

AGENDA

CABINET

THURSDAY, 16 MARCH 2023

4.00 PM

**COUNCIL CHAMBER, FENLAND HALL,
COUNTY ROAD, MARCH**

Committee Officer: Linda Albon
Tel: 01354 622229
e-mail: memberservices@fenland.gov.uk

Although this is a public meeting, members of the public are encouraged to view the meeting via our YouTube channel:

- 1 To receive apologies for absence
- 2 Previous Minutes (Pages 5 - 10)

To confirm and sign the minutes of the meeting held 20 February 2023.
- 3 To report additional items for consideration which the Chairman deems urgent by virtue of the special circumstances to be now specified
- 4 To receive members' declaration of any interests under the Local Code of Conduct or any interest under the Code of Conduct on Planning Matters in respect of any item to be discussed at the meeting
- 5 Investment Board Update & Review of the Commercial & Investment Strategy (Pages 11 - 20)

To provide an update of the work of the Investment Board from April 2022 to February 2023.
- 6 Proposed Operating Model (linked to Accommodation Review) (Pages 21 - 30)

The Proposed Operating Model (POM) sets out the Council's vision and priorities in pursuing our Transformation Agenda 2 (TA2), which includes new working practices.

7 Recap Dry Recycling Contract Tender for Bulking, Transportation, Sorting and Sale of Recycling Materials (Pages 31 - 36)

To seek the agreement of Cabinet to undertake a joint procurement and award of Materials Recycling Facility (MRF) services for bulking, sorting, onward processing and sale of recyclable materials with other Recycling in Cambridgeshire and Peterborough (RECAP) partners.

8 Whittlesey Southern Relief Road SOBC (Pages 37 - 44)

This report relates to the Whittlesey Southern Relief Road Strategic Outline Business Case (SOBC).

9 24 High Street, Wisbech - Update (Pages 45 - 46)

To provide a monthly update regarding ongoing work related to 24 High Street, Wisbech.

10 Procurement of Cleaning Services (Pages 47 - 50)

To agree procurement of cleaning services for Council owned and occupied premises for the period 2023 to 2027.

11 Procurement of Sewage Effluent Removal Services (Pages 51 - 56)

To approve appointment of an external specialist provider to undertake the Council's sewage effluent removal services for a 3-year period.

12 Renewal of Idox Software Application Support and Maintenance (Pages 57 - 60)

To seek approval to renew the contract between the Council and the Idox Group for 3 years.

13 Draft 6 Month Cabinet Forward Plan (Pages 61 - 62)

For information purposes.

14 Items which the Chairman has under item 3 deemed urgent

15 Freedom Leisure - Energy Crisis Support (Pages 63 - 86)

Freedom Leisure has asked the Council to consider providing financial support and continued changes in service provision to fund the increase in energy costs to run the

four leisure facilities. This report asks Cabinet to consider continued approaches to mitigating some of the excessive energy costs currently being placed on Freedom Leisure and to consider financial options to support Freedom with such costs.

Schedule 17 to this report comprises exempt information – to exclude the public (including the press) from a meeting of a committee it is necessary for the following proposition to be moved and adopted: “that the public be excluded from the meeting for Items which would involve the likely disclosure of exempt information as defined in the paragraphs 5 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) as indicated.”

16 Wisbech Park - Pavilion Construction Contract (Pages 87 - 98)

To update Cabinet on the progress of the development of a new pavilion in Wisbech Park and to ask Cabinet to consider the tendered cost of the pavilion and the additional capital funding requirement.

Schedule 10 to this report comprises exempt information – to exclude the public (including the press) from a meeting of a committee it is necessary for the following proposition to be moved and adopted: “that the public be excluded from the meeting for Items which would involve the likely disclosure of exempt information as defined in the paragraphs 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) as indicated.”

CONFIDENTIAL - ITEMS COMPRISING EXEMPT INFORMATION

To exclude the public (including the press) from a meeting of a committee it is necessary for the following proposition to be moved and adopted: "that the public be excluded from the meeting for Items which involve the likely disclosure of exempt information as defined in the paragraphs 3 and 5 of Part I of Schedule 12A of the Local Government Act 1972 (as amended) as indicated."

17 Structural Concrete Repairs, Waterproofing, Surfacing and Expansion Joint Replacement Works - Wisbech Suspended Quay (Confidential) (Pages 99 - 490)

To provide an overview of the current condition of the Council's suspended quay structure at Wisbech Port and the repair works required.

Wednesday, 8 March 2023

Members: Councillor C Boden (Chairman), Councillor Mrs J French (Vice-Chairman), Councillor I Benney, Councillor S Clark, Councillor S Count, Councillor Miss S Hoy, Councillor Mrs D Laws, Councillor P Murphy, Councillor C Seaton and Councillor S Tierney

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CABINET



MONDAY, 20 FEBRUARY 2023 - 2.00 PM

PRESENT: Councillor C Boden (Chairman), Councillor I Benney, Councillor S Clark, Councillor S Count, Councillor Miss S Hoy, Councillor Mrs D Laws, Councillor P Murphy, Councillor C Seaton and Councillor S Tierney

APOLOGIES: Councillor Mrs J French (Vice-Chairman)

CAB59/22 PREVIOUS MINUTES

The minutes of the meeting held 30 January 2023 were approved and signed.

CAB60/22 BUSINESS PLAN 2023/24

Members considered the Business Plan 2023/24 report presented by Councillor Boden.

Proposed by Councillor Boden, seconded by Councillor Tierney and Cabinet AGREED to recommend to Council the approval of the Final Business Plan 2023-24.

CAB61/22 BUDGET AND MTFS 2023/24

Members considered the Budget and Medium-Term Financial Strategy 2023/24 report presented by Councillor Boden.

Councillor Tierney said many of the public are unaware of how unusual a situation we have whereby financially, the Council is doing very well. Services have not been dramatically cut and we continue to deliver great services to local people, and it now appears in our council tax suggestion that we can even give some money back. This is uncommon and he commends it. He added that we could take a very risk-averse view as some councils have and deliver a massive council tax rise every year or cut services or just store money in reserves. Of course, we do need to be cautious and hold some back for resilience, but thanks to very good financial management we are seeing that we can do all those things, but the risk balance is just right so that we do not take money from people during this difficult economic time.

Councillor Boden pointed out one error in section 3(xi) of the recommendations on page 30 of the report, which should read Section 16, and not Section 15.

Proposed by Councillor Boden, seconded by Councillor Count and Cabinet AGREED that:

- (i) The revised estimates for 2022/23 as set out in Section 7 and Appendix A showing an estimated surplus of £69,000 (transferred to the Budget Equalisation Reserve), be approved:**

And to recommend to Council that:

- (ii) The General Fund revenue budget for 2023/24 as set out in Section 8 and Appendix A be approved**

- (iii) The Medium-Term Financial Strategy as outlined in the report and Appendix B be adopted
- (iv) The Capital Programme and funding statement as set out in Appendix D be approved
- (v) The adoption of the additional Business Rates Relief measures as detailed in Section 6 using Discretionary Relief Powers be approved
- (vi) The expenses detailed in Section 11 be approved to be treated as general expenses for 2023/23
- (vii) The Port Health levy for 2023/24 be set as shown in Section 12
- (viii) The adoption of the Council Tax Support Fund proposals as detailed in paragraphs 3.16-12.22 of this report, using discretionary powers be approved
- (ix) The current working age Council Tax Support Scheme be adopted with effect from 1 April 2023 as set out in Section 14, with appropriate changes to the proscribed pensioner scheme as determined by regulations.
- (x) That subject to the relevant legislation being passed and as detailed in Section 15:
 - (a) To agree to shorten the period that a 100% Council Tax premium on long term empty dwellings is payable from the current 2 years (empty) to 1 year from 1 April 2024.
 - (b) To agree to implement the 100% Council Tax premium on all second homes from 1 April 2024 (if legislation passed by 31 March 2023)
- (xi) The Treasury Management Strategy Statement, Minimum Revenue Provision, Treasury Investment Strategy, Prudential and Treasury Indicators for 2023/24 and Capital Strategy 2023/23 as set out in Section 16 and Appendix E be approved
- (xii) The Band D Council Tax level for Fenland District Council Services for 2023/24 be set at £255.24, a decrease of 2% (£5.22) on the current year.

CAB62/22 UK SHARED PROSPERITY FUND (SPF)

Members considered the UK Shared Prosperity Fund (SPF) report presented by Councillor Benney.

Proposed by Councillor Benney, seconded by Councillor Hoy and Cabinet AGREED the legal, financial and governance arrangements in relation to the administration of Fenland District Council's SPF allocation.

CAB63/22 WHITTLESEY - GROWING FENLAND MARKET TOWN FUNDING FROM CPCA

Members considered the Whittlesey – Growing Fenland Market Town Funding from CPCA report presented by Councillor Boden.

Councillor Boden pointed out an error on page 105 of the agenda pack where mention is made of the cancellation of the Whittlesey Heritage Centre project. This should instead read 'the suspension of the Whittlesey Heritage Centre project'. The project has not been cancelled; a lot of work has already gone into it, and it is hoped that at some stage in the future by some other funding means, it may be possible to go ahead.

Proposed by Councillor Boden, seconded by Councillor Mrs Laws and Cabinet AGREED to note the revised Whittlesey Growing Fenland projects and to authorise the S151 officer to enter into Grant Funding Agreements (GFA) with CPCA to allow the delivery of the projects within each GFA, with each project managed using the FDC project management methodology and any cost limited to the total sum of grant funding available.

CAB64/22 PUBLIC SPACES PROTECTION ORDER FOR WISBECH

Members considered the Public Spaces Protection Order report for Wisbech presented by

Councillor Count.

Councillor Hoy said she thinks this is a good way forward, unfortunately people do urinate and defecate in the passageway, and she asked if that area could be looked at in the Community Safety Partnership meetings. Local people are doing a lot of work to clean up and improve that area and to make it feel safer. It was included in our levelling up bid so it would be nice if FDC could help that as well going forward.

Councillor Count thanked Councillor Hoy for enforcing the message about what the area is like. He pointed out the success of Operation Luscombe in the town centre and he will speak to officers about whether that can be expanded into this area to see what other impact we can have to create a safer and more positive image. He will also engage with Councillor Murphy to discuss street cleaning.

Proposed by Councillor Count, seconded by Councillor Hoy and Cabinet AGREED to approve the introduction of the PSPO for a 3-year period in Norfolk Street to restrict access to the passageway as shown on Appendix A and to delegate authority to a Corporate Director to extend the order for up to 3 years at a time (in line with appropriate legislation) in the future if following the result of the consultation the portfolio holder for Community Safety agrees that a further extension is required. If the consultation suggests a need to amend or discharge any of the orders to bring that back to Cabinet for consideration.

CAB65/22 ENERGY SUPPLY CONTRACT 2024-28

Members considered the Energy Supply Contract 2024-28 report presented by Councillor Boden.

Councillor Tierney said he had previously brought a motion to Full Council regarding climate change where it was said that we would focus on cost to our taxpayers and it had been resolved to promote green measures to alleviate the anticipated effects of global warming that are affordable and financially viable, therefore he agrees with the report.

Councillor Count said he had not initially understood the difference in options when reading the report. The contract we have is 100% renewable energy but then there is the option to expand that to something else and spend more money. His thought was how can you expand on 100%. Despite research, he had found it difficult to find out what the difference was. His opinion eventually was that the 100% renewable would be operated by green sources such as wind and solar power but the carbon zero were from other sources. However, he is has found that climate change experts are not agreeing that these measures are all carbon net zero. We are already buying green energy supply so he agrees that we will not be getting good value for money by extending to this further step. However, that is not a negative, we should be proud that we have a 100% renewable contract and that is the appropriate place for us to be.

Councillor Boden thanked Councillor Count for his helpful comment, saying County Council also have some concerns about ESPO and the categorisation of the different types of renewable and or non-zero carbon energy which is available through ESPO to them.

Proposed by Councillor Boden, seconded by Councillor Tierney and Cabinet AGREED that FDC enter in a renewal agreement with ESPO to continue with the current arrangement to allow them to make prudent purchases on our behalf for the period 2024-2028 and determined that there should not be a specific requirement that the electricity supplied should come from a zero-carbon source.

CAB66/22 24 HIGH STREET, WISBECH UPDATE

Members considered the 23 High Street, Wisbech update report from Councillor Seaton.

Cabinet AGREED to note the current position in relation to the 24 High Street construction project in Wisbech High Street.

CAB67/22 DRAFT 6 MONTH CABINET FORWARD PLAN

Councillor Boden presented the Cabinet Forward Plan for information.

CAB68/22 LOCAL AUTHORITY HOUSING FUND

Members considered the Local Authority Housing Fund report presented by Councillor Hoy.

Councillor Tierney said he will support this, but he wants to place on record his reservations. He has no problem with helping legal migrants get housing, or the idea in principle of the Government helping us to do so with this money, which we would be foolish to turn down, but the criteria placed on this, that it must initially be used for refugees from two countries, is divisive and unwise. He would have preferred that they suggested it might be a good use but then to have left the final decision to us to categorise according to need. There are plenty of local people desperate for housing who will be angry about this, so he wishes the Government had not done this.

Councillor Count said he welcomes this but largely agrees with Councillor Tierney. Whilst the money is welcome, he wonders if clarity of thinking is the right approach; we have the money and this is how we must spend it, but it will overheat the market. It is not increasing the amount of housing stock; what we need is more housing full stop. Government needs to increase the housing stock for everyone to access. He welcomes this money; we will be better off for it by being able to place some families in these homes but he hopes there is more longer-term strategic thinking coming from Government.

Councillor Mrs Laws said she was in total agreement with Councillors Tierney and Count. There needs to be some forward thinking and Government strategy on this; her heart goes out to our local residents; they have a need, and it will be difficult for them to comprehend this.

Councillor Hoy said she does not disagree with this, but she is in a difficult position; it is her portfolio, and she needs to present it and why would we turn government money down? Nevertheless, she agrees with all that has been said. People came here legally under EU treaty rights but cannot get any funding and are sleeping in what she would say are self-made shacks in town, but we are spending public money buying houses for additional people to come. Then we have our own local population, and we all know how long the housing list is and how desperate people are. She is loath to say no but she echoes the thoughts of her fellow councillors, this is not a good situation, and the Government needs to get to grips with it.

Councillor Boden said he agreed with all the comments made. From the Council's point of view, given that we would have a liability anyway for refugees which is imposed by Government, this money will help offset some of that and it is a cost-effective way of doing that from our perspective. However, this is a sticking plaster on a serious wound that Government will have to solve. As far as Afghanistan is concerned we have taken on various liabilities and requirements which is appropriate given the history and our involvement there, and in respect of Ukraine, our hearts reach out to those displaced by the terrible events there. Nevertheless, comments about how this will be seen are completely valid and ultimately this is something Government will need to address. We must play our part based on what opportunities we have available to us. It will help in terms of the liability we have to house refugees; it makes economic sense from the Council's point of view

to accept this; it is not ideal but is better than any alternatives that could be forced on us by Government.

Proposed by Councillor Hoy, seconded by Councillor Seaton and Cabinet AGREED to:

- **Approve receipt of the LA Housing Fund grant in the sum of £873,932 for the purposes described.**
- **Authorise entry into the prescribed Memorandum of Understanding with DLHUC for receiving the grant as set out in Appendix A; and**
- **Fund the residual element for the 9 properties to be purchased, delegated to the Section 151 officer to determine in consultation with Investment Board Members. Range of funding needed has been identified in the confidential Appendix B**
- **Purchase properties outside PE13 and PE14 post code areas.**


CAB69/22 CONFIDENTIAL MINUTES

The confidential minutes of the meeting held 30 January 2023 were approved and signed.

2.43 pm

Chairman

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Agenda Item No:	5	
Committee:	Cabinet	
Date:	16 March 2023	
Report Title:	INVESTMENT BOARD UPDATE AND REVIEW OF THE COMMERCIAL AND INVESTMENT STRATEGY	

1 Purpose / Summary

- 1.1 To provide an update to Cabinet of the work of the Investment Board from April 2022 to February 2023.

2 Key issues

- 2.1 The last report on Investment Board activity was presented to and noted by Cabinet on 30th January 2023.
- 2.2 Work has carried on during the 2022-23 financial year to progress the two identified sites, the Nene Waterfront in Wisbech and the Elms in Chatteris and outline planning permission was submitted in September 2022. Decision is expected in March 2023 for the Chatteris site.
- 2.3 Agreements for financing, service level recharges and deed of indemnity between Fenland Future Ltd (FFL) and FDC were signed off by the Investment Board in July 2022.
- 2.4 At the Cabinet meeting held on 12th December 2022, it was agreed that the land at Chatteris and Wisbech be transferred to FFL at market value in accordance with a Red Book valuation and the transfers are now progressing.
- 2.5 Work on the revised draft Business Plan for FFL was completed and circulated to the Investment Board on 31st January 2023. The FFL Board reviewed this at their Board meeting on 22nd February 2023 and this will be presented to the Investment Board at their meeting on 16th March 2023.
- 2.6 In March 2023 two further investment opportunities have been identified and further information is currently being sought. If favourable, these opportunities will be presented in full to the Investment Board in a timely manner.
- 2.7 The Constitution states as follows at paragraph 3.1.1 of Table 3 which sets out the responsibility for executive functions:

- Cabinet will be responsible for the following specific functions in relation to the Commercial Investment Strategy and the Council's companies and partnerships:

(a) Conducting a formal review of the Commercial Investment every 2 years and recommending any necessary amendments for approval by Full Council;

3 Recommendations

It is recommended that:-

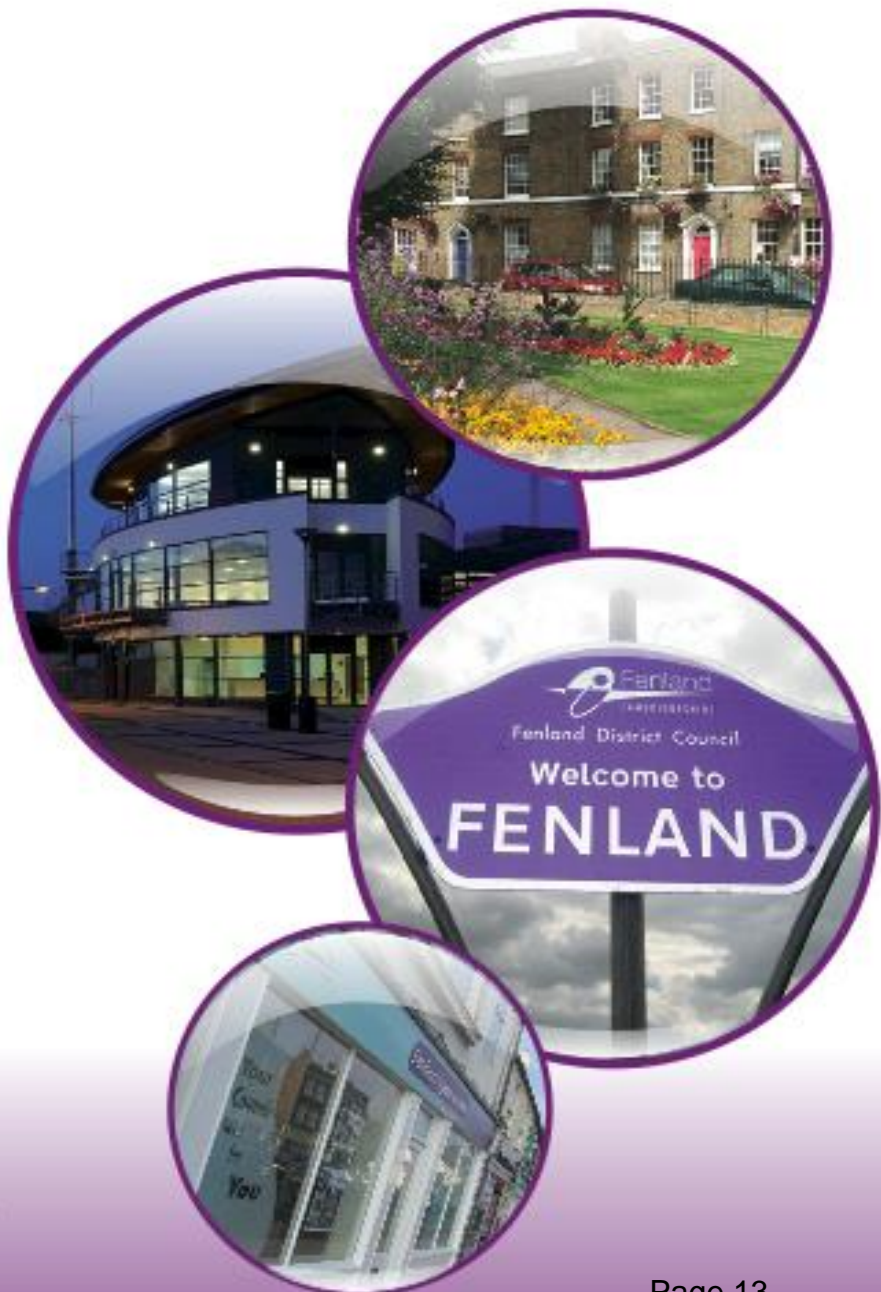
- Cabinet note this report from the Investment Board.
- Approve a review of the current Commercial and Investment Strategy as determined by the constitution and in light of the current economic environment and delegate this review to the S151 officer for tabling at a future meeting.

Wards Affected	All
Forward Plan Ref	Not applicable
Portfolio Holder(s)	Cllr Chris Boden – Leader, Finance Portfolio Holder and Chairman of the Investment Board Cllr Steve Tierney – Transformation, Communications and Environment Portfolio Holder and Investment Board Member Cllr Ian Benney – Economic Growth Portfolio Holder and Investment Board Member
Report Originator(s)	Paul Medd – Chief Executive Peter Catchpole – Corporate Director & Chief Finance Officer Carol Pilson – Corporate Director & Monitoring Officer Amy Brown - Assistant Director & Deputy Monitoring Officer
Contact Officer(s)	Paul Medd – Chief Executive Peter Catchpole – Corporate Director & Chief Finance Officer Carol Pilson – Corporate Director & Monitoring Officer Amy Brown - Assistant Director & Deputy Monitoring Officer
Background Paper(s)	Investment Board minutes Commercial and Investment Strategy Cabinet update report 22 nd March 2022 Cabinet update report 30 th January 2023

Appendix: Annual report

Report of the Investment Board

April 2022 – February 2023



1 What is the Investment Board?

- 1.1 The Investment Board was created on 16th January 2020 to help drive forward the Council's Commercial and Investment Strategy which was approved by Full Council on 9th January 2020. The Investment Board is a sub-committee of Cabinet designed to be more "fleet of foot" in order to be able to respond to opportunities in an agile and commercial manner.

2 Purpose of the Investment Board

- 2.1 The Investment Board is responsible for implementing the Commercial and Investment Strategy including oversight of the Council's companies and partnerships.
- 2.2 The Investment Board will act as a decision-making body in relation to the functions delegated to it and will report to Cabinet in relation to the exercise of those functions.
- 2.3 Support and advice will be provided to the Investment Board by key members of the Corporate Management team.

3 Membership and Operation of the Investment Board

- 3.1 The Investment Board will comprise a maximum of two Cabinet Members (one of whom should be the portfolio holder for finance if that position is not held by the Leader) in addition to the Leader who will determine their appointment annually.
- 3.2 The Investment Board shall meet on a basis agreed by itself with a minimum of 3 meetings per year.
- 3.2 The quorum shall be the Leader in the presence of a minimum of;
 - a. one other Cabinet Member;
 - b. one senior advisory officer (or their appointed deputy)

An invitation to attend must have been provided to the Chair of O&S at least 5 clear days in advance of the meeting taking place. This notice period may be waived if the Chair of O&S or their nominated deputy so agrees.

An invitation to attend must also have been provided to the Section 151 officer and the Monitoring Officer (or their nominated deputies) which will normally be at least 5 clear days in advance of the meeting taking place.

- 3.3 The provisions relating to substitution set out at paragraph 28 of the Standing Orders shall apply to meetings of the Investment Board save that the Leader and Cabinet Members may only be substituted by Cabinet Members [and the Chair of O&S may only be substituted by the Vice Chairman]. Such substitutions to be notified to Council as part of the annual nomination process.

- 3.4 The Cabinet Procedure Rules shall apply to meetings of the Investment Board save in respect of paragraphs 1.6, 1.8, 2.2 (second paragraph), 2.3(g) and (h) and paragraph 2.5(d) which shall be disapplied.

4 Functions of the Investment Board

- 4.1 To determine investment appraisals submitted under Part 2 of the Council's Commercial and Investment Strategy together with the most appropriate means of delivery;
- 4.2 To determine business cases submitted under Part 3 of the Council's Commercial and Investment Strategy by the Council's companies and partnerships;
- 4.3 To determine the amount and terms of any investments, loans and assets required for the delivery of proposals approved in accordance with paragraphs (a) and (b) above from the agreed budget allocation;
- 4.4 To produce a report to Cabinet twice a year summarising its activities in accordance with paragraphs (a) to (c) above.
- 4.5 Approve the business plans of the Council's companies and partnerships;
- 4.6 To monitor performance and financial delivery in line with the approved business plans;
- 4.7 To ensure that those companies and partnerships comply with relevant Council policies, strategies and objectives;
- 4.8 To exercise decisions, where delegated by Cabinet, in relation to a company or partnerships' reserved matters;
- 4.9 To oversee the relationships between the Council and the Council's companies and partnerships in accordance with the Council's objectives.
- 4.10 To prepare and present an annual report to the Overview and Scrutiny Committee;
- 4.11 To determine for each individual company or partnership whether the Investment Board recommends to Cabinet the delegation of any functions to the officers of the Council.
- 4.12 All other matters not falling within the remit of the Investment Board functions set out at 4.1 to 4.11 above will be referred to Cabinet for decision.

5 Background

- 5.1 The Commercial and Investment Strategy was approved by Full Council on 9th January 2020.
- 5.2 At the same meeting Full Council also agreed to establish a Local Authority Trading Company (LATCo) for the purpose of facilitating the delivery of the agreed strategy and noted the proposed intention that the Investment Board will be able to utilise reserves and/or borrow sums up to a combined maximum of £25 million in order to deliver the objectives of the Strategy.

- 5.3 Following on from this approval the creation of the Investment Board and the delegation of functions was approved by Cabinet on 16th January 2020.
- 5.4 The business case for the creation of the LATCo was approved by Cabinet on 9th June 2020 and Fenland Future Ltd (FFL) was incorporated on 10th June 2020.
- 5.5 FFL held its inaugural board meeting on 8th December 2020 and a first draft business plan was circulated to the Investment Board for discussion and approval. The final business plan was formally presented to the Investment Board in March 2022.
- 5.6 At a meeting of the Investment Board on 18th September 2020 approval was given to take forward to a detailed business case the development of FDC owned land at the Nene waterfront in Wisbech.
- 5.7 At a meeting of the Investment Board on 12th January 2021 approval was given to take forward to a detailed business case the development of FDC owned land in Chatteris.
- 5.8 At a meeting of the Investment Board on 16th March 2021 approval was given to acquire a commercial property in Wisbech and this was subsequently completed on 26th March 2021.
- 5.9 The last annual report on Investment Board activity was presented to and noted by Cabinet on 22nd March 2022. A further report was presented to and noted by Cabinet on 30th January 2023.

6 Work programme and outcomes

- 6.1 The Investment Board sat on the meeting dates detailed below and considered the matters also shown in the table below as part of its work for 2022/23:-

Meeting date	Outcome
11 th July 2022	<p>Appointed a Vice Chair for the municipal year</p> <p>Reviewed and agreed the financing agreement between FDC and FFL</p> <p>Reviewed and agreed the deed of indemnity covering the Directors, Company Secretary, officers and members of FDC acting in their FFL capacity</p> <p>Reviewed and agreed the service level agreement covering FDC cost recharges to FFL</p> <p>Review and approve the FFL Business Plan for 2022-2025</p> <p>Received and noted an update on the two current schemes</p> <p>Received a verbal update on current opportunities noting that nothing further has been progressed so far this year</p>
14 th November 2022	<p>Received and noted an update on the two current schemes</p>

Meeting date	Outcome
16 th March 2023	No update yet available.

7 Commercial and Investment Strategy (CIS) Update

FDC

- 7.1 As part of the Commercial and Investment Strategy a facility of £25m was granted to the Investment Board to finance capital expenditure to be undertaken in accordance with the aims and objectives of the agreed strategy. At the end of March 2022 £4m of this facility has been utilised to fund the acquisition detailed in 7.2 below and a strategic purchase which offers an opportunity to open up access to a Council owned potential development site. These acquisitions were approved at Investment Board meetings held on 16th March 2021 and 3rd December 2021 respectively.
- 7.2 The Commercial Investment in Wisbech has delivered a rental income of £230k for the year to March 2022 and is up to date for 2022-23. As we used our own funds to acquire this asset there is no external cost of capital and the loss of interest foregone on our funds is minimal at present. This acquisition has enhanced the Councils revenue position and has had a positive impact on the MTFs as presented to Full Council in February 2022 and February 2023.
- There are also potentially Minimum Revenue Provision (MRP) implications to consider that will impact our revenue position and we will work through these for future impact.
- 7.3 No further opportunities have been formally presented to the Investment Board since 1st April 2022 as the initial due diligence as prescribed in the Commercial and Investment Strategy was not passed.
- 7.4 It may be prudent to revisit and refresh the current CIS strategy in light of the current economic situation to determine whether it is still fit for purpose.

FFL update including finance

- 7.5 Further utilisation of the above mentioned “facility” will be needed when the funding position of Fenland Future Ltd is fully agreed. A full cash flow will be produced as part of the Business Plan required by 31st January 2023 and at that point funding drawdown will be requested following the process as detailed in the financing agreement agreed by the Investment Board in July 2022.
- 7.6 The land transfers of the two sites, The Elms, Chatteris and the Nene Waterfront, Wisbech were approved by Cabinet on 12th December 2022 and the work to conclude the legal transfer will now take place.


- 7.7 Both sites are in for Outline Planning Permission and a decision is expected early in 2023. In the meantime work has progressed on the delivery models needed to develop both sites and work on the tender and appointment of an Employers Agent has been completed subject to the final appointment contract.
- 7.8 Work on the Nene Waterfront includes the delivery of a new electricity substation funded through the Brownfields Land Release Fund and the potential delivery of an Extra care facility is actively being explored.
- 7.9 To date Fenland Future Ltd expenditure and commitments are as shown in the table below. These costs sit as a debtor in the Councils accounts as the only funding agreed so far is the £10,000 for set up costs approved by Cabinet on 9th June 2020.
- 7.10 Based on the cash flows within the FFL Business Plan further funding is requested from Fenland District Council to both cover the costs detailed below and to enable FFL to meet its future financial commitments as detailed in the Business Plan. If the Investment Board agree the Business Plan in March then arrangements will be made to drawdown the extra funding required.

8 Legal Implications

- 8.1 Reviewing the CIS ensures compliance with our best value duty and is also compliant with the delegations to Cabinet in which it is provided that it will be reviewed every 2 years.

Fenland Future Ltd								
Financial Update 22.02.2023								
	Total	Nene		Ex Barclays	FFL	Consultancy	Legal	FDC
	FFL Costs	Waterfront	Chatteris	March	Set up Costs	Costs	Costs	Recharges
	£	£	£	£	£	£	£	£
Set up costs	2,925.00				2,925.00			
Total Paid 2020/21	2,925.00	0.00	0.00	0.00	2,925.00	0.00	0.00	0.00
Set up costs	975.00				975.00			
Architectural Services	29,575.08	14,575.08	15,000.00					
Ecology survey	5,000.00	2,500.00	2,500.00					
Pre Planning consultancy	62,200.00	22,200.00	40,000.00					
Ecology Species Survey	5,000.00		5,000.00					
Topographical Survey	950.00		950.00					
Site clearance work	1,924.75	1,924.75						
Planning Advice	2,215.00		2,215.00					
Site Appraisals	4,000.00	2,250.00	1,750.00					
Highways Consultancy	2,000.00		2,000.00					
Consultancy	34,807.50					34,807.50		
Legal services	1,497.60						1,497.60	
Support Recharges	100,000.00							100,000.00
Total Paid 2021/22	250,144.93	43,449.83	69,415.00	0.00	975.00	34,807.50	1,497.60	100,000.00
Data Protection Fee	40.00				40.00			
Planning Application Fees	21,728.00	8,778.00	12,950.00					
Planning Consultancy Support	2,500.00	2,500.00						
Electricity Supply	20,798.56	9,888.84	10,909.72					
Site Appraisals/Valuations	37,700.00	19,100.00	17,600.00	1,000.00				
Legal services	17,982.30						17,982.30	
Consultancy	80,011.58					80,011.58		
Architectural Services	18,142.25	8,997.25	9,145.00					
Ecology Species Survey	19,200.00		19,200.00					
Pre Planning consultancy	25,660.00	8,200.00	17,460.00					
Planning Advice	10,785.49	2,750.00	8,035.49					
Support Recharges	125,000.00							125,000.00
Total Paid 2022/23 to date	379,548.18	60,214.09	95,300.21	1,000.00	40.00	80,011.58	17,982.30	125,000.00
Grand Total Paid to Date	632,618.11	103,663.92	164,715.21	1,000.00	3,940.00	114,819.08	19,479.90	225,000.00

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Agenda Item No:	6	
Committee:	Cabinet	
Date:	16 March 2023	
Report Title:	Proposed Operating Model (POM)	

1 Purpose / Summary

- 1.1 The Proposed Operating Model (POM) sets out the Council's vision and priorities in pursuing our Transformation Agenda 2 (TA2), which includes new working practices.
- 1.2 There are a range of terms drawn upon to describe new working practices such as hybrid working, agile working, remote working and flexible working.
- 1.3 The needs of the Council and its customers will determine where new working arrangements are appropriate. This report seeks to establish Fenland Flexible Working Arrangements (FFWA) that are led by the needs of the Council and its customers.

2 Key Issues

- 2.1 Fenland has embarked upon an ambitious transformation agenda ensuring the Council is progressive and fit for the future. Customers remain at the heart of our proposed operating model, providing greater choice, accessibility and flexibility regarding service delivery.
- 2.2 The transformation agenda and enhanced use of digital technology to support service delivery has enabled staff to work from flexible locations, often where there is the greatest customer need, including the Business Centres, Melbourne Avenue as well as from Partner Organisations offices. This model provides benefits to the Council in offering greater flexibility and resilience whilst reducing the impact of unnecessary business mileage costs. In addition, it provides opportunities for savings that can be derived from a more flexible and potentially reduced workplace footprint leading to revenue savings, which aligns with the emerging Corporate Accommodation Review.
- 2.3 The POM outlines a set of principles that will underpin our future ways of working. The basic concept is moving towards a model where there is greater flexibility providing a catalyst for further positive transformational change whilst maintaining high performing service delivery.
- 2.4 Organisations who support flexible forms of working experience reduced employee turnover, increased employee engagement and improved rates of talent attraction, which are all vital in the current competitive recruitment environment. Hybrid working can provide many other opportunities for organisations including higher productivity, reduced estate and facilities costs, improved employee wellbeing, diversity and inclusion as well as being more environmentally friendly.

- 2.5 It is critical that any formalised Operating Model arrangement put in place contributes positively to the quality and continuity of service provision and priorities of the Council. The needs of the service will always be of paramount consideration.
- 2.6 Formalising the principles associated with Fenland Flexible Working Arrangements (FFWA) is important to ensure the continued progress of the outline business case in relation to the organisation's future accommodation options, which will be further considered once a new Council has been confirmed following May's local elections.

3 Recommendations

3.1 For Cabinet to:

- Agree the principles associated with the Proposed Operating Model as set out within this report.
- Note the need to develop a suite of associated policies to ensure the successful implementation of the Proposed Operating Model. These are likely to be presented to the Audit and Risk Management Sub-Committee in the future for consideration and approval.

Wards Affected	All
Forward Plan Reference	KEY/13FEB23/01
Portfolio Holder(s)	Cllr Boden – Leader of The Council & Finance Portfolio Holder Cllr Tierney – Portfolio Holder for Transformation, Communications & Environment
Report Originator(s)	Paul Medd – Chief Executive Peter Catchpole – Corporate Director Carol Pilson - Corporate Director Dan Horn – Assistant Director Anna Goodall – Assistant Director Amy Brown – Assistant Director
Contact Officer(s)	Paul Medd – Chief Executive Peter Catchpole – Corporate Director Carol Pilson - Corporate Director Dan Horn – Assistant Director Anna Goodall – Assistant Director Amy Brown – Assistant Director
Background Papers	Accommodation Review - Cabinet September 2022

Fenland District Council – Proposed Operating Model (POM)

1 Introduction

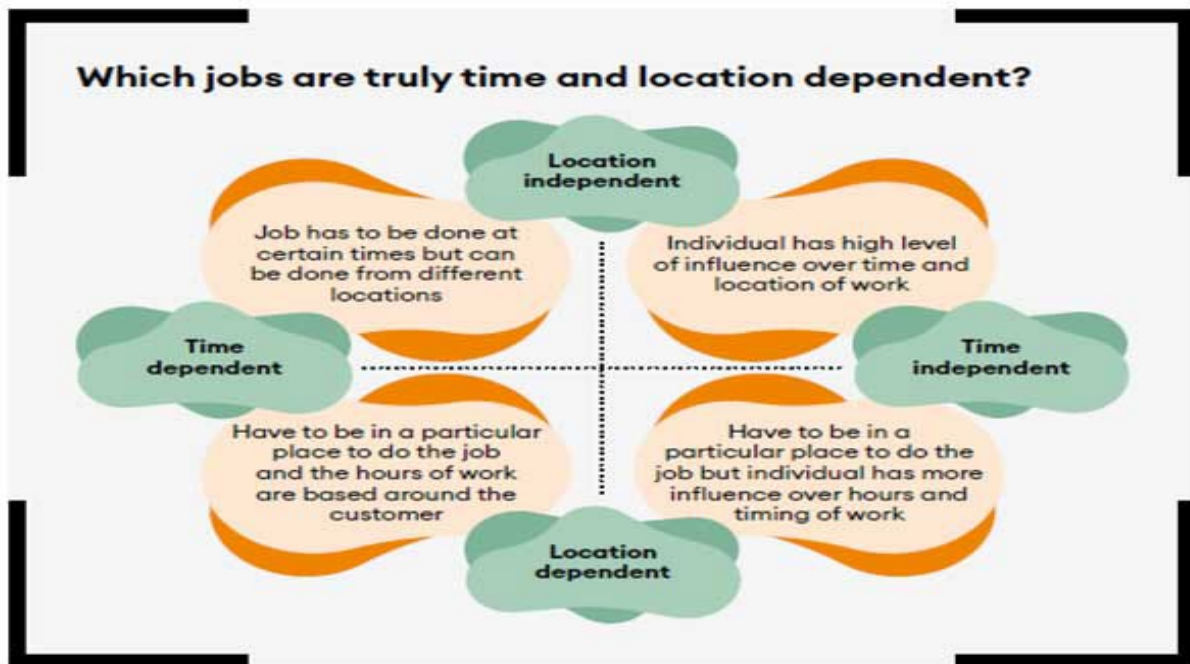
- 1.1 The Council's Proposed Operating Model (POM) sets out the Council's vision and priorities in adopting Fenland Flexible Working Arrangements (FFWA) and facilitating an effective, efficient way of working that enables further transformation. It is anticipated that the formal adoption of the POM will offer many benefits for our customers, local businesses, employees and organisation as a whole.
- 1.2 The Council recognises the need to continue to support modern working practices to enable employees to maximise their performance and productivity to deliver the key corporate priorities set by members and outlined in the Business Plan to local residents. In addition, new technologies are making it easy to access information remotely, work from a variety of locations, whilst promoting a more joined up service.
- 1.3 The principles outlined in the Operating Model build upon previous flexible working arrangements that have successfully been in place since 2020 and supports a culture of working wherever, whenever and however is most appropriate to get the work done. This does not just cover working hours, locations, and workstyles, it is about being responsive and adaptive to service needs and advancements in technology. A fit for purpose operating model incorporating FFWA provides greater flexibility, particularly in relation to the time and location employees can work, subject to the requirements of the Council and needs of its services.

2 Background

- 2.1 Fenland has embarked upon an ambitious transformation agenda ensuring we remain progressive and fit for the future. Our customers are at the heart of our future operational delivery model, providing greater choice, accessibility and flexibility regarding service delivery. The transformation agenda has been further influenced by the COVID pandemic which accelerated the uptake of online digital services whilst resulting in a continued reduction in the demand for face-to-face provision, creating a unique opportunity to consider our current and future operating model. It is recognised that services must also respect those residents who don't have direct access to technology through ongoing transitional arrangements.
- 2.2 The transformation agenda and enhanced use of digital technology to support service delivery has enabled staff to work from locations where there is the greatest customer need via flexible working arrangements. This model provides benefits to the Council in offering greater flexibility and resilience whilst reducing the impact of unnecessary business mileage costs. In addition, it provides opportunities for savings that can be derived from a more flexible and potentially reduced workplace footprint leading to operational revenue savings, which aligns with the emerging Corporate Accommodation Review.
- 2.3 During that past three years the occupancy of Council offices is reduced, which suggests an inefficient and costly use of the office space available. The

majority of office based and associated work commitments have been discharged through flexible working arrangements. Despite these informal changes to working arrangements the accommodation still provides for each person to have a desk, irrespective of whether the working pattern of the individual can be undertaken flexibly. The Council's overheads in terms of day to day running costs, and also capital costs associated with addressing health and safety compliance obligations, as well as significant repair and maintenance requirements are therefore higher than they need. There is the potential to remove these financial burdens from the Council through the POM and associated outcome of the Accommodation Review.

- 2.4 There is a real desire for both our customers and staff to access data more quickly and efficiently and a push towards 'digital by default'. This includes enabling a greater use of digitised records and a shift away from paper-based systems, leading to operational efficiencies. A review of the Council's data storage and archiving requirements will form a key part of the Accommodation Review.
- 2.5 From a customer perspective, there is a need to implement more 'self-service' systems, which provides greater choice and the flexibility of being able to access Council services at a time and location most convenient to them. The ability for customers to self-serve ensures residents who are able and willing to access services electronically can do so, whilst enabling more traditional access channels, such as the corporate contact centre or our individualised face to face appointment service, to focus on those customers who may struggle to use or access digital channels or those who are potentially most vulnerable.
- 2.6 Introducing a new operating model and associated flexible working practices will involve further developing our successful working culture across both the member and officer arenas. It is not about doing things in the old way with some new technologies and redesigned office spaces, it is about new ways of working using new tools, new processes, and new approaches to management and teamwork.
- 2.7 This requires different types of behaviours and different expectations about how work is undertaken. Plans to allow increased flexibility of where and when work is carried out must ensure the best possible outcomes and services are maintained for residents and local businesses. The work delivered by services, teams and individuals should be assessed against time and location dependency prior to any agreements taking place. A robust approach to performance management will ensure that successful and timely outcomes continue to be achieved. Relevant management and staff development, along with suitable ICT systems, will be essential.



2.8 The future operating model is about developing a clear suite of future policies that support Flexible Fenland Working Arrangements (FFWA). These will need to reflect the short, medium and longer terms requirements of the Council and its customer, and as such will be subject to continual review. How this is arranged, and the balance between working locations, is always going to depend on the role, the demands of the role, and the logistical factors around supporting and managing that role. Nonetheless the basic concept is moving towards a model where there is greater flexibility.

2.9 It is critical that any formalised operating model arrangement put in place does not impact detrimentally on the quality and continuity of service provision or the functions and activities of the Council. The needs of the service will always be the paramount consideration.

3 Scope

3.1 The new operating model sets out an overall framework for FFWA within the Council, enabling our workforce to carry out duties in a more efficient and effective way. The model applies to all employees of Fenland District Council whose roles are suitable to be included in hybrid working arrangements.

3.2 The report enables elected members, managers and staff to gain a better understanding of the operating model and FFWA and understand the basic principles, which can then be considered and applied to specific roles.

3.3 The report covers all flexible working arrangements and there is an expectation that sharing desk space will apply unless this is deemed necessary to undertake the job role or as part of a reasonable adjustment.

4 Proposed Operating Model (POM) - Principles

- 4.1 It is recognised that formalising the POM requires commitment and a collective responsibility. The model focusses on people, places, and technology. The success of these working arrangements relies on ensuring that we have confident and skilled people, supported by technology, appropriate workplaces, equipment, systems and processes, who are willing and able to work in a flexible way to meet service needs and improve outcomes for local people.
- 4.2 At the heart of the new operating model is the philosophy “work is something we do, not somewhere we go, it’s an activity, not a place”, as such the following principles are fundamental to ensure we are able to successfully embed the proposed ways of working:
- Plans to allow increased flexibility of where and when work is carried out must ensure the best possible service is maintained for local residents and businesses
 - The work delivered by services, teams and individuals should be assessed against time and location dependency, to determine the future formalised working style, prior to any agreements taking place (see diagram 1 in paragraph 2.5 above)
 - All plans to work from an alternative location or time is dependent on the needs of the Council and its customers, and subject to ongoing review of its operational effectiveness
 - Leadership and engagement of teams is critical to planning assumptions
 - Rather than replicating how we have previously delivered our work, a commitment to flexibility and being constantly open to challenging ourselves in relation to new ways of working and delivering services is required
 - Work has less impact on the environment, reducing the Council’s carbon footprint and making the best use of its assets
 - Presence does not equal performance. Performance is managed on results and outcomes rather than presence, which will involve different ways of keeping in contact with staff, of assessing workloads and monitoring and measuring performance
 - Training and support in relation to new ways of working will be provided to managers and staff
 - An open, fair, and consistent approach is applied within teams based on service and customer needs.
 - The use of both virtual and digital working is critical, however it is accepted that there is sometimes great benefit in being face to face, such as when inducting new people or supporting less experienced colleagues to develop their knowledge/skills.
 - The emergence of Artificial Intelligence(AI) and its practical application to the running of the Council, its services and working practices offers significant potential and will form a key strand of TA2.

- It is vital that the POM and the supporting FFWA policy framework supports the transformation of the Council in the short, medium and longer term.
- Physical and virtual office spaces will be merged with tools in place to make workspaces accessible and inclusive by enabling workspaces to be used flexibly and collaboratively
- Flexible meeting spaces and supporting technology will enable meetings to be productive whatever the location of the participants and ensure that all parties are able to take part and contribute effectively, regardless of their location.

5 Benefits of the Proposed Operating Model(POM)

- 5.1 Flexibility in location of work is an effective business tool. It can help to manage headcount and workflow, performance, and productivity.
- 5.2 More recently recruitment and retention has been particularly challenging not least as a result of talent/ skilled labour scarcity, budget constraints as well as significant competition from the private sector. Therefore, the ability to attract and retain a talented and diverse workforce has been particularly demanding. In particular difficult to fill posts may benefit from flexible employment practices.
- 5.3 Formalising an operating model which enables the development of a more inclusive culture, offering greater flexibility that increases productivity whilst helping to facilitate wider transformational change. This change to working practices in other similar organisations has shown to result in an increase in job satisfaction whilst also benefitting the organisation and will enable us to draw the best people from diverse talent pools.
- 5.4 In addition, the proposed operating model providing greater flexibility regarding how, where and when work is undertaken will also result in a reduction in travel costs due to virtual meetings, optimisation of the Council's investment in technology, the more efficient and effective use of office space as well as further supporting a more resilient and adaptable working culture that can respond to future challenges.
- 5.5 Of the 152 staff members that completed the annual staff survey in 2022, 62% of staff confirmed their working arrangements had changed during the pandemic with 59% deploying a flexible working approach. 89% of staff surveyed said that they either agreed or strongly agreed that they would like their new working arrangements to continue as it enabled them to deliver services in a manner that better reflected customer expectations.
- 5.6 Flexible and Responsive Services that supports better contact and improved service delivery for the benefit of Fenland residents and customers.

6 Communication

- 6.1 The strategy sets out the Council's high-level framework for FFWA. Effective communication and engagement with employees is essential in order to develop our culture, new behaviours, and ways of working. Consistent messages delivered as part of a two-way process ensuring that feedback from

employees is used to shape our detailed approach will be central to developing and implementing our new operating model.

7 Evaluation and Review

- 7.1 The Council's approach will need to be kept under review to ensure ongoing success and that it continues to reflect learning, developing and new technologies and changing circumstances. Staff surveys, feedback from supervision and springboards (appraisals) will help inform our review process. Ongoing feedback from both elected members and customers is also vital in ensuring the POM remains efficient and effective.

8 REASONS FOR RECOMMENDATIONS

- 8.1 The Council recognises the need to continue to support modern working practices to enable employees to maximise their performance and productivity to deliver the key corporate priorities outlined in the Business Plan.
- 8.2 Fenland has embarked upon an ambitious transformation agenda ensuring we remain progressive and fit for the future whilst ensuring customers remain at the heart of our POM, providing greater choice, accessibility and flexibility regarding service delivery
- 8.3 The transformation agenda and enhanced use of digital technology to support service delivery has enabled staff to work from locations where there is the greatest customer need via flexible working arrangements
- 8.4 More recently recruitment and retention has been particularly challenging not least as a result of talent/ skilled labour scarcity, budget constraints as well as significant competition from the private sector. Therefore, the ability to attract and retain a talented and diverse workforce has been particularly demanding.
- 8.5 Formalising an operating model which enables the development of a more inclusive culture, offering greater flexibility that increases productivity whilst helping to facilitate wider transformational change. This change to working practices in other similar organisations has shown to result in an increase in job satisfaction whilst also benefitting the organisation and will enable us to draw the best people from diverse talent pools.
- 8.6 Offering flexible ways of working that benefit customers and staff and help to deliver services in a manner that better reflects customer expectation is a key part of our Transformation-Two (TA2) agenda.
- 8.7 There is a real desire for both our customers and staff to access data more quickly and efficiently and a push towards 'digital by default'. This includes – enabling a greater use of digitised records and a shift away from paper-based systems, leading to operational efficiencies and supporting the need to conduct a review of our storage and archiving requirements
- 8.8 From our customers perspective, there is a need to implement more 'self-service' systems, which provides our customers with greater choice and the flexibility of being able to access Council services at a time and location most convenient to them. The ability for customers to self-serve ensures local

residents who are able and willing to access services electronically are able to do so, whilst enabling more traditional access channels, such as the corporate contact centre or our individualised face to face appointment service, to focus on those customers who may struggle to use or access digital channels or those who are potentially most vulnerable.

9 CONSULTATION

- 9.1 The POM sets out the Council's high-level framework for FFWA. Effective communication and engagement with employees is essential in order to develop our culture, new behaviours, and ways of working. Consultation regarding ways of working has formed a key aspect of the staff survey and in addition ongoing discussions take place at the monthly management Trade Union Staff Partnership (MTSP).
- 9.2 Formal consultation with all employees will take place as part of the two-way process in relation to ensuring that feedback from employees is used to shape our detailed approach and will be central to developing and implementing our new operating model. The output from the formal consultation will be shared with the Audit and Risk Management Committee as part of the detailed policy development process.

10 ALTERNATIVE OPTIONS CONSIDERED

- 10.1 Alternative working styles have been outlined in the report. The report outlines the principles to underpin the POM. These principles have been informed by the approach to working which has informally been in place since the outset of the COVID pandemic. It is recommended the implementation is subject to formal review and evaluation.

11 IMPLICATIONS

11.1 Legal Implications

- 11.2 The Council has a duty under s.3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, "the best value duty". The proposals set out in this report compliment the Council's best value duty in ensuring the most efficient and effective means of delivering services.

11.3 Financial Implications

- 11.4 There is unlikely to be any additional cost to FDC as all office-based staff have already been provided with laptops as standard (The rollout of laptops for all relevant staff was expedited during the COVID pandemic in order to comply with the Central Government requirement to work from home where possible). It is anticipated however that there are likely to be cost savings

arising from the formal agreement to the new operating model, for example, from a reduction in travel costs to meetings.

- 11.5 In most circumstances the employee will not be eligible to claim expenses for flexible working. This includes but is not limited to, broadband, heating, lighting, water, landline connection etc. and, although financial assistance will not be provided, employees may find that they are still financially better off when considering personal commuting.
- 11.6 Tax relief for household bills may also be available to employees who should contact the HMRC directly for more information. This is entirely a private matter to be settled between the individual employee and the tax authorities.

11.7 Equality Implications

- 11.8 The greater flexibility the future operating model provides in relation to formalising FFWA will have a positive impact on all employees who are in suitable roles as they will be able to decide which mix of virtual or office working is best for them.
- 11.9 Formalising an operating model which enables the development of a more inclusive culture, offering improved ways of working that will enable us to draw the best people from diverse talent pools.
- 11.10 Where required and previously identified, specialist equipment will be made available in an office location in addition to equipment supplied to work from other remote locations.

Agenda Item No:	7	
Committee:	Cabinet	
Date:	16 March 2023	
Report Title:	Recap Partnership Joint Materials Recycling Tender and Contract	

Cover sheet:

1 Purpose / Summary

- 1.1 This report seeks the agreement of Cabinet to undertake a joint procurement and award of Materials Recycling Facility (MRF) services for bulking, sorting, onward processing and sale of recyclable materials with other Recycling in Cambridgeshire and Peterborough (RECAP) partners.

2 Key Issues

- 2.1. The RECAP Waste Partnership is a longstanding and effective partnership made up of all 7 authorities across Cambridgeshire and Peterborough.
- 2.2. Fenland is currently party to a jointly procured contract, expiring August 2024, for the bulking, transportation, sorting and onward sale of the blue bin recycling materials collected from domestic and commercial premises in Fenland.
- 2.3. Working collaboratively and procuring jointly with other local authorities in this way has increased the financial benefits of the previous waste recycling contract due to the increased combined quantity of recyclable material presented to the market and therefore its potential value.
- 2.4. This best value approach can only be achieved by partners committing to a collective tender process at this stage and to award any subsequent contract on the basis of collective agreement.
- 2.5. It is proposed by the RECAP partners that Cambridgeshire County Council's Procurement Team will be used for the procurement process, acting on behalf of the partner authorities.
- 2.6. It is anticipated that any final contract would be awarded by March 2024.

3 Recommendations

- 3.1. Agree that the Council is committed to the procurement and appointment of one or more Contractors, to deliver Joint Materials Recycling Facilities (MRF) services for bulking, sorting, onward processing and sale of recyclable materials for all RECAP participating partners.
- 3.2. Agree delegation to the Corporate Director and Section 151 Officer for the authorisation of the final Invitation to Tender (ITT), to award the contract, in consultation with the Portfolio Holder.
- 3.3. Agree that Cambridgeshire County Council will nominate one or more preferred suppliers, in collaboration with the partners, for the provision of the services of bulking, sorting and onward processing and sale of recyclable materials contract, on behalf of the RECAP partners.
- 3.4. Members should note that whilst providing procurement expertise, Cambridgeshire County Council are not party to any resulting contract.
- 3.5. Members should note that the resulting contract will likely require an updated TEEP assessment of the recycling service provision provided by Fenland which will be presented to a future Cabinet meeting.

Wards Affected	All
Forward Plan Reference	KEY/10FEB23/01
Portfolio Holder(s)	Cllr Peter Murphy, Portfolio Holder for Open Spaces, Street Scene & Waste Management
Report Originator(s)	Mark Mathews, Head of Environmental Services
Contact Officer(s)	Carol Pilson, Corporate Director
Background Papers	Initial Fenland TEEP Assessment TEEP Review of 2016

Report:

1 BACKGROUND AND INTENDED OUTCOMES

- 1.1 The Recycling in Cambridgeshire and Peterborough (RECAP) Waste Partnership is made up of Fenland District Council, Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Huntingdonshire District Council, Peterborough City Council, South Cambridgeshire District Council.
- 1.2 Cambridgeshire County Council is a member of the Partnership and involved in this process, however it will not be party to this joint Materials Recycling Facility (MRF) procurement, as recycle materials received by the County Council via its Household Waste Recycling centres are already dealt with through the existing PFI contract.
- 1.3 Critical to realising the potential benefits to the public purse that are expected from this joint procurement and collective offer of Partners' materials, is the need for all Partners to agree, in advance of the actual tender process itself, to present their respective recycle materials to the market jointly and collaboratively, thereby securing greatest influence over best value in processing cost and potential income.
- 1.4 It is recommended that the Council makes a commitment to this Joint Procurement of services for bulking, sorting and onward processing and sale of recyclable materials with relevant RECAP partners. This will commit the offering of all the recycle materials from Fenland, and each Partner Council, into common contracts across Cambridgeshire and Peterborough.
- 1.5 Given the limited timescale for final approval of detailed procurement documentation, including the Invitation To Tender (ITT), that there is a requirement for this authority to be delegated to an appropriate officer in consultation with the Portfolio Holder. It is therefore recommended that Corporate Director be provided with delegated authority in consultation with the Portfolio Holder, to approve of detailed procurement documentation, including ITT, noting that approval and commitment to ITT constitutes a commitment to the resultant contract.
- 1.6 A commitment to this Joint Procurement process administered on behalf of the Partners by Cambridgeshire County Council will result in the nomination of a preferred bidder by the authority, with contract(s) to be awarded to the Most Economically Advantageous Tender(ers).
- 1.7 Current legislation requires that waste collection authorities not separately collecting prescribed recycling materials (paper, metal, plastic and glass) perform a TEEP Assessment (see 2.8) to determine compliance with regulations. This process has been approved by Cabinet previously in 2014 and 2016. The anticipated changes in legislation and the provision of the contract will make this process necessary prior to September 2024.
- 1.8 TEEP Assessment - The Waste (England and Wales) (Amendment) Regulations 2012 impose a duty on waste collection authorities like Fenland when making arrangements for the collection of domestic and commercial

waste to ensure that those arrangements are by way of separate collection, unless it is technically, environmentally and economically practicable (TEEP) to perform them otherwise. Background papers above link to Fenland's current assessment.

2 REASONS FOR RECOMMENDATIONS

- 2.1 With anticipated changes in legislation and the increased value of recyclable materials as a resource, local authorities were previously incurring costs for services to bulk, sort and process such materials have been receiving an income - although it should be noted that the market for recyclable materials fluctuates and income is consequently volatile. Joint working in this area has been shown to increase financial benefits to local authorities, for example, by increasing the quantity of recyclable material presented to the marketplace and therefore its potential value. It can also remove duplication of effort depending on the partnership approach and benefits can be derived from combining learning and expertise.
- 2.2 The MRF procurement is intended to maximise existing volumes/materials with more materials moving into existing bins, where technically, economically, environmentally, and financially practicable.

3 CONSULTATION

- 3.1 The RECAP Board of elected Members monitors annual work streams, of which Joint MRF Procurement is one.
- 3.2 Consultation was undertaken in December 2022 with a wide spectrum of the companies currently operating in the business of recycling, sorting, bulking and transportation of recyclable materials via a Soft Market Test process. This feedback will help inform the nature of the contract, the mix of materials within the recycle basket (including likely impacts on values), the pricing mechanism and also quality requirements.
- 3.3 The Waste and Resources Action Programme (WRAP), a government funded advisory body, has also been consulted and involved in developing this approach to the marketplace, including provision of industry intelligence.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Contracting independently of neighbouring authorities was deemed to be expensive and would not offer the economies of scale of a joint procurement.
- 4.2 There was investigation in relation to the legality of a continued extension to the current contract, but this was not deemed legal and the current contractor has made clear that their plant needs extensive investment thus prohibiting any short-term extension.

5 IMPLICATIONS

5.1 Legal Implications

- 5.2 The Council, at approving the ITT, will be agreeing to enter into the resulting contract with the most economically advantageous bidder from 01 September 2024 for a minimum period of 5 or 7 years, with the option to extend to a maximum of 10 years, albeit if other options are presented through the procurement process these will be considered.
- 5.3 Government has yet to clarify the details of Extended Producer Responsibility implications for local authorities from April 2024 which could place an increased burden on sampling at Material Recovery Facilities within the life of this contract.
- 5.4 The Government's Deposit Return Scheme, expected in England and Wales from October 2025, could have an impact upon the materials collected within this contract, however the market is aware of this and will be able to learn from Scotland which is expected to go live in August 2023.
- 5.5 Coming to the market whilst there is still some uncertainty around the Government's plans does create risk for potential bidders. Unfortunately, the contract has been extended to the maximum of 10 years and all options have been explored. In light of this, the partnership authorities will use expert legal opinion to determine the most effective means of procuring the contract to ensure that bidders can have confidence in the contract they are bidding for.
- 5.6 In line with our procurement policy, where a competitive process is a collaboration, and the procurement approach of another authority is accepted, our Corporate Director and Chief Finance Officers authority is required. This authority has already been provided subject to Cabinet approve this paper.
- 5.7 It should also be noted that where a contract is to be entered into through collaboration with other Local Authorities or other public bodies and where a competitive process has been followed that complies with the Contract Regulations/Code of Procurement of the leading organisation but does not necessarily comply with Fenland's Code of Procurement, checks will be carried out by the Procurement Team to ensure this Council's interests are safeguarded.

5.8 Financial Implications

- 5.9 The existing contract, which was an initial five years, with a five-year extension, has provided security to Fenland and the Recap partners during some periods of real instability in the recycling materials markets and as a result somewhat protected the authorities from the increased costs seen elsewhere.
- 5.10 The Fenland contract since November 2014 has cost an average of less than £10 a tonne for the bulking, transporting, sorting and onward sale of all the recycling materials collected. Fenland has delivered more than 80,000 tonnes of dry mixed recycling sorted through this contract.


- 5.11 With the currently low levels of material values, the anticipated changes in legislation and increasing costs for contractors, we do not expect to see these levels in future contracts.
- 5.12 The results of the soft market testing demonstrated that contractors are no longer willing to take the same level of risk related to market volatility and we should expect a different approach to gate fees and profit share from those in 2013/14.
- 5.13 Defra has made a commitment through the Enhanced Producer Responsibilities (EPR) that from April 2024 producers will pay local authorities for collecting and treating packaging materials recycled. Packaging materials make up in the region of 70% of the materials currently collected in Fenland blue bins.

5.14 Equality Implications

- 5.15 N/A

5.16 Future Changes to Waste Collections

- 5.17 Defra has yet to provide clarity to Councils around the suite of waste service changes first proposed in 2018 and consulted upon over recent years. These include the EPR and DRS discussed previously, along with Consistency of Collection.
- 5.18 The lack of information or guidance from Defra around the nature of future domestic collections is lamentable and makes it very difficult for potential bidders and authorities alike and is likely to raise the costs for all as a result.

Agenda Item No:	8	
Committee:	Cabinet	
Date:	16 March 2023	
Report Title:	Whittlesey Southern Relief Road SOBC	

Cover sheet:

1 Purpose / Summary

1.1 This report relates to the Whittlesey Southern Relief Road Strategic Outline Business Case (SOBC). Members are requested to:

- Appoint a Project Board including setting its remit, its terms of reference and membership
- Note the procurement exercise to select a contractor to deliver the SOBC project. Approval of delegated authority to the Portfolio Holder for Social Mobility and Heritage (including transport) is requested to award the contract following completion of the procurement
- Third party funding has been approved from CPCA Market Towns Budget for this work. A Grant Funding Agreement between CPA and FDC is required. Delegated approval to the Portfolio Holder for Social Mobility and Heritage is requested to sign the agreement on behalf of FDC.

2 Key Issues

- 2.1 FDC has been awarded £260,000 by CPCA to deliver a Whittlesey Relief Road SOBC project.
- 2.2 It is proposed to set up a Project Board to oversee the governance and delivery of this project. The approach being suggested is already in operation for several CPCA funded projects in Fenland District including Fenland Stations Regeneration and March Area Transport Study. Draft terms of reference are attached at appendix 1 for Cabinet discussion and approval.
- 2.3 A procurement exercise will be required to appoint a contractor to complete the SOBC project. This will be managed and overseen by the Project Board.
- 2.4 A Grant funding agreement will be required between CPCA and FDC for the funding. It should be noted that contained within this agreement is the wording "Confirmation that any capital cost overrun will be met by Fenland District Council".
- 2.5 The project is expected to complete during Spring/Summer 2024.

3 Recommendations

- 3.1 Members are requested to:

- Confirm the establishment of the Project Board to oversee the business case project, confirm the boards remit including its terms of reference and membership
- Note the procurement exercise to select a contractor to deliver the SOBC project. Give approval for delegated authority to the Portfolio Holder for Social Mobility and Heritage to award the contract
- Third party funding has been approved from CPCA Market Towns Budget for this work. A Grant Funding Agreement between CPA and FDC is required and that this agreement requires FDC to underwrite any capital overrun.
- Delegate approval to the Portfolio Holder for Social Mobility and Heritage and the Portfolio Holder for Finance to sign the agreement on behalf of FDC.

Wards Affected	All Whittlesey wards
Forward Plan Reference	
Portfolio Holder(s)	Cllr Seaton - Portfolio Holder for Social Mobility and Heritage
Report Originator(s)	Wendy Otter (Transport Development Manager)
Contact Officer(s)	Wendy Otter (Transport Development Manager) Email: wotter@fenland.gov.uk Anna Goodall (Assistant Director) Email: agoodall@fenland.gov.uk
Background Papers	CPCA Board Meeting – 30 November 2022 CMIS > Meetings FDC Cabinet – 9 January 2022 Report and appendices.pdf (fenland.gov.uk) Whittlesey Town Council 2021 – Whittlesey Relief Road Inception Study Whittlesey Relief Road - Whittlesey Town Council

Report:

1 BACKGROUND

- 1.1 In January 2020, FDC Cabinet approved a series of economic masterplans under the title of Growing Fenland. This included a Growing Fenland Whittlesey masterplan setting out a series of projects aimed at improving this historic town. The need for a Whittlesey Southern Relief Road scheme is one element of this masterplan which featured highly in responses to the public consultation work that supported the strategy.
- 1.2 Later in 2020 Whittlesey Town Council commissioned the Whittlesey Relief Road Inception Study. The key findings of this study state that there is a sound strategic case with a few benefit areas and reasonable alignment with local plans and strategies. There is a reasonable prospect of value for money although this may be dependent on development. The report also noted some engineering challenges around flood risk and the railway level crossing. The consultants' overall conclusion is as follows:

“it is therefore concluded there is sufficient evidence to justify scheme progression, and it is recommended that the scheme proceeds to the next stage evaluation, namely, Strategic Outline Business Case.”

- 1.3 Further information about this study including a copy of the report can be found on the Town Council website as follows: [Whittlesey Relief Road - Whittlesey Town Council](#).
- 1.4 Cambridgeshire and Peterborough Combined Authority (CPCA) are supporting the Growing Fenland masterplans financially through their Market Towns Programme. In November 2022, a market towns finance update paper was taken to CPCA Board. This included a proposal for reallocating £255,750 of funding towards a Whittlesey Southern Relief Road SOBC. This was approved subject to a funding application from Fenland District Council in January 2023. The main factors for this CPCA decision being the inclusion of the Whittlesey Relief Road project in the Growing Fenland Masterplan for Whittlesey, the Whittlesey Town Council Relief Road Inception Study and its positive outcome, along with 80% of respondents calling for this study to be progressed as part of CPCA 2022-2023 budget review.

2 Whittlesey Relief Road SOBC

- 2.1 The Whittlesey Relief Road SOBC project needs to ensure that appropriate governance is in place to manage and monitor the project from its inception. Cabinet is therefore asked to approve these arrangements prior to the commencement of the SOBC. In line with other CPCA funded projects such

as the Fenland Stations work and the March Area Transport Strategy it is proposed to set up a Project Board. Appendix one includes the draft terms of reference for the group including proposed meetings, aims and objectives and membership. Cabinet is asked to confirm the proposed Project Board to deliver the governance and the draft terms of reference for this group. Day to day working arrangements will follow existing FDC processes for project delivery.

- 2.2 FDC will appoint a specialist contractor to deliver the SOBC project. the contractor will complete all technical work including a Department for Transport compliant SOBC. The chosen contractor will attend and take an active role in the Project Board meetings. A procurement exercise is required to be undertaken in accordance with FDC procurement regulations. Cabinet is asked to give approval for delegated authority to the Portfolio Holder for Social Mobility and Heritage (including transport) to award the contract.
- 2.3 Allowing for procurement and the delivery of all technical and business aspects of the project. The Whittlesey Relief Road SOBC is expected to be complete in Spring/Summer 2024.

3 REASONS FOR RECOMMENDATIONS

- 3.1 In January 2022 Cabinet approved the Growing Fenland Masterplan for Whittlesey which includes the Whittlesey Relief Road. The subsequent Whittlesey Town Council inception study showed that there are benefits and a value for money case for any scheme. The public are supporting a relief road project for the town through the Growing Fenland masterplan consultation and wider CPCA consultation processes. CPCA has awarded FDC £260,000 to complete at SOBC project for this scheme in line with the above. It is therefore considered that this approach and the funding should be approve by Cabinet along with related governance processes.

4 CONSULTATION

- 4.1 Please refer to paragraphs 2.1 and 2.3 above which confirm public consultation in support of this SOBC project.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Alternative options have not considered. However, Cambridgeshire Country Council as the Local Highway Authority and CPCA as the Local Transport Authority have programmes to develop transport proposals across all modes of transport. A new Transport Strategy for Fenland District is being adopted during February and March 2023 and covers all modes of transport. Walking and cycling proposals for Whittlesey are included within the new district transport strategy, the Fenland Walking, Cycling and Mobility Aid Strategy and the County Council emerging Active Travel Strategy. Fenland District Council is also working with CPCA and others to develop plans to significantly improve Whittlesey railway station. A multi modal approach to address transport issues in Whittlesey is already in place with a sound policy basis.

- 5.2 Proposals for a Whittlesey relief road are at an early stage. A key component of this project is to consider alternative ways to address the key issues that need resolving. Alternative options must be considered to satisfy funding requirements and therefore they will form part of this SOBC.

6 IMPLICATIONS

6.1 Legal Implications

- 6.2 A legal grant funding agreement will be put in place between CPCA and FDC for the £260,000 funding. FDC will be required to regularly report delivery and performance that will be monitored by the Project Board and CPCA.
- 6.3 A procurement exercise will take place to appoint a contractor to complete the SOBC project. This process will be in accordance with FDC procurement regulations. The work and progress of the contractor will be directed and monitored by FDC and the Whittlesey Relief Road Study Project Board.

6.4 Financial Implications

- 6.5 As stated above, £260,000 third party funding has been awarded to FDC by the CPCA to complete the Whittlesey Relief Road SOBC project. This funding is expected to deliver the SOBC project and related FDC staff costs. The funding will be managed through FDC financial management processes along with CPCA and Project Board approval. It should further be noted that contained within the funding agreement is the statement "Confirmation that any capital cost overrun will be met by Fenland District Council".

6.6 Equality Implications

- 6.7 Growing Fenland Whittlesey, that this SOBC project is part of, is concerned with improving the economic and social performance of the town. Existing transport challenges in and around Whittlesey cause disruption and congestion. This project is one component of the transport strategy for Whittlesey which has a multi modal approach. Proposals for transport projects to assist all members of the community are being taken forward and considered as part of a wide range of policies and strategies. Please also refer to paragraph 6.1 above.

APPENDIX 1 – Whittlesey Relief Road Study Project Board draft terms of reference

1. Background – What is the Whittlesey Relief Road Project SOBC?

Introduction

FDC and our partners have been working on a project to consider a relief road for the Market Town of Whittlesey. Whittlesey is an historic market town with some narrow streets and important old buildings. There is also a major road (A605) through its centre and an industrial estate to the south. The town economy relies significantly on road traffic with large vehicles needing to access all parts of the town. The railway level crossings around the town are in prominent locations and with increasing amounts of barrier downtime congestion on the local road network increases. The transport challenges in Whittlesey need to be addressed.

In 2020 Whittlesey Town Council commissioned the Whittlesey Relief Road Inception Study. The key findings of this study state that there is a sound strategic case with benefit areas and reasonable alignment with local plans and strategies. There is a reasonable prospect of value for money although this may be dependent on development. The report also noted some engineering challenges around flood risk and the railway level crossing.

The findings of the study are fully supported and FDC considered opportunities to secure funding for the next stage of work for a Whittlesey Relief Road.

Growing Fenland Whittlesey Masterplan

Following a successful pilot scheme undertaken in St Neots, the Cambridgeshire & Peterborough Combined Authority (CPCA) Board committed to provide funding to create a masterplan for growth for each market town within the CPCA area (as recorded in the actions from the CPCA Board meeting held on 28.03.18).

With the aim of bringing jobs, infrastructure and growth to the Fenland area, the masterplans also enable each town to become and remain "vibrant and thriving places" whilst helping to boost the local and regional economy.

A commitment of £50k was made by the CPCA to produce a masterplan for each town in Fenland. The master planning project was given a working title of 'Growing Fenland' which linked the proposed growth of the local economy to our important agricultural heritage. The Whittlesey Growing Fenland Masterplan, which includes a Whittlesey Relief Road was approved in early 2020 and can be found from the following weblink:

[Whittlesey Relief Road - Whittlesey Town Council](#)

Upon completion of the Masterplans, CPCA approved further funding to kick start the delivery and implementation of these Masterplans. In late 2022 as part of a CPCA Market Towns Programme review, an opportunity arose to review the proposals for Whittlesey projects. FDC submitted a successful application to CPCA for the Whittlesey Relief Road

SOBC project. This was approved at the CPCA Board meeting in November 2022 and is available to read as follows [CMIS > Meetings](#)

2. Whittlesey Relief Road SOBC Project Board

Objective:

The Project Boards will provide oversight for the continued development and delivery of the Whittlesey Relief Road SOBC and provide a forum for key issues to be considered and key decisions to be made. It is the vehicle by which the key strategic issues (including financial and legal) can be acknowledged, recorded, and monitored.

Responsibilities:

The remit of the Project Board relates to the design, delivery and implementation of the Whittlesey Relief Road SOBC project. Responsibilities include but are not limited to the following:

- Approval of the Project Brief including its specific aims.
- The project programme from its inception to its conclusion
- Discuss and agree action regarding specific project constraints
- Review and approval of the procurement strategy
- To receive progress reports from the project team, review & confirm achievements at each major project milestone (or end of stage) and approve commencement of the next stage
- Provide direction and support to help resolve key project risks and issues
- To provide input and representation to the defined projects for their respective organisations
- To provide advice on local issues
- To provide their respective organisations' positions on all elements of the project
- To agree community engagement and public consultation strategy.
- Authorise project closure and send project closure notification

Membership:

The core membership of each of the project board will be as follows:

FDC Cabinet Member – Portfolio holder for Transport (Chairperson)

FDC Leader and Portfolio Holder for Finance

FDC Cabinet Member – Portfolio holder for Planning

Whittlesey Town Council – two representatives

Cambridgeshire County Council as Local Highway Authority - 1 member

A vice-chairperson should be elected from the membership of the group at the first Project Board meeting. This vice-chairperson is expected to deputise for the Chairperson.

It should be noted that only members listed above, or their nominated substitutes will have voting powers.

It is envisaged that the project board may also make recommendations to Fenland District Council's Cabinet, which would in turn make recommendations to the CPCA Board, the ultimate decision-making body regarding funding.

Officer and Project Support Staff:

The Project Board will be supported by officers from Fenland District Council and Cambridgeshire and Peterborough (CPCA) Combined Authority. Additional officer support will be brought into meetings as required. E.g., communications officer or specialist consultant. The appointed consultants delivering the SOBC will also attend all the Project Board meetings and help as required. It is also expected that other specialist staff may attend some meetings as necessary such as Network Rail and the lead local flood authority team related to known challenges that will need to be overcome to deliver any project in the future.

Meetings

The Project Boards will meet or hold a meeting or conference call at least every 3 months and at other times as necessary and at key stages of the project.

Each party may substitute attendees on an occasional basis; however, substitutes should be briefed and empowered with the same authority as the usual attendee.

Communications

A Whittlesey Relief Road SOBC Project Board Communications Strategy will also support the terms of reference document. This Strategy will set out protocols for communication in respect of the Whittlesey Relief Road SOBC. Members have a role to adhere to the communications strategy to enable effective implementation of the programme. An initial draft of the strategy will be tabled at the first meeting of the Project Board for approval.

Agenda Item No:	9	
Committee:	CABINET	
Date:	16 March 2023	
Report Title:	24 High Street, Wisbech - update	

1. Purpose / Summary

To provide Cabinet with a monthly update regarding ongoing work related to 24 High Street, Wisbech.

2 Progress to develop 24 High Street

2.1 The project to redevelop 24 High Street continues, following Cabinet's recommendation and Council's decision to enter into a contract with a preferred bidder to develop the site.

2.2 The Pre-Contract Services Agreement (PCSA) was completed on 1 March 2023. At the time of writing, the contractor was due to present their PCSA findings on 7 March. This will feed into a revised cost programme and a construction timeline.


2.3 It is then anticipated that the Council will move swiftly towards entering into the main contract for construction and get building work underway promptly. Members will be updated regarding the situation with this contract as it progresses.

3 Recommendations

3.1 That Cabinet notes the current position in relation to the 24 High Street construction project in Wisbech High Street.

Wards Affected	Medworth Ward	
Forward Plan Reference	KEY21APR22/01	
Portfolio Holders	Cllr Chris Seaton Cllr Ian Benney Cllr Chris Boden	Portfolio Holder for Social Mobility and Heritage Portfolio Holder for Economic Growth Leader of the Council and Portfolio Holder for Finance
Report Originator	Phil Hughes	Head of Service
Contact Officers	Paul Medd Peter Catchpole Mark Greenwood	Chief Executive Corporate Director and S151 Officer Head of Property, assets and Major Projects

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Agenda Item No:	10	
Committee:	Cabinet	
Date:	16th March 2023	
Report Title:	Procurement of Cleaning Services 2023 to 2027	

Cover sheet:

1 Purpose / Summary

- 1.1 To agree and procure the forward procurement of cleaning services for Council owned and occupied premises for the period 2023 to 2027.
- 1.2 The Cleaning Contract for Fenland District Council's main occupied buildings is due to conclude on the 31st March 2023 at the end of its current 4-year contract.
- 1.3 The contract is currently held with Excellerate Services UK Ltd and as stated will terminate on the 31st March 2023.
- 1.4 The current budgeted value for 2023/24 is £136,200.

2 Key Issues

- 2.1 To ensure compliance of contract guidelines and achieve a compliant procurement process.
- 2.2 To enable the Council to join a group cleaning contract led by Cambridgeshire County Council. This will enable the council to join other authorities to gain economies of scale.
- 2.3 The failure to join with other parties and increase the footprint of buildings to be cleaned could result in a higher cost as our volumes are considered too low to procure competitively on our own.
- 2.4 The contract has been drafted to be flexible in nature allowing both the onboarding and offboarding of properties across the whole area. The only financial implication, should a property be removed from the contract, would be staff redundancy costs should the contractor not be able to redeploy a member of staff to other work following our decision to remove that property or part thereof from the contract.
- 2.5 Anticipated spend per annum £129,280.
- 2.6 A service agreement will be required.
- 2.7 The value of the tender is within the council budget allocation for 2023/24.

3 Recommendations

- 3.1 Approval is now sought to complete the procurement process in order that Cambridgeshire County Council may complete the execution of the cleaning contract with Atalian Servest AMK Ltd before the contract commencement date of 1st April 2023.

Wards Affected	All
Forward Plan Reference	KEY/21DEC22/02
Portfolio Holder(s)	Cllr Boden – Portfolio Holder for Finance
Report Originator(s)	Mark Greenwood – Head of Property, Assets & Major Projects Andrew Dunning – Buildings & Facilities Officer
Contact Officer(s)	Peter Catchpole – Corporate Director Mark Greenwood – Head of Property, Assets & Major Projects Andrew Dunning – Buildings & Facilities Officer
Background Papers	Cambridgeshire County Council Procurement exercise, procurement documents available on request. Procurement conducted as per Public Contract Regulations 2015

Report:

1 Reasons for Exemption

- 1.1 Not applicable

2 BACKGROUND AND INTENDED OUTCOMES

- 2.1 The Cleaning Contract for Fenland District Council's main occupied buildings (Fenland Hall, Boathouse Business Centre, The Base and South Fens Business Centre) is due to end on the 31st March 2023 at the conclusion of the current contract after a 4-year period.
- 2.2 Fenland District Council has, as a result of the relatively small number of occupied buildings that require cleaning, historically taken part in a shared contract with Cambridgeshire County Council.
- 2.3 This arrangement that is now due for review.
- 2.4 By entering into the shared contract, reflecting the reduced area occupied will reduce the costs and generate savings in the long term.
- 2.5 The tender process, which was conducted by Cambridgeshire County Council using a quality and price scoring matrix, has resulted in a provisional decision to award a contract to Atalian Servest AMK Ltd with an agreed value of £129,280.26 per year.

- 2.6 This renewed figure represents a small saving over the current budget for 2023/24 of £136,200.
- 2.7 This value of the tender is within the allocation of the draft council budget for 2023/24, with additional contract years being accounted for in a similar manner.
- 2.8 The contract has been drafted to be flexible in nature allowing both the onboarding and offboarding of properties across the whole area. The only financial implication, should a property be removed from the contract, would be staff redundancy costs should the contractor not be able to redeploy a member of staff to other work following our decision to remove that property or part thereof from the contract.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure ongoing service delivery to the corporate buildings and ensure that appropriate standards of cleanliness are maintained throughout.
- 3.2 To support the Council's financial plan and give accurate budgeting information.

4 CONSULTATIONS

- 4.1 The process has been undertaken as a renewal of the current contractual arrangements with Cambridgeshire County Council acting as lead authority to benefit from economies of scale available to the combined building footprint. In progressing this matter, the engagement of the Council's procurement team has been sought and followed at all stages.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Prior to the award of the current contract, a cost assessment was undertaken in relation to the provision of these services via a direct employment of cleaning staff. This option was discounted due to additional costs involved and this reason for non-pursuance remains valid.

6 IMPLICATIONS

6.1 Legal Implications

- 6.2 The Public Contract Regulations 2015 (PCR2015) require the council to run a compliant procurement exercise for services valued at £213,477.00 or greater over a contract period. In this instance, the Council's own code of procurement allows us to approve the use of another authority's procurement process to compliantly tender under the PCR 2015 regulations on our behalf. The legal implications of complying with the Council's local and PCR2015 regulations have therefore been appropriately met in proceeding with the recommended approach.

6.2 Financial Implications


- 6.2.1 There is sufficient provision for the value of this contract within the current budgeted figure for 2023/24.

6.3 Equality Implications

None

6.4 Any Other Relevant Implications

6.5 The proposed transfer of the contract will impact current staff directly employed in relation to the services provided to FDC properties. The proposed contractor has acknowledged this fact and has commenced discussions with these staff as a required under the relevant TUPE legislation.

Agenda Item No:	11	
Committee:	Cabinet	
Date:	16 March 2023	
Report Title:	Procurement of Sewage Effluent Removal Services	

Cover sheet:

1 Purpose / Summary

- 1.1 The Councils Sewage Treatment Works, Pumping Stations, Cesspits and other assets outlined in Schedule 1 require periodic emptying (de-sludge) as part of their routine maintenance and service program to maintain the safe and effective operation for our connected customers and the local environment (watercourses) to which the treated effluent discharges.
- 1.2 Recommendation to approve delegated officer appointment of an external specialist provider, to undertake the Councils sewage effluent removal services for a 3-year period, plus an option to consider a 2-year extension if deemed viable in December 2025.

2 Key Issues

- 2.1 This service requirement is essential to maintain effective functioning of the Councils sewage assets, to ensure successful toilet function and wastewater disposal for the Councils connected customers in their homes and businesses.
- 2.2 The Councils annual tankering expenditure is in the region of £80K, which is funded from the relevant service-related revenue budgets.
- 2.3 This service requirement cannot be undertaken in-house as the Council does not have the suitable equipment, a tanker, or available staff resources.
- 2.4 Document preparation, procurement and tender delivery exercise was undertaken in accordance with the Councils Code of Procurement, Category D.
- 2.5 Evaluation via 80% price and 20% quality assessment. A 10-day standstill period is required at preferred bidder stage. After this stage an update to cabinet on awarded contractor can be made

3 Recommendations

- 3.1 Recommendation to delegate to officers the appointment of the most advantageous tenderer as per evaluation under the Public Contract Regulations 2015. To therefore undertake the Councils sewage effluent removal services for the coming 3-year period, commencing on 01 April 2023, including the option for a 2 year extension subject to agreement by both parties.

Wards Affected	<i>All</i>
Forward Plan Reference	<i>KEY/21DEC22/01</i>
Portfolio Holder(s)	Cllr Peter Murphy – Portfolio Holder for Open Spaces, Street Scene & Waste Management Cllr Ian Benney – Portfolio Holder for Economic Growth
Report Originator(s)	Kevin Gove Senior Engineer kgove@fenland.gov.uk
Contact Officer(s)	Peter Catchpole Corporate Director PeterCatchpole@fenland.gov.uk Mark Greenwood Head of Property, Assets & Major Projects mgreenwood@fenland.gov.uk Kevin Gove Senior Engineer kgove@fenland.gov.uk
Background Papers	Tender Return, Evaluation and Recommendation Report

Report:

1 BACKGROUND AND INTENDED OUTCOMES

- 1.1 The Sewage Treatment Works, Pumping Stations, Cesspits and other assets outlined in Schedule 1 require routine emptying (de-sludge) as part of their ongoing maintenance and service program to maintain the safe and effective operation for the Councils connected customers and the local environment to which treated effluent discharges.
- 1.2 The service provision fulfils the Councils requirements to facilitate an effective sewerage service and meet its legal and environmental obligations in accordance with site specific Environment Agency Discharge Consents and best practice.
- 1.3 The appointed Tankering contractor will be required to safely collect and appropriately dispose of foul sewage waste, sludge and liquid effluent from these assets and other similar private assets as part of the Councils Environmental Enforcement Action process.
- 1.4 The current tankering contract expires on 31 March 2023.
- 1.5 Contract document preparation, procurement and tender delivery has been undertaken in accordance with the Councils Code of Procurement, Category D.
- 1.6 On 20 February 2023, 14 Bonafede returns were received in the Pro-actis Tender portal.
- 1.7 List of Contractors with estimated contract values, based on typical routine service schedule:

Name	Price
Bidder A	£ 243,755
Bidder B	£ 260,159
Bidder C	£ 301,425
Bidder D	£ 382,389
Bidder E	£ 373,305
Bidder F	£ 282,090
Bidder G	£ 392,475
Bidder H	£ 327,160

Bidder I	£ 988,806.18
Bidder J	£ 732,265
Bidder K	£ 347,530.95
Bidder L	£ 390,175
Bidder M	£ 739,398.32
Bidder N	N/A

- 1.8 The intended outcome of this report is to clearly demonstrate that this essential procurement exercise has been undertaken in accordance with Council's requirement and Members have sufficient information to approve the recommendation for delegating to officers to appoint.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The most economically advantageous tenderer using the scoring criteria and evaluated against a typical annual tankering requirement, as detailed in the Tender Evaluation and Recommendation Report and Schedule 2 will be conducted.

3 CONSULTATION

- 3.1 Internal stake holders, including Environmental Health and Facilities Management Teams have been advised that this service has been re-tendered and that their service-related requirements have been incorporated within the proposed provision.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 This service provision cannot be undertaken in-house as the Council does not have a tanker or staff resources to operate such a service.
- 4.2 Historically, the Council owned a suitable tanker, however the pressurised holding tank failed an insurance inspection and was deemed beyond economical repair; and subsequently sold in 2018. The service requirement has since been successfully undertaken by external contractors.
- 4.3 The re-introduction of an in-house provision is not considered financially viable or practical for the Council to adopt.

5 IMPLICATIONS

5.1 Legal Implications

5.2 The Public Contract Regulations 2015 (PCR2015) require the council to run a compliant procurement exercise for services valued at £213,477.00 or greater over a contract period. The legal implications of complying with the Council's local and PCR2015 Regulations have therefore been appropriately met in conducting the procurement exercise described. The Council is now complying with the obligations set out in the Procurement Code in undertaking an assessment of the bids received and seeks delegated authority to award the contract once those procedures have been completed.

5.3 Financial Implications

5.4 Costs associated with this report are included in the Council's annual budget.

5.5 Equality Implications

5.6 N/A

5.7 Other Relevant Implications

5.8 The Sewage Treatment Works service is mandatory, and the Council would face prosecution by the Environment Agency if this service was not provided. This service will need to be provided by the Council for the foreseeable future unless changes in legislation dictate that statutory sewage providers have to adopt or connect unconnected properties.

6 SCHEDULES


Schedule 1 - List of Assets

SCHEDULE 1
List of Assets

<u>File Ref</u>	<u>Plant Location</u>	<u>Post Code</u>
HO2.1	Belt Drove, Begdale (PS&STW)	PE14 0BA
HO2.2	Burnthouse Road, Turves (PS&STW)	PE7 2DP
HO2.5	Churchill Road, Gorefield (PS&STW)	PE13 4NA
HO2.6	Church Lane, Newton (PS&STW)	PE13 5HN
HO2.9	Fen Road, Guyhirn (STW)	PE13 4AB
HO2.10	Garden Lane, Wisbech St Mary (PS&STW)	PE13 4RZ
HO2.11	Inkerson Fen, Throckenholt (STW)	PE12 0QX
HO2.12	Lindens Close, Thorney Toll (PS&STW)	PE13 4AR
HO2.14	Nene Parade PS, Wisbech (SW PS)	PE13 3BX
HO2.16	Newgate Road, Tydd St Giles (PS&STW)	PE13 5LH
HO2.17	Newlands Road, Parson Drove (PS&STW)	PE13 4LB
HO2.18	Overstone Road, Coldham (PS&STW)	PE14 OND
HO2.19	Ramsey Road, Pondersbridge (PS&STW)	PE26 2TW
HO2.21	Sanitation Point, March (PS)	PE15 8TP
HO2.28	Waldersea Sidings, Fridaybridge (PS&STW)	PE14 ONR
HO2.50	Wisbech Port, Watsons Site (PI)	PE13 3JG
HO2.51	Wisbech Port, Area B, Turning Basin (PI)	PE13 3JG
HO2.52	Wisbech Port, Crab Marsh Boat Yard (PI)	PE13 3JG
HO2.53	Wisbech Port, Workshop (CP)	PE13 3JG
HO2.58	The Base, Melbourne Ave, March (PI)	PE15 0EN
HO2.59	Longhill, March Factory Units (2xCP)	PE15 0BL

Cambridgeshire County Council Traveller Site Assets

HO2.8	Fenland Way 1, Chatteris (PS)	PE16 6RT
HO2.8.1	Fenland Way 2, Chatteris (PS)	PE16 6RT
HO2.15	Newbridge Lane, Elm (PS)	PE14 0SU
HO2.15.1	Newbridge Lane, Elm (PI)	PE14 0SU
HO2.20	Sandbank, Wisbech St Mary (PS&STW)	PE13 4SE
HO2.20.1	Sandbank, Wisbech St Mary (PI)	PE13 4SE
HO2.22	Seadyke, Murrow (STW&PS)	PE13 4XF
HO2.22.1	Seadyke, Murrow (PI)	PE13 4XF
HO2.27	Turf Fen Bridge, Murrow (STW)	PE13 4JZ
HO2.27.1	Turf Fen Bridge, Murrow (PI)	PE13 4JZ

Agenda Item No:	12	
Committee:	Cabinet	
Date:	16 March 2023	
Report Title:	Renewal of Idox Software Application Support and Maintenance	

Cover sheet:

1 Purpose / Summary

- 1.1 Renewal of support and maintenance contract for the Idox Uniform software application.
- 1.2 The Council's current contract with Idox will expire on 31st March 2023.

2 Key Issues

- 2.1 To ensure compliance of contract guidelines and achieve a compliant procurement process.
- 2.2 To allow the council to continue using this software to deliver front line services.

3 Recommendations

- 3.1 That approval be given to renew the contract between the Council and the Idox Group for 3 years in accordance with the terms of the contract at an estimated total cost of £258k for the period from 1st April 2023 until 31st March 2026.

Wards Affected	<i>All Wards</i>
Forward Plan Reference	<u>KEY/09FEB23/01</u>
Portfolio Holder(s)	Cllr Tierney – Portfolio Holder for Transformation, Communications & Environment
Report Originator(s)	Stephen Beacher – Head of ICT, Digital & Resilience
Contact Officer(s)	Stephen Beacher – Head of ICT, Digital & Resilience Peter Catchpole – Corporate Director
Background Papers	

Report:

1 BACKGROUND AND INTENDED OUTCOMES

- 1.1 The council utilise this software application for the delivery of Planning, Environmental Health, Licensing, Housing and Land Charges.
- 1.2 The contract would be a direct award issued under Crown Commercial Services Framework Contract with the reference number RM3821 for the provision of Data and Applications Solutions.
- 1.3 The contract will run from 1st April 2023 to 31st March 2026.
- 1.4 Uniform is a land and property-based system provided by the Idox Group and is a key IT platform for multiple regulatory services across the Council including:
 - Planning (applications, appeals, enforcement, listed buildings, tree preservation orders, development condition monitoring)
 - Environmental Health (accident reports, commercial premises, service requests, infectious diseases, pest control, pollution prevention and control, private water supplies)
 - Land Charges
 - Private Sector Housing (residential premises, housing assistance grants, service requests, licensing houses in multiple occupation (HMOs))
 - Licensing (licensed premises and individuals covering alcohol, gambling and all other licensable activities)
- 1.5 In addition to the Uniform system, Idox also supply an electronic document management system (EDMS) as part of the contract which holds data records and directly interfaces into Uniform.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The Idox software products are embedded into Council's operating model and given the complexity that would be associated with a change in provider together with the significant amount of wider transformation changes be considered moving forward, attempting to move systems now would be extremely high risk.
- 2.2 To provide a compliant procurement route to market following the Public Contract Regulations and the councils code of procurement.
- 2.3 The system has been deployed for around 20 years and has provided a stable offering to both staff and the public, who interact with the system via our website. Extending the contract ensures that there is no major disruption to these services with the associated operational costs and reputational risks.

3 CONSULTATION

N/A

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 None

5 IMPLICATIONS

5.1 Legal Implications

5.2 The Public Contract Regulations 2015 (PCR2015) require the council to run a compliant procurement exercise for services valued at £213,477.00 or greater over a contract period. In this instance the council's own Code of Procurement allows the use of approved frameworks such as Crown Commercial Services (CCS) which have already been tendered under the PCR 2015 regulations. The legal implications of complying with the Council's local and PCR2015 Regulations have therefore been appropriately met in proceeding with the recommended approach.

5.3 Financial Implications

5.4 Budgetary provision is in place for the duration of this support contract.

5.5 Equality Implications

It is not anticipated that there will be any negative impact on any groups with protected characteristics from the renewal of this ICT contract.

5.6 Other Issues

5.7 None

6 SCHEDULES

None

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**DRAFT 6 MONTH CABINET FORWARD PLAN –
Updated 3 March 2023**




(For any queries, please refer to the published forward plan)

CABINET

CABINET DATE	ITEMS	LEAD PORTFOLIO HOLDER
17 Apr 2023 (Reserve date)	1. Cabinet Draft Forward Plan	Cllr Boden
	2. Wisbech High Street Update (confidential) (TBC)	Cllr Seaton Cllr Hoy Cllr Tierney
TBC May 2023	1. Fenland Transport Strategy	Cllr Seaton
	2. Renewal of Agency Contract (TBC)	Cllr Boden
	3. Cabinet Draft Forward Plan	Cllr Boden
TBC Jun 2023	1. Appointments to Outside Bodies	Cllr Boden
	2. Accommodation Review	Cllr Boden
	3. Cabinet Draft Forward Plan	Cllr Boden
TBC Jul 2023	1. Cabinet Draft Forward Plan	Cllr Boden
TBC Aug 2023	1. Cabinet Draft Forward Plan	Cllr Boden
TBC Sep 2023	1. Investment Board Update	Cllr Boden Cllr Benney Cllr Tierney
	2. RECAP Partnership Waste Strategy Review	Cllr Tierney Cllr Murphy
	3. Cabinet Draft Forward Plan	Cllr Boden
TBC Oct 2023	1. Cabinet Draft Forward Plan	Cllr Boden

TBC = To be confirmed

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Agenda Item No:	15	
Committee:	Cabinet	
Date:	16 March 2023	
Report Title:	Freedom Leisure - energy crisis support	

This item comprises **EXEMPT INFORMATION** within Schedule 17 which is not for publication by virtue of Paragraphs 5 of Part 1 of Schedule 12A of the Local Government Act, 1972 (as amended).

1 Summary

- 1.1 Freedom Leisure has asked the Council to consider providing financial support and continued changes in service provision to fund the increase in energy costs to run the four leisure facilities. This report asks Cabinet to consider continued approaches to mitigating some of the excessive energy costs currently being placed on Freedom Leisure and to consider financial options to support Freedom with such costs.

2 Key Issues

- 2.1 Leisure centres play a critical role in supporting health and wellbeing, tackling health inequalities and levelling up communities. Fenland's leisure centres offer the community the opportunity to maintain or improve their activity levels, improving their health and reducing their risk of ill health. The leisure centres also offer children the opportunity to learn the important life skill of swimming.
- 2.2 We have always known that sport and physical activity strengthens our communities and contributes enormously to the health and wellbeing of the nation, but only recently has [evidence](#) been developed attributing a financial value to sport and physical activity.
- 2.3 Every £1 spent on sport and physical activity in England generates £4 in return across health and wellbeing, stronger communities and the economy. This equates to £9.5bn annually of physical and mental health benefit across England alone.
- 2.4 In December 2018 Freedom Leisure, a charitable trust and not for profit organisation, took over the operation and management of the Council's four leisure centres with a 15 years and 4 months agreement. This arrangement is saving FDC £351,000¹ p.a. Additionally, the Council is saving a further £49,000 p.a. by combining some staffing roles as a result of the Freedom contract. The total saving equates to approximately £5.6 million of savings over the contract period.
- 2.5 The energy crisis that the country is currently experiencing has added exceptional unavoidable costs into the leisure sector. It was anticipated that

¹ At 2018 prices

the Government's support to businesses on increased energy costs would keep costs down, however that has not been sufficient. Whilst Government has set up a scheme, the Energy Bill Relief Scheme (EBRS) to support businesses, the impact of the scheme is limited, especially for high energy services such as leisure centres, particularly those with swimming pools. Since FDC's original commitment to support Freedom with excess energy costs, the Government has reassessed its support for industry with the [Energy Bills Discount Scheme](#). Leisure centres have not been afforded [energy intensive user status](#) meaning that from April 2023, the support afforded by Government drops, exposing the leisure sector across the country to higher energy costs.

- 2.6 In the first 6 months of 2023/24 Freedom estimates excess energy costs (i.e. the cost above what was expected to be paid without inflated energy costs) of £290,298. This cost is an estimation based on previous energy use, expected tariffs and includes the impact of energy mitigation measures already implemented or those in train. These measures include a dramatic focus on any possible reduction in energy usage, as well as the reduction in opening hours that Cabinet agreed to in 2022.
- 2.7 Excess energy costs are affecting the whole leisure sector regardless of whether services are delivered in house or through a contract partner. In fact if the service was still in house the Council would be in a worse position because as well as having to bear the excess energy costs directly, the Council would be responsible for all other operational costs of running the centres.
- 2.8 Freedom and other leisure providers have been actively lobbying the Government through the LGA, District Councils Network, UK Active and directly to local MPs, highlighting the severe financial difficulty that the leisure sector is facing and the potential consequences, including the threat of closure of leisure facilities in future, without additional financial support. This lobbying continues and has intensified since details regarding the exclusion of the sector as an energy intensive user in the scheme of Government support running from April 2023 was released.
- 2.9 Cabinet should note that this paper covers April to September 2023. Without a significant reduction in wholesale energy costs or significant Government intervention to support vulnerable industries, a further paper will be presented to Cabinet in summer 2023 reviewing the situation once more.
- 2.10 It should be noted that this situation is not a short-term issue. Gas prices have a 20% – 25% Ukraine war premium added. Should the war come to an end prices will fall back – but not to the extent that was enjoyed in 2021. Members should note that it appears that the energy market will remain at a significantly higher level for a period of time with some analysts anticipating this to remain the case into 2025.
- 2.11 Cabinet is asked to consider whether to financially support Freedom Leisure with excess energy costs and keep in place the opening hour reductions agreed to mitigate energy costs in 2022. The financial support is expected to be lower than the maximum support cost indicated in paragraph 3.6, with this value being 86% of the anticipated maximum excess energy costs.
- 2.12 FDC officers and the Freedom management team meet regularly whereby FDC are scrutinising the situation and any financial ask ensuring Freedom are

doing everything possible to reduce their baseline costs across all areas of their business within the Fenland contract. Further details on this are provided in sections 9-12 of the report.

- 2.13 FDC officers also monitor the contract with operational discussions with centre managers and the local contract manager. These discussions are on the ground evidence of best practice and measures being adopted to reduce energy use. Evidence of the energy use reductions are highlighted in paragraph 7.7.
- 2.14 Any request for financial assistance is conducted on an open book basis with evidence supplied and provided to the Chief Accountant for scrutiny.
- 2.15 FDC has secured a £5,000 grant from Sport England to employ a specialist consultant to assess energy use within the Freedom contract. This work will give the Council further assurance that Freedom is managing the contract as efficiently as possible and, in instances where that is not the case, what is required to be actioned. A report is due in May 2023.
- 2.16 Freedom continues to pay the management fee due to the Council.

3 Recommendations

It is recommended that Cabinet;

- 3.1 notes the considerable impact that the energy crisis continues to have on the leisure sector across the country;
- 3.2 notes the continued good operational performance of the Fenland group of leisure centres managed by Freedom;

recognises the £4 return on investment that every £1 invested in sport and physical activity generates in England and as part of that return recognises the essential role that the Council's leisure facilities play in helping to maintain the physical and mental health of our community as highlighted in the attached

- 3.3 Appendix I;
- 3.4 recognises the significant financial challenges that the Council itself is facing;
- 3.5 agrees to maintain the reduction in opening hours agreed in 2022 in order to continue to mitigate some energy costs in the leisure centres.
- 3.6 considers, and delegates to the Section 151 Officer, working in consultation with the Portfolio Holders for Finance and Leisure, to offer direct financial support to Freedom Leisure in the form of a repayable loan, on an open book basis, **up to** a maximum sum of £250,000² for the period 1 April 2023 to 30 September 2023.

This represents 86% of the expected maximum excess energy cost, with the sum anticipated to be reduced by the continuing implementation of the mitigating measures put in place to reduce operating costs and energy consumption as detailed in section 12.

Any repayable loan shall become payable through an annual deduction of any profit generated in excess of the levels predicted in the Leisure Operators Base Trading Account (LOBTA). This is a change from the current 50/50 profit share and will be subject to the performance of the business over the remaining contract period. The past three years have been particularly difficult for businesses across the country. Whilst the operational business has recovered well, there remains no certainty that excess profits will be made in the future.

- 3.7 instructs officers, alongside other industry experts, with input from the energy market, to investigate the likely longer-term impact of the energy supply costs on the management of leisure facilities, reporting back to Cabinet with options that consider a longer-term approach to managing the situation. This report to be presented alongside a further report regarding Freedom Leisure and potential energy support for the remainder of 2023/24 and a review of ongoing actual costs to date.

² See section 12.5

Wards Affected	All Wards
Portfolio Holders	<p>Cllr Chris Boden Leader of the Council and Portfolio Holder for Finance</p> <p>Cllr Sam Clark Portfolio Holder for Leisure</p>
Report Originators	<p>Phil Hughes Head of Leisure Services</p> <p>Carol Pilson Corporate Director</p>
Contact Officers	<p>Paul Medd Chief Executive</p> <p>paulmedd@fenland.gov.uk</p> <p>Carol Pilson Corporate Director</p> <p>cpilson@fenland.gov.uk</p> <p>Peter Catchpole Corporate Director and Section 151 Officer</p> <p>petercatchpole@fenland.gov.uk</p> <p>Mark Saunders Chief Accountant</p> <p>msaunders@fenland.gov.uk</p> <p>Phil Hughes Head of Leisure Services</p> <p>phughes@fenland.gov.uk</p> <p>Amy Brown Assistant Director and Deputy Monitoring Officer</p> <p>abrown@fenland.gov.uk</p>
Background Papers	<p>See</p> <p>Appendix I</p>

4 Reasons for Exemption

- 4.1 Schedule 17 of this Report is NOT FOR PUBLICATION in accordance with Paragraph 5, Schedule 12A of the Local Government Act 1972 in that it contains information relating to legal advice. The public interest test has been applied to the information contained within this exempt report and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

5 Introduction

- 5.1 In December 2018 Freedom Leisure, a charitable trust, took over the operation and management of the Council's four leisure centres with a 15 year, 4 month agreement. This arrangement will save the Council £351,000³ p.a., with the added staffing cost savings at the Council as a result of the change meaning a total of £5.6 million of savings over the life of the contract.
- 5.2 The first 15 months of the contract (prior to the covid pandemic) proceeded as well as either partner could have anticipated. Customer feedback, as well as income growth, demonstrated that Freedom had been doing a very good job managing the facilities on the Council's behalf. Following Covid, the Freedom operational team has worked tirelessly to attract customers back into the leisure centres and income levels are now approaching pre-covid levels.
- 5.3 The Council financially supported Freedom Leisure during Covid 19 due to its contractual obligations. In financial years 2020/21 and 2021/22, this support amounted to £636,808. Of this amount, £164,988 was non-repayable. The remaining support of £471,820 becomes repayable through an annual deduction of 75% of any profit generated in excess of the levels predicted in the LOBTA (Leisure Operators Base Trading Account – the expected financial performance that Freedom submitted as part of their bid to manage the facilities on behalf of the Council). This is a change from the contractual 50/50 profit share and will be subject to the performance of the business over the contract period.
- In the period September 2022 to March 2023 FDC has supported Freedom with excess energy costs. This is summarised in Appendix II.
- 5.4 Since April 2022, the contract has returned to its pre Covid 19 position with Freedom paying FDC a management fee, demonstrating the health and viability of the business and the recovery from the impact of Covid 19.
- 5.5 Fenland has a 15-year contract with Freedom Leisure that is now in year 5. The significant increase in user numbers, particularly in swimming lessons, operational efficiencies and cashable savings that Freedom has made since Covid 19 has enabled the contract to return to its pre Covid 19 position, with Freedom paying FDC the full management fee in the current year to date. The energy crisis may have a more severe impact on local leisure facilities than Covid 19, if further central Government support is not made available.

³ At 2018 prices

5.6 Freedom and other leisure providers continue to lobby the Government through the LGA, District Council Network, UK Active and directly to MPs, highlighting the severe financial difficulty that the leisure sector is facing.

6 The impact of sport and physical activity

6.1 Being physically active is a 'miracle cure' for many of the health issues that afflict a large number of people across wealthier countries. In England it is recommended that 150 minutes of physical activity is undertaken per adult per week. This does not have to be in a formal environment such as a leisure centre, but many people do use local, affordable leisure facilities as places to enjoy physical activity, build up a good activity habit and enjoy the support of other people doing similar, with friendly staff and the social environment that group activity in leisure facilities encourages.

6.2 Until recently the economic benefits of physical activity were unclear. Sport England has carried out research with Sheffield Hallam University's Sport Industry Research Centre⁴. This work has highlighted the following information that represents the benefit of sport and physical activity in England across several domains, namely;

- Physical and mental health
- Mental wellbeing
- Individual development
- Social and community development
- Employment
- Gross Value Added

⁴ To view the full document, please see the embedded document in

The social and economic value of being active

For every £1 spent on community sport and physical activity in England
£3.91 worth of impacts are generated...

Physical & mental health

150,000 cases
Heart disease and stroke prevented
Value: £1 billion

900,000 cases
Diabetes prevented
Value: £3.6 billion

8,500 cases
Cancer prevented
Value: £460 million

93,000 cases
Dementia prevented
Value: £3.5 billion

375,000 cases
Depression prevented
Value: £110 million

30,000,000
Fewer GP visits
Value: £450 million

33,000,000
Reduced use of psychotherapy services
Value: £670 million

21,000
Hip fractures prevented
Value: £800 million

1,500,000
Back pain cases prevented
Value £410 million

280,000
Sports injuries caused
Cost -£1.5 billion

£9.5 billion
Physical & mental health impact generated



6.3

The social and economic value of being active

For every £1 spent on community sport and physical activity in England **£3.91 worth of impacts are generated...**

Mental wellbeing	Individual development	Social & community development
<p>Improved life satisfaction through participation for 24 million people Value: £31.2 billion</p> <p>Improved life satisfaction through volunteering for 3.9 million people Value: £10.5 billion</p>	<p>Improved educational attainment Value: £4.5 million</p> <p>Increased earnings Value: £277.5 million</p>	<p>10,000 fewer crime incidents Value: £38.6 million</p> <p>The replacement value of work by volunteers Value: £5.7 billion</p> <p>Enhanced social capital Value: £14.2 billion</p>
<p>£42 billion Mental wellbeing impact generated</p>	<p>£282 million Individual development impact generated</p>	<p>£20 billion Social community development impact generated</p>



6.4

The social and economic value of being active

For every £1 spent on community sport and physical activity in England
£3.91 worth of impacts are generated...

Employment

Community sport and physical activity supports **285,000 jobs** in England:

Commercial sector
139,000 jobs

Public sector
102,000 jobs

Voluntary / Third sector
45,000 jobs

285,000
jobs supported

Gross Value Added

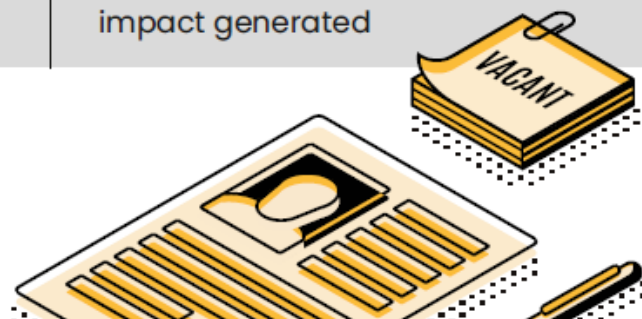
Community sport and physical activity contributes **£13.8 billion** to the economy annually in England:

Commercial sector
Value: £7.0 billion

Public sector
Value: £3.7 billion

Voluntary / Third sector
Value: £3.1 billion

£13.8 billion
impact generated



6.5

7 The Impact of the ongoing Energy Crisis

- 7.1 At a time when the recovery from Covid is in sight, leisure providers across the UK are being hit hard by both rising utility costs and household cost of living pressures that may impact participation rates.
- 7.2 Freedom Leisure has asked the Council to consider continuing to provide financial support to cover the increase in energy costs. The excessive scale of these costs was not built into the bid submission when the contract was let. Without a form of intervention from the Council, the operation of leisure centres, as currently delivered, will be placed at risk.
- 7.3 Despite Freedom managing the leisure centres well operationally, the energy crisis that the country is currently experiencing has added exceptional and

unavoidable operating costs into the business. Government support is insufficient to mitigate these excess costs to a reasonable extent. Estimated excess energy costs of £290,298 are anticipated in the first 6 months of 2023/24.

- 7.4 As a large organisation, Freedom has the capacity to absorb typical market fluctuations and respond in a more agile manner than a Council might. However, the current situation in terms of excess energy costs is untypical. These costs are not affordable for Freedom within the current contractual arrangement with the Council.
- 7.5 The Council heavily scrutinises Freedom Leisure to ensure they are doing everything possible to reduce their overheads across the Fenland contract so any financial contribution requested by FDC is limited. This is set out in sections 9-12 of the report.
- 7.6 Since October 2022 energy prices paid by Freedom have increased significantly. In the period October 2022 to January 2023 the average gas price increase is 369%. Electricity prices rose between November and December by an average of 240%.
- 7.7 The tables below highlight the impact (compared with 2021/22 prices) of these changes on the cost of providing the service, despite the operational teams doing everything possible to reduce energy consumption.

2022/23	Excess	%	% Reduction
Gas	Cost Net	increase	in
		in cost	Gas used
October	15,938		
November	33,796		
December	35,853		
January	30,821		
Totals	£116,408	256%	-24%

2022/23	Excess	% increase	% Reduction
Electricity	Cost Net	in cost	in
			Electricity
			used
October	1,185		
November	16,386		
December	16,913		
January	17,715		
Totals	£52,199	116%	-22%

- 7.8 Freedom is a large organisation working with many Council partners. The table below summarises the situation for each partnership. Whilst the approach that FDC is taking with Freedom is typical of most contracts; an open book approach to support, with mitigation measures also implemented where possible.

Council	Support 2022-23	Support 2023-24
A	Waiver of management fee for 2022-23 plus agreement on other mitigations	Waiver of management fee for 2023-24 plus agreement on other mitigations
B	Agreed support of £265K in 22-23 for utility costs	Working with the Council and a consultant to provide information for a report which should go the Council in April 2023
C	Will fund extra utility costs from Oct/Nov 2022, subject to open book	Will fund extra utility costs in 2023-24, subject to open book
D	Agreed support of £203K in 22-23 for utility costs	Agreed support of up to £408K in 23-24 for additional utility costs
E	Council has responsibility for utility tariff increases so no further action	Council has responsibility for utility tariff increases so no further action
F	Support being provided in terms of waiving the management fee and financially supporting energy projects to reduce consumption	Support being provided in terms of waiving the management fee and financially supporting energy projects to reduce consumption
G	Agreed support of £255K in 22-23 for utility costs	Agreed support of £315K in 23-24 for utility costs plus agreement on other mitigation
H	Full financial support being provided for utilities and income not being to pre Covid figures through the open book process (up to £800K)	Full financial support being provided for utilities in 2023-24 likely to exceed £1m
I	Have agreed to support the shortfall of approx £300K	Have made provision of £1m in the budget for 2023-24 to cover additional utility costs
J	Has agreed £90K support in 22-23	Has agreed support of up to £450K from 2023-24
K	Has agreed £281K support in 22-23 and further mitigating actions	Report going to Cabinet in March
L	Has agreed £62K support in 22-23 and further mitigating actions	Information has been provided to the Council for support in 2023-24. No date yet of Council meeting
M	Has agreed £204K support in 22-23 and further mitigating actions	Report going to Cabinet in March requesting £626K or potential facility closures
N	Support being discussed currently	Support being discussed currently
O	Have agreed to close the swimming pool of 1 leisure centre and review in April 2023 depending on future government support	Information has been provided to the Council for 23-24

P	Agreed £200K of support plus possible management fee waiver	Agreed £200K of support plus possible management fee waiver
Q	Has engaged consultants to recommend on support for 22-23 and 23-24	Has engaged consultants to recommend on support for 22-23 and 23-24
R	Has agreed to waive the management fee in 22-23 and review in 23-24 subject to government support	Has agreed to waive the management fee in 22-23 and review in 23-24 subject to government support
S	No Support forthcoming in 2022-23	We have mutually agreed to terminate the contract with the sites being managed by a LATC from 1 April 2023

8 Are there alternative options to supporting Freedom Leisure?

- 8.1 Members should note that if FDC was still managing the leisure centres directly, the Council would not be benefitting from the annual reduction in cost (£400,000⁵ p.a.) that the Freedom contract offers, nor the increased performance in terms of admissions that Freedom has generated from the leisure centres.
- 8.2 However, the Council would be in a similar position with regards to paying the current substantial excess energy costs. If the Council took the centres back in-house, costs would rise by both the excess energy costs **AND** the £400,000⁶ p.a. saving being made annually. In addition to this excess cost, the costs associated with such a considerable management change are expected to be in excess of £100,000 in year one, reducing in subsequent years. As highlighted in the table above in paragraph 7.8, client E already has responsibility for utility price increases, and this would be the case were FDC managing the facilities, and is a typical term now being added into external contracts.
- 8.3 The Council could also consider retendering the contract (with Freedom's approval in order not to breach the contract with Freedom). However, another operator is unlikely to offer to cover excess energy costs and is also unlikely to offer an arrangement that betters the one that the Council has in place with Freedom – given the turmoil and uncertainty in the economy and particularly the leisure industry. This approach would only increase FDC's costs on top of the current excess energy support consideration that Freedom may be offered by the Council.
- 8.4 This places the Council in a difficult position. Any alternative arrangement, that does not actually take the significant step to close leisure facilities, to the current arrangement with Freedom and the support that the Council may offer

⁵ Note this value is at 2018 prices when the contract was originally let

⁶ Note this value is at 2018 prices when the contract was originally let

Freedom to mitigate excess energy costs, will put the Council in a worse financial position than supporting Freedom with the current energy situation.

- 8.5 Cabinet should recognise that the current situation is not a short-term situation, and consideration of a longer-term strategy to address on-going excess energy costs should be considered during 2023/24.

9 Energy mitigation measures already implemented

- 9.1 Since taking on the management of the facilities, Freedom has implemented a further suite of measures to reduce costs and increase income. These include;

- Income generating interventions such as targeted price rises that reflect current and future inflation rates;
- Staff structure reviews;
- Increased efficiency of internal processes aligned to income generation;
- Improved membership acquisition, improved membership retention and a subsequently improved membership yield;
- A complete review of swimming lesson management leading to an increase of children on learn to swim courses of 61% - an additional 1,235 children learning to swim every week in Fenland pools. The total number of children on the learn to swim programme is 3,140 per week. This increases income and number of children learning to swim;
- Improved rate of collecting income derived by Direct Debit, linked to an improved debt collection scheme;
- Electrical system upgrades;
- Energy metering upgrades and energy monitoring software upgrades;
- Building management system (BEMS) upgrades, including air handling systems and regular review of system schedules to reduce energy use.

- 9.2 More recent interventions include;

- Staff and customer awareness campaigns of energy usage;
- Reduction in stored hot water temperatures by 1 degree, with a reduction in boiler temperatures by 2 degrees;
- Pool water temperatures have been reduced gradually where possible, whilst noting the potential adverse effect this could have on participation;
- Air conditioning minimum set points have been increased to 20 degrees;
- Closure of the sauna and steam rooms at the Manor Leisure Centre.
- Additional plant room interventions to reduce energy costs.

- 9.3 A review as to the viability of Freedom switching to ESPO as an energy supplier has been undertaken. Whilst a switch is possible, unit rates would remain the same. Additionally, FDC is not in a position to supply energy to Freedom via the ESPO contract in order to reduce VAT costs. This is due to the positive fee that Freedom pays to FDC for managing the facilities.

- 9.4 Freedom has applied for 100% NNDR relief for 2022/23 and future years.

10 Energy mitigation measures planned for short term delivery

- 10.1 FDC is working within the County Council's framework for delivery of energy efficient plant to install additional solar PV panels on each leisure centre roof as soon as possible. Support for this approach has been offered for the Manor leisure centre from the recycled Whittlesey Market Towns funding, reducing FDC's expected capital outlay on this initiative. It is anticipated that delivery and installation will take place in May ensuring the full solar benefit of the summer is realised.
- 10.2 Energy efficient lighting is due to be fitting in the pool halls at the Hudson and George Campbell shortly.
- 10.3 Planned preventative maintenance issues are also being considered and will form part of a package of planned works in 2023/24.

11 Freedom Leisure - staffing cost reductions to mitigate costs due to the energy crisis

- 11.1 Freedom Leisure is in the process of implementing further significant cost reduction actions to mitigate the energy costs increases. These include;
- A review of the local leisure centre staff structure targeting a significant reduction in staffing costs.
 - Switching the 1.0 FTE Fenland contract manager to a 0.5 FTE role for the current period.

12 Anticipated estimated excess cost to FDC in the period 1 April 2023 to 30 September 2023.

- 12.1 Excess energy costs are estimated at £290,298 for this period. However, the mitigation measures already in place and those planned to be implemented are anticipated to reduce this cost.
- 12.2 Mitigation impacts include estimated reductions in cost as follows;
- -£25,000 solar PV implementation from May 2023
 - -£65,738 6 months staffing savings due to continued opening hour reductions
 - -£12,500 6 months staffing saving using a 0.5FTE contract manager
 - -£1,500 5 months of energy efficient pool lighting (Hudson / George Campbell)
 - -£24,250 Anticipated NNDR cost reduction for the period
- £128,988 Total best-case saving measures
- 12.3 The best-case savings identified above, if realised in the 6-month period to September, **reduces** the expected excess cost over the period down to **£161,310** and with it the support that FDC may need to offer.
- 12.4 These calculations are estimates and should be treated as such.
- 12.5 The maximum anticipated cost that Freedom anticipates excess energy to cost in the period April – September 2023 is £290,298, within a

recommendation in this report under section 3.6 to support a maximum of 86% of this cost.

13 Risks and Financial Assessment

- 13.1 Members agreed, prior to the leisure centre management outsourcing process, that they wished leisure centres to continue to remain in each town.
- 13.2 FDC is not managing the leisure centres - it is Freedom's business, but it is very much a partnership, and it is in FDC's interests that the Freedom management contract continues if Members wish to continue the provision of leisure centres for the Fenland community. If Freedom breaks the contract with FDC or the company fails as a result of unsupportive clients, then FDC's short term costs by bringing the service back in house will increase by at least £400,000⁷ p.a. FDC would be taking back the health and safety risk, staff management, accountancy and payroll functions, administrative functions and human resources of over 160 different staff. Staff restructures took place in FDC's back-office teams to reflect leisure being outsourced. These additional costs would have to be added back into the FDC budget to support any in-house change. It will not be possible to find an alternative provider of the Service at short notice.
- 13.3 If FDC was to take the facilities back in-house, then the current excess energy costs would be payable by the Council directly. There would be no way of avoiding these costs. This would be a similar case if another contractor took on the contract; any revised contract would include the current energy costs and the Council would not be able to avoid these costs.
- 13.4 Should the contract with Freedom not continue as a result of the energy cost crisis, FDC will not realise the £4.1m of savings over the outstanding period of the contract. Taking a long-term view, putting in place supportive operational changes in conjunction with Freedom, alongside potential financial support, is in FDC's best financial interests.
- 13.5 FDC's current MTFs highlights a potential shortfall of £1.748m by the end of 2027/28 as well as consideration of the added uncertainty of fairer funding, new homes bonus and business rates retention as well as current inflationary pressures which may mean this figure rises through the budget setting process. If the Freedom contract ceases and FDC brings the service in-house this will add a minimum additional base revenue cost of £400,000 per annum to the Council. Additionally, added to this sum are the excess energy cost increases leading to a total increased revenue cost to FDC in the region of £1m p.a.
- 13.6 If the Council's contract with Freedom were broken, the planned savings of the Freedom contract will then not be possible leaving the Council to reconsider the strategic approach to leisure centre provision in Fenland, with financial pressures inviting a reassessment of the current level of provision across the four towns to balance the Council's budget.
- 13.7 There is a risk that, despite FDC's support, Freedom does not remain viable. This is a risk that FDC needs to recognise, whilst understanding the larger risk

⁷ At 2018 prices on contract procurement

being that an unsupportive approach from FDC may lead to the contract being dissolved. FDC has asked Freedom for information regarding other client's approach to support for energy costs and this information is available in paragraph 7.8.

14 Governance Implications

- 14.1 Subject to the recommendations agreed within this report, financial support would be managed and provided on the same basis as during COVID-19 via an open-book arrangement with payments made to cover excess energy costs, less the financial value of mitigating measures that reduce the cost to Freedom, being made.
- 14.2 There was clear provision within the contract between FDC and Freedom to provide financial support when Covid occurred. The Government changed the law, requiring closure of facilities and staff to remain at home. This meant that the change in law clause within our contract highlighted the Council's contractual requirement to support Freedom.
- 14.3 The energy crisis is very different in that there is no change in law. The Council has no contractual responsibility to support Freedom and any supportive arrangement is very much in the spirit of the contract being a partnership arrangement, with the benefit of that support being in both parties' interests - and more importantly, in the interests of the community in Fenland who enjoy the use of excellent leisure facilities. The legal issues regarding any support offered are explored in the exempt Schedule 17.
- 14.4 Should the package of support devised by Freedom and FDC be insufficient to meet the challenge of the excess energy costs then the contract with FDC could become unviable. If Freedom took this view and wished to break the contract with FDC, our contractual terms are clear in regard to compensation due to FDC;
 - a) Where the Authority carries out a Retendering Process, the Retendering Costs;
 - b) where the Authority carries out a Retendering Process, an amount equal to the aggregate of the Retendered Annual Payment less the Current Annual Payment where it is a positive number
 - c) All other Direct Losses which the Authority suffers or incurs arising out of any breach of this Agreement or as a result of the termination of this Agreement including (without limitation) any liability to any third party,
- 14.5 These terms are clear, with item b) above having a potential of incurring significant costs on Freedom should they break the contract. Retendering the contract with the current state of the economy, Covid recovery and the excess energy costs is likely to return tenders that incur the excess energy costs within the contract itself, with the overall contract unlikely to be as favourable to FDC as the Freedom contract - if a contractor did tender.

15 Appendix I

Sport England; Social and economic value of community sport and physical activity in England



Click icon above to open embedded pdf file

16 Appendix II

Update regarding the table of actions to support Freedom and mitigate excess energy costs as agreed in the November 2022 Cabinet paper

Action	Revenue cost to FDC	Estimated in year saving	Update at February 2023
Underwrite entire energy cost deficit	Up to £281,000	N/A	Invoices to October 2022 received to date
Leisure centre opening hour reduction programme		£45,000	Opening hours reduced accordingly
Energy billing adjustments		£0	Unable to move forwards. Access to ESPO billing is possible; unit costs identical, but VAT advantage cannot be taken due to Freedom's management fee payments to FDC
Freedom to apply for discretionary NNDR relief	£18,614	£46,534	Application received
Add additional solar PV to each leisure centre Replace pool lighting in 2 leisure centres		Savings realised in 2023/24 – approx. £61,000 per year	Full business case in process. Anticipated fitment of additional PV units in May 2023 to take full advantage of brighter months. Replacement specification written. Tender of works to take place shortly.
Deferral of gym equipment replacement scheme		N/A	To be undertaken as the original equipment replacement date approaches in future years.
Customer prices increases		£32,460	Completed

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of the Local Government Act 1972.

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Agenda Item No:	16	
Committee:	Cabinet	
Date:	16 March 2023	
Report Title:	Wisbech Park Pavilion	

This item comprises **EXEMPT INFORMATION** in Schedule 10 which is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972 (as amended).

Exempt schedule 10 contains information about the financial and business affairs of the Council and 3rd party organisations for which the public interest has been assessed and favours maintaining the exemption in order to ensure that the Council is able to meet its obligations under the Code of Procurement and generally in relation to best value.

1 Summary

- 1.1 To update Cabinet on the progress of the development of a new pavilion in Wisbech Park and to ask Cabinet to consider the tendered cost of the pavilion and the additional capital funding requirement.

2 Key Issues

Growing Fenland Market Towns Funding

- 2.1 The CPCA made funding available through their Market Towns Initiative to deliver the priorities outlined in the Growing Fenland town plans. Several projects have already been delivered using this funding.
- 2.2 Initially a project to bring a disused Wisbech Park changing room back into use was considered. This project was replaced with a scheme to develop a new pavilion in the park instead.
- 2.3 CPCA has agreed funding of £299,200 for this project.

Government's Changing Places Fund

- 2.4 In March 2021 Government announced the Changing Places Fund. Changing Places toilets are larger accessible toilets for people who cannot use standard disabled toilets, with equipment such as hoists, curtains, adult-sized changing benches and space for carers. Over 250,000 people in the country need these facilities to enable them to get out and about and enjoy the day-to-day activities many of us take for granted.
- 2.5 Fenland applied for funding from this fund and was successful, with £60,000 committed to a changing places facility in the new Wisbech Pavilion, to be open when the pavilion is in use.

Cambridgeshire County Council - Community Capital Fund

- 2.6 The County Council set up a fund inviting bids for community focussed capital grants. FDC successfully bid to this fund for the Pavilion, with a grant of £240,000, with an additional £10,000 of match funding from FDC.
- 2.7 The County Council expects FDC to be into contract for the construction of the pavilion in March 2023. Any delay may mean that the grant funding is withdrawn.

Project Development

- 2.8 FDC has developed a design for the pavilion with a third party multi-disciplinary project management company. The design was based on delivering a community facility that fitted funders' requirements, suited the park's conservation status and provided an excellent facility for community use.
- 2.9 The design was based on a cost estimated to match the budget.

Tender Process

- 2.10 The project went out to tender in December 2022, with 7 tenders received in late February 2023. The range of tender values is significant.
- 2.11 Unfortunately, all tenders received exceed the remaining budget, after costs already incurred. As bids have not yet been formally reviewed and assessed for compliance, nor scored formally, all financial information regarding the tender returns in this report are held in exempt Schedule 10.

Additional funder support

- 2.12 Enquires have been undertaken with the County Council and CPCA. Neither party has additional funding available.

3 Recommendations:

- 3.1 To note project progress.
- 3.2 To consider the financial position of the project, following tender returns, and to decide whether
 - a) to continue the project with the tendered costs and estimated capital requirement from FDC detailed within exempt Schedule 10, (subject to tender assessments).
 - or
 - b) to suspend the project due to the cost implications.

Should Cabinet decide to move forwards with the project;

- 3.3 To delegate to the Section 151 Officer, working in consultation with the Portfolio Holders for Finance and Environment to facilitate the additional capital sum required, as detailed in the exempt Schedule 10, allowing acceptance of the best value compliant tender when tender assessments are completed following FDC's code of procurement.

- 3.4 To delegate to the Section 151 Officer, working in consultation with the Portfolio Holders for Finance and Environment to enter into a construction contract with the best value compliant tenderer to build the Wisbech Park Pavilion.

Wards Affected	Wisbech	
Forward Plan Reference	KEY/07DEC22/01	
Portfolio Holder(s)	Cllr Peter Murphy	Portfolio Holder for Environment
Report Originator(s)	Phil Hughes	Head of Leisure and Open Spaces
Contact Officer(s)	Phil Hughes Carol Pilson Peter Catchpole	Head of Leisure and Open Spaces Corporate Director Corporate Director
Background Papers	Confidential tender documentation	

4 BACKGROUND AND INTENDED OUTCOMES

- 4.1 Following the Council's successful grant applications, the pavilion has been designed to a budget to deliver a café, community space, changing places toilet and external public toilets - to replace the ageing toilets within the park. The floor plan, elevations and some draft 3D images may be found in the Appendix.

FDC's capital input was expected to be limited to £10,000. Unfortunately, tender returns are significantly higher than anticipated.

5 REASONS FOR RECOMMENDATIONS

- 5.1 The development of the pavilion has been undertaken with a view to providing a facility to the level of grant available. The building is not particularly large, with the gross internal floor area leading original cost estimates. No scalability to reduce costs is possible within the design. Removing any aspect of the internal building will mean that the facility will not deliver a useful community asset.
- 5.2 In October 2022 a cost estimate put the building in the region of £100,000 to £150,000 above budget. Value engineering was then undertaken and removed the following items, reducing the specification to a minimum, cheapest level.
- Omit sedum roof in lieu of metal insulated panel.
 - Omit internal disabled WC as there is already a fully equipped Changing Place. This space could be utilised for something else. Building Control to confirm whether this is acceptable.
 - Omit glulam beams in lieu of steel beams.

- Omit cedar timber soffit in lieu of aluminium or cementitious board. This would help reduce future maintenance costs.
- Omit or reduce amount of PV panels. Services engineer to advice.
- Omit flash brick reveal rainwater pipes in lieu of vandal proof aluminium rain water pipes.

5.3 Close to going out to tender, the ground conditions survey highlighted the need for a piled foundation and larger than anticipated soakaways for rainwater. Both add costs to the project. At that point a further QS estimate was not undertaken as the project was out to tender and actual tendered costs would be returned within a number of weeks.

6 ALTERNATIVE OPTIONS CONSIDERED

6.1 No alternative options to the design have been considered. The development and design of the pavilion is to provide a community space, café, toilet facilities and changing places facility. The scheme is small with a significant redesign to reduce costs not possible. There may be some value engineering possible with a successful tenderer and this will be explored in pre-contract discussions.

6.2 An alternative approach to procurement has been discussed. Given that seven tenders have been received for this project, it is considered that offering the same design to the market with a set value will achieve no outcome, as seven bidders have indicated costs in excess of the grant funding available.

6 IMPLICATIONS

6.1 Legal Implications

Section 3 of the Local Government Act 1999 places Fenland District Council as a best value authority under a general duty to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” The Council achieves this via compliance with the Procurement Code and national standards operating in this sector.

The procurement process has been conducted as per the Public Procurement Regulations 2015 and the Council’s code of procurement.

As the formal assessment of tenders is incomplete, financial information regarding tender returns remains confidential.

7 Financial Implications

7.1 A capital sum of **up to** the value detailed in Exempt Schedule 10 will be required to move the project forwards, supplementing the grant funding already in place.

- 7.2 The County Council expects FDC to be into contract for the construction of the pavilion in March 2023. Any delay may mean that the CCC Communities Capital Fund grant funding of £240,000 is withdrawn.
- 7.3 It is anticipated that a third party will manage the facilities, ensuring that there is no revenue cost to the Council. If FDC commits to the build, discussions regarding this opportunity will gather pace from April.

8 Equality Implications

None applicable.

9 Appendix

9.1 Floor Plan

2. Design

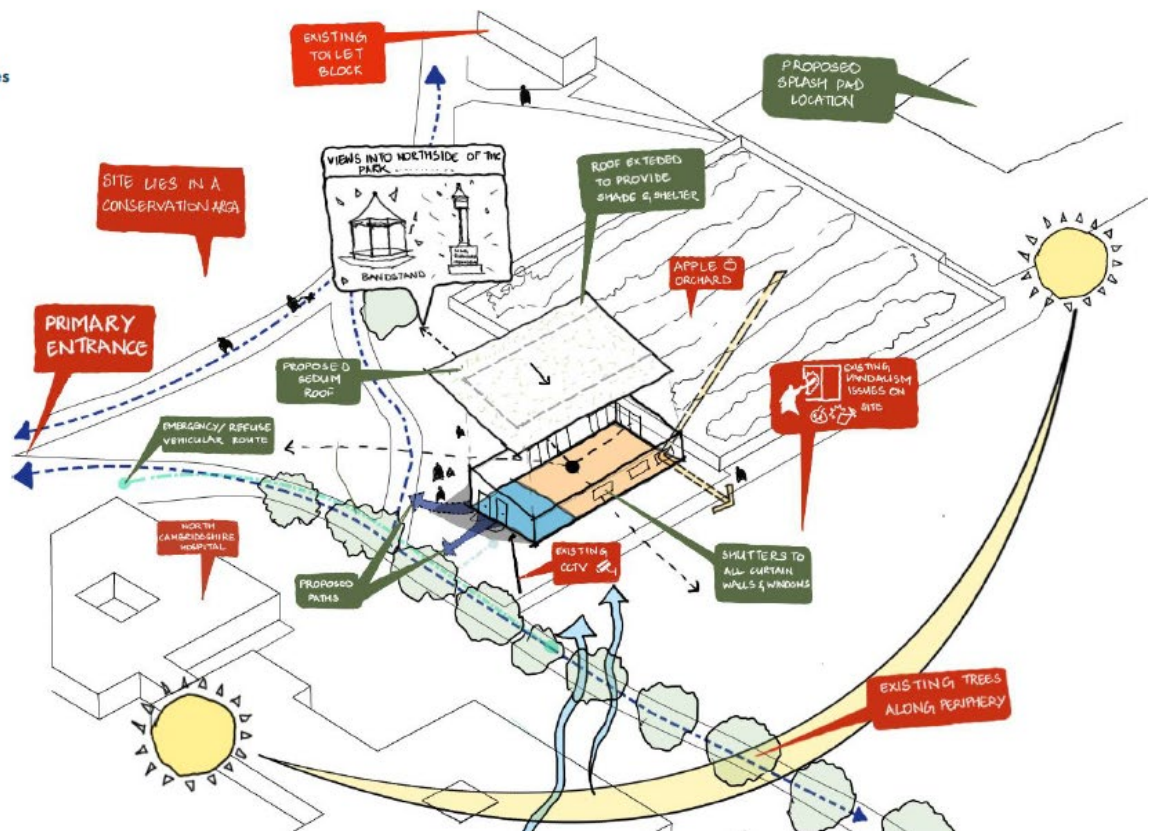
2.2 Proposed Floor Plan



9.2 How the design fits into Wisbech Park and sits within the conservation area

2. Design

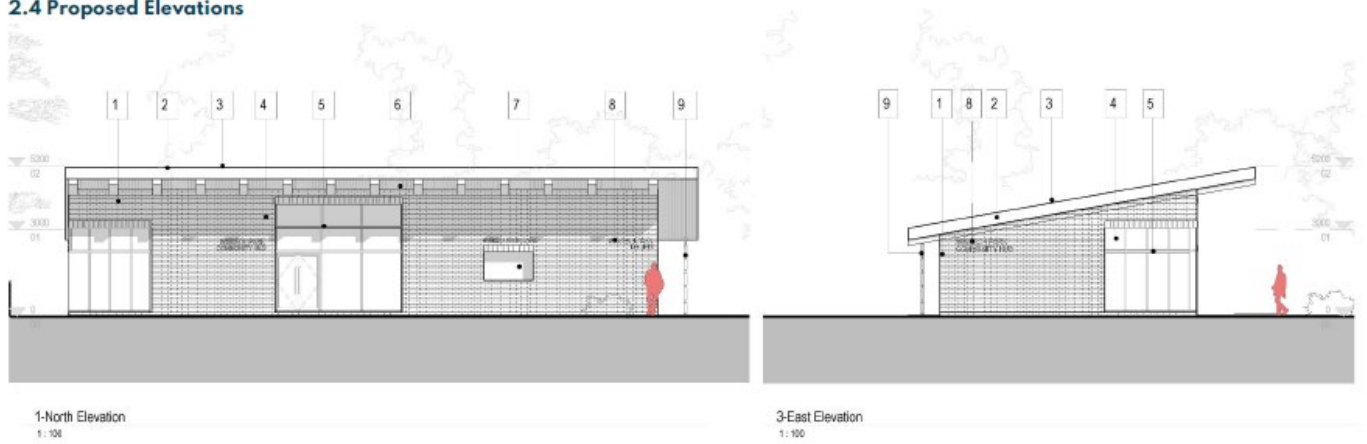
2.3 Design Principles



9.3 Elevations

2. Design

2.4 Proposed Elevations



9.4 Café area



9.5 Multi-purpose community room



9.6 3D View



9.7 Aerial view



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