



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

CORPORATE GOVERNANCE AND FINANCE COMMITTEE

Minutes of a Meeting of the Corporate Governance and Finance Committee held in Council Chamber, The Grange, Nutholt Lane, Ely, on Thursday 6 November 2014 at 4:30pm.

PRESENT

Councillor Kevin Ellis (Chairman)
Councillor David Ambrose Smith
Councillor David Brown
Councillor Lorna Dupré
Councillor Chris Morris
Councillor Neil Morrison
Councillor James Palmer
Councillor Hamish Ross
Councillor Joshua Schumann
Councillor Gareth Wilson
Councillor Andy Wright

In attendance

Councillor Allen Alderson
Councillor Christine Ambrose Smith
Councillor Richard Hobbs
Councillor Bill Hunt
Councillor Mike Rouse
Councillor Hazel Williams MBE

Katie Child – Principal Forward Planning Officer
Allison Conder - Principal Community & Leisure Services Officer
Karen Freya – Principal Housing Strategy Officer
Emma Grima – Corporate Unit Manager
Linda Grinnell – Financial Services Manager
Darren Hill – Business Development Manager
John Hill – Chief Executive
Adrian Scaites-Stokes – Democratic Services Officer
Sarah Steed - Solicitor

38. PUBLIC QUESTION TIME

No questions were submitted by the members of the public.

39. APOLOGIES AND SUBSTITUTIONS

There were no apologies or substitutions.

40. **DECLARATIONS OF INTEREST**

Councillor David Ambrose Smith declared a prejudicial interest in agenda item number 14, as he was a Trustee of Littleport Leisure Centre.

41. **MINUTES**

It was resolved:

That the minutes of the meeting of the Committee held on 25 September 2014 be confirmed as a correct record and be signed by the Chairman.

42. **CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements.

43. **EXTERNAL AUDIT ANNUAL AUDIT LETTER**

Mr Rob Murray presented the annual audit letter relating to the 2013/14 audit. It summarised the audit work, stated that the audit was good and rated as unqualified. There were a significant number of others issues to finish and these would be reported back.

The Annual Audit letter was noted.

44. **SERVICE DELIVERY PLANS**

The Committee received a report, reference P115, previously circulated, which provided the service plans for 2014-15 for the services under the remit of the Committee.

The Chief Executive introduced the Service Plans, which gave an opportunity for the Lead Officers and Service Delivery Champions to present their Plans.

Democratic Services Service Delivery Plan

The Chief Executive advised the Committee that the Plan covered this year and next, highlighting the key matters. The first related to the work undertaken to implement the new committee arrangements. Other matters related to the introduction of individual elector registration and the review of polling districts. Preparations were also already underway for next year's elections.

Councillor Christine Ambrose Smith, as the Democratic Services Service Delivery Champion, advised the Committee she had been very impressed with the team, who had coped during the long-term sickness of one of its members. The Service Plan was very straight forward and included for the induction of Members after the elections. Currently the Service was

responsible for some areas that ought to be moved to more appropriate services.

Councillor Neil Morrison queried when and where would there be reports on the team's activities. The Chief Executive explained that in 2015 there would be an annual performance report based on each Service Delivery Plan to the relevant committee.

Councillor James Palmer said that there would be quarterly meetings of the Service Delivery Champions, where issues could be brought forward. Issues could be reported to the relevant committee. This process was about Members becoming more involved from within.

The Service Delivery Plan was approved.

Economic Development Service Delivery Plan

The Business Development Manager advised the Committee that the Service Plan was developed by the team, liaising with other teams, and focused on certain key issues. It aimed to help deliver the Council's corporate priorities, such as broadband across the district, Soham railway station and employment sites, and to generate income, including using Local Enterprise Partnership funding for projects and via returns on the investment portfolio. The Service was also the main point of call for businesses. It had been very successful with the skills fair alongside schools and businesses and in getting funding for the north Ely developments.

Councillor Bill Hunt, Service Delivery Champion for Economic Development, expressed the view that the department was doing better than he could, as it was excellent and very professional. It was one of the most important departments, although very small with only 5 staff members, and had achieved a lot. The sky was the limit and he was very happy with their performance.

Councillor Gareth Wilson noted that a target of 416 new jobs had been set for each year and wondered whether this was too ambitious and precise. There was also concern about getting jobs in the south of the district. The Business Development Manager reminded the Committee that the new jobs figure had been included in the Council's Local Plan. The jobs expectations were set out in the Council's Growth Strategy and some areas, such as that around Fordham were being looked at. The jobs figure, although estimated, was based on population growth figures. Over the last few years the new jobs targets had been exceeded. More jobs across the district were wanted.

Councillor Andy Wright saw that the department set out to promote business across the district and asked whether something could be done with planning applications that offered employment opportunities. Complaints had been received about the applications being processed too slowly, so business should be assisted with this. The Committee was informed that the department was involved in pre-application discussions early, to help identify issues to get them resolved.

The Service Plan was approved.

Councillor Bill Hunt left the meeting at this point.

Infrastructure Service Delivery Plan

The Corporate Unit Manager advised the Committee that the Plan had been completed by the team and Service Delivery Champion. The key issues related to the delivery of infrastructure, monitoring the Community Infrastructure Levy (CIL) Regulation 123 List and to help deliver the north Ely developments.

Councillor Allen Alderson, Service Delivery Champion, was happy to endorse the Service Plan and had gone through the aspects of the team's work.

Councillor Gareth Wilson queried what the Cambridgeshire Fens Leader Local Action Group was. The Corporate Unit Manager stated that the Infrastructure and Projects Officer attended its meetings to see what funding could be available. Councillor David Brown added that this was funded through the European Union and it was a pot of money that was geographically orientated.

The Service Delivery Plan was approved.

Councillor Allen Alderson left the meeting at this point.

Strategic Housing Service Delivery Plan

The Principal Forward Planning Officer advised the Committee that the Service Delivery Plan was wide-ranging and gave an opportunity to describe the breadth of the Strategic Housing function. There were seven different priority areas. Housing underpinned people's health and wellbeing and the service cut across other delivery plans, particularly for Environmental Health and Forward Planning. A priority was to deliver a twenty-year supply of affordable housing in conjunction with developers and Community Land Trusts.

Councillor Ian Allen joined the meeting at this point, 5:00pm.

Although the team was small, it would undertake sixteen projects as well as working in partnership with other local authorities in the Cambridgeshire and West Suffolk sub-region. Overall, the projects were to support the provision of new housing and would cost the authority if they were not efficient in delivering that housing. A financial review of the service and a viability appraisal of planning applications would be done in an effort to generate more affordable housing. Another area of work was on a local investment plan, to complete an analysis of land to see where affordable housing could be delivered.

There were also a number of new projects, such as that referring to the village/town centres, a suite of information on housing, how it was being let and the need for it. This would equip Members with the information to promote affordable housing.

Councillor Mike Rouse supported the small but committed and knowledgeable team. It would be a challenge for them to deliver their targets but they would look at all options with a view to providing accessible housing. Community Land Trusts were the preferred method of delivery but all ways would be looked at. There was a need to look at the housing stock, so the evidence would be available when it came to discussions with developers and parish councils.

Councillor Andy Wright was glad to hear that all options would be looked at and this should include exception sites. A consultant had informed the Council that the CIL demands on developers could push the social housing provision down to 15%. The report stated the Council was not getting enough of this type of housing and there were also other demands on CIL.

Councillor David Brown thought that use of rural exception sites would need support from the communities and should not be foisted on them, as that would be asking for trouble.

Councillor Gareth Wilson reminded the Committee that it took a lot of work to get rural exception sites into use and CLTs were a significant cost. Therefore, as many different ways as possible should be attempted to deliver affordable housing. Liaison with Sanctuary Housing should be supported, but it was now so big and remote from the district that they did not appear to care for their tenants. They needed to improve their performance. Councillor Andy Wright agreed about Sanctuary and suggested that this should be a priority.

The Service Delivery Plan was approved.

Councillor Mike Rouse left the meeting at this point.

Strategic Planning Service Delivery Plan

The Principal Housing Strategy Officer advised the Committee that the team consisted of three officers, which would be reduced to two shortly. Strategic Planning was a statutory function and included the production of the Council's Local Plan. The team worked well with infrastructure providers, developers and landowners to ensure development come through and were of good quality.

The key priority remained seeing the Local Plan through the examination stage, with a final report received by Christmas. Then the Plan could be adopted and the focus shifted to delivering the allocations, as there were lots of sites within the Plan. The Council's five-year housing supply needed to be monitored closely, as the Council must have a constant five-year supply.

A new area of work was on Neighbourhood Plans, where a parish council made a request for a Neighbourhood Area requiring a referendum to be held, which would incur a cost.

Joint working between the County Council, Cambridge City Council and South Cambridgeshire District Council on a 'City deal' would have implications for this Council and a report would be going to the County Council on its structure.

Councillor Gareth Wilson was concerned about the need for a constant five-year housing supply and asked what would happen if the Council failed to meet the figure at any time. The Principal Housing Strategy Officer stated that the Plan would be updated each year, the key time being the summer. There would be a need to focus on delivering the sites identified within the Local Plan, so the Council had to be proactive with landlords.

Councillor David Brown questioned who would be allowed to vote in a Neighbourhood Area referendum. The Committee was informed that this would depend where the Neighbourhood Plan was produced. It would take between 18 to 24 months to produce and, as part of the final phase, a referendum of everyone in the relevant parish could vote on it.

Councillor Joshua Schumann acknowledged that the Local Plan was familiar but queried the duty to co-operate through the Green Deal. The Principal Housing Strategy Officer stated that co-operation for this was ongoing but might change with the introduction of the City Deal.

Councillor Andy Wright suggested that the wording on page 16 of the Plan should be altered, as the Council was talking about shifting the Paradise Sports Centre to the edge of Ely. Accessibility to this would be needed, but the Plan suggested these facilities should be in the town centre. The Principal Housing Strategy Officer would be happy to look at the wording for this, though the Plan had to take into account the historic town centre.

Councilor Ian Allen understood that self-build properties would not be liable for CIL, so could developers sell plots and then contract building on them to other builders to get out of paying CIL? The Corporate Unit Manager stated that regulations covered this event to avoid that situation.

The Service Delivery Plan was approved.

It was resolved:

That the enclosed Service Plans for 2014-15 be approved.

45. **HOME-LINK SCHEME PROCUREMENT**

The Committee considered a report, reference P116, previously circulated, relating to the information technology (IT) service contract for Home-Link, the Choice Based Lettings Scheme.

The Principal Housing Strategy Officer advised the Committee that a new IT supplier to undertake the Home-Link scheme would be needed and the inclusion of £30K in the next Council budget was requested to cover costs. The Home-Link scheme gave opportunities for people to apply for a dwelling through the Choice Based Lettings scheme. This scheme included a partnership of seven local authorities. The current supplier's contract would have ended next February but had been extended through to March. So a procurement exercise had to be undertaken to allow time for a new supplier to be found in time. The team at South Cambridgeshire District Council was the best equipped to do this.

In response to Councillor Andy Wright's questions, the Committee was informed that the Scheme did relate to let properties, as there was a statutory duty to allow people to see what properties were available, and, although the local authorities had the responsibility to provide them, Sanctuary did make payments and also administered the Housing Register.

Councillor David Brown asked whether the Scheme could be reviewed to gauge how much the housing associations paid to access the system. It was revealed that they contributed significantly to the system and Sanctuary was examining their payments.

It was resolved:

- (i) That the Principal Housing Officer be instructed to undertake the procurement of the new IT supplier contract in the current financial year (2014/15) in partnership with the other local authorities in Cambridgeshire and West Suffolk, using the South Cambridgeshire District Council Procurement Service Team;

It was resolved TO RECOMMEND TO FULL COUNCIL in February:

- (ii) **That a budget to cover implementing costs of up to £30,000 (should a different IT supplier to the existing one be appointed) be added to the 2015/16 capital programme.**

46. **CORPORATE ENFORCEMENT PROTOCOL**

The Committee considered a report, reference P117, previously circulated, which reviewed the Council's Corporate Enforcement Protocol so that any enforcement decisions were consistent, balanced, fair, transparent and proportionate.

The Solicitor tabled a revised recommendation and advised the Committee that this was an overarching Policy and had been updated in line with new legislation.

Councillor David Brown thought it gave good guidance and ought to be supported.

It was resolved:

That the Corporate Enforcement Protocol attached as Appendix A be approved, subject to the amendment of references within the Protocol of Assistant Director to Director.

47. **REVIEW OF CORPORATE RIPA POLICY & COMPLIANCE DATA**

The Committee considered a report, reference P118, previously circulated, that provided information on the use of the Regulation of Investigatory Powers Act (RIPA) 2000 powers and sought approval for amendments to the Policy.

The Solicitor tabled a revised recommendation and advised the Committee that the Policy set out the Council's covert operations and had been updated to reflect moving the responsibility of the closed circuit television (CCTV) facility to the City of Ely Council and the use of social media.

Councillor Neil Morrison queried whether the City of Ely Council and Littleport Town Council would have to comply with this Policy, as they had CCTV coverage in their car parks. It was disclosed that the Council Policy only related to cameras that this Council had responsibility for.

It was resolved:

- (i) That the Council's amended RIPA Policy highlighted in red in the Appendix be agreed, subject to the amendment of references within the Protocol of Assistant Director to Director and the amendment in Appendix 9 of the RIPA Policy of the Authorising Officer for investigations where the use of CCTV is requested from Allison Conder Principal Leisure and Community Services Officer to Tracey Harding Team Leader Tourism and Town Centres.
- (ii) That the information contained within the report about the Council's use of surveillance powers during 2013/14 be noted.

48. **THE DEVELOPMENT OF A NEW DISTRICT-WIDE INDOOR LEISURE CENTRE FACILITY, DOWNHAM ROAD, ELY**

The Committee considered a report, reference P119, previously circulated, relating to the development of a funding strategy to implement the new leisure centre facility.

The Financial Services Manager tabled a revised and an additional recommendation. The report set out the financial strategy for the provision of the leisure centre. Consultants had been appointed and Options 5 and 6 had been looked at in detail. An analysis of costs had been set out in Appendix 1 to the report and, providing borrowing was prudent, the new leisure centre would be affordable. However, there would be a funding gap of £1.5 million for Option 5 or £2.1 million for Option 6. Funding for this had not been

identified and although there was an assumption of other funding there was uncertainty over the timing of this. The risks would also have to be taken into account.

The affordability of this needed to be considered within the Council's Medium Term Financial Strategy. It could be possible to mitigate the risks by phasing borrowing or borrowing in full. Work needed to be done to assess the potential risks.

Councillor Gareth Wilson thought it funny that this report came to this Committee first, as neither the plan nor the actual amounts were known. The Chief Executive reminded the Committee that it was not being asked to agree to borrowing now. There was still a need to report on mitigation proposals and to avoid a duplication of the decision-making process.

Councillor Kevin Ellis reckoned this was about assessing the risks and then asking the Committee to report back on that, and any mitigation proposals, before things proceeded.

Councillor James Palmer contended that any recommendations from this Committee would go to the Commercial Services Committee to take a look at. The funding package would not be decided at this meeting.

Councillor Lorna Dupré asked where the market testing would go. The Principal Community & Leisure Services Officer pointed out that this was covered under the tabled recommendation 2.9 and would be reported back to this Committee.

Councillor Andy Wright was concerned that to afford the new leisure facility would mean the sale of most of the Council's general assets. Not much more would be gained by doing that. The new facility, as it was meant to be district-wide, would have to be an exceptional facility. The Council had duties to the other facilities elsewhere in the district but its resources would be poured into this Ely facility. It could not justify this, particularly as there would still be a funding gap for it plus the expected £1.5 million gap in general services. It would leave the Council with a massive debt. The repayment period would be set of 35 years, but the repayments would be susceptible to changes in interest rates. A full risk appraisal would be needed and if the scheme was found to be unviable then it would have to be killed off.

Councillor Gareth Wilson had similar worries to Councillor Wright and the Council had spent a lot of money on this project already. How much would the analysis and office work cost? If the cost for this facility would be significant, perhaps an 'off-the-peg' facility should be considered instead of build the Council's own facility. It would be difficult for this small authority to build and run it, so somebody should be found to do it for the Council.

Councillor Joshua Schumann stated that the new facility would deliver more, as it would be a district facility, it would be accessible and it would be a huge

asset. The Council could not continue to maintain its current ageing facilities, so the status quo was not an option.

Councillor James Palmer thought the situation was very simple. Either the Council could do nothing and regret it later or it could do something. Until the Council went to the market to get information, it would not know what was possible. So the Commercial Services Committee should be asked to obtain that information. This was only the first stage and the matter would come back to this Committee. The existing facilities were costing money and would cost more. The cinema would be built and the leisure centre would be next.

The Chief Executive asked the consultants what could be expected. The consultants had looked at the catchment area for the new leisure facility and the accessibility of Ely. Working alongside Sport England, they had also looked at the potential facility mix and had listed the need and demand of the district for the present and future.

Councillor Chris Morris left the meeting at this point, 6:03pm.

They understood the revenue and funding implications and even at this early stage there was some clarity in what was required. There were some risks and other stages to go through but it was intended to mitigate those risks to see if the scheme would be viable.

Councillor Ian Allen was happy with the revised recommendation 2.2 tabled but queried the figures shown for Options 5 and 6, as he expected the shortfall to be greater than stated. The Consultant said that repayments would be incurred at the start but once the building was complete there would be some revenue benefits.

A proposal was made to accept the revised recommendations, which was duly seconded. A request was made for a recorded vote and the result was as follows:

FOR (7): Councillors David Ambrose Smith, David Brown, Lis Every, James Palmer, Hamish Ross, Joshua Schumann, Andy Wright.

AGAINST (0): None

ABSTAINED (3): Councillors Lorna Dupré, Neil Morrison, Gareth Wilson.

The proposal was therefore declared to be carried.

It was resolved:

- (i) That the Principal Community and Leisure Services Officer be authorised to undertake a market testing exercise to provide greater assurance around the income forecast for the new facility;
- (ii) That Officers be authorised to secure approval of funding from Sport England's Strategic Facilities Fund;
- (iii) That the Commercial Services Committee agree their preferred facility mix for the leisure centre;
- (iv) That the Asset Development Committee be tasked with the identification of a programme of additional capital receipts to fund the leisure centre in 2015/15;
- (v) That the Corporate Unit Manager be authorised to bring forward proposals to Full Council for securing additional CIL contributions to fund the leisure centre;
- (vi) That officers be instructed to review the certainty and timing of the capital receipts that are currently part funding the leisure centre as set out in the business plan for the design and build procurement;
- (vii) That the Financial Services Manager (S151 Officer) present a further risk analysis to Corporate Governance and Finance Committee that will inform a prudential borrowing strategy;
- (viii) That the Principal Community and Leisure Services Officer be authorised to critically examine the capital costs of the preferred option, in the light of the advice from Sport England, and report back to January Corporate Governance and Finance Committee.

49. **SECTION 106 & CIL: INCOME AND EXPENDITURE UPDATE**

The Committee considered a report, reference P120, previously circulated, providing an update on Section 106 (S106) and Community Infrastructure Levy (CIL) income and expenditure.

The Corporate Unit Manager advised the Committee that there were no additional updates to the report.

Councillor Gareth Wilson queried the SPD Contributions relating to villages, whether this was associated with developed-land CIL and whether a profit could be made from CIL which could be added to the Council's capital budget. The Corporate Unit Manager responded by stating that the SPD referred to S106 payments before 2011. SPD contributions were now no longer being sought. CIL payments also needed to cover relevant staff services.

Councillor Neil Morrison questioned the cost of administering CIL payments at the 5% level, as it appeared to be quite a lot. Could this be changed to a responsible figure? The Corporate Unit Manager explained that the regulations stated that up to 5% could be charged against CIL for administration. As the CIL income was quite low at present, a 5% figure was being charged but as CIL increased then that figure would be reduced in the future.

It was resolved:

That the information set out in the report be noted.

50. **FORWARD AGENDA PLAN**

The Committee considered its forward agenda plan.

The Chief Executive noted that the agenda plan would continue to be filled as things progressed.

The forward agenda plan was noted.

51. **EXCLUSION OF THE PUBLIC INCLUDING REPRESENTATIVES OF THE PRESS**

It was resolved:

That the press and public be excluded during the consideration of the remaining item no. 14 because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the items there would be disclosure to them of exempt information of Category 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

Councillor David Ambrose Smith left the meeting at this point, 6:17pm.

52. **LITTLEPORT LEISURE CENTRE**

The Committee considered an exempt report, reference P121, previously circulated, relating to the Littleport Leisure Community Centre.

The Chief Executive explained the situation to the Committee and recommended a set of actions to take.

Councillor Andy Wright informed the Committee of his involvement as a former Trustee of the Centre, gave some background information, expressed his concerns for the Centre and stated it needed help. However, more information would be needed before deciding on what help should be given.

Councillor James Palmer, in acknowledging the situation, also thought the Council ought to offer some services to help.

Councillor Ian Allen asked some questions in relation to the Centre, and the competition the new Ely leisure centre might provide.

Councillor James Palmer left the meeting at this point, 6:30pm.

Councillor Allen continued by asking further questions and stating that some things were not known. The Chief Executive replied by giving further details, including the need to ensure that any action taken could be done and the number of options available.

Councillor Richard Hobbs left the meeting at this point, 6:34pm.

Councillor Hazel Williams was very supportive of community facilities but said that there was a lack of information on this particular issue.

Councillor Neil Morrison revealed that a meeting had been held in the village hall, hosted by the County Council, about the new school. Until clarification was made there was no certainty on what the County Council intended to do and what affect this would have on the Leisure Centre.

Councillor Gareth Wilson queried whether the Parish Council could help. This Council was not in a position to do so yet, as it had no information to go on.

Councillor Lorna Dupré agreed that more information was needed, as the current situation was not clear, but something should be done in the interim.

All Members of the Committee were in general agreement that help should be given but that further information was needed before appropriate action could be taken.

It was resolved:

That the Chief Executive be authorised to take action and seek additional information.

The meeting closed at 6.53pm.

Chairman:.....

Date:.....