

Annual Governance Statement 2023/24

East Cambs Trading Company

East Cambs Trading Company (ECTC) is a private company limited by shares that is wholly owned by East Cambridgeshire District Council (ECDC). ECTC operates at 'arm's length' from ECDC with an independent board for operational decision making.

ECTC Mission Statement

We believe that by continuing to develop the services that we offer we will be able to deliver services that are profitable, sustainable, flexible and focused on meeting the needs of local people and businesses in East Cambridgeshire.

We believe in improving the quality of life of the taxpayer of East Cambridgeshire and we believe in the Council's objectives that are set out in the Corporate Plan 2023-2027. ECTC will continue to support the Council in achieving these objectives.

ECTC Commitments

- Deliver quality homes for the people of East Cambridgeshire
- Trade in a manner that, wherever possible, acts in the best interest of the Council
- Maximise on every commercial opportunity

Key Business

ECTC has two key business areas; the first is Commercial Services, which currently delivers Ely Markets and Grounds Maintenance and, the second is Property Development.

Both areas of the business carry out business on behalf of ECDC as well as other customers. ECTC will continually look for new opportunities to enter new markets or expand in existing markets.

Where necessary individual business plans will be developed for approval by the Board.

Delivery from 1 April 2016 to 31 March 2024

Commercial Services- Grounds Maintenance

In 2017 the Council awarded a 10-year maintenance and management contract to ECTC to deliver Grounds Maintenance services on its behalf. The annual value of this contract was £699,548 increasing with RPI.

Over the years ECTC has increased the number of sites that it maintains on behalf of the Council and has not increased the management fee that was agreed in 2017. Furthermore, ECTC has been in a position to offer a £100,000 discount on the management fee for each of the years 2020/21, 2021/22 and 2022/23. This represents an overall saving to the Council of £300,000.

ECTC has been able to include additional sites and offer a discount because it has been able to generate income and profit from other organisations and has used the profits to invest in the service and offer discounts on the management fee to the Council where appropriate. In 2023/24 ECTC generated 29% of its income from other organisations. This is something that the Council would not have been able to achieve because of its limitations to act commercially in a public sector environment.

For various reasons, a discount is not being offered in 2024/25 and this largely relates to the increased sites being managed on behalf of the Council and the increased salary costs which are being absorbed within the additional income received by ECTC from other contracts.

Commercial Services- Ely Markets

This business area is a great success for ECTC. Since 2016 Ely Markets has increased its revenue by 29% and year on year has delivered profit to the Company. Albeit in 2023/24 the profits are small but reflect investment and absorption of increased salaries arising from both the NJC pay award and a re-evaluation and redesignation of responsibilities.

As well as financial return to the company Ely Markets has provided a vibrant market that has generated millions of pounds of spend into the local economy.

Ely Markets also delivers another direct financial benefit to the Council by leasing Ely Market Place at a cost of £30,000 per annum (increasing annually in accordance with the contract). This is income that the Council would not be able to achieve if it directly managed the service.

In 2016 Ely Markets employed 3 part-time core staff. In 2024 Ely Markets employs 2 full-time and 3 part-time core staff and utilises a number of casual staff; ranging from reeking crew to stewards that assist with event management and safety on special market days, e.g. Foodie Fridays. Investment has also been made to ensure the improvement and sustainability of the service. All of this has been achieved at no cost to the Council. Ely Markets has returned profits to the Company and some profits have been used to reinvest in the service.

Financial returns aside, Ely Markets can boast the following successes (this list is by no means exhaustive):

- Vegan Fair
- Festive Lates
- Mini Markets
- Foodie Fridays
- Prince of Wales Visit
- NABMA Award Winner
- Queens Jubilee Weekend
- Christmas Markets
- Environmental Campaign #Bring Your Own
- Safe environment during COVID

These successes not only increase returns for ECTC but more importantly increase city centre footfall, provide choice and a safe and sustainable shopping alternative for the community, facilitate small businesses (providing a launch-pad which sometimes lead to established business in the city centre and beyond) and provide a more sustainable and environmentally responsible offer to the community.

Property Development

Since 2016 ECTC has delivered 170 homes and 44 of these are affordable housing units delivered through Community Land Trusts, enabling people to live and work locally.

Site	Open Market	Affordable Housing
Barton Road, Ely (Kings Row)	9	2 + Contribution in lieu
The Shade, Soham (The Fledglings)	5	8
Former MOD Phase 1 (Arbour Square)	77	15
West End Gardens, Haddenham (Ovins Rise)	35	19
Total	126	44

ECTC, as site promoter, worked with the landowners and Kennett CLT to facilitate the delivery of an infrastructure first 500 home development, which includes 150 affordable homes (60 of which will be owned and managed by the CLT), near net zero development. The landowners sold the site to Bellway in 2021, and planning has been approved for the detailed design of 328 of the units and the perimeter road. The development has commenced with open market sales due in the summer of 2024 and the first 4 CLT units being available imminently, 10 in November 2024 and 16 expected in March 2025. ECTC maintain a legal interest in the site and have a key role to play through the Kennett Delivery Board to ensure that the vision is adhered to.

The future pipeline includes Eden Square, Ely; 13-unit scheme which includes 4 £100k Homes, MOD Phase 2; 27-unit scheme which includes a minimum 33% affordable housing and MOD Phase 3; around 10 unit scheme (subject to planning).

Financing and returns

ECTC has been able to deliver its business plans as a result of its ability to generate income from its activities in both Property and Commercial Services.

In 2016 the Council agreed a 5-year £5m loan facility to ECTC as a general loan and in 2018 agreed a further loan of £1.5m which was ringfenced to deliver the Former MOD site in Ely. The business impact of COVID-19 resulted in the Council, as lenders, agreeing new loan terms relating to interest rate and loan repayment date.

In April 2022 Council agreed a new loan facility of £7.5m. The purpose of the loan was to facilitate repayment of existing loans and facilitate the delivery of 3 new sites; Former Paradise Pools, Ely, MOD Phase 2 and MOD Phase 3.

In February 2024, the Council agreed to extend the loan deadline from March 2026 to March 2027 to accommodate the timetable changes necessary to enable the NHS to complete the

car park works which were only possible because of the land swap agreement between ECTC and the NHS. Note: the loan interest rate increased from 4.50% to 5.25% for the extension period (March 2026 to March 2027).

By 31st March 2024, ECTC will have paid £1,527,705 in interest to ECDC.

In 2018 Cambridgeshire and Peterborough Combined Authority (CPCA) agreed a £6.5m loan facility that enabled ECTC to progress the West End Gardens, Haddenham development. Due to the impact of COVID-19 it was necessary to negotiate a new repayment date for repayment of the loan. ECTC repaid the principal loan in January 2023, two months ahead of schedule.

In 2018 CPCA agreed a £24m loan facility that enabled ECTC to progress the MOD Phase 1 development. Due to the impact of COVID-19 it was necessary to negotiate a new repayment date for repayment of the loan. This loan was repaid on 31 March 2023.

At the time of repayment, the interest paid to the CPCA was £1.84m.

ECTC could have, with the consent of Council, secured loan financing from traditional lenders. It has not done this and instead has borrowed from the public sector. This means that between ECDC and CPCA the public sector has benefited to the total amount of £3,317,939 with further interest payments due to ECDC in future years.

In addition to the benefits identified above ECTC has also delivered the following financial benefit to the Council:

Purpose	Total 1 April 2016 to 31 March 2024
Senior Management Cost Recovery	£365,959
Service Charge Recovery	£472,044
Accommodation Cost Recovery	£445,174
S106/CIL	£861,995
Land Acquisition	£1,264,650
Total	£3,409,823

In some years the Company is filing losses and in other years it is filing profits. In all years the Company has remained solvent because it is able to demonstrate future solvency. This is the nature of a company that deals predominantly in the development industry. It takes time and money to develop houses and income from these flow through a future timeframe. The end date of 31 March of a financial year is, in essence, an arbitrary date. For example, a house completing on 1 April of a year instead of 31 March of the same year can lead to the difference as to whether the Company is posting a loss in the previous year or an increased profit in the following year. The cashflow statement of the Company is a more accurate indicator of the financial capabilities of the Company, not the statutory accounts.

Governance Framework

ECTC is governed by its Articles of Association and the Shareholder Agreement. Any changes to either of these documents would require the consent of ECDC.

Articles of Association (14 November 2019)

Key requirements	Compliance	2024/25 developments/issues
There shall be a minimum of 3 Directors	Full Compliance. Board Directors: Paul Remington (Chairman) John Hill Sally Bonnett (resigned 31 October 2023) Isabel Edgar (appointed 1 November 2023)	None to report
Quorum shall be 2 Directors	Full Compliance	None to report

Shareholder Agreement (22 January 2019)

Key requirements	Compliance	2024/25 developments/issues
Produce Annual Business Plan for approval by Shareholder Committee	2023/24 Business Plan approved by Shareholder Committee (Finance & Assets) on 30 March 2023. 2024/25 Business Plan approved by Shareholder Committee (Finance & Assets) on 28 March 2024.	2025/26 Business Plan will be presented to Shareholder Committee (Finance & Assets Committee) on 27 March 2025.
Maintain effective and appropriate control systems in relation to the financial, accounting and record keeping.	Financial statements prepared in accordance with UK adopted international financial standards and audited by Price Bailey LLP, registered auditors. 2022/23 statements approved on 12 September 2023. 2023/24 statements expected to be approved on 12 September 2024.	No issues identified
Board of Directors shall consist of not less than 3 Directors.	Full Compliance. Board Directors: Paul Remington (Chairman) John Hill	None to report

	Sally Bonnett (resigned 31 October 2023) Isabel Edgar (appointed 1 November 2023)	
Board meetings shall be no less than 4 times per annum.	Board meetings held: 15 June 2023 12 September 2023 9 November 2023 5 December 2023 8 February 2024 7 March 2024	Meeting held since 1 April 2024: 18 April 2024 12 September 2024 Scheduled meetings: 14 November 2024 30 January 2025 13 March 2025
Leader of Council and Chair of Finance & Assets are appointed as Board Observers.	Full Compliance	None to report
Shareholder Committee to: Recommend, where relevant, the appointment of the Chairman of the Board and approve best practice policies in relation to such an appointment. Receive, review, comment on and approve the business plan. Approve the company entering into any joint venture. Approve the borrowing of any external monies (other than from CPCA). Review the financial performance of the company.	n/a for 2023/24 2023/24 Business plan approved on 30 March 2023. 2024/25 Business Plan approved on 28 March 2024. n/a for 2023/24 n/a for 2023/24 Quarterly Management Accounts presented to Shareholder Committee (Finance & Assets). 2022/23 Statutory Accounts presented to Shareholder Committee (Finance & Assets) on 28 September 2023.	None to report 2025/26 Business Plan to be considered on 27 March 2025 None to report None to report Shareholder Committee (Finance & Assets) to continue to receive. 2023/24 Statutory Accounts to be presented to Shareholder Committee (Finance & Assets) on 26 September 2024.

<p>Make recommendations to Council on how it would exercise the functions flowing from its ownership of shares.</p> <p>Shareholder Committee meeting shall be held no less than 2 times per annum.</p> <p>Board of Directors shall send a report biannually to the Shareholder Committee; strategic risk assessment, progress against business plan, summary management accounts and key financial information.</p> <p>The Company will host an annual All Council Member Shareholder Seminar.</p> <p>The Company shall supply all Members of the Shareholder Committee with Agenda and support papers.</p>	<p>n/a for 2023/24</p> <p>Full Compliance- meetings held on: 7 July 2023 28 September 2023 23 November 2023 28 March 2024</p> <p>Report considered by Shareholder Committee (Finance & Assets) on 23 November 2023.</p> <p>Seminar held on 27 September 2023 and 9 May 2024.</p> <p>Full Compliance.</p>	<p>None to report</p> <p>None to report</p> <p>Requirement removed from Shareholder Agreement (Council approval 24 May 2024).</p> <p>None to report.</p> <p>Council approved changes on 24 May 2024 and this requirement now applies to all Members of the Council.</p>
<p>Matters reserved for Council:</p> <p>issuing or allotting any shares;</p> <p>granting any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeeming or purchasing any of its own shares or effecting any other reorganisation of its share capital;</p> <p>altering in any respect its articles of association or the rights attaching to any of its shares;</p>	<p>n/a in 2023/24</p> <p>n/a in 2023/24</p> <p>n/a in 2023/24</p>	<p>None to report.</p> <p>None to report.</p> <p>None to report.</p>

<p>permitting the registration of any person as a Shareholder of the Company;</p>	n/a in 2023/24	None to report.
<p>re-registering the Company as a public limited company, or as any entity other than a company limited by shares;</p>	n/a in 2023/24	None to report.
<p>applying for the listing or trading of any shares or debt securities on any stock exchange or market;</p>	n/a in 2023/24	None to report.
<p>forming any Subsidiary Undertaking or acquiring shares in any other company or participating in a joint venture (incorporated or not);</p>	n/a in 2023/24	On 24 May 2024 Council approved changes to allow Resident Management Companies to be formed without the need for prior consent.
<p>amalgamating or merging with any other company or business undertaking; or</p>	n/a in 2023/24	None to report.
<p>passing any resolution for its winding up or presenting any petition for its administration, unless it has become insolvent;</p>	n/a in 2023/24	None to report.
<p>changing the nature of the Business or commencing any new business which is not ancillary or incidental to the Business;</p>	n/a in 2023/24	None to report.
<p>appointing or removing any Director;</p>	Sally Bonnett resigned on 31 October 2023 and the Council appointed Isabel Edgar on 1 November 2023.	None to report.
<p>the grant of any power of attorney or the appointment of any agent, or the entry into any other agreement which devolves or transfers management control of the Company from the Board of Directors;</p>	n/a in 2023/24	None to report.

agreeing to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any Director;	n/a in 2023/24	None to report.
the entry into any service contract, terms of appointment or other agreement with a Director;	n/a in 2023/24	None to report.
agreeing to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any key employee of, or consultant to, the Company at a rate in excess of £100,000 per annum;	n/a in 2023/24	None to report.
establishing or amending any profit-sharing, share option, bonus or other incentive scheme of any nature for directors;	n/a in 2023/24	None to report.
making any bonus payment to any director;	n/a in 2023/24	None to report.
borrowing any monies which require a guarantee or security from the Council (other than normal trade credit);	n/a in 2023/24	None to report.
changing its name or its registered office; or	n/a in 2023/24	None to report.
replacing or modifying the Business Plan;	n/a in 2023/24	None to report.
entering into an agreement to do any of the foregoing.	n/a in 2023/24	None to report.
The Company shall provide an Annual Governance Statement to the Shareholder and this shall be supplied at the same time as the information required in clause 7.2. The Annual	Presented to Board for approval on 12 September 2024.	None to report.

Governance Statement shall include the key risks for the Company in the forthcoming year and set out the process for escalating the risks to the Council where these affect the Council as the Shareholder.		
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On 24 May 2024 Council approved changes to the Shareholder Agreement which will be considered by the Board on 12 September 2024. The changes arise from recommendations by the Council's Internal Auditors and a review by the Company Secretary and the Council's Director Legal and Monitoring Officer.

Summary of changes:

- The relationship and rights of access for the Council's Internal Auditors with ECTC should be suitably documented to ensure consistency and clarity going forward,
- The Seven Principles of Public Life (Nolan Principles) should be incorporated into the Shareholder Agreement or Articles of Association (as appropriate).
- ECTC Board to prepare and approve an annual governance statement for submission to the Council,
- Make changes to the Shareholder Agreement to reflect current practices, i.e. Quarterly Management Accounts to the Shareholder Committee (Finance & Assets Committee) and risk escalation to Council (where necessary),
- All Members will receive a copy of the Board Papers. [Note: this formalises the current practice],
- Remove the requirement at Clause 5.5 for Board to send a Biannual Report to the Shareholder Committee. [Note: this was considered duplication as All Members receive a copy of Board Papers], and
- Remove the requirement for Board Directors to attend the Shareholder Committee for noting items. [Note: the relevant personnel will continue to attend the Shareholder Committee to present noting items. Board Directors will continue to attend the Shareholder Committee for items which require a Shareholder decision, e.g. Annual Business Plan].

Strategic Risk

The Strategic Risks are provided in the Business Plan for 2023/24 and are monitored by Director Commercial and Finance Manager. A report of Strategic Risk is presented at each Board meeting.

Risk	Reported Changes in 2023/24	Matters for 2024/25
Changes in legislation could place restrictions on the Council's power to	None	This is a medium to long term risk and no significant changes in

trade in a commercial manner		legislation are anticipated that will affect the company during 2024/25.
Changes in legislation could impact on ECTC's ability to borrow (or conversely ECDC's power to lend) to fund future projects	None	<p>This is a medium to long term risk and no significant changes in legislation are anticipated that will affect the company during 2024/25.</p> <p>The Company has secured a loan from ECDC to fund the projects within this Business Plan.</p>
Changes in Planning and Housing Policies could have an impact on Property division, for example, Starter Homes, First Homes, Self-Build could impact the profitability of a particular development.	None	<p>There is no impact on the projects that have planning permission and no significantly adverse impact on projects going through the planning system in 2024/25.</p> <p>Individual business cases for future projects should consider possible changes in Planning and Housing Policy.</p>
Inadequate governance arrangements and lack of clarity on roles of ECDC and ECTC could lead to poor decision making that undermines the operation of ECTC.	None	<p>Governance arrangements are currently fit-for-purpose</p> <p>The Shareholder Agreement will be amended in 2024/25 to reflect minor improvement recommendations from the Council's Internal Auditors.</p>
ECTC is wholly owned by ECDC and so is subject to the controls and decision-making process for matters that are outside of the Business Plan.	None	<p>The Shareholder Agreement provides for the ability of extraordinary meetings of the Shareholder Committee to be called to consider urgent business and where necessary make recommendations to Full Council.</p>

<p>ECDC has provided a £7.5m loan to ECTC to be drawn down and repaid in accordance with the loan agreement. In the event of an economic slowdown, there may be a risk that the company cannot meet the repayment schedule.</p>	<p>Reported to Board the issues relating to the timing of repayment of the loan and the land needed for Arbour Square Phase 3.</p> <p>Matter reported to Board on 8 February 2024 and considered by Council on 20 February 2024. Council approved an extension of time to the loan until 31 March 2027.</p>	<p>When requesting the loan sensitivity analysis was carried out for future projects.</p> <p>Individual, detailed business cases will be produced for future projects which will review assumptions made when requesting the loan.</p> <p>Eden Square, Ely has received Full Business Case approval with appropriate sales/cost assumptions, including factoring for a slow build/sales programme.</p> <p>The NHS projections identify that the land for MOD Phase 3 will not be available until later in 2024. In February 2024 the Council agreed an extension to the loan deadline to March 2027 to accommodate this.</p>
<p>CPCA has provided loans to ECTC for MOD Phase 1. In the event of an economic slowdown, there may be a risk that the company cannot meet the repayment schedule.</p>	<p>Risk removed as the loan was repaid on-time.</p>	<p>Risk removed.</p>
<p>With the exception of new loans from CPCA, ECTC cannot increase its indebtedness without the consent of the Shareholder Committee (loans can be provided by ECDC and this requires the consent of Council).</p> <p>If ECDC's MTFS is not successfully implemented the availability of loan</p>	<p>None</p>	<p>ECTC has secured loan financing for the projects in this Business Plan. If opportunities arise in the future financing discussions with the Council will be held as soon as practicable.</p>

finance to ECTC could be reduced. This may lead to ECTC needing to borrow from the 'market'.		
Changes in taxation, interest rates and build cost inflation.	None	The Finance Manager and Director Commercial monitor changes and factor these changes into individual detailed business cases.
Cost of living.	None	The Finance Manager and Director Commercial monitor changes and factor these changes into individual detailed business cases.
Economic downturn could result in lower profits (or even possible losses) than are anticipated in the Business Plan	None	<p>The impact of change in market behavior is being actively managed.</p> <p>Director Commercial and Finance Manager will consider this risk when producing the detailed individual business cases for future projects and this will include monitoring this risk if the plans are approved by the Board.</p> <p>Monitor closely and link with the specific cost of living risk.</p> <p>Eden Square, Ely has received Full Business Case approval with appropriate sales/cost assumptions, including factoring for a slow build/sales programme.</p>
Inadequate management of commercial build contracts can lead to delays, overspends and reduced profitability/cash flow for ECTC.	None	The Director Commercial and Finance Manager, in the business planning cycle, are aware of these risks and meet fortnightly with the project team to monitor the assumptions

		made in the individual business cases.
Adequacy of organisational resources to deliver the required business outcomes.	None	Adequacy of resources is continuously reviewed. There is continued investment in facilities, staff and training to ensure that ECTC has the resources that it needs to deliver the necessary outcomes.

In 2024/25 the Director Commercial introduced a risk matrix which was included in the approved 2024/25 Business Plan.

'All risks are monitored by the Director Commercial on a monthly basis and updates are sought from relevant personnel.

- Low- (risk score 1 to 9)- Routine noting to Board
- Medium- (risk score 10 to 14)- Routine noting to Board and relevant updates provided to provide assurance that the risk is being managed
- High- (risk score 15+)- Reported to Board with actions outlined and where necessary a plan of action provided'

The high-risk action plan may include requests to the Shareholder.

Financial Performance

	Compliance	Matters for 2024/25
Management Accounts	The Board received Quarterly Management Accounts throughout 2023/24	None to report
Statutory Accounts	The Board will consider the Statutory Accounts for 2023/24 on 12 September 2024.	None to report
ECDC Loan Performance	Monitored through Management Accounts.	In April 2024 Board started to receive a loan performance update as part of the Project Status Update Report.
Project spend	Project Status Update reports include spend tracker on individual projects for the Property division. Commercial Services are monitored through the management accounts reporting.	None to report.

2023/24 Business Plan

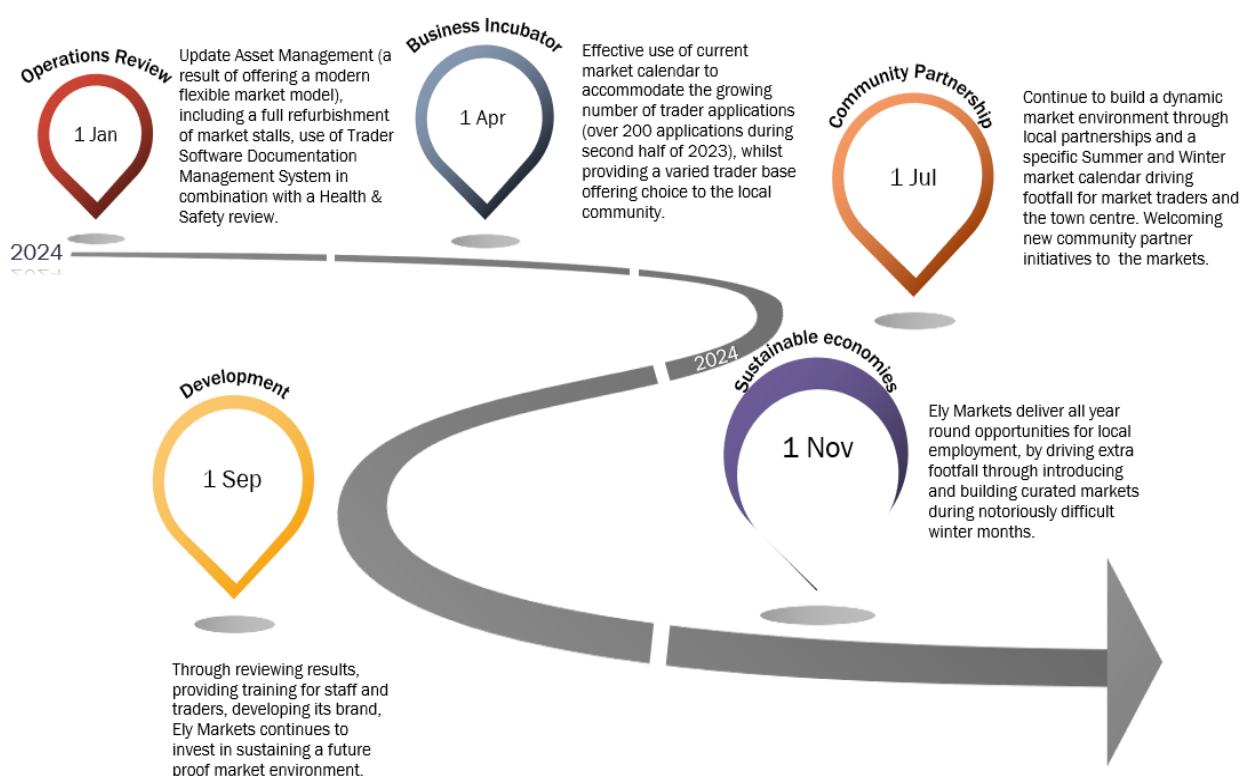
Commercial Services

The primary focus of Commercial Services for 2023/24 shall be to continue to develop Ely Markets, focusing on the community as its customer, and Grounds Maintenance Service focusing on new areas of income generation; ensuring that both continue to deliver high quality services that respond to the needs of their customers and seek to maximise opportunities that arise throughout the year.

Ely Markets

Objectives

- Provide a choice for the community
- Provide a focal point for the community
- Increase the vibrancy of the city centre
- Promote employment
- Be a stepping stone for small businesses



Budget

Markets	2023/24 Budget	2023/24 Actual
Turnover	284,892	298,775
Salaries	190,261	208,765
Premises	22,903	8,613
Transport	2,082	3,327
Supplies & Services	54,400	76,917
Gross Profit	15,246	1,253

Grounds Maintenance

Objectives

- Deliver an excellent high-quality service
- Explore new commercial opportunities
- Develop an excellent SUDS maintenance service

ECTC's main client is ECDC which accounts for approximately 70% of its income.

Over the years the service has focused on harnessing relationships with its customers and building a strong reputation for delivering an excellent, high-quality service. This has enabled ECTC to secure contracts outside of ECDC on a longer-term basis.

In its formative years ECTC was able to secure small ad hoc contracts, in the more recent years ECTC has been able to secure longer-term contracts with school academies.

Budget

The following tables provides a summary of the budget to March 2026

Grounds Maintenance	2023/24 Budget	2023/24 Actual
Turnover	1,092,993	1,238,546
Salaries	798,279	856,050
Premises	56,899	118,082
Transport	151,844	153,238
Supplies & Services	72,303	107,708
EBITDA	13,668	3,468

Property

Objectives

- Development Project Management
- House Building
- Planning Promotion
- Housing and Estate Management Service
- Asset Development Consultancy

Project	Commitment	Delivery	Matters for 2024/25
West End Gardens, Haddenham	There are two homes remaining on this development and these will be sold and occupied in the early part of 2023/24.	Achieved	None to report.
Arbour Square, Phase 1	<p>Affordable Housing- As at 1 March 2023 12 properties are now occupied and 3 properties are sold and due to complete during the early part of 2023/24.</p> <p>Market Homes- As at 1 March 2023 63 have been sold, 10 are under offer with legals in process, 3 have been released for sale and 1 is being rented for 12 months. It is expected that the all sales, with the exception on the 1 rented property, will complete by July 2023. The company is currently on target to repay the CPCA loan by the due date (31 March 2023).</p> <p>The company will complete this development in 2023/24.</p>	<p>CPCA Loan Repaid</p> <p>With the exception of one property (which is rented) all Open Market Units are sold.</p> <p>2 Shared Ownership Properties remained at the end of 2023/24.</p>	<p>2 Shared Ownership Properties completed in 2024/25.</p> <p>Last remaining open market unit will be offered for sale in September/October 2024.</p>

Eden Square, Ely	In 2022 ECTC Board approved the Full Business Case and the site will commence in April 2023.	Site Commenced in September 2023.	Construction completion expected in October 2024. Sales launched in July 2024.
Arbour Square, Ely, Phase 2	<p>It is expected that the Section 106 Agreement will complete in the first quarter of 2023/24. Negotiations are being held with the MOD to settle the land payment and the Board and Council will consider and agree the 'uplift' in affordable housing in the first quarter of 2023/24.</p> <p>A full business case for the new build project will be developed at the appropriate time.</p>	Planning permission issued in February 2024.	<p>Full Business Plan approved in April 2024.</p> <p>Start on-site expected during 2024/25.</p>
Arbour Square, Ely, Phase 3	<p>This land, with planning potential for around 10 new homes, will form Phase 3 of the Company's development at Ely.</p> <p>If planning permission is achieved and the Board approve the Full Business Case, it is anticipated that development could commence in 2023/24.</p>	Moved to 2024/25	Planning application to be submitted in 2024/25.

Budget

	HISTORIC		2023/24 Budget	2023/24 Actual
Turnover				
Market housing sales	£48.28m		£4.48m	£4.27m
Affordable (CLT) housing sales	£5.21m		£0.0m	£0.0m
Other income	£1.45m		£0.0m	£0.0m
Total Turnover	£54.94m		£4.48m	£4.27m
Cost of Sales				
Housing construction costs	£48.68m		£4.17m	£3.98m
Salaries	£2.32m		£0.3m	£0.49m
Premises	£0.1m		£0.02m	£0.03m
Transport	£0.0m		£0.0m	£0.0m
Supplies & services	£0.54m		£0.07m	£0.06m
Cost of Sales	£51.64m		£4.56m	£4.56m
Gross Profit / (Loss)	£3.3m		(£0.08m)	(£0.29m)
Overheads	£1.17m		£0.21m	£0.2m
EBITDA	£2.13m		(£0.3m)	(£0.49m)

Losses were forecast for 2023/24 and 2024/25 due to this being a period of predominantly construction only. Profits on these construction activities will be realised on final sale which will be during the financial years 2025/26 and 2026/27. These profits will be sufficient to return the business to a net asset situation having repaid all financial liabilities.