercial & Investment (C&I) Committee approval.
- 2.4 It is proposed that after appropriate marketing of the sites, Strategic Assets will advise the Chair of C&I Committee and Deputy Chief Executive of CCC of the agreed sale price for each site, who can jointly approve the disposal of those sites under delegated authority from this Committee, if over the £500,000 threshold. Due to the unknown impact on the property market of the Covid 19 pandemic, if the agreed sale price for each site falls under a threshold of £450,000 per site, it is proposed that approval for the disposal of the assets will be sought from C&I Committee.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

The following bullet points set out details of implications identified by officers:

- The disposal of these sites will provide capital receipts which will contribute towards funding the delivery of Cambridgeshire County Council services and provision of its statutory duties.

3.2 Thriving places for people to live

The following bullet points set out details of implications identified by officers:

- The disposal of these sites to a developer will deliver more housing units to meet the demand for housing within the local and wider community.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority

3.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

There are no significant implications within this category.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Four written quotes were obtained for a marketing agent.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

The local community was consulted as part of the planning application process.

4.6 Localism and Local Member Involvement

- *The local community was consulted as part of the planning application process.*
- *Councillor Shuter was kept informed throughout the process of obtaining planning permission for each site, and on the disposal of each site.*
- *Councillor Shuter has queried the marketing of these sites, under the current circumstances.*

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer: Ellie Tod (C&I) Approval requested 2/4/2020

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus de Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes or No Name of Officer: Beatrice Brown Approval requested 2/4/2020
Have any engagement and communication implications been cleared by Communications?	Yes or No Name of Officer: Christine Birchall Approval requested 2/4/2020
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Cllr Shuter Approval requested 2/4/2020
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Iain Green

Source Documents	Location
None	

WATER PROCUREMENT UPDATE

To: Commercial and Investment Committee

Meeting Date: 24 April 2020

From: Steve Cox, Executive Director, Place and Economy

Electoral division(s): All

Forward Plan ref: N/a **Key decision:** No

Purpose: To update the committee on progress towards procurement of a water supplier, and request approval to proceed.

Recommendation: To proceed with procurement of a water supplier through the Crown Commercial Services (CCS) aggregated Lot 1 competition in April-May 2020 (option 2 in Table 1, paragraph 2.10 below).

Officer contact:	Member contacts:
Name: Sarah Wilkinson	Names: Councillors Schumann and Hay
Post: Energy Manager	Post: Chair/Vice-Chair
Email: Sarah.wilkinson@cambridgeshire.gov.uk	Email: Joshua.schumann@cambridgeshire.gov.uk
Tel: 01223 699075	Tel: 01223 706398

1. BACKGROUND

- 1.1. The Council directly buys water and/or sewerage services for approximately 160 sites¹, and the Council's recorded spend on mains water and sewerage is around £200,000 per year.
- 1.2. In May 2017, Members (on the Assets and Investments Committee²) approved the use of the Crown Commercial Services (CCS)/ESPO framework contract to appoint a water provider. However, there were a number of factors that led us to delaying our participation, in particular the immaturity of the market at that time. ESPO also advised us against procuring a supplier early on, believing that greater benefits could be obtained by waiting until the market had matured.
- 1.3. In July 2019, Members of the Council's Commercial and Investment Committee³ approved a recommendation to proceed with a water services procurement in early 2020, utilising Lot 3 of the CCS framework contract. At that time, neither ESPO nor CCS were planning any further bulk aggregated competitions, and so the only option available was to undertake a secondary competition in-house (using the LGSS Procurement system) - the framework contract has no provision to make a direct award.
- 1.4. In January 2020, the Council launched an Invitation to Tender to all suppliers on the framework. Six suppliers expressed an interest, and some asked various clarification questions as part of the procurement process. However, when the tender closed on 10 February 2020, no bids had been received.
- 1.5. With no contract in place, Cambridgeshire County Council is currently still supplied via the 'default' service by the retailers that we were automatically allocated to when the market opened in April 2017. Currently, approximately two thirds of the Council's water and sewerage services are supplied by Wave (the trading name of Anglian Water Business National Limited), with the remaining third supplied by Cambridge Water Business (a trading name of Pennon Water Services).

2. MAIN ISSUES

- 2.1. *Compliance.* There is a compliance risk around 'business as usual' and continuing with our current providers, which would eventually be deemed as a 'direct award', and leave the Council open to challenge in terms of procurement process. Whilst this risk is very low, it is prudent that we take action in due course.
- 2.2. *Potential financial savings.* The level of savings that can be achieved in this market (whichever route to procurement is taken) is widely regarded as small, due to the narrow margins available to water retailers in this still heavily regulated industry. Around 90 to 95% of the billed charges consist of 'wholesale' charges which are fixed and passed through to

¹ Excludes schools

² Minutes available from

https://cambridgeshire.cmis.uk.com/ccs_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/474/Committee/31/Default.aspx (item 4)

³ Minutes available from

https://cambridgeshire.cmis.uk.com/ccs_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1118/Committee/31/Default.aspx (item 4)

the regional wholesalers, regardless of the retail supplier appointed. However, there are opportunities to make some savings. These include:

- Administrative savings from streamlining invoice processing;
- Direct bill savings from lower prices (economies of scale from appointing a single supplier);
- Allowing oversight of water data, enabling identification of high usage (e.g. potential water leaks) sooner, and thus reduce consumption.

2.3. *Other potential benefits.* There are a number of additional potential benefits from appointing a water and sewerage services supplier. These include the following:

- Better and more streamlined service through having one supplier for all sites;
- Since the Council's sites are currently all billed individually (many on paper), this is an opportunity to improve the billing and invoicing process to receive one, consolidated bill for all sites, and to be billed electronically (costs would be recharged to relevant budget codes in a similar way to that we already do for electricity bills);
- Better sight of water data. This presents a valuable opportunity to demand access to billing and consumption data online, and to collect electronic data on the Council's water usage and spend; and
- It is also expected that competitiveness in the market will lead to improved customer service.

2.4. *Feedback from potential bidders.* Following the tender exercise in February 2020, all of the potential bidders on the CCS framework were contacted for feedback regarding their decision not to bid. Only two suppliers provided feedback. The main feedback received was along these themes:

- The 'service credits' (penalties for poor performance) set out in the Terms and Conditions were perceived to be disproportionately high;
- The service levels specified were perceived to be too challenging to meet;
- Suppliers felt they could not offer a competitive price for our portfolio of sites.

2.5. *Aggregated competition opportunity.* In March 2020, CCS contacted the Council's Energy Investment Unit advising that they were going to run another aggregated competition in April-May 2020, and inviting CCC to join. (This is a new opportunity that was not available to us in July 2019 or January 2020.) An expression of interest has been made, and a site list and Memorandum of Understanding provided, so that Cambridgeshire County Council is now included in the process which is already underway, so as to keep the option open. However, this required no commitment from the Council at this stage, and we retain the option to opt out until the call off contract stage of the process in May. It is not known which other public bodies are taking part. The planned timetable for this opportunity is shown in **Appendix A**.

2.6. *COVID-19.* At the time of writing, it is not thought that the current COVID-19 crisis will have any impact on the timelines of this procurement or the number of bidders. However, the Council's Energy Investment Unit will continue to keep updated on this situation.

2.7. *Route to procurement.* There are now various options on how to proceed. Having already attempted and failed to procure a provider through a compliant procurement process, one option is to appoint a supplier directly. However, this option is not recommended because it

is unlikely to give us the best service or value for money. Doing nothing is also not recommended, for the same reasons.

- 2.8. The two main options available are therefore: firstly, to repeat a procurement exercise independently (amending some of the Terms to make the tender more attractive to potential bidders), or secondly, to join the CCS aggregated competition with other public sector bodies in April-May 2020.
- 2.9. *Ancillary services.* The CCS framework consists of 3 lots; lot 1 is the core water and sewerage services (including meter reading, billing, account management etc.) and lot 2 consists of ancillary services such as benchmarking, tariff optimisation, water efficiency audits, on-site leakage detection, Automatic Meter Reading, bill validation, and contingency planning. Lot 3 combines both lots 1 and 2. The CCS aggregated competition is for Lot 1 only. The ancillary services have potential to help us save water and money in the long term, but appointing a retail supplier is more important. The need for, and benefits of, ancillary services, could be reviewed at a later date if option 2 is chosen, and procured separately if still required. There is unlikely to be any cost difference in procuring these services separately; in fact there may even be a saving by separating them, due to greater competition, since there are more suppliers offering ancillary services than those offering a combined 'lot 3' service.
- 2.10. *Options analysis.* An analysis of the pros and cons of the two options is shown below in Table 1.

Table 1

SWOT Analysis	Option 1: Repeat a Lot 3 competition ourselves with amended T&Cs	Option 2: Take part in CCS aggregated Lot 1 competition
Strengths	<ul style="list-style-type: none"> We can write our own specification to suit us, and can include ancillary services. We will be in control of the whole procurement process, and can decide on the timing of the procurement and implementation. 	<ul style="list-style-type: none"> Cheaper and easier, as procurement process is done for us by CCS; Greater potential for savings through economies of scale, as bidders may lower prices for a larger potential customer base; Utilise CCS expertise and experience with this framework – CCS have successfully done this before.
Weaknesses	<ul style="list-style-type: none"> Cost / resource required to run another procurement. Risk that tender may not be attractive to potential bidders and may not attract much interest. 	<ul style="list-style-type: none"> Would be for Lot 1 only, so unable to include ancillary services;

SWOT Analysis	Option 1: Repeat a Lot 3 competition ourselves with amended T&Cs	Option 2: Take part in CCS aggregated Lot 1 competition
Opportunities	<ul style="list-style-type: none"> Documents already mostly written from the January 2020 tender (though need updating), and could launch whenever convenient. 	<ul style="list-style-type: none"> CCS to launch stage 1 of the competition on 27th March, with a reverse e-auction to be held on 29th April. Contract award period from 12th May onwards. We retain the option to opt out until after the winning bidder is known. Our final decision would be required mid-May. We can still amend the call-off contract to suit us. We could procure ancillary services separately at a later date if still desired – and there are a greater number of potential suppliers for ancillary services only, than there are for the combined Lot 3.
Threats	<ul style="list-style-type: none"> Risk of no bids if tender documents not sufficiently changed from last time – and having to start again. It is uncertain whether we would get much interest. 	

2.11. *Recommendation.* It is recommended that option 2 is taken up, because this option appears to have the greatest advantages. In particular, the saving on cost and resource to run the procurement exercise and the ability to utilise CCS’s experience on this, are worth having. Option 2 is also the one most likely to deliver greater savings through economies of scale.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire’s children

There are no significant implications for this priority.

3.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- Current revenue costs of approximately £200,000 per annum may be slightly reduced – see paragraph 2.2.
- Service delivery staff would no longer be responsible for managing the utility contract and dealing with queries – this would be centrally managed by staff with expertise in the utility sector.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The report above sets out details of significant implications in paragraphs 1.2 to 1.5, 2.1, 2.4, 2.5, and 2.7 to 2.11.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Ellie Tod
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus de Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Elsa Evans

Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Eleanor Bell
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Emma Fitch
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Iain Green

Source Documents	Location
<i>Crown Commercial Service Water, Wastewater and Ancillary Services framework contract information and documents</i>	https://www.crowncommercial.gov.uk/agreements/RM3790

Appendix A – Timetable for Procurement

Date	Activity
10-20 March 2020	CCS review site information from all participating bodies and aggregate into one master Statement of Requirements (SOR)
27 March 2020	Commencement of stage 1 bid process. Potential bidders can submit clarification questions.
15 April 2020	Stage 1 bid close and evaluation. CCS identify successful suppliers to proceed to stage 2.
29 April 2020	Stage 2 bid commences: e-auction process.
11 May 2020	CCS issue award recommendation report and draft contract to customers.
12 May 2020 onwards	Participating authorities (including Cambridgeshire County Council) who wish to sign up, carry out call off contract award process.
June-July 2020	Contract implementation and appointment of new supplier.

The above timetable is subject to change and is dependent upon key gateway points being met by the participating Authorities and internal CCS Teams in terms of the timely provision of information and obtaining the necessary approvals.

COMMERCIAL AND INVESTMENT COMMITTEE AGENDA PLAN

Published on 1st April 2020
Updated on 16th April 2020



Cambridgeshire
County Council

Notes

Committee dates shown in bold are confirmed.

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.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.

The agenda dispatch date is six clear working days before the meeting.

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

- Minutes of previous meeting and Action Log;
- Agenda Plan and Appointments to Outside Bodies.

Committee Date	Report title	Report author	Reference if key decision	Deadline for draft reports	Agenda despatch date
24/04/20	Water Procurement Update	Sarah Wilkinson		15/04/20	16/04/20
	+ This Land – Multi year Business Plan, Financing and other updates	Tom Kelly	2020/027		
	Commercial & Investment – Covid-19 Update report	Chris Malyon/ Amanda Askham			
	Sale of Development Sites at Lode and Dullingham	Alex Gee/ Sara Anderson			
22/05/20	Confirmation of Chairman/Vice Chairman	Dawn Cave		13/05/20	14/05/20
	East Cambridgeshire Adult Social Care Service Development	Amanda Roach	2020/025		

Committee Date	Report title	Report author	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Commercial & Investment – Covid-19 Update report	Chris Malyon/ Amanda Askham			
	St Ives Park and Ride Smart Energy Grid final approvals for construction	Cherie Gregoire	2020/033		
	Library Service Acquisition	Alex Gee	2020/034		
	Comberton Village College Local Carbon Heating Project	Christopher Parkin			
	Commercial Structure of Swaffham Prior Community Heat Project	Sheryl French	2020/029		
19/06/20	Commercial & Investment – Covid-19 Update report	Chris Malyon/ Amanda Askham			
10/07/20	Commercial & Investment – Covid-19 Update report	Chris Malyon/ Amanda Askham			
14/08/20	Commercial & Investment – Covid-19 Update report	Chris Malyon/ Amanda Askham			
11/09/20	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			
	Loans to Voluntary Organisations	Tom Kelly			
	Finance Monitoring Report	Eleanor Tod			
	Hinchingbrooke Country Park	Alex Gee			
16/10/20	Finance Monitoring Report	Eleanor Tod			
20/11/20	Finance Monitoring Report	Eleanor Tod			
18/12/20	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			
	Finance Monitoring Report	Eleanor Tod			

Committee Date	Report title	Report author	Reference if key decision	Deadline for draft reports	Agenda despatch date
22/01/21	Finance Monitoring Report	Eleanor Tod			
19/02/21	Finance Monitoring Report	Eleanor Tod			
19/03/21	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			
	Finance Monitoring Report	Eleanor Tod			
16/04/21	Finance Monitoring Report	Eleanor Tod			
11/06/21	Finance Monitoring Report	Eleanor Tod			

To be programmed: St Ives Football club – ransom strip benefit for CCC (John Macmillan) ICT Future Delivery Options (John Chapman); Trumpington Park & Ride Smart Energy Grid (Sheryl French); Oasis Centre (Adrian Chapman); Update on Property Services (A Gee)

COMMERCIAL AND INVESTMENT COMMITTEE TRAINING PLAN

Ref	Subject	Desired Learning Outcome/Success Measures	Date	Responsibility	Attendance by:
1.	Provisional training slot – Redington Investment training session		24th April 2020 (12-3pm) To be rescheduled	Amanda Askham/Chris Sutton	C&I
2.	Performance reporting		17 th January 2020	Amanda Askham	C&I
3.	Presentation on Shire Hall site plans		22 nd November 2019	Chris Malyon	C&I
4.	Committee Training: MLEI/Energy projects		18 th October (12-3pm)	Sheryl French	C&I
5.	Nearly Zero Energy Buildings members/officers workshop		24 th May 2019(1-2.30pm)	Sarah Wilkinson/Sheryl French	C&I and GPC
6.	Commercialisation training (all Members)		26 th April 2019 (1-4pm)	Amanda Askham	All Members
7.	Finance/KPIs		3 rd December 2018 (1pm)	Tom Kelly/Ellie Tod/Amanda Askham/Sue Grace	C&I
8.	Commercial Strategy		9 th November 2018 (12.30pm)	Amanda Askham	C&I
9.	Members' duties and obligations in considering Promotion Agreements.		2 nd November 2018 (12.30pm)	Chris Malyon	C&I
10.	Future Smart Energy Systems Demonstrator Project		18 th October 2018 (13.30)	Sheryl French/Emily Bolton	C&I
11.	Finance/Performance Indicators		tbc	Tom Kelly/Ellie Tod	C&I

12.	This Land Performance Workshop		12 th March 2018	David Gelling/David Bethell /Chris Malyon/John Macmillan	C&I
13.	Asset & Risk Workshop	<ul style="list-style-type: none"> • Asset Strategy • CHIC • Risk approach and risk register • Site tenure mix and retention of rental housing • Affordable housing • Community Land Trusts 	20 th October 2017	Chris Malyon/Stephen Conrad/ David Gelling	C&I
14.	Business Planning Session		15 th September 2017	Chris Malyon/ James Wilson	C&I
15.	CHIC Workshop		27 th June 2017	Chris Malyon/ David Gelling/ David Bethell/ John Macmillan	C&I
16.	Introductory Session for the Commercial & Investment Committee	The Committee's remit, focus on work areas e.g. CHIC, Strategic Estates, Facilities Management and Horizon Scanning	26 th May 2017	Chris Malyon/ John Macmillan	C&I

Updated 16/04/20