



EAST CAMBRIDGESHIRE DISTRICT COUNCIL

THE GRANGE, NUTHOLT LANE,
ELY, CAMBRIDGESHIRE CB7 4EE
Telephone: 01353 665555

MEETING: FINANCE & ASSETS COMMITTEE

TIME: 4:30pm

DATE: Thursday, 18th June 2020

VENUE: PLEASE NOTE: Due to the introduction of restrictions on gatherings of people by the Government due to the Covid-19 outbreak, this meeting will be conducted remotely facilitated using the Zoom video conferencing system. There will be no access to the meeting at the Council Offices, but there will be Public Question Time at the commencement of the meeting in accordance with the Council's Public Question Time Scheme, as modified for remote meetings. Details of the public viewing arrangements for this meeting are detailed in the Notes box at the end of the Agenda.

ENQUIRIES REGARDING THIS AGENDA: Janis Murfet

DIRECT DIAL: (01353) 665555 EMAIL: Janis.murfet@eastcambs.gov.uk

Membership:

Conservative Members

David Brown (Chairman)
David Ambrose Smith
Ian Bovingdon (Vice Chair)
Bill Hunt
Alan Sharp

Liberal Democrat Members

Alison Whelan (Lead Member)
Charlotte Cane
Simon Harries
John Trapp

Substitutes:

Dan Schumann
Josh Schumann
Jo Webber

Substitutes:

Matt Downey
Gareth Wilson
Christine Whelan

Lead Officer:

Emma Grima, Director Commercial

Quorum: 5 Members

AGENDA

1. Public Question Time

The meeting will commence with up to 15 minutes public question time

2. **Apologies and Substitutions** **[oral]**
3. **Declarations of Interest**
To receive declarations of interest from Members for any items on the Agenda in accordance with the Members Code of Conduct. **[oral]**
4. **Minutes**
To confirm as a correct record the Minutes of the meetings of the Committee held on:
 - a) 6th February 2020; and
 - b) 21st May 2020
5. **Chairman's Announcements**

AUDIT ITEMS

6. **External Audit – Annual Audit Letter 2018/19**
7. **External Audit – Audit Plan 2019/20**
8. **Internal Audit Plan 2020/21**

ITEMS FOR DECISION

9. **Community Infrastructure Levy Funding Request**
10. **COVID-19 Working Party Terms of Reference**
11. **Ely & Soham Masterplans**

ITEMS FOR NOTING

12. **Actions taken by the Chief Executive on the Grounds of Urgency:**
 - i. **Business Rates Reliefs;**
 - ii. **Council Tax Hardship Relief.**
13. **Annual Reports of Representatives on Outside Bodies**

14. Assets Update

15. East Cambs Bus Services Review Working Party Minutes:

To receive the Minutes of the meeting held on 17th December 2019

16. Forward Agenda Plan

17. EXCLUSION OF THE PUBLIC INCLUDING REPRESENTATIVES OF THE PRESS

That the press and public be excluded during the consideration of the remaining item because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the items there would be disclosure to them of exempt information of Categories 1 & 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

18. Exempt Minutes

To receive the Exempt Minutes of the meeting of the Finance & Assets Committee held on 6th February 2020

NOTES:

1. Since the introduction of restrictions on gatherings of people by the Government in March 2020, it has not been possible to hold standard face to face public meetings at the Council Offices. This led to a temporary suspension of meetings. The Coronavirus Act 2020 now has been implemented, however, and in Regulations made under Section 78 it gives local authorities the power to hold meetings without it being necessary for any of the participants or audience to be present together in the same room.

The Council has a scheme to allow Public Question Time at the start of the meeting using the Zoom video conferencing system. If you wish to ask a question or make a statement, please contact Janis Murfet, Democratic Services Officer (Committees) janis.murfet@eastcambs.gov.uk by 5pm on Monday, 15th June 2020. If you are not able to access the meeting remotely, or do not wish to speak via a remote link, your question/statement can be read out on your behalf at the Committee meeting.

2. A live stream of the meeting will be available on YouTube at <https://www.eastcambs.gov.uk/meetings/finance-assets-committee-18062020>
3. Reports are attached for each agenda item unless marked “oral”.
4. If required all items on the agenda can be provided in different formats (e.g. large type, Braille or audio tape, or translated into other languages), on request, by calling Main Reception on (01353) 665555 or e-mail: translate@eastcambs.gov.uk
5. If the Committee wishes to exclude the public and press from the meeting a resolution in the following terms will need to be passed:

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



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Minutes of the meeting of the Finance & Assets Committee held in the Council Chamber, The Grange, Nutholt Lane, Ely at 4.30pm on Thursday, 6th February 2020.

PRESENT

Councillor David Brown (Chairman)
Councillor David Ambrose Smith
Councillor Ian Bovingdon
Councillor Charlotte Cane
Councillor Simon Harries
Councillor Bill Hunt
Councillor Alan Sharp
Councillor Alison Whelan
Councillor Gareth Wilson (Substitute for Councillor John Trapp)

OFFICERS

Sally Bonnett – Infrastructure & Strategy Manager
Emma Grima – Director Commercial
Harj Kumar – Senior Planning Officer
Janis Murfet – Democratic Services Officer
Nicole Pema – HR Manager
Rebecca Saunt – Planning Manager
Ian Smith – Finance Manager
Karen Wright – ICT Manager

IN ATTENDANCE

Nigel Ankers – Finance Manager, East Cambs Trading Company
Rachel Ashley-Caunt – Head of Internal Audit
John Hill – Managing Director, East Cambs Trading Company
Suresh Patel – Associate Partner, External Audit, Ernst & Young
Paul Remington – Chairman, East Cambs Trading Company
Phil Rose – Head of Development, Palace Green Homes

88. PUBLIC QUESTION TIME

No questions were submitted by members of the public.

89. APOLOGIES AND SUBSTITUTIONS

An apology for absence was received from Councillor John Trapp.

It was noted that Councillor Gareth Wilson would substitute for Councillor Trapp for the duration of the meeting.

It was further noted that Councillor Sharp was on his way to the meeting and would arrive shortly.

90. DECLARATIONS OF INTEREST

Councillor Cane declared an interest in Agenda Item No.11 (Supplementary Planning Document: Natural Environment – Draft for Consultation), in that she worked for the Wildlife Trust for Bedfordshire, Cambridgeshire & Northamptonshire. She said she would not vote on the item.

Councillor Wilson also declared an interest in Agenda Item No.11, being a member of the Haddenham Community Land Trust.

91. MINUTES

Further to Minute No.77 (East Cambs Trading Company Accounts 2018/19), Councillor Cane requested and it was agreed that the following amendments be made:

- Page 5, 4th paragraph – *Concern was also voiced ... in note 1.4 on page 10 of the accounts ... The note ... accurate, as it had been confirmed in a written answer at Full Council that the Council had not agreed to 'give financial support for the foreseeable future.'*
- Page 6, 2nd paragraph – Insert after first sentence '*The accounts stated that there was a member of staff with a defined benefit pension scheme yet there was no note showing the liabilities arising from the defined benefit scheme, as required by law.*'

It was resolved:

That subject to the agreed amendments, the Minutes of the meeting of the Committee held on 28th November 2019, be confirmed as a correct record and signed by the Chairman.

92. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcements:

- Councillor David Ambrose Smith had taken over from Councillor Christine Ambrose Smith as a full time Member of the Finance & Assets Committee;
- He and Councillor Bovingdon, Vice Chairman, would be attending a meeting with Ernst Young and Public Sector Audit Appointments Ltd on 26th March 2020 to discuss the issues with the accounts and how to go forward.

93. EXTERNAL AUDIT – AUDIT RESULTS REPORT

Suresh Patel, Associate Partner, for the Council's External Auditors, Ernst & Young, presented the Audit Results Report.

This Report updated the Initial Report that was presented to the Finance & Assets Committee meeting on 28th November 2019. The audit for East Cambridgeshire District Council for 2018/19 was now complete. External Audit would be issuing an unqualified audit opinion on the financial statements of the Council. Whilst there were no matters to include in the auditor's report regarding arrangements to secure economy, efficiency and effectiveness in the use of resources, some areas for improvement had been identified and recommendations included. The following points were highlighted:

- On completion of the audit procedures, it was found that there had been misclassification between cash and creditors of £145k;
- The MTFs remained a challenge and it was suggested that the Council could be more transparent in its planning around the areas it had identified to help bridge funding gaps. The Council should consider increasing the frequency that it considered and updated its MTFs and the underlying assumptions;
- Correspondence had been received from the Liberal Democrat Group highlighting a number of concerns over the relationship and governance arrangements between the Council and its wholly owned subsidiary company, East Cambs Trading Company (ECTC). The audit responses were set out on pages 28 – 30 of the Report and were made more in terms of transparency and documentation.

The Chairman said that an update on the MTFs would in future come to Committee in September; he was happy to see the unqualified audit opinion and offered his congratulations to the Finance Manager and his team.

A number of questions were asked of Mr Patel and the Finance Manager:

- Why a substantial approach was taken to the Audit Results Report rather than a controlled one? Mr Patel replied that this was the way it was done, and it was the most efficient approach to take;
- How had the inter-company transaction error come about when controls had been put in place? The Finance Manager said that it was a matter of human error and lessons had been learned from the process;
- What was the explanation for the double entry in respect of the Paradise Pool? The Finance Manager explained that this duplication was down to human error;
- How had the misclassification occurred? Mr Patel said there had been a full bank reconciliation, and the Finance Manager added that he would get back to Members on this point;
- What controls were in place to get cut-off right this year and was there a process to capture all accruals and pre-payments? The Finance Manager said that consideration was being given to the point at which the ledger was closed as there was a timing difference between what was on the ledger and when it happened. There was a manual process in place to capture accruals/pre-payments.

The question was next asked how Members could be reassured that the year-end procedures were robust and being followed. The Finance Manager assured her that they were robust and Mr Patel said that if he thought there were any deficiencies in control, he would report them to the Committee. With regard to the ECSS Accounts in the Group Accounts, the Finance Manager stated that the correct version was used for consolidation and again, Mr Patel said he would report any concerns to the Committee.

Referring to the recommendation on page 26 of the Report, the comment was made that it would be useful to have a paper on the MTFs and the underlying assumptions at the next Committee meeting. The Chairman responded, saying that Members would receive a paper in September 2020.

Councillor Sharp joined the meeting at 4.55pm.

A Member then focused her questions on the Trading Company. She asked Mr Patel what he thought about there being a requirement for only two Board members to be present at Board meetings, without the Chairman. He replied that the Chairman provided an element of safeguard, and if he was not present, there was no safeguard.

She next asked if Mr Patel was aware of any conflicts of interest by the directors; he said he was not sure he could answer but he was not aware of any information to suggest a conflict. The Director Commercial confirmed that legal advice would be sought on this matter as per the recommendation from the auditor.

Turning to Section 8 of the Report (Independence), the Member expressed disappointment that Members had not been provided with a report documenting the financial performance of ECTC, and said she would like to see it made a standing item on the agenda. The Chairman replied that the Finance Manager had reported the position at every meeting as part of the Management Accounts.

Another Member said that Members should trust people to do their jobs; it was not for the Committee to micro-manage and any queries would be challenged.

It was resolved:

That the Audit Results Report be noted

94. 2018/19 STATEMENT OF ACCOUNTS/ANNUAL FINANCIAL REPORT

The Committee received a report (reference U164, previously circulated) from which Members were asked to approve the 2018/19 Statement of Accounts.

The Finance Manager reminded the Committee that the Council's auditors had identified a number of issues during the course of the audit. The Statement attached as Appendix 1 to the report included all the adjustments identified since the draft accounts were published on 31st May, including all the issues detailed in the Audit Results report.

This was the completed version, but it did remain subject to further Audit review and there remained the possibility that further minor changes might be needed.

It was resolved:

That the 2018/19 Statement of Accounts as set out in Appendix to the report be approved subject to the Section 151 Officer, in conjunction with Ernst & Young (EY), being authorised to make any final changes, as required, prior to final sign-off by EY on or around the 10th February 2020

95. INTERNAL AUDIT PROGRESS REPORT

The Committee considered a report (reference U165, previously circulated) which advised Members of the work of Internal Audit completed during the period October 2019 to January 2020, and the progress against the Internal Audit Plan.

The Head of Internal Audit summarised the content of the update report. At the time of reporting, delivery of the 2019/20 Audit Plan was on schedule with 71% of the planned work either complete or underway.

Overall the governance arrangements for treasury management were found to be sound with effective controls in operation.

The process of awarding grant funding to voluntary organisations had been reviewed and there were no areas for concern. Overall substantial assurance could be given that there were effective controls in operation.

With regard to health & safety, effect controls were in place but testing completed on a sample of Codes of Practice had identified some areas of non-compliance. A number of risk assessments had not been completed and steps were being taken to address this. There was no health & safety reporting to Members and the Director Commercial was working with the Health & Safety Advisor about how to rectify this.

Since the last meeting of Committee, 10 agreed actions had been implemented by officers, and at the time of reporting, there were 6 actions overdue for implementation. The only overdue high priority action related to information governance and a report was included later on in this agenda.

A Member wished to know when the work plan for 20/21 would be agreed and how Members could feed into it. The Head of Internal Audit replied that it would be coming to the next meeting and she would be happy to receive comments.

It was resolved:

That the progress made by Internal Audit in the delivery of the Audit Plan and the key findings be noted.

96. CORPORATE RISK MANAGEMENT

The Committee received a report (reference U166, previously circulated) which updated Members on the key risks facing the Council and the associated mitigating actions.

Rachel Ashley-Caunt, Head of Internal Audit, reminded the Committee that updates on the Corporate Risk register were provided on a six monthly basis, with the previous update being provided on July 2019.

Risk C6 (Failure of corporate governance and counter fraud and corruption controls) had been completed with a review of the Counter Fraud, and Anti Money Laundering policies.

The ongoing work on Risk D2 (Failure to deliver upon strategic development plans and requirements) was recognised and the Council had committed to undertake a second review of the Local Plan by April 2021.

The Head of Internal Audit was asked at what point the Committee would have the opportunity to review the entire Register, and with specific reference to Risk D2, if it had been reviewed in the light of not updating the Local Plan. The Director Commercial replied that the risk would not increase as long as there was no change in national policy. The Council's 5 year supply of housing land would be regained on 21st April 2020 and the Authority had the research to back this up. The Member responded, saying that while the 5 year supply would help to reduce speculative applications, it was questionable how it would help the strategic plans. The Director Commercial said the focus would be on the strategic plans and the Chairman suggested that the wording be tightened up.

In response to a comment that there should be an entry on the Risk register to show the Planning department was struggling because of its workloads, the Chairman said this could be taken back to the Risk management Group.

Referring to Risk B3 (Failure to plan for and accommodate the impact of Brexit), Councillor Wilson believed that there would probably be no negotiations after 31st December 2020 and no reduction in the risk. The Finance Manager reminded him that the last time the Register was reviewed there was a potential for a 'no deal' Brexit and this had to be reflected in the score.

The question about reviewing the whole Register was repeated and the Director Commercial said she would come back to Members on this.

It was resolved:

To endorse the proposed amendments to the Corporate Risk Register.

97. ECTC BUSINESS PLAN 2020/21

The Committee received a report (reference U167, previously circulated) which detailed the East Cambs Trading Company (ECTC) Business Plan for 2019/20.

The Chairman reminded Members that they would have to go into closed session if they wished to discuss Exempt Appendix 1A.

The Director Commercial advised Members that the Finance Manager would take over as Lead Officer during consideration of this item and she would speak in her capacity as a director of the Trading Company. She then introduced Paul Remington, Chairman of ECTC and John Hill, Managing Director.

It was noted that the Business Plan was approved by the ECTC Board of Directors on 15th January 2020.

The Trading Company had two key business areas; the first was Commercial Services which currently delivered Ely Markets and Grounds Maintenance, and the second was Property Development. Both areas carried out business on behalf of ECDC as well as other customers.

Ely Markets was self-sustaining and relied on its own income to keep improving. Previous profitability levels had been maintained and an example of the investment to improve the service was that in 2020/21 a water refill station would be installed on the Market Place. Paragraph 7.6.2 of the Business Plan provided a summary of the budget to 2021/22 and it was noted that the difference in premises cost related to the planned investment for the water refill station.

ECTC currently carried out Grounds Maintenance for a variety of customers both within and outside of the District. With regard to the budget summary provided in paragraph 7.7.5, the main difference in profitability related to ECTC reducing its management fee for the Council's Grounds Maintenance contract by £100k. This was a positive business move as it provided an immediate benefit to the Council as the shareholder, i.e. ECDC would save £100k in 2020/21 and the level of service would not diminish.

At the invitation of the Chairman, Phil Rose, Head of Development, Palace Green Homes (PGH) spoke on the Property Development arm of the Trading Company.

The Council had already benefitted by £1,073,788 from the property activities of the Company since its establishment in 2016. Quality homes had been delivered in Ely and Soham, and further land opportunities had been secured that would expand the development pipeline to over 700 homes, with at least 210 of the properties expected to be affordable homes.

In December 2019, ECTC made its first repayment of £1.7 million against the original £5.0 million ECDC loan, and the Company was on track to being able to repay the ECDC loan in full in 2021, as planned. Referring to paragraph 8.3 of the Business Plan, the Head of Development said that the financial benefits to the Council were expected to grow in the coming years. By March 2022 the total financial benefits to the Council from the Company's development activities would be close to £2.2 million.

The key challenges for 2020/21 centred mainly on the economy. There had been an upturn in interest in the housing market since the New Year, but house price growth was not expected in 2020. ECTC would continue to closely monitor market conditions for any potential impact on local customer confidence. Certainty of future demand was absolutely key as the Company looked to invest in its planning permissions.

The Company would continue to invest in the people, supply chains and new technologies needed to deliver the development pipeline. By further developing 'in-house' capability, the Company should be able to mitigate against some of the external risk factors and have greater control of project delivery.

The Finance Manager, ECTC, summarised the financial information, drawing Members' attention to the tables on page 6 of the Business Plan which set out turnover and cost up to 2021/22, and page 25 which detailed financial projections for Property.

Revenue for the business will substantially increase due to the number of houses sold at the former MoD site and Haddenham. 2021/22 revenues will be similar to 2020/21, again due to the number of houses sold. Corporate costs, being the shared costs for the three divisions, remained fairly static. Commercial costs, as detailed on pages 17 and 18, will see increases in premises charges for the Markets due to the installation of the water fountain mentioned previously. Grounds maintenance salary charges also increase but this is to do with 2019/20 costs being low due to unfilled positions.

EBITA will only increase slightly despite the large increase in revenue, because of the drop in gross margins on the housing sales. Previous developments saw gross margins at 15 – 17%, whereas the current projects are 4 – 5%.

After interest, ECTC will make a loss of £71 in 2020/21, which is far from ideal but has always been planned at this stage. It is better than the loss of £222k forecasted for this period in last year's Business Plan.

It was noted that higher build costs were listed in the 'weaknesses' section of the SWOT matrix and a Member asked if it would be cheaper to use other builders. The Head of Development replied that this was why the Company was changing to in-house construction management, as it would enhance the Company's profit returns. However, each project would be assessed as it came forward.

It was next asked how a reduction in the management fee could be justified when there was a loss, as this would not be acceptable to HMRC. The Finance Manager ECTC replied that Gardens & Parks made a stand-alone profit while other parts were making a loss.

The Head of Development was commended on the standard of houses being built, and that Haddenham CLT was doing a good job. 31 affordable homes would be delivered in Haddenham and Ely during 2020/21 at no cost to the taxpayer and this was a matter for congratulations. A point was made that the Business Plan would have financial implications and a Member said she would like to see assessments with the Business Plan as she could not see how climate emergency responsibilities were being met. The Director Commercial said that 'EIA' referred to equalities; the appropriate assessments would feed into the Carbon Plan when it came out.

The Finance Manager, ECTC, was asked if the reduction in management fees was a way of passing money to the Shareholder and he stated it was a reduction to the customer and was shown in the workings. Councillor Cane wished it to be

recorded that she wanted each director to confirm they were happy to reduce the management fee when they could not legally pay the Council a dividend because of insufficient profits. The Director Commercial replied that the main client was contracted and the Managing Director added that the decision was a matter of record.

A number of other questions were put to officers. Referring to page 21 of the Business Plan, which set out the financial benefits to ECDC, a Member wished to know which benefits would not have arisen or been delivered to ECDC if another company carried out the work. The Head of Development responded, saying that this company had done the work, and had it not done so, there would have no guarantee that the same benefits would have accrued to the Council.

The Chairman said he was very impressed with the MoD site and considered it to be a great credit to the Company.

In connection with the site, a Member enquired what assumptions had been made regarding affordable housing in Phase 2 of the development. The Head of Development said the figures in the Plan would deliver 30%; the ambition was to deliver a greater amount. The issue next raised related to the timetable for delivery and the Managing Director was asked how the scheme would progress if it was not planned for in the budget. He replied that he had been tasked to report back to Council and carry out its instructions; the Company wanted to exceed its ambitions in bringing forward Phase 2.

At this point it was proposed, seconded and agreed by the Committee to go into Exempt session to allow discussion of Exempt Appendix 1a of the Business Plan; once the appendix had been discussed, the meeting would return to public session.

It was resolved:

That the press and public be excluded during the consideration of the remaining items because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item there would be disclosure to them of exempt information of Categories 1 & 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

Once in Exempt session, a Member remarked that the budget figures for assumptions were not included in the Business Plan. The Head of Development replied that they were included and the Chairman interjected to say that as some Members of this Committee also sat on the Planning Committee, they must not be pre-determined so it would be wise not to discuss the balance sheet figures.

The comment was made that there was a figure in the Business Plan for affordable housing, and at some point in the year the Council would make a decision, based on the Head of Development's best knowledge.

There being no further questions, it was proposed, seconded and resolved that the public be re-admitted to the meeting. Whereupon,

It was resolved:

That the ECTC Business Plan 2020/21, as set out in Appendix 1 to the report, be approved.

98. SUPPLEMENTARY PLANNING DOCUMENT: NATURAL ENVIRONMENT – DRAFT FOR CONSULTATION.

The Committee received a report (reference U168, previously circulated) from which Members were asked to determine whether to approve the Natural Environment Supplementary Planning Document (SPD) for public consultation.

The SPD had been prepared to provide advice on policy requirements relating to the natural environment and the Senior Planning Officer highlighted paragraph 3.1 of the report which set out details of some of the issues it would cover. Members were reminded that preparation of the SPD was a specific comment (amongst others) in the 'Climate Change' Motion passed by Full Council in October 2019.

The Senior Planning Officer stated that the consultation period would be between 18th February and 30th March 2020. The Planning Manager added that consultation was usually carried out over a 4 week period, but in this case it had been extended to 6 weeks.

A Member commented that she was really pleased to see that officers had brought forward this item, as there were key areas of national importance and they should be flagged up in the covering papers.

Having noted the list of issues that were likely to be addressed in future SPD's (paragraph 3.3 refers), a Member said he considered them to be matters of critical interest and asked the Senior Planning Officer what his expectations were to develop the SPD's and give them 'teeth'. He was advised that SPD's could not impose an extra burden on developers other than what was in the Local Plan. However, this was constantly changing, so it was important to bring them forward as soon as possible.

Officers were then asked if the 2015 Local Plan was still in operation. The Planning Manager replied that it was, although only limited weight could be given to the housing policies. It was hoped that on 21st April 2020 the Authority would have a 5 year supply of housing land. She continued, saying the SPD would enable the Authority on national policy and it would be a tool for developers to follow.

One Member said he welcomed Steps 3 and 6 in the draft document, and wondered who would be consulted as it would be important to get developers on board. It was noted that they would use the Council's consultation database and it would be raised at the quarterly Agents Forum.

The point was made that people should be encouraged to get involved in the consultation process, but this might be difficult as they could not be compelled to participate.

The Chairman commended officers for the work they had carried out to date, saying that the detail in the document was 'incredible'. Whereupon,

It was resolved:

That the draft Natural Environment SPD be approved for the purpose of public consultation (with any minor editorial or presentation improvements delegated to officers, in consultation with the Chairman, prior to publication), with public consultation anticipated to be for 6 weeks over the period mid-February to end of March.

99. SUPPLEMENTARY PLANNING DOCUMENT: SELF AND CUSTOM BUILD – DRAFT FOR CONSULTATION

The Committee received a report (reference U169, previously circulated) from which Members were asked to determine whether to approve the Custom and Self-Build Supplementary Planning Document (SPD) for public consultation.

It was noted that this new SPD would help local residents that wished to build their own home. It would also provide guidance to large scale developers that were obliged to meet the Local Plan policy to provide self-build plots and useful advice to Community Land Trusts (or similar) that might be interested in providing such plots; parishes that were interested in including self-build plots in their Neighbourhood Plans might also find it useful.

The Senior Planning Officer highlighted paragraph 1.4.3 in the introduction to the draft, which stated that the Council had to be satisfied that the initial owner of the home would have (or had had) primary input into its final design and layout. Applicants would have to provide evidence of their input, and if the Council was not satisfied that the test had been met, the home would not be considered as being custom or self-built. This requirement had been included as extra criteria on page 6 of the document.

One Member said he welcomed this SPD as large developers often had their own design guide, and this would ensure the Authority had a strict control over what was being built. The Planning Manager concurred, adding that some developers had been coming up with 'plot passports' and this would help to make sure that designs were in keeping with the local character.

It was resolved unanimously:

That the draft Custom & Self-Build Housing SPD be approved for the purpose of public consultation (with any minor editorial or presentation improvements delegated to officers, in consultation with the Chairman, prior to publication), with public consultation anticipated to be for 6 weeks over the period mid-February to end of March.

100. REVENUE BUDGET, CAPITAL STRATEGY & COUNCIL TAX 2020/21

The Committee considered a report (reference U170, previously circulated) containing the proposed revenue budget and capital strategy, and the required

level of Council Tax for 2020/21, an assessment of the robustness of the Budgets, the adequacy of Reserves and an update of the Council's Medium Term Financial Strategy (MTFS).

The Finance Manager and Section 151 Officer highlighted that the Council had a balanced Budget in 2020/21 and 2021/22, but there were significant budget deficits remaining in subsequent years which would need to be addressed.

It was noted that since publication of the agenda papers, all Parish Councils had now submitted their precept for 2020/21.

The Finance Manager was commended on his report and the remark was made that it was excellent to see there had been no increase in car parking charges, and that those fees and charges which had changed were linked to inflation.

The Chairman concurred and on behalf of the Committee, offered his thanks to the Finance Manager and his team for all their hard work.

It was resolved to RECOMMEND TO COUNCIL;

That Council approve:

- 1. The draft revenue budget for 2020/21 and Medium Term Financial Strategy for 2021/22 to 2023/24 as set out in Appendix 1 to the report;**
- 2. A Council Tax freeze;**
- 3. The Statement of Reserves as set out in Appendix 2 to the report;**
- 4. The 2020/21 Fees and Charges as set out in Appendix 3 of the report;**
- 5. The Capital Strategy and financing as set out in Appendix 4 to the report.**

It was also resolved:

That, as the Council are still awaiting final Settlement figures, should the numbers change between Finance & Assets Committee and Full Council, that the Finance Manager adjust the use of the Surplus Savings Reserve in 2020/21 (as necessary) so that the net budget and Council Tax for that year remain unchanged.

101. 2020/21 ANNUAL TREASURY MANAGEMENT STRATEGY, MINIMUM REVENUE PROVISION STATEMENT & ANNUAL INVESTMENT STRATEGY

The Committee considered a report (reference U171, previously circulated) containing the 2020/21 Treasury Management Strategy, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement.

The Finance Manager and Section 151 Officer explained the background and rationale to the strategies. He said it was expected that the Council would remain debt free in this financial year.

The Council continued to hold significant reserves (at January 2020) and had been able, up to now, to meet the costs of the loan to East Cambs Trading Company, the construction of the Leisure Centre and the purchase of Waste fleet from internal borrowing against the cash within these reserves. However, as a consequence of the additional capital expenditure planned for 2020/21 and the reducing level of reserves, it was expected that external borrowing would be required to fund capital commitments in that year. It would only be taken when required and was expected to be minimal.

One Member commented that he had particularly enjoyed the economic background section of the Appendix, and it had taught him a lot.

The Chairman congratulated the Finance Manager and his team for the work that had gone into producing the report.

It was resolved to RECOMMEND TO COUNCIL:

That Council approve:

- **The 2020/21 Treasury Management Strategy;**
- **The Annual Investment Strategy;**
- **The Minimum Revenue Provision Policy Statement;**
- **The Prudential and Treasury Indicators.**

102. BUS SERVICES AND CYCLING & WALKING ROUTES PUBLIC CONSULTATION

The Committee received a report (reference U172, previously circulated) from which Members were asked to consider the draft Bus Services and Cycling & Walking Routes Consultation questionnaire for approval as a document for public consultation.

The Infrastructure & Strategy Manager commenced by summarising the background to, and aims of the consultation.

It was noted that the consultation period would run for 6 weeks, from Monday, 9th March to Sunday, 19th April 2020. A questionnaire would be delivered by Royal mail to every home in the District during the week commencing 9th March and completed responses could be returned to the District Council offices in Ely, or placed in a drop box. An updated copy of the list of locations of the drop boxes was tabled at the meeting. The questionnaire would also be available online via the Council's website.

The Infrastructure & Strategy Manager said other consultation activities proposed were Councillor-led resident's meetings, information boards at local

libraries, and engagement with stakeholders via email or meetings if required. There would also be a presence at the forthcoming Parish Forum on 2nd March 2020.

Councillor Sharp, in his capacity as Chairman of the East Cambs Bus Services Review Working Party, thanked the Infrastructure & Strategy Manager and Democratic Services Officer for their work in supporting the Working Party. He said it was intended that Members should get out and speak to residents in their Ward and encourage as many of them as possible to complete the questionnaire. A Member seminar/workshop would be arranged and a further report brought to Committee in June.

All Members would be encouraged to engage with residents, as it could have a really significant impact on bus services in the area.

It was resolved unanimously:

That the draft Bus Services and Cycling & walking Routes Consultation questionnaire at Appendix 1 to the report be approved as a document for public consultation, subject to any minor editorial changes agreed by the Chairman.

103. INFORMATION SECURITY POLICY

The Committee received a report (reference U173, previously circulated) from which Members were asked to consider and approve the Council's Information Security Policy 2020.

It was noted that the Council last refreshed the Policy in 2016, and there had been considerable changes in legislation since then that required the need for it to be updated. The document provided at Appendix 1 detailed a framework and guidance to ensure that all data held by the Council, in any format, was secure and complied with the relevant legislation, particularly the Data Protection Act 2018.

The ICT Manager said the Policy provided clear and defined guidelines to be followed by staff, third party contractors and elected Members, and it should be read in conjunction with other policies, codes of practice and guidelines.

It was intended that the Policy would be reviewed in three year's time, unless there were changes to legislation that required it to be sooner. There would also be a need to develop Codes of Practice documents that would provide information about the practical application of the themes referred to in the Policy. They would be approved by the Corporate Management team and published on the Intranet.

The Chairman thought that the section on Members' responsibilities should be strengthened to include a reference to when a Member left the Authority, and he suggested that he go through the document with the ICT Manager to make any minor amendments required.

The following points were put forward:

- The document was not ready for approval. Referring to Section 25 (Timeout and Account Lockout), the IT Section should be in control and set the time-out facility on computers. It was not clear who had the authority to do this. The ICT Manager replied that the time-out after 10 minutes of inactivity was down to policy but agreed that the wording would be amended to better reflect this;
- Paragraph 23.1 '*Data should be held on a network directory ... without the prior approval of the ICT Manager*' should have stronger wording and be amended to read '**must be**'. The ICT Manager said she could change the wording in consultation with the Chairman.
- 'Must' was sometimes a burden and Members were not always at their desks for long periods of time, the ICT Manager said that while she had some sympathy, there had to be a group policy to protect computer screens so that data could not be seen.
- The Policy should be reviewed annually. However the Director Commercial said that a 3 yearly review was sufficient, unless something changed.
- It should be remembered that Members had access to much confidential data and other people in the house could see their computer screens. IT was a fast moving area and the Policy should be brought back after a year so Members could assess how well it was working. The ICT Manager reiterated that the issue was bigger than just IT, it was also about information.
- There should be no leeway at all; the wording in the Policy should make it clear exactly what was expected of everyone.

The Chairman thanked the ICT Manager for presenting her report and said she should not take Members' comments as a criticism. Whereupon,

It was resolved unanimously:

- (i) That the Information Security Policy, as set out in Appendix 1 to the report, be approved;
- (ii) That authority be delegated to the Corporate Management team, in consultation with the Chairman of Finance & Assets Committee, to approve any Codes of Practice arising from this policy;
- (iii) That the ICT Manager be authorised to make minor amendments to the Policy, in consultation with the Chairman.

104. FINANCE REPORT

The Committee received a report (reference U174, previously circulated) which provided budget monitoring information for services under the Finance & Assets Committee and then, as part of its corporate remit, for the Council as a whole.

The Finance Manager (ECDC) advised the Committee that the overall position for the Council on Capital was a projected outturn of £3,673,185, which was an underspend of £7,462,620 when compared to its revised budget.

Commenting on the roll forward of the underspend, a Member said she would like to see a realistic capital budget because it fed into Treasury Management; it was impossible to achieve three years of projects in one year. The Finance Manager replied that it was appropriate that the underspend should be rolled forward and a robust process was followed at each financial year end.

The Finance Manager and his team were congratulated on the underspend relating to Miscellaneous Finance. With reference to the Local Plans, the Director Commercial informed the Committee that the invoice for the final inspection was still being disputed and a refund sought.

It was resolved:

1. That the projected year end underspend of £626,500 compared to the approved revenue budget of £5,181,667 for this Committee be noted;
2. That the overall projected yearend underspend of £627,505 compared to the approved revenue budget of £13,445,801 for the Council be noted;
3. That the overall position for the Council on Capital of a projected outturn of £3,673,185, which is an underspend of £7,462,620, be noted.

105. ASSETS UPDATE

The Committee received a report (reference U175, previously circulated) which provided an update on Council owned assets.

The Director Commercial advised the Committee that renovation works were ongoing at Ely Museum and a planning application had been received for a new porch. Officers continued to work proactively with the Museum and met regularly to ensure that the works being undertaken were in accordance with the permissions given by the Council in its capacity as landlord.

With regard to the Maltings Cottage, the City of Ely Council, as lessee, would undertake a full survey and the Committee would be provided with an update once the survey had been completed.

An update on the Mepal Outdoor Centre was requested; the Director Commercial advised that surveys were being carried out and officers were looking at options.

It was resolved:

That the update on Council owned assets be noted.

106. ANGLIA REVENUES PARTNERSHIP JOINT COMMITTEE MINUTES

The Committee received the Minutes of the meeting of the ARP Joint Committee held on 17th December 2019.

It was noted the budget had increased overall by 4.8%, but East Cambridgeshire would have an increase of 6.7%. This was higher than others but it was due to how the Partnership contributions had been split. Another reason for the East Cambridgeshire percentage increase had been due to the drop in its enforcement cases.

The Finance Manager ECDC said that much work was being carried out to improve efficiencies and services. There would be savings in 2020/21 with the delivery of Universal Credit automation, but an increase in additional staffing costs.

It was resolved:

That the Minutes of the meeting of the ARP Joint Committee held on 17th December 2019 be noted.

107. EAST CAMBS BUS SERVICES REVIEW WORKING PARTY MINUTES

The Committee received the Minutes of the meeting of the East Cambs Bus Services Review Working Party held on 13th November 2019.

It was resolved:

That the Minutes of the meeting of the East Cambs Bus Services Review Working Party held on 13th November 2019 be noted.

108. FORWARD AGENDA PLAN

The Committee received the Forward Agenda Plan for the current year.

It was resolved:

That the Forward Agenda Plan be noted.

109. EXCLUSION OF THE PUBLIC INCLUDING REPRESENTATIVES OF THE PRESS

It was resolved:

That the press and public be excluded during the consideration of the remaining items because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item there would be disclosure to them of exempt information of Categories 1, 2 & 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

110. ECTC BUSINESS PLAN 2020/21 – EXEMPT APPENDIX 1a

It was resolved:

That the Exempt appendix to Report No. 167 be noted.

111. WRITE OFF OF UNRECOVERABLE DEBT

The Committee considered an exempt report regarding the write off of an amount where the debtor had died and there was considered no prospect of the debt being recovered.

It was noted that under the Council's Constitution, the Finance Manager (Section 151 Officer), in conjunction with the Legal Services Manager, had delegated powers to write off general debts below £1,000 where recovery was unlikely or uneconomic. Debts above this value required approval of Committee before being written off.

The debt was first issued to the value of £3,509.42 and the debtor had been paying it at £5 per month. However, the individual had died and there remained a debt of £2,594.42. There was considered to be no opportunity to collect the debt at this point.

It was questioned how someone could have got to the point of owing this amount of money and the Member said the Council should have been more vigilant and chasing them once they got a month behind.

The Chairman said that there had been an arrangement in place and this case went back a long time.

It was resolved:

That the write-off of £2,594.42, as referred to in the submitted report, be approved.

112. APPOINTMENTS, TRANSFERS, RESIGNATIONS

The Committee received a report detailing:

- (i) details of staff appointments, transfers and resignations for the period 1st March to 30th June 2019; and
- (ii) a summary of the main responses given by staff for leaving the Council's employment and feedback received during Exit Interviews.

It was noted that during the period 1st July 2019 to 31st January 2020, there were 9 appointments, 18 leavers and 2 employees transferred to different posts across the Council. 9 posts had been deleted.

Of the 18 members of staff who left the Council's employment, 16 had resigned voluntarily, 1 took age retirement and 1 left through a settlement

agreement to mutually terminate their employment. This equated to 9.4% of the total workforce. Turnover for the same period in the previous year was 10.3% (19 members of staff).

8 leavers completed the exit questionnaire; a summary of their responses was set out in Appendix 2 to the report.

Concern was expressed that some officers were not being replaced. The Director Commercial said that the opportunity had been taken to pause and reflect upon the deleted posts so that they could be revisited and changed to fit purpose.

A question was then asked about the leavers in another team and the Committee was advised that they were not ECDC staff but were just based at The Grange.

It was resolved:

That the content of the information report be noted.

113. ECTC MANAGEMENT ACCOUNTS – 8 MONTHS TO NOVEMBER 2019

The Committee considered an exempt report from which Members were asked to note a summary view of the ECTC management accounts covering the 8 months to November 2019.

The Finance Manager ECTC, highlighted the key points in his report and responded to comments and questions from the Committee.

It was resolved:

That the contents of the report be noted.

114. ASSET MANAGEMENT ITEM

The Committee considered an exempt report regarding an asset of the Council.

The Director Commercial explained the background to the matter and advised Members of the financial implications. She then responded to comments and questions.

It was resolved:

To approve the proposed course of action, as set out in the submitted report.

115. EXEMPT MINUTES

The Committee received the Minutes of the meeting of the Finance & Assets Committee held on 28th November 2019.

It was resolved:

That the Minutes of the meeting of the Committee held on 28th November 2019 be confirmed as a correct record and signed by the Chairman.

The meeting closed at 7.35pm.



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Minutes of a meeting of the Finance & Assets Committee facilitated via the Zoom Video Conferencing System at The Grange, Nutholt Lane, Ely on Thursday, 21st May 2020, at 8:10pm.

PRESENT

Cllr David Ambrose Smith
Cllr Ian Bovingdon
Cllr David Brown
Cllr Charlotte Cane
Cllr Simon Harries
Cllr Bill Hunt
Cllr Alan Sharp
Cllr John Trapp
Cllr Alison Whelan

OFFICERS

John Hill – Chief Executive
Maggie Camp – Legal Services Manager and Monitoring Officer
Jo Brooks – Director Operations
Emma Grima – Director Commercial
Adrian Scaites-Stokes – Democratic Services Officer

1. **ELECTION OF CHAIRMAN**

Councillor David Brown was duly nominated. There being no other nominations:

It was resolved:

That Councillor David Ambrose Smith be elected as Chairman of the Finance & Assets Committee for the ensuing municipal year.

2. **APPOINTMENT OF VICE-CHAIRMAN**

Councillor Ian Bovingdon was duly nominated. Councillor Alison Whelan was also duly nominated. When put to the vote:

It was resolved:

That Councillor Ian Bovingdon be appointed as Vice-Chairman of the Finance & Assets Committee for the ensuing municipal year.

3. **FINANCE & ASSETS HEARINGS SUB-COMMITTEE**

It was resolved:

That the following Members/persons be appointed to the Finance & Assets Hearings Sub-Committee for the ensuing municipal year:

Conservative Group: Councillors David Brown, Bill Hunt, Alan Sharp;

Liberal Democrat Group: Councillors Charlotte Cane, Simon Harries and John Trapp;

Independent Group: Councillor Paola Trimarco;

Independent Persons: Gillian Holmes, Stuart Webster

Co-Opted Town/Parish Council Representatives: Councillors Rosemary Aitchison and Jo Waters.

4. **PERSONNEL APPEALS SUB-COMMITTEE**

It was resolved:

That the following Members be appointed to the Personnel Appeal Sub-Committee for the ensuing municipal year:

Conservative Group: Councillors David Brown and Alan Sharp;

Liberal Democrat Group: Councillor Charlotte Cane.

5. **EAST CAMBRIDGESHIRE BUS SERVICES REVIEW WORKING PARTY**

It was resolved:

That the following Members be appointed to the East Cambridgeshire Bus Services Review Working Party for the ensuing municipal year:

Conservative Group: Councillors David Ambrose Smith, Lis Every and Alan Sharp;

Liberal Democrat Group: Councillors Charlotte Cane, Lorna Dupré and Simon Harries.

The meeting closed at 8:18pm.



**East Cambridgeshire
District Council**

Annual Audit Letter for the year
ended 31 March 2019

13 February 2020



EY

Building a better
working world

Contents

01

Executive
Summary



03

Financial Statement
Audit



05

Other Reporting
Issues



07

Audit Fees



02

Purpose and
Responsibilities



04

Value for
Money



06

Focused on your
future



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk).

This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA set out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities and Terms of Appointment. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01 Executive Summary

Executive Summary

We are required to issue an annual audit letter to East Cambridgeshire District Council (the Authority) following completion of our audit procedures for the year ended 31 March 2019. Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Authority's: ▶ Financial statements	Unqualified - the financial statements give a true and fair view of the financial position of the Authority as at 31 March 2019 and of its expenditure and income for the year then ended. Owing to EY resourcing issues we rescheduled the audit until after the end of July and issued our auditor's report on 10 February 2020.
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Authority's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Authority.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Authority, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Authority's Whole of Government Accounts return (WGA).	We had no matters to report.

Executive Summary (cont'd)

In addition we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Authority communicating significant findings resulting from our audit.	We issued our initial Audit Results Report to the 19 November 2019 meeting of the Finance and Assets Committee and then a Final report to the 6 February 2020 meeting.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO's 2015 Code of Audit Practice.	We issued the certificate within the auditor's report on 10 February 2020.

We would like to take this opportunity to thank the Authority's staff for their assistance during the course of our work.



Suresh Patel

Associate Partner

For and on behalf of Ernst & Young LLP



02

Purpose and Responsibilities

Purpose and Responsibilities

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Authority.

We have already reported the detailed findings from our audit work in our 2018/19 Audit Results Report (initial and final) to the Finance and Assets Committee representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Authority.

Responsibilities of the Appointed Auditor

Our 2018/19 audit work has been undertaken in accordance with the Outline Audit Plan that we presented in January 2019 and is conducted in accordance with the NAO's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the NAO. As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2018/19 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Authority has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Authority;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Authority, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the NAO on your WGA return.

Responsibilities of the Authority

The Authority is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement (AGS). In the AGS, the Authority reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Authority is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



03

Financial Statement Audit

Financial Statement Audit

Key Issues

The Authority's Statement of Accounts is an important tool for it to show how it has used public money and how it can demonstrate its financial management and financial health. We audited the Authority's Statement of Accounts in line with the NAO's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the NAO. Owing to our own resourcing issues we rescheduled the audit of the statement of accounts until October. We issued an unqualified audit report on 10 February 2020 having reported detailed findings to the Finance and Assets Committee. We summarise here the key risks we identified and our conclusions.

Significant risk	Findings & conclusions
Misstatements due to fraud or error We have considered the risk of management override and the areas of the financial statements that may be most susceptible to this risk.	We found no indications that management had overridden controls in the areas we tested.
Risk of fraud in revenue and expenditure recognition - incorrect classification of revenue expenditure as capital We identified a risk of expenditure misstatement due to fraud or error that could affect the income and expenditure accounts. We focused on the Authority's judgement that an item is capital expenditure in nature.	We found no indications that revenue expenditure has been inappropriately charged to capital.

Other Areas of Audit Focus	Conclusion
Valuation of Other Land and Buildings The fair value of Property, Plant and Equipment (PPE) (£35.8 million) represents a significant balance in the Authority's accounts.	We identified the need for the Council to decrease the value of PPE by £90,000.
Pension Liability Valuation The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2019 this totalled £34 million.	The Authority updated its accounts to reflect the impact of national issues impacting all local authority pension schemes as well as to reflect changes in the value of investments. We were satisfied that the changes were correctly reflected in the Authority's final statement of accounts.

Financial Statement Audit

Other Areas of Audit Focus	Conclusion
<p>Group accounts</p> <p>The Authority consolidates its wholly owned subsidiary companies. Preparation of group accounts can be complex and presents a risk of material misstatement.</p>	<p>We identified a material error which management have corrected. This also impacted on the prior year Group Balance Sheet.</p>
<p>New accounting standards</p> <p>The Authority had to implement two new accounting standards for 2018/19 and make preparations for another new standard for 2020/21. These standards are:</p> <ul style="list-style-type: none">▶ IFRS 9 - Financial instruments▶ IFRS 15 - Revenue from contracts▶ IFRS 16 - Leases (2020/21).	<p>FRS 9 - Financial Instruments: We identified a need for IFRS 9 disclosures to be improved, which management have done.</p> <p>IFRS 15 - Revenue from Contracts: Our audit procedures for revenue from contracts did not identify any audit issues.</p> <p>IFRS 16 - Leases: The Authority have started to consider their preparations for meeting the requirements of IFRS 16.</p>
<p>New payroll arrangements</p> <p>For 2018/19 the Authority changed its payroll provider. We focused on the Authority's arrangements to gain assurance over the controls and processes adopted by the new provider.</p>	<p>We had no matters to report</p>

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	<p>We determined planning materiality to be £0.842 million (2017/18: £0.9 million) which is 2% of gross revenue expenditure reported in the accounts. This results in a performance materiality, at 50% of overall materiality, £0.421 million (2017/18: £0.675 million).</p> <p>We consider gross revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Authority.</p>
Reporting threshold	<p>We agreed with the Finance and Assets Committee that we would report to the Committee all audit differences in excess of £0.042 million (2017/18: £0.045 million).</p>

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits: We agreed all disclosures back to source data, and councillor allowances to the agreed and approved amounts.
- ▶ Related party transactions: We tested the completeness of related party disclosures and the accuracy of all disclosures by checking back to supporting evidence.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.



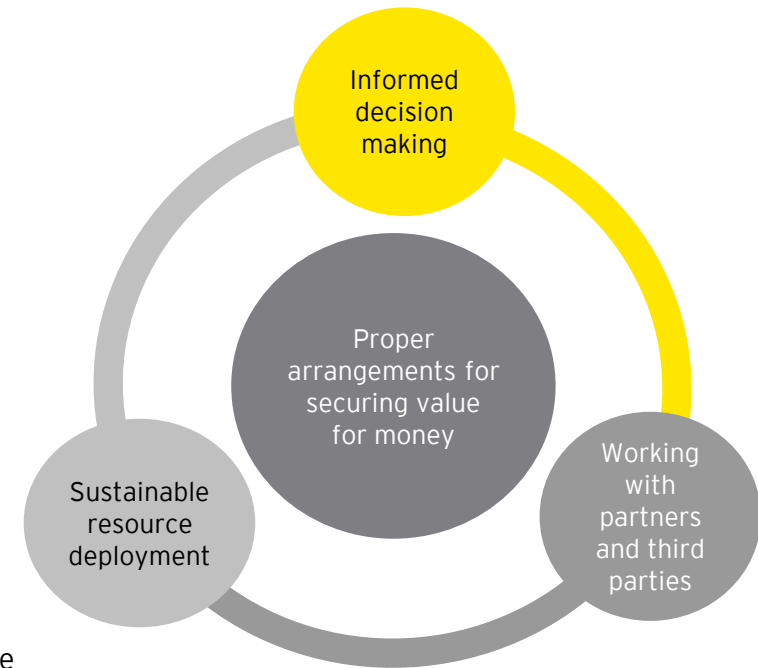
04 Value for Money

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.

In our Outline Audit Plan we identified sustainable resource deployment and the achievement of savings needed over the medium term as a significant value for money conclusion risk. We carried out procedures to enable us to understand the Authority's arrangements to mitigate the associated risks. We did not identify any matters that we needed to include in the auditor's report about arrangements to secure economy, efficiency and effectiveness in the use of resources. However, we did make one recommendation for the Authority to increase the frequency that it considers and updates its medium term financial strategy (MTFS) and the underlying assumptions. The Authority has agreed to revisit the MTFS on a timely basis.



In addition to the significant risk we included in the Outline Audit Plan, in October 2019 information was brought to our attention in an 'Open Letter to auditors' from the Liberal Democrat Group. We considered this information to be relevant for our consideration of the Authority's arrangements for the effective use of resources for 2018/19 and our subsequent value for money conclusion.

The letter highlighted concerns over the relationship and governance arrangements between the Council and its wholly owned subsidiary company, East Cambridgeshire Trading Company (ECTC). We made relevant enquiries to the Finance Manager and asked a series of question in respect of the issues raised. As these procedures have formed part of our VFM work we did not carry out any testing of information provided but through requesting information and asking questions we sought evidence that arrangements are in place. The Finance Manager responded promptly and comprehensively to all of our enquiries.

In January 2020 we reported within the Final Audit Results Report our findings and conclusions. Whilst we were satisfied that the Authority had arrangements in place to mitigate the risks and issues highlighted by the correspondence received, we did make four recommendations aimed at enabling the Authority to better demonstrate management of potential conflicts of interest and strengthen the transparency of its scrutiny and challenge of the financial performance of ECTC and its consideration of the ECTC's ability to repay its loans with the Authority. Management accepted all four recommendations. We will revisit the actions taken as part of the 2019/20 audit.

We did not identify any matters from this work that we needed to include in the auditor's report about arrangements to secure economy, efficiency and effectiveness if the Authority's use of resources.



05

Other Reporting Issues



Other Reporting Issues

Whole of Government Accounts

We are required to perform the procedures specified by the National Audit Office (NAO) on the accuracy of the consolidation pack prepared by the Authority for Whole of Government Accounts purposes.

The Authority falls below the NAO's threshold for auditor review.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Authority's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Authority or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2018/19 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.



Other Reporting Issues (cont'd)

Independence

We communicated our assessment of independence in our initial and final Audit Results Report to the Finance and Assets Committee. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive audit approach and have therefore not tested the operation of controls. We have not identified any significant control deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.



06

Focused on your future



Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Authority is summarised in the table below.

Standard	Issue	Impact
IFRS 16 Leases	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2020/21 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard and although the 2020/21 Accounting Code of Practice for Local Authorities has yet to be issued, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p>	<p>Until the 2020/21 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>We have considered the Authority's implementation plan and preparedness for IFRS 16. The Authority has made some progress but will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Authority must therefore ensure that all lease arrangements are fully documented.</p>
IASB Conceptual Framework	<p>The revised IASB Conceptual Framework for Financial Reporting (Conceptual Framework) will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>This introduces;</p> <ul style="list-style-type: none"> - new definitions of assets, liabilities, income and expenses - updates for the inclusion of the recognition process and criteria and new provisions on derecognition - enhanced guidance on accounting measurement bases - enhanced objectives for financial reporting and the qualitative aspects of financial information. <p>The conceptual frameworks is not in itself an accounting standard. However, an understanding of concepts and principles can be helpful to preparers of local authority financial statements when considering the treatment of transactions or events where standards do not provide specific guidance, or where a choice of accounting policies is available.</p>	<p>It is not anticipated that this change to the Code will have a material impact on Local Authority financial statements.</p> <p>However, Authorities will need to undertake a review to determine whether current classifications and accounting remains valid under the revised definitions.</p>

A close-up photograph of a person's hand reaching into a filing cabinet to touch a folder. The cabinet is filled with numerous folders of various colors (yellow, blue, white) and sizes, each containing stacks of papers. The background is a textured, light-colored wall.

07 Audit Fees

Audit Fees

In the table below we summarise the audit fees that we have agreed with the Authority and that are now subject to approval by Public Sector Audit Appointments (PSAA).

* Please note that the 2018/19 additional fee is subject to approval by PSAA.

** We will confirm the final fee for the Reporting Accountant work when the work is completed. The fee will be based on the terms of the engagement letter we have agreed with the Authority and is not subject to PSAA approval.

	Final fee 2018/19	Planned fee 2018/19	Final Fee 2017/18
	£'s	£'s	£'s
Scale fee	31,955	31,955	41,500
Additional fees:*			
- Group accounts	6,425	5,000-7,000	5,025
- Change to 50% materiality	6,665	5,000-7,000	-
- Correspondence matter	2,005	-	-
- Working paper issues	-	-	6,125
Total Audit Fee	47,050	41,955-45,955	52,650
Non-audit work:			
Reporting accountant for Housing Benefit Subsidy	**	14,960	14,038

All fees exclude VAT

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A photograph showing several people's hands and arms as they sit around a white table, looking at and pointing to various documents. One person is wearing a yellow shirt and a watch. Another person is wearing a white shirt. A smartphone is visible on the table. The scene is brightly lit, suggesting an office or meeting environment.

East Cambridgeshire District Council

Outline Audit Plan

Year ended 31 March 2020

12 March 2020

12 March 2020



Finance and Assets Committee
East Cambridgeshire District Council

Dear Finance and Asset Committee Members

Outline Audit Plan - 2019/20

We are pleased to attach our Outline Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Finance & Assets Committee with a basis to review our proposed audit approach and scope for the 2019/20 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This Outline Audit Plan summarises our initial assessment of the key risks driving the development of an effective audit for the Authority and outlines our planned audit strategy in response to those risks. Our planning procedures remain ongoing; we will inform the Committee if there any significant changes or revisions once we have completed these procedures and will provide an update to the next meeting of the committee.

Within the plan we have reflected on the changes in the local audit environment and the increased compliance and regulatory requirements on delivering a quality audit service. As a result, we are proposing an increase to the scale fee and will over the next few weeks discuss the detailed basis of a proposal with officers and then seek agreement with PSAA.

This report is intended solely for the information and use of the Finance and Assets Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 26 March 2020 as well as understand whether there are other matters which you consider may influence.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. Patel'.

Suresh Patel
Associate Partner
For and on behalf of Ernst & Young LLP

Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the via the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Finance & Asset Committee and management of East Cambridgeshire District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Finance & Assets Committee, and management of East Cambridgeshire District Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Finance & Assets Committee, and management of East Cambridgeshire District Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Overview of our 2019/20 audit strategy



Overview of our 2019/20 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Finance & Assets Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Risk	Risk identified	Change from PY	Details
Misstatements due to fraud or error	Significant Risk/Fraud	No change in risk or focus	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.
Misstatements due to fraud or error - the incorrect capitalisation of revenue expenditure	Significant Risk/Fraud	No change in risk or focus	The Authority will spend around £3.7 million on capital items in 2019/20. In common with others, the Authority is under pressure to achieve its budget and maintain reserve balances above the minimum approved levels. One area management may override controls to help meet these challenges is how and what it accounts for expenditure. We consider this risk applies to capitalisation of revenue expenditure. Management may understate revenue expenditure by incorrectly capitalising expenditure which is revenue in nature and should be charged to the comprehensive income and expenditure account.

In addition to the risks outlined above we have identified an area of audit focus.

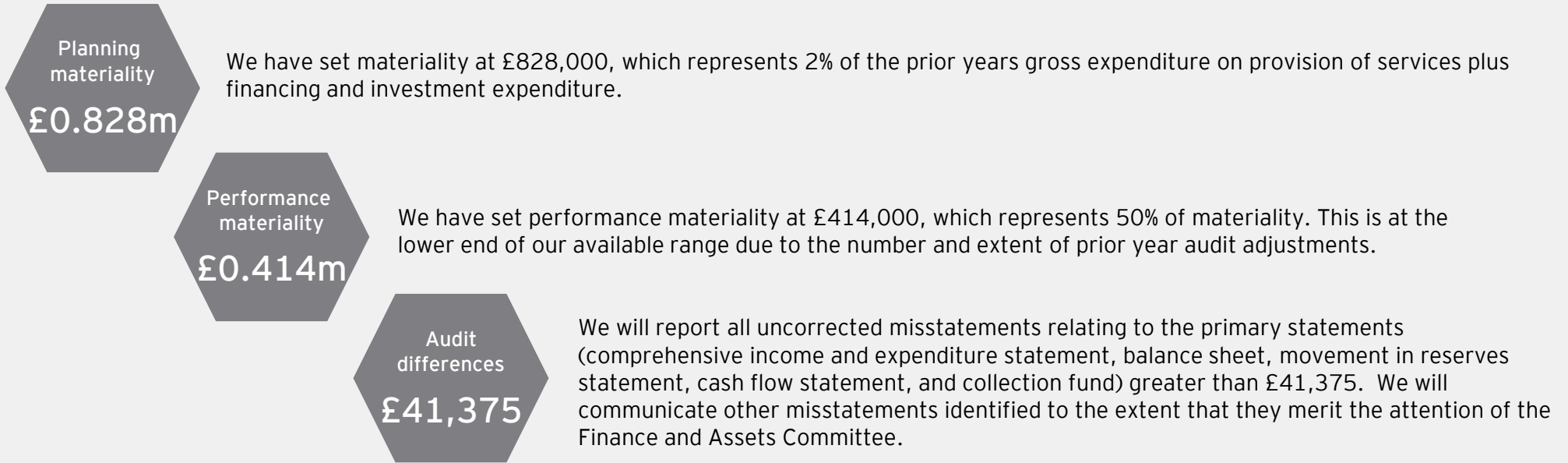
Area of focus	Change from PY	Details
Property, plant and equipment(PPE) valuations	No change in risk or focus	At £36 million, PPE represents a significant balance in the Authority's accounts and is subject to valuation changes, impairment reviews and depreciation charges. In addition, the prior year we did identify the need for adjustments to be made to the values reported in the statements. Material judgemental inputs and estimation techniques are required to calculate the year-end PPE balances held in the balance sheet. As the Authority's asset base is significant, and the outputs from the valuer are subject to estimation, there is a higher inherent risk PPE may be under/overstated or the associated accounting entries incorrectly posted. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.

Overview of our 2019/20 audit strategy

Area of focus	Change from PY	Details
Pension Valuation and Disclosures	No change in risk or focus	<p>The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.</p> <p>The Authority's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Authority's balance sheet.</p> <p>The information disclosed is based on the IAS 19 report issued to the Authority by the Actuary. Accounting for this scheme involves significant estimation and judgement and due to the nature, volume and size of the transactions we consider this to be a higher inherent risk.</p>
Group accounting	No change in risk or focus	<p>The Authority consolidates East Cambridgeshire Trading Company, East Cambs Business Centres and East Cambs Street Scene into its group accounts. There is an inherent risk in ensuring that the group accounts reflect fairly the financial position and performance of each component.</p> <p>We identified the need for adjustments to be made to the prior year statements in respect of the consolidation and group accounts.</p>
Implementation of new auditing and accounting standards	New area of focus	<p>IFRS 16 Leases: Implementation of IFRS 16 will be included in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2020/21. There will be some disclosure requirements for the 2019/20 statement of accounts.</p> <p>Going Concern Compliance with ISA 570: This auditing standard has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after. The revised standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, which for the Authority will be the audit of the 2020/21 financial statements.</p>

Overview of our 2019/20 audit strategy

Materiality



We also identify areas where misstatement at a lower level than our overall materiality level might influence the reader and develop an audit strategy specific to these areas, including:

- ▶ Remuneration disclosures including member allowances: we will agree all disclosures back to source data, and member allowances to the agreed and approved amounts.
- ▶ Related party transactions we will test the completeness of related party disclosures and the accuracy of all disclosures by checking back to supporting evidence.

Audit team

Suresh Patel remains your partner in charge for the fourth year providing continuity in the team. Jacob McHugh is your new audit manager. Jacob has over 5 years experience of auditing local councils and is based in our Cambridge office where he has worked on a number of local council audits across the East of England.

Overview of our 2019/20 audit strategy

Audit scope

This Outline Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of East Cambridgeshire District Council give a true and fair view of the financial position as at 31 March 2020 and of the income and expenditure for the year then ended; and
- Our conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness (Value for Money).

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Authority.

Taking the above into account, and as articulated in this audit plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to that. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit with increased focus on, for example, the valuations of land and buildings, the auditing of groups, the valuation of pension obligations, the introduction of new accounting standards such as IFRS 9, 15 and 16 in recent years as well as the expansion of factors impacting the value for money conclusion. Therefore to the extent any of these or any other risks are relevant in the context of East Cambridgeshire's audit, we will shortly discuss with officers the impact of these issues and the additional audit costs associated with delivering the audit in line with regulatory requirements on the scale fee. In addition, in Section 9 we have included an indicative range for the additional work we will be conducting in response to the risks we have identified and included in this Plan.

We will confirm these fees with management as the audit progresses.



02

Audit risks



Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Misstatements due to fraud or error *

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

As part of our work to identify fraud risks during the planning stages, we have identified those areas of the accounts that involve management estimates and judgements as the key areas at risk of manipulation.

These are set out on the following page.

What will we do?

- ▶ Identifying fraud risks during the planning stages.
- ▶ Inquiry of management about risks of fraud and the controls put in place to address those risks.
- ▶ Understanding the oversight given by those charged with governance of management's processes over fraud.
- ▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Determining an appropriate strategy to address those identified risks of fraud.
- ▶ Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.

To address the residual risk of management override we perform specific procedures which include:

- ▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, for example using our journal tool to focus our testing on specific journals such as those created at unusual times or by staff members not usually involved in journal processing;
- ▶ Assessing key accounting estimates for evidence of management bias; and
- ▶ Evaluating the business rationale for significant unusual transactions

Our response to significant risks (continued)

Misstatements due to fraud or error - the incorrect capitalisation of revenue expenditure*

Financial statement impact

We have identified a risk of expenditure misstatements due to fraud or error that could affect the income and expenditure accounts.

We consider the risk applies to capitalisation of revenue expenditure and could result in a misstatement of cost of services reported in the comprehensive income and expenditure statement.

What is the risk?

The Authority is under financial pressure to achieve budget and maintain reserve balances above the minimum approved levels. Manipulating expenditure is a key way to achieve these targets.

We consider the risk applies to capitalisation of revenue expenditure. Management could manipulate revenue expenditure by incorrectly capitalising expenditure which is revenue in nature and should be charge to the comprehensive income and expenditure account

What will we do?

Our approach will focus on

- ▶ Sample testing additions to property, plant and equipment to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised; and
- ▶ Using our data analytics tool to identify and test journal entries that move expenditure into capital codes.

Audit risks

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

What is the area of focus?

What will we do?

Valuation of Land and Buildings

The fair value of Property, Plant and Equipment (PPE) represents a significant balance in the Authority's accounts and is subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

- ▶ Consider the work performed by the valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample test key asset information used by the valuer in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- ▶ Consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- ▶ Review assets not subject to valuation in 2019/20 to confirm that the remaining asset base is not materially misstated;
- ▶ Consider changes to useful economic lives as a result of the most recent valuation; and
- ▶ Test accounting entries have been correctly processed in the financial statements.

Pension Liability Valuation & Pensions Assets

The Authority makes extensive disclosures within its financial statements regarding its membership of Pension Scheme administered by Cambridgeshire County Council. At 31 March 2019 the liability totalled £27 million.

The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the County Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf.

We undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

- ▶ Liaise with the auditors of Cambridgeshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to East Cambridgeshire District Council;
- ▶ Assess the work of the Pension Fund actuary (Hymans Robertson) including the assumptions they have used, by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and by considering any relevant reviews by the EY actuarial team; and
- ▶ Review and test the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19 considering fund assets and the Authority's liability.

Other areas of audit focus (continued)

What is the risk/area of focus?

Group Accounting

The Authority consolidates East Cambridgeshire Trading Company, East Cambs Business Centres and East Cambs Street Scene into its group accounts. There is an inherent risk in ensuring that the group accounts reflect fairly the financial position and performance of each component.

We identified the need for adjustments to be made to the prior year statements in respect of the consolidation and group accounts.

What will we do?

We will:

- ▶ Review the group assessment prepared by the Authority;
- ▶ Scope the audit requirements for each of the companies based on their significance to the group accounts. Liaising with the external auditors of each and potentially issuing group instructions that detail the required audit procedures they are to undertake in order to provide us with assurance for the opinion we will issue on the group accounts;
- ▶ Ensure the appropriate consolidation procedures and the Code of Practice are applied when preparing the group accounts.

IFRS 16 Leases

This new accounting standard comes into effect from 1 April 2020 but the Authority will be required to make certain disclosures in respect of its preparations for implementation within the 2019/20 statements.

The main impact of the new standard is to remove (for lessees) the traditional distinction between finance leases and operating leases. Finance leases have effectively been accounted for as acquisitions (with the asset on the balance sheet, together with a liability to pay for the asset acquired). In contrast, operating leases have been treated as “pay as you go” arrangements, with rentals expensed in the year they are paid. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

We recognise that the Authority currently has very few leasing arrangements. For completeness we will discuss with the finance team progress made by the Authority in preparing for the implementation of IFRS 16 and the adequacy of its planned disclosures in the 2019/20 statements.

Other areas of audit focus (continued)

What is the area of focus?

Going Concern Compliance with ISA 570

This auditing standard has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after.

The revised standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, which for the Authority will be the audit of the 2020/21 financial statements. The revised standard increases the work we are required to perform when assessing whether the Authority is a going concern. It means UK auditors will follow significantly stronger requirements than those required by current international standards; and we have therefore judged it appropriate to bring this to the attention of the Finance & Assets Committee.

The CIPFA Guidance Notes for Practitioners 2019/20 accounts states 'The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.'

'If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be provided on anything other than a going concern basis.'

What will we do?

The revised standard requires:

- ▶ auditor's challenge of management's identification of events or conditions impacting going concern, more specific requirements to test management's resulting assessment of going concern, an evaluation of the supporting evidence obtained which includes consideration of the risk of management bias;
- ▶ greater work for us to challenge management's assessment of going concern, thoroughly test the adequacy of the supporting evidence we obtained and evaluate the risk of management bias. Our challenge will be made based on our knowledge of the Authority obtained through our audit, which will include additional specific risk assessment considerations which go beyond the current requirements;
- ▶ improved transparency with a new reporting requirement for public interest entities, listed and large private companies to provide a clear, positive conclusion on whether management's assessment is appropriate, and to set out the work we have done in this respect. While the Authority are not one of the three entity types listed, we will ensure compliance with any updated reporting requirements;
- ▶ a stand back requirement to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern; and
- ▶ necessary consideration regarding the appropriateness of financial statement disclosures around going concern.

The revised standard extends requirements to report to regulators where we have concerns about going concern.

We will discuss the detailed implications of the new standard with finance staff during 2019/20 ahead of its application for 2020/21.



03

Value for Money Risks





Background

We are required to consider whether the Authority has put in place ‘proper arrangements’ to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

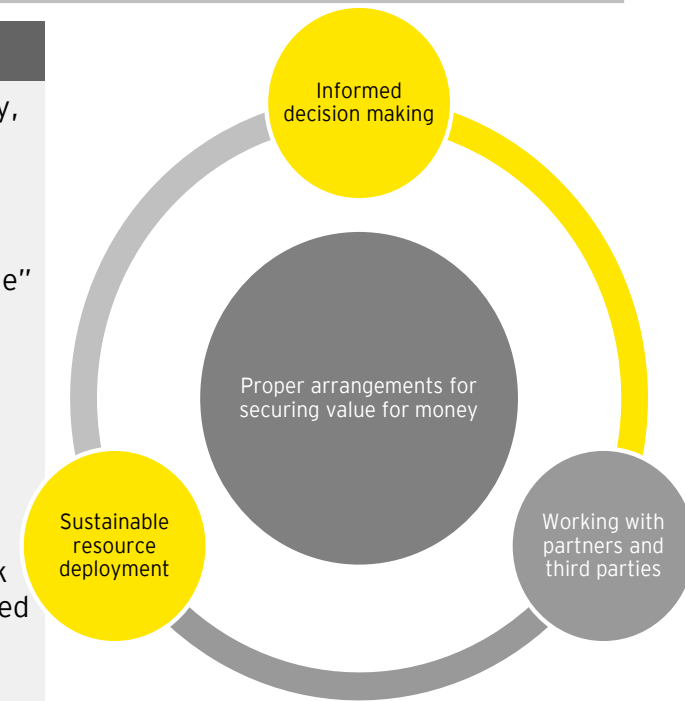
For 2019/20 this is based on the overall evaluation criterion:

“In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people”

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.



We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice defines as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public”

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work. We consider business and operational risks insofar as they relate to proper arrangements at both sector and organisation-specific level.

As part of our value for money planning risk assessment for 2019/20, we will consider the steps taken by the Authority to consider the impact of Brexit and Coronavirus on its future service provision, medium-term financing and investment values. Although the precise impacts cannot yet be modelled, we would expect that Authorities will be carrying out scenario planning and that Brexit and Coronavirus impacts will feature on operational risk registers. Our risk assessment will consider both the potential financial impact of the issues we identify, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders.

Currently we have not identified a significant risk on the basis that the Authority recently set a budget and updated medium term financial strategy showing fully funded revenue budgets for 20/21 and 21/22. We will continue to update our assessment of risks associated with value for money throughout the audit and will update you if any additional risks are identified. For 2019/20 we will however follow up on the matters we reported in the prior year, which we outline on the next page.



Prior year recommendations to follow up

Sustainable resource deployment: Achievement of savings needed over the medium term

- The Authority should consider increasing the frequency that it considers and updates its MTFs and the underlying assumptions.

Matters highlighted by the correspondence

- The Authority should consider obtaining legal advice on the changes it has made to the composition of the ECTC Board to ensure that the new arrangements enable the Board to mitigate any conflicts of interest that the two Authority officers may face when making decisions as Board Directors.
- The Authority should document its consideration of the risk associated with ECTC defaulting on repaying its loan. The risk should be regularly revisited and updated as appropriate.
- The Authority should ensure that the challenge made by the Finance Manager as to the financial performance (current and future) of ECTC is documented and shared with the Finance and Assets Committee in its role as Shareholder Committee.
- The Authority should ensure that the ECTC loan repayment schedule is made available to the Finance and Assets Committee (in its role as Shareholder Committee) as part of the assurances that they should obtain to support ECTC's ability to repay its loan to the Authority.



04

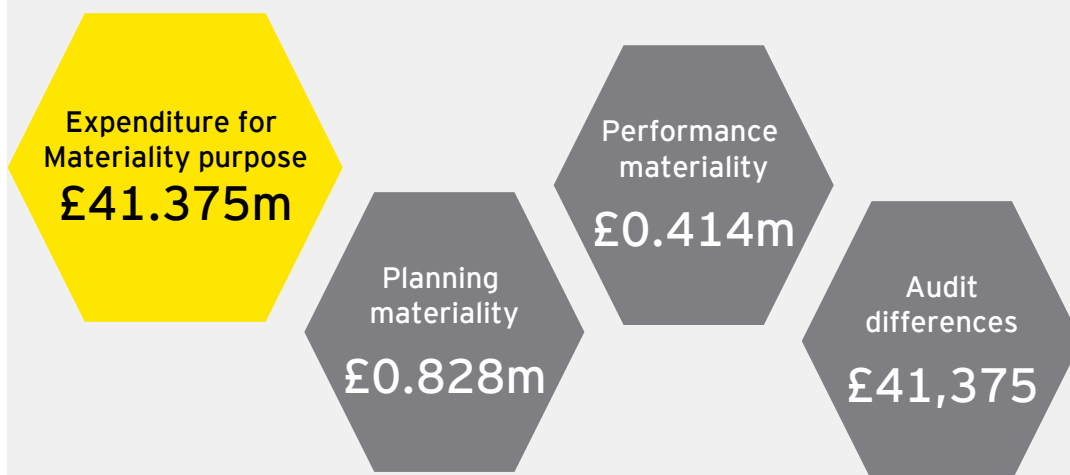
Audit materiality



Materiality

Materiality

For planning purposes, materiality for 2019/20 has been set at £828,000. This represents 2% of the Authority's prior year gross expenditure on net cost of services. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix C.



We request that the Finance & Assets Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £414,000 which represents 50% of planning materiality. We have considered a number of factors such as the number of errors in the prior year and any significant changes when determining the percentage of performance materiality. We have used the lower end of the range.

Audit difference threshold - we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet and collection fund that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Finance & Assets Committee, or are important from a qualitative perspective.

Specific materiality - We have set a lower materiality for Senior Officer's Remuneration, Members' Allowances and Exit Packages disclosures which reflects our understanding that an amount less than our materiality would influence the economic decisions of users of the financial statements in relation to this.



05

Scope of our audit



Our Audit Process and Strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Authority's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our Audit Process and Strategy (continued)

Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.

Our intention is to carry out a fully substantive audit in 2019/20 as we believe this to be the most efficient audit approach. Although we are therefore not intending to rely on individual system controls in 2019/20, the overarching control arrangements form part of our assessment of your overall control environment and will form part of the evidence for your Annual Governance Statement.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Finance & Assets Committee.

Internal audit:

We will regularly meet with the Head of Internal Audit, and review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit work, where they raise issues that could have an impact on the financial statements.



Scope of our audit

Issues impacting the production of the financial statements and the audit

The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the accounts by 31 July. These changes provided risks for both the preparers and the auditors of the financial statements.

As the Authority is aware, at the end of January 2020 a large number of authorities had not yet received their audit opinion on the 2018/19 financial statements. The factors that have led to this unprecedented position are extensive, impact all audit suppliers contracted by PSAA and need to be considered by public sector finance professionals and audit committees. In summary, the types of issues and challenges we have seen include:

- ▶ There has been a significant increase in the specialised skills, time and cost required by auditors to address regulatory expectations. This includes responding to regulator feedback and a zero tolerance on audit quality failures.
- ▶ Public sector auditing has become less attractive as a profession, especially due to the compressed timetable, regulatory pressure and greater compliance requirements. This has contributed to higher attrition rates in our profession over the past year and the shortage of specialist public sector audit staff and multidisciplinary teams (for example valuation, pensions, tax and accounting) during the compressed timetables.
- ▶ Financial reporting and decision making in local government has become increasingly complex, for example from the growth in commercialisation, group accounts, financial resilience challenges, speculative ventures and investments.
- ▶ Some local authorities have a shortage of financial reporting skills, capabilities and weaknesses in audit readiness (including keeping pace with technological advancement in data management and processing for audit).

In order to ensure we are able to adhere an agreed timescale to complete our audit, we are supporting the Authority by undertaking the following actions:

- ▶ Working with the Authority to engage early in complex or challenging accounting areas, such as group accounting.
- ▶ Facilitating faster close workshops to provide an interactive forum for Local Authority accountants and auditors to share good practice and ideas to enable us all to achieve a successful faster closure of accounts for the 2019/20 financial year.
- ▶ Working with the Authority to improve the use of EY Client Portal. This will streamline our audit requests through a reduction of emails and improved means of communication, while providing on-demand visibility into the status of audit requests and the overall audit status. Effective use of the portal also reduces the risk of duplicate requests and provides better security of sensitive data.
- ▶ Agreeing the team and timing of each element of our work with you and matching that to officer availability.
- ▶ Agreeing the supporting working papers that we require to complete our audit, and ensure you understand what we consider to be good quality audit evidence.

[continued over]



Scope of our audit

Issues impacting the production of the financial statements and the audit (continued)

We held a workshop on 10 January 2020 with local government Chief Finance Officers from across the East of England region who are responsible for signing the financial statements and supporting their teams to provide supporting working papers. This include the Authority's CFO. The workshop aimed to provide clarity around the pressures of delivering high quality audits in the current environment and discussed our plan to ensure we deliver a high quality audit in a timeframe agreed with officers. It also provided an opportunity for officers to ask questions in an open and transparent forum.

We followed the CFOs workshop with a similar event for local government audit committee Chairs, including the Chair and Vice Chair of the Finance & Assets Committee. The 26 February event was well attended and followed a similar format to the CFOs workshop, providing Members with an opportunity to raise their concerns and ask questions.

Following both workshops we came to a collective agreement that we would implement an audit scheduling plan that would aim to deliver all of the East of England's external audits and issue all opinions by late September or October depending on committee dates.

We include our planned timetable for the Authority in Section 7.

We also reached a collective agreement at the workshops that if a local authority is unable to meet key dates within the agreed timetable, we will revisit the timing of the audit, which may be that we postpone the audit until later in the year and redeploy the team to other local authority audits. Where additional and unplanned work is required to complete an audit, due to additional risks being identified or scope changes or poor audit evidence, we will also revisit the timing of the audit. Such circumstances may result in a delay to the audit while we complete other work elsewhere.

Scoping the group audit

Group scoping

Our audit strategy for performing an audit of an entity with multiple locations is risk based. We identify components as:

1. **Significant components:** A component is significant when it is likely to include risks of material misstatement of the group financial statements, either because of its relative financial size to the group (quantitative criteria), or because of its specific nature or circumstances (qualitative criteria). We generally assign significant components a full or specific scope given their importance to the financial statements.
2. **Not significant components:** The number of additional components and extent of procedures performed depended primarily on: evidence from significant components, the effectiveness of group wide controls and the results of analytical procedures.

For all other components we perform other procedures to confirm that there is no risk of material misstatement within those locations. These procedures are detailed below.

Scoping by Entity

We set out our preliminary view on audit scopes by number of entities below and provide further explanation on the next page.

1	Full scope audits
1	Specific scope audits
Nil	Review scope audits
Nil	Specified procedures
1	Other procedures

Scope definitions

Full scope: where a full audit is performed to the materiality levels assigned by the Group audit team for purposes of the consolidated audit.

Specific scope: where the audit is limited to specific accounts or disclosures identified by the Group audit team based on the size and/or risk profile of those accounts.

Review scope: where procedures primarily consist of analytical procedures and inquiries of management. On-site or desk top reviews may be performed, according to our assessment of risk and the availability of information centrally.

Specified Procedures: where the component team performs procedures specified by the Group audit team in order to respond to a risk identified.

Other procedures: Where not material to the Group financial statements in terms of size relative to the Group and risk, we perform other procedures to confirm that there is no risk of material misstatement within those locations. Individually, these components do not exceed more than 0.6% of the Group's profit and 0.2% of the Group's gross expenditure.

Scoping the group audit (continued)

Coverage of Revenue/Profit before tax/Total assets

Based on the group's 2018/19 outturn, our scoping is expected to achieve the following coverage of the group's expenditure and group's revenue.

Revenue

20%

of the group's forecast revenue will be covered by full and specific scope audits, with the remainder covered by the single entity's audit.

Expenditure

20.2%

of the group's forecast gross expenditure will be covered by full and specific scope audits, with the remainder covered by the single entity's audit.

Based on our group scoping we do not require specific procedures to be performed on balance sheet accounts based on our assessment of materiality and risk. Our audit approach is risk based and therefore the data above on coverage is provided for your information only.

East Cambridgeshire Trading Company Ltd and East Cambs Street Scene Ltd will be audited by Price Bailey, a non-EY member firm, who will confirm their independence via our group instructions.

Key changes in scope from last year

- ▶ There have been no changes in scope from last year. East Cambridgeshire Trading Company Ltd has remained a significant component, categorised as full scope.
- ▶ We have assessed East Cambs Street Scene Ltd a non-significant component, categorised as specific scope and East Cambs Business Centre Ltd as requiring other procedures only.

Details of specified procedures

- ▶ In order to provide us a reasonable assurance over East Cambs Street Scene Ltd, we will request that the component team perform specified procedures in relation to Revenue, Salaries and Wages and Vehicle Maintenance Related Costs.

Group audit team involvement in component audits

Auditing standards require us to be involved in the work of our component teams. We have listed our planned involvement below.

- ▶ We provide instruction to component team and our expectations regarding the detailed procedures;
- ▶ We will set up an initial meeting with the component team to discuss the content of the group instructions;
- ▶ We will consider the need to perform a file review of component team's work where appropriate; and
- ▶ We will attend a closing meeting with component team to discuss their audit procedures and findings.



06

Audit team



Audit team

Audit team

The engagement team is led by Suresh Patel who has been your Associate Partner on the audit since 2016/17. Suresh has significant public sector audit experience, with a portfolio of Local Authorities and Local Government Pension Funds and is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA).

Suresh is supported by Jacob McHugh, audit manager, who is responsible for the day-to-day direction of audit work and is the key point of contact for the finance manager.

Use of specialists

Our approach to the involvement of specialists, and the use of their work.

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Pensions Disclosure	Authority's Actuary (Hymans Robertson) EY Pensions Advisory Team

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Authority's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



07

Audit timeline





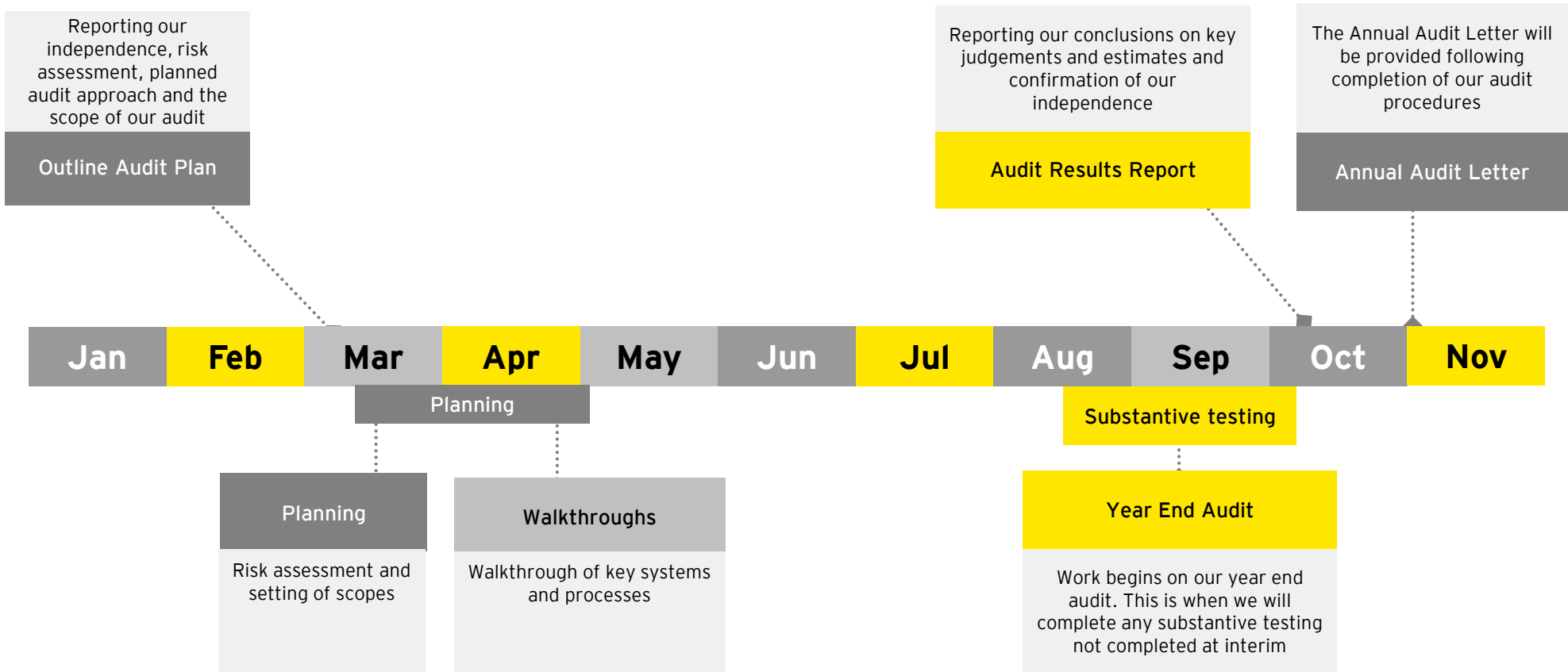
Proposed audit timeline

Proposed timetable of communication and deliverables

Proposed timeline

Below is a proposed timetable we have shared with officers showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2019/20. If anything changes we will update officers and the Committee as soon as we can.

From time to time matters may arise that require immediate communication with the Finance & Assets Committee and we will discuss them with the Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.





08

Independence



Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between the you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. ▶ Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard. 	<ul style="list-style-type: none"> ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit services provided and the fees charged in relation thereto; ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us; ▶ Written confirmation that all covered persons are independent; ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; ▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services. We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted. We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Suresh Patel, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Authority. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's Ethical Standards or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non-audit fees to audit fees is not permitted to exceed 70%.

At the time of writing, there are no non-audit services and therefore we do not need any additional safeguards.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Relationships, services and related threats and safeguards (continued)

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Authority. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Other communications

EY Transparency Report 2019

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2019:

[https://www.ey.com/Publication/vwLUAssets/ey-uk-2019-transparency-report/\\$FILE/ey-uk-2019-transparency-report.pdf](https://www.ey.com/Publication/vwLUAssets/ey-uk-2019-transparency-report/$FILE/ey-uk-2019-transparency-report.pdf)



09

Appendices



Appendix A

Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

	Planned fee 2019/20 (£)	Final Fee 2018/19 (£)
Scale Fee - Code work	31,955	31,955
Proposed uplift to scale fee (note 1)	TBC	-
Additional fees (note 2)		
- Group accounts	4,000-6,000	6,425
- 50% performance materiality	4,000-7,000	6,665
- Correspondence from the public	-	2,005
Total audit fees	39,955-44,955	47,050
Non-audit: Reporting accountant work on the claim for housing benefits (note 3)	14,960	17,155

All fees exclude VAT

Notes:

1. We will shortly be discussing with the Finance Director our proposed increase to the scale fee.
2. We provide a range for the additional fees associated with new risks.
3. Final fee depends on the extent of errors identified and subsequent additional work required, all agreed with officers in advance.

All additional fees are subject to approval by PSAA.

In addition, we are driving greater innovation in the audit through the use of technology. The significant investment costs in this global technology continue to rise as we seek to provide enhanced assurance and insight in the audit.

The agreed fee presented is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Authority; and
- The Authority has an effective control environment.

If any of the above assumptions prove to be unfounded, we will also seek a variation to the agreed fee. This will be discussed with the Authority in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

Appendix A

Fees (continued)

We worked with PSAA to estimate the Authority's scale fee on its formation. However, audit requirements and the complexity of the Authority's financial reporting have changed since then. As a result we do not believe the existing scale fee provides a clear link with both the Authority's risk and complexity. For an organisation such as East Cambridgeshire District Council the extent of audit procedures now required mean it will take approximately 850 hours to complete a quality audit. A commercial benchmark for this size of external audit would be in the region of £85,000. Your current scale fee is £31,955 and our current estimate of the total fee for 2019/20 is up to £44,955. We will however be proposing an increase to the scale fee.

Summary of key factors

Status of sector. Financial reporting and decision making in local government has become increasingly complex, for example from the growth in commercialisation, speculative ventures and investments. This has also brought increasing risk about the financial sustainability / going concern of bodies given the current status of the sector.

To address this risk our procedures now entail higher samples sizes of transactions, the need to increase our use of analytics data to test more transactions at a greater level of depth. This requires a continual investment in our data analytics tools and audit technology to enhance audit quality. This also has an impact on local government with the need to also keep pace with technological advancement in data management and processing for audit.

Audit of estimates. There has been a significant increase in the focus on areas of the financial statements where judgemental estimates are made. This is to address regulatory expectations from FRC reviews on the extent of audit procedures performed in areas such as the valuation of land and buildings and pension assets and liabilities.

To address these findings, our required procedures now entail higher samples sizes, increased requirements for corroborative evidence to support the assumptions, use of our internal specialists and increased correspondence with external specialists.

Regulatory environment. Other pressures come from the changing regulatory landscape and audit market dynamics:

- Parliamentary select committee reports, the Brydon and Kingman reviews, plus within the public sector the Redmond review and the new NAO Code of Audit practice are all shaping the future of Local Audit. These regulatory pressures all have a focus on audit quality and what is required of external auditors.
- This means continual investment in our audit quality infrastructure in response to these regulatory reviews, the increasing fines for not meeting the requirements plus changes in auditing and accounting standards. As a firm our compliance costs have now doubled as a proportion of revenue in the last five years. The regulatory lens on Local Audit specifically, is greater. We are three times more likely to be reviewed by a quality regulator than other audits, again increasing our compliance costs of being within this market.

[continued over]

Fees (continued)

Summary of key factors (cont'd)

Attractiveness of the profession. As a result over the issues outlined earlier, public sector auditing has become less attractive as a profession, especially due to the compressed timetable, regulatory pressure and greater compliance requirements. This has contributed to higher attrition rates in our profession over the past year and the shortage of specialist public sector audit staff and multidisciplinary teams (for example valuation, pensions, tax and accounting) during the compressed timetables.



We need to invest over a five to ten-year cycle to recruit, train and develop a sustainable specialist team of public sector audit staff. We and other firms in the sector face intense competition for the best people, with appropriate public sector skills, as a result of a shrinking resource pool. We need to remunerate our people appropriately to maintain the attractiveness of the profession, provide the highest performing audit teams and protect audit quality.

We acknowledge that local authorities are also facing challenges to recruit and retain staff with the necessary financial reporting skills and capabilities. This though also exacerbates the challenge for external audits, as where there are shortages it impacts on the ability to deliver on a timely basis.

Appendix B





Required communications with the Finance & Assets Committee

We have detailed the communications that we must provide to the Finance & Assets Committee.

		Our Reporting to you
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Finance & Assets Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Outline Audit Plan - March 2020
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report - September/October 2020
Fee Reporting	<ul style="list-style-type: none"> ▶ Breakdown of fee information when the audit plan is agreed ▶ Breakdown of fee information at the completion of the audit ▶ Any non-audit work 	Outline Audit Plan - March 2020 Audit Results Report - September/October 2020





Appendix B

Required communications with the Finance & Assets Committee (continued)

		 Our Reporting to you
 Required communications	 What is reported?	 When and where
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Corrected misstatements that are significant ▶ Material misstatements corrected by management 	Audit Results Report - September/October 2020
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the Finance & Assets Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	Audit Results Report - September/October 2020
Related parties	<ul style="list-style-type: none"> ▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report - September/October 2020
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence. 	Outline Audit Plan - March 2020; and Audit Results Report - September/October 2020

Appendix B

Required communications with the Finance & Assets Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit Results Report - September/October 2020
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Finance & Assets Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Finance & Assets Committee may be aware 	Audit Results Report - September/October 2020
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	Audit Results Report - September/October 2020
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report - September/October 2020
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report - September/October 2020
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - September/October 2020
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit Results Report - September/October 2020

Additional audit information

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Finance & Assets Committee reporting appropriately addresses matters communicated by us to the **Finance & Assets** Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- ▶ Maintaining auditor independence.

Additional audit information (continued)

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The locations at which we conduct audit procedures to support the opinion given on the financial statements; and
- ▶ The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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ED None

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Internal Audit Plan 2020/21

To: Finance and Assets Committee

Date: 26th March 2020

From: Head of Internal Audit, LGSS

[V18]

1. ISSUE

- 1.1. To present the draft Internal Audit plan for 2020/21 and the Internal Audit Charter to the Committee for review and formal approval.

2. RECOMMENDATION

- 2.1. The Committee is asked to review and approve the proposed Internal Audit plan for 2020/21 and the Internal Audit Charter.
- 2.2. The Committee is asked to approve the delegation of authority to the Council's s151 Officer to approve in year amendments to the audit plan between Committee meetings, this in consultation with the Chair of the Committee.

3. BACKGROUND/OPTIONS

- 3.1. The Finance and Assets Committee is responsible for formally approving the annual Internal Audit plan. This effectively sets out the programme of work that will be delivered by the LGSS Internal Audit team during the financial year.
- 3.2. LGSS Internal Audit is required to provide 200 days of audit and assurance work in 2020/21. A two year plan has been prepared to illustrate how assurance can be provided over the longer term.
- 3.3. The Internal Audit plan should provide the Committee and senior management with the assurances required over key risks for the year ahead. A copy of the draft Internal Audit plan is provided in Appendix 1, supported by details of the audit planning process and any variations from the two year plan reviewed in March 2019.
- 3.4. The plan will remain subject to ongoing review during the financial year to ensure it continues to address the Council's key risks and adds value. Should the risk environment change during the year, the audit plan should be updated accordingly. To enable the Internal Audit service to be responsive in addressing risks, it is recommended that delegated authority be given to the Section 151 Officer, in consultation with the Chair of the Committee, to approve audit plan changes between meetings should this be necessary. Any such changes would be reported to the subsequent meeting of Committee.

4. INTERNAL AUDIT CHARTER

- 4.1. The Internal Audit Charter is also brought to Committee for annual approval. This document sets out how the Internal Audit service will be delivered for the

year ahead. This document was last formally approved by the Committee in March 2019. No amendments to the Charter are proposed for this year.

5. ARGUMENTS/CONCLUSIONS

5.1. The attached draft audit plan should provide appropriate coverage for the Council.

6. FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

6.1. There are no additional financial implications arising from this report. An Equality Impact Assessment is not required.

7. APPENDICES

- Appendix 1 – Draft Internal Audit plan 2020/21
- Appendix 2 – Internal Audit Charter

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
None	LGSS, Room 207 The Grange Ely	Duncan Wilkinson, Chief Internal Auditor duncan.wilkinson@milton-keynes.gov.uk Rachel Ashley-Caunt Head of Internal Audit RAshley-Caunt@rutland.gov.uk



**Internal Audit Plan
2020/21**

EAST CAMBRIDGESHIRE DISTRICT COUNCIL



INTERNAL AUDIT PLAN 2020/21

1. Introduction

- 1.1 This report sets out the proposed work of Internal Audit at East Cambridgeshire District Council for 2020/21 for review and approval by the Finance and Assets Committee.
- 1.2 Internal Audit provides independent assurance designed to add value and support the Council in achieving its priorities and objectives. To deliver this, East Cambridgeshire District Council commissions 200 days for delivery of the Internal Audit service on an annual basis.
- 1.3 The provision of assurance services is the primary role for Internal Audit in the UK public sector. This role requires the Head of Internal Audit to provide an annual Internal Audit opinion based on an objective assessment of the framework of governance, risk management and control.
- 1.4 In setting the annual Audit Plan, the Public Sector Internal Audit Standards require:
- The audit plan should be developed taking into account the organisation's risk management framework and based upon a risk assessment process undertaken with senior management and the Audit Committee;
 - The audit plan should be reviewed and approved by an effective and engaged Audit Committee to confirm that the plan addresses their assurance requirements for the year ahead; and
 - The Head of Internal Audit should consider accepting proposed consultancy engagements based on the engagement's potential to improve management of risks, add value and improve the organisation's operations.

2. The Audit Plan

- 2.1 The Audit Plan covers the two key component roles of Internal Audit:
- The provision of an independent and objective opinion to the Section 151 Officer and the Finance and Assets Committee on the degree to which risk management, control and governance support the achievement of Council objectives; and
 - The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.
- 2.2 At the centre of the organisation, is the core delivery of the Council's corporate objectives and corporate plan. The risk based audits are focused upon providing independent assurance over the controls in place to manage risks faced in achieving these objectives.
- 2.3 In order to protect the Council in delivering these objectives, it is essential that the Council's key corporate controls and policies are operating effectively to prevent the risk of financial loss, failure to comply with legislation, lack of accountability and reputational damage. These controls and policies range from key financial controls and systems to health and safety policies, from data management to procurement rules. These policies and controls must be complied with by all service areas to secure the Council's standing.
- 2.4 Further protecting and underpinning the Council's ongoing delivery of its objectives are robust counter fraud controls and good governance. Without these, the Council would be exposed to the risk of fraud and corruption (both internally and externally), uninformed or non-transparent decision

making, loss of accountability and direction, poor risk management and failure to embed and demonstrate ethical behaviours and values.

2.5 As such, the Audit Plan is designed to deliver independent, objective assurance on each of these areas – which are vital to the successful delivery of the Council’s objectives and services.

2.6 In addition to assurance over governance, risk management and controls, the Audit Plan should also provide assurance over the Council’s delivery of value for money. Assurance over value for money is embedded within each audit assignment.

3. Planning process

3.1 During the last year, the Council has updated its corporate risk register to reflect the key risks facing the authority and changing risk profiles. As such, the content of the two year audit plan has been reviewed to ensure it is equally focused upon the Council’s key corporate risks. This has resulted in some re-prioritisation of assignments across the two year period.

3.2 In order to ensure that the Audit Plan for 2020/21 addresses the Council’s key risks and adds value, the Head of Internal Audit has identified and prioritised the areas for coverage by:

- Reviewing the Council’s risk register and Corporate Plan;
- Undertaking an assurance mapping exercise against the risks identified to highlight any gaps in the assurance framework and identifying any other sources of assurance for each of the Council’s key risks, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
- Identifying any areas of the Audit Universe (a list of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last four years; and
- Consultation with senior management and the Corporate Risk Group to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial.

3.3 The process has also incorporated consideration of potential audits which can be undertaken by drawing upon similar emerging themes from the councils across the LGSS client base.

3.4 Following this consultation and review, a Draft Internal Audit Plan has been compiled and is provided in Table 2. If the risk environment changes during 2020/21, however, the Audit Plan can be amended accordingly.

3.5 The amendments to the 2020/21 audit plan from the two year plan previously reviewed by the Committee in March 2019 are summarised in Table 1, along with the reasoning for the amended risk assessment and prioritisation applied.

Table 1: Proposed amendments to 2020/21 audit plan

Audit assignment amended	Days added or reduced within 2020/21 plan	Basis for amendment
Data protection	+ 7	<p>Addition to the plan to provide assurance over completion of action plans since the 2018/19 audit and assess compliance with General Data Protection Regulation and Data Protection Act requirements.</p> <p>This features on the Council’s risk register and a number of areas for improvement had been identified in the last audit. Assurance is required that the control framework has been suitably developed since the audit.</p>
S106 monitoring	+ 7	<p>Addition to the plan to provide assurance over the timely and accurate collection of s106 monies. This was included on the risk register during 2019 and is an area of weakness that has been identified at other councils in the LGSS client base.</p> <p>Assurances to be sought over effective record keeping, monitoring of trigger points, collection of monies due and overseeing spend – to avoid financial clawbacks.</p>
Asset management	+ 9	<p>Addition to the plan to provide assurance over the Council’s management of its property assets (to ensure statutory compliance and safety for users) and effective tenant management of its commercial properties (i.e. rent reviews and recovery, tenant relationships and inspection regimes).</p> <p>Added following risks identified and lessons learnt at other local authorities in the LGSS client base and to provide assurance over financial budgets for commercial property income. No prior coverage of this within the Internal Audit plans or other sources of assurance.</p>
Fees and charges	- 5	Postponed to 2021/22 as assessed as lower risk than other assignments arising from horizon scanning.
Key performance indicators	- 5	Postponed to 2021/22 as assessed as lower risk than other assignments arising from horizon scanning.
Staff claims – overtime/travel	- 6	Postponed to 2021/22 as assessed as lower risk than other assignments arising from horizon scanning.
Enforcement policy compliance	- 7	Postponed to 2021/22 as assessed as lower risk than other assignments arising from horizon scanning.

4 Resources

- 4.1 The audit assignments for all of the LGSS clients are delivered by a team of audit staff including a mix of highly regarded professional qualifications (including ACCA, CIPFA and IIA) and extensive experience in the public and private sector. Absences and resource gaps/vacancies can be filled by the wider LGSS team, providing the resilience and stability of a shared service.
- 4.2 Efforts are constantly made to ensure all clients benefit from the shared service arrangement. This includes achieving efficiencies in delivering assignments, sharing of knowledge and experience and opportunities to deliver cross-cutting reviews.
- 4.3 On an annual basis, the Head of Internal Audit completes a self-assessment of the Internal Audit service against the Public Sector Internal Audit Standards. In doing so, the Head of Internal Audit must consider whether the resource base and mix is adequate and would highlight to the S151 officer and Members if there were any concerns that the resources in place could not provide the required coverage to inform the annual Assurance Opinion.

Table 2: Draft Internal Audit Plan 2020/21 and 2021/22

Audit	2020 /21	2021/22	Service area	Corporate Objectives	Corp Risk ref	Assurances to be sought
Anglia Revenues Partnership						
Council Tax	10	10	Revenues and Benefits	<i>Delivering a Financially Sound and Well Managed Council</i>	B1	To provide assurance over the controls operating in the management of revenues and benefits services – given the high volume and value of transactions.
Benefits & Overpayments	15	15				
National Non Domestic Rates	10	10				
Counter Fraud and Corruption						
Counter Fraud Procedures	5	5	Cross-cutting	<i>Delivering a Financially Sound and Well Managed Council</i>	<i>Fraud risks</i>	To review the Council’s counter fraud policies and procedures against best practice and to review their robustness in light of latest trends/developments.
National Fraud Initiative	10	10	Cross-cutting		<i>Fraud risks</i>	Support with reviewing and investigating matches identified by the National Fraud Initiative.
Key Financial Systems						
Bank reconciliation	6	6	Finance	<i>Delivering a Financially Sound and Well Managed Council</i>	B1	To review the design of, and compliance with, key controls within the Council’s financial systems - working on a cyclical basis. Providing assurance over the controls to prevent and detect fraud and error.
Creditors	7	7	Finance		B1	
Debtors	6	6	Finance		B1	
Payroll	7	7	Finance		C5	
Treasury management	5	5	Finance		B1	
Budgetary control	5	5	Cross-cutting		B1	
Fixed assets	-	7	Finance		B1	
Risk management						
Risk management support	12	12	Cross-cutting	<i>Delivering a Financially Sound and Well Managed Council</i>	All	Administration and reporting of corporate risk register, supporting documents and review of the framework against best practice.
Making every penny count						
Procurement compliance	9	-	Cross-cutting	<i>Delivering a Financially Sound and Well Managed Council</i>	B1	Selection of a sample of transactions over £500, to be checked against the published list, to ensure compliance with contract procedure rules and achievement of value for money.
Key policy compliance						
Fees and Charges	-	5	Cross-cutting	<i>Delivering a Financially Sound and Well Managed Council</i>	C3	To provide assurance over compliance with key Council policies and procedures, based on sample testing.
Off contract spend	7	-	Cross-cutting			

Audit	2020 /21	2021/22	Service area	Corporate Objectives	Corp Risk ref	Assurances to be sought
Use of agency staff	-	7	Cross-cutting	<i>Managed Council</i>		
Key Performance Indicators	-	5	Cross-cutting			
Staff claims – overtime / travel	-	6	Cross-cutting			
Staff recruitment checks	-	7	Cross-cutting			
Safeguarding	-	8	Cross-cutting			
Enforcement policy compliance	-	7	Cross-cutting			
Risk Based audits						
Local Authority Trading Companies	10	-	Corporate	<i>Delivering a Financially Sound and Well Managed Council</i>	A2	To provide assurance that governance arrangements are robust and effective and services deliver value for money.
Asset management	9	-	Corporate	<i>Delivering a Financially Sound and Well Managed Council</i>	A4	To provide assurance over the Council’s arrangements for ensuring compliance with statutory inspection regimes in its corporate properties and the effective management of its property portfolio/tenancy arrangements.
Data protection	7	-	Cross-cutting	<i>Delivering a Financially Sound and Well Managed Council</i>	C4	To provide assurance over compliance with the GDPR and Data Protection Act in the handling of data across the Council. To include follow up on actions arising from the 2018 audit.
S106 monitoring	7	-	Infrastructure & Strategic Housing	<i>Delivering a Financially Sound and Well Managed Council</i>	B2	To provide assurance over the monitoring and recovery of s106 monies - including controls operating to ensure no losses due to clawbacks or failure to act upon trigger points.
Building control	8	-	Building Control	<i>Delivering a Financially Sound and Well Managed Council</i>	B2	To provide assurance over the management of the building control service and recovery of monies due, given the level of income expected.
Disabled Facilities Grants	7	-	Environmental Services	<i>Delivering a Financially Sound and Well Managed Council</i>	C6	To provide assurance over the management of Disabled Facilities Grants in relation to the application and verification process, to manage the risk of fraud, and the delivery of value for money from spend.

Audit	2020 /21	2021/22	Service area	Corporate Objectives	Corp Risk ref	Assurances to be sought
Emergency planning	-	5	Cross-cutting	<i>Delivering a Financially Sound and Well Managed Council</i>	C1	To provide assurance over the Council's arrangements and joint working to ensure compliance with its duties as a responder in the case of an unplanned incident in the district.
Homelessness	-	7	Housing & Community Safety	<i>Delivering a Financially Sound and Well Managed Council</i>	A4	To provide assurance over the Council's arrangements for handling homelessness applications and fulfilling its duties under the Homelessness Reduction Act.
ICT and Information Governance						
Controls review of critical systems /cyber security	10	10	ICT	<i>Delivering a Financially Sound and Well Managed Council</i>	C2	To provide assurance over the robustness of critical IT systems, including review of user access controls, disaster recovery and cyber security.
Client Support						
Advice and guidance	5	5	Cross-cutting			
Follow up of agreed actions	5	5	Cross-cutting			
Annual report and Head of Internal Audit opinion	5	5	Cross-cutting			
Audit plan development	3	3	Cross-cutting			
Committee and Management reporting	10	10	Corporate			
Total	200	200				

INTERNAL AUDIT CHARTER AND STRATEGY

1. INTRODUCTION & CONTEXT

- 1.1 East Cambridgeshire District Council's Internal Audit service is delivered by LGSS.
- 1.2 As austerity continues, the context for local government and for the overall governance, risk and control environment within which it operates is increasingly challenging. Efficiency and transformation programmes are fundamentally altering the nature and structure of the Council. Services have become increasingly sophisticated in their understanding of risk management and may accept greater levels of controlled risk in order to achieve their aims. This is accompanied by a greater expectation of transparency, scrutiny of public expenditure and governance set by Central Government, plus the emerging complexity of alternative delivery models such as partnerships, joint ventures. This context will affect the overall governance, risk and control environment.
- 1.3 Internal Audit is required to maintain an Internal Audit Strategy and Charter. The core governance context for Internal Audit is summarised below:

The Accounts and Audit Regulations (2015) set out that:

A relevant authority must ensure that it has a sound system of internal control which—

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;*
 - (b) ensures that the financial and operational management of the authority is effective;*
- and*
- (c) includes effective arrangements for the management of risk.*

And that:

A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

A relevant authority must, each financial year—

- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3;*
- and*
- (b) prepare an annual governance statement*

The Public Sector Internal Audit Standards (PSIAS) include the need for risk-based plans to be developed for internal audit and to receive input from management and the 'Board' (usually discharged by the Council's equivalent Governance and Audit Committee). The work of Internal Audit therefore derives directly from these responsibilities, including:

PSIAS : 2010 - "The Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals."

PSIAS : 2450 - "The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion

must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

1.4 The purpose of the audit charter and strategy is to put in place an approach that will enable Internal Audit to deliver a modern and effective service that:

- Meets the requirements of the Public Sector Internal Audit Standards and the Accounts and Audit Regulations;
- Ensures effective audit coverage and a mechanism to provide independent and objective overall assurance in particular to Councillors and management;
- Provides an independent Annual Opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control environment;
- Identifies the highest risk areas of the Council and allocates available internal audit resources accordingly;
- Adds value and supports senior management in providing effective control and identifying opportunities for improving value for money; and
- Supports the S151 officer in maintaining prudent financial stewardship for the Council.

1.5 The following definitions apply throughout the Charter and Strategy:

- The Finance and Assets Committee – acts as the PSIAS defined Council 'Board';
- The LGSS Chief Internal Auditor – is the PSIAS defined 'Chief Audit Executive'. In practice, a number of the key roles and responsibilities will be delegated to the LGSS Head of Internal Audit, unless otherwise stated;
- East Cambridgeshire Council's Corporate Management Team (CMT) – is the PSIAS defined 'senior management' team;
- Internal Audit – is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes;
- Assurance Services – an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the Council. E.g.s include financial, performance, compliance, system security and due diligence; and
- Consulting Services – Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility - examples include counsel, advice, facilitation and training.

2. STRATEGY & VISION

2.1 Internal Audit will provide the public, Councillors and Council officers with confidence that Council operations are properly governed and controlled, risks are effectively managed and service delivery meets customer need. Where confidence is not possible the service will ensure that the implications and risks are understood to ensure proportionate action is taken. Internal Audit will be responsive to the Council's needs and the risks to which the Council is exposed. The 'Mission' for Internal Audit is therefore:

'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'.

2.2 Internal Audit is not responsible for the control systems it audits. Responsibility for effective internal control rests with the management / executive of the Council. Directors and Service Leads are responsible for ensuring that internal control arrangements are sufficient to address the risks facing their services and achieve approved objectives / policy.

2.3 LGSS Internal Audit will provide a robust high quality audit service that delivers honest, evidenced assurance, by:

- Focusing on what is important. Deploying its resources where there is most value aligned to the corporate objectives and priorities, the processes to facilitate these and the key risks to their achievement, whilst ensuring sufficient assurance to support the Annual Governance Statement.
- Being flexible and responsive to the needs of the Council. The Annual Plan will be reviewed quarterly enabling Audit resources to be redeployed as new risks emerge, with the agreement of senior management and the board.
- Being outward looking and forward focused. The service will be aware of national and local developments and of their potential impact on the Council's governance, risk management and control arrangements.
- Providing Assurance. There is value in providing assurance to senior managers and members that the arrangements they put in place are working effectively, and in helping managers to improve the systems and processes for which they are responsible.
- Balancing independent support and challenge. Avoiding a tone which blames, but being resolute in challenging for the wider benefit of the Council and residents.
- Having impact. Delivering work which has buy-in and which leads to sustained change.
- Enjoying a positive relationship with and being welcomed by the 'top table'. Identifying and sharing organisational issues and themes that are recognised and taken on board. Working constructively with management to support new developments.
- Strengthening the governance of the Council. Being ambassadors for and encouraging the Council towards best practice in order to maximise the chances of achieving its objectives, including the provision of consultancy and advice.

2.4 The Internal Audit Service maintains an ongoing and comprehensive understanding of:

- Local Government / Public Sector;
- The Council and its community; and
- Professional Audit and Corporate Governance standards.

- 2.5 All staff within the audit service hold a relevant professional qualification, part qualification or are actively studying towards a relevant qualification. All participate in continuing professional development, both in relation to specific audit skills e.g. contract audit, and softer skills e.g. communication skills.

3. AUTHORITY

- 3.1 In accordance with PSIAS, the Chief Internal Auditor has full responsibility for the operation and delivery of the Internal Audit function including the production and execution of the audit plan and subsequent audit activities. The annual audit plan will be agreed in consultation with relevant officers, the Resource & Finance Committee, and the senior management team.
- 3.2 Internal Audit's authority is documented and defined within the Council's Constitution and Financial Regulations. Internal Audit's remit extends across the entire control environment of the Council.
- 3.3 Internal Audit has unrestricted access to all Council and partner records and information (whether manual or computerised systems), officers, cash, stores and other property, it considers necessary to fulfil its responsibilities. Internal Audit may enter Council property and has unrestricted access to all locations and officers and councillors without prior notice if necessary.
- 3.4 All Council contracts and partnerships shall contain similar provision for Internal Audit to access records pertaining to the Councils business held by contractors or partners.
- 3.5 All employees are required to assist the internal audit activity in fulfilling its roles and responsibilities.
- 3.6 The Finance and Assets Committee (as the Board) shall be informed of any restriction unduly placed on the scope of Internal Audit's activities which in the opinion of the Chief Internal Auditor prevent the proper discharge of IA functions.
- 3.7 The Chief Internal Auditor and individual audit staff are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work.
- 3.8 To provide for independence the day to day management of the Internal Audit Service is undertaken by the Chief Internal Auditor/Head of Internal Audit who report to the Finance and Assets Committee. This accords with the Public Sector Internal Audit Standards which requires the Chief Internal Auditor to report to the very top of the organisation.
- 3.9 The Chief Internal Auditor has direct and unrestricted access to the Council's Chief Executive, Section 151 Officer, Directors, External Audit and equivalent Governance and Audit Committees at his/her discretion, including private meetings with the Chair of the Finance and Assets Committee.

4. INDEPENDENCE & OBJECTIVITY

- 4.1 Independence is essential to the effectiveness of the internal audit service; so it will remain free from interference in all regards. This shall include, but not be limited to, matters of audit selection, scope, procedure, frequency, timing or report content.
- 4.2 Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. They will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.
- 4.3 In addition to the ethical requirements of the various professional bodies, each auditor is required to sign an annual declaration of interest to ensure that the allocation of audit work avoids conflict of interest and declare any potential 'conflict of interest' on allocation of an audit. Any potential impairments to independence or objectivity will be declared prior to accepting any work.

- 4.4 Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, 'approve' procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditor's judgment. Where auditors have previously been involved in any of these activities or consultancy work they will be prohibited from auditing those areas for at least 2 years. Where appropriate, audits are rotated within the team to avoid over-familiarity and complacency.
- 4.5 The Chief Internal Auditor will confirm to the Finance and Assets Committee, at least annually, the organisational independence of the internal audit service.

5. HOW THE SERVICE WILL BE DELIVERED

Audit Planning

- 5.1 The audit plan guides the work of the service during the year. The planning principles are:
- Focusing assurance effort on the most important issues, the key obligations, outcomes and objectives, critical business processes and projects, and principal risks; pitching coverage therefore at both strategic and key operational aspects;
 - Maintaining up to date awareness of the impact of the external and internal environment on control arrangements;
 - Using a risk assessment methodology to determine priorities for audit coverage based as far as possible on management's view of risk in conjunction with other intelligence sources e.g. corporate risk register, audit risk scores;
 - Taking account of dialogue and consultation with key stakeholders to ensure an appropriate balance of assurance needs, but recognising in a resource constrained environment there will be situations when not all needs can be met which is where risk management is key;
 - Being flexible so that the plan evolves through the year in response to emerging risks and issues;
 - Providing for the delivery of key commitments, such as work done in support of the External Auditor thus reducing the external audit fee, and to deliver governance and antifraud responsibilities; and
 - Including provision for responding to requests for assistance with special investigations, consultancy and other forms of advice from management and sources.
- 5.2 Annex A illustrates the Planning cycle and the processes through which individual assignments are undertaken, reports issued and opinions given.
- 5.3 The number of available audit days to the Internal Audit Service will be reviewed to be sufficient to enable the audit service to deliver the risk based plan in accordance with professional standards. This takes into account the fact that additional resource will be procured as and when necessary e.g. for technical IT audits, when significant resource is diverted through unplanned work. The focus on the high risk areas will reduce the overall coverage required.
- 5.4 In order to deliver the Annual Audit Plan at the required quality and professionalism we strive to ensure that the team has the required mix of skills and experience. The use of external experts e.g. IT auditors compared to employing or developing these expensive resources in house is constantly under review to ensure that the service delivers a high quality product at best value for money. Future recruitment will take into account the expertise and skills required to fill any gaps within the current service.
- 5.5 The breadth of coverage within the plan necessitates a wide range of high quality audit skills. The types of audit work undertaken include:
- Risk based system audit

- Compliance audit
- IT audit
- Procurement and contract management audit
- Project and programme audits
- Risk Management
- Fraud/investigation work
- Value for money audit
- Control self-assessment techniques
- Consultancy and advice

5.6 Internal Audit may procure external audit resource to enhance the service provision as necessary.

Internal Audit Annual Opinion

5.7 Each year the Chief Internal Auditor will provide a publicly reported opinion on the effectiveness of governance, risk and control, which also informs the Annual Governance Statement. This will be supported by reliable and relevant evidence gathered through all work undertaken by Internal Audit during the year.

Conduct of work

5.8 The principles of how we conduct our work are:

- Focusing on what is important to the Council and in the ultimate interests of the public;
- Striving continuously to foster buy-in and engagement with the audit process;
- Ensuring findings and facts reported are accurate and informed by a wide evidence base, including requesting information from ex-employees and other stakeholders where appropriate;
- Ensuring that risks identified in planning are followed through into audit work;
- Ensuring that the right skills and right approaches are in place for individual assignments;
- Suggesting actions that are pragmatic and proportionate to risk, tailored for the best result and take into account the culture, constraints and the cost of controls;
- Focusing as a rule on ensuring compliance with existing processes and systems and reducing bureaucracy rather than introducing new layers of control;
- Being resolute in challenging; taking account of views, escalating issues and holding our position when appropriate;
- Driving the audit process by agreeing deadlines, meeting these on our part, and escalating non-response promptly in order to complete our work; and
- Having high standards of behaviour at all times.

Reporting

5.9 The reports produced by the service are its key output. The reporting principles are:

- Providing balanced evidence-based reports which recognise both good practice and areas of weakness;
- Reporting in a timely, brief, clear and professional manner;

- Ensuring that reports clearly set out assurance opinions on the objectives/risks identified in planning work;
- Always seeking management’s response to reports so that the final report includes a commitment to action;
- Sharing reports with senior management and members, identifying key themes and potential future risks so that our work has impact at the highest levels; and
- Sharing learning with the wider organisation with a view to encouraging best practice across the Council.

5.10 A written report will be prepared and issued following the conclusion of each internal audit engagement, including follow up audits; unless, in the opinion of the Head of Internal Audit and Client Lead / Management, a written report is unnecessary. Each report will:

- provide an evidenced opinion on the adequacy of the governance, risk and control processes;
- identify inadequately addressed risks and non-effective control processes;
- detail agreed actions including explanation for any corrective action that will not be implemented;
- provide management’s response and timescale for corrective action;
- provide management’s explanations for any risks that will not be addressed; and
- identify individuals responsible for implementing agreed actions Senior Management shall ensure that agreed corrective actions are introduced.

5.11 All audits and follow ups receiving a limited audit opinion will be highlighted to the Corporate Management Team, and the Finance and Assets Committee. Regular reports to the Finance and Assets Committee shall highlight each limited report until controls have been restored to satisfactory levels at least.

5.12 To assist the manager/reader in easily identifying the areas that are well managed and the significance of areas of concern, actions, objectives and overall assurance opinions are categorised using three key elements as summarised below (and set out in detail at Annex B):

- 1) Assess and test the CONTROL ENVIRONMENT,
- 2) Test COMPLIANCE with those control systems, and
- 3) Assess the ORGANISATIONAL IMPACT of the area being audited.

Actions / Recommendations

5.13 Actions are categorised dependent on the risk as follows:

Importance	What this means
Essential	Action is imperative to ensure that the objectives for the area under review are met
Important	Requires actions to avoid exposure to significant risks in achieving objectives for the area
Standard	Action recommended to enhance control or improve operational efficiency

Follow up

- 5.14 All Essential and Important actions are followed up in accordance with the agreed action implementation dates. Further follow ups are undertaken as required. The Internal Audit Service will review their role in this area with the aim of promoting the action owner to proactively inform Internal Audit and provide evidence when an action has been fully implemented to inform the follow up process. Such an approach emphasises the need for managers to deliver required improvements without prompting, reinforcing their accountabilities

Quality Assurance

- 5.15 The Internal Audit function is bound by the following standards:
- Institute of Internal Auditor's International Code of Ethics;
 - Seven Principles of Public Life (Nolan Principles);
 - UK Public Sector Internal Audit Standards;
 - All Council Policies and Procedures;
 - Professional standards and Code of Ethics required by auditor's respective professional bodies;
 - Internal Audit Strategy, Charter and Audit Manual; and
 - All relevant legislation.
- 5.16 The Chief Internal Auditor maintains an appropriate Quality Assurance Framework and reports on this annually. The framework includes:
- An audit manual documenting methods of working;
 - Supervision and review arrangements;
 - Customer feedback arrangements;
 - Quality Standards;
 - Annual Internal review;
 - Periodic external reviews;
 - Performance measures, including:
 - i) Proportion of Plan completed, including spread of areas covered
 - ii) Proportion of agreed actions implemented
 - iii) Proportion of Weak / Limited Assurance opinion reports that improve to at least satisfactory as at follow up
 - iv) Productive/direct time as a % of total time
 - v) Customer satisfaction levels
- 5.17 The completion of every assignment shall be monitored against:
- end to end time
 - days taken to complete
 - time between key audit stages e.g. draft issue to final report issue
 - customer satisfaction
- 5.18 The Finance and Assets Committee, Corporate Management Team and the Section 151 Officer receive regular updates on audits completed, the assurance opinions and actions implemented. Limited

opinion reports and key actions not implemented are discussed in more detail as appropriate with CMT, the Section 151 Officer and / or the Finance and Assets Committee.

5.19 Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of:

- ongoing performance monitoring;
- an annual self-assessment of the service and its compliance with the UK Public Sector Internal Audit Standards;
- an external assessment at least once every five years by a suitably qualified, independent assessor;
- a programme of Continuous Professional Development (CPD) for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies;
- the Chief Internal Auditor holding a professional qualification (current Chief Internal Auditor is a member of CIMA) and being suitably experienced; and
- encouraging, and where appropriate acting on, customer feedback.

6. FINANCE AND ASSETS COMMITTEE OVERSIGHT

6.1 The Chief Internal Auditor/Head of Internal Audit will provide regular update reports to the Finance and Assets Committee to advise on the progress in completing the audit plan, the outcomes of each internal audit engagement, and any significant risk exposures and control issues identified during audit work.

6.2 The Chief Internal Auditor/Head of Internal Audit will also present an annual report giving an opinion on the overall adequacy and effectiveness of the control environment which will be timed to support the Council's Annual Governance Statement. In addition the Finance and Assets Committee will:

- approve any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken;
- approve, but not direct, the draft audit plan and subsequent changes so that internal audit independence is maintained, and to ensure that coverage reflects the key risks of the Council;
- be informed of results from the quality assurance and improvement programme; and
- be informed of any instances of non-conformance with the Public Sector Internal Audit Standards.

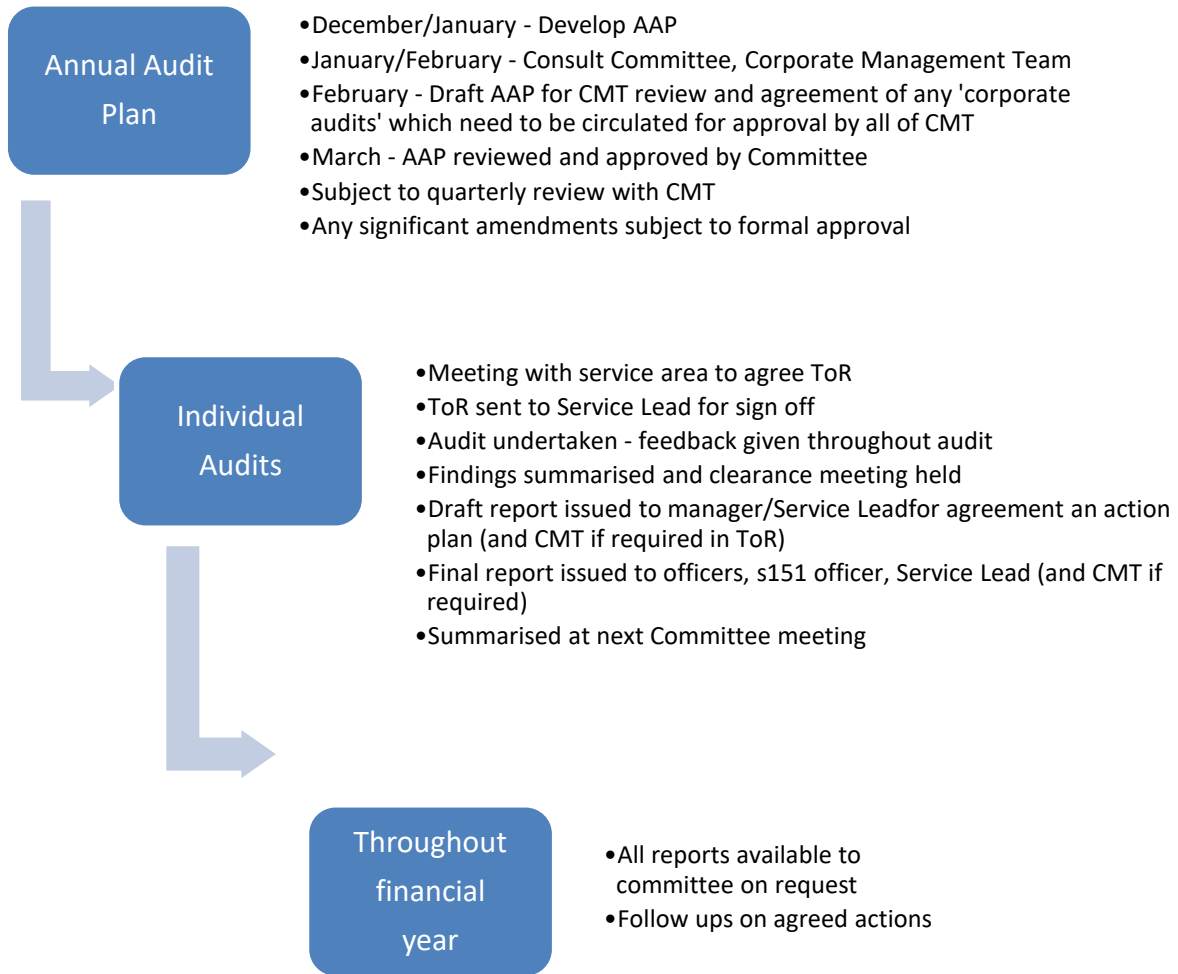
7. ANTI-FRAUD AND ASSOCIATED ISSUES

7.1 The Chief Internal Auditor will ensure that all work is undertaken and all staff are conversant with the Council's Anti-Fraud policies and culture, including:

- Anti-Fraud and Corruption policy
- Whistleblowing policy
- Anti-Money Laundering Policy

7.2 All Internal Audit staff will be alert to possibility of fraud during all work but are not responsible for identifying fraud.

Annex A – Audit Planning & Delivery Process



Annex B – Audit Definitions

There are three elements to consider when determining an assurance opinion as set out below.

Control Environment / System Assurance

The adequacy of the control environment / system is perhaps the most important as this establishes the key controls and frequently systems 'police/ enforce' good control operated by individuals.

Assessed Level	Definitions
Substantial	Substantial governance measures are in place that give confidence the control environment operates effectively.
Good	Governance measures are in place with only minor control weaknesses that present low risk to the control environment.
Satisfactory	Systems operate to a moderate level with some control weaknesses that present a medium risk to the control environment.
Limited	There are significant control weaknesses that present a high risk to the control environment.
No Assurance	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance

Strong systems of control should enforce compliance whilst ensuring 'ease of use'. Strong systems can be abused / bypassed and therefore testing ascertains the extent to which the controls are being complied with in practice. Operational reality within testing accepts a level of variation from agreed controls where circumstances require.

Assessed Level	Definitions
Substantial	Testing has proven that the control environment has operated as intended without exception.
Good	Testing has identified good compliance. Although some errors have been detected these were exceptional and acceptable.
Satisfactory	The control environment has mainly operated as intended although errors have been detected that should have been prevented / mitigated.
Limited	The control environment has not operated as intended. Significant errors have been detected and/or compliance levels unacceptable.
No Assurance	The control environment has fundamentally broken down and is open to significant error or abuse. The system of control is essentially absent.

Organisational Impact

The overall organisational impact of the findings of the audit will be reported as major, moderate or minor. All reports with major organisational impact will be reported to the Corporate Management Team along with the relevant Directorate's agreed action plan.

Organisational Impact	
Level	Definitions
Major	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
Moderate	The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
Minor	The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.

Findings prioritisation key

When assessing findings, reference is made to the Risk Management matrix which scores the impact and likelihood of identified risks arising from the control weakness found, as set out in the Management Action Plan.

For ease of reference, we have used a system to prioritise our recommendations, as follows:

Essential	Important	Standard
<p>Failure to address the weakness has a high probability of leading to the occurrence or recurrence of an identified high-risk event that would have a serious impact on the achievement of service or organisational objectives, or may lead to significant financial/ reputational loss.</p> <p>The improvement is critical to the system of internal control and action should be implemented as quickly as possible.</p>	<p>Failure to respond to the finding may lead to the occurrence or recurrence of an identified risk event that would have a significant impact on achievement of service or organisational objectives, or may lead to material financial/ reputational loss.</p> <p>The improvement will have a significant effect on the system of internal control and action should be prioritised appropriately.</p>	<p>The finding is important to maintain good control, provide better value for money or improve efficiency. Failure to take action may diminish the ability to achieve service objectives effectively and efficiently.</p> <p>Management should implement promptly or formally agree to accept the risks.</p>

TITLE: COMMUNITY INFRASTRUCTURE LEVY FUNDING REQUEST

Committee: Finance & Assets Committee

Date: 18th June 2020

Author: Infrastructure and Strategy Manager

[V19]

1.0 ISSUE

1.1 To consider the allocation of £150,000 to the A142/Witchford Roundabout Project.

2.0 RECOMMENDATION(S)

2.1 Members are requested to approve the expenditure of £150,000 to the A142/Witchford Roundabout Project.

3.0 BACKGROUND/OPTIONS

3.1 East Cambridgeshire District Council introduced the Community Infrastructure Levy (CIL) on 1st February 2013. The contributions raised through this levy are used to fund, in whole or in part, the necessary infrastructure to support growth and development in the district.

3.2 In order for infrastructure to benefit from CIL funding, it must be included on the Councils Community Infrastructure Levy Infrastructure List.

4.0 ARGUMENTS/CONCLUSIONS

4.1 On 21 February 2019 (Agenda Item 10), Members approved the inclusion of the A142/Witchford Roundabout project the CIL Infrastructure List.

4.2 A feasibility study has identified that improvements at the roundabout will unlock further benefits of the proposals at the A10/A142 roundabout. The County Council approved scheme development funding for the design of the A142/Witchford roundabout with a view to securing external funding to deliver the scheme. Match funding has been secured from the Cambridgeshire and Peterborough Combined Authority.

4.3 At the time of writing this report the Council holds £1.94million (unallocated) for projects on the CIL Infrastructure List.

4.4 The project is included on the Council's Infrastrucutre List and as such is capable of benefiting from CIL funding.

4.5 There are sufficient funds in the CIL account to meet this request and as such, for the reasons set out above, Members are recommended to approve the allocation.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT

5.1 The amount of CIL funding requested is available from CIL receipts.

5.2 Equality Impact Assessment (EIA) not required.

5.3 Carbon Impact Assessment (CIA) not required.

6.0 APPENDICES

6.1 None.

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
ECDC CIL Infrastructure List – February 2019	Room 12 The Grange, Ely	Sally Bonnett Infrastructure and Strategy Manager (01353) 61645 sally.bonnett@eastcambs.gov.uk
Minutes of the Council meeting held on 21 February 2019		

TITLE: COVID-19 WORKING PARTY

Committee: Finance & Assets Committee

Date: 18 June 2020

Author: Director Commercial

[V20]

1.0 ISSUE

1.1 To establish a COVID-19 Member Working Party to work with businesses, community groups and other authorities from parishes through to central government to help drive an environmentally, socially and economically sustainable recovery for East Cambs.

2.0 RECOMMENDATION(S)

2.1 Members are requested to:

- i) Appoint 6 elected Members to the COVID-19 Working Party as set out in 3.3; and
- ii) Approved the draft Terms of Reference, as set out in Appendix 1

3.0 BACKGROUND/OPTIONS

3.1 On 21 May 2020, Council (Agenda Item 9) resolved to set up a working party to work with businesses, community groups and other authorities from parishes through to central government to help drive an environmentally, socially and economically sustainable recovery for East Cambridgeshire.

3.2 The terms of reference for the COVID-19 Working Party are provided at Appendix 1.

3.3 It is proposed that the COVID-19 Working Party comprises 6 elected Members; 3 Conservatives, 2 Liberal Democrats and 1 Independent. The Chairman shall be an elected Member from the Conservative Group.

4.0 ARGUMENTS/CONCLUSIONS

4.1 The terms of reference reflect the motion approved by Council on 21 May 2020 therefore Members are recommended to approve the terms of reference (Appendix 1)

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT

5.1 There are financial implications arising from this report.

5.2 Equality Impact Assessment (EIA) not required.

5.3 Carbon Impact Assessment (CIA) not required.

6.0 APPENDICES

6.1 Appendix 1: COVID-19 Working Party Terms of Reference

Background Documents

Council- 21 May 2020
(Agenda Item 9)

Location

Room 106
The Grange,
Ely

Contact Officer

Emma Grima
Director Commercial
(01353) 616960
E-mail:

emma.grima@eastcambs.gov.uk

EAST CAMBRIDGESHIRE COVID-19 WORKING PARTY

DRAFT TERMS OF REFERENCE

1.0 CONSTITUTION

- 1.1 The East Cambridgeshire COVID-19 Working Party, appointed by Finance and Assets Committee, shall comprise 6 elected Members. A Chairman will be elected at the first Working Party meeting.
- 1.2 The Working Party will continue until it completes the work set out in the Terms of Reference.

2.0 OBJECTIVES

- 2.1 To work with businesses, community groups and other authorities from parishes through to central government to help drive an environmentally, socially and economically sustainable recovery for East Cambridgeshire.

3.0 TERMS OF REFERENCE

- 3.1 Amongst the initiatives the COVID-19 Working Party should consider, but not be limited to, are:
 1. A business survey, whether that be a new survey or seeking to utilise those already being undertaken, to fully understand the needs and concerns of our business community, including sector specific needs, together with opportunities taken to change/improve, and represent our district in discussions with the Combined Authority;
 2. A parish council and community groups survey, to fully understand their needs and concerns and their capacity to assist with the recovery;
 3. Collecting alongside the collation of the results of the Bus, Walk, Cycle consultation, consideration of options for experimental transport initiatives which can be promoted to the Combined Authority and the county council County Council for speedy implementation to privilege promote active modes of travel to and within economic centres within the district;
 4. Engaging ECTC and the wider developer community to use the likely post covid housing market conditions as an opportunity to build more affordable and social housing; continue to maximise the delivery of affordable and social housing on sites across the district cognisant of economic viability;
 5. Exploring further opportunities to facilitate working from home and remote locations throughout the district through the deployment across the district of initiatives such as 5G and ultrafast broadband infrastructure.

When undertaking work on the initiatives referred to above, the Working Party may invite interested parties, stakeholders, Members and co-optees to address it, deliver presentations and / or answer questions.

4.0 OPERATION OF THE WORKING GROUP

- 4.1 The Working Group will agree a programme of work and a frequency of meetings that reflects the work to be undertaken.
- 4.2 The Working Party will be supported by Officers.
- 4.3 Minutes will be recorded for all meetings.

TITLE: Ely and Soham Masterplans

Committee: Finance & Assets Committee

Date: 18th June 2020

Author: Infrastructure and Strategy Manager

[V21]

1.0 ISSUE

1.1 To approve the draft Ely and Soham Masterplan documents for submission to the Cambridgeshire and Peterborough Combined Authority for adoption.

2.0 RECOMMENDATION(S)

2.1 Members are requested to:

- i. approve the draft Ely Masterplan, as set out in Appendix 1 for submission to the Cambridgeshire and Peterborough Combined Authority for adoption;
- ii. Approve the draft Soham Masterplan, as set out in Appendix 2, for submission to the Cambridgeshire and Peterborough Combined Authority for adoption; and
- iii. Delegate authority to the Infrastructure and Strategy Manager, in consultation with the Chairman of Finance & Assets Committee, to make minor amendments to the Ely and Soham Masterplans

3.0 BACKGROUND/OPTIONS

3.1 The Cambridgeshire and Peterborough Combined Authority (CPCA) is working in partnership with district councils to develop a Masterplan for Growth for every market town in the Combined Authority area. These will be non-statutory plans that establish how the future growth of the towns will contribute to the Combined Authority's 2030 ambitions and enable them to become, and remain, vibrant and thriving places in their own right.

3.2 The Masterplans for Growth will result in market towns having a shared ambition for the future which authorities, businesses and community can unite behind. They will focus collective resources on these shared priorities and be used to unlock new investment to support future growth from both the Government and private sector to makes these plans a reality.

4.0 ARGUMENTS/CONCLUSIONS

Ely Masterplan

4.1 The Ely Masterplan identifies three opportunity areas for Ely; The Station Gateway, the City Centre and Connectivity (improving digital connectivity and transport infrastructure improvements).

4.1.1 Station Gateway

It is a long-standing ambition of the Council to progress improvements at The Station Gateway. Including this in the masterplan is a key step to realising this ambition. As referenced in the implementation plan, to move this work forward, there is a need to review the area (including landownership) and create a prospectus that set out the aspiration for the area.

4.1.2 City Centre

It is anticipated that COVID-19 will have an impact on Ely City Centre. There is a need for the Council to assess and understand what the impact is and for this reason the Council, working with all of the stakeholders, cannot begin to shape the future of the city centre without this evidence. The implementation plan addresses this need.

4.1.3 Connectivity

The masterplan recognises the importance of both digital and transport connectivity. The implantation plan provides the first steps to be taken to improve connectivity in Ely.

The Council will use the outcome of its Bus, Cycling and Walking consultation that will inform future plans for Ely which will inform a future iteration of the implementation plan.

Soham Masterplan

4.3 The masterplan for Soham identifies four opportunity areas for Soham; a Repurposed, Resilient Town Centre, Transport-driven Regeneration, Grow-on Space and Skilled Labour for Agritech Startups and a New Leisure & Culture Offer.

4.3.1 Repurposed, Resilient Town Centre

It is anticipated that COVID-19 will have an impact on Soham Town Centre. There is a need for the Council to assess and understand what the impact is and for this reason the Council, working with all of the stakeholders, cannot begin to shape the future of the town centre without this evidence. The implementation plan addresses this need.

4.3.2 Transport-driven Regeneration

Transport connectivity is vital to the future development of Soham. The implementation plan seeks to address the issues and opportunities for Soham.

4.4.3 Grow-on Space and Skilled Labour for Agri-tech Start-ups

The masterplan recognises the success that Soham has in Agritech and seeks to build on this success. The implementation plan enables the next steps to deliver this ambition.

4.4.4 New Leisure & Culture Offer

The masterplan recognises the importance that a Leisure & Culture offer has on a developing Market Town. At this stage it is important to undertake more work to develop this offer in Soham. The first steps to do this are identified in the implantation plan.

4.5 Consultation

At this stage the masterplans for Ely and Soham are developed as a high-level document that will act as a foundation for the future vision for Ely and Soham.

The next stage of work is identified in the implementation plan for each of the areas. It will be essential for the Council to consult and work with the relevant stakeholders throughout the implementation stage.

4.6 Next steps

4.6.1 The draft masterplans will act as a prospectus for Ely and Soham to secure both support and funding for the schemes identified both within the masterplan and the implantation plan. The Combined Authority has allocated a total of £10m to support the delivery and implementation of the approved Market Town Masterplans (excluding St Neots).

4.6.2 Members are recommended to approve the masterplans for submission to the Combined Authority.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT

5.1 There are no additional financial implications arising from this report. The development of the masterplans was funded by CPCA.

5.2 Equality Impact Assessment (EIA) not required.

5.3 Carbon Impact Assessment (CIA) not required.

6.0 APPENDICES

6.1 Appendix 1: Draft Ely Masterplan document.

6.2 Appendix 2: Draft Soham Masterplan document.

Background Documents

None

Location

Room 13
The Grange,
Ely

Contact Officer

Sally Bonnett
Infrastructure and Strategy Manager
(01353) 616451
E-mail:
sally.bonnett@eastcambs.gov.uk

Appendix 1

A Market Town Plan for Ely

Contents

About this document	3
Introduction	4
A vision for Ely	5
Area of focus 1: Station gateway	15
Area of focus 2: City Centre	19
Area of focus 3: Connectivity	24
Implementation Plan	28

About this document

This document has been commissioned by the Cambridgeshire and Peterborough Combined Authority (CPCA), working in partnership with East Cambridgeshire District Council. This Market Town Plan is a series of living documents, owned and updated by local partners including the District Council and the Combined Authority.

The devolution deal which created the combined authority recognises the **important role of market town economies** in growing the wider Cambridgeshire and Peterborough economy. A masterplan for each of the eleven market towns across the region provides the opportunity to look at the unique features of each town, and offers deliverables which will benefit the immediate and wider economy.

This Market Town Plan for Ely endorses Mayor James Palmer's target for the combined authority region to **double its Gross Value Added (GVA) over the next twenty-five years**. To achieve this, market town economies must 'do their bit' – the interventions outlined in this document have been selected for the purpose of achieving this.

We don't expect everything in this document to be funded immediately. There are some quick wins where an injection of funding can get things moving. For other projects, we will need to spend time developing detailed plans and compelling investment cases before we can begin to leverage in funding. While the Cambridgeshire and Peterborough Combined Authority (CPCA) has funded this report, and is keen to invest in our city, we know we will need to build a coalition of supporters, including central government, to get some of the schemes detailed here delivered.

As part of this dialogue with central government, this document signposts a recovery plan from the economic consequences of Covid-19. We have identified positive responses to the global economic shock, which, with government support, will relaunch our local economy, ensuring that our city comes out of the current crisis stronger than it was before.

Introduction

The historic city of Ely sits nestled alongside the River Great Ouse and is crowned by its impressive Norman cathedral, known fondly as ‘the ship of the Fens’, for its protruding presence against the flat landscape. Those visiting Ely on one of its market days¹ will be sure to experience the city’s bustling character.

Though city by status, Ely’s economy is categorised alongside Cambridgeshire and Peterborough Combined Authority’s **market town economies**. Market towns vary in size, provision, and performance - Ely is the largest market town economy in context of East Cambridgeshire, estimated as contributing 32.7% of the district’s GVA.

Ely is the most developed market town economy in East Cambridgeshire and acts as a retail, service and administrative centre for a wide rural catchment. Its commercial centre has undoubtedly experienced the Cambridge effect and is destined for further growth. In a recent market town workshop attended by businesspeople based in Cambridge, Ely scored as the most familiar economy, averaging at a familiarity score of 7.5/10.²

The interplay between Ely’s offers plays to the Combined Authority’s ambition: ‘delivering a leading place in the world to **live, learn and work**’.

- **Live:** Housing provision, access to environment and leisure opportunities, amenities, strong connectivity
- **Learn:** A competitive education offer, with plans for an additional primary school
- **Work:** An important commuter city for Cambridge, with direct rail connectivity to London, also attracting high levels of inward commuting for work from other market towns and rural communities.

Ely’s charm and competitive education offer will continue to make it a desirable place to live, but this is insufficient in attracting investment essential to support and grow the local economy. Ely’s proximity to Cambridge will be viewed as a missed opportunity if other market town economies ‘step up’ to the challenge of providing a complementary and competitive alternative.

This market town plan focuses on prioritising Ely as a leading place to work. This involves building a strong, competitive and specialist commercial reputation which is supported by Ely’s housing and educational offer.

¹ 3 main and 3 ‘mini-markets’ per week, with a farmers’ market twice a month

² Cambridge Ahead, Market Town Workshop

A vision for Ely

There are already lots of good things happening in Ely. **This document delivers a vision for Ely, structured around economic recovery from Covid-19 and growth.**

The overview of Ely draws upon a broad analysis of available data. Interventions outlined in this vision are supported by an action plan at the end of this document.

Our vision is driven by three major opportunity areas, which have been identified as priorities to secure economic growth in Ely and its surrounding area as well as contributing to doubling Cambridgeshire and Peterborough's GVA targets.

Ely's output (GVA) was £566m in 2017 – doubling this would place Ely's GVA at over 1 billion.

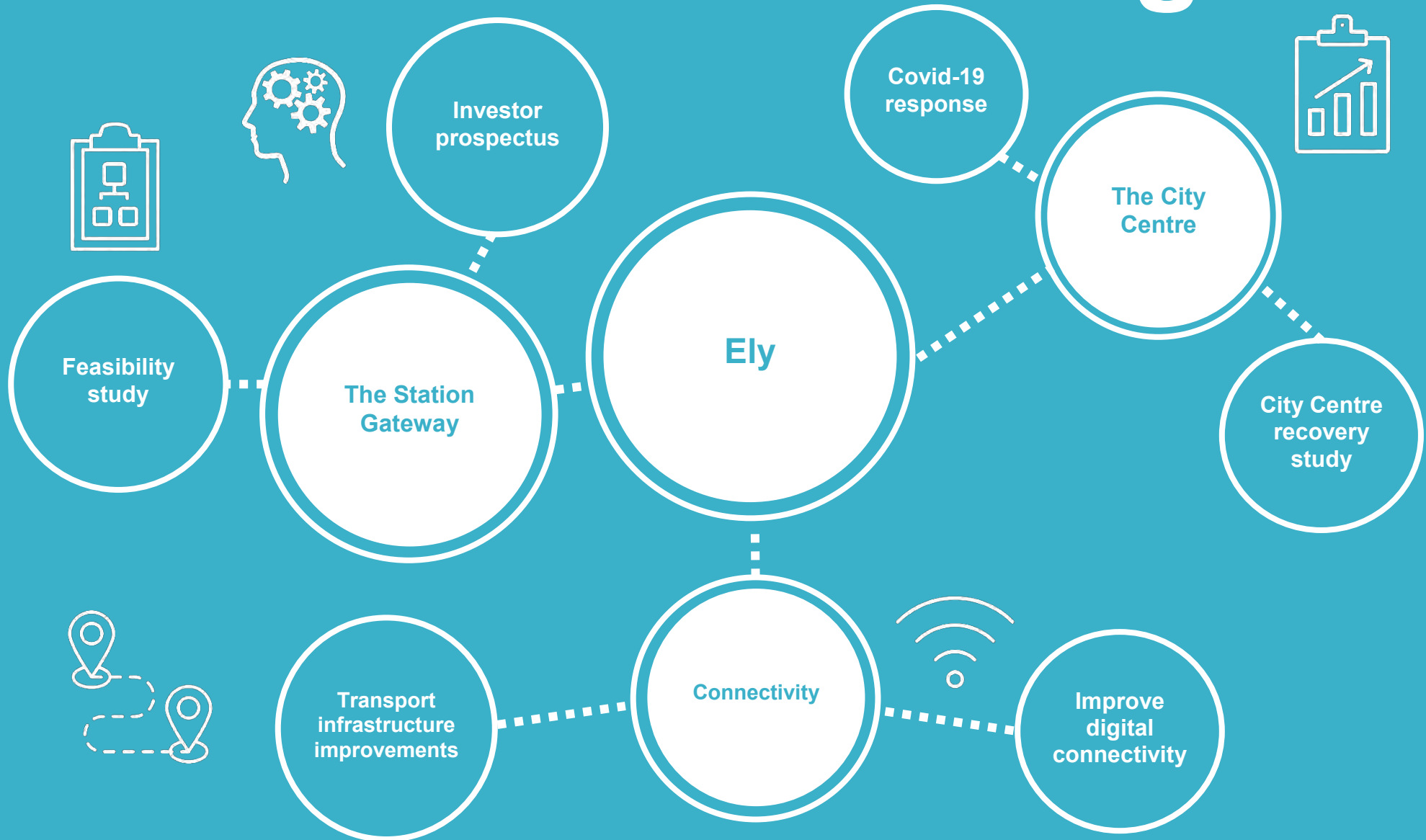
The **three opportunity areas** for Ely explored in this document must be prioritised to deliver maximum economic growth in Ely, and its surrounding area. These are as follows:

1. The Station Gateway
2. The City Centre
3. Connectivity

This market town plan recognises that local business bases across the country have been heavily affected by Covid-19 induced economic consequences. Under the direction of precise immediate to short-term actions, local economies can position themselves on the path to recovery. This market town plan looks at the city's role as a service centre for the district highlighting medium-term to long-term investments that are essential to Ely's expected economic trajectory. Support and funding for these three opportunity areas underpin predicted economic growth for the district and Combined Authority economy.

Ely needs to react to the changing market and position itself competitively with other market towns and the Cambridge economy. To achieve this, Ely must build itself a commercial reputation that is well thought out - both contemporary and future proof, offering a broad employment mix and facilities, digital connectivity for businesses and improved road infrastructure.

The Plan on a Page

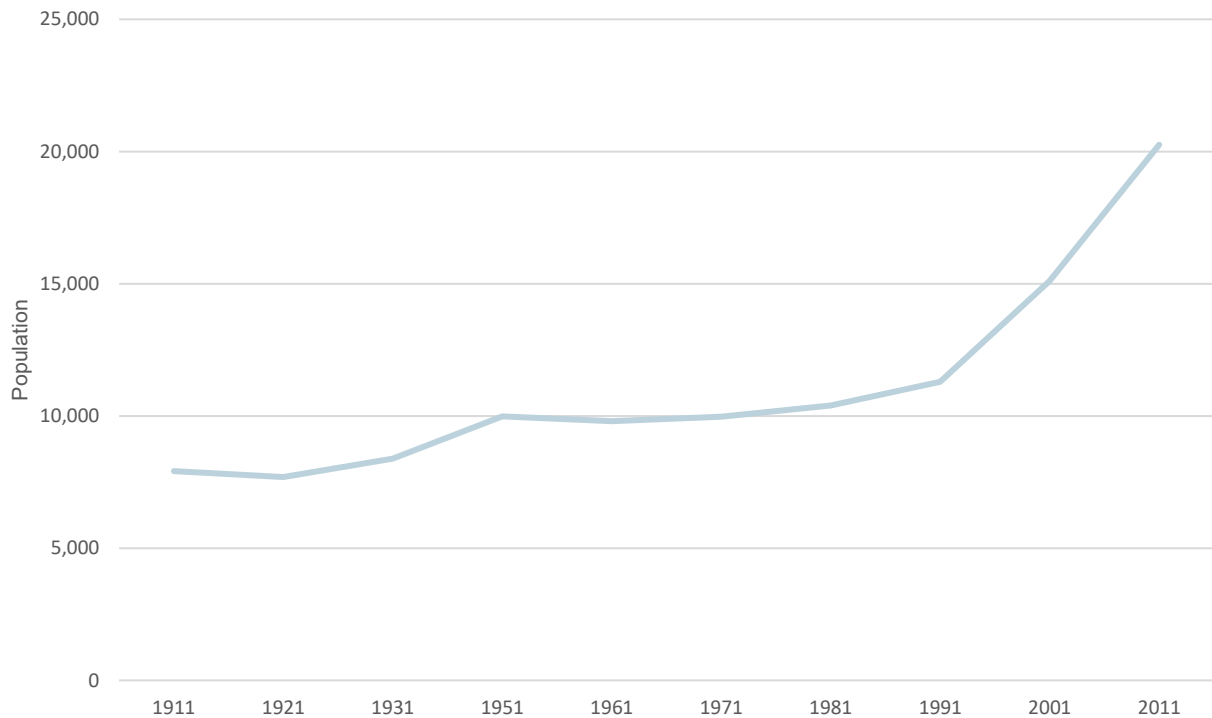


An overview of Ely

An attractive place to live and work

The population of Ely almost doubled between 1981 and 2011 (see fig. 1). This dramatic growth has been followed by a much slower pace in recent years, of 4% between 2013 and 2018.

Figure 1. Ely's population over the last hundred years, 1911-2011

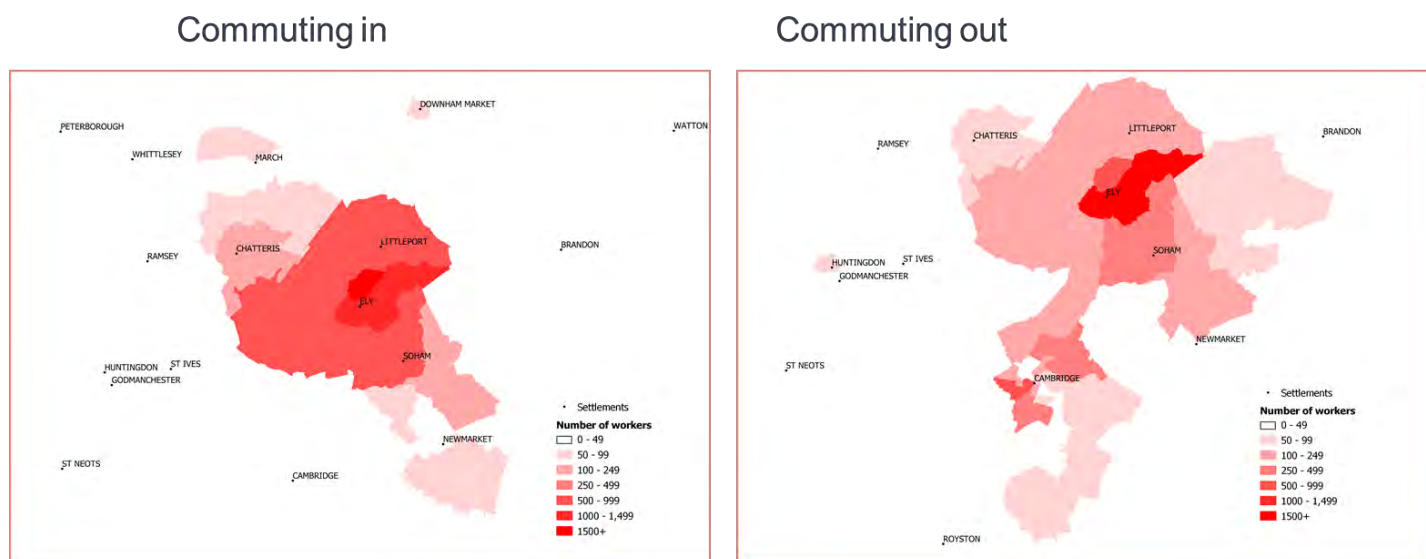


Source: Census 2011

Ely's population is expected to grow by more than 35% by from 2016 to 2036. And like all Cambridgeshire market towns, Ely's population is expected to age - there are to be an estimated 2,840 more over-65s living in Ely by 2036 - an increase of 76% from 2016. Interestingly over the last five years, the 25-44 age group has declined in size, this may raise concerns about the future vitality of the city.

Ely is an important commuter city for Cambridge, but also attracts high levels of inward commuting for work from the other market towns and rural communities. (see fig.2)

Figure 2. Commuting data



Source: Census 2011

Ely is the primary centre of economic output in the district

Ely produces almost a third of East Cambridgeshire’s Gross Value Added (GVA), making it the primary centre of economic output in the district. (see fig.3) Ely’s significant economic output is focused on **manufacturing, property and retail** and Ely produces a proportionally high level of economic output in the **service industry**.

Five out of ten of Ely’s top specialisms are in Manufacturing - Ely is over *nine times* more specialised than Great Britain in the Manufacture of computer, electronic, and optical products. Another specialism is Scientific Research and Development, in which Ely is nearly 3.5 times more specialised than Great Britain.

Figure 3. Estimated GVA

Geography	GVA by District – 2017 prices	GVA by District (% of East Cambridgeshire’s total GVA)
Ely	£566m	32.7%
Soham	£190m	11%
Littleport	£126m	7.3%
Other	£849m	49%

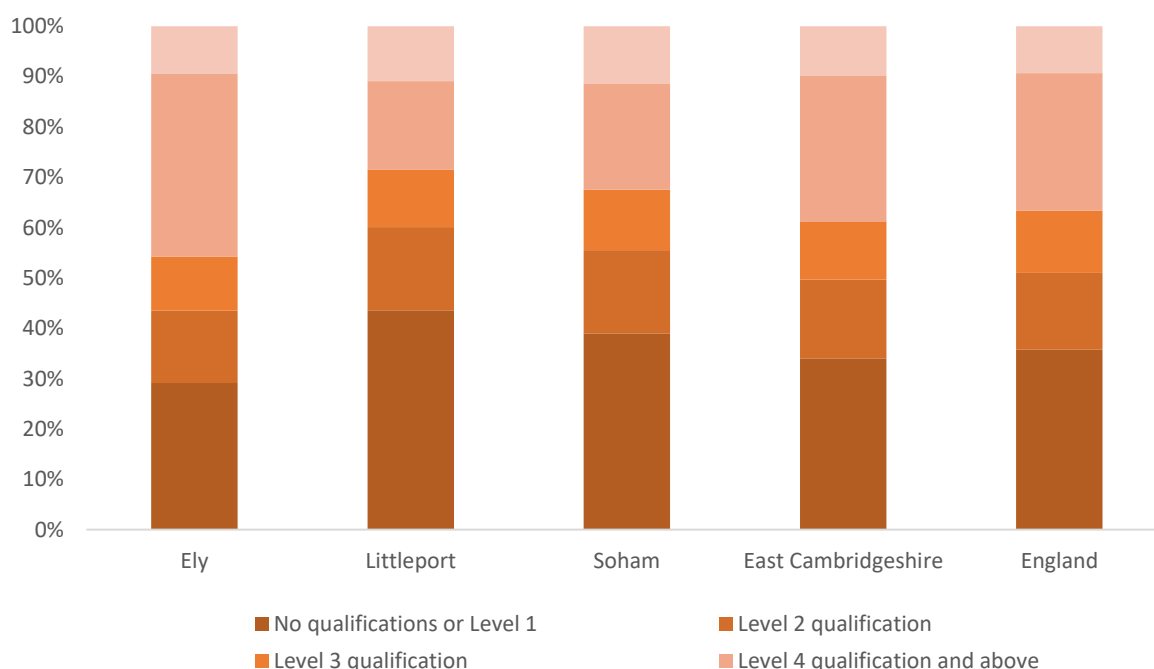
Source: East Cambridgeshire District Council

A highly skilled population

Ely's population has a higher percentage of residents with Level 4 qualifications and above than market town comparators, the East Cambridgeshire average and England average. It also has a lower proportion of Level 1 or no qualifications than the above comparators. (see fig. 4)

Ely is a desirable place for professional and highly skilled workers to live. Just under half of Ely's residents are employed in the three highest skilled occupations (Managers, directors and senior officials, Professional occupations and Associate professional and technical occupations) this is higher than the district, county and country average.³ Though, Ely's skilled workers command higher wages by commuting out of the district. The median wage for a resident of East Cambridgeshire (£24,885) is significantly higher than the average worker in the district (£21,147).

Figure 4. Level of qualification attained by geographical area



Source: Census 2011

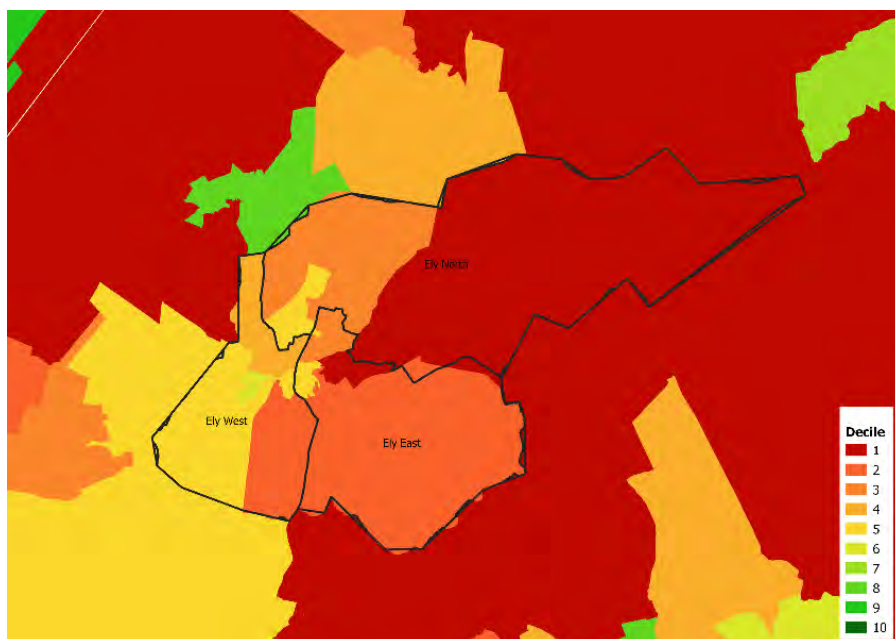
Relatively low deprivation

Ely has relatively low levels of deprivation as a whole, but some parts of the city are more deprived than others. The Index of Multiple Deprivation (IMD) is a relative measure of deprivation constructed by combining seven domains of deprivation according to their respective weights. The domains where Ely scores as more highly deprived are Barriers to Housing (see fig. 5) and Services and Education, Skills and Training Deprivation (see fig. 6),

³ Highest skilled SOC occupations

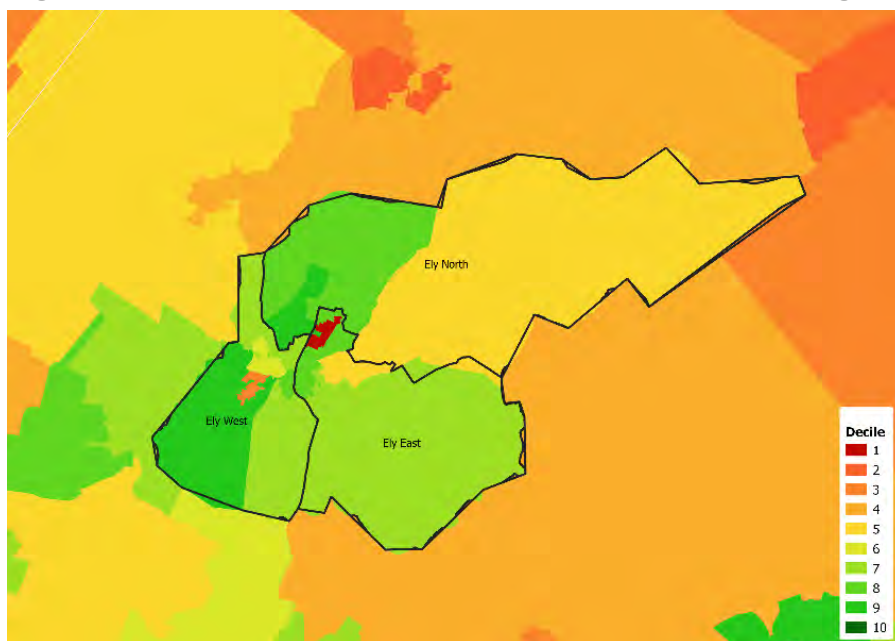
on both counts some neighbourhoods in Ely are among the 10% and 20% most deprived neighbourhoods in the country.

Figure 5. Deprivation Indices – Barriers to Housing and Services



Deprivation spanning from Barriers to Housing and Services is high across most of Ely, but is considerably higher in neighbourhoods in Ely North (the dark red shows neighbourhoods among the 10% most deprived in the country), followed by the majority of Ely East and parts of Ely West (the dark orange shows neighbourhoods in the 20% most deprived in the country). Ely West is the relatively least deprived, with neighbourhoods in the west of the ward among the 50% most/least deprived neighbourhoods in the country. These neighbourhoods are around the built-up area of Ely.

Figure 6. Deprivation Indices - Education, Skills and Training Deprivation



Source: MHCLG (2019)

Generally, levels of deprivation in Education, Skills and Training Deprivation are relatively low. Ely West is the relatively least deprived ward, with the exception of a neighbourhood that is among the 20% most deprived in the country. Moving into Ely North, neighbourhoods fall in line with the median levels of deprivation (50% most/least deprived). The dark red neighbourhood in Ely East is the City Centre, and among the 10% most deprived neighbourhoods in England.

A competitive education offer

Ely has a good provision of schools – nine primary schools, one secondary school, one independent school (Acromont & Nursery, Junior and Senior) and one special school. Nine out of ten schools that have undergone Ofsted review have been awarded ‘good’ status.

Ely is also part of the **Fenland and East Cambridgeshire Opportunity Area**, which looks to tackle social mobility challenges through additional education funding.

Early years and primary education

Ely has a higher proportion of early years achieving ‘at least expected at all early learning goals’ and achieving a ‘good level of development’ than the averages for Cambridgeshire and the UK. In primary education, KS2 students achieving the expected standard in reading, writing and maths combined is lower in Ely than the county and national averages - 60.2% compared to the county (62.8%) and UK averages (65.3%).

Secondary schools and sixth form colleges

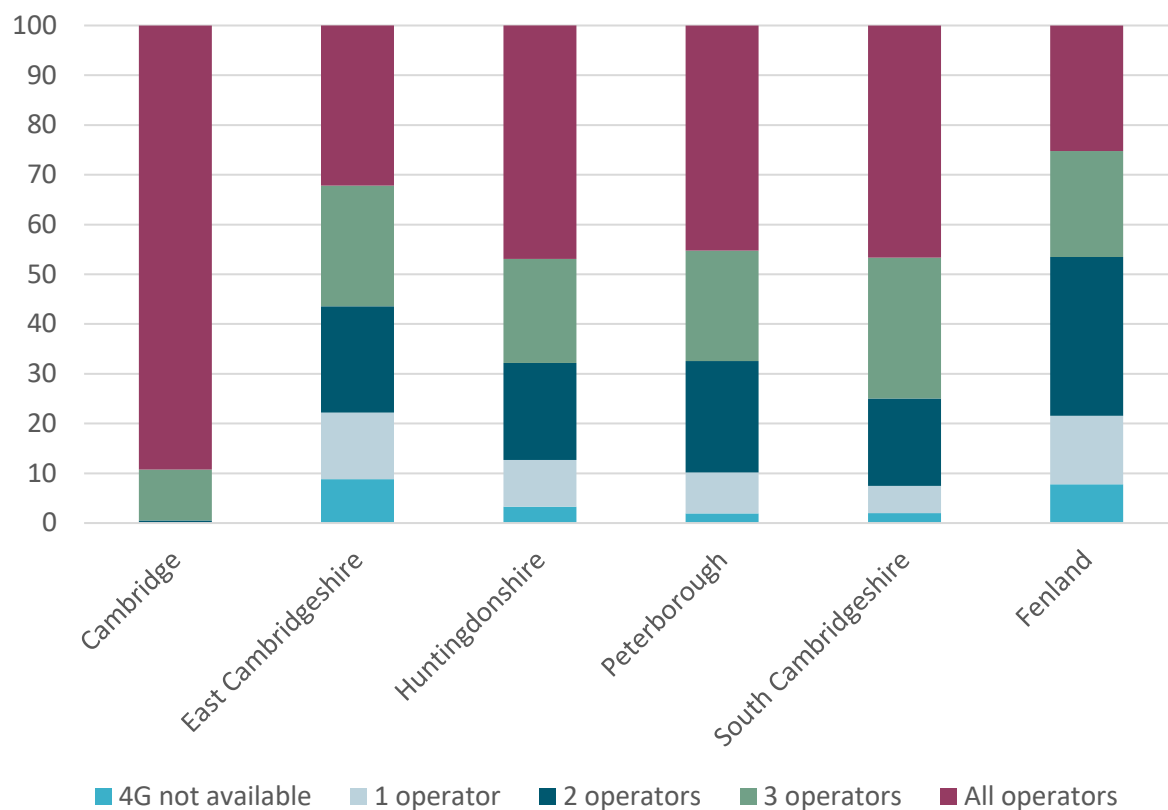
There is a disparity between secondary school provision, with King’s Ely performing above the Cambridgeshire and England averages in the % of secondary school pupils achieving a 9-5 pass in English and Maths GCSE. Ely College performs just below the Cambridgeshire average and just shy of the England average.

Sixth form performance shows King’s Ely has a higher average for A Levels and Bishop Laney Sixth Form offers a range of Level 3 Vocational Courses, A Levels and Level 2 and performs well.

Digital connectivity – with varying strength and provision

Poor mobile coverage is a district-wide issue. East Cambridgeshire has the highest % of premises without 4G in Cambridgeshire and Peterborough. The chart overleaf shows it performs only marginally above Fenland in the next bracket, in being the second most likely district to only be covered by one mobile operator. (see fig. 10) Ely Cathedral and City Centre are both recognised in the Combined Authority’s ‘Top 20’ priority locations for mobile coverage improvements.

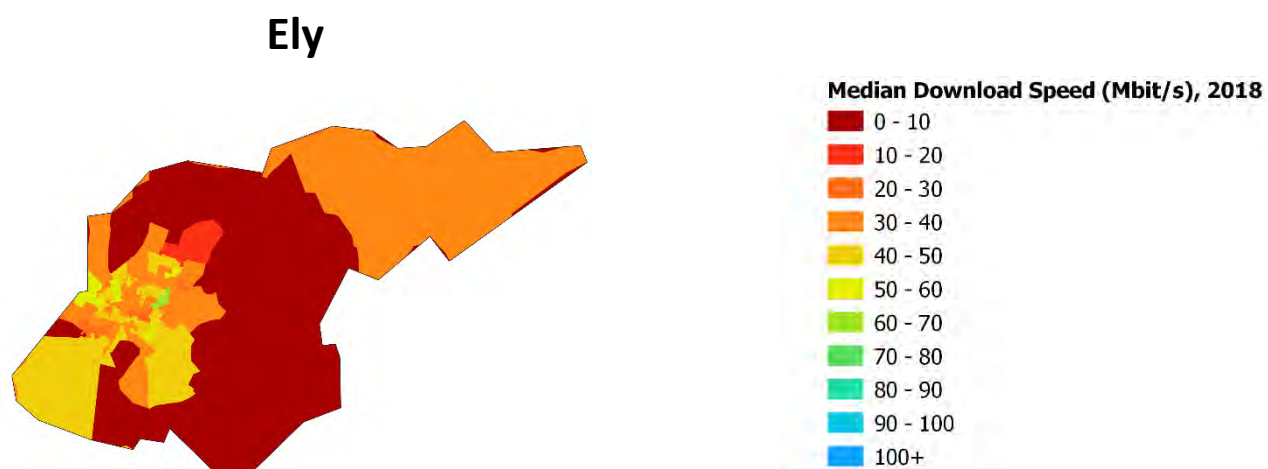
Figure 10. Mobile signal - % of premises, by number of mobile phone operators giving coverage, by district



Source: Ofcom Connected Nations Spring Update 2018, output area level

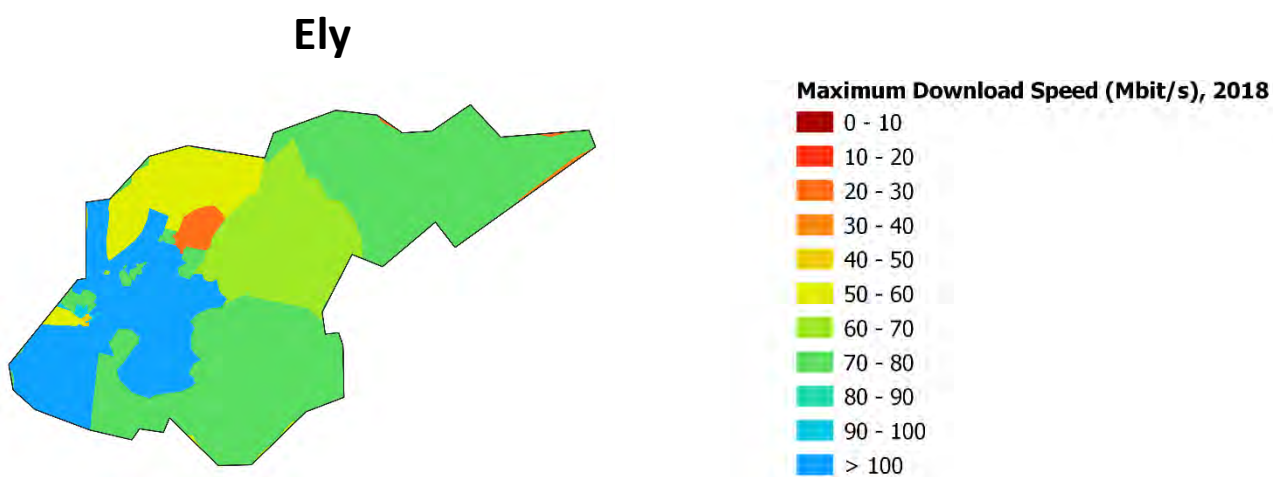
Ely suffers from slow median broadband download speeds, with the exception of the city centre. Large areas of Ely are within the 0-10 Mbit/s decile as shown in the map below and not everyone has the means of accessing broadband. (see fig. 11)

Figure 11. Broadband: median download speed



On the other hand, most areas of Ely have access to speeds within the superfast category. (see fig. 12) 'Superfast' broadband is measured as a service that offers speeds of more than 24Mbit/s.) But this is not enough for many businesses, particularly in data-heavy sectors where ultrafast and full fibre are needed.

Figure 12. Broadband: maximum download speed



Source: Ofcom Connected Nations Spring Update 2018, output area level

Good public transport connectivity via rail, while Ely's bus services leave room for improvement

Weekday transport is made efficient by rail, directly connecting Ely with Cambridge (both the central station and Cambridge North), King's Lynn and London. The new Cambridge South station will provide a rail link to the south of Cambridge. Many combine this with active travel (cycling and walking), as Ely has a higher than average proportion of people commuting to

work by train, bike, and walking than the district, region and England averages. However, there is still an issue about how people can access the station. Access from the rural hinterland is a more difficult problem and may still be car based for the foreseeable future

Bus services are less efficient. While they offer direct services to Soham, Littleport and Cambridge – their frequency is often every two hours. There is need to change buses to reach March and Newmarket, St Ives and Huntingdon which significantly increases travel time, in comparison to that by car and when different service providers operate the route, passengers may face variable ticketing charges.

The district is predominantly rural with a dispersed population, which creates challenges in providing a comprehensive public and active transport network. Many local communities are reliant on the car as their only transport option to access Ely.

There is a need and an opportunity to change the whole balance of transport use and provision in order to underpin the economic viability of Ely City Centre, the new residential communities on the edge of the city, and its rural hinterland. This strategy will need to examine what the key elements of such change should be and how they should be brought into effect.

Area of focus 1: Station gateway

Introduction

The station gateway has been identified as the key to achieving the target of doubling GVA - the new hub will work in tandem with the Enterprise Zone at Lancaster Way Business Park as Ely's commercial hubs. Strategic redevelopment is essential to support existing businesses in the station gateway area, as well as to attract new businesses to this prime location and broaden the employment mix.

The area in question lies between green space on either side and backs on to the River Great Ouse, and the Ely Southern Bypass (see orange shaded area on map below). The value of this area was recognised in the East Cambridgeshire Core Strategy (2009), Ely Masterplan (2010), and North Ely: Joint Strategic Masterplan (2013), yet the case for redevelopment of the station gateway has never been stronger. A fresh approach to the station gateway project provides opportunity to reflect what the current market can deliver.



Developing the commercial offer

The station gateway area already serves a commercial function - the Cambridge Business Park and The Dock Business Park (both a short walk from the station) accommodate approximately 40 companies including:

- ALS Food and Pharmaceuticals (Pharma testing)
- Shearline Precision Engineering (Manufacturing)
- IT Governance (Data protection)
- Oil & Gas Systems
- Thorlabs (Hi Tech Manufacturer)

The new station gateway will be characterised by specialist companies, similar to those identified above. Ely's commercial offer will attract high skilled workers from the Cambridge ecosystem and encourage business start-ups.

Rail connectivity

The station is a huge asset to Ely, offering direct journeys to Cambridge and London King's Cross and an interchange to Stanstead Airport, Ipswich, Norwich, King's Lynn, Peterborough and further afield to the midlands and the north. The station gateway's commercial offer will continue Ely's trend as an inbound commuting destination.

Integrating the station gateway into the city

The aesthetic of the station gateway area is a harsh contrast to the city centre, much of which is a conservation area. From the elevated station entrance there is a dramatic view up Station Road and Fore Hill to the Cathedral. The proximity of the Cathedral, the old buildings along station Road, and the steepness of the slope of the island, accentuate the visual and physical dominance of the Cathedral from this view. Landscaping the development will soften what is currently dominated by tarmac, and improve the impression a visitor receives upon arriving in Ely.

Creating a natural pedestrian flow to the river and city centre will incorporate a transitioning of green and blue space that surrounds the station gateway area and is such an asset to Ely.

1. Feasibility study

The station gateway area involves a significant number of stakeholders – several key landowners and tenants have been identified by the District Council. A feasibility study will need to be conducted to determine opportunities for development in this area, which will include a site options appraisal and require consultation with key stakeholders and landowners.

2. An investor prospectus setting out the vision for the station gateway

It is important to look forward to what we want the station gateway to be, and some of its components. Once the commercial vision for the area has been agreed, an investor prospectus will be a vital document to pitch Ely station gateway to potential investors.

A vision for the station gateway development may include:

Provision for a broad employment mix

The commercial quarter needs to support businesses which are already located in the station gateway area and attract new talent.

The vision for Ely recognises an opportunity to develop the city's commercial reputation. Centre for Cities research indicates that successful city centres are supported by **'knowledge-based'** industries such as marketing, finance and law.⁴ Just 20 miles from the station gateway is Cambridge Biomedical Campus, Europe's largest centre of medical research and health science. The proposed new Cambridge South station will provide a rail link from Ely to this. Ely needs to position itself as a key component in the Cambridge ecosystem, particularly attracting these knowledge-based companies. One way of strengthening Ely's commercial reputation is for the station gateway redevelopment to reflect Ely's **sector specialisms**, such as the manufacture of computer, electronic, and optical products, and pharmaceuticals.

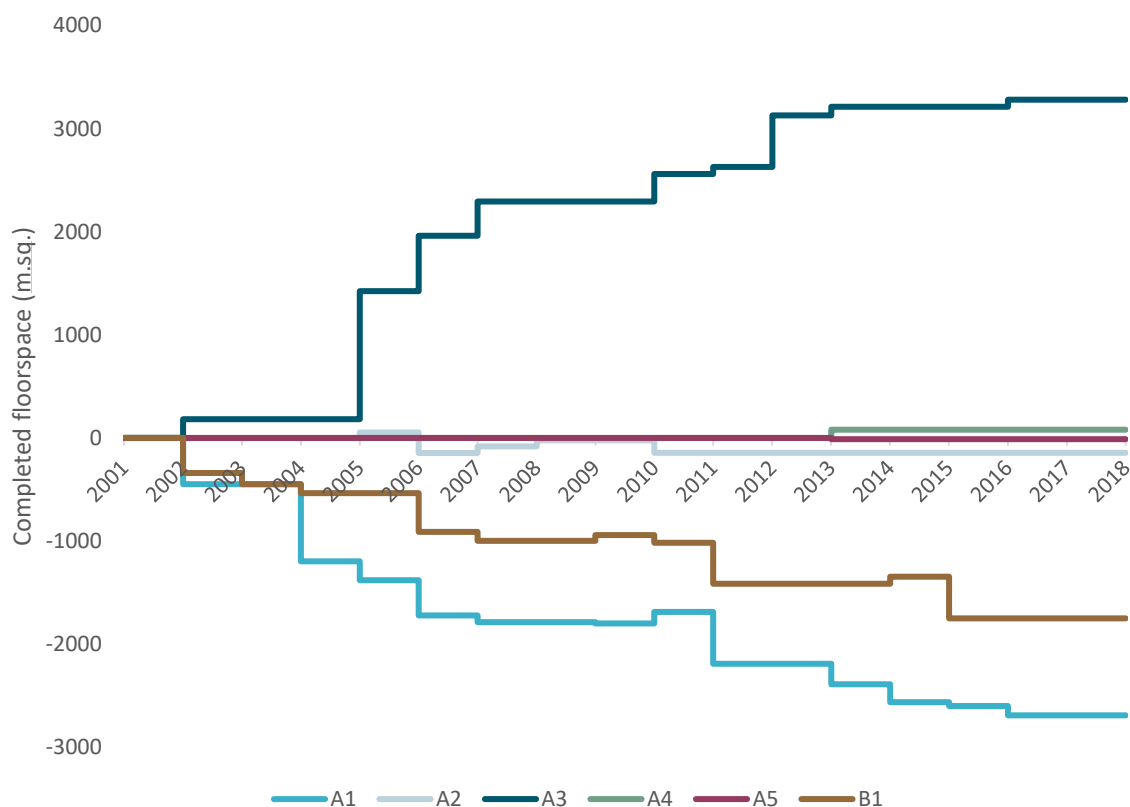
New talent also includes **business start-ups** - attracting entrepreneurs to grow their business in Ely. The District Council's e-space South business centre already provides some office space for small businesses, but the station gateway needs to include provision for growth space and be integrated into a business support network provided by the District Council and Combined Authority

Introduction of high-quality business space into the city

The station gateway offers companies a prime location to base their business, with strong rail and road connectivity and close proximity to the charming city centre. Introducing more office space into the city responds to demand and lack of current provision - looking at change of use data reveals a steady decline in office space (land use class B1). One reason for this is that permitted development rights have led to offices being converted to residential uses. (see fig. 7).

⁴ <https://www.centreforcities.org/press/open-for-business-britains-strongest-city-centres-suggest-the-high-street-is-not-dead/>

Figure 7. Changes of use: net gains/losses in space since 2001 by planning use class



Source: Cambridgeshire County Council, CoStar

If the station gateway is to secure Ely's role in the Cambridge ecosystem, the site needs to offer **high-quality business space** - attracting firms who may be looking to expand or relocate their headquarters.

State-of-the-art facilities

Over time, we need to work towards provision of state-of-the-art facilities – including laboratory space, training facilities, and conference suites.

As a starting point, the station gateway should include **co-working spaces**, which are becoming increasingly popular amongst smaller businesses and self-employed workers.

Additional car parking

The station gateway will need to include additional car parking, catering for the businesses and commuters.

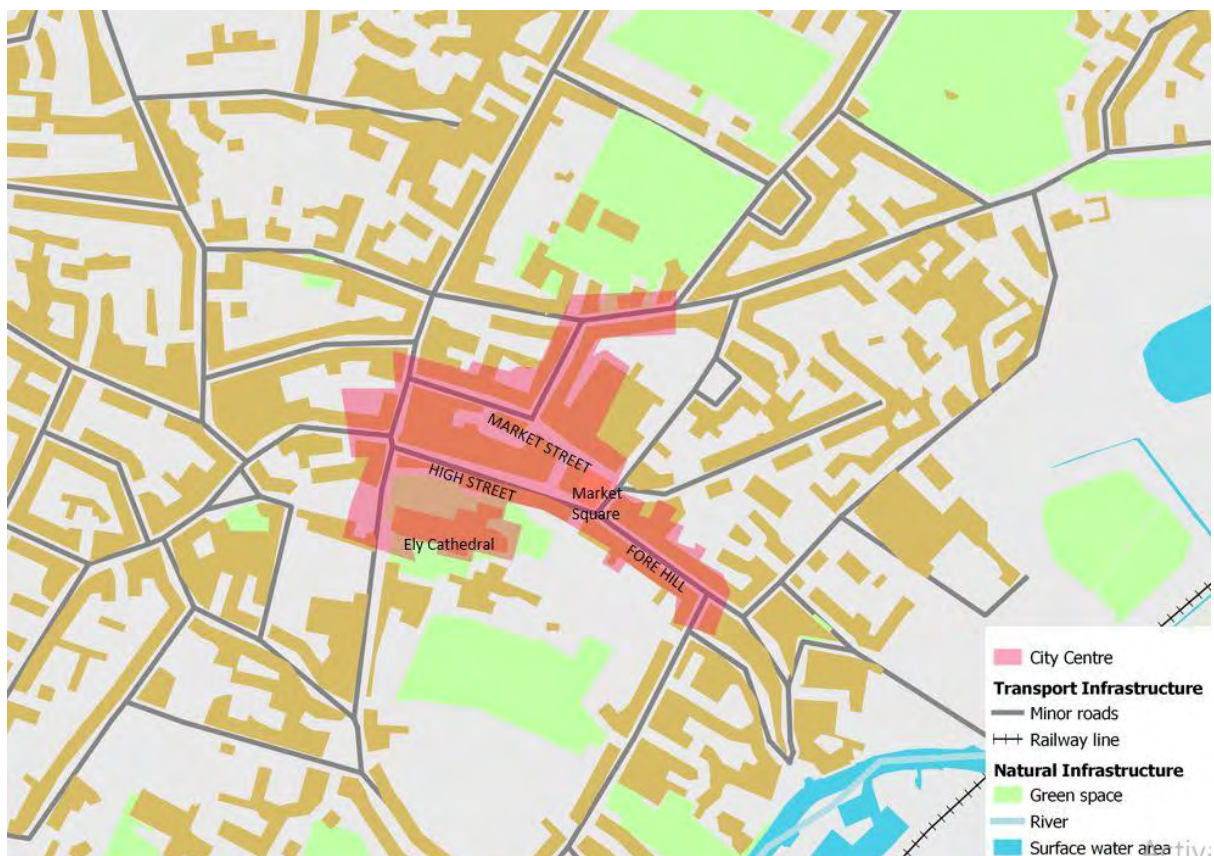
Area of focus 2: City Centre

Introduction

Ely's city centre has developed around its historic core (highlighted in red on the map below). A number of important sites including Ely Cathedral, Ely Market, Ely Museum, Oliver Cromwell's House and the Cloisters are located in this small geography. Ely city centre therefore provides a varied offer to visitors and residents, including:

- Heritage
- Retail
- Leisure

The above offer attracts 1.5 million visitors annually and can be enjoyed by tourists as well as people who live and work in Ely. Headlines from a 2017 study revealed Ely Markets generated turnover of more than £5 million per year, with market customers going on to spend a further £10 million in the wider Ely economy.



The impact of Covid-19 has had an instant dramatic effect on local economies

Across the UK people are restricting movements to key work, essential goods, and exercise. Covid-19 has caused a shift in behaviours overnight, many businesses have been ordered to close, to furlough staff or instate a work from home policy. A change to business models has seen a number of companies rely or revert to a 'takeaway' service, or to move their business online.

In the Combined Authority area, restrictions around travel have impacted the movement of people, with patronage on buses down by 90%.⁵ In Ely city centre, the government-required lockdown has prevented people from using the space as they would usually. Sectors in Ely city centre recognised as being particularly vulnerable to this economic shock are retail, leisure and hospitality.

The economic impact of Covid-19 poses direct challenges to the future of Ely city centre, including an uncertain future of tourism and Ely's experience economy.

- **Tourism** – Ely will remain a desirable place to visit on account of its built and natural environment, but visitor patterns are likely to change as a consequence of the pandemic. This may be short-lived, particularly around international tourism – but we must not allow complacency in assuming things will return to 'how they were before'.
- **Experience economy** – Pre Covid-19, Ely's "experience economy", which includes visitor experiences and unique cultural attractions, could be considered as healthier than other market town offers. A stand out element of this would be Ely's food and drink offer, since 2001 change of use has added an extra 3.000 m.sq. of floorspace in Ely to food and drink planning use.⁶

The experience economy has been hit hard by the impact of Covid-19, and despite government support, many smaller businesses will be uncertain about their future. For those businesses that do stabilise and recover in the short-term, the question of how long it will take for patterns of demand to return is paramount.

1. Immediate Covid-19 response

Covid-19 poses an immediate challenge to ambitions for the city centre, therefore it is important that local businesses are **signposted to existing and emergency support** offered by the District Council, Combined Authority and Government.

⁵ CPCA Transport committee, Covid-19

⁶ Cambridgeshire County Council, CoStar

2. Developing an evidence-based city centre strategy

Understanding the local economy plays a crucial role in directing local authorities' response to the Coronavirus pandemic. **An immediate action is for East Cambridgeshire District Council to produce a bespoke study of Ely's economy to inform a Covid-19 response.**

This must include:

- The latest research
- Best practice from around the UK and abroad
- Labour market assessment (particularly around universal credit data, and unemployment and redundancy figures)
- Business premises assessment (monitoring vacancy rates for different types of businesses)

These findings will work into a **district wide Covid-19 economic recovery strategy**, which will include recommendations for individual market town economies including a sectoral response.

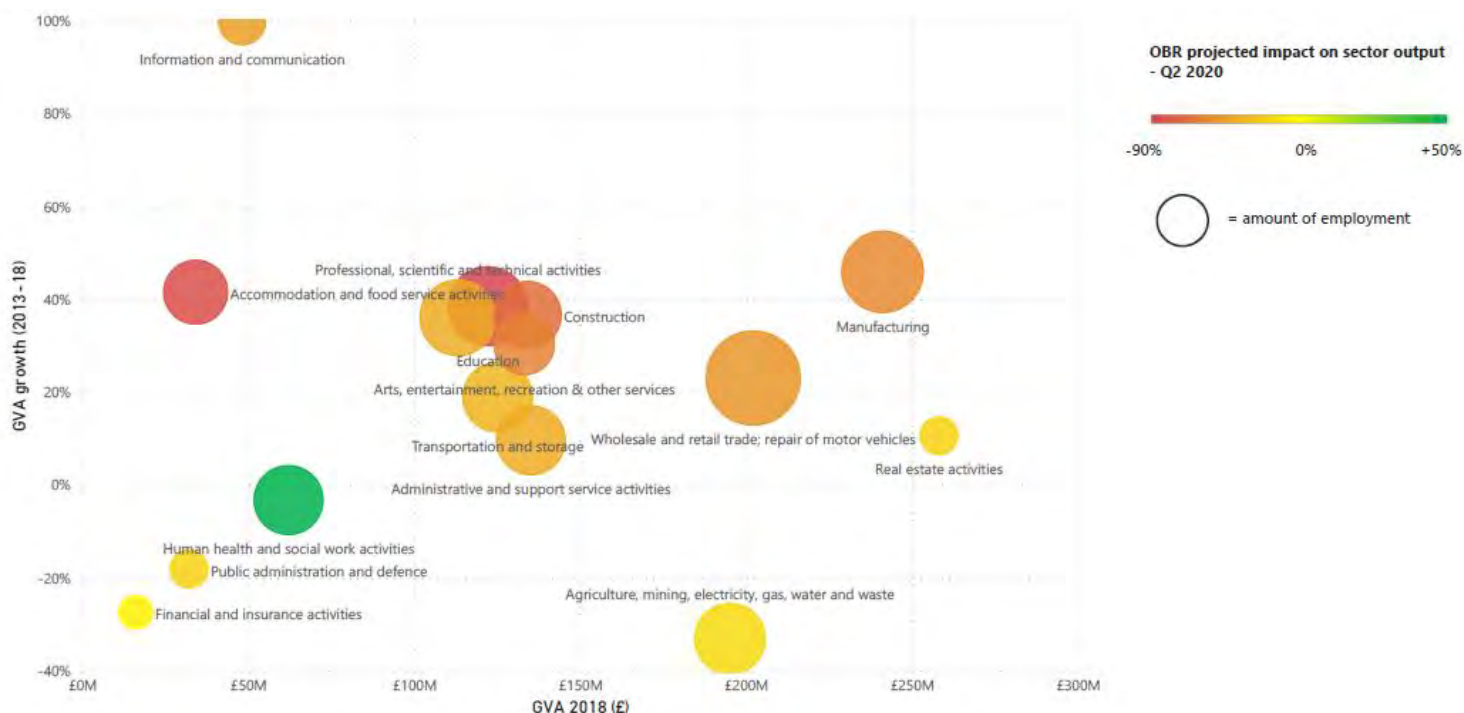
Before this detailed study implements a Covid-19 economic recovery strategy it is useful to assess data that is already available.

Economic vulnerability assessment

Looking at the mix of sectors and professions is a useful starting point for Ely's recovery post Covid-19. The graph overleaf (fig. 8) shows the most at-risk sectors in East Cambridgeshire according to OBR estimates are in tourism and professional, scientific and technical services. In particular, Ely's fast-growing IT sector, which has doubled its output in five years, is at medium risk.

Some of the least affected sectors, financial and insurance, public admin, health, are a small and shrinking part of the economic mix. Whilst the oranges and reds are more typically the bigger, growing sectors - this poses existential threat to the business community in Ely should the recession turn out to be longer-lived.

Figure 8. OBR projected impact on UK sectors, by local GVA, growth and employment



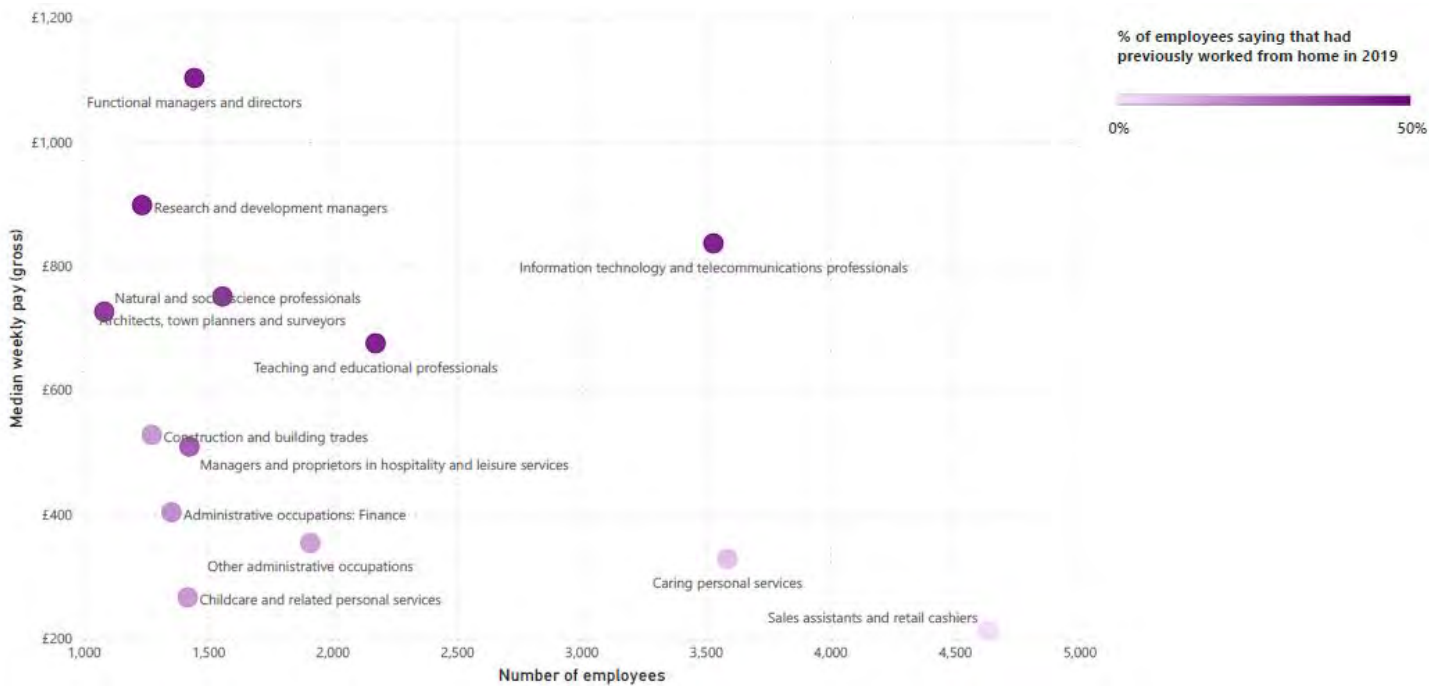
Sources: Office for Budget Responsibility, ONS Regional Accounts, ONS Business Register and Employment Survey

The increasing possibility of prolonged social distancing measures significantly impacts the workforce, and it is probable that parts of the economy will return to work in increments. It is useful to look at working from home data to provide insight to the proportion of the economy that can continue working under these measures.

From the graph overleaf (fig. 9), we can see a clear positive correlation in East Cambridgeshire between employees' past experience of working from home and higher median earnings. These occupations include Functional managers and directors, and research and development managers. The larger employing occupations, such as caring personal services and sales assistants and retail cashiers are less likely to be able to work from home by the nature of their role, and these employees earn less.

Across the UK we are seeing effects of Covid-19 exaggerating social and economic inequalities. It is important that East Cambridgeshire District Council and the Combined Authority are aware of this trend, and identify the communities, sectors and occupations at highest risk.

Figure 9. Number of employees, Median weekly pay (gross), First Occupation and % ever work at home



Sources: ONS dataset Coronavirus and homeworking in the UK labour market 2019, ONS Annual Survey of Hours and Earnings table 14.1a, ONS Social Survey (ad hoc request). Note some professions not included as numbers suppressed by ONS for being too small to be statistically significant.

Area of focus 3: Connectivity

Ely's connectivity needs to be exceptional to support its businesses and residents as part of the vision to double GVA. As per the CPIER recommendation: 'A package of transport and other infrastructure projects to alleviate the growing pains of Greater Cambridge should be considered the single most important infrastructure priority facing the Combined Authority in the short to medium term. These should include the use of better digital technology to enable more efficient use of current transport resources.'⁷

Digital connectivity

Free public Wi-Fi is available to retailers and visitors in the city centre, serving the Market Place, High Street and Fore Hill areas. This allows people to access services 'on the go' and has been transformative in allowing market traders to take contactless payments. But this provision serves only a small function, the bigger picture reveals broadband and mobile connectivity across Ely is not fit for purpose. The recent shift towards 'working from home' models and for a business need to be well-connected has heightened the demand for digital connectivity improvements in Ely and East Cambridgeshire - improvements which could be transformative to residents and businesses alike.

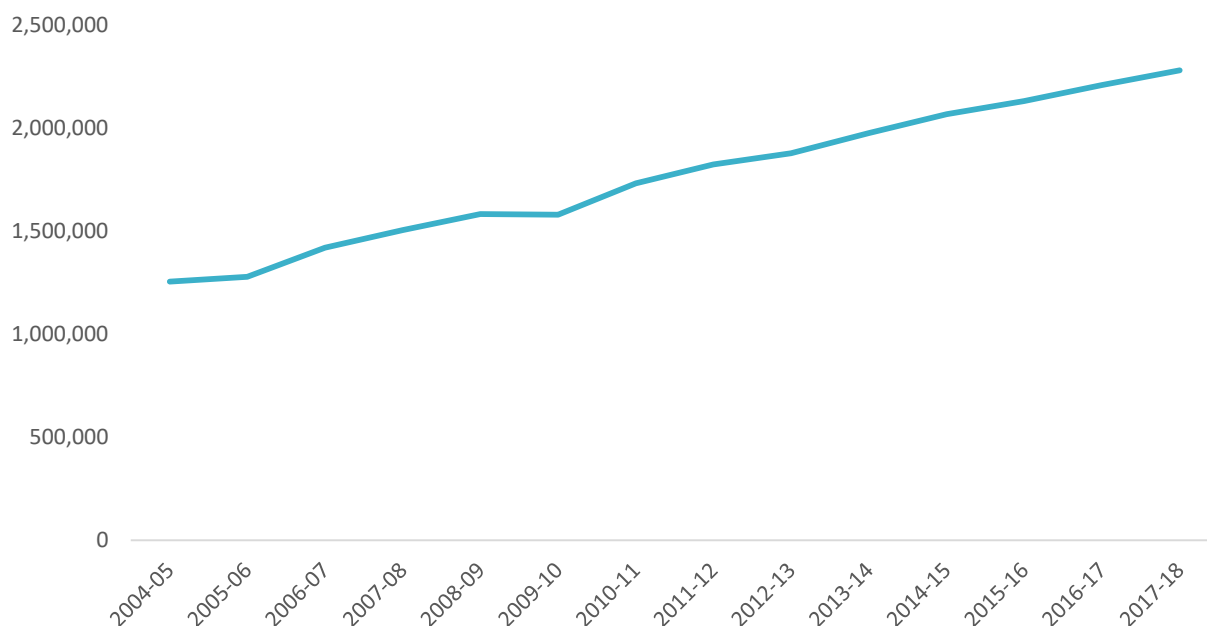
Transport infrastructure

Ely is well-connected via a number of modes of transport. Rail usage in Ely has steadily grown, the chart overleaf plots annual estimates of station entries and exits from Ely station. (see fig 13) This has helped secure Ely as a commuter destination and as a viable daytrip option.

Ely Southern Bypass was opened in 2018. After years of suffering the effects of delays and congestion on the busy A142 route, this has delivered a boost to residents and the economy of East Cambridgeshire and beyond. Ely is also a popular destination for boating traffic along the River Great Ouse, which sees many visitors venturing into the centre to enjoy the heritage and food and drink offer. Ely has good public transport connectivity via rail, while its bus services leave room for improvement.

⁷ CPIER

Figure 13. Annual estimates of Station entries and exits from Ely 2004 – 2018



Source: Office for Rail and Road

1. Improve digital connectivity

The strength and provision of digital connectivity across Ely needs to be improved so that businesses and residents can benefit.

As aspects of our life increasingly go online, the importance of reliable and fast connections grows. The following actions have been identified as part of this initiative to improve digital connectivity.

- Support the free WiFi provision in the city centre and develop a medium-long term sustainable option providing a service to the wider city centre and beyond.
- Work with mobile network providers to make better mobile coverage available. An immediate action is to improve 3G and 4G coverage, this includes an opportunity to share masts and data via the Shared Rural Network (SRN), as part of a wider Combined Authority ambition. Further ambition is to work with Connecting Cambridgeshire to identify the infrastructure needed to support 5G.
- In order to position itself as 5G ready, there is an opportunity for Ely to work with the public sector to explore opportunities for being a test bed for the Internet of Things (IoT). As part of this, Ely could position itself as a smart city - the use of smart sensors and devices would provide innovative opportunities, such as that around smart mobility, including increased efficiency managing traffic and parking.

2. Transport infrastructure improvements

Key transport infrastructure improvements around active travel, road and rail are listed below. In all cases, these are ongoing projects which will require support to deliver.

Bus Services and Cycling and Walking Routes Consultation

East Cambridgeshire District Council has recently been consulting with residents to identify key bus services and cycling and walking routes that will allow local people to get to work, college, doctors, shops, public services or visit family and friends. The findings from this consultation will help shape transport improvements; funding will be required to deliver new bus services, cycleways and footpaths.

Evidence over the last 10 years shows that a city bus service for Ely is needed and could be commercially viable in the long term. This should be a fundamental aspiration of the strategy, as it supports economic development of the city centre.

The impacts of COVID-19 will also need to be assessed, in particular whether patterns of travel and modes of travel will change.

Road

The first study is the **'Lancaster Way A10-A142 Improvements'** this concerns two roundabouts (the BP roundabout and Lancaster Way roundabout) which are often congested. The agreed interim improvements, which are now funded and moving to implementation will enable the delivery of the enterprise zone at Lancaster Way business park second phase extension, paving the way for 2,500+ new jobs.

The second, and largest project is the **A10 dualling and junction upgrades**. The A10 serves the local economy and is a route in high demand, yet lengths of the busy stretch remain single carriageway with few safe passing places. **The Combined Authority must make A10 improvements a central project, as identified in the CPIER.**

The A10 connects Ely with Cambridge and King's Lynn, two key places of commerce. The stretch of road between Ely and Cambridge carries the third highest level of north-south traffic in Cambridgeshire, with more than 18,000 vehicles currently using the A10 daily between Ely and Stretham, and up to 25,000 vehicles a day using the section between Waterbeach and the A14.

The A10 is critical to Ely's connectivity to the knowledge industry associated with the Cambridge ecosystem and will gain importance with the delivery of a new town, north of Waterbeach. The A10 joins the Cambridge and Fenland economies, benefiting East and North Cambridgeshire.

Improvements include dualling the 16 mile stretch of the A10 between the A14 north of Cambridge and the A142 at Ely and junction upgrades as well as delivering a new off road cyclepath from Ely to Cambridge. Opportunities exist for realignment of the A10 from Stretham to Ely, with the potential to significantly improve the congestion problems around

the Lancaster Way area. Support for plans which are currently at Strategic Outline Business Case (SOBC) stage will:

- Cater for long term growth
- Offer safety benefits
- Provide alternatives to the car
- Ease congestion

Opportunities to expand the Cambridge Autonomous Metro (CAM) beyond Cambridge and Waterbeach to Ely should be explored.

Rail

A proposal around Ely North Junction was postponed in 2016, since then Network Rail secured £9.3m funding from the CPCA to embark on a wider review.

Ely Area Capacity Enhancement (EACE) Programme is underway and due for submission as a Strategic Outline Business Case (SOBC) in 2020, the intention is to increase both passenger and freight capacity. The District Council continues to support EACE, so long as it offers a road solution to ensure continued road connectivity for the people of Queen Adelaide, Prickwillow and North Ely.

Implementation plan

Vision section	Intervention	Key Actions	Additional partners
The Station Gateway	Feasibility study	<p>Review of land, ownership, and constraints</p> <p>Testing market demand for different types of space</p>	CPCA, stakeholders and landowners
	A prospectus setting out the vision for the station gateway	<p>Create a compelling document for use with prospective investors and interested companies</p> <p>Work with local, regional, and national partners to promote this as a key part of Cambridgeshire's growth story</p>	
The City Centre	Immediate Covid-19 response	<p>Support local businesses, using all available channels</p> <p>Research into and collection of real-time data to assess Ely's vulnerability</p>	<p>CPCA</p> <p>Cambridgeshire County Council</p> <p>Local Businesses</p>
	Developing an evidence-based city centre strategy	Deep-dive review on how Covid-19 affects key sites and previously stated ambitions	

Vision section	Intervention	Key Actions	Additional partners
Connectivity	Improve digital connectivity	Development of a 5G strategy	CPCA Connecting Cambridgeshire
	Transport infrastructure improvements	<p>Prioritise A10 dualling as a key project and take forward from SOBC</p> <p>Push forward Ely Area Capacity Enhancements in a manner which provides a retained road solution for residents of Queen Adelaide, Prickwillow and North Ely</p>	<p>Highways England</p> <p>Cambridgeshire County Council</p> <p>CPCA</p>

Appendix 2

A Market Town Plan for Soham

Contents

About this document	3
Introduction	4
A vision for Soham	5
A repurposed, resilient town centre	12
Transport – driven regeneration	16
The heart of Cambridgeshire’s AgriTech industry	20
A new leisure and culture offer	23
Implementation plan	24

About this document

This document has been commissioned by the Cambridgeshire and Peterborough Combined Authority (CPCA) working in partnership with East Cambridgeshire District Council.

The devolution deal which created the Combined Authority recognises the important role of market town economies in growing the wider Cambridgeshire and Peterborough economy. A masterplan for each of the eleven market towns across the region provides the opportunity to look at the unique features of each town, and offers deliverables which will benefit the immediate and wider economy.

We don't expect everything in this document to be funded immediately. There are some quick wins where an injection of funding can get things moving. For other projects, we will need to spend time developing detailed plans and compelling investment cases before we can begin to leverage in funding. While the Cambridgeshire and Peterborough Combined Authority (CPCA) has funded this report, and is keen to invest in our town, we know we will need to build a coalition of supporters, including central government, to get some of the schemes detailed here delivered.

As part of this dialogue with central government, this document integrates a recovery plan from the economic consequences of Covid-19. We have identified positive responses to the global economic shock, which, with government support, will ensure a relaunch of our local economy, ensuring that our town comes out of the current crisis stronger than it was before.

Introduction

Market towns are vital to the society and economy of Cambridgeshire. They grew up as hubs for commerce, serving a wide rural hinterland. Over time they have taken on an increasingly important residential function, and now constitute almost a quarter of the population of Cambridgeshire and Peterborough¹. However, all our market towns are having to adapt to a reality in which cities have become more pre-eminent. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) notes that “market towns are in some ways in more of a need of a strategy than cities, as cities can be flexible and specialise in multiple areas, whereas market towns need a more focused approach if they are to thrive”.

This is our strategy for Soham. It seeks to respond to many of the challenges identified by CPIER and others: an increasing proportion of retail transactions taking place online, a preference for urban living among young professionals, and difficulties in maintaining regular public transport.

However, more than any of these, this strategy responds to the immediate challenge of the Coronavirus pandemic. This has taken a toll on our population and resulted in the forced closure of many high street businesses. Our aspirations to grow the active usage of the town centre through gatherings in cafés, bars, and pubs have had to be put on hold. At the moment, doing everything we can to halt the spread of the disease is the top priority.

But we intend to bounce back from this in a stronger position than we were before. Investment in our town can get us back on our feet. And rather than trying to go back to the old normal, we will embrace some of the changes brought about by the pandemic – increased homeworking, the importance of pedestrian space, and the importance of resilience over efficiency – to grow our town.

The Combined Authority’s ambition is to double economic output (GVA) over 25 years. With the right combination of interventions, Soham can develop the high quality jobs in the industries of the future to contribute towards this target.

¹ Cambridgeshire and Peterborough Independent Economic Review (CPIER)

A vision for Soham

Soham seeks to be a Green Town and will explore ways to deliver this ambition, both in terms of bringing more green space into the town and carbon reduction schemes. This will link with District Council's Climate Change work and be the catalyst for more green projects within the town.

Soham will be a highly desirable place to live and work, with an improved cultural and leisure offer and good employment opportunities to enable people to live and work locally. The repurposed town centre and reopened station will make our town much more attractive to live in and visit.

Our vision for Soham centres on four major themes:

A repurposed, resilient town centre

Soham will reopen after the lockdown, with real-time data being used to inform a safe approach. Our town centre will move from being overly reliant on shopping, to a more holistic space, with social interaction and green space built in. We will adapt to the "digital by default" era by building in on-street Wifi and preparing for the 5G revolution. And we will use housing growth and transport improvements to bring more footfall to our high street, allowing businesses to open and the town centre to be renewed.

Opening up our town through better connectivity

The biggest "game changer" for Soham over the next few years will be the opening of the new station. Over fifty years since the closure of the previous station, this will make our town much more attractive to live in and visit, particularly for those who don't drive. We will use this as an opportunity to attract businesses to base themselves here and develop the area around the station to make the station a real gateway into Soham. And we will work to integrate various other forms of transport – cycling, walking, and the bus network – to make this a true transport hub. Finally, we know that as a town in the fens, networks of waterways are central to our history and environment. We will look to explore improving the connectivity by water, by looking at the idea of a marina to integrate with the rail development.

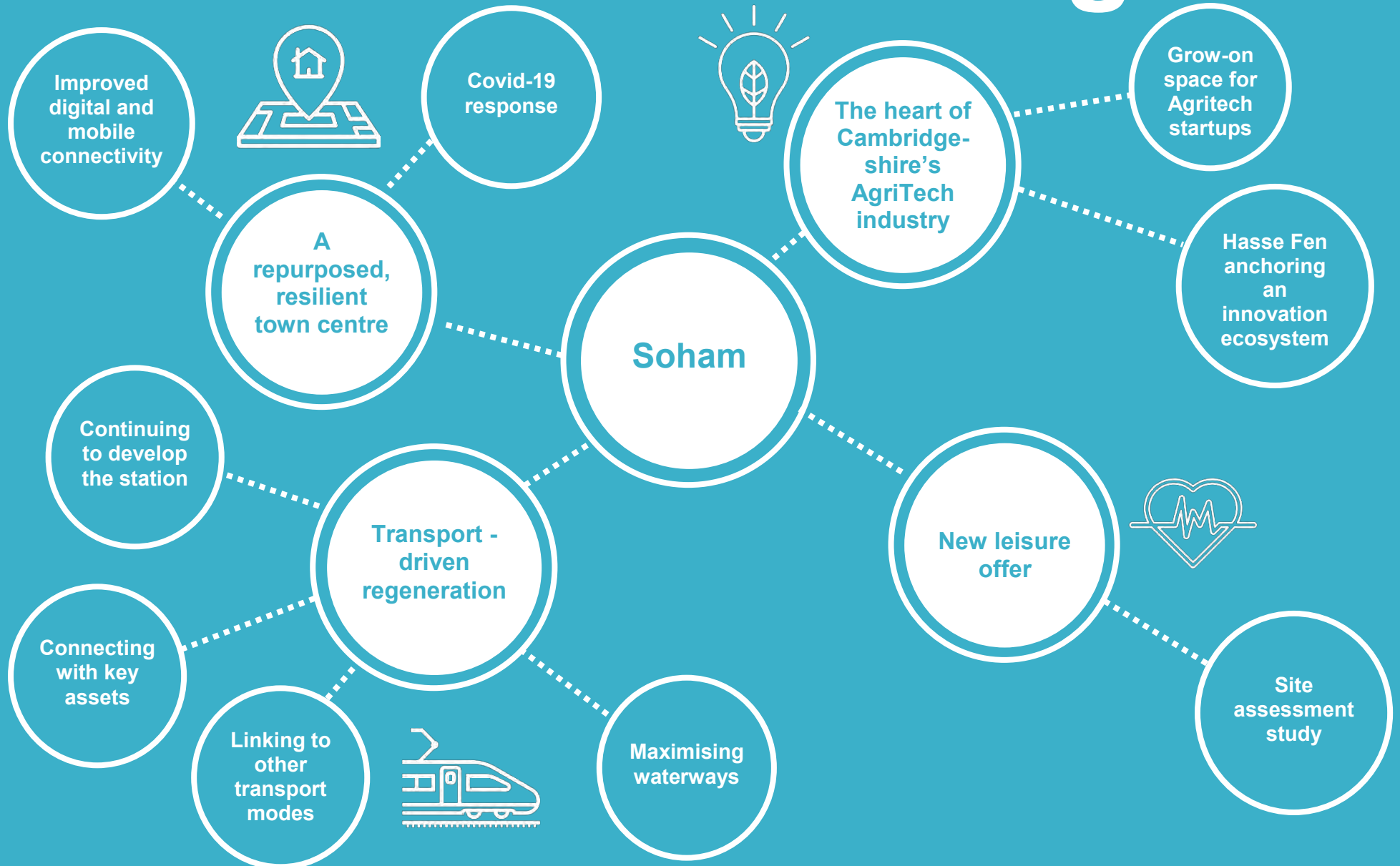
The heart of Cambridgeshire's AgriTech industry

Soham already has a significant cluster of business in "AgriTech" – a fast-growing sector which focuses on applying modern technologies, including Artificial Intelligence and geospatial data science, to agriculture. Soham is perfectly placed to be at the centre of this sector in the East of England, being surrounded by high grade farmland, and sitting between the research engine of Cambridge, and the food processing factories of North Cambridgeshire. The Hasse Fen facility will be the basis for an innovation ecosystem, with companies based increasingly within the town in grow on space.

A new leisure and culture offer

As a growing town, Soham has an opportunity to become more self-sustaining, providing residents with services closer to home. A key gap in the town's offer at the moment is leisure and culture provision. Soham will have new facilities, allowing residents to keep active and enjoy an improved cultural offer.

The Plan on a Page



An overview of Soham

Soham has an attractive historic town centre and a vibrant and active local community. It has a unique landscape setting, being surrounded by Commons to the south, east and west. St. Andrews Church is of great architectural and historical significance and is a prominent local landmark. Soham also has an excellent network of public footpaths and attractive green lanes, which provide good links into the surrounding countryside.

A rapidly growing town

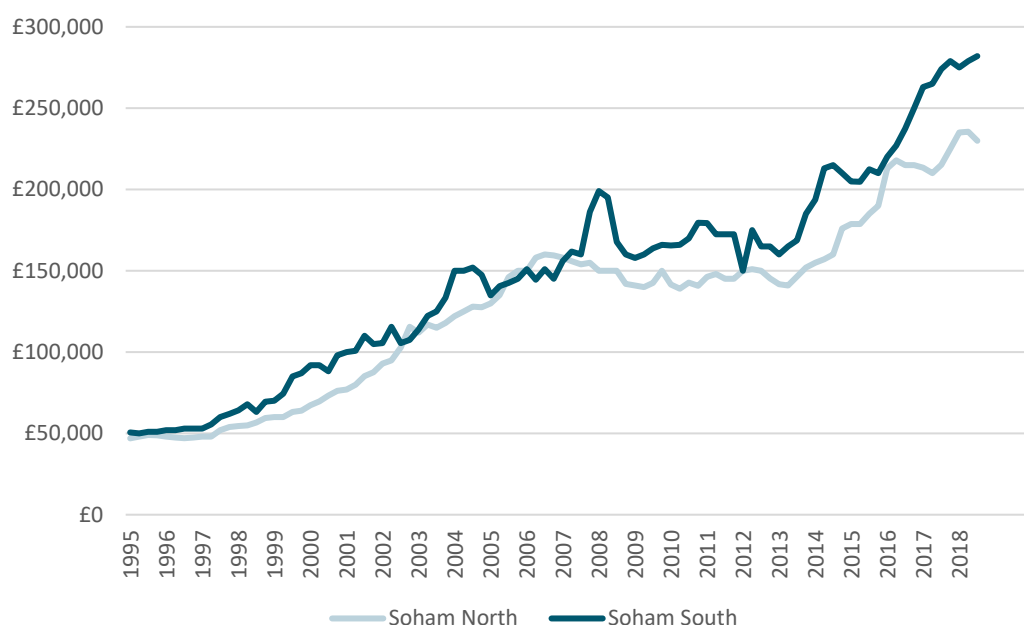
Soham is the fastest growing town in East Cambridgeshire – in the five years since 2013, the size of the population has grown by almost 10%, compared to 4% in Ely and 7% in Littleport. This has been mainly accounted for by a growth in the 5-14 age group (+30%) and the over-65 group (+19.1%).

Like many towns, Soham’s population is projected to age, with Cambridgeshire County Council forecasting continued growth of the over-65 population. This means we need to think about how we cater for this population, as well as ensuring the town continues to attract a young, dynamic demographic.

Housing price growth, but with further supply in train

After remaining fairly steady in the aftermath of the financial crisis, house prices have grown quickly recently. In Soham North ward, median prices have climbed from £160,000 at the end of 2013 to £282,000 in 2019 (see fig.1)

Figure 1. Median House Prices in Soham, 1995 - 2018

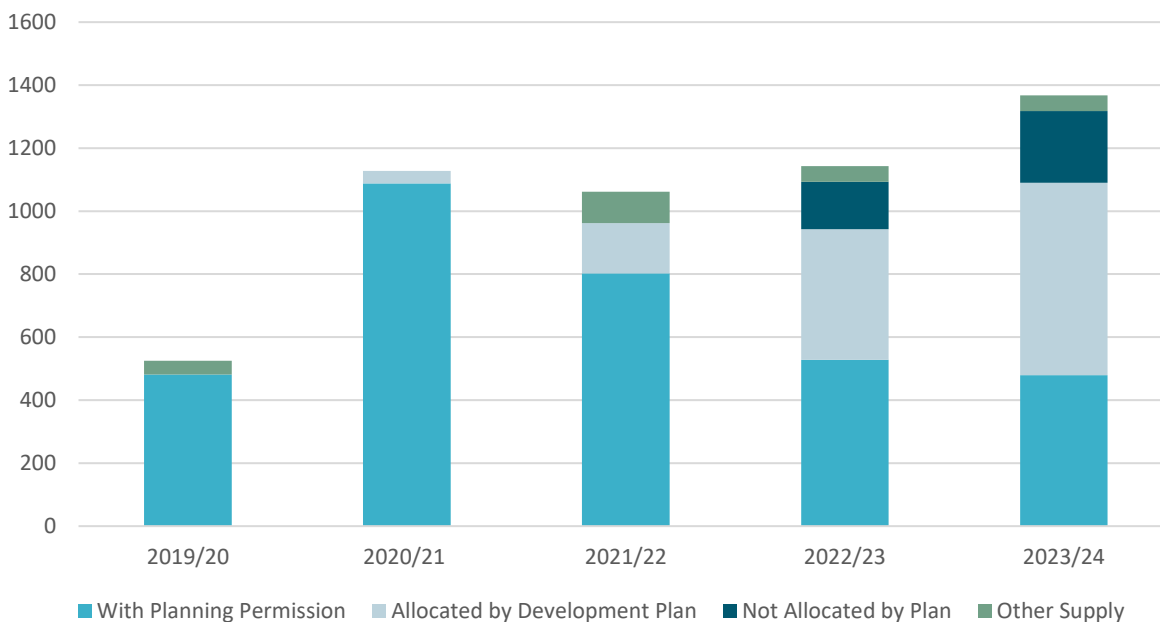


Source: ONS House Prices for Small Statistical Areas (HPSSA)

What has been behind this rapid increase? Firstly, supply of new housing has been fairly limited. Only 45 dwellings were completed in Soham in 2016-17, down from 261 ten years before². But at the same time, demand to live in Soham has increased, as it has started to become part of the wider Cambridge economy, with increasing numbers of commuters to the city.

We can see (fig. 2) that far higher numbers of dwellings have been approved for the next five years – it will be vital that these are delivered to maintain affordability of housing in the town.

Figure 2. Estimated five-year housing supply for East Cambridgeshire, 2019-20 – 2023-24



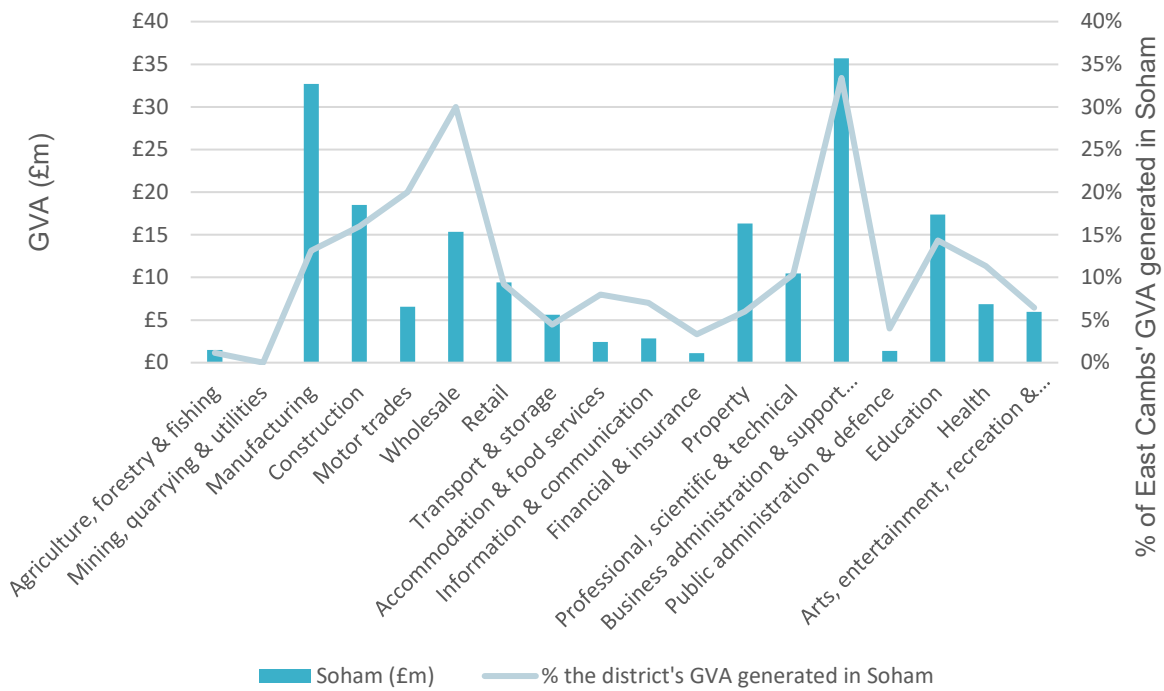
Source: East Cambridgeshire District Council

Employment based in business services, agriculture, and high-tech manufacturing

The largest sector in Soham, both by employment and output (measured by Gross Value Added, or GVA) is Business Administration and support services. This provides a third (33.4%) of all of Soham’s economic output. (see fig. 3). Soham also has a very significant agricultural sector, with many of the G’s Group businesses based in the town, and there are some mid to high-tech manufacturing firms, including SWP Ltd. and Ivor Searle, which rank among the town’s biggest employers.

² Cambridgeshire Insights: Cambridgeshire Housing Completions 2002-2017

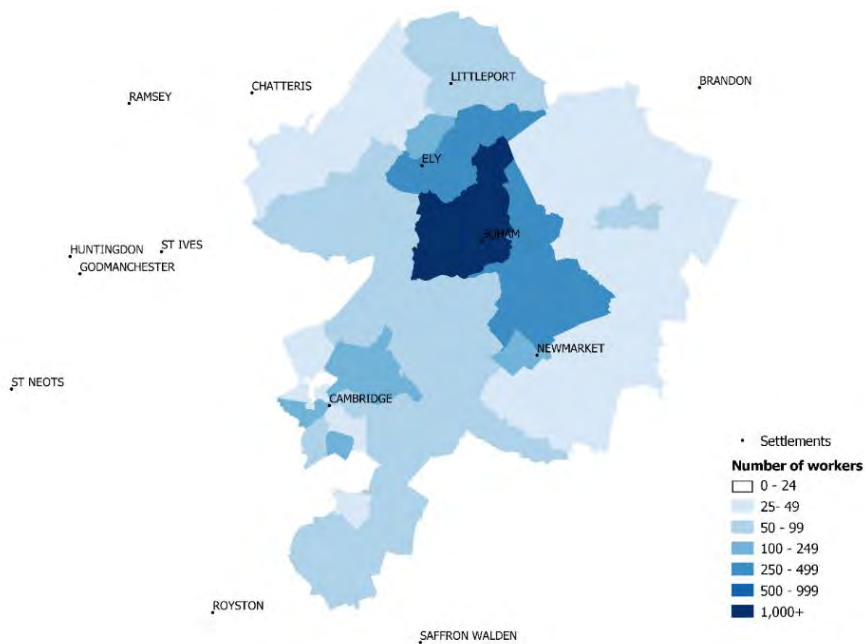
Figure 3. GVA generated by sector in Soham



Source: East Cambridgeshire District Council

We also know that many of Soham’s residents out-commute for work. Analysis from the last census shows that residents of Soham head to Newmarket, Ely, and Cambridge for work. As the house price analysis above shows, it seems likely that in recent years this has become increasingly skewed towards Cambridge.

Figure 4. Where Soham residents work

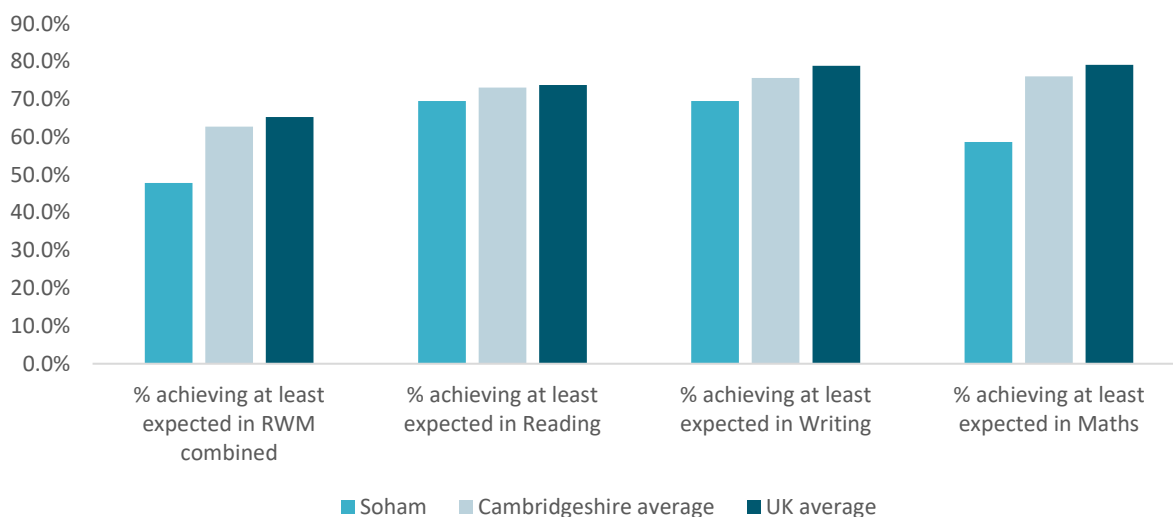


Source: Census 2011

Some shortcomings in the performance of primary education

The future of Soham is its youngest generation, and good schools are a key part of developing a town's "offer". Particularly at Key Stage 2, Soham performs badly. On some early years' metrics, like phonics, the town is also significantly behind Cambridgeshire and National Averages.

Figure 5. Key stage two outcomes for Soham children



Source: Cambridgeshire County Council

Soham is part of the East Cambridgeshire and Fenland Opportunity Area, which recognises the poor social mobility outcomes in much of the fens and the role of education in tackling them.

There are also some significant skills gaps at a later stage – 39% of working age adults have only basic or no qualifications, compared to 34% in the district as a whole. There is a comparable shortfall in degree level qualifications – 21% vs 29%.

Public transport gradually improving

Public transport in Soham, like many of Cambridgeshire's market towns, is currently inadequate. Buses are irregular, slow, and unreliable – it takes over an hour and half to get to Cambridge and forty minutes to Newmarket – in both cases about twice as slow as driving. Consequently, the town is currently very car dependent. 81.7% drive to get to work, which compares to 62.0% in England³.

The soon to arrive new station in Soham will make a big difference here if we make the most of it. If take up is high (which would seem likely, as shown by the example of testing more regular trains at Manea) there will be a strong case to increase the regularity of services and introduce a second platform.

³ Census 2011

A repurposed, resilient town centre

Soham will reopen after the lockdown, with real-time data being used to inform a safe approach. Our town centre will move from being overly reliant on shopping, to a more holistic space, with social interaction and green space built in. We will adapt to the “digital by default” era by building in on-street Wifi and preparing for the 5G revolution. And we will use housing growth and transport improvements to bring more footfall to our high street, allowing businesses to open and the town centre to be renewed.

Introduction

We know that high streets across the UK are facing significant challenges. Online retail as a proportion of all shopping has grown to over 20%⁴, with Coronavirus likely to cause higher rates still in the short term. This only compounds damage done by edge of town and out-of-town shopping centres, and the recent collapse of some of the UK’s major retailers, which have prompted some to talk of the “death of the high street”. And that was all before the lockdown prompted by Covid-19, which has led to the shutdown of all but essential retail.

While the challenges are severe, we have good reason to be optimistic. Before the lockdown there were many towns across the UK where the high street had been successfully reinvented, with characterful shops, cafés and pubs doing good business. We also know that nearby towns like Ely and St Ives have managed to keep vacancy rates low and attract tourists to come and spend money there to support businesses. High street decline is not inevitable, but in an era where people can travel easily wherever they want, we need to offer something unique. **When people no longer need to use the local high street, we have to give them a reason to want to.**

Responding effectively to Covid-19 through a town centre study

Understanding the local economy plays a crucial role in directing local authorities’ response to the Coronavirus pandemic. **An immediate action is for ECDC, CPCA, and local partners to monitor Soham’s economy**, looking at universal credit data, redundancy figures, and property vacancy rates. These findings will work into a short-term action plan – a district wide Covid-19 economic recovery strategy, which will include recommendations for individual market town economies including a sectoral response.

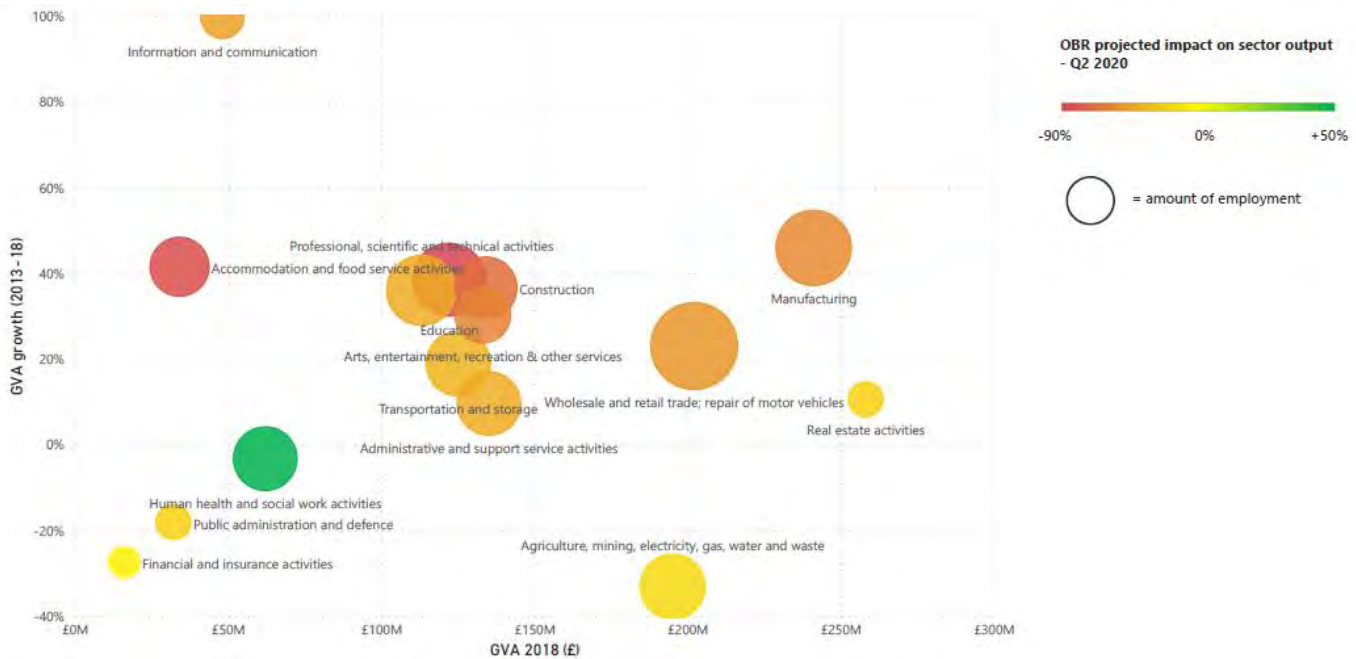
The following charts show that the most at-risk sectors in East Cambridgeshire according to OBR estimates are in tourism and professional, scientific and technical services. These are important

⁴ See <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsl>

sectors in terms of local employment levels. This reflects immediate economic impact risk from the government's response to mitigate the current public health risks.

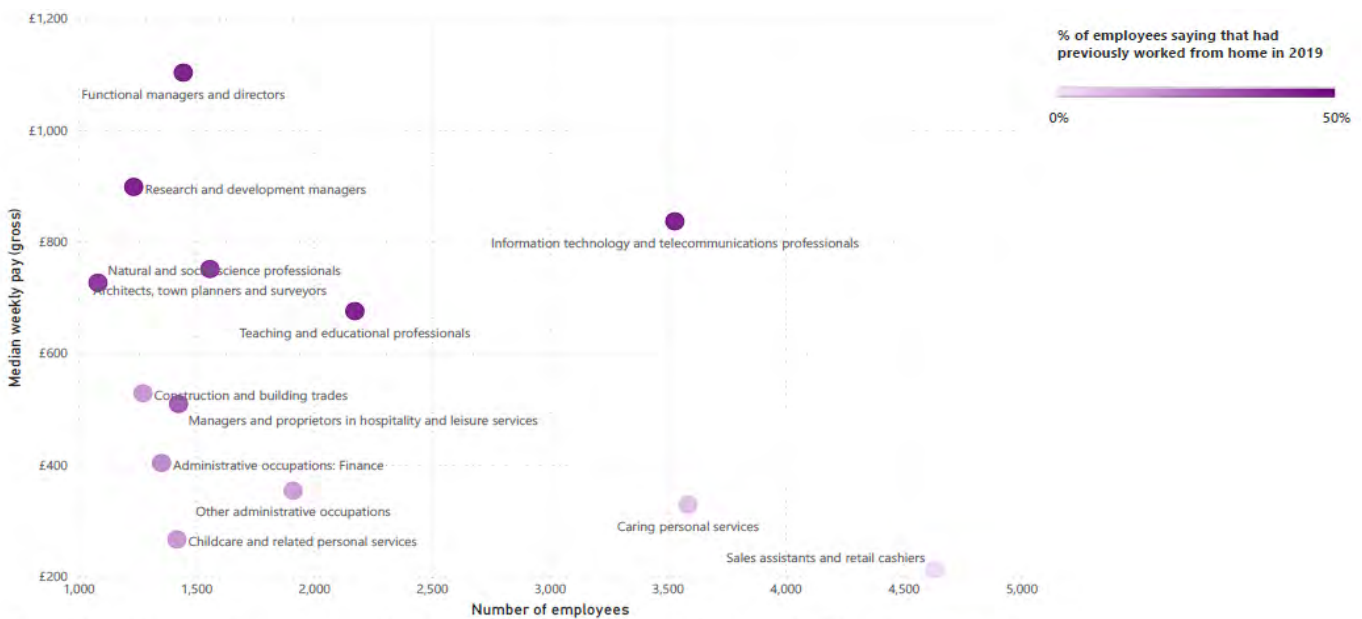
Looking further into recovery, and the possibility of prolonged social distancing measures impacting the economy, we can see a clear positive correlation in East Cambridgeshire between employees' past experience of working from home and higher median earnings. The larger employing occupations, however, are less likely to be able to work from home, and earn less (note many professions not represented as ONS suppress lower values).

Figure 6. OBR sector impact by local GVA, GVA growth, and employment



Sources: Office for Budget Responsibility, ONS Regional Accounts, ONS Business Register and Employment Survey

Figure 7. Occupations by employees, weekly pay, and ability to work from home



Sources: ONS dataset Coronavirus and homeworking in the UK labour market: 2019, ONS Annual Survey of Hours and Earnings table 14.1a, ONS Social Survey (ad hoc request)

As economic activity begins to return, we know it will do so under certain conditions. Businesses may have to fill out risk assessments and have to implement new distancing measures. **In the immediate term, there will need to be small-scale financial support and advice to help businesses adapt to these measures.** It will also be important to stand ready to support **reskilling of individuals**, in line with the Combined Authority's Skills Strategy, working with businesses and local training and education providers.

Longer-term, the outbreak may accelerate certain trends which could be beneficial for Soham. For example, it seems likely that *home working* will become a more common practise. This means that those who live in Soham but work in Cambridge might be in the town during the day more often, growing the market for cafés. *Co-working space*, an increasingly popular form of workspace, could be developed within the town, allowing workers to connect, share ideas, and potentially develop new ventures. **A more detailed town centre study, informed by the data, will be needed to help Soham bounce back strongly from the lockdown.** Schemes to encourage tourism and boost the evening and weekend economy should be explored.

This study should look at the town centre in its broadest sense, and draw out actions to achieve the following key objectives:

Making the town centre greener and pedestrian friendly

One measure being tested in towns and cities in response to the pandemic is *increased pedestrian space*. This is necessary to allow distancing, and due to lower levels of car traffic is giving people the opportunity to experience their urban spaces car-free. Within Soham, there are opportunities now to test new pedestrian-friendly interventions, and see what works well and is popular in the town. Pedestrianisation has been successfully applied across many towns and cities in the UK, often leading to greater footfall as public spaces are "activated". This helps create a more social environment, without parked cars clogging the streets, and encourages more environmentally friendly modes of travel.

There is also an exciting opportunity to bring more *green space* into the town, which creates a relaxing and attractive environment. Barcham's, a local business, grows a wide range of tree types, and would be able to work constructively to introduce trees to the town centre. These would create numerous benefits, including cleaner air and added interest throughout the year, from spring blossom to autumn colours.

In addition, there are a few "quick wins" where immediate action can improve the town centre. These include installing attractive *bike racks*, *high quality signage* and a *small fund for owners of properties to improve the look of their buildings*. These will all quickly lift the feel of the town, make it more visitor friendly, and encourage active travel.

Increased and improved civic space

For Soham to thrive as a town centre it needs this **quality civic space**. Different options should be explored to create this. One might be to acquire the old market square, and repurpose it for the present day. It will be important to start small, work with local entrepreneurs who want to do something different. Small amounts of funding should be given for ideas which genuinely align with the future of the high street and aren't trying the same things again.

Housing to grow the town centre catchment

Town centres do well when they have a large catchment to draw upon. The viability of high street businesses is an economic question, where more people using the town centre more regularly will lead to higher receipts, and a growing number of businesses, bringing variety and interest. Therefore, we need to see **future housing growth in Soham as a vital ingredient in building a strong high street**. This means planned developments must be designed to allow easy and quick access to the high street, particularly by foot or on bicycle.

This also means we need to make sure we are making the most of space in the town centre as well. Some towns (see case study from Great Yarmouth, below) are looking to work with Homes England to increase the amount of residential space within the town centre. These types of densification policies, including retrofitting existing properties, will provide affordable housing, and “design in” high street usage.

These are all topics which need to be considered by the future town centre study.

Developing a plan for improved digital and mobile connectivity

The current coronavirus shock has driven home how important it is for businesses to have an online presence for resilience. Increasingly, life is “digital by default” and for our town centre to thrive it needs to take the same approach. As a first step, this means improving free Wi-Fi in the town to make it widely available, and working with local businesses who have not yet managed to take their offering online to do so. The idea of creating a “virtual high street” has been trialled before, and is of particular relevance during the lockdown period.

However, the future of digital connectivity is likely to be less focused on Wi-Fi and more on mobile data, which gives the freedom for processes to continue while devices are moving between places. The real gamechanger here is 5G, which is fast enough to allow large quantities of data transfer, enabling “Internet of Things” type technologies. This means that real-time data on transport, air quality, electricity usage, and use of public services such as GPs and schools can be integrated (while, of course, always protecting the privacy of users). This information can improve the public’s access to services through apps, such as transport apps which tell users in real-time what combination of buses and trains they should use to get to a final destination.

We also know that businesses will increasingly look for 5G as a precondition of any location they would base themselves in, and that already poor connectivity hinders our ability to attract hi-tech businesses. The Combined Authority and Connecting Cambridgeshire must now develop a **5G strategy**, which will set out the infrastructure which is needed across the district to make 5G a reality. This can be used as a basis for engagement with mobile providers and central government to co-ordinate activity.

Transport-driven regeneration

The biggest “game changer” for Soham over the next few years will be the opening of the new station. Over fifty years since the closure of the previous station, this will make our town much more attractive to live in and visit, particularly for those who don’t drive. We will use this as an opportunity to attract businesses to base themselves here and develop the area around the station to make the station a real gateway into Soham. And we will work to integrate various other forms of transport – cycling, walking, and the bus network – to make this a true transport hub. Finally, we know that as a town in the fens, networks of waterways are central to our history and environment. We will look to explore improving the connectivity by water, by looking at the idea of a marina to integrate with the rail development.

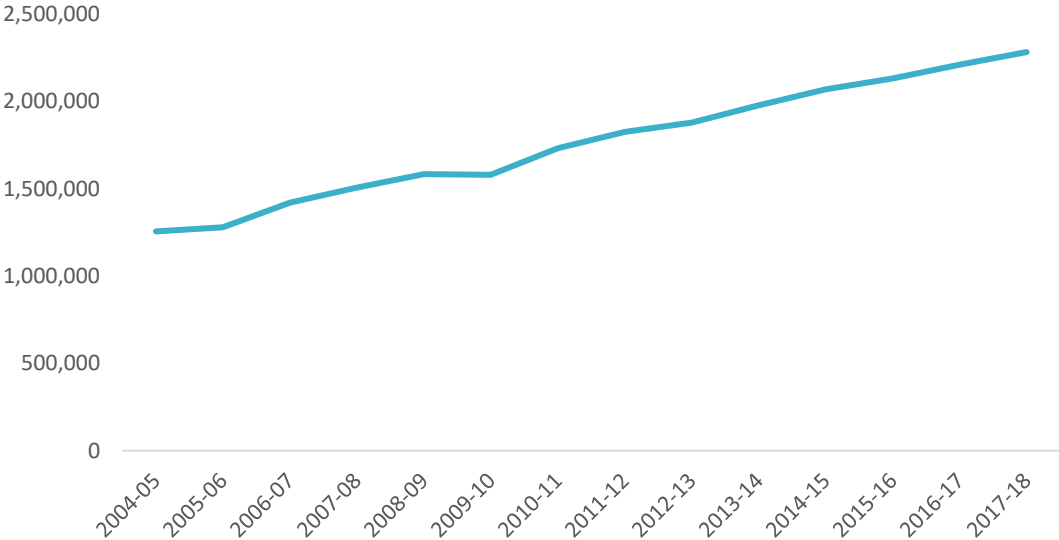
Introduction

When the new station opens in 2022 it will signify that our town is an outward-looking, connected place. It will put our town on the map for those who use the rail network, and make work and leisure travel easier for residents. But on its own it will not be enough. We cannot sit back and assume this will transform the town. Rather, we must leverage it for the utmost value we can get from it.

Continuing to develop the station

Once the station opens, we anticipate there being high demand. Rail usage across the area has grown strongly for many years, as figures from Ely show:

Figure 8. Annual estimates of Station entries and exits from Ely 2004 – 2018



Source: Office for Rail and Road

As usage grows, we will continue to develop the case for further upgrades. Network Rail has already committed to move from services every two hours to services every hour. In future,

changes are needed to allow direct services from Soham to Cambridge without the need to change at Ely, and double tracking, which will allow more frequent services, as well as allowing more freight paths through the area.

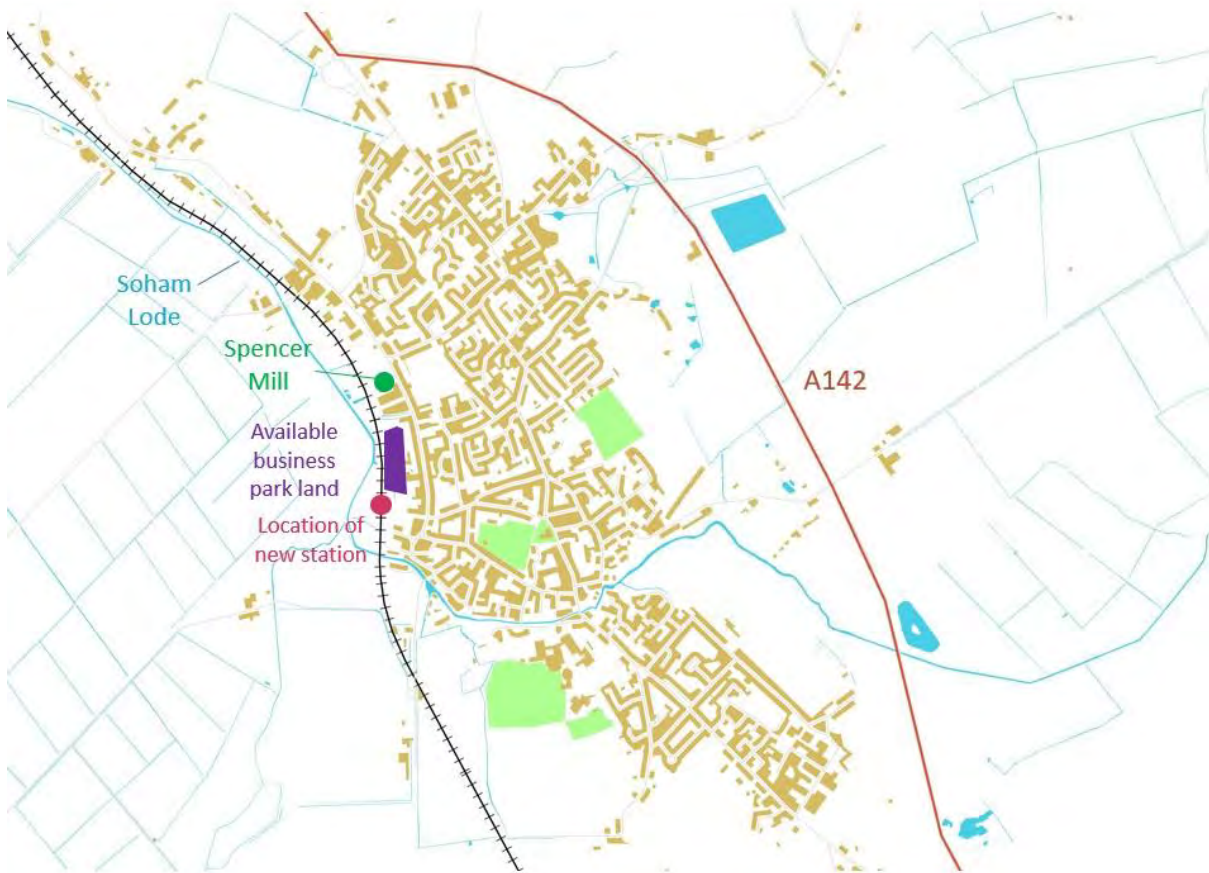
Connecting the new station with key assets

There are many key assets close to the station – see map. The station needs to link effectively to nearby cultural assets (Spencer Mill) and environmental assets (Soham Lode, heritage path, local fen land). **Bringing these different elements together will create a true sense of arrival and demonstrate Soham’s best assets to those who visit.**

There is also land set aside for a business park close to the station. For companies looking for affordable office space with good connectivity this type of site will be ideal. Already Soham has a strong business administration sector (see Overview section) meaning it **is well placed to attract back office functions of larger companies, as well as smaller, innovative, start-ups** who may not be able to afford space in cities like Cambridge.

Finally, we need to do everything we can to improve the experience of arriving, with attractive and clear signage which highlights the best of the town. Developing green space around the station entrance, in a manner similar to that proposed for the high street, will also enhance this.

Figure 9. Location of Soham station, and surrounding assets



Linking into other transport modes

For the station to be successful, it needs to offer more than rail connectivity, and become the transport hub of the town. To do this means we need to build in seamless connectivity and switching between:

- **Walking** – with accessible and safe paths through from the town centre
- **Cycling** – with designated bike routes and storage facilities at the station
- **Buses** – this means working with Stagecoach, the primary provider to ensure that bus times link into train times, so that people can quickly and easily catch a bus to the station and continue their onward journey. Through the Strategic Bus Review, the Combined Authority is looking at provision of buses; linking between different transport modes needs to be a central consideration.

This needs to be brought forward in line with the results from East Cambridgeshire’s Bus Services and Cycling and Walking Routes Consultation.

Maximising the value of local waterways

Water is an essential part of the history of the fens, and the criss-crossing networks of drains and dykes characterise the landscape. Water is also, of course, a means of travel and many towns in the fens, most notably March and Ely, benefit from boat users who stop and bring custom to the town in the summer months. We also know that “blue space” in town centres brings huge benefits, from improved mental health to higher property values.

Within Soham, the Soham Lode is fairly hidden from view. This is a wasted opportunity. Through the work at the station we should be looking to highlight the Lode. And we need to **work with the Middle Level Commission and Environment Agency to see if we can do more**, such as possibly developing a marina to allow boats to moor outside the town. This would be a big project and is a long-term ambition, but is exactly the sort of bold approach we need to be taking to transform our town.

The heart of Cambridgeshire's AgriTech industry

Soham already has a significant cluster of business in “AgriTech” – a fast-growing sector which focuses on applying modern technologies, including Artificial Intelligence and geospatial data science, to agriculture. Soham is perfectly placed to be at the centre of this sector in the East of England, being surrounded by high grade farmland, and sitting between the research engine of Cambridge, and the food processing factories of North Cambridgeshire. The Hasse Fen facility will be the basis for an innovation ecosystem, with companies based increasingly within the town in grow on space.

Introduction

The CPIER sets out that within Cambridgeshire and Peterborough, there are three different sub-economies:

- 1) Greater Cambridge
- 2) Greater Peterborough
- 3) The Fens

Soham is at the confluence of 1) and 3). It is in many ways a traditional fen town, with an agricultural landscape and strong local community. Like the rest of the fens, which contain around half of the UK's Grade 1 agricultural land, it has some of the best growing conditions for crops (see fig. 10). But it is also, increasingly, part of Cambridge's economic orbit.

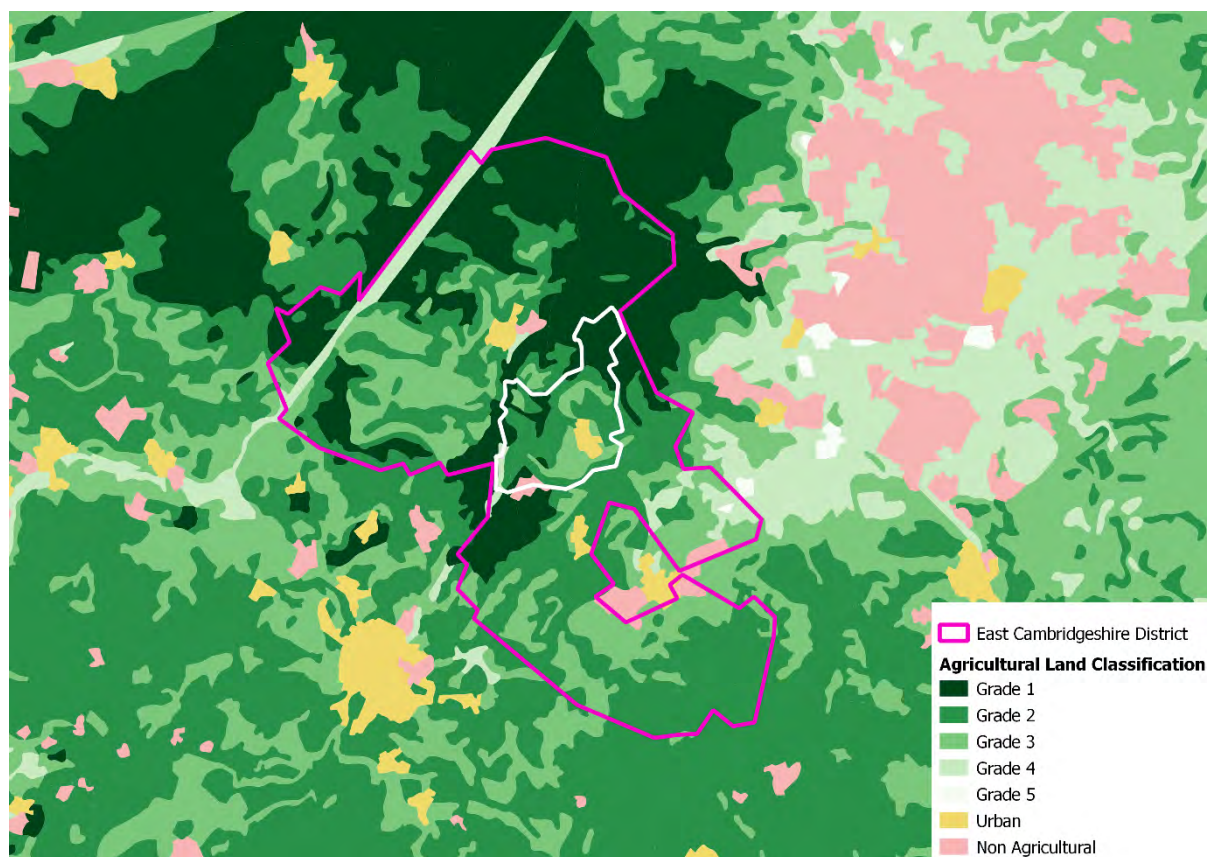
These links to Cambridge are reflected in some commuting patterns, but not yet fully visible in the business make-up of the town. One area we do start to see this happening is within AgriTech, through the NIAB Hasse Fen facility. AgriTech is the broad name for a sector which focuses on applying latest research and methods to agricultural production. The CPIER highlights this as a key sector, noting that: “These industries are growing in importance as the prominence of food security on the international agenda increases. To match rising international demand, more innovative means of food production are being called for, which are less space intensive and carry lower risk... there is a real opportunity for the area to become an international leader in this sphere, both in innovation and application. The global market for agriculture is estimated to be a hundred times that of the UK's – it is a strong export proposition, where this area can and should be leading.”⁵

The report highlights the example of Wageningen University in the Netherlands, which is the world's biggest AgriTech hub. This supports entrepreneurs and spinoff companies developing agritech products which are used across the Netherlands, including B-mex, a company developing

⁵ Cambridgeshire and Peterborough Independent Economic Review

model-based decision support tools for the greenhouse industry, and Chaincraft, which produces sustainable, bio-based fermentation technologies.

Figure 10. Land classifications around Soham



Source: Analysis of DEFRA data

Hasse Fen anchoring an innovation ecosystem

Soham is not starting from nowhere – the National Institute of Agricultural Botany (NIAB) facility at Hasse Fen already contains exciting, innovative, agritech startups. The site is at the forefront of NIAB’s work to support innovation within agriculture, with NIAB working as an active partner in research collaborations and facilitating transfer of knowledge between researchers and farmers. The site is of such importance that it was visited by Michael Gove when he was Secretary of State for Environment, Food and Rural Affairs. It has grown rapidly since it was established a few years ago, expanding premises to meet demand. The Combined Authority has now provided a grant for the development of a Combined Heat and Power (CHP) solution, to enable the sustainable provision of energy input for the processes being run by companies there. Many of these businesses are involved in creating useful products from waste – including Cambond, a Cambridge-based startup which is looking to move its manufacturing facilities from China to Soham. The significance of these companies is often underappreciated in the town – the site is slightly away from the town centre, meaning that many in the town do not realise what a significant asset it is.

In addition to research capacity, G’s Group, one of the largest agricultural companies in the country, is based in Soham, and owns the freehold for the Hasse Fen site, creating easy links between

research and application on the land. Barcham's, a company in the adjacent forestry sector is also based in Soham.

Now, Soham needs to develop an "innovation ecosystem" based on the activity at Hasse Fen, and the large agricultural businesses. The goal is for many companies, in a dense business network, to be situated in and around the town, sharing knowledge and collaborating to create new products. This has already started to happen through the "Hub Club" initiative, which allows companies to make some use of the facility without being licensees. This will create high-quality jobs in Soham, providing career paths for the town's young.

Grow-on space and skilled labour for Agritech startups

To make this innovation ecosystem a reality, the main action needs to be **creating grow-on space for AgriTech start-ups**. As successful ideas are tested and developed, companies will need extra space.

Already, plans are coming forward for an expansion of the Hasse Fen site which will allow this. At the same time, we want to explore opportunities to bring these companies closer to the centre of Soham, to make the sector visible, and maximise the benefits of improved transport connectivity. We need to look at business land close to the station as one option here for AgriTech companies. A first step will be **convening NIAB and the businesses based at Hasse Fen to discuss what they would need from premises within the town**. This should also involve looking at the transport and housing provision within the town, and how well suited it is. At the same time, we need to consider the wider commercial space offer for companies in Soham, and in neighbouring villages such as Fordham as well.

Case study: Entomics

Entomics was spun out of the Judge Business School at Cambridge University. The company focuses on creating value from agricultural waste by using insects to process agricultural waste. Entomics was the first company on the Hasse Fen site, where it was able to grow and develop its operation. The company has also attracted finance from Innovate UK and the European Institute of Technology.



entomics

Two years on from arriving at Hasse Fen, Entomics moved back to Cambridge where it is spread across two sites. This highlights the opportunity available in Soham. Those companies based at the site are often not likely to be there for more than a year or two. But there are indications from businesses that, should the premises be available, they would be enthusiastic to remain within the town as part of the same network.

Another important part of developing the ecosystem is creating a pipeline of labour to work at the facility. We want young people in Soham to see that they can have a stimulating and rewarding career working in AgriTech. Therefore, we will bring these businesses together with local educational organisations to arrange taster days and school visits to show students what the opportunities are.

A new leisure and culture offer

As a growing town, Soham has an opportunity to become more self-sustaining, providing residents with services closer to home. A key gap in the town's offer at the moment is leisure and culture provision. Soham will have new facilities, allowing residents to keep active and enjoy an improved cultural offer.

The town has grown considerably over the last 10 years and this has placed pressure on local infrastructure and facilities.

The current leisure offer in Soham is outdated and needs investment and expansion to ensure it meets the needs of the growing community.

To tackle this problem requires a **site assessment study** of possible options for increasing leisure provision in Soham, looking at possible locations, and what such a leisure facility would incorporate. This needs to complement the **existing study on outdoor sporting facilities** being taken forward by the District Council.

The network of green open spaces in Soham, including the Commons, provides opportunities for informal leisure activities. They also present an opportunity to develop the town into a hub for walkers, cyclists and bird watchers.

A plan to manage and secure investment to protect and enhance these spaces is needed. This would bring economic benefits to Soham through visitor spend in and around the town.

We will also explore options to increase the cultural offer in Soham. The Spencer Mill project will be the catalyst for this and will result in new job opportunities and increased tourism and footfall in Soham, which ultimately would increase the GVA of Soham.

Bringing all these together will help to highlight a way forward for the town. Feedback from residents will also help to shape the offer.

Implementation plan

Vision section	Intervention	Key Actions	Additional partners
A repurposed, resilient town centre	Responding effectively to Covid-19 through a town centre study	Work with partners to understand and monitor the experience and plans of local businesses and workers across sectors.	Business networks, Chamber of Commerce, Jobcentre Plus
		Convene businesses and education and training providers to support people to upskill/reskill and into employment.	Jobcentre Plus, business networks, Chamber of Commerce, education and training providers
		Develop a town centre plan to respond to the pandemic	CPCA, local businesses, resident consultation
	Developing a plan for improved digital and mobile connectivity	Produce a 5G strategy, to set out a plan for East Cambridgeshire to harness and maximise the use of this technology	Connecting Cambridgeshire, CPCA

Vision section	Intervention	Key Actions	Additional partners
Transport-driven regeneration	Continuing to develop the station	Monitor usage once station reopens. Begin building the case for further facilities, double tracking and more regular trains.	CPCA, Network Rail
	Connecting the new station with key assets	Proactively engage with businesses looking for new premises, looking to transact deals for business park land near the station	CPCA
	Linking into other transport modes	Continue work focused on integrating other modes of transport, such as walking, cycling and bus (through the Strategic Bus Review)	
		Dualling of local road infrastructure (A142) to improve access to the station	CPCA
	Maximising the value of local waterways	Explore options around making more of Soham Lode, including the potential for a marina	Environment Agency, Middle Level Commission
The heart of Cambridgeshire's AgriTech industry	Grow-on space and skilled labour for Agritech startups	Work with NIAB to identify businesses looking to scale up and explore possible options within Soham	NIAB, G's Group, local AgriTech businesses

Vision section	Intervention	Key Actions	Additional partners
		Support AgriTech business engagement with local schools to show young people the career opportunities within Soham.	Soham Village College, NIAB, local AgriTech business
A new leisure and culture offer		A site assessment study of options for leisure and culture provision, brought together with existing study on outdoor facilities.	



Agenda Item 12(i)
(V22)

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

MEMORANDUM

To: Councillor David Brown Chairman, Finance & Assets Committee	My Ref:
cc: Councillor Lorna Dupre, Leader of Liberal Democrats Councillor Anna Bailey, Leader of Council Councillor Alison Whelan Tracy Couper, Democratic Services Manager Maggie Camp, Legal Services Manager and Monitoring Officer Emma Grima, Director Commercial	
From: John Hill, Chief Executive Ian Smith, Finance Manager & Section 151 Officer	Date: 20 March 2020

ACTION ON THE GROUNDS OF URGENCY – BUSINESS RATE RELIEFS

The Chief Executive is proposing to take action on the grounds of urgency (ref: Section 3 page 18 para 5.1) in relation to the application of Business Rates reliefs.

In the recent spring budget the Government announced Business Rate relief to help businesses in response to COVID-19.

The Chancellor has subsequently announced (17th March) enhanced provisions which will apply for 2020/21. These include 100% relief for businesses in the retail, hospitality and leisure sectors and non-local authority child care providers.

Local Authorities are expected to use their discretionary relief powers (section 47 of the Local Government Act 1988, as amended) to grant these discounts in line with the relevant eligibility criteria set out in the guidelines. Authorities will be compensated for the cost of granting the discount through a Section 31 grant from Government.

The decision on grounds of urgency will enable the Business Rate reliefs to be applied to the Business Rate accounts of all impacted businesses to the earliest possible timeframe.

Under the Constitution (ref: Section 3, page 18, para 5.1) I am required to consult with the Chairman of the Finance and Assets Committee prior to delegated decisions being made. I will subsequently inform the spokesperson of the Committee, Councillor Alison Whelan.

Thank you for your attention.

John Hill
Chief Executive

I agree with action under grounds of urgency as proposed.

A handwritten signature in cursive script that reads "David Brown".

Councillor David Brown
Chairman, Finance & Assets Committee



EAST CAMBRIDGESHIRE DISTRICT COUNCIL

MEMORANDUM

To: Councillor David Brown Chairman, Finance & Assets Committee	My Ref:
cc: Councillor Lorna Dupre, leader of Liberal Democrats Councillor Anna Bailey, Leader of Council Councillor Alison Whelan Tracy Couper, Democratic Services Manager Maggie Camp, Legal Services Manager and Monitoring Officer Emma Grima, Director Commercial	
From: John Hill, Chief Executive Ian Smith, Finance Manager & Section 151 Officer	Date: 31 March 2020

ACTION ON THE GROUNDS OF URGENCY – COUNCIL TAX HARDSHIP RELIEFS

The Chief Executive is proposing to take action on the grounds of urgency (ref: Section 3 page 18 para 5.1) in relation to the application of Council Tax reliefs.

In response to COVID-19, (in a similar process to Business Rates), I am intending that I make the decision on the grounds of urgency that we reduce Council Tax bills as prescribed by Government, i.e. all residents receiving LCTRS will get a further £150 off their bill or it being reduced to zero, if it was previously lower than this value. At this point, we are waiting for ARP to complete their modelling to determine how much this will cost before determining what, if any, other reliefs will be given.

We have been awarded £429,851 of Hardship Grant for this purpose, this is expected to be received from Government on the 3rd April.

The decision on grounds of urgency will enable the Council Tax reliefs to be applied to the Council Tax accounts of all residents receiving LCTRS to the earliest possible timeframe.

Under the Constitution (ref: Section 3, page 18, para 5.1) I am required to consult with the Chairman of the Finance and Assets Committee prior to delegated decisions being made. I will subsequently inform the spokesperson of the Committee, Councillor Alison Whelan.

Thank you for your attention.

John Hill
Chief Executive

I agree with action under grounds of urgency as proposed.

A handwritten signature in black ink that reads "David Brown". The signature is written in a cursive style with a large initial 'D'.

Councillor David Brown
Chairman, Finance & Assets Committee

TITLE: APPOINTMENT OF REPRESENTATIVES ON OUTSIDE BODIES & ANNUAL REPORTS

Committee: Finance & Assets Committee

Date: 18 June 2020

Author: Democratic Services Officer (Committees)

[V23]

1.0 ISSUE

- 1.1 To receive the Annual Reports from appointed Council representatives on the activities and manner in which funding is spent by the outside bodies within the responsibility of the Finance & Assets Committee.

2.0 RECOMMENDATION

- 2.1 That the Annual Reports from appointed Council representatives on the activities and manner in which funding is spent by the outside bodies within the responsibility of the Finance & Assets Committee, be noted.

3.0 BACKGROUND/OPTIONS

- 3.1 As part of the amendments to the Constitution approved at Council on 22nd May 2012, the Terms of Reference of all relevant Committees were revised in order to give them the authority to appoint to outside bodies within their remit, from the wider membership of the Council, for a period of up to 4 years. This means that representation will normally only be reviewed within the 4 year period between elections where there is a change of circumstances/status, a Member resigns, or there is a vacancy on a body.
- 3.2 With the introduction of the re-structured committee system from May 2019, the list of Outside Bodies was reviewed and the Bodies allocated to reflect the areas of service delivery. Attached at Appendix 1 is the list of Outside Bodies currently within the remit of the Finance & Assets Committee.
- 3.3 With regard to appointments to the Internal Drainage Boards, it has been the policy to endeavour to fill any vacancies from within the District Council and then seek nominations from Parish Councils. A number of former District Councillors confirmed their willingness to continue if so nominated and they are identified as 'lay members'.
- 3.4 There remains five vacancies in respect of the Cawdle Fen Internal Drainage Board. In January, the City of Ely Council was invited to nominate further

representatives to serve on the Board, but no response has been received to date.

- 3.5 Attached at Appendix 2 are copies of the information pages from the Outside Bodies Booklet, giving details of the aims and activities of the individual Outside Bodies within the remit of Finance & Assets Committee, together with a copy of the Annual Report submitted by the Councillor Representative(s) on that Body. Of particular note in the Councillors' Annual Reports, will be the comments that they have made as to how the work of the Outside Body supports the Corporate objectives of the Council and whether continued representation on the Body is worthwhile.

4.0 ARGUMENTS/CONCLUSIONS

- 4.1 There are no additional cost implications arising from this report.

5.0 APPENDICES

- 5.1 Appendix 1 – List of Outside Bodies currently within remit of Finance & Assets Committee, and proposed nominated representatives.

Appendix 2 – Information pages from Outside Bodies Booklet, giving details of aims and activities of individual Outside Bodies within remit of Finance & Assets Committee, together with copies of Annual Reports submitted by Councillor Representatives on the Bodies.

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
None	The Grange Ely	Janis Murfet Democratic Services Officer (01353) 616457 E-mail: janis.murfet@eastcambes.gov.uk

FINANCE & ASSETS COMMITTEE

ORGANISATION	NOMINATED REPRESENTATIVES FOR 2020/21	ECDC CONTACT OFFICER
East of England Local Government Association	Anna Bailey (Leader of the Council)	Chief Executive: John Hill
Local Government Association	Joshua Schumann	Chief Executive: John Hill
Local Government Association – District Councils' Network	Anna Bailey (Leader of the Council)	Chief Executive: John Hill
Paradise Centre Management Committee, Ely	David Ambrose Smith	Senior Leisure Services Officer: Victor Le Grand
Soham & District Sports Association	Ian Bovingdon Dan Schumann	Senior Leisure Services Officer: Victor Le Grand
Internal Drainage Boards		
Burnt Fen (2)	Julia Huffer Derrick Beckett – lay member	Finance Manager: Ian Smith
Cawdle Fen (7)	Christine Whelan Mike Rouse Vacancy Vacancy Vacancy Vacancy	Finance Manager: Ian Smith

Haddenham Level (2)	Gareth Wilson Steve Cheetham – lay member	Finance Manager: Ian Smith
Littleport and Downham (6)	Christine Ambrose Smith David Ambrose Smith Lorna Dupré Jo Webber Paul Cox – lay member Vacancy	Finance Manager: Ian Smith
Middle Fen and Mere (5)	Ian Bovingdon Victoria Charlesworth Alec Jones Dan Schumann Derrick Beckett – lay member	Finance Manager: Ian Smith
Padnal and Waterden (7)	David Ambrose Smith Lis Every Alison Whelan Paul Cox – lay member Edward Carlsson Browne Debra Jordan Sue Kerridge	Finance Manager: Ian Smith
Swaffham (4)	David Brown Lavinia Edwards Alan Sharp John Trapp	Finance Manager: Ian Smith
Waterbeach Level (1)	David Chaplin – lay member	Finance Manager: Ian Smith

APPENDIX 2

EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION

Aims & Activities

- To represent the interests of local authorities in the region
- To formulate sound policies for the development of local government in the region
- To promote the policies of the East of England LGA and provide information/advice on local government issues to the public and partner organisations
- To enable Councillors to exercise their democratic accountability and leadership effectively
- To support innovation and excellence that enables local authorities and their partnerships to meet the needs of their communities and meet future challenges.

Representation	Meetings per year	Expenses paid by Organisation
Leader of the Council	Assembly of Council Leaders – twice yearly	No

Status of Member	Insurance Provision
Representative of ECDC	Yes

Category of Officer Support	Contact Officer	Representative for 2019/20
1	Chief Executive John Hill	Cllr Anna Bailey (Leader of the Council)

We draw on the expertise and resources of EELGA as needed.

This is a membership organisation, representing 50 Councils in the East of England that provides the Council with support and information. We use the support on an as needed basis and whilst we have not drawn on their expertise lately, it is important to continue our membership.

Representative for 2020/21
Cllr Anna Bailey (Leader of the Council)

LOCAL GOVERNMENT ASSOCIATION

Aims & Activities

To support, promote and improve local government in England and Wales.

To support Councillors in their role as democratically elected local representatives.

Representation	Meetings per year	Expenses paid by Organisation
One Member	3	Attendance - Yes Travelling - No

Status of Member	Insurance Provision
Representative of ECDC	No

Category of Officer Support	Contact Officer	Representative for 2019/20
1	Chief Executive: John Hill	Cllr Joshua Schumann

Representative for 2020/21
Cllr Joshua Schumann

LGA – DISTRICT COUNCILS' NETWORK

Aims & Activities

- To lobby and negotiate directly with senior members of national political parties on district specific needs and issues – the “localism” agenda;
- To inform and influence national agencies, government departments and other local authority agencies on things that matter, such as resources and allocation;
- To get the Network’s unique message across to the audiences that matter – people, Government, partners, regulators;
- Help each other to remain effective and share learning/good practice.

Representation	Meetings per year	Expenses paid by Organisation
Leader of the Council	4	No

Status of Member	Insurance Provision
Representative of ECDC	No

Category of Officer Support	Contact Officer	Representative for 2019/20
1	Chief Executive: John Hill	Cllr Anna Bailey (Leader of the Council)

We draw on the expertise and resources as needed.

This is a membership organisation, representing 191 District Councils that provides a single voice for District Councils within the Local Government Association. We contact the organisation and use support and information on an as needed basis and it is important to continue our membership.

Representative for 2020/21
Cllr Anna Bailey (Leader of the Council)

PARADISE CENTRE MANAGEMENT COMMITTEE, ELY

Aims & Activities

- The provision of facilities for playing sports;
- The provision of opportunities for recreation, social activities and refreshment, for the benefit of its members and the public;
- The provision and maintenance of a sports and leisure centre at Paradise Ground, Ely; including selection of the centre management.

Representation	Meetings per year	Expenses paid by Organisation
One Member	6	No

Status of Member	Insurance Provision
Non Voting Observer	Yes, for all staff & members

Category of Officer Support	Contact Officer	Representative for 2019/20
3	Senior Leisure Services Officer: Victor Le Grand	Cllr David Ambrose Smith

Cllr David Ambrose Smith:

East Cambridgeshire District Council's Corporate Objectives are to support all leisure facilities throughout East Cambs. This is not necessarily with finance but with business advice from the Council's experienced Leisure Services team.

With the excellent working relationships the Leisure Services team have with all leisure facilities in East Cambs, I see little reason why representation on this Outside Body is required, as East Cambs does not have representation at committee/board level on all the other facilities.

Representative for 2020/21
Cllr David Ambrose Smith

SOHAM AND DISTRICT SPORTS ASSOCIATION (ROSS PEERS SPORTS CENTRE)

Aims & Activities

- To establish, maintain, finance and manage an indoor sports hall;
- To act as a central body representing all sports interests in Soham and the surrounding district;
- To maintain and improve the provision of all sports learning and recreational facilities within Soham and the surrounding district.

Representation	Meetings per year	Expenses paid by Organisation
Two Members	6	No

Status of Member	Insurance Provision
Observer	No

Category of Officer Support	Contact Officer	Representative(s) for 2019/20
2	Senior Leisure Services Officer: Victor Le Grand	Cllr Ian Bovingdon Cllr Dan Schumann

Cllr Bovingdon:

The provision of sports and leisure facilities forms an important part of ECDC's commitment to ensuring that the District continues to be an area where people want to live, businesses want to base themselves and grow, and people want to visit.

The provision of this leisure facility is essential to the growth of Soham, particularly with the large growth in population that the town will experience over the next 5 years.

The sports centre has undergone many changes in staffing and particularly management over the last 12 months and great improvements were seen under the guidance of Robin Jones, who unfortunately has recently left to pursue another career. The centre is facing some difficulties in finance and urgently requires support for repairs to the roof.

I have some concerns over the immediate priorities and ongoing management although there does appear to be some progress on this with the current make-up of the committee. ECDC can really help here with guiding a plan for the next 5 years and certainly with financial support.

Continued representation is essential because this is a very important facility for the local community which is struggling financially to provide the town with sporting and leisure activities and will continue to do so as the town expands without significant support from ECDC.

Cllr Dan Schumann:

Soham & district Sports Association operate the Ross Peers Sports Centre, which is part of the network of leisure centres that ECDC created and retains a relationship with. ECDC also grant a small amount of funding to the Ross Peers Sports Centre each year. The work of the centre links to the Communities & Leisure department. The provision of sports and leisure

facilities for the local population fits in with our key priority around making East Cambs a 'fantastic place to live'.

The Ross Peers Sports Centre is in desperate need of an upgrade and staffing has also been an issue.

Continued representation is worthwhile because this is a key facility in Soham and ECDC need to work with SDSA to plan for its improvement and sustainable future.

Meetings are few and seem to be moved, cancelled or called at short notice, which proves difficult to ensure attendance.

Representative(s) for 2020/21
Cllr Ian Bovingdon Cllr Dan Schumann

BURNT FEN INTERNAL DRAINAGE BOARD

Aims & Activities

To maintain the drainage network.

Representation	Meetings per year	Expenses paid by Organisation
Two Members	3	By the Council

Status of Member	Insurance Provision
Board Member	Yes

Category of Officer Support	Contact Officer	Representative(s) for 2019/20
3	Finance Manager: Ian Smith	Cllr Julia Huffer Mr Derrick Beckett (lay member)

Cllr Huffer:

The Drainage Board ensures the continued management of water levels and waterways throughout the District which supply the many farms and related industries in our area.

The IDB's continue to do excellent work in our District. They are extremely well run and managed, and I recommend our continued support.

Representative(s) for 2020/21
Cllr Julia Huffer Mr Derrick Beckett (lay member)

CAWDLE FEN INTERNAL DRAINAGE BOARD

Aims & Activities

To maintain the drainage network.

Representation	Meetings per year	Expenses paid by Organisation
Seven Members	3	By the Council

Status of Member	Insurance Provision
Board Member	Yes

Category of Officer Support	Contact Officer	Representative(s) for 2019/20
3	Finance Manager: Ian Smith	Cllr Christine Whelan Parish Cllr Michael Rouse Vacancy Vacancy Vacancy Vacancy

Cllr Christine Whelan:

More representatives are required for this Board as there are several vacancies.

The discussion was primarily around the safety of the staff when going to inspect the areas. A discussion was held on the safety issues and whether this was adequate. I raised the question on whether solo working was appropriate and was assured that the contact system was adequate for this task and that there was adequate training. Another issue discussed was the mink problem within the area and how these animals were killing the natural local wildlife. Traps have been installed to catch minks in the area, which have been successful in other countries. I did not attend the meeting on financial reports, so am unable to report on this meeting.

I think continued representation is worthwhile as this is a major flood area and the upkeep of the pumping stations is of vital importance. We need to be aware of any problems that exist with the systems in place.

Accessibility to the meetings needs to be looked at, as Board members may struggle with the meetings; all meetings of any kind need to be inclusive.

Parish Cllr Rouse:

I regularly attend Cawdle Fen IDB, I think I have full attendance this year.

I enjoy my representation on the IDBs as I believe that they do vital work in protecting our environment and supporting our most important local industry in producing our food. Maintaining the link with the local authority is very important.

Representative(s) for 2020/21
Cllr Christine Whelan
Parish Cllr Michael Rouse
Vacancy
Vacancy
Vacancy
Vacancy
Vacancy

HADDENHAM LEVEL INTERNAL DRAINAGE BOARD

Aims & Activities

To maintain the drainage network.

Representation	Meetings per year	Expenses paid by Organisation
Two Members	3	By the Council

Status of Member	Insurance Provision
Board Member	To be confirmed

Category of Officer Support	Contact Officer	Representatives for 2019/20
3	Finance Manager: Ian Smith	Cllr Gareth Wilson Parish Cllr Steve Cheetham

Parish Cllr Cheetham:

ECDC are committed to ensuring that East Cambridgeshire continues to be a District where people want to live, work and visit and ensuring flood defences are maintained is a critical element of this commitment.

Items for discussion have included the proposed construction of irrigation reservation reservoirs at Willow Hall Farm. Haddenham has continued with objections being raised by the Haddenham Level IDB on the planning application and potential implications for East Cambs.

The IDB has raised concerns on the amount of seepage coming through or under the 100ft river bank, which this year has caused more surface water on land than we have seen before, and the refusal of the Environment Agency to acknowledge the benefit of dredging, and carry it out.

A meeting had been planned for discussion with Lucy Frazer for the 14th March, but this was postponed and will be rescheduled to ensure the IDB's concerns are understood and raised at the highest political level.

This is a precepting body with the duty of protecting the Haddenham and Aldreth area from flooding and providing irrigation for agriculture. The meetings give a real insight into issues affecting farming and agriculture.

Representatives for 2020/21
Cllr Gareth Wilson Parish Cllr Steve Cheetham

LITTLEPORT AND DOWNHAM INTERNAL DRAINAGE BOARD

Aims & Activities

To maintain the drainage network.

Representation	Meetings per year	Expenses paid by Organisation
Six Members	3	By the Council

Status of Member	Insurance Provision
Board Member	Yes

Category of Officer Support	Contact Officer	Representatives for 2019/20
3	Finance Manager: Ian Smith	Cllr Christine Ambrose Smith Cllr David Ambrose Smith Cllr Lorna Dupré Cllr Jo Webber Mr Paul Cox (lay member) Parish Cllr Mark Taylor

Cllr Christine Ambrose Smith:

Drainage is a highly important issue within the District, and it is important that the District Council maintains their close connection to the Drainage Boards via the councillor representatives.

The Drainage Boards are made up of representatives from within the farming community and the nominated representatives of the District Council. An experienced and knowledgeable Engineer is employed to advise and report to the Board and to lead, manage and direct the workforce. The Board is supported by a small able and experienced clerical team.

Meetings receive reports from the Chairman, Engineer and Clerk covering financial reports, reports of work completed, in progress and planned, and an update of matters for consideration. Much of this is for noting or voting to accept or amend recommendations. Any requests for further information or explanation are clearly dealt with.

Everything is relevant to the District Council and residents, as drainage is of utmost importance. Information of the items covered within meetings can be found within the minutes of the Board meetings available on the website 'Ely Group of Internal Drainage Boards'.

The importance to the District of those responsible for drainage cannot be overstated and the District Council should continue to be represented by a full complement of Members and others nominated to fulfil this task.

An experienced and skilled Engineer reports to and advises a Board which includes many knowledgeable farmers who rely on good drainage in order to produce the food this country relies upon.

Cllr David Ambrose Smith:

IDBs are extremely important partners. ECDC planners work closely with the IDBs and value one another's contributions to the planning process. IDBs praiseworthy concerns regarding increasing their charges perhaps constrains them from carrying out more medium to long term planning.

Continued representation is worthwhile because it gives an understanding of the importance of Internal Drainage Boards within our District and the necessity of keeping drainage infrastructure in good order.

I believe that all our local IDBs should be amalgamated into a single Board which would bring efficiencies at all levels from governance to the water courses. ECDC Councillors/representation of one, possibly two, councillors on this single Board would then give ECDC a better joined up understanding of the whole area.

Cllr Lorna Dupré:

The work of the Drainage Board is to maintain the drainage network. This relates to the Council's corporate priority of a 'Cleaner, Greener East Cambridgeshire'.

I attended the meeting of the Board on 6 November 2019, at which the Board appointed its Chair and Vice Chair, received the engineer's report and internal audit report, and discussed an update from Peter Brett Associates on its modelling work which confirms the importance of proactive flood management in the District.

I was unable to attend the Budget Meeting on 10 February 2020.

The next meeting of the Board is scheduled for 13 May 2020. I am waiting to hear whether this will take place in the light of the current coronavirus pandemic.

Drainage, flooding, and water management are critical to the life of the District and the Council needs to be well represented on the bodies that are engaged in this.

Cllr Jo Webber:

The Internal Drainage Boards play a vital role in keeping East Cambridgeshire free from flooding, supporting our agricultural industry by maintaining drainage channels and providing irrigation services throughout the drier months.

Additionally, the IDBs play an important role in the environment by maintaining habitats for wildlife, and will be a key stakeholder in the ECDC Climate Change Strategy & Action Plan.

Climate change and the increase in risk of flooding is a huge topic of conversation and discussion continues to raise the profile of the issue, and highlights the risks to our District as well as sharing the proposals to mitigate the increased risks. Farmers need to be confident that actions taken to mitigate risks do not impact on the ability to produce crops.

As the Local Planning Authority, ECDC plays a key role in the overall plan to address the risks to our area along with the County Council as the Lead Flood Authority, Anglian Water, the Environment Agency and the Internal Drainage Boards.

With the emerging ECDC Climate Change Action Plan & Strategy coming forward, I think it is increasingly important that East Cambs continues to be represented on the IDBs, and for

Members to be aware of the issues that face both our residents and local businesses, and the funding required to mitigate those risks.

East Cambridgeshire is flat and low lying and the Ely IDBs do a fantastic job in maintaining the drainage channels, which supports our agricultural industry. The IDB Engineer plays a key role in considering future risk to our area of flooding and it is vital that we continue to support their work, listen to their issues and take their concerns on board, to ensure that East Cambridgeshire continues to be free from flooding, and area rich in wildlife and a great place to live for our residents.

Mr Paul Cox:

The Internal Drainage Boards are important partners of East Cambs District Council, and the ECDC Planning Department works closely with the various IDB's (of which there are 10 or more in the District).

Membership of the various IDB's gives Members an insight into drainage and the countryside at large.

I re-joined membership of two of the IDB's and halfway through the Drainage Boards' year. The first meeting was on 10th February 2020; further meetings were suspended due to COVID 19.

Parish Cllr Mark Taylor:

Nothing to report.

Representatives for 2020/21
Cllr Christine Ambrose Smith
Cllr David Ambrose Smith
Cllr Lorna Dupré
Cllr Jo Webber
Mr Paul Cox (lay member)
Parish Cllr Mark Taylor

MIDDLE FEN AND MERE INTERNAL DRAINAGE BOARD

Aims & Activities

To maintain the drainage network.

Representation	Meetings per year	Expenses paid by Organisation
Five Members	3	By the Council

Status of Member	Insurance Provision
Board Member	Yes

Category of Officer Support	Contact Officer	Representatives for 2019/20
3	Finance Manager: Ian Smith	Cllr Ian Bovington Cllr Victoria Charlesworth Cllr Alec Jones Cllr Dan Schumann Mr Derrick Beckett (lay member)

Cllr Bovington:

As part of ECDC's commitment to ensuring that the District continues to be an area where people want to live, businesses want to base themselves and grow, and people want to visit, it is essential that the work of the IDB's are maintained and supported in order to ensure flood defences are correctly planned, managed and robust. This protects local agriculture and enforcement of correct drainage rules/procedures upon new home and commercial developments. This Board continues to do this important work.

Many issues were discussed which have a potential impact on agriculture, ecology and new developments within the area which also affects East Camb's 5 year housing supply. General flood risk planning, management, costs and processes were discussed and agreed. This is a very important IDB for the area, affected by many different issues and I consider their work essential.

Continued representation is worthwhile because this is a very important body protecting the local area from the risk of flooding together with managed irrigation for agriculture. The IDB has a real understanding of the complex issues surrounding development and infrastructure impact on flooding and need to be supported in their management efforts particularly in light of increasing threats from flooding affected by climate changes.

Cllr Jones:

The Internal Drainage Board has a key role in reducing flood risk and protecting ECDC service users and industries.

So far meetings have dealt with mainly administrative issues, electing a chairman, dealing with annual accounts, etc ... The Engineer's report did deal with more pressing practical issues, such as a need for replacement of some equipment, humane trapping of mink and changes to rainfall patterns in the previous year.

Recent flooding in many parts of the country has caused damage to housing and infrastructure. Having insight of bodies that can influence outcomes that have such a traumatic effect on the public is a sound justification for maintaining close links.

The members have been welcoming and the Engineer gave myself and Victoria a useful induction in the role of the Drainage Board and has offered a tour of some of the facilities to help understand its role in flood defence and managing water levels.

Representatives for 2020/21
Cllr Ian Bovingdon
Cllr Victoria Charlesworth
Cllr Alec Jones
Cllr Dan Schumann
Mr Derrick Beckett (lay member)

PADNAL & WATERDEN INTERNAL DRAINAGE BOARD

Aims & Activities

To maintain the drainage network.

Representation	Meetings per year	Expenses paid by Organisation
Seven Members	3	By the Council

Status of Member	Insurance Provision
Board Member	Yes

Category of Officer Support	Contact Officer	Representatives for 2019/20
3	Finance Manager: Ian Smith	Cllr David Ambrose Smith Cllr Lis Every Cllr Alison Whelan Mr Paul Cox (lay member) Parish Cllr Edward Carlsson Browne Debra Jordan Sue Kerridge

Cllr David Ambrose Smith:

IDBs are extremely important partners. ECDC planners work closely with the IDBs and value one another's contributions to the planning process. IDBs praiseworthy concerns regarding increasing their charges perhaps constrains them from carrying out more medium to long term planning.

Continued representation is worthwhile because it gives an understanding of the importance of Internal Drainage Boards within our District and the necessity of keeping drainage infrastructure in good order.

I believe that all our local IDBs should be amalgamated into a single Board which would bring efficiencies at all levels from governance to the water courses. ECDC Councillors/representation of one, possibly two, councillors on this single Board would then give ECDC a better joined up understanding of the whole area.

Cllr Lis Every:

The Internal Drainage Board (IDB) is the operating authority which is established in areas of special drainage need in England and Wales, e.g the Fens, with permissive powers to undertake work to secure clean water drainage and water level management within drainage districts. It also has the authority to add a levy to the Council Tax. Internal Drainage Boards are a statutory consultee for all planning applications. In this area, which seeks growth, the work of the IDB is a very important organisation which has representatives from local farmers and councillor representative from ECDC.

As seen from above, the work undertaken by the IDB is vital for the area, ensuring that there is no flood activity, that the relevant maintenance is undertaken, the right levels of water for irrigation are maintained and the protection of species, ie eels, is undertaken. It is a statutory consultee for all planning applications. Discussions are ongoing concerning the North Ely development.

Continued representation is absolutely vital, ie as consultee for planning applications and an influence on the ultimate Council Tax levy.

Cllr Alison Whelan:

I am unable to report on the activities of the Drainage Board as their meetings are not held in an accessible place.

This is an unacceptable position and fails to meet the ECDC Equality Scheme.

Mr Paul Cox:

The Internal Drainage Boards are important partners of East Cambs District Council, and the ECDC Planning Department works closely with the various IDB's (of which there are 10 or more in the District).

Membership of the various IDB's gives Members an insight into drainage and the countryside at large.

I re-joined membership of two of the IDB's and halfway through the Drainage Boards' year. The first meeting was on 10th February 2020; further meetings were suspended due to COVID 19.

Representatives for 2020/21
Cllr David Ambrose Smith
Cllr Lis Every
Cllr Alison Whelan
Mr Paul Cox (lay member)
Parish Cllr Edward Carlsson Browne
Parish Cllr Debra Jordan
Parish Cllr Sue Kerridge

SWAFFHAM INTERNAL DRAINAGE BOARD

Aims & Activities

To maintain the drainage network.

Representation	Meetings per year	Expenses paid by Organisation
*Four Members	3	By Council

*Four Councillors, plus one nominee jointly with South Cambridgeshire District Council (SCDC) makes the joint appointment by reciprocal agreement of June 1990, whereby East Cambridgeshire District Council makes the joint appointment to Waterbeach Level IDB). Appointments are for three years.

Status of Member	Insurance Provision
Board Member	Yes

Category of Officer Support	Contact Officer	Representatives for 2019/20
3	Finance Manager: Ian Smith	Cllr David Brown Cllr Lavinia Edwards Cllr Alan Sharp Cllr John Trapp

Cllr Brown:

The Internal Drainage Board (IDB) plays a very important role in water and environmental management in the local area, to keep East Cambridgeshire a safe and attractive place to live.

The IDB is a significant recipient of public funds and it is very important that the District Council plays a full part in the decision making of the IDB. For example, this year the IDB took the decision to purchase a new excavator (for £100,000). The IDB also agreed to fund and install mink traps in the local area.

Decision making of such magnitude needs to be properly accountable.

Cllr Edwards:

The work of the IDB fits in with the District Council's commitment to ensure and maintain the drainage network, particularly as the District has a large agricultural element with much employment.

Issues for discussion have included the setting of the levy for the next financial year, land management and ecology.

Representation is important to ECDC because it allows the representative an understanding of the work of the IDB within the District. IDB's are vital, protecting the area from flooding and they are a consultee for planning applications.

Cllr Sharp:

Living in a District where a large part of the land is fenland, the work of the Internal Drainage Board is very important.

The successful management of waterways fits in with our commitment to climate change policy.

Various engineering projects are discussed, together with the financial implications of actions taken by the Board.

The management of waterways from a big part of the work that needs to be undertaken in the District, as part of the planning to achieve acceptable outcomes in tackling Climate Change.

Cllr Trapp:

Due to previous commitments, I could only manage to come to one meeting which discussed the budget for next year. The meeting was short, but it was well managed, with good explanations of why expenditure on new equipment had to be made in the next year, and the precept raised.

The venue for the meeting is only accessible by able bodied members, and a new venue may have to be considered in the future.

Representatives for 2020/21
Cllr David Brown Cllr Lavinia Edwards Cllr Alan Sharp Cllr John Trapp

WATERBEACH LEVEL INTERNAL DRAINAGE BOARD

Aims & Activities

To maintain the drainage network.

Representation	Meetings per year	Expenses paid by Organisation
*One Member	3	By the Council

*One Councillor, jointly with South Cambridgeshire District Council (East Cambridgeshire makes the appointment by reciprocal agreement of June 1990, whereby South Cambridgeshire District Council makes the joint appointment to Swaffham IDB). IDB appointments are for three years.

Status of Member	Insurance Provision
Board Member	Yes

Category of Officer Support	Contact Officer	Representative for 2019/20
3	Finance Manager: Ian Smith	Mr David Chaplin (lay member)

Representative for 2020/21
Mr David Chaplin (lay member)

¹ The Charity Commission provide guidance under the following link:
http://www.charity-commission.gov.uk/Charity_requirements_guidance/ccpubs3.aspx#pub

TITLE: ASSETS UPDATE

Committee: Finance & Assets Committee

Date: 18 June 2020

Author: Director Commercial and Open Spaces & Facilities Manager

[V24]

1.0 ISSUE

1.1 To receive an update on Council owned assets.

2.0 RECOMMENDATION

2.1 Members are requested to note the update on Council owned assets.

3.0 BACKGROUND/OPTIONS

3.1 On 26 September 2019 (Agenda Item 16) Finance & Assets Committee received a report detailing Council owned assets which provided a summary of each asset.

3.2 **Maltings Cottage, Ely**

The Council requested that City of Ely Council carry out a survey for Maltings Cottage, Ely. This survey has now been completed and is currently being reviewed by the Open Space & Facilities Manager. A fuller briefing will be provided to the Finance & Assets meeting in July 2020. This report seeks to update Members on changes to Council owned assets.

3.3 **70 Market Street, Ely**

In March 2020, Cambridgeshire Advice Rural Cambridgeshire (CARC) wrote to the Council and gave notice that they would be vacating the building during April 2020.

Due to COVID-19 and staff working from home CARC requested an extension to allow time for them to vacate once they were able to return to the office to remove files and office furniture. This request was duly granted.

CARC is now in a position to vacate the premises and will do so within the next few weeks.

The Council has instructed a valuation with a view to advertise the premises on the open market. This will be done as soon as the Council is able to achieve vacant possession.

Officers are currently working on the marketing plan. Once the site has been marketed and a potential occupier has been identified a recommendation will be brought to Finance & Assets Committee.

4.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

4.1 There are no financial implication arising from this report.

4.2 EIA not required.

5.0 APPENDICES

5.1 None

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Finance & Assets Committee- 26 September 2019- Agenda Item 16	Room 106, The Grange, Ely	Spencer Clark Open Spaces & Facilities Manager (01353) 616960 E-mail: spencer.clark@eastcambs.gov.uk

Minutes of a meeting of the East Cambs Bus Services Review Working Party held in Committee Room 2, The Grange, Ely on Tuesday, 17th December 2019 at 6.05pm.

PRESENT

Cllr Alan Sharp (Chairman)
Cllr David Ambrose Smith
Cllr Lorna Dupré
Cllr Lis Every
Cllr Simon Harries

OFFICERS

Sally Bonnett – Infrastructure & Strategy Manager
Janis Murfet – Democratic Services Officer

10. APOLOGIES

Apologies for absence were received from Cllr Charlotte Cane.

11. DECLARATIONS OF INTEREST

There were no declarations of interest made.

12. MINUTES

It was resolved:

That the Minutes of the meeting held on 13th November 2019 be confirmed as a correct record and signed by the Chairman.

13. ECDC BUS REVIEW WORK PROGRAMME – DECEMBER 2019

Members considered the work programme, which set out the tasks and key dates for the Working Party.

- The next meeting to be arranged for Tuesday, 4th February 2020 at 6.00pm ;
- The consultation feedback to be shared with the Combined Authority in April 2020;
- It was noted that the Combined Authority had received 3,000 responses to their consultation, with the majority being made on-line.

There had been only 50 via telephone and approximately 1200 face to face interviews;

- John Gregson, Peter Hardy and Oliver Howarth to be invited to attend the Working Party meeting on 4th February;
- The Infrastructure & Strategy Manager to feed back to the Combined Authority that some people had been invited to focus groups, but due to the time and location of meetings, it was impossible for them to attend;
- The final draft consultation proposals to go to the meeting of the Finance & Assets Committee on 27th January 2020.

It was resolved:

That the work programme be noted, and the next meeting of the Working Party be arranged for 4th February 2020 at 6.00pm.

14. REVISED CONSULTATION QUESTIONNAIRE

The Working Party was asked to consider a revised version of the draft consultation questionnaire and provide the Infrastructure & Strategy Manager with any further feedback before the document being taken to the January meeting of the Finance & Assets Committee for approval.

It was noted that the Leader of the Council wished to combine the Bus Services Review consultation with a Walking & Cycling Strategy consultation.

During the ensuing discussion, the following points were raised:

- The Walking & Cycling consultation would have only 2 or 3 questions but rather than having a combined questionnaire, it would be better to have two separate documents clipped together. It was felt that as the scope of the consultation was widened, it would lose focus. The comment was made that older people tend to use buses and would probably disregard the walking & cycling element;
- The Leader of the Council has agreed to a door to door delivery (by means of a Royal Mail drop) and the finalised document will have a QR code enabling on-line completion.
- Questionnaires will be accompanied by an introduction explaining the purpose of the consultations and the importance of completing the documents;

- Question 4 to be amended to make reference to 'Sports & Entertainment' rather than leisure facilities;
- The wording of Question 5 also to be amended to take account of the introductory text;
- Question 6 to have a drop down box for the types of bus passes;
- The document will have a GDPR disclaimer and make reference to its availability in other languages;
- The questions should not be too 'wordy';
- A Communications Plan for the consultation will be drawn up;
- The Infrastructure & Strategy Manager will produce a short briefing note for Councillors regarding the residents meetings
- The Infrastructure & Strategy Manager will amend the document in the light of comments made, and then email it to Members so they can review and make any further edits before 27th January 2020;
- The public consultation will commence on 24th February 2020;
- Parish Councils will be asked to host a 'drop box' for responses;
- It is suggested that posters and leaflets with the QR code be produced for display in public places;
- Key stakeholders to include: Parish Councils, schools, colleges, student councils, bus groups, large employers, Chambers of Commerce, Rotary Clubs, University of the 3rd Age (U3A), GP surgeries, traders' associations. Princess of Wales Hospital, Cathedral Business Group, Federation of Small Businesses, Voluntary Council for Action East Cambs (VCAEC), John Elworthy (Cambs Times) and Ben Hatton (Local Democracy);

It was resolved:

That the revised Consultation Questionnaire and the proposed amendments as discussed at the meeting, be noted.

15. EAST CAMBRIDGESHIRE BUS SERVICES REVIEW ROUTE EVALUATION CRITERIA

The Working Party considered a report from which Members were asked to agree route evaluation criteria to inform the Bus Services Review work.

The aim of the Review consultation was to identify routes that were viable, or could become viable over a period of time, and to seek funding for a trial period to allow routes to become established and self-financing.

It was anticipated that a large number of responses requesting various bus routes would be received, and these would need to be prioritised.

It was proposed that consultation responses relating to the frequency of existing routes be discussed with local bus service providers, as they might be willing to make changes without additional funding.

If a new route was proposed or changes could not be made to existing services, proposals would be evaluated based on the following criteria:

- The number of specified journey purposes it served;
- Whether it provided a link to other public transport services for onward journeys (bus, guided bus or train);
- The potential number of passengers the route could serve;
- How often the service was likely to be used; and
- Whether it be linked to other proposed routes to create a viable service.

The Infrastructure & Strategy Manager suggested, and Members agreed that a sensible approach would be to pick a couple of key routes for trial funding. However, they should be chosen carefully, as there was a public perception that everything was very Ely and Littleport 'centric'.

The following comments were made:

- The route evaluation should be inclusive of everyone in the District and Working Party Members to feed back to their political Groups and invite input to the process;
- Members should be mindful of negative criterion and ensure that any proposed route will not undermine another service to the point of non-viability;
- Work to be prioritised over leisure;

- Views to be sought from bus pass holders having to pay fares due to a lack of/restricted scheduled services;
- Include a question regarding community transport services, reiterating that the aim is to try and secure funding.

It was resolved:

That the Working Party considers and agrees the evaluation criteria at its next meeting.

16. DATE OF NEXT MEETING

It was agreed that the next meeting of the Working Party would be arranged for Tuesday, 4th February 2020 at 6.00pm.

The meeting closed at 7.25pm.

FINANCE & ASSETS COMMITTEE
ANNUAL AGENDA PLAN

AGENDA ITEM NO 16

LEAD OFFICER(S): Emma Grima, Director Commercial

DEMOCRATIC SERVICES OFFICER: Janis Murfet

Meeting on: Thursday 18 June 2020 4.30pm			Meeting on: Thursday 23 July 2020 4.30pm			Meeting on: Thursday 24 September 2020 4.30pm		
Agenda Planning meeting:			Agenda Planning meeting:			Agenda Planning meeting:		
Pre-meeting briefing:			Pre-meeting briefing:			Pre-meeting briefing:		
Deadline for reports/dispatch:	4pm Monday 8 June 2020	Wednesday 10 June 2020	Deadline for reports/dispatch:	4pm Monday 13 July 2020	Wednesday 15 July 2020	Deadline for reports/dispatch:	4pm Monday 14 September 2020	Wednesday 16 September 2020
<ul style="list-style-type: none"> Chairman's Announcements External Audit Annual Audit Letter 2018/19 External Audit - Audit Plan 2019/20 Internal Audit Plan 2020/21 Assets Update Community Infrastructure Levy Funding Request COVID-19 Working Party Terms of Reference Draft Ely & Soham Masterplans Annual Reports of Representatives on Outside Bodies 	<ul style="list-style-type: none"> Chair External Audit External Audit Internal Audit Open Spaces & Facilities Manager Infrastructure & Strategy Manager Director Commercial Infrastructure & Strategy Manager DSO 	<ul style="list-style-type: none"> Chairman's Announcements Internal Audit Annual Report & Opinion Draft Annual Governance Statement External Audit Annual Audit Fee Letter External Audit Local Government Sector Briefing & Finance Manager's Response Financial Outturn Report 2019/20 Treasury Operations Annual Performance Review ARP Joint Committee Minutes Assets Update Bus Services Review Working Party Minutes Forward Agenda Plan Statement of Accounts 	<ul style="list-style-type: none"> Internal Audit Internal Audit External Audit External Audit/Finance Manager CFO CFO Director Commercial Open Spaces & Facilities Manager DSO DSO Finance Manager 	<ul style="list-style-type: none"> Chairman's Announcements Annual Governance Statement Corporate Risk Management Internal Audit Progress Report External Audit Sector Update & Finance Manager's Response Assets Update Forward Agenda Plan Finance Report <i>Action taken by the Chief Executive on the Grounds of Urgency (if any)</i> <i>Write Off of Unrecoverable Debt</i> 	<ul style="list-style-type: none"> Chair Internal Audit Internal Audit Internal Audit External Audit/Finance Manager Open Spaces & Facilities Manager DSO Finance Manager & S151 Officer DSO Finance Manager & S151 Officer 			

[Notes: 1. Agenda items which are likely to be "urgent" and therefore not subject to call-in are marked *
2. Agenda items in italics are provisional items/possible items for future meetings]

FINANCE & ASSETS COMMITTEE
ANNUAL AGENDA PLAN

LEAD OFFICER(S): Emma Grima, Director Commercial

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<ul style="list-style-type: none"> • Bus Services Review Working Party Minutes • Forward Agenda Plan • <i>Action taken by the Chief Executive on the Grounds of Urgency</i> 	<p>DSO</p> <p>DSO</p> <p>DSO</p>	<ul style="list-style-type: none"> • Climate Change SPD – Draft for Consultation • Design SPD – Draft for Consultation • Self Build SPD – for adoption • Natural Environment SPD – for adoption • <i>Action taken by the Chief Executive on the Grounds of Urgency (if any)</i> • <i>Write Off of Unrecoverable Debt</i> • Refreshed Equality, Diversity & Inclusion Policy • Developer Contributions – Draft for Consultation • External Audit Local Govt Sector Briefing & Finance Managers Response 	<p>Strat Planning Manager</p> <p>Strat Planning Manager</p> <p>Strat Planning Manager</p> <p>Strat Planning Manager</p> <p>DSO</p> <p><i>Finance Manager & S151 Officer</i></p> <p>HR Manager/N'hood Support Officer</p> <p>Strat Planning Manager</p> <p>External Audit/ Finance Manager & S151 Officer</p>		
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FINANCE & ASSETS COMMITTEE
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<ul style="list-style-type: none"> Chairman's Announcements External Audit - Audit Results Report Internal Audit Update Forward Agenda Plan Gender Pay Counter Fraud Assets Update Discretionary Business Rates Relief 	Chair External Audit Internal Audit DSO HR Manager DSO Internal Audit Open Spaces & Facilities Manager Finance Manager & S151 Officer	<ul style="list-style-type: none"> Chairman's Announcements Assets Update Forward Agenda Plan External Audit Results Report 	Open Spaces & Facilities Manager DSO External Audit	<ul style="list-style-type: none"> Chairman's Announcements Assets Update Forward Agenda Plan 	Open Spaces & Facilities Manager DSO			

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FINANCE & ASSETS COMMITTEE
ANNUAL AGENDA PLAN

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