



EAST CAMBRIDGESHIRE DISTRICT COUNCIL

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

MEETING: FINANCE & ASSETS COMMITTEE

TIME: 4:30pm

DATE: Thursday 23rd June 2022

VENUE: Council Chamber, The Grange, Nutholt Lane, Ely, CB7 4EE

ENQUIRIES REGARDING THIS AGENDA: Tracy Couper

TELEPHONE: (01353) 665555 EMAIL: tracy.couper@eastcambs.gov.uk

MEMBERSHIP:

Conservative Members

Cllr David Brown (Chairman)
Cllr Anna Bailey
Cllr Ian Bovingdon (Vice-Chairman)
Cllr Mark Goldsack
Cllr Julia Huffer
Cllr Bill Hunt

Substitutes:

Cllr David Ambrose Smith
Cllr Joshua Schumann
Cllr Jo Webber

Liberal Democrat Members

Cllr Alison Whelan (Lead Member)
Cllr Lorna Dupré
Cllr Simon Harries
Cllr John Trapp

Substitutes:

Cllr Matthew Downey
Cllr Gareth Wilson

Independent Member

Cllr Sue Austen (Lead Member)

Substitute:

Cllr Paola Trimarco

Lead Officer

Emma Grima, Director Commercial

Quorum: 5 Members

AGENDA

- 1. Public Question Time** [oral]
The meeting will commence with up to 15 minutes public question time
- 2. Apologies and Substitutions** [oral]

- 3. Declarations of Interest** **[oral]**
To receive declarations of interest from Members for any Items on the Agenda in accordance with the Members Code of Conduct.
- 4. Minutes**
To confirm as a correct record the Minutes of the meetings of the Finance & Assets Committee held on 24th March and 19 May 2022.
- 5. Chairman's Announcements** **[oral]**

ITEMS FOR DECISION

6. Motion from Council - Accessible Toilets

To consider the following Motion referred from full Council on 21 April 2022:

This Council notes that:

- Not every Council owned or managed public toilet in East Cambridgeshire is accessible for people with disabilities.
- The Government has decided that large accessible toilets for severely disabled people—known as Changing Places toilets—will be made compulsory for large new buildings, such as shopping centres, supermarkets, sports and arts venues. The Changing Places interactive map at <https://www.changing-places.org/find> indicates that there is not a single Changing Places toilet in the whole of East Cambridgeshire, and that the nearest Changing Places toilets for residents of the district are at Eddington, Bar Hill, and Mildenhall. Furthermore, East Cambridgeshire is the only district in Cambridgeshire for which no Changing Places grant funding was awarded by Government in March this year.
- The charity Crohn's and Colitis UK is encouraging venues providing accessible toilets to install new signage—two standing figures and a wheelchair user with the words *Accessible Toilet* and the logo 'Not every disability is visible'. This is to help stop stigma and discrimination towards people with Crohn's Disease and Ulcerative Colitis and other invisible conditions. There have been instances nationally where such individuals using an accessible toilet have been accused by staff members of being ineligible to use them.

This Council believes that:

- Provision of good quality, accessible, well-signed public toilets is important not only as a human right, but also for its potential to attract tourists to East Cambridgeshire and enable East Cambridgeshire residents to enjoy the amenities of the district.
- Every public toilet should be accessible for people with disabilities.
- Severely disabled people and their families or carers should be able to spend time in public places confident that a Changing Places toilet is available within a reasonable enough distance not to curtail their visit.
- People with invisible disabilities should be able to use accessible toilets without fear of stigma or discrimination.

This Council resolves to:

- Review disability access to every public toilet provision in East Cambridgeshire, and where this is not in place draw up a plan for installation of disability access arrangements, or make arrangements to replace the toilet with one which can be adapted and which is within a reasonable distance from the inaccessible toilet.

- Engage with businesses and partner organisations across East Cambridgeshire to identify premises, regardless of ownership, where a Changing Places toilet could be installed; work with them to access Government grant or other funding; and ensure that any Changing Places toilets so installed are properly signposted for visitors.
- Ensure that existing public toilets are signed in line with Crohn's & Colitis UK guidance; ask town and district centre retailers and leisure outlets to do likewise with their accessible toilets; and seek advice from Crohn's & Colitis UK on the information and training this Council should provide to council staff members to enable them to understand these conditions and to prevent potential embarrassment for those who suffer with them.

Proposed by: Cllr Lorna Dupré

Seconded by: Cllr Matt Downey

- 7. ECTC Business Plan 2022/23**
- 8. Economic Development Service Delivery Plan**
- 9. Levelling-Up Fund Bid**
- 10. First Homes Interim Policy Statement**
- 11. Growth & Infrastructure Fund Criteria**
- 12. Financial Outturn Report 2021/22**
- 13. Treasury Operations Annual Performance Review**

ITEMS FOR NOTING

- 14. Assets Update**
- 15. Annual Reports of Representatives on Outside Bodies**
- 16. Bus, Cycle, Walk Working Party**
To receive the Notes of the meetings of the Working Party held on 20 April 2022
- 17. Actions Taken by the Chief Executive on the Grounds of Urgency**
- 18. Forward Agenda Plan**

EXCLUSION OF THE PUBLIC INCLUDING REPRESENTATIVES OF THE PRESS

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 items 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).

- 19. ECTC Business Plan 2022/23 – Exempt Appendix**

20. Appointments, Transfers, Resignations

21. ECTC Management Accounts

22. ECTC Board Minutes

To receive the Minutes of the ECTC Board meeting held on 7 March 2022

23. Write off of Unrecoverable Debts

24. Exempt Minutes – 24th March 2022

NOTES:

1. Members of the public are welcome to attend this meeting, but due to Covid-related room capacity restrictions they are asked, where possible, to notify the Democratic Services Manager (tracy.couper@eastcambs.gov.uk) in advance.

The meeting will be webcast and a live stream of the meeting will be available. Further details can be found at www.eastcambs.gov.uk/meetings/ Please be aware that all attendees, including those in the public gallery, will be visible on the livestream.

2. Public Questions/Statements are welcomed on any topic related to the Committee's functions as long as there is no suspicion that it is improper (e.g. offensive, slanderous or might lead to disclosures of Exempt or Confidential information). Up to 15 minutes is allocated for this at the start of the meeting. Further details about the Public Question Time scheme are available at: <https://www.eastcambs.gov.uk/committees/public-question-time-scheme>
3. The Council has adopted a 'Purge on Plastics' strategy and is working towards the removal of all consumer single-use plastics in our workplace. Therefore, we do not provide disposable cups in our building or at our meetings and would ask members of the public to bring their own drink to the meeting if required.
4. Fire instructions for meetings:
 - If the fire alarm sounds please make your way out of the building by the nearest available exit i.e. the back staircase or the fire escape in the Chamber. Do not attempt to use the lifts.
 - The fire assembly point is in the front staff car park by the exit barrier.
 - The building has an auto-call system to the fire services so there is no need for anyone to call the fire services.

The Committee Officer will sweep the area to ensure that everyone is out.

5. Reports are attached for each agenda item unless marked "oral".
6. 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
7. 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 item no(s). 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(s) there would be disclosure to them of exempt information of Category X of Part I Schedule 12A to the Local Government Act 1972 (as amended).”



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

AGENDA ITEM 4

Minutes of a meeting of the Finance & Assets Committee held at 4:30pm on Thursday 24th March 2022 in the Council Chamber at The Grange, Nutholt Lane, Ely, CB7 4EE

PRESENT

Councillor David Brown (Chairman)
Councillor David Ambrose-Smith (Substitute for Councillor Julia Huffer)
Councillor Sue Austen
Councillor Anna Bailey
Councillor Ian Bovingdon (Vice-Chairman)
Councillor Lorna Dupré
Councillor Mark Goldsack
Councillor Bill Hunt
Councillor John Trapp
Councillor Alison Whelan
Councillor Gareth Wilson (Substitute for Councillor Simon Harries)

OFFICERS

Emma Grima – Director Commercial
Ian Smith – Finance Manager
Sally Bonnett – Corporate Unit Manager
Maggie Camp – Legal Services Manager
Nicole Pema – HR Manager
Tracy Couper – Democratic Services Manager
Emily Howard – CLT Advisor
Marta Lotysz-Veiga – Reprographics Manager
Angela Tyrrell – Senior Legal Assistant

IN ATTENDANCE

Nigel Ankers – ECTC Finance Manager

94. PUBLIC QUESTION TIME

No questions were submitted by members of the public.

95. APOLOGIES AND SUBSTITUTIONS

Apologies for absence were received from Councillors Simon Harries and Julia Huffer and Councillors Gareth Wilson and David Ambrose-Smith were acting as Substitute Members.

96. DECLARATIONS OF INTEREST

Cllr Anna Bailey declared an Interest in relation to Agenda Item 9 on CLT Pre-Development Grant Scheme as a Trustee of East Cambs CLT.

97. MINUTES

The Committee received the Minutes of the meeting held on 24 January 2022.

It was resolved:

That the Minutes of the Finance and Assets Committee meeting held on 24 January 2022 be confirmed as a correct record and be signed by the Chairman.

98. CHAIRMAN'S ANNOUNCEMENTS

The Chairman informed Members that, in order to aid discussions, he had invited Nigel Ankers (Finance Manager, East Cambs Trading Company) to attend the meeting.

99. SERVICE DELIVERY PLANS 2022/23

The Committee considered a report (W163, previously circulated) containing the Service Delivery Plans (SDPs) for Services within the remit of this Committee.

Councillor Sue Austen arrived at the meeting at 4.35pm

Questions/comments were raised in relation to the individual Service Delivery Plans and responses given as follows:

Financial Services

A Member raised a question regarding the Council Tax rebate which was responded to by the Finance Manager. The Finance Manager confirmed that ARP would be leading the process for the Council and that the vast majority of the mandatory £150 payments for band A – D properties would be a payment direct into the bank account from where the Council Tax direct debit is paid. For residents who do not pay by direct debit, an application process will be required.

Democratic Services

A Member raised a question regarding resourcing by Councils for the proposal in the Elections Bill for the introduction of Voter Identification. The Democratic Services Manager referred to a recent questionnaire received from Central Government requesting information from Councils regarding the potential costs of them of providing Voter ID for those electors without the prescribed documents. Discussions also would take place as to whether such a role would be most effectively undertaken by Electoral Services or Customer Services staff.

Strategic Planning

A Member highlighted that the SDP did not include work on a revision of the Local Plan. Full Council had agreed a limited refresh, but this was before the

recent loss of the Soham appeal and any possible future proposals by Central Government on Strategic Planning. In response, it was reported that absence of inclusion in the SDP did not mean that this could not be considered in the light of new circumstances and the Service Level Agreement with Peterborough City Council enabled this Council to adjust resourcing levels accordingly. A further report was to be submitted to the April Council meeting.

On the Service Delivery Plans in general, a Member commended the return and quality of the Plans and highlighted that, on the particular issue of the Local Plan, our Plan was relatively new compared to other Councils and yet other work still was taking place such as the single-issue review on Policy GROWTH 1 and local Neighbourhood Plans.

It was resolved (unanimously):

That the following Service Delivery Plans attached at Appendix 1 to the submitted report be approved:

- i. Democratic Services
- ii. Financial Services
- iii. Human Resources
- iv. Infrastructure & Strategic Housing
- v. Legal Services
- vi. Open Spaces & Facilities
- vii. Reographics
- viii. Strategic Planning

100. ASSETS UPDATE & ASSET MANAGEMENT PLAN 2022/23

The Committee received a report (W164, previously circulated) containing the Asset Management Plan and spending for 2022/23.

A Member request relating to this item had been submitted in advance of the meeting, asking for a corrected version of Appendix A to Appendix 1 to the report, and a revised Appendix had been circulated to Members of the Committee.

A Member stated that they had requested Officers to ensure that the 'peppercorn rent' on certain properties let by the Council were collected to reinforce the contractual obligations with tenants. The Member also highlighted the improving position on car parking income following the ending of Covid restrictions.

In response to a question by a Member, the Open Spaces and Facilities Manager had clarified the Council's role and responsibilities regarding Closed Churchyards.

It was resolved (unanimously):

- i) That the Corporate Asset Management Plan, as detailed in the revised Appendix 1 to the submitted report, be noted.
- ii) That the Asset Management spend for 2022/23, as detailed in Appendix 2 to the submitted report, be approved.
- iii) That the Asset Management 2021/22 spend to date, as detailed in Appendix 3 to the submitted report, be noted.
- iv) That the carry forward of the 2021/22 underspend, as detailed in paragraph 3.1 of the submitted report, be approved.

101. PORTLEY HILL DEPOT IMPROVEMENTS

The Committee received a report (W165, previously circulated) detailing proposed improvement works to Portley Hill Depot, Littleport.

Members commended the proposals which included security and staff welfare improvements.

It was resolved (unanimously):

- i) That spending of up to £543,400 for the purposes outlined in Table 1 at 3.8 of the submitted report, be approved.
- ii) That approval be given to retain £282,550 (plus any unspent contingency) in reserve for the purposes identified in 3.9 of the submitted report.

102. CLT PRE-DEVELOPMENT GRANT SCHEME

The Committee received a report (W166, previously circulated) containing draft criteria and application process for the CLT Pre-Development Grant Scheme, following approval by full Council on 22 February 2022 of a Budget allocation of £100,000 for this purpose. The Chairman highlighted that applications would be submitted to this Committee for approval.

The Chairman proposed the recommendation in the submitted report to approve the criteria for the CLT Pre-Development Grant Scheme as set out in Appendix 1 and this was seconded by Councillor Goldsack.

The following amendment, circulated to Members of the Committee, then was proposed by Councillor Dupré and seconded by Councillor Alison Whelan:

Members are requested approve the criteria for the CLT Pre-Development Grant Scheme as set out in the revised Appendix 1 (attached as an Appendix to these Minutes).

Speaking on her amendment, Councillor Dupré stated that its intention was to ensure that there was widespread and genuine community support for any CLT and that any project was properly evidenced.

Some Members stated that the amendment was inappropriate, as the grant funding was aimed at bridging the gap between the establishment of a CLT and developing a project. The threshold of 4% membership of a CLT proposed in the amendment was considered to be too high for larger parishes and to be unduly onerous, bearing in mind that evidencing of community engagement/support would be a requirement of the Planning process. CLTs needed to be able to determine what housing/infrastructure provision was required for their local area, without any restrictions/impositions by the District Council. Whilst some CLTs may have undertaken feasibility/viability studies and drafted an allocations policy, others may need funding/support to do so, therefore the removal of the wording 'if available' could be restrictive and unhelpful.

Other Members argued that the changes in the amendment were reasonable to ensure the appropriate allocation of public funding to schemes with clear local support and properly evidenced projects. Documents such as an allocations policy could be drafted without requiring funding, by utilising examples readily available from elsewhere. Effective CLTs should be able to demonstrate a high-level of buy-in from the local community.

Members also expressed differing views on the level of provision of affordable/social housing in CLT projects.

Upon being put to the vote, the amendment was declared to be lost by 4 votes in favour to 7 votes against.

Speaking on the Motion, a Member referred to the fact that some CLTs comprised and were driven by a small number of people and had generated strong local opposition, therefore they did not fulfil the requirement for community-led development. This was why a proper definition and evidence of community support was required in the grant criteria. They also considered that a higher than policy level of affordable housing provision should be a key objective for any Housing CLT.

Another Member referred to the differing views of the two main political groups on the Council with regard to affordable Housing and CLTs and gave examples of excellent CLTs operating within the District, with a high level of community support. Some CLTs may choose to produce an allocations policy at an early or later stage, but CLTs should be able to make their own decisions on all matters without interference, and this should not preclude them from accessing needed grant funding.

Other Members again highlighted the need for evidence of community support as a requirement for public grant funding. In that connection, the Chairman reminded Members that this Committee would consider all applications for grant funding.

Upon being put to the vote, the motion was declared to be carried by 7 votes in favour to 4 votes against.

It was resolved:

That approval be given to the criteria for the CLT Pre-Development Grant Scheme, as set out in Appendix 1 to the submitted report.

103. FORWARD AGENDA PLAN

The Committee received the revised Forward Agenda Plan.

It was resolved:

That the Forward Agenda Plan be noted.

104. 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).

105. ECTC MANAGEMENT ACCOUNTS

The Committee considered a report, previously circulated, containing the ECTC Management Accounts for the nine months to December 2021. The ECTC Finance Manager introduced the report and gave an overview of its contents.

A Member had submitted a question in advance of the meeting and a response was provided and circulated at the meeting.

It was resolved:

That the contents of the report be noted.

106. ECTC BOARD MEETING MINUTES

The Committee received the Minutes from the Board Meeting of the East Cambs Trading Company held on 13 October 2021.

It was resolved:

That the Minutes of the ECTC Board meeting held on 13 October 2021 be noted.

107. ASSET MANAGEMENT MATTER 1 IN PARISH OF ELY

The Committee considered a report regarding proposals for a Council-owned asset in the Parish of Ely.

It was resolved:

That the recommendations detailed in the submitted report be approved.

108. ASSET MANAGEMENT MATTER 2 IN PARISH OF ELY

The Committee considered a report detailing options for a Council-owned asset in the Parish of Ely.

It was resolved:

That the recommendations detailed in the submitted report be approved.

The meeting concluded at 6:05pm.

Chairman:.....

Date:

MINUTE 102 – LIBERAL DEMOCRAT AMENDMENT

APPENDIX 1 (Revised)

**East Cambridgeshire District Council
CLT Pre-Development Grant Scheme
DRAFT**

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Introduction

The Objectives

The objectives of East Cambridgeshire District Council's CLT Pre-Development Grant Scheme are to:

- Facilitate a support package to assist CLTs with pre-development finance support across East Cambridgeshire
- Increase delivery of genuinely affordable housing for people living and working in East Cambridgeshire, with housing and assets owned and managed by the community in perpetuity

Fund Principles

East Cambridgeshire District Council (ECDC) has made £100,000 available under its CLT Pre-Development Grant Scheme. The Grant is intended to provide established Community Land Trusts (CLTs) with funding to support pre-development revenue costs. This may include (not exhaustive):

- Feasibility studies
- Site/property investigation costs
- Project-specific professional fees
- Legal fees
- Registration fees charged by the Regulator of Social Housing
- Project management costs
- Pre-application and planning application fees
- Community consultation
- Loan arrangement fees

The Scheme is not suitable for groups who are just forming and need start-up support, ECDC operates a different fund that may be suitable for groups at this stage.

The grant cannot be used to fund activity that has happened in the past, or prior to the grant being awarded. Groups must not start spending any money until the grant has been approved by way of issuing a formal grant agreement.

Making an Application

Eligibility Criteria

To be considered for a pre-development grant the CLT will need to meet the following key criteria:

1. The applicant group/organisation must be established as a not-for-profit legal incorporated entity
2. The applicant group/organisation must be community-controlled and community-owned, with an open democratic membership structure
3. The applicant group/organisation must have a membership of ~~five or more members who are not related and who are all living at different dwellings, including three committee members who are not related and who are all living at different dwellings, including three committee members who are not related and who are all living at different dwellings~~ **at least four percent of the adult population of the area covered by the CLT**
4. The applicant group/organisation must be based in East Cambridgeshire
5. The applicant group/organisation must have a suitable bank account to receive the funds
6. The applicant group/organisation must be clear about the community that it has been established to serve and have a clear description of the proposed project and expected outcomes
7. The proposed project must contain an element of affordable housing to meet local housing needs and this should be permanently affordable for local people on local wages. **An element of open market housing will only be acceptable where it is demonstrated through a financial appraisal that the open market housing is essential to enable delivery of additional affordable housing above policy level, and does not significantly increase the land value above that which would be achieved if sufficient grant were available to provide the additional affordable housing.**
8. Any benefits to the local area and/or specified community of interest must be clearly defined and legally protected in perpetuity
9. The applicant group/organisation should, as a minimum, be able to provide evidence, of early stage interaction and opinion gathering from the community and that the proposed project has general community support **which must not be confined to the Parish Council**

Application Process

All applications will need to be on an ECDC CLT Pre-Development Grant Scheme application form (Appendix 1). This can be downloaded from the Council's website. *[the link will be added here once the scheme is published]* Interested applicants should first contact the Community Led Development Advisor at East Cambridgeshire District Council who will review the project information and carry out the necessary due diligence to ensure the project is eligible to apply. The completed application will then be submitted, with a recommendation from the Community Led Development Advisor, to the appropriate Committee for consideration.

The decision of the Committee will be final.

Evidence Requirements

As part of the grant application, applicants will need to submit the following documents to support their application:

1. Copy of Rules/Governing document
2. An outline of their plans for developing community-led housing. This should cover the following items:
 - a. A summary of the proposed development, including the expected number of homes and tenure, facilities, features, etc.
 - b. Whether a proposed development site has already been identified
 - c. If so, whether the land has been secured or details of what the proposals are for securing it
 - d. The current planning status of the site
 - e. An outline of how the community will benefit from the proposed scheme, including details of who is expected to buy/rent the homes to be developed and any supporting evidence that forms the basis of these assumptions
 - f. Details of community engagement already carried out or proposed
3. Copy of any feasibility or viability work carried out —if available
4. Draft allocations policy —if available
5. Details of the grant being requested including:
 - a. The total amount of grant sought
 - b. Total costs for the associated works/activity
 - c. A summary of the activity for which the grant is being sought
 - d. An explanation of how the budget lines were developed including copies of any supporting quotes
 - e. A timetable for when works to be funded by the grant will be completed

Subsidy Control

There is a legal requirement to consider whether the grant could be a subsidy under the UK-EU Trade and Cooperation Agreement (“the TCA”), and therefore unlawful. Funding can constitute a subsidy if:

- a. assistance arises from the state or resources of the state;
- b. it is given to an economic actor;
- c. it confers an economic advantage on one or more economic actors and is specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services;
- d. and it has, or could have, an effect on trade or investment between the UK and EU.

There is currently a minimal financial assistance threshold (previously known as a de minimis exemption) of circa. £350,000 calculated over a rolling three-year period. This means that an individual economic actor can lawfully receive up to a maximum of £350,000 in grants over three years without it constituting a subsidy. It is important to note that the £350,000 maximum is per recipient and must account for all grants received, over the three years whether from this fund or from other funds for different projects. Applicants should seek and rely on their own legal advice regarding subsidy control compliance matters.

Applicants will be responsible for ensuring that if they are successful in receiving this grant it would not constitute unlawful subsidy by exceeding the Subsidy Allowance Limits.

Grant Acceptance and Payment

If a grant is approved then a grant offer letter will be issued within 14 days of the decision. Funds will be released to the applicant once any grant offer conditions have been met and the applicant has signed and returned the offer letter.

Prior to payment of the grant, ECDC will conduct a due diligence check. For this check applicants will be asked to provide bank account details for their group/organisation, details of at least two independent authorised signatories on the account and a bank statement dated within the last three months for the bank account receiving the grant. Payment will be made in one lump sum payment.

Reporting

It will be a condition of the grant that applicants report regularly on project performance at least quarterly according to the pre-agreed timetable. Such reporting will include evidence of expenditure and outcomes achieved as a result of the grant funding as well as an update against the approved works timetable.

Where the spend is different from that approved in the grant offer letter the organisation will need to seek approval from ECDC to agree if it would be possible to 'reprofile' the approved grant. Such reprofiling must always be in accordance with the purpose of the CLT Pre-Development Grant Scheme.

Variations without approval by ECDC will be deemed as ineligible expenditure and may be subject to clawback provisions. Any unspent funds will also need to be returned to ECDC and full details of reporting requirements and how to pay back any unspent funding will be provided with the terms and conditions of the grant offer.

Appendix 1 – Application Form
East Cambridgeshire District Council CLT Pre-Development Grant Scheme

Group/Organisation details	
Group/Organisation name	
Registered office address	
	Postcode:
Website address	
Name of lead contact	
Job title/Position	
Correspondence address <i>(if different to registered address)</i>	
	Postcode:
Telephone	
Email address	
What is the current legal status of your organisation? -Company Limited by Guarantee -Company Limited by Shares -Community Interest Company (CIC) Limited by Guarantee -Community Interest Company (CIC) Limited by Shares -Charitable Incorporated Organisation (CIO) -Co-operative Society (IPS) -Community Benefit Society -Trust -Other (please specify - 20 words max)	
Company/society registration number	
Date of registration	
Copy of governing documents/rules attached	Yes/No

Please briefly describe the number of members in your group, how people can become members and how the group is accountable to its members and the local community

Does your organisation have a bank account?

Yes/No

Scheme details

Project description: Please provide a brief outline of the proposed community led housing project, including the types of housing, any community facilities, unique features, etc.

Total number of homes

What definition of affordable housing are you using for any affordable units?
For example, will rents be based on a percentage of the market rates, percentage of household income, median local incomes, related to local social rents, or based on other factors.

Community benefit: Please outline how the community will benefit from the proposed scheme, including details of who is expected to buy/rent the homes to be developed. What work has been carried out to determine there is a need for this?
Please attach any supporting evidence to this application.

Community support: Please outline the community support you have developed for your project to date and what further community engagement is proposed
Please attach any supporting evidence to this application.

Has a proposed development site already been identified?

Yes/No
(If no, please go to the next section – Grant Details)

Please provide details of the site including location, current planning status of the site and proposals for securing the site

Grant details

Total amount of grant being requested

Please provide a breakdown of what you intend to spend grant monies on and the expected outcomes

Please explain, with evidence, how costs have been calculated
Please attach any supporting evidence or quotes to this application.

Please provide an estimated timetable for when works funded by the grant will be completed

Subsidy control declaration

There is a legal requirement to consider whether the grant could be a subsidy under the UK-EU Trade and Cooperation Agreement (“the TCA”), and therefore unlawful. Funding can constitute a subsidy if:

- a. assistance arises from the state or resources of the state;
- b. it is given to an economic actor;
- c. it confers an economic advantage on one or more economic actors and is specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services;
- d. and it has, or could have, an effect on trade or investment between the UK and EU.

There is currently a minimal financial assistance threshold (previously known as a de minimis exemption) of circa. £350,000 calculated over a rolling three-year period. This means that an individual economic actor can lawfully receive up to a maximum of £350,000 in grants over three years without it constituting a subsidy. It is important to note that the £350,000 maximum is per recipient and must account for all grants received, over the three years whether from this fund or from other funds for different projects.

Applicants should seek and rely on their own legal advice regarding subsidy control compliance matters.

Please confirm that the organisation will not exceed Subsidy Allowance Limits by accepting this grant.

No, the group/organisation would not exceed the Subsidy Allowance limits by accepting the grant

Yes, the group/organisation would exceed the Subsidy Allowance limits by accepting the grant

Supporting documents checklist

Copy of Rules/Governing document	Yes/No
Evidence to demonstrate housing need	Yes/No
Evidence of community engagement work carried out	Yes/No
Copy of any feasibility or viability work already carried out	Yes/No
Draft allocation policy	Yes/No
Supporting quotes for planned expenditure items	Yes/No
Other – Please specify	



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Minutes of a meeting of the Finance & Assets Committee held at 7:11pm on Thursday 19th May 2022 in the Council Chamber at The Grange, Nutholt Lane, Ely, CB7 4EE

PRESENT

Cllr Sue Austen
Cllr Anna Bailey
Cllr Ian Bovingdon
Cllr David Brown
Cllr Lorna Dupré
Cllr Mark Goldsack
Cllr Simon Harries
Cllr Julia Huffer
Cllr Bill Hunt
Cllr John Trapp
Cllr Alison Whelan

OFFICERS

John Hill – Chief Executive
Emma Grima – Director Commercial
Sally Bonnett – Corporate Unit Manager
Maggie Camp – Legal Services Manager
Ian Smith – Finance Manager
Tracy Couper – Democratic Services Manager
Caroline Evans – Democratic Services Officer
Annalise Lister – Communications Manager
Angela Tyrrell – Senior Legal Assistant
Karen Wright – ICT Manager

1. ELECTION OF CHAIRMAN

Cllr David Brown was nominated as the Committee Chairman by Cllr Ian Bovingdon and seconded by Cllr Julia Huffer.

There being no other nominations, it was resolved:

That Cllr David Brown be elected as Chairman of the Finance & Assets Committee for the municipal year 2022/23.

2. ELECTION OF VICE-CHAIRMAN

Cllr Ian Bovingdon was nominated as the Committee Vice-Chairman by Cllr David Brown and seconded by Cllr Bill Hunt.

Cllr Alison Whelan was nominated as the Committee Vice-Chairman by Cllr Lorna Dupré and seconded by Cllr Simon Harries.

Upon being put to the vote, it was resolved:

That Cllr Ian Bovingdon be elected as Vice-Chairman of the Finance & Assets Committee for the municipal year 2022/23.

3. FINANCE & ASSETS (ETHICAL GOVERNANCE) SUB-COMMITTEE

The Chairman drew Members' attention to the proposed appointments for the Finance & Assets (Ethical Governance) Sub-Committee, as detailed in the agenda papers, and stated that the Chairman would be appointed at the first meeting.

It was resolved:

That the following appointments be made to the Finance & Assets (Ethical Governance) Sub-Committee for 2022/23:

Conservative Members (4) and substitutes

Cllr David Brown
Cllr Mark Goldsack
Cllr Julia Huffer
Cllr Bill Hunt

Cllr Daniel Schumann (substitute)
Cllr Joshua Schumann (substitute)
Cllr Jo Webber (substitute)

Liberal Democrat Members (2) and substitutes

Cllr Charlotte Cane
Cllr Simon Harries

Cllr Mark Inskip (substitute)
Cllr John Trapp (substitute)
Cllr C Whelan (substitute)

Independent Group Member (1) and substitute

Cllr Paola Trimarco

Cllr Sue Austen (substitute)

Independent Persons

Gillian Holmes
Stuart Webster

Co-opted Town/Parish Council Members

Cllr Rosemary Aitchison (Soham Town Council)
Vacancy

4. PERSONNEL APPEALS SUB-COMMITTEE

The Chairman drew Members' attention to the proposed appointments for the Personnel Appeals Sub-Committee, as detailed in the agenda papers.

It was resolved:

That the following appointments be made to the Personnel Appeals Sub-Committee for 2022/23:

Conservative Members (2)

Cllr David Brown

Cllr Ian Bovingdon

Liberal Democrat Member (1)

Cllr John Trapp

5. EAST CAMBRIDGESHIRE BUS, CYCLE, WALK WORKING PARTY

The Chairman drew Members' attention to the proposed appointments for the Bus, Cycle, Walk Working Party, as detailed in the agenda papers.

It was resolved:

That the following appointments be made to the Bus, Cycle, Walk Working Party for 2022/23:

Conservative Members (3)

Cllr Lis Every

Cllr Mark Goldsack

Cllr Alan Sharp

Liberal Democrat Members (1)

Cllr Charlotte Cane

Cllr Lorna Dupré

Cllr Simon Harries

The meeting concluded at 7:15pm.

ECTC BUSINESS PLAN 2022/23

Committee: Finance & Assets Committee

Date: 23 June 2022

Author: Director Commercial

[X17]

1.0 **ISSUE**

1.1 To consider the ECTC Business Plan 2022/23.

2.0 **RECOMMENDATION**

2.1 Members are requested to approve the ECTC Business Plan 2022/23 as set out in Appendix 1.

3.0 **BACKGROUND/OPTIONS**

3.1 In accordance with the Shareholder Agreement ECTC is required to produce an annual business plan for approval by the Finance & Assets Committee. On 9 June 2022 ECTC Board approved the Business Plan 2022/23.

4.0 **ARGUMENTS/CONCLUSIONS**

4.1 Finance & Assets Committee are requested to approved the ECTC Business Plan 2022/23.

5.0 **FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT**

5.1 There are no financial implication arising from this report.

5.2 EIA not required.

6.0 **APPENDICIES**

6.1 Appendix 1- ECTC Business Plan 2022/23.

Background Documents

None

Location

Room 105,
The Grange,
Ely

Contact Officer

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

emma.grima@eastcambs.gov.uk



EAST CAMBRIDGESHIRE
DISTRICT COUNCIL

**East Cambs
Trading CO. Ltd**

**BUSINESS PLAN
2022/23**

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East Cambs
Trading CO. Ltd



EAST CAMBRIDGESHIRE
DISTRICT COUNCIL

INTRODUCTION

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

Working with ECDC the following drivers were established:

- ❖ Balance the Budget & Improve Services
- ❖ Build New Homes
- ❖ Maximise Devolution Opportunities
- ❖ Promote Open for Business and 'Can Do' Attitude

This Business Plan is designed to provide an overview and detail of:

Governance Structure

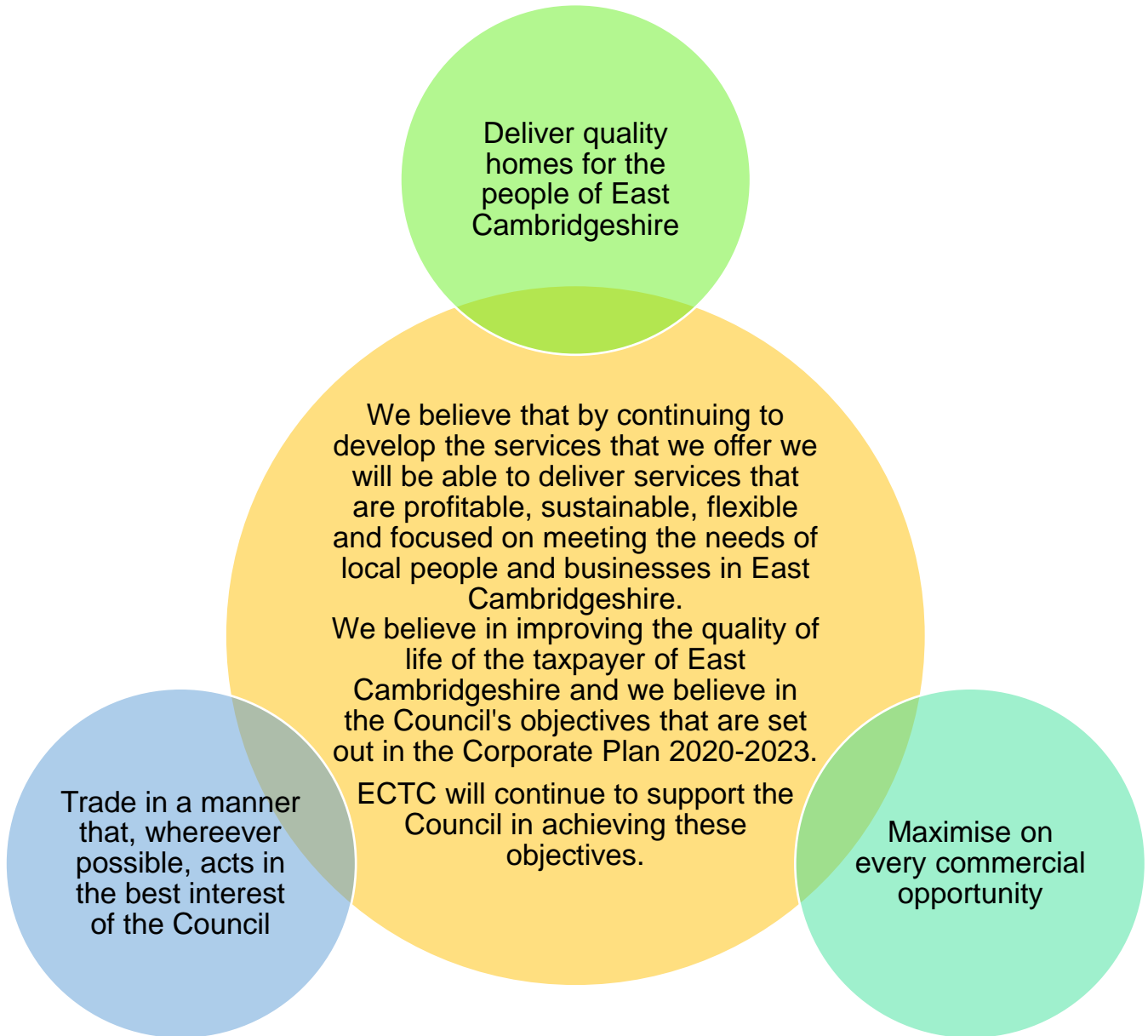
Financial Overview

Risk Management

Board and Management Structure

Commercial Services

Property Development



1. BACKGROUND

ECTC was established in 2016 as a 'tool' to enable ECDC to do more than it already does.

Whilst ECTC is a legal entity in its own right, and should be free to operate commercially to generate the maximum returns, it is important to remember that it is a company that is wholly owned by ECDC.

As the sole shareholder ECDC has an interest to ensure, wherever practicably possible, that ECTC is profitable. Profit for ECTC will ultimately benefit ECDC as sole shareholder as the only body capable of receiving a dividend.

Profit will either be reinvested in ECTC to achieve service improvements and greater profits or will be paid to ECDC, as a dividend, to enable it to achieve the aims of the MTFS and the Corporate Priorities.

Key Business

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

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

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

2. PROCESS

Service Level Agreements

ECDC will continue to provide support services to ECTC through Service Level Agreements (SLA). ECTC will negotiate individual SLAs with each ECDC support service to reflect the needs of ECTC. Each SLA will include measurable performance indicators, break clauses and remedies for non-performance. There will be an annual review process whereby SLAs are refined to more accurately reflect the support required by ECTC.

Support services from ECDC for 2022/23 include:

- HR Support, including recruitment and training
- Payroll
- Customer Services- Phone answering service and taking telephone payments
- Insurance provision (buildings, vehicles, employers and public liability)
- Legal Support, as and when required for Commercial Services
- Information Technology

Property and Assets

The Head Office of ECTC is The Grange, Nutholt Lane, Ely, Cambridgeshire, CB7 4EE.

Ely Markets currently occupy The Grange, Ely.

Grounds Maintenance currently occupy The Grange, Ely and The Depot, Portley Hill, Littleport.

Property Development occupy 5 Fordham House Court, Newmarket Road, Fordham. The property is occupied on a 6 year lease.

Policies and Procedures

ECTC continue to use all relevant ECDC policies and procedures.

Data Protection

ECTC comply with the relevant legislation and guidance concerning Data Protection.

Freedom of Information

ECTC is subject to requests for the disclosure of information under the Freedom of Information Act 2000 in its own right. As such, ECTC maintain a record management system that complies with the relevant guidance concerning the maintenance and management of records. ECTC will liaise with ECDC as appropriate to ensure consistency in answering FOI request and provide such information to ECDC as it may require to answer questions it has received.

3. GOVERNANCE AND MANAGEMENT

This Business Plan will be delivered in full compliance with the governance arrangements set out by ECDC. ECTC will seek to maintain and enhance ECDCs reputation and brand for high standards.

ECTC continues to maintain an effective service and will deliver financial performance management reporting systems to the Board and ECDC Shareholder Committee which is the ECDC Finance & Assets Committee (F&A).

Board of Directors

The Board of Directors comprises:

- The Independent Chairman
- 2 ECDC Senior Officers; the Chief Executive and the Corporate Unit Manager

Meetings

The quorum for board meetings shall be two.

At Board meetings each director shall have one vote.

Board meetings shall be held, wherever possible, at least quarterly on such dates that they may agree (where there is failure to reach an agreement a decision will be made by the Chairman).

An agenda for the meeting will be prepared and distributed not less than 5 days prior to the meeting (unless otherwise agreed by the Chairman).

Except where the information is commercially sensitive, approved minutes of Board meetings will be provided to the Shareholder Committee (Finance & Assets) for noting.

Managing Director and Company Secretary

The Managing Director of ECDC is the Chief Executive of ECDC. The Managing Director acts as the key conduit between ECTC and ECDC and has overall responsibility for ensuring compliance with the Shareholder Agreement.

The Company Secretary of ECDC is ECDC's Director Commercial.

ECTC's Relationship with ECDC

ECTC	Shareholder Committee (F&A)	Full Council	ECTC Board Observers
<ul style="list-style-type: none"> • Annual Business Plan <ul style="list-style-type: none"> • Produce for approval by F&A • Biannual Report to F&A <ul style="list-style-type: none"> • Produce for noting by F&A a report containing: <ul style="list-style-type: none"> • Strategic Risk Assessment • Progress against Business Plan • Summary Management Accounts and key financial metrics including financial projections and variations • Quarterly Report to F&A <ul style="list-style-type: none"> • Produce for noting by F&A Quarterly Management Accounts 	<ul style="list-style-type: none"> • Annual Business Plan <ul style="list-style-type: none"> • Receive, comment and approve the Annual Business Plan • Biannual Report <ul style="list-style-type: none"> • Receive, comment on and note • Quarterly Report <ul style="list-style-type: none"> • Receive, comment on and note • Key Decisions <ul style="list-style-type: none"> • Approval of the Annual Business Plan • Approval of ECTC entering into any joint venture • Approval of the borrowing of any external money (other than from Cambridgeshire and Peterborough Combined Authority) 	<ul style="list-style-type: none"> • Decisions reserved for Full Council <ul style="list-style-type: none"> • Matters relating to the control of shares • Amendments to the Articles of Association • Matters relating to the payment of a dividend • Matters relating to company structure • Matters relating to the cessation of ECTC • Matters relating to the business that is not considered ancillary or incidental to the approved Business Plan • Appointment/removal of directors • Remuneration of any director • Entering into a service contract, terms of appointment or other agreement with a director • Remuneration of any ECTC employee exceeding £100,000 • Establishing or amending any profit sharing, share option, bonus or other incentives of any nature for directors and employees • Making bonus payments to any director or employee • Changing the name or registered office 	<ul style="list-style-type: none"> • Rights of Observers <ul style="list-style-type: none"> • The Board of Directors shall notify the Observers of when meetings will be held • The Observer may contribute to discussions at Board Meetings • The Observers are not entitled to vote on any decision contemplated by the Board of Directors • The attendance of Observers does not count towards a quorum • Observers will have access to board papers and minutes and must comply with confidentiality rules of the company • Observers cannot participate on matters where there is a direct conflict of interest to their personal business

4. FINANCIAL INFORMATION

Budget

The table below provides a summary of turnover and cost up to March 2026.

	2021/22	2022/23	2023/24	2024/25	2025/26
Turnover					
Commercial	1,161,709	1,238,680	1,263,453	1,288,723	1,314,497
Property	15,599,844	31,592,881	4,130,000	6,658,756	2,116,032
Total	16,761,553	32,831,561	5,393,453	7,947,479	3,430,529
Cost					
Corporate	257,324	262,015	267,080	272,244	277,509
Commercial	1,084,466	1,223,163	1,244,181	1,265,585	1,287,382
Property	13,505,855	29,412,962	4,001,384	5,904,748	1,678,460
Total	14,847,645	30,898,140	5,512,645	7,442,577	3,243,351
EBITDA	1,913,908	1,933,421	(119,192)	504,902	187,178
Interest cost	926,449	1,429,051	272,062	240,886	58,231
Profit before tax	987,459	504,370	(391,254)	264,016	128,947

The balance sheet and cashflow statement are provided as EXEMPT Appendix 1.

Financial Benefit to ECDC

The table below shows the receipts that ECDC has received from ECTC as a result of its activities:

	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	Cumulative to Date	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	Total
Financial Benefits from Property Development	-	-	943,224	109,745	444,171	16,559	1,513,700	559,200	258,885	126,585	26,585	2,484,953
Charges Incurred from ECDC	101,299	249,888	383,834	389,627	435,959	365,777	1,926,383	438,393	464,619	426,097	226,396	3,481,887
Reduction in Parks Contracts	-	-	-	-	100,000	100,000	200,000	100,000	100,000	100,000	100,000	600,000
Total Financial Benefit from ECTC	101,299	249,888	1,327,058	499,372	980,130	482,336	3,640,082	1,097,592	823,503	652,681	352,981	6,566,840

5. RISK MANAGEMENT

Inherent Risk							Residual Risk				Monitoring
Risk No.	Risk Description	Effect	Owner	Likelihood	Impact	Score	Key Controls	Likelihood	Impact	Score	Notes
Legislative/Policy											
1.	Changes in legislation could place restrictions on the Council's power to trade in a commercial manner	Possible restrictions or cessation	MD	1	5	5	<p>Continuous monitoring of changes to legislation and government guidance through liaison with MP's, ebulletins, consultations, LGA Knowledge Hub and other publications.</p> <p>If there are significant changes in legislation this risk should be addressed immediately by the MD and reported to the Board of Directors. An amended Business Plan or Exit Strategy may need to be approved by the Board of Directors and submitted to Council.</p>	1	5	5	This is a medium to long term risk and no significant changes in legislation are anticipated that will affect the company during 2022/23.
2.	Changes in legislation could impact on ECTC's ability to borrow (or conversely ECDC's power to lend) to fund future projects	ECTC would need to borrow externally which requires Council consent	FM	1	5	5	The Council's S151 Officer attends all Board meetings and advises on all relevant financial and governance matters	1	5	5	<p>This is a medium to long term risk and no significant changes in legislation are anticipated that will affect the company during 2022/23.</p> <p>The Company has secured a new loan from ECDC to fund the projects within this Business Plan.</p>

East Cambs Trading Company

Business Plan 2022/23

3.	Changes in Planning and Housing Policies could have an impact on Property division, for example, Starter Homes, First Homes, Self-Build could impact the profitability of a particular development.	Reduced ability to pay dividends to ECDC or reinvest profits into future projects	DP C	2	2	4	<p>The Levelling up and Regeneration Bill could introduce key changes which will impact on housebuilding.</p> <p>The Council may choose to commence a new Local Plan following changes through the Levelling up and Regeneration Bill.</p> <p>This will impact on projects that have not yet commenced through the planning stage.</p> <p>Changes are to be monitored and assumptions continuously reviewed to ensure that the projects remain profitable with risks incorporated into individual business cases.</p>	2	2	4	<p>There is no impact on the projects that have planning permission or going through the planning system in 2022/23.</p> <p>Individual business cases for future projects should consider possible changes in Planning and Housing Policy.</p>
Governance											
4.	Inadequate governance arrangements and lack of clarity on roles of ECDC and ECTC could lead to poor decision making that undermines the operation of ECTC.	Impact on the Commercial operation of ECTC	MD	3	4	1 2	<p>Shareholder Agreement</p> <p>Articles of Association</p> <p>Rights of Observers</p> <p>Service Level Agreements</p> <p>Management Contracts</p>	1	4	4	Governance arrangements are fit-for-purpose
5.	ECTC is wholly owned by ECDC and so is subject to the controls and decision-making process for matters that	The speed of decision-making process may have an impact on ECTC's ability to operate effectively.	MD	3	4	1 2	Shareholder Agreement	1	4	4	The Shareholder Agreement provides for the ability of extraordinary meetings of the Shareholder Committee to be called to consider urgent business and where

East Cambs Trading Company

Business Plan 2022/23

	are outside of the Business Plan.										necessary make recommendations to Full Council.
Economic											
6.	ECDC has provided loans to ECTC to be drawn down and repaid in accordance with the loan agreement. In the event of an economic slowdown, there may be a risk that the company cannot meet the repayment schedule.	The existing loans will be repaid using the new £7.5m ECDC loan facility. The new £7.5m loan provides ECDC with security over all ECTC's unsecured assets. ECDC could call on it's rights to recover the loan.	FM	2	5	1 0	Loan Agreement Debenture Agreement ECTC/ECDC Finance Manager Briefings Board review of business and loan performance Sensitivity analysis for future housebuilding projects	1	5	5	The new £7.5m loan will be drawn down when required. The first call on the loan is to repay the existing facility and therefore ECTC will only have one loan with the Council. When requesting the loan sensitivity analysis was carried out for future projects. Individual, detailed business cases will be produced for future projects which will review assumptions made when requesting the loan.
7.	CPCA has provided loans to ECTC for MOD Phase 1 and Haddenham. In the event of an economic slowdown, there may be a risk that the company cannot meet the repayment schedule.	CPCA could call in it's rights to recover the loan.	FM	1	5	5	Loan Agreement Legal Charge Board review of business and loan performance	1	5	5	The market remains strong for the foreseeable future and with the advanced stages that both projects are at, ECTC remain confident in their ability to repay the loans by March 2023.

East Cambs Trading Company

Business Plan 2022/23

8.	<p>With the exception of new loans from CPCA, ECTC cannot increase its indebtedness without the consent of the Shareholder Committee (loans can be provided by ECDC and this requires the consent of Council).</p> <p>If ECDC's MTFS is not successfully implemented the availability of loan finance to ECTC could be reduced. This may lead to ECTC needing to borrow from the 'market'.</p>	<p>ECTC would need to work with the 'market' to secure financing.</p> <p>If borrowing could not be secured from the 'market' then ECTC would need to factor this in future business planning.</p>	FM/DP C	2	5	1 0	<p>ECTC/ECDC Finance Manager meetings</p> <p>Discussions with Council in advance of need to ensure there is time to consider alternative options</p>	2	5	1 0	<p>ECTC has secured loan financing for the projects in this Business Plan.</p> <p>If opportunities arise in the future financing discussions with the Council will be held as soon as practicable.</p>
9.	<p>Changes in taxation, interest rates and build cost inflation.</p>	<p>These factors could have an impact on the viability and profitability of ECTC.</p>	FM/DP C	3	3	9	<p>FM monitors taxation and interest rate.</p> <p>Build cost inflation is a key short to medium term risk to the company; to minimise the impact, wherever possible, build contracts will be let on a fixed price basis with costs defined.</p>	2	3	6	<p>The FM and DPC monitor changes and factor these changes into individual detailed business cases.</p>
10.	<p>Economic downturn could result in lower profits (or even possible losses)</p>	<p>Depending on the severity of the situation it may impact on ECTC's ability to meet its financial obligations to its creditors</p>	FM/DP C	3	5	1 0	<p>FM and DPC carry out a full assessment of the market conditions before any development commences.</p>	3	5	1 0	<p>The market remains strong for the foreseeable future.</p>

East Cambs Trading Company

Business Plan 2022/23

	than are anticipated in the Business Plan						Once projects have commenced, ECTC is at risk from market fluctuations. In the event of a market downturn the DPC will appraise the MD and the Board and make recommendations to mitigate any potential losses				DPC and FM will consider this risk when producing the detailed individual business cases for future projects and this will include monitoring this risk if the plans are approved by the Board.
Operational											
11.	Inadequate management of commercial build contracts can lead to delays, overspends and reduced profitability/cash flow for ECTC.	This could impact on ECTC's ability to meet its financial obligations to its creditors	FM/DP C	2	4	8	Qualified project manager Regular review of business case assumptions	1	4	8	The DPC and FM, in the business planning cycle, are aware of these risks and meet fortnightly with the project team to monitor the assumptions made in the individual business cases.
12.	Adequacy of organisational resources to deliver the required business outcomes.	Could lead to not being able to deliver the Business Plan	DP C	1	3	3	Resources identified when recommending the Business Plan for Board and F & A approval. In year changes discussed with the MD	1	3	3	Adequacy of resources is continuously reviewed. There is continued investment in facilities, staff and training to ensure that ECTC has the resources that it needs to deliver the necessary outcomes.

FM- ECTC Finance Manager

MD- ECTC Managing Director

DPC- Director Property & Commercial

6. COMMERCIAL SERVICES

The Commercial Services of ECTC currently deliver Ely Markets on behalf of ECDC and Grounds Maintenance Services; both on behalf of ECDC and for other customers.

Commercial services, through the Grounds Maintenance Service has made a commitment to explore areas of income generation that will enable ECDC to continue to deliver good quality services for its residents, visitors and businesses.

The primary focus of Commercial Services for 2022/23 shall be to continue to develop Ely Markets, focusing on the community as its customer, and Grounds Maintenance Service focusing on new areas of income generation; ensuring that both continue to deliver high quality services that respond to the needs of their customers and seek to maximise opportunities that arise throughout the year.

The following table provides a cumulative budget to March 2026.

	2021/22	2022/23	2023/24	2024/25	2025/26
Turnover	1,161,709	1,238,680	1,263,453	1,288,723	1,314,497
Cost	1,084,466	1,223,163	1,244,181	1,265,585	1,287,382
EBITDA	77,243	15,517	19,272	23,138	27,115

ECTC continues to generate profit from both service areas.

For 2022/23 Grounds Maintenance has been able to maintain a reduced management fee of £100,000 to ECDC for the service that it provides. This is a positive business decision as it provides an immediate benefit to ECDC as the shareholder, i.e. ECDC is saving £100,000 in 2022/23.

ECTC will continue to seek to reduce the fee to ECDC whenever the opportunity arises. This demonstrates that ECTC can continue to receive an excellent service at a reduced price as the management fee reduction is being absorbed by the profits generated from other contracts in the Grounds Maintenance Service.

Ely Markets has shown significant growth in the past and is projecting further growth as the Market goes from strength to strength. During 2022/23 and future years it is necessary to reinvest the profit generated by the service back into the service. This is explored further in the Ely Markets Budget.

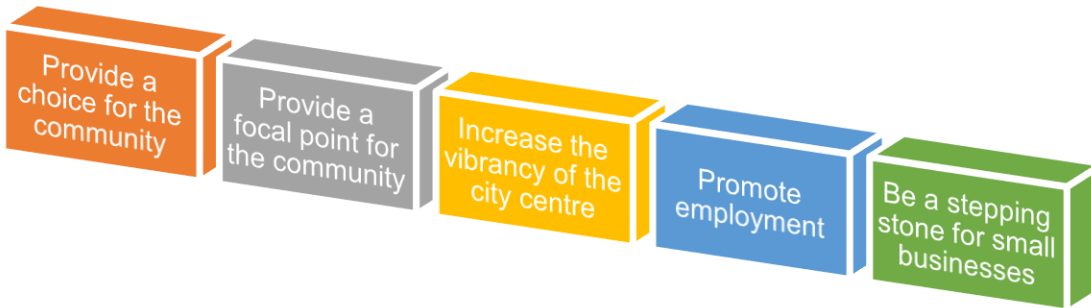
East Cambs Trading Company

Business Plan 2022/23

Ely Markets

ECTC manages and operates Ely Markets on behalf of ECDC. This has been secured by way of a ten year operations and management contract.

Service Objectives



Ely Markets 2022

January
S M T W T F S
1
2 3 4 5 6 7 8
9 10 11 12 13 14 15
16 17 18 19 20 21 22
23 24 25 26 27 28 29
30 31

February
S M T W T F S
1 2 3 4 5
6 7 8 9 10 11 12
13 14 15 16 17 18 19
20 21 22 23 24 25 26
27 28

March
S M T W T F S
1 2 3 4 5
6 7 8 9 10 11 12
13 14 15 16 17 18 19
20 21 22 23 24 25 26
27 28 29 30 31

April
S M T W T F S
1 2
3 4 5 6 7 8 9
10 11 12 13 14 15 16
17 18 19 20 21 22 23
24 25 26 27 28 29 30
31

May
S M T W T F S
1 2 3 4 5 6 7
8 9 10 11 12 13 14
15 16 17 18 19 20 21
22 23 24 25 26 27 28
29 30 31

June
S M T W T F S
1 2 3 4
5 6 7 8 9 10 11
12 13 14 15 16 17 18
19 20 21 22 23 24 25
26 27 28 29 30

July
S M T W T F S
1 2
3 4 5 6 7 8 9
10 11 12 13 14 15 16
17 18 19 20 21 22 23
24 25 26 27 28 29 30
31

August
S M T W T F S
1 2 3 4 5 6
7 8 9 10 11 12 13
14 15 16 17 18 19 20
21 22 23 24 25 26 27
28 29 30 31

September
S M T W T F S
1 2 3
4 5 6 7 8 9 10
11 12 13 14 15 16 17
18 19 20 21 22 23 24
25 26 27 28 29 30

October
S M T W T F S
1
2 3 4 5 6 7 8
9 10 11 12 13 14 15
16 17 18 19 20 21 22
23 24 25 26 27 28 29
30 31

November
S M T W T F S
1 2 3 4 5
6 7 8 9 10 11 12
13 14 15 16 17 18 19
20 21 22 23 24 25 26
27 28 29 30

December
S M T W T F S
1 2 3
4 5 6 7 8 9 10
11 12 13 14 15 16 17
18 19 20 21 22 23 24
25 26 27 28 29 30 31

Market Schedule Legend:

- Charter Market: 1 Jan
- Craft, Food & Vintage + Farmers: 15 Apr
- Craft, Food & Vintage: 18 Apr
- Sunday Market & Bank Holiday: 2 May
- Mini Markets: 2 May
- Christmas Market: 26 Dec

HOLIDAYS:

- 1 Jan: New Year's Day
- 15 Apr: Good Friday
- 18 Apr: Easter Monday bank holiday
- 2 May: Early May bank holiday
- 2+3 Jun: Platinum Jubilee
- 29 Aug: Summer bank holiday
- 25 Dec: Christmas Day
- 26 Dec: Boxing Day
- 26+27 Dec: Bank holiday

Other Events:

- 2+3 Jun: Platinum Jubilee
- 29 Aug: Summer bank holiday
- 25 Dec: Christmas Day
- 26 Dec: Boxing Day
- 26+27 Dec: Bank holiday

Footer:
Ely Market Place CB7 4NT | www.elymarkets.co.uk | #shoplocal

East Cambs Trading Company

Business Plan 2022/23

Ely Markets have been at the heart of the community for more than 800 years. With currently 300+ traders on their books and a wider community turnover of £14 million, Ely Markets play a dynamic role in the Ely city centre economy and community.

Based on a core approach of tradition, strength and innovation, our mission is to invest in a high quality and balanced market forum, provide infrastructure, growth and job opportunities within this local community.

Ely Markets welcomes around 50,000 visitors to their markets each week and supports a vision of a vibrant and thriving market town, whilst at the same time function as an engine for community based socio-economic interaction.

COVID-19 has accelerated the perception and growth of Ely Markets, providing the city with a safe and successful trading environment, enabled the expansion of a local business incubator model and delivering services as a true community partner.

Ely Markets continues to go from strength to strength. In 2022/23 it is necessary to invest capital and revenue to enable the service to continue to thrive. The investment reflects both the human resource needed to manage the additional Markets and the need to replace aging infrastructure.

The investment includes:

- New market stalls,
- New vehicles for carriage of market stalls and gazebos,
- Additional electric points
- Additional gazebos
- New website
- Recommissioned Market Study to better understand changed demographic and growth potential
- Additional human resources; Deputy Market Supervisor and Business Development Support Officer

There has been an ongoing commitment to ensure that profits from the service are reinvested back into the service to ensuring that it continues to deliver an excellent offering to the community.

East Cambs Trading Company

Business Plan 2022/23

Budget

The following tables provides a summary of the budget to March 2026. This budget includes all of the investment that has been referenced above.

Markets	2021/22	2022/23	2023/24	2024/25	2025/26
Turnover	239,746	236,659	241,392	246,220	251,144
Salaries	119,072	139,052	141,833	144,670	147,563
Premises	13,897	21,541	21,756	21,974	22,194
Transport	1,264	2,183	2,205	2,227	2,249
Supplies & Services	39,242	67,910	68,589	69,275	69,968
Gross Profit	66,270	5,973	7,009	8,074	9,171

Grounds Maintenance Service

ECTC currently carries out Grounds Maintenance services for a variety of different customers; ECDC, Cambridgeshire County Council, Parish Councils, Schools and other private clients. Grounds Maintenance Services include (but are not limited to) grass cutting, hedge trimming, SUDS maintenance, sport pitch line marking, tree services and sports pitch maintenance.

Service Objectives



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

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

In its formative years ECTC was able to secure small ad hoc contracts, in the last two years ECTC has been able to secure longer-term contracts with school academies and this has enabled ECTC to reduce ECDC's Management Fee.

Budget

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

Grounds Maintenance	2021/22	2022/23	2023/24	2024/25	2025/26
Turnover	921,963	1,002,021	1,022,061	1,042,503	1,063,353
Salaries	639,457	739,592	754,384	769,472	784,861
Premises	49,707	56,657	57,224	57,796	58,374
Transport	131,502	104,321	105,364	106,418	107,482
Supplies & Services	90,325	91,907	92,826	93,754	94,692
EBITDA	10,972	9,544	12,264	15,063	17,944

7. PROPERTY DEVELOPMENT

ECTC's Property Development Team carry out a number of property related activities on behalf of ECDC and other organisations across East Cambridgeshire. These activities include Asset Development Consultancy, Development Project Management, Housebuilding and Construction, Planning Promotion and Housing/Estate Management.

Service Objectives



Brief 2021/22 Overview

During 2021/22 the company continued to develop schemes at West End Gardens, Haddenham and Arbour Square, Ely. Additionally, the company secured planning permission for the construction of 13 homes on the site of the former Paradise Pools in Ely which will include 4 £100k Homes. In addition, working in partnership with Kennett Community Land Trust and the landowners, the Company has facilitated the delivery of a flagship development which will take its next steps during 2023.

Projects

West End Gardens, Haddenham



This development of 54 new homes in the village of Haddenham commenced in late 2019. 19 of the new homes being built in the scheme are affordable homes that are managed by Haddenham CLT (HCLT). The HCLT homes are available to people that live/work in the parish and will remain affordable in perpetuity, benefiting the wider community for years to come. The first of the affordable homes were completed and transferred to HCLT in January 2021.

As at 31 May 2022, 14 affordable homes have now been sold to HCLT and the remaining 5 affordable homes have exchanged and will complete in 2022/23.

Market homes- 15 have been sold, 15 are under offer with legals in process, 4 have been released for sale and 1 remains under construction.

This project is being funded in part by a development loan from the Cambridgeshire and Peterborough Combined Authority. The balance of the project is being funded by ECTC.

The company is on target to repay the loan to CPCA by the due date.

The company will complete this development in 2022/23.

Arbour Square, Ely (MOD Phase 1)



In late July 2019 ECTC acquired 8.78 hectares (21.6 acres) of land in Ely from the Ministry of Defence (MoD). The land included 88 existing houses and provided opportunities for further new-build development. The houses were formerly used to accommodate US Air Force families, but some stood empty for up to 5 years.

The company has been refurbishing these houses to bring them back into use. Improvements to the streetscape and provision of additional off-road parking have also been carried out. Through these improvements, it has also been possible to convert four houses into eight flats, delivering 92 homes in total. 15 of the 92 homes are shared ownership affordable units, the first of which were occupied in April 2022. The 15 shared ownership properties will be owned and managed by East Cambs CLT (ECCLT) and are available to people that live/work in the parish.

As at 31 May 2022 2 properties have been sold to ECCLT and the remaining 13 have exchanged and will complete during 2022/23.

Market Homes- 33 have been sold, 22 are under offer with legals in process, 4 have been released for sale, 1 is build complete but not yet released for sale and 16 are under construction.

The refurbishment project is being funded by a development loan from the CPCA. The balance of the project costs are being funded by ECTC which was enabled by 'top-up' loan from ECDC.

The company is currently on target to repay these loans by their due date.

The company will complete this development in 2022/23.

Former Paradise Pools, Ely



The company secured full planning permission for the construction of 13 homes on the site of the Former Paradise Pools site in Ely in October 2021. Four of the homes are to be provided as £100k Homes. In April 2022 the Council agreed to sell the site to ECTC.

The company is in the process of producing the full business case for the project and, if approved, will commence construction of the new homes during the course of this financial year.

Former MOD Site, Kilkenny Avenue, Ely- New Build



Complying with its contractual obligations to the MoD when it acquired the site in July 2019 (the effect of which required the Company to test and maximise the planning opportunity for

East Cambs Trading Company

Business Plan 2022/23

housing on the site) the Company submitted a planning application for Phase 2 at MOD Ely in July 2020. This application was for 53 new build properties to be built within the existing housing estate. The application was subsequently revised in October 2021 to reduce the number of new properties to 42 one, two, three and four-bed homes.

Through discussions with planning officers at ECDC, the company has further reduced the scheme to 27 one, two and three-bed homes. This has been achieved by removing units from the open green space, thereby preserving the open green space.

The planning application includes a policy compliant level of 30% affordable housing. If planning permission is achieved, the company will explore opportunities to increase the level of affordable housing on the site, i.e. to deliver more than 30% affordable housing.

A full business case for the new build project will be developed if planning permission is approved.

MOD Phase 3



The Company has entered into a land-swap contract with the NHS as part of its enabling works for the new Princess of Wales hospital. In return for transferring land for a new car park to the NHS, the Company will receive an equivalent area of brownfield land (currently used for car parking associated with the hospital use) that could be developed, subject to planning, for new build residential planning. This land, with planning potential for around 10 new homes, will form Phase 3 of the Company's development at Ely.

If planning permission is achieved and the Board approve the Full Business Case, it is anticipated that development could commence in April 2024.

Kennett Garden Village



Kennett Garden Village is a scheme for 500 mixed-tenure homes, including 25 self-build plots, £100k Homes and 150 affordable homes with 60 of these to be owned, in perpetuity by Kennett CLT.

This flagship development will take an 'Infrastructure First' approach and the key triggers that were agreed at the planning stages ensure early delivery, in the first phase, of a primary school, off-site highway improvements, perimeter road, village green and community facilities.

The development will be a sustainable, low-carbon development with an ambition to reach near net-zero and adopts Garden Village principles of low density and extensive open green space.

Having secured outline planning permission for the development in 2021 the company completed land contracts to facilitate the sale of land by the Company's landowner partners to Bellway Homes.

Land at Kennett for commercial development, care home/retirement housing was not sold to Bellway and this has been retained by the landowners. The land will be sold when it has been provided with connecting roads and utilities infrastructure by Bellway Homes. When these final parcels of land are sold the Company will receive further promoter's fees from the project.

Over the coming four years, working alongside Kennett CLT, the landowners and Bellway through the Kennett Garden Village Delivery Board, the Company will continue to play a lead role in the delivery of the new development, helping to ensure that the key principles of the Quality Charter are achieved. This oversight role will also help to ensure that the Company's legal and financial interests in the remaining land parcels are carefully protected.

East Cambs Trading Company

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Financial Projections

	HISTORIC		2022/23	2023/24	2024/25	2025/26	TOTAL
Turnover							
Market housing sales	£24.17m		£28.51m	£3.73m	£5.58m	£1.08m	£63.07m
Affordable (CLT) housing sales	£2.13m		£3.08m	£0.4m	£0.88m	£0.29m	£6.79m
Other income	£1.44m		£0.0m	£0.0m	£0.19m	£0.74m	£2.37m
Total Turnover	£27.74m		£31.59m	£4.13m	£6.66m	£2.12m	£72.24m
Cost of Sales							
Housing construction costs	£23.44m		£29.1m	£3.66m	£5.49m	£1.19m	£62.89m
Salaries	£2.04m		£0.25m	£0.28m	£0.33m	£0.4m	£3.29m
Premises	£0.07m		£0.01m	£0.01m	£0.02m	£0.02m	£0.14m
Transport	£0.0m		£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
Supplies & services	£0.47m		£0.05m	£0.05m	£0.06m	£0.07m	£0.71m
Cost of Sales	£25.68m		£29.41m	£4.0m	£5.9m	£1.68m	£67.03m
Gross Profit / (Loss)	£2.06m		£2.18m	£0.13m	£0.75m	£0.44m	£5.21m
Overheads	£0.96m		£0.21m	£0.21m	£0.22m	£0.22m	£1.82m
EBITDA	£1.1m		£1.97m	(£0.09m)	£0.54m	£0.22m	£3.38m

ECTC (Property) - SWOT Matrix

SWOT MATRIX	
INTERNAL FACTORS	
STRENGTHS (+)	WEAKNESSES (-)
<ol style="list-style-type: none"> 1. Low overhead costs. 2. Specialist knowledge of project and construction teams. 3. Strong local connections with key stakeholders, contractors and suppliers. 4. Company ethos aligned with development partners. 	<ol style="list-style-type: none"> 1. Reliance on existing public sector funders. 2. Build costs higher than volume house builders. 3. Balancing of financial priorities / community benefit inevitably becomes political.
EXTERNAL FACTORS	
OPPORTUNITIES (+)	THREATS (-)
<ol style="list-style-type: none"> 1. ECTC objectives aligned with Council Corporate Plan. 2. Public sector land disposal programmes. 3. Partnerships / Joint ventures with commercial companies and other public sector bodies. 	<ol style="list-style-type: none"> 1. Increasing build costs 2. Current projects show low profit margins to ensure community benefits but this puts company more at risk from market variations. 3. Changing Council priorities can take time to implement on complex long-term development projects.

ECONOMIC DEVELOPMENT SERVICE DELIVERY PLAN 2022/23

Committee: Finance & Assets Committee

Date: 23 June 2022

Author: Business Development Manager

[X18]

1.0 **ISSUE**

1.1 To consider the Economic Development Service Delivery Plan for 2022/23.

2.0 **RECOMMENDATION(S)**

2.1 Members are requested to approve the Economic Development Service Delivery Plan, as provided in Appendix 1.

3.0 **BACKGROUND/OPTIONS**

3.1 Service Delivery Plans enable the public and the Council to understand the focus of individual services in the forthcoming 12 months.

3.2 Between 2016/17 and 2021/22 the service did not produce Service Delivery Plans. Following a review of the service in 2021/22, by the Business Development Manager and setting of new evidence-based priorities, it was agreed that the service should produce a Service Delivery plan from 2022/23 onwards. Therefore, the 'baseline from previous year/output is not applicable and is set as NEW.

3.3 The Economic Development Service Delivery Plan provides an overview of what the service delivers and provides measurable performance outcomes for the year. These outcomes will be reported to committee at the end of the 2022/23 financial year.

4.0 **ARGUMENTS/CONCLUSIONS**

4.1 Members are recommended to approve the Service Delivery Plans as detailed in Appendix 1.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT

5.1 There are no 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 - Service Delivery Plan Economic Development 2022/23

Background Documents

Location

Contact Officer

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Ely

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Economic Development Service Delivery Plan 2022 - 2023

Overview and direction of the service

The Economic Development Service (ED) is responsible for facilitating improvement of the district's business economy and related skills and employment prospects. It achieves this by;

- Project and program management of a number of growth delivery projects and corporate objectives such as the CPCA's market towns programme
- Facilitation of skills and employment projects working with the CPCA and other stakeholders
- Being the first point of contact for those seeking funding or business advice services
- Working to encourage inward investment to the area e.g. new businesses or infrastructure funding
- Working with partners to develop digital infrastructure and accessibility. e.g. public WiFi networks, future IOT technologies and mobile coverage
- Working with organisations such as the Chamber of Commerce, FSB and local businesses/organisations as part of our business engagement activity.
- Managing the e-space business centres at Littleport and Ely
- Developing economic strategy and priorities through collaboration with the CPCA and local monitoring of the district's economy

With the onset of the pandemic in early 2020, the ED team priorities shifted to business support, to best insulate the local economy from the effects of lockdowns and disruption (business survival). This was practically achieved through a series of coordinated national and local government interventions, including management and disbursement of business support grant schemes throughout our district.

With the end of restrictions, the ED team has re-evaluated its focus to develop a relevant series of interventions aimed at facilitating recovery and sustainable economic growth, set out below.

The new service delivery plan provides for a measured return to ED's traditional role of gathering and maintaining a detailed understanding of the area's economic environment, with targeted onward provision of support services and necessary infrastructure. This will be aimed at enabling a broad range of employers, employees, investors, businesses, enterprises and service providers to establish, develop and prosper in our area.

This has already led the ED team to restructure, with focus upon new initiatives, such as shifting towards working with the CPCA to utilise their stronger resources and expertise. For example, signposting direct business support to services such as their 'Growth Works' hub. Also, working alongside other Council led initiatives, to deliver environmentally friendly projects such as solar PV on E-Space North and electronic vehicle charging points within the district car parks.

The ED team has identified an absolute need to go beyond the 'fundamentals' of the district's local economy and acquire a detailed understanding of the underlying economic growth and resilience issues, within sectors and our geographical areas.

As a result, an independent evidence-based study has been started. This will identify how the local economy is emerging and will define issues that the council needs to consider to help facilitate recovery and economic growth. This work will for example link to inward investment and the recent Government proposals on levelling up. It will also link into the CPCA's revised Skills and employment strategy and broader economic recovery plans.

This study will be completed during the Summer of 2022, but core themes already identified relate to skills and employment, digital economy, place-based business interventions e.g. new commercial space and related infrastructure needs. Alignment with corporate objectives and access to inward investment (funding) will additionally provide a real time map of economic hotspots and proposed Council interventions

Cost of service

The service, inclusive of E-space operations, is budgeting a net cost of £40,500 in 2022/23

Staffing information

1 x Business Development Manager (service lead),
1 x E-space Centre Manager,
1 x Economic Development Officer,
1 x E-space administrator.

Forward planning for Councillors

Proposed date of decision	Item	Service Area	Committee
As required	As required	Economic Development	Finance and Assets Committee

Strategy map - 2022/2023



Commitments towards our Vision

Economic Development - Service Delivery Plan 2022-2023

Performance Measure	Link to Corporate Plan Priority	Target and reporting timescale (i.e. 6 monthly or annually)	Baseline from previous year/output from previous year	Owner and co-owners
Evidence Based Study of the economic landscape	Continue to support and enable our local businesses and communities	<p>Target: Work with external consultants to build a multi-level report focussing on the districts business and commercial economy.</p> <p>Reporting Timescale: Summer 2022</p>	New	BDM – Martin Smith
Business Support Foster relationships with local businesses, and stakeholders	Continue to support and enable our local businesses and communities	<p>Target: Develop working relationships with partners and organisations to help promote and deliver business support programmes and investment initiatives.</p> <p>Maintain direct contact with key businesses and related organisations e.g. The Chamber of Commerce, Federation of Small Businesses (FSB), Cathedral Business Group, Business Park operators, Business and Intellectual Property Centre (BIPC), strategic business investors and large scale/impact commercial businesses/developers.</p> <p>Retain active lead presence on Enterprise Zone steering group.</p> <p>Develop relationships with Skills and Employment providers and related agencies.</p> <p>Reporting Timescale: Annually</p>	New	BDM – Martin Smith
Business Support Assist businesses and organisations find investment and support programmes (Capital and Revenue).	Continue to support and enable our local businesses and communities	<p>Target: Work with businesses, stakeholders and partners to facilitate/signpost available funding and support packages.</p> <p>Help prepare and submit capital or revenue funding applications on behalf of the Council or partners e.g. Littleport's Market Town Programme (£1m 2022/23), Levelling Up Fund (LUF)/Shared Prosperity Fund (SPF) projects (summer/autumn 2022), CPCA Skills and Employment funding across FE/Adult education projects 2022/2023.</p> <p>Reporting timescale: Annually</p>	New	BDM – Martin Smith EDO – Nick Lancaster

<p>Business Advice, funding, mentoring and general support</p> <p>Project management</p> <p>Work with other services across the Council</p>	<p>Continue to support and enable our local businesses and communities</p>	<p>Target: Be the first point of contact for the business community, for matters relating to advice, grants and other business support initiatives. (Continuous).</p> <p>Improve of the council's business website pages and introduce simplification of 'navigation' so that visitors can more easily find information/advice (By autumn 2022).</p> <p>Continue management of a number of growth delivery projects and Corporate Objectives. For example, the CPCA's market town programme (Ely/Soham Current £2m investment).</p> <p>Work with other Council services such as Planning and Infrastructure to facilitate an understanding of economic drivers and impacts e.g. consult on major commercial planning applications.</p> <p>Reporting Timescale: Annually</p>	<p>New</p>	<p>BDM – Martin Smith</p> <p>EDO - Nick Lancaster</p>
<p>Skills and Employment</p> <p>Develop and maintain ongoing skills and employment strategies or programmes.</p>	<p>Work with the Combined Authority to develop the Employment & Skills Strategy</p>	<p>Target: Develop a district wide skills and employment strategy, linked to the CPCA and underlying funding streams (Autumn 2022).</p> <p>Lead stakeholder groups on initiatives such as the <i>Ely Skills and Employment Hub</i> to the wider district and community (Through 2022/2023).</p> <p>Work with the CPCA to identify options for a further education facility within the district and identify funding potential for a potential adult education facility in Soham (2022/23).</p> <p>Work with organisations such as the BIPC and Library service to roll out support facilities across the district. Ongoing since Spring 2022).</p> <p>Reporting Timescale: Annually</p>	<p>New</p>	<p>BDM – Martin Smith</p>
<p>Digital Infrastructure</p> <p>Improve availability of superfast broadband speeds</p>	<p>Work with delivery partners to secure superfast broadband for our district</p>	<p>Target: Increase the availability of gigabit capable broadband to premises in the district. Provide analysis and performance quarterly.</p> <p>Reporting timescale: Quarterly from Autumn 2022.</p>	<p>New</p>	<p>BDM – Martin Smith</p> <p>EDO - Nick Lancaster</p>

<p>To help prepare Smart Rural, Town and City infrastructure needed for businesses and communities to succeed and deliver sustainable growth</p>	<p>Continue to support and enable our local businesses and communities</p>	<p>Target: Work with stakeholders to;</p> <ul style="list-style-type: none"> complete expansion of free public Wi-Fi' networks in market towns, (Summer 2022). improve 2G cellular signal and 5G coverage. utilise LoRa gateways and create an IoT network with sensors. deliver digital signage/wayfaring project throughout Ely in conjunction with City of Ely Council. (autumn 2022). <p>Reporting Timescale: Annually</p>	<p>New</p>	<p>BDM – Martin Smith EDO – Nick Lancaster</p>
<p>Digital Infrastructure Be influential in determining digital investment priorities in our communities</p>	<p>Continue to support and enable our local businesses and communities</p>	<p>Target: Attend and contribute to the Connecting Cambridgeshire project board (quarterly) and develop local policy/ strategic plans for East Cambridgeshire.</p> <p>Reporting Timescale: Annually</p>	<p>NEW</p>	<p>BDM – Martin Smith EDO – Nick Lancaster</p>
<p>Business Support Continue to delivery of affordable commercial space for the district at our E-Space business centres</p>	<p>Continue to support and enable our local businesses and communities</p>	<p>Target: Sustainably manage the E Space serviced business centres, in addition to the council's business units (2) on the Cambridgeshire Business Park, Ely.</p> <p>Continue investment in sustainable/energy reduction projects with Solar PV project in 2022.</p> <p>Ensure occupancy remains at or above 80%.</p> <p>Evaluate future development of the E-space centre concept with recommendations for future improvements (2022/23).</p> <p>Reporting Timescale: Annually</p>	<p>New</p>	<p>E-Space Manager – Andy Jones</p>
<p>Risk Management Ensure that the Council's Corporate risks are managed effectively and mitigations are put in place to reduce impact</p>	<p>As required</p>	<p>Target: To continually review risks associated within the Service and projects that it is involved.</p> <p>Reporting Timescale: Annually</p>	<p>New</p>	<p>BDM – Martin Smith E-Space Manager – Andy Jones</p>
<p>People People Continue to develop highly</p>	<p>As Required</p>	<p>To regularly review/update training and skills requirements within the team.</p>	<p>New</p>	<p>BDM – Martin Smith E-Space Manager – Andy Jones</p>

<p>trained staff to support service delivery and drive forward our corporate priorities</p>		<p>Ensure that staff appraisals are completed annually and within the timeframe set by HR.</p>		<p>BDM – Martin Smith</p>
<p>Clean, green and attractive place Undertake activities which help to mitigate / adapt to climate change</p>	<p>Cleaner, Greener East Cambridgeshire</p>	<p>To contribute to the preparation of, and subsequent implementation of, the Council's Climate and Environment Action Plan.</p>	<p>NEW</p>	<p>Cross-council activity</p>

LEVELLING UP FUND ROUND 2 BID

Committee: Finance & Assets Committee

Date: 23 June 2022

Author: Business Development Manager

[X19]

1.0 **ISSUE**

1.1 To consider a bid submission for Levelling Up Round 2 (LUF 2).

2.0 **RECOMMENDATION(S)**

2.1 Members are requested to approve the submission of a LUF 2 bid to the Department for Levelling Up, Housing and Communities as set out in 4.1 of this report.

3.0 **BACKGROUND/OPTIONS**

3.1 The Levelling Up Fund Round 2 (LUF2) was launched in March 2022. The fund focuses on three main investment themes; transport, Regeneration & Town Centre, and cultural investment. A local authority can submit a bid of up to £20m. The criteria is set out in the prospectus that was published by the Department for Levelling Up, Housing and Communities (DLUCH) on 23 March 2022.

3.2 Members will recall that the District Council agreed 3 masterplans; Ely, Littleport and Soham, which were adopted by the Cambridgeshire and Peterborough Combined Authority (CPCA). These documents provide a good evidence base and starting point for a bid.

3.3 Metrodynamics were commissioned to assist Officers to review potential opportunities for the Council to make a bid which meets the criteria of the prospectus. Genecom have also been commissioned to write the bid on the Council's behalf.

3.4 Following a review of the potential projects Officers are recommending a hybrid active travel and commercial space bid for Littleport. This is supported by Metrodynamics analysis of potential projects.

Cycle Route- Linking Littleport Station with the town and over to the A10 Wisbech Road (BP garage).

3.5 The cycle route selected is one which has been identified in the Sustrans report as a route of interest. It is also a route that Cambridgeshire County Council (CCC) has been working on. CCC has reached the final draft stage of their

costed report and delivery plan for the routes. Officers are working closely with CCC to collate the information for the bid submission.

Development of Commercial Space

- 3.6 E-Space North has been identified as the best option to include in a bid. The bid would be for the refurbishment and extension of the business centre. The project will include reconfiguring the existing work space and sustainable energy interventions.
- 3.7 The aim is to generate space for an additional 100 full time equivalent workers on site and provide hybrid working space for business community casual workers.
- 3.8 There is still work to be done to refine and finalise the bid, including drawing and cost plans. The bid must be submitted by 6 July 2022.
- 3.9 There is a requirement for match funding of 10%. If the bid is successful, subject to further formal approval, it would be possible through either the Community Infrastructure Levy or Cambridgeshire Horizons Fund to make this commitment.
- 3.10 A decision on whether the bid will be successful is expected in the Autumn.

4.0 ARGUMENTS/CONCLUSIONS

- 4.1 Members are recommended to submit a bid which focuses on active travel and increased commercial space in Littleport as detailed in 3.5-3.7 of this report.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT

- 5.1 The Council does not have the in house expertise to develop the bid and produce the project plan and supporting documentation. Officers have commissioned Genecom at a cost of up to £35,000. This will be met from existing budgets.
- 5.2 Equality Impact Assessment (EIA) not required.
- 5.3 Carbon Impact Assessment (CIA) not required.

Background Documents

LUF2 Prospectus (March 2022)

Location

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Ely

Contact Officer

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FIRST HOMES INTERIM POLICY STATEMENT

Committee: Finance & Assets Committee

Date: 23 June 2022

Author: Corporate Unit Manager

[X20]

1.0 **ISSUE**

1.1 To consider the Council's First Homes Interim Policy Statement.

2.0 **RECOMMENDATION(S)**

2.1 Members are requested to approve the First Homes Interim Policy Statement at Appendix 1.

3.0 **BACKGROUND**

3.1 First Homes is a government policy to promote home ownership, intended to help people who would otherwise find it difficult to get onto the property ladder. The discount on properties is available in perpetuity, allowing future generations of buyers to benefit from access to affordable home ownership.

3.2 First Homes are discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which:

- must be discounted by a minimum of 30% against the market value;
- are sold to a person or persons meeting the First Homes eligibility criteria
- on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer;
- after the discount has been applied, the first sale must be at a price no higher than £250,000.

3.2 Further details about the First Homes Policy can be found in Appendix 1. A First Homes Member seminar was held on 25 May 2022 to brief Councillors on the topic.

4.0 **ARGUMENTS/CONCLUSIONS**

4.1 East Cambridgeshire District Council welcomes the national First Homes policy and Appendix 1 sets out further details of the Council's approach to its implementation in the circumstances when a development proposal includes reference to First Homes as part of affordable housing provision.

- 4.2 The Council recognises that it cannot insist on its delivery as part of a housing scheme, especially in the period prior to any update of its affordable housing policy in its Local Plan.
- 4.3 As such, and prior to any update of the East Cambridgeshire Local Plan, where a planning application **seeks to include** First Homes tenure as part of the affordable housing tenure mix to be secured through Developer Contribution, then the Council will, in principle, support such provision (provided it complies with national policy and guidance).
- 4.4 Where a planning application, on submission, **does not seek to include** First Homes tenure as part of the affordable housing tenure mix, then the Council will undertake endeavours in appropriate circumstances to remind the applicant of the option for First Homes provision. However, if, and for whatever reason, the applicant does not wish to include an element of First Homes provision then this will not weigh negatively in the planning balance for determining that planning application.

First Homes Eligibility Criteria

- 4.5 Government guidance sets out the following national eligibility criteria for First Homes:
- First time buyers only - as defined in paragraph 6 of schedule 6ZA of the Finance Act 2003 for the purposes of Stamp Duty Relief for first-time buyers;
 - Household combined gross annual income up to £80,000;
 - All purchasers must use a mortgage or home purchase scheme for at least 50% of the discounted purchase value.
- 4.6 In addition to the above, this Council will apply a local connection test to ensure that the provision of First Homes responds to the housing needs of the district.
- 4.7 In order to meet the Local Connection eligibility criteria, one adult within the household must demonstrate that they meet at least one of the following criteria, the definitions and qualifying criteria for these are set out in Appendix 1:
- Currently residing in or have previously resided within East Cambridgeshire within the last 5 years;
 - Employed/self employed and working within East Cambridgeshire;
 - Have a close family connection to the district, whereby a close family member currently lives within East Cambridgeshire;
 - Armed services personnel enlisting in East Cambridgeshire;
 - Key workers living or working in East Cambridgeshire;
 - A local connection can be demonstrated and evidenced through special circumstances, such as to meet caring responsibilities. Relevant

applications will be assessed on a case by case basis and determined at the discretion of the Council.

Affordable Housing Tenure Mix

- 4.8 The Planning Practice Guidance sets out that once a minimum of 25% of First Homes has been accounted for, the remainder of the affordable housing tenures should be delivered in line with the proportions set out in the applicable local plan policy.
- 4.9 The East Cambridgeshire Local Plan (including Policy HOU3) does not provide a tenure split for affordable housing, instead stating “*the precise mix in terms of tenure and house sizes of affordable housing within a scheme will be determined by local circumstances at the time of planning permission, including housing need, development costs and the availability of subsidy.*”
- 4.10 The latest ‘Housing Needs of Specific Groups – Cambridgeshire and West Suffolk’ (October 2021) report, which indicates a higher need for affordable housing to rent compared with affordable home ownership. It is likely, therefore, that the tenure mix for affordable housing, once First Homes (and / or the minimum 10% affordable home ownership) have been provided, should be of an affordable rent nature.
- 4.11 However, an applicant is entitled to present evidence in support of an alternative affordable housing tenure split, if the applicant considers the broader evidence of the above report should not apply on the applicant’s particular development proposal.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT

- 5.1 There are no additional 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: East Cambridgeshire District Council Policy on the Implementation of First Homes - June 2022

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
None	Room 13 The Grange Ely	Sally Bonnett Corporate Unit Manager (01353) 616451 E-mail: sally.bonnett@eastcambs.gov.uk

East Cambridgeshire District Council Policy on the Implementation of First Homes June 2022

On 24th May 2021, the Government announced its First Homes policy through a written ministerial statement (WMS) (<https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>) and accompanying changes to Planning Practice Guidance (PPG) (<https://www.gov.uk/guidance/first-homes>)

First Homes policy came into effect nationally on 28th June 2021.

This policy note intends to help all parties understand the approach East Cambridgeshire District Council intends to take in relation to the implementation of national First Homes policy. This note is an interim policy statement, in the form intended by national guidance in the Planning Practice Guidance (Paragraph: 009 Reference ID: 70-009-20210524 of the guidance referred above). It is not formal planning policy of the Council but nevertheless acts as the starting point for how officers are likely to approach the implementation of First Homes for development schemes in East Cambridgeshire. This policy note may be updated, as experience of implementation of First Homes is undertaken or should national policy or guidance change.

Further details on the national policy position is included in Appendix A. Such information summarises the national policy position, but should be checked against the latest and detailed national policy before being relied upon.

East Cambridgeshire District Council's Overall Position:

The East Cambridgeshire Local Plan (adopted April 2015) in Policy HOU3 sets out, inter alia, the affordable housing tenure expectations for new development, namely that *"the precise mix in terms of tenure and house sizes of affordable housing within a scheme will be determined by local circumstances at the time of planning permission, including housing need, development costs and the availability of subsidy."*

Therefore, until such time as an update of East Cambridgeshire's affordable housing policy is undertaken through a review of the Local Plan, the Council will continue to implement the adopted Affordable Housing policy, including that on tenure as described above. As required by planning law, applications for planning permission must be determined in accordance with the development plan (which includes the Local Plan), unless material considerations indicate otherwise.

In order to help apply the above policy HOU3 when considering development proposals, and using the latest evidence presently available, the Council will normally make reference to:

- (a) The recently updated 'Housing Needs of Specific Groups – Cambridgeshire and West Suffolk' (October 2021) report, available on the Cambridgeshire Insight website¹; and
- (b) National policy and guidance on affordable housing, including First Homes policy

In principle, East Cambridgeshire District Council welcomes the national First Homes policy.

However, the Council recognises that it can not insist on its delivery as part of a housing scheme, especially in the period prior to any update of its affordable housing policy in its Local Plan.

As such, and prior to any update of the East Cambridgeshire Local Plan:

- (a) Where a planning application **seeks to include** First Homes tenure as part of the affordable housing tenure mix to be secured through Developer Contribution, then the Council will, in principle, support such provision (provided it complies with national policy and guidance).

¹ See [Cambridgeshire Insight – Housing & Planning – Local Housing Knowledge – Our housing market – Our strategic housing market assessment](#)

- (b) Where a planning application, on submission, **does not seek to include** First Homes tenure as part of the affordable housing tenure mix, then the Council will undertake endeavours in appropriate circumstances to remind the applicant of the option for First Homes provision. However, if, and for whatever reason, the applicant does not wish to include an element of First Homes provision then this will not weigh negatively in the planning balance for determining that planning application.
- (c) Where First Homes are to be provided as part of the affordable housing tenure mix, and such provision is **for 25% of the affordable housing** to be provided (i.e. in line with national policy), then the Council will, in principle, likely support such provision.
- (d) Where First Homes are to be provided as part of the affordable housing tenure mix, and such provision **is for greater than 25% of the affordable housing** to be provided (i.e. in excess of national policy), then the onus will be on the applicant to demonstrate that the inclusion of a greater than 25% First Homes provision will not prejudice meeting evidenced local housing need for other forms of affordable housing tenure. Such demonstration must refer to the evidence found in the aforementioned 'Housing Needs of Specific Groups – Cambridgeshire and West Suffolk' (October 2021) report, but other additional evidence could also be submitted as part of the demonstration.

Appendix A provides an overview of the National First Homes Policy and sets out further details of the Council's approach to its implementation in the circumstances when a development proposal includes reference to First Homes as part of affordable housing provision. In summary, the appendix confirms that:

- (a) East Cambridgeshire District Council intends to apply the national policy standard 30% discount percentage for First Homes and to apply the standard maximum sale price for First Homes after discount has been applied; and
- (b) The Council is to add local connection criteria to the standard Eligibility criteria set out in national policy. The local connection criteria details are set out in Appendix A to this note.

Appendix A: National First Homes Policy for Development Proposals seeking to include First Homes as part of the Affordable Housing Delivery

This appendix provides an overview of the National First Homes Policy and sets out the Council's approach to its implementation in the circumstances when a development proposal includes reference to First Homes as part of affordable housing provision and it is subsequently accepted that the inclusion of this tenure will not seriously prejudice providing for local need.

First Homes Definition

The PPG (Paragraph: 001 Reference ID: 70-001-20210524) sets out that First Homes meet the definition of affordable housing for planning purposes. The PPG sets out that they are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London)

Local authorities may increase discount percentage applied for First Homes and/or reduce the maximum sale price for First Homes after discount has been applied where this is justified by evidence.

East Cambridgeshire District Council Position: For Development proposals where First Homes policy is to be applied, the Council will apply the standard thresholds set out in national policy as described above. We will monitor this situation, and reserve the right to introduce locally set thresholds if evidence demonstrates a justification to do so.

First Homes Eligibility Criteria

National requirements stipulate that First Homes must be prioritised for first-time buyers (as defined in paragraph 6 of schedule 6ZA of the Finance Act 2003 for the purposes of Stamp Duty Relief for first-time buyers) and not be sold to any household with a combined annual income of more than £80,000.

Local authorities may apply additional criteria at a local level such as particular local connection requirement based on work or current residency.

In recognition of the unique nature of their circumstances, members of the Armed Forces, the divorced or separated spouse or civil partner of a member of the Armed Forces, the spouse or civil partner of a deceased member of the Armed Forces (if their death was caused wholly or partly by their service) or veterans within five years of leaving the Armed Forces should be exempt from any local connection testing restrictions.

East Cambridgeshire District Council Position: For Development proposals where First Homes policy is to be applied, the Council is to apply local connection criteria in addition to the standard Eligibility criteria set out in national policy.

In order to meet the Local Connection eligibility criteria, one adult within the household must demonstrate that they meet at least one of the following criteria:

- Currently residing in or have previously resided within East Cambridgeshire within the last 5 years;
- Employed/self employed and working within East Cambridgeshire;
- Have a close family connection to the district, whereby a close family member currently lives within East Cambridgeshire;
- Armed services personnel enlisting in East Cambridgeshire.

- Key workers living or working in East Cambridgeshire;
- A local connection can be demonstrated and evidenced through special circumstances, such as to meet caring responsibilities. Relevant applications will be assessed on a case by case basis and determined at the discretion of the Council.

The above will be applied for the first 3 months from when the First Home is placed onto the market. If a suitable applicant is unable to be found within these 3 months, the eligibility criteria will revert to national criteria, to widen the consumer base. At the end of the 6-month period, if the property has not been sold, the First Homes property will switch to an open market sale home and the discounted amount (30%) would be paid to the local authority. It must be evidenced that the First Home has been advertised for the stated amount of time and on the appropriate platforms before the developer is able to switch to open market sale.

Definitions and qualifying criteria:

Residence

This will be the primary residence of applicants and will include, living with parents, in rented accommodation and those in employment-based accommodation.

Employment

Applicants must currently be employed within East Cambridgeshire for a minimum of 16 hours per week, and must have held this employment for at least 6 months prior to the expected First Homes completion date.

If the employer's registered address is not in East Cambridgeshire but your usual place of employment is, this must be evidenced by the employer.

Self-employment

In order to accrue local self-employment points applicants must provide evidence that they have traded from an address in East Cambridgeshire for at least 12 months prior to the expected First Homes completion date.

Key worker

Key workers are defined as:

- nurses and other NHS staff,
- teachers in schools and in further education or sixth form colleges,
- childcare workers in pre-schools and nursery schools,
- police officers,
- prison service and probation service staff,
- social workers, education psychologists, planners and occupational therapists employed by local authorities,
- whole time junior fire officers and retained fire fighters,
- care workers, and
- serving members of the armed forces

Key workers must be employed or living in East Cambridgeshire (see above definitions) to be eligible.

Retiring Member of Armed Forces

These are applicants who have retired from the Armed Forces in the 5 years prior to the expected First Homes completion date and are enlisted from an address in East Cambridgeshire. Applicants must be able to show a discharge certificate or similar document.

Close family

Close family is defined as spouse, civil partner, parent, child, sibling, step-parent, step-child, step-sibling, grandparent, or grandchild.

'Year' for the purpose of length of residence

The length of residence for both applicants and close family will be calculated using the expected completion date of the First Homes. Length of residence will be rounded to the nearest year, with any length of time over 6 months being rounded up to one full year.

Developer contributions for delivery of First Homes

National First Homes policy requires (subject to transitional arrangements, including the updating of Local Plan policies) that a minimum of 25% of all affordable housing units secured through developer contributions should be First Homes. It is expected that First Homes (and the mechanism securing the discount in perpetuity) will be secured through section 106 planning obligations.

In accordance with paragraph 62 of the National Planning Policy Framework, affordable housing is expected to be delivered on-site unless off-site provision or a financial contribution in lieu can be robustly justified, and the agreed approach contributes to the objective of creating mixed and balanced communities.

Where cash contributions for affordable housing are secured instead of on-site units, a minimum of 25% of these contributions should be used to secure First Homes.

East Cambridgeshire District Council Position: For Development proposals where First Homes policy is to be applied, the Council will apply the above provisions, alongside applying Local Plan Policy HOU3.

The interaction between First Homes and the 10% affordable home ownership requirement in the NPPF

The 25% expected First Homes contribution (where First Homes are to be provided) can make up or contribute to the 10% of the overall number of homes expected to be an affordable home ownership product on major developments as required by the NPPF.

For developments where First Homes policy does apply, if the provision of 25% First Homes does not deliver enough First Homes to meet the 10% affordable home ownership expectation in the NPPF, additional affordable home ownership homes may be provided on top of the First Homes provision, in order to meet this expectation.

East Cambridgeshire District Council Position: For Development proposals where First Homes policy is to be applied, the Council will apply the above provisions.

Determining the tenure split for the remaining affordable housing be secured through developer contributions

The PPG (Paragraph: 015 Reference ID: 70-015-20210524) sets out that once a minimum of 25% of First Homes has been accounted for, the remainder of the affordable housing tenures should be delivered in line with the proportions set out in the applicable local plan policy.

East Cambridgeshire District Council Position: East Cambridgeshire Local Plan (including Policy HOU3) does not provide a tenure split for affordable housing, instead stating "*the precise mix in terms of tenure and house sizes of affordable housing within a scheme will be determined by local circumstances at the time of planning permission, including housing need, development costs and the availability of subsidy.*"

Based on the latest 'Housing Needs of Specific Groups – Cambridgeshire and West Suffolk' (October 2021) report, which indicates (see page 285-286) a higher need for affordable housing to rent (215pa) compared with affordable home ownership (39pa), it is likely, therefore, that the tenure mix for affordable housing, once First Homes (and / or the minimum 10% affordable home ownership) have been provided, should be of an affordable rent nature. However, an applicant is entitled to present evidence in support of an alternative affordable housing tenure split, if the applicant considers the broader evidence of the above report should not apply on the applicant's particular development proposal.

Plan Making

Paragraph 18 of the PPG refers to the WMS and confirms that **new** development plans, including Local Plans and Neighbourhood Plans, should take account of the new First Homes requirements from 28 June 2021.

First Homes Exemptions

Developments which are currently exempt from the 10% affordable home ownership requirement (listed in paragraph 65 of the NPPF) will also be exempt from the First Homes requirement. This includes developments that:

- a) provide solely Build to Rent homes;
- b) provide specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
- c) is proposed to be developed by people who wish to build or commission their own homes; or
- d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.

First Homes Exception Sites

First Homes policy has introduced First Homes exception sites to replace Entry Level exception sites with effect from 28th June 2021. The requirements for First Homes exception sites are set out in the Ministerial Statement and PPG.

East Cambridgeshire District Council Position: The Council notes the above three national policy summaries, as well as wider national First Homes policy guidance in the National Planning Practice Guidance (see www.gov.uk/guidance/first-homes)
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GROWTH & INFRASTRUCTURE FUND CRITERIA

Committee: Finance & Assets Committee

Date: 23 June 2022

Author: Corporate Unit Manager

[X21]

1.0 **ISSUE**

1.1 To consider the Growth & Infrastructure Fund eligibility criteria.

2.0 **RECOMMENDATION(S)**

2.1 Members are requested to:

- i) Approve the scheme eligibility criteria at Appendix 1,
- ii) Agree that the fund will be opened on Monday 11 July 2022 and close on Friday 7 October 2022. In the event that the fund is fully utilised before the close date, the Council reserves the right to close the fund to pending or new applications, and
- iii) Approve the Growth & Infrastructure Fund Scoring Panel Terms of Reference as set out in Appendix 2, and
- iv) Appoint 7 Members to the Growth & Infrastructure Panel as set out in 4.5 of this report.

3.0 **BACKGROUND/OPTIONS**

3.1 The East Cambridgeshire Growth & Infrastructure Fund has been set up to support the sustainable growth of East Cambridgeshire by providing funding towards infrastructure projects necessary to deliver sustainable growth and improve quality of life for residents across the district.

3.2 Utilising the Cambridgeshire Horizons money that the Council has received, the £2 million Fund will provide capital funding towards projects that meet the Cambridgeshire Horizons objectives to assist, promote, encourage, develop and secure sustainable growth, align with the Councils infrastructure priorities and are match funded.

4.0 **ARGUMENTS/CONCLUSIONS**

Eligibility criteria

4.1 Proposed projects will be considered with regard to the following criteria:

- Evidence that the project is necessary to support local growth
- The benefits provided by the project
- Evidence of local resident and stakeholder involvement in and support for the project
- Alignment with the Council's infrastructure priorities
- The level of match funding that the project has secured
- Commitment to Net Zero Carbon and a green approach, demonstrating the highest possible quality standards in terms of design, materials, workmanship and environment in its delivery in order to achieve sustainability

4.2 The ability of the applicant to deliver the expected benefits on time and within budget will also be considered.

Application Process

4.3 If approved, the fund will open for applications from 11 July 2022 until 7 October 2022. Applicants will be required to complete an application form and submit supporting evidence. A minimum of 10% match funding is required.

4.4 If not all of the funding is allocated a further application round will be held.

4.5 A Member scoring panel will need to be established to score the applications. The Panel will be a cross party scoring panel consisting 7 Members; 4 Conservatives, 2 Liberal Democrats and 1 Independent.

4.6 The Terms of Reference for the panel are provided at Appendix 2.

4.7 Applications will be considered by the Growth & Infrastructure Fund Scoring Panel. Their recommendations will be presented to this Committee for approval.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT

5.1 There are no additional 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: Growth & Infrastructure Fund eligibility criteria.

Appendix 2: Terms of Reference: Growth & Infrastructure Fund Scoring Panel

Background Documents

None

Location

Room 13
The Grange,
Ely

Contact Officer

Sally Bonnett
Corporate Unit Manager
(01353) 616451
E-mail:

sally.bonnett@eastcambs.gov.uk

East Cambridgeshire Growth and Infrastructure Fund

The East Cambridgeshire Growth and Infrastructure Fund has been set up to support the sustainable growth of East Cambridgeshire by providing funding towards infrastructure projects necessary to deliver sustainable growth and improve quality of life for residents across the district.

The Fund will provide capital funding towards projects that:

- Support growth across the district
- Fit with the Council's infrastructure priorities
- Are match funded

What can be funded

The scheme will provide capital funding towards the delivery of local infrastructure (including but not limited to transport, health care, social, cultural, education and recreational facilities) to assist, promote, encourage, develop and secure sustainable growth and enable people to live and/or work in East Cambridgeshire.

It can only be used to increase the capacity of existing infrastructure or to repair failing infrastructure if that is necessary to support growth.

Support will not be given to or for:

- Projects not related to growth
- Projects requiring revenue funding
- Routine operating costs or other revenue expenditure
- Projects on which work has already commenced
- Infrastructure located outside East Cambridgeshire, even if used by East Cambridgeshire residents

Eligibility criteria

Proposed projects will be considered with regard to the following criteria:

- Evidence that the project is necessary to support local growth
- The benefits provided by the project
- Evidence of local resident and stakeholder involvement in and support for the project
- Alignment with the Council's infrastructure priorities
- The level of match funding that the project has secured
- Commitment to Net Zero Carbon and a green approach, demonstrating the highest possible quality standards in terms of design, materials, workmanship and environment in its delivery in order to achieve sustainability

The ability of the applicant to deliver the expected benefits on time and within budget will also be considered.

How to apply

The fund will open for applications from 11 July 2022 until 7 October 2022.

If not all of the funding is allocated a further application round will be held.

Applicants will be required to complete an application form and submit supporting evidence. A minimum of 10% match funding is required.

Applicant organisations must have a constitution, or set of rules, which define its aims, objectives and operational and governance procedures.

Applications will be assessed by the Growth & Infrastructure Fund Scoring Panel. Their recommendations will be presented to the Council's Finance and Assets Committee for approval.

GROWTH & INFRASTRUCTURE FUND SCORING PANEL

DRAFT TERMS OF REFERENCE

1.0 CONSTITUTION

- 1.1 The Growth & Infrastructure Fund Scoring Panel (the Panel), appointed by Finance & Assets Committee, shall comprise 7 elected Members; 4 Conservatives, 2 Liberal Democrats and 1 Independent. A Chairman will be elected at the first Working Party Meeting.
- 1.2 The Panel will continue until it completes the work set out in the Terms of Reference.

2.0 PURPOSE

- 2.1 To score applications for the Growth & Infrastructure Fund against the criteria approved by the Finance & Assets Committee.

3.0 TERMS OF REFERENCE

- 3.1 The Panel has a sole purpose to meet to score applications received for the Growth & Infrastructure Fund.
- 3.2 The Panel shall use the criteria approved by the Finance & Assets Committee to score the applications. Equal weighting shall be applied to the criteria.
- 3.3 The Panel shall make recommendations to the Finance & Assets Committee for the award of any grant under the Growth & Infrastructure Fund.

4.0 OPERATION OF THE PANEL

- 4.1 The Panel shall meet when required to score applications received for the Growth & Infrastructure Fund.
- 4.2 The Panel will be supported by Officers.
- 4.3 Minutes will be recorded for all meetings.

FINANCE REPORT

Committee: Finance & Assets Committee

Date: 23rd June 2022

Author: Finance Manager

[X22]

1. ISSUE

- 1.1 This report provides Members with budget monitoring information for services under the Finance & Assets Committee and then, as part of its corporate remit, for the Council as a whole.

2. RECOMMENDATION (S)

2.1 Members are requested to note:

- this Committee has a yearend underspend of £729,692 when compared to its approved revenue budget of £5,517,542.
- that overall the Council has a yearend underspend of £2,367,039 when compared to its approved revenue budget of £14,310,015.
- that the overall position for the Council on Capital is an outturn of £480,750, which is an underspend of £4,279,694 compared to the revised budget.

3. BACKGROUND / OPTIONS

- 3.1 Under Financial Regulations, each policy committee is required to consider financial performance against both its revenue and capital budget on a quarterly basis, with this Committee further considering the overall Council position.
- 3.2 This is the final report for the 2021/22 financial year and details actual expenditure incurred and income received as at 31st March 2022 and projections as to the yearend position at this time.
- 3.3 Appendix 1 details the overall revenue position for both this Committee and the Council overall. In appendix 1 the budgets under the stewardship of this Committee are shown in detail, with then the position for the Operational Services Committee and the funding lines shown in summary.
- 3.4 The detailed revenue position for Operational Services Committee is shown in appendix 2. The net position for Operational Services Committee is a £321,636 underspend. There are underspends in Planning, Community Projects & Grants, Customer Services, Health – Admin & Misc., Homelessness, Marketing & Grants, Performance Management and Public Relations; with overspends on

Travellers, Environment issues and ICT. Further detail will be included in the budget monitoring report to Operational Services Committee at their next meeting.

3.5 Explanations for the yearend variances reported for this Committee are detailed in the table below:

Service	Variance £	Explanation
Civic Relations	(£7,454)	There was no civic reception this year, therefore a saving has been made on this budget.
Corporate Management	(£34,970)	The inflation contingency built into the budget wasn't needed in 2021/22.
Council Tax Accounting	(£18,061)	More Government Grant was received than forecast at the start of the year.
Crematorium	£63,865	Unbudgeted expenditure moving forward the Crematorium project to a position that Council can consider making a decision whether to go ahead with the capital build.
Depot Services	£13,180	Work was undertaken following the Gwan Associates report to the fire cladding around the steel beams at Portley Hill Depot, causing this budget to overspend.
Economic Development	(£123,024)	Occupancy levels at the e-Space centres was maintained during 2021/22. The budget was reduced on the assumption that Covid-19 would result in empty units at the sites, however this proved not to be the case and rentals levels have therefore exceeded the budget. There have also been staff savings on the budget due to two posts remaining unfilled for the majority of the year.
Financial Services	(£25,501)	More closedown work has been undertaken by internal staff, creating savings on the external consultants' budget.
General Gang	(£37,593)	Vacancies in this team have led to this underspend

Housing Benefit	(£37,118)	Up-dated figures on Housing Benefit payments in the District have shown a reduction in payments being made.
Housing Strategic	(£165,249)	Underspend on staffing and consultants costs.
HR	£13,216	Solicitors costs as a consequence of legal cases surrounding employee disciplinary cases.
Interest and Financial Transactions	(£53,632)	Interest receipts were higher than budgeted, as the result of ECTC drawing down their full loan on the 31 st March 2021.
Land Charges Admin	(£45,512)	An increased level of income has been received and to a lesser extent expenditure incurred due to the upturn in house sales during the year.
Legal	(£22,952)	There has been a saving on staff costs in this financial year due to delays in replacing staff, while there has also been an increase in chargeable work.
Management Team	£59,738	The secondment of senior staff to the Cambridgeshire and Peterborough Combined Authority ended earlier than anticipated when we prepared the budget, which has resulted in reduced income. We also invested in training for senior management.
Member & Committee Support	(£38,409)	This relates to a saving on the salary budget due to vacancies during the year.
Miscellaneous Finance	(£83,379)	More leisure centre capital costs were met from CIL in 2020/21 than forecast, which, resulted in reduced debt costs in 2021/22 and the charge to ECTC for plant and equipment hire was higher than budgeted.
Parking of Vehicles	(£27,767)	Parking income was significantly reduced because of Covid-19, although some of this was recovered via the Government compensation scheme and the overall underspend has resulted from temporary Business Rate reliefs (again due to Covid-19) and reduced maintenance costs.

Park & Gardens Team	£56,550	This relates to repair costs on the Council's open spaces and the cost of the trees officer who was transferred to the parks and gardens team in year.
Payroll	£12,742	Payments for additional licences plus overtime costs.
Public Conveniences	£33,056	There has been an increased amount of external cleaning staff (deep cleans), staff overtime and cleaning products used in maintaining safety during the Covid-19 pandemic.
Registration of Electors	(£17,343)	Reduced amounts of postage, stationery and the use of canvassers have resulted in an underspend in this budget.
Reprographics	(£27,715)	This reflects an increase in external income for over the past financial year.
Sport & Recreation	(£37,452)	No Grants were awarded this year
COVID-19	(£166,802)	We received more un-ringfenced Covid-19 related funding from Government than was needed.
Movement in Corporate Reserves	(£121,395)	This relates to reducing the balance in the Affordable Housing reserve as agreed in the budget papers.
Other Government Grants	(£209,836)	We have been awarded new burden administration grant to "pay" us for facilitating the Government's Covid-19 business grants scheme. We were able to undertake this work from within the core budget.
Council Tax	(£28,176)	Government have provided councils compensation grant to cover losses in their Council Tax Collection Funds.
Business Rates	(£959,571)	In the same way as for Council Tax, Government have provided councils with compensation grants for losses on the Business Rates Collection Fund. The Council also benefited from additional Section 31 grant than budgeted and benefited from an improved position compared to the prudent budget position for the Cambridgeshire Pool.

Capital

- 3.6 The Council's capital programme for 2021/22 (appendix 3) has had £461,301 slippage from 2020/21 applied. The Council has further been awarded £608,471 of disability facilities grant in 2021/22, this is £81,894 more than expected when the budget was set. This has been added to the budget as additional funding. The revised capital programme for the Council is therefore £4,760,444.
- 3.7 Spend against the Capital programme in the year was £480,750, an underspend of £4,279,694. There was slippage on a number of the capital schemes:
- Waste Vehicles; spending on Waste vehicles has been delayed while we await final details of the Government's Waste Strategy. No expenditure was therefore incurred in 2021/22.
 - Depot; the depot refurbishment has been delayed while proposals for the scheme were reassessed, a revised proposal has now been approved at Finance and Assets Committee and the work will be undertaken during 2022/23.
 - Disability Facilities Grant; spending in this area has been much reduced as a consequence of the Covid-19 pandemic over the past twenty-one months, as the ability to get work done during times of restrictions has been limited.

4 ARGUMENTS / CONCLUSIONS

- 4.1 The net revenue expenditure for the Council is £13,140,559 in 2021/22, before Funding. Once Funding is taken into account, this results in an underspend of £2,367,039 when compared to the Council's approved budget.
- 4.2 The Capital Outturn for the Council stands at £480,750. This is an underspend of £4,279,694 when compared to the revised budget.

5 FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

- 5.1 There is a revenue underspend of £2,367,039 compared to this Council's approved budget, this has been moved into the Surplus Savings Reserve and will be available to provide budget support in future years.
- 5.2 An Equality Impact Assessment (INRA) is not required.
- 5.3 A Carbon Impact Assessment (CIA) is not required.

6 APPENDICES

Appendix 1 – Summary Budget Monitoring – March 31st 2022
Appendix 2 – Operational Services Budget Monitoring – March 31st 2022
Appendix 3 – Capital Budget Monitoring – March 31st 2022

Appendix 4 – Reserve Balances – March 31st 2022

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Council Budget as approved by Council on the 23 rd February 2021	Room 104 The Grange Ely	Ian Smith Finance Manager Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk

FINANCE & ASSETS COMMITTEE BUDGET MONITORING REPORT - 31st March 2022

	Total Budget 2021-22	Actual to 31 March 2022	Variance	Projected Outturn December 2021
Revenue	£	£	£	£
Asset Management	14,235	14,235	-.-	-.-
Award Ditches	9,006	13,043	4,037	-.-
Civic Relations	22,542	15,088	(7,454)	(5,000)
Closed Churchyards	36,571	38,931	2,360	-.-
Community Transport	15,000	15,000	-.-	-.-
Corporate Management	174,503	139,533	(34,970)	-.-
Council Tax Accounting	423,191	405,130	(18,061)	-.-
Crematorium	-.-	63,865	63,865	-.-
Data Management	100,992	96,511	(4,481)	-.-
Depot Services	(65,809)	(52,629)	13,180	-.-
Economic Development	32,212	(90,812)	(123,024)	(60,000)
Financial Services	347,842	322,341	(25,501)	(20,000)
General Gang	82,556	44,963	(37,593)	-.-
Health & Safety (Work)	22,566	22,714	148	-.-
Housing Benefits	336,367	299,249	(37,118)	(67,000)
Housing Strategic	229,737	64,488	(165,249)	(16,000)
Human Resources	209,337	222,553	13,216	(6,000)
Interest & Financial Transactions	(31,859)	(85,491)	(53,632)	(42,500)
Internal Audit	72,822	69,854	(2,968)	-.-
Land Charges Admin	(41,268)	(86,780)	(45,512)	(30,000)
Legal	240,531	217,579	(22,952)	(10,000)
Local Elections	22,500	22,500	-.-	-.-
Local Plans	95,000	88,002	(6,998)	(10,000)
Management Team	364,685	424,423	59,738	20,000
Member & Committee Support	531,290	492,881	(38,409)	(40,000)
Miscellaneous Properties	(40,522)	(43,995)	(3,473)	-.-
Miscellaneous Finance	746,012	662,633	(83,379)	(11,300)
Museums - Old Gaol House	610	1,057	447	-.-
NNDR Collection Costs	45,170	38,656	(6,514)	-.-
Office Accommodation	392,442	400,688	8,246	-.-
Out Of Hours call out Service	12,000	9,090	(2,910)	-.-
Parking Of Vehicles	79,557	51,790	(27,767)	20,000
Parks And Gardens	362,582	419,132	56,550	-.-
Payroll	70,665	83,407	12,742	-.-
Public Conveniences	154,013	187,069	33,056	(16,800)
Registration of Electors	53,371	36,028	(17,343)	-.-
Reprographics	116,170	88,455	(27,715)	(10,000)
Sport & Recreation	180,923	143,471	(37,452)	-.-
Covid 19	100,000	(66,802)	(166,802)	-.-
Finance & Assets Committee Total	5,517,542	4,787,850	(729,692)	(304,600)
Operational Services Committee	5,559,244	5,237,608	(321,636)	(182,500)
Other Spend				
Parish Precepts	2,521,330	2,521,330	-.-	-.-
Internal Drainage Boards	512,018	515,285	3,267	3,267
Movement in Corporate Reserves	199,881	78,486	(121,395)	
Revenue Budget Total	14,310,015	13,140,559	(1,169,456)	(483,833)
Funding				
Council Tax	(6,805,967)	(6,834,143)	(28,176)	-.-
Revenue Support Grant	(11,829)	(11,829)	-.-	-.-
Business Rates	(4,140,702)	(5,100,273)	(959,571)	-.-
Other Government Grants (NHB / RSG etc.)	(1,278,869)	(1,488,705)	(209,836)	(50,000)
Budgeted draw from Surplus Savings Reserve	(2,072,648)	(2,072,648)	-.-	-.-
	(14,310,015)	(15,507,598)	(1,197,583)	(50,000)
Revenue Total	-.-	(2,367,039)	(2,367,039)	(533,833)

OPERATIONAL SERVICES COMMITTEE BUDGET MONITORING REPORT - 31st March 2022

Revenue	Total Budget 2021-22	Actual to 31 March 2022	Variance	Projected Outturn December 2021
	£	£	£	£
Building Regulations	17,696	9,661	(8,035)	
CIL	--	--	--	
Civic Amenities Act	11,671	9,703	(1,968)	
Climate Change	100,000	100,000	--	
Community Projects & Grants	179,585	128,139	(51,446)	(20,000)
Community Safety	57,002	57,562	560	
Cons.Area & Listed Buildings	60,967	65,342	4,375	
Customer Services	460,037	442,389	(17,648)	(22,500)
Dog Warden Scheme	34,443	33,119	(1,324)	
Ely Markets	--	--	--	
Emergency Planning	28,374	31,060	2,686	
Environmental Issues	91,486	105,261	13,775	
Health - Admin. & Misc.	410,201	393,187	(17,014)	
Homelessness	343,080	166,788	(176,292)	(60,000)
IT	801,664	841,284	39,620	20,000
Leisure Centre	(241,113)	(233,325)	7,788	
Licencing	2,499	(4,397)	(6,896)	
Marketing & Grants	70,094	57,027	(13,067)	
Neighbourhood Panels	1,500	18	(1,482)	
Nuisance Investigation	75,315	79,516	4,201	
Performance Management	10,400	--	(10,400)	
Pest Control	9,341	9,289	(52)	
Planning	6,808	(81,475)	(88,283)	(110,000)
Public Relations	75,917	54,789	(21,128)	
Refuse Recycling	1,006,700	995,352	(11,348)	
Refuse Collection	1,201,511	1,200,881	(630)	
Street Cleansing	703,258	703,258	--	
Street Naming & Numbering	6,841	10,066	3,225	
Travellers Sites	(21,750)	8,862	30,612	10,000
Tree Preservation	55,717	54,252	(1,465)	
Revenue Total	5,559,244	5,237,608	(321,636)	(182,500)

CAPITAL OUTTURN 2021/22

Capital	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Outturn £	Variance between Revised Budget & Forecast £
OPERATIONAL SERVICES						
Conservation Area Schemes - 2nd round		27,506		27,506		(27,506)
Refuse & Cleansing Vehicles	2,000,000			2,000,000		(2,000,000)
Waste - Wheeled Bins	40,000			40,000	60,024	20,024
Mandatory Disabled Facilities Grants	697,299	370,595	81,894	1,149,788	333,992	(815,796)
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	75,000			75,000	43,984	(31,016)
Vehicle Etc. Replacements	29,000			29,000	42,750	13,750
Leisure Centre				0	0	0
Operational Services Total	2,841,299	398,101	81,894	3,321,294	480,750	(2,840,544)
FINANCE & ASSETS						
East Cambs Trading Company - New loan facility	100,000	(100,000)		0		0
A14 Contribution	40,000			40,000		(40,000)
Depot	845,950			845,950		(845,950)
Extension to Ely Country Park		163,200		163,200		(163,200)
Loan to EC CLT			390,000	390,000		(390,000)
Finance & Assets Total	985,950	63,200	390,000	1,439,150	0	(1,439,150)
Total	3,827,249	461,301	471,894	4,760,444	480,750	(4,279,694)

SOURCES OF FINANCING	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variances £	Outturn £
Operational Services						
Grants - DFG	526,577	105,455	81,894	713,926	(379,934)	333,992
Revenue Contributions					35,000	35,000
Capital Receipts	265,722	292,646		558,368	(458,360)	100,008
Borrowing	2,000,000	0	0	2,000,000	(3,180,447)	(1,180,447)
Section 106 / CIL	49,000			49,000	1,143,197	1,192,197
Operational Services Total	2,841,299	398,101	81,894	3,321,294	(2,840,544)	480,750
Finance & Assets						
Capital Receipts		0		0	0	0
Section 106 / CIL	40,000	163,200		203,200	(203,200)	0
Borrowing	945,950	(100,000)	390,000	1,235,950	(1,235,950)	0
Finance & Assets Total	985,950	63,200	390,000	1,439,150	(1,439,150)	0
Capital Funding Total	3,827,249	461,301	471,894	4,760,444	(4,279,694)	480,750

Capital Resources Forecast	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variances £	Outturn £
Balance Brought Forward	839,305	633,023		1,472,328		1,472,328
Add receipts from Sales of Assets	50,000			50,000	11,326	61,326
Less Capital Receipts Applied	(265,722)	(292,646)		(558,368)	458,360	(100,008)
Capital Reserves Carried Forward	623,583	340,377	0	963,960	469,686	1,433,646

Borrowing	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variances £	Outturn £
Balance Brought Forward	11,178,003	(126,774)		11,051,229		11,051,229
Less MRP Applied	(392,496)			(392,496)	11,352	(381,144)
Add additional Borrowing Applied	2,945,950	(100,000)	390,000	3,235,950	(4,416,397)	(1,180,447)
Borrowing Carried Forward	13,731,457	(226,774)	390,000	13,894,683	(4,405,045)	9,489,638

Reserve Accounts

Description	2021/22			
	Opening Balance 1 April	Transfers to Reserve	Contributions from Reserve	Forecast Balance 31 March
	£	£	£	£
District Elections	22,500	104,681		127,181
Historic Buildings Grants	6,190			6,190
Housing Conditions Survey	45,000		(25,000)	20,000
Building Control	23,155			23,155
Change Management	249,223		(5,353)	243,870
Major Project Development	100,000			100,000
Surplus Savings Reserve	7,836,516	2,367,039	(2,072,648)	8,130,907
Vehicle Replacements	89,187			89,187
New Homes Bonus	0			0
Leisure Grants Fund	87,722	212,278		300,000
Insurance	0			0
IT	80,000	40,000		120,000
CIL	5,223,174	2,883,542		8,106,716
CIL Admin	226,560			226,560
Asset Management	0	12,679		12,679
Care and Repair	45,000			45,000
Community Fund Reserves	30,884			30,884
Housing	79,547			79,547
Affordable Housing	412,510	53,200	(243,910)	221,800
General Fund Balance	1,045,629	5,353		1,050,982
Commercial Invest to Save	20,000			20,000
CLT Grant Applications	20,000			20,000
Travellers' Sites	0			0
Enterprise Zone NNDR	389,617	269,196		658,813
Cambridgeshire Horizons	0	3,891,500	(51,500)	3,840,000
Council Tax / NNDR Carry Forwards	3,105,955	1,457,533	(3,105,955)	1,457,533
Climate Change	39,422	45,044		84,466
Other				
Section 106 Agreements	3,358,535	155,081	(40,000)	3,473,616
Internal Borrowing	(11,051,229)	1,180,447	381,144	(9,489,638)
Total Reserves	11,485,097	12,677,573	(5,163,222)	18,999,448

Total Reserves	19,177,791	25,015,470
General Fund	1,045,629	1,050,982
CIL	5,223,174	8,106,716
Earmarked Reserves	12,908,988	15,857,772
Increase / (decrease) in Earmarked Reserves		2,948,784

2021/22 TREASURY OPERATIONS ANNUAL PERFORMANCE REVIEW

Committee: Finance and Assets Committee

Date: 23rd June 2022

Author: Finance Manager

[X23]

1.0 **ISSUE**

- 1.1 To report on the Council's treasury operations during the 2021/22 financial year.
- 1.2 This report reviews the Treasury Management activity during the financial year 2021/22 and reports on the prudential indicators as required by CIPFA's Treasury Management Code of Practice.

2.0 **RECOMMENDATION**

- 2.1 Members are asked to recommend to Full Council that they approve this report detailing the Council's treasury operations during 2021/22, including the prudential and treasury indicators, as set out in the Annual Treasury Management Review (Appendix 1).

3.0 **BACKGROUND / INTRODUCTION**

- 3.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators each year, this is the report for 2021/22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 3.2 During 2021/22 the minimum reporting requirements were that Full Council should receive the following reports:
- an annual treasury strategy in advance of the year (approved by Full Council on the 23rd February 2021);
 - a mid-year treasury update report, (this was reviewed by Finance and Assets Committee on 25th November 2021 and approved by Full Council on the 22nd February 2022);
 - an annual review following the end of the year, describing the activity compared to the strategy (this report).

4.0 **RESULTS**

- 4.1 Cash investments totalled £33.530 million as at 31st March 2022, an increase of £14.665 million on the previous year. The Council's cash investments were all for periods of less than one year.
- 4.2 The large increase in cash is mainly down to six events,

- additional Government funding, awarded to assist councils with issues arising from the Covid-19 pandemic, specifically Business Rates funding provided in advance to assist with cashflow;
- Government funding to provide Council Tax rebates to residents (this was received late in the 2021/22 financial year and will be paid out in 2022/23);
- the Council's overall revenue underspend for the year as reported in the finance outturn report (also on the Committee's agenda);
- additional CIL receipts;
- additional Council Tax receipts, as the forecast downturn in income as a consequence of the pandemic did not occur;
- the receipt of funding from Cambridgeshire Horizons.

4.3 The Council's loan to ECTC remained at £4.9 million throughout the year.

4.4 Interest received during the financial year was £200,614, which was £78,937 above the budget of £121,677. This figure was made up of £29,114 from investment in money markets and other short, fixed term investments and £171,500 from the loans to ECTC.

4.5 The average rate of return on cash investments held during the year (this excludes the loan to ECTC) was 0.099%. This was above the benchmark 7-day LIBID compound rate (London Inter-bank Bid Rate) which was an average of -0.070% for the first nine months of the year. LIBID was stopped at the end of 2021 and has been replaced by SONIA (Sterling Overnight Index Average), our 2022/23 Strategy states that we will be using this benchmark moving forward.

5.0 CONCLUSIONS

5.1 The size of the Council's investment portfolio has historically been relatively small, meaning that investment decisions have had to be made primarily to accommodate cashflow requirements as opposed to optimising investment returns. While the value of the portfolio is now higher than in previous years, these disciplines have been retained, although opportunities for some pro-active investment decisions were taken during the year, with funds being moved to longer-term investments and away from overnight accounts.

5.2 During the financial year the Council operated within its approved treasury limits and prudential indicators.

6.0 APPENDIX

6.1 Annual Treasury Management Review 2021/22

BACKGROUND DOCUMENTS	LOCATION	CONTACT OFFICER
Treasury Management Strategy as approved by Council on 23 rd February 2021	Room 104 The Grange Ely	Ian Smith (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk

Annual Treasury Management Review 2021/22

East Cambridgeshire District Council

April 2022

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Annual Treasury Management Review 2021/22

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2021/22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2021/22 the minimum reporting requirements were that the Full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 23/02/2021)
- a mid-year, (minimum), treasury update report (Council 22/02/2022)
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Finance and Assets Committee before they were reported to the Full Council.

No member training on treasury management issues was undertaken during the year, mostly as a consequence of the Covid-19 pandemic.

Executive Summary

During 2021/22, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	31.3.21 Actual £000	2021/22 Original £000	31.3.22 Actual £000
Capital expenditure	7,159	3,827	481
Capital Financing Requirement:	11,051	13,732	9,490
External debt	£0	£0	£0
Investments	23,765		38,430

Other prudential and treasury indicators are to be found in the main body of this report. The Finance Manager confirms that no external or internal borrowing was undertaken during 2021/22.

The financial year 2021/22 continued the challenging investment environment of previous years, namely low investment returns.

Introduction and Background

This report summarises the following:-

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed investment activity.

1. The Council's Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£000	31.3.21 Actual	2021/22 Budget	31.3.22 Actual
Capital expenditure	7,159	3,827	481
Financed in year	1,979	881	1,661
Unfinanced capital expenditure	5,180	2,946	-1,180

The negative unfinanced capital expenditure represents CIL funding used to repay debt incurred in previous years on the Leisure Centre.

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2021/22 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and future cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLB], or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments.

The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2021/22 MRP Policy, (as required by DLUHC Guidance), was approved as part of the Treasury Management Strategy Report for 2021/22 on 23/02/2021.

The Council's CFR for the year is shown below, and represents a key prudential indicator.

CFR (£000): General Fund	31.3.21 Actual	2021/22 Budget	31.3.22 Actual
Opening balance	11,761	11,178	11,051
Add unfinanced capital expenditure (as above)	5,180	2,946	-1,180
Less MRP	420	392	381
Less repayment of original loan to ECTC	5,470		
Closing balance	11,051	13,732	9,490

Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council ensures that its gross external

borrowing does not exceed the total of the capital financing requirement in the preceding year (2021/22) plus the estimates of any additional capital financing requirement for the current (2022/23) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. The table below highlights the Council's gross external borrowing position against the CFR. The Council has complied with this prudential indicator.

£000	31.3.21 Actual	2021/22 Budget	31.3.22 Actual
Gross external borrowing position	£0	£0	£0
CFR	£11,051	£13,732	£9,490
Under funding of CFR	£11,051	£13,732	£9,490

The authorised limit - the authorised limit is the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2021/22 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

£000	2021/22
Authorised limit for external debt	£10,000
Maximum gross external borrowing position during the year	£0
Operational boundary	£0
Average gross borrowing position	£0
Financing costs as a proportion of net revenue stream	The Council had no financing costs in 2021/22

3. Treasury Position as at 31st March 2022

The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices.

At the beginning and end of 2021/22, the Council's treasury position was as follows:

INVESTMENT PORTFOLIO	31.3.21 Actual £000	31.3.21 Actual %	31.3.22 Actual £000	31.3.22 Actual %
Treasury investments				
Banks – main bank account	2,465	13.1%	2,530	7.5%
Banks – call accounts	5,000	26.5%	11,000	32.8%
Money Market Funds	11,400	60.4%	20,000	59.7%
TOTAL TREASURY INVESTMENTS	18,865	100%	33,530	100%

Non Treasury investments				
Loan to East Cambridgeshire Trading Company	4,900	100%	4,900	100%
TOTAL NON-TREASURY INVESTMENTS	4,900	100%	4,900	100%

Treasury investments	18,865	79.4%	33,530	87.2%
Non-Treasury investments	4,900	20.6%	4,900	12.8%
TOTAL OF ALL INVESTMENTS	23,765	100%	38,430	100%

The maturity structure of the investment portfolio was as follows:

All Money Market investments and the amount held in the Council's main bank account with the NatWest are in cash and as such, can be recalled immediately.

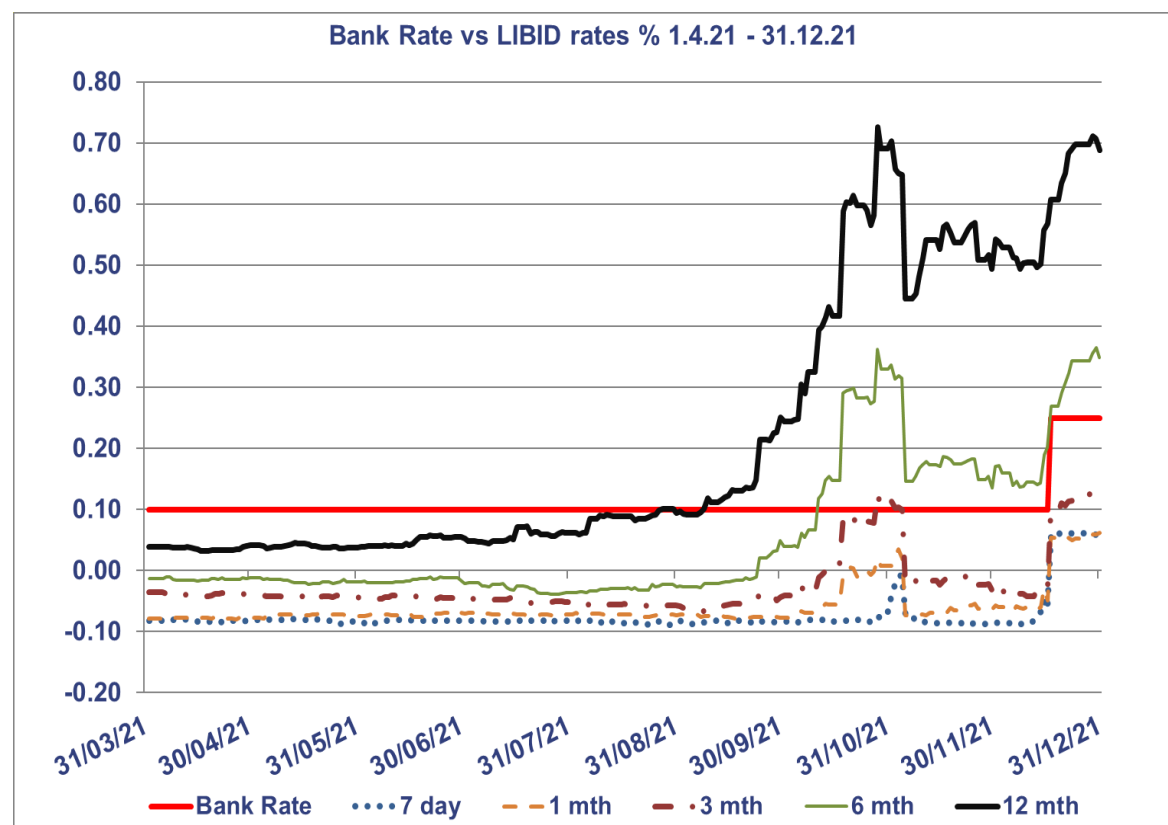
The amounts held in call accounts can be called back in either 32 or 95 days.

The loan to East Cambridgeshire Trading Company was due to be paid back by / in 2023. [This details the position as at 31st March 2022, but Members will be aware that a revised loan arrangement with ECTC was approved by Full Council on the 21st April 2022.]

4. The Strategy for 2021/22

4.1 Investment strategy and control of interest rate risk

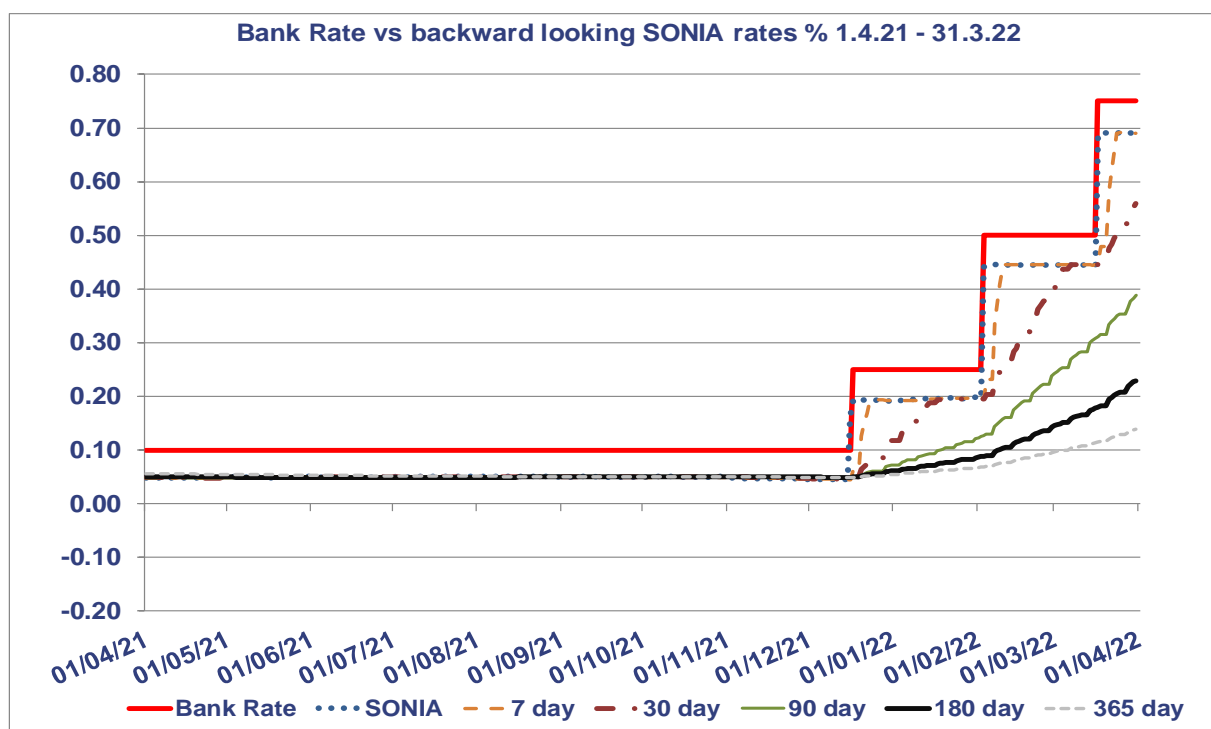
The 2021/22 Treasury Management Strategy stated that we would benchmark the yield on investments via comparison with the LIBID (London Inter-bank Bid Rate) 7-day compound rate. Unfortunately however, this rate was phased out at the end of 2021, so no comparisons are available for the final quarter of the year. However, for the purpose of consistency, the below tables show LIBID data to 31st December 2021:-



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.25	0.06	0.06	0.14	0.36	0.73
High Date	17/12/2021	29/12/2021	31/12/2021	31/12/2021	30/12/2021	28/10/2021
Low	0.10	-0.09	-0.08	-0.07	-0.04	0.04
Low Date	01/07/2021	27/08/2021	17/09/2021	08/09/2021	27/07/2021	08/07/2021
Average	0.11	-0.07	-0.05	-0.01	0.09	0.31
Spread	0.15	0.15	0.14	0.20	0.40	0.68

Investment Benchmarking Data – Sterling Overnight Index Average 2021/22

Our 2022/23 Treasury Management Strategy states that we will use the 7-day SONIA (Sterling Overnight Index Average) rate in that year, so these figures are also shown for reference.



	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	0.75	0.69	0.69	0.56	0.39	0.23	0.14
High Date	17/03/2022	18/03/2022	25/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022
Low	0.10	0.05	0.05	0.05	0.05	0.05	0.05
Low Date	01/04/2021	15/12/2021	16/12/2021	16/12/2021	16/12/2021	07/06/2021	13/12/2021
Average	0.19	0.14	0.13	0.12	0.09	0.07	0.06
Spread	0.65	0.65	0.65	0.51	0.34	0.18	0.09

Investment returns remained close to zero for much of 2021/22. Most local authority lending managed to avoid negative rates and one feature of the year was the continued growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer necessitated.

The Bank of England and the Government also maintained various monetary and fiscal measures, supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the various lockdowns/negative impact on their cashflow. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained low until towards the turn of the year when inflation concerns indicated central banks,

not just the Bank of England, would need to lift interest rates to combat the second-round effects of growing levels of inflation (CPI was 6.2% in February).

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets.

4.2 Borrowing strategy and control of interest rate risk

During 2021/22, the Council maintained an under-borrowed position with no external debt. This meant that the capital borrowing need, (the Capital Financing Requirement), was not funded with external debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low and minimising counterparty risk on placing investments also needed to be considered.

The policy of avoiding new borrowing by using spare cash balances has served well over the past few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Finance Manager therefore monitored interest rates in financial markets and adopted a pragmatic strategy.

Interest rate forecasts expected only gradual rises in medium and longer-term fixed borrowing rates during 2021/22 and the two subsequent financial years until the turn of the year, when inflation concerns increased significantly. Internal, variable, or short-term rates, were expected to be the cheaper form of borrowing until well in to the second half of 2021/22.

The forecast at the time of approval of the treasury management strategy report for 2021/22 was as follows: -

Link Group Interest Rate View		9.11.20													
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
5 yr PWLB	1.80	1.80	1.80	1.80	1.80	1.90	1.90	1.90	1.90	1.90	2.00	2.00	2.00	2.00	
10 yr PWLB	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	
25 yr PWLB	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70	2.70	2.70	2.80	2.80	2.80	2.80	
50 yr PWLB	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.60	2.60	2.60	2.60	

The current forecast is:

Link Group Interest Rate View		7.2.22											
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

PWLB rates are based on gilt (UK Government bonds) yields through H.M. Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the past 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the past 30 years. We have seen, over the past two years, many bond yields up to 10 years in the Eurozone turn negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. Recently, yields have risen since the turn of the year on the back of global inflation concerns.

5. Investment Outturn

Investment Policy – the Council’s investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved by the Council on 25th February 2021. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised as follows:

Balance Sheet Resources (£000)	31.3.21	31.3.22
Earmarked reserves	13,956	16,908
CIL / Section 106	8,582	11,580
Provisions	2,176	2,046
Council Tax Rebate Funding	-	4,616
Usable capital receipts	1,472	1,434
Cash / Debtors	3,730	6,436
Internal Borrowing	-11,051	-9,490
Total	18,865	33,530

Investments held by the Council

- The Council maintained an average balance of £29.277 million of internally managed funds.
- The internally managed funds earned an average rate of return of 0.099%.
- The comparable performance indicator is the average 7-day LIBID rate, which was -0.07% for the first nine months of the year.
- Total investment income was £29,114 compared to a budget of £10,877.

6. The Economy and Interest Rates

UK. Economy. Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.

The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition,

from 1st April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

Average inflation targeting. This was the major change in 2020/21 adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 2020 was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and *achieving the 2% target sustainably*". That mantra now seems very dated. Inflation is the "genie" that has escaped the bottle, and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.

USA. The flurry of comments from Fed officials following the mid-March FOMC meeting – including from Chair Jerome Powell himself – hammering home the hawkish message from the mid-March meeting, has had markets pricing in a further 225bps of interest rate increases in 2022 on top of the initial move to an interest rate range of 0.25% - 0.5%.

In addition, the Fed is expected to start to run down its balance sheet. Powell noted that the rundown could come as soon as the next meeting in May.

The upward pressure on inflation from higher oil prices and potential knock-on impacts on supply chains all argue for tighter policy (CPI is estimated at 7.8% across Q1), but the hit to real disposable incomes and the additional uncertainty points in the opposite direction.

More recently, the inversion of the 10y-2y Treasury yield spread at the end of March led to predictable speculation that the Fed's interest rate hikes would quickly push the US economy into recession. Q1 GDP growth is likely to be only between 1.0% and 1.5% annualised (down from 7% in Q4 2021). But, on a positive note, the economy created more than 550,000 jobs per month in Q1, a number unchanged from the post-pandemic 2021 average. Unemployment is only 3.8%.

EU. With euro-zone inflation having jumped to 7.5% in March it seems increasingly likely that the ECB will accelerate its plans to tighten monetary policy. It is likely to end net asset purchases in June – i.e., earlier than the Q3 date which the ECB targeted in March. And the market is now anticipating possibly three 25bp rate hikes later this year followed by more in 2023. Policymakers have also hinted strongly that they would re-start asset purchases if required. In a recent speech, Christine Lagarde said "we can design and deploy new instruments to secure monetary policy transmission as we move along the path of policy normalisation."

While inflation has hit the headlines recently, the risk of recession has also been rising. Among the bigger countries, Germany is most likely to experience a "technical" recession because its GDP contracted in Q4 2021, and its performance has been subdued in Q1 2022. However, overall, Q1 2022 growth for the Eurozone is expected to be 0.3% q/q with the y/y figure posting a healthy 5.2% gain. Finishing on a bright note, unemployment fell to only 6.8% in February.

China. After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; however, 2021 has seen the economy negatively impacted by political policies that have focussed on constraining digital services, restricting individual freedoms, and re-establishing the power of the One-Party state. With the recent outbreak of Covid-19 in large cities, such as Shanghai, near-term economic performance is likely to be subdued. Official GDP numbers suggest growth of c4% y/y, but other data measures suggest this may be an overstatement.

Japan. The Japanese economic performance through 2021/22 is best described as tepid. With a succession of local lockdowns throughout the course of the year, GDP is expected to have risen only 0.5% y/y with Q4 seeing a minor contraction. The policy rate has remained at -0.1%, unemployment is currently only 2.7% and inflation is sub 1%, although cost pressures are mounting.

World growth. World growth is estimated to have expanded 8.9% in 2021/22 following a contraction of 6.6% in 2020/21.

Deglobalisation. Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for 18% of total world GDP (the USA accounts for 24%), and Russia's recent invasion of Ukraine, has unbalanced the world economy. In addition, after the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China (and to a much lesser extent Russia) to supply products and vice versa. This is likely to reduce world growth rates.

Central banks' monetary policy. During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

7. Other Issues

IFRS 16

The implementation of IFRS16 bringing currently off-balance sheet leased assets onto the balance sheet, has been delayed until 2024/25.

ABBREVIATIONS USED IN THIS REPORT

CE: Capital Economics - is the economics consultancy that provides Link Group, Treasury solutions, with independent economic forecasts, briefings and research.

CFR: capital financing requirement - the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

EZ: Eurozone -those countries in the EU which use the euro as their currency

Fed: the Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

FOMC: the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members--the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

GDP: gross domestic product – a measure of the growth and total size of the economy.

G7: the group of seven countries that form an informal bloc of industrialised democracies--the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom--that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Gilts: gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a coupon and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); while the coupon rate is fixed, the yields will change inversely to the price of gilts i.e. a rise in the price of a gilt will mean that its yield will fall.

HRA: housing revenue account.

IMF: International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

LIBID: the London Interbank Bid Rate is the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks. It is the "other end" of the LIBOR (an offered, hence

"ask" rate, the rate at which a bank will lend). These benchmarks ceased on 31st December 2021 and have, generally, been replaced by SONIA, the Sterling Overnight Index Average.

MHCLG: the Ministry of Housing, Communities and Local Government - the Government department that directs local authorities in England.

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision - a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE: quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, such as government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to 'cool' the economy.

RPI: the Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – Consumer Price Index. The main differences between RPI and CPI is in the way that housing costs are treated and that the former is an arithmetical mean whereas the latter is a geometric mean. RPI is often higher than CPI for these reasons.

SONIA: the Sterling Overnight Index Average. Generally, a replacement set of indices (for LIBID) for those benchmarking their investments. The benchmarking options include using a forward-looking (term) set of reference rates and/or a backward-looking set of reference rates that reflect the investment yield curve at the time an investment decision was taken.

TMSS: the annual treasury management strategy statement reports that all local authorities are required to submit for approval by the full council before the start of each financial year.

VRP: a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).

ASSETS UPDATE

Committee: Finance & Assets Committee

Date: 23 June 2022

Author: Open Spaces & Facilities Manager

[X24]

1.0 **ISSUE**

1.1 To receive an update on Council owned assets.

2.0 **RECOMMENDATION**

2.1 Members are requested to:

- i) note the update on Council owned assets, and
- ii) note the expenditure tracking sheet at Appendix 1.

3.0 **BACKGROUND/OPTIONS**

3.1 On 24 March 2022 Finance & Assets Committee received a report detailing Council owned assets which provided a summary of each asset. This report provides an update to assets contained within that report.

3.2 The Asset Management budget expenditure tracking sheet at Appendix 1 identifies areas of planned spend and provides an update on actual spend to date. Members will continue to receive the expenditure tracking sheet as part of the Asset Update.

3.3 There are no significant updates for Members. The Depot Improvement works are being tendered and Members will be updated on actual expenditure through this report.

3.4 On 24 March 2022 the Finance & Assets Committee awarded a lease for 70 Market Street, Ely. This is progressing as per Finance & Assets approval and Members will be notified once the premises has been occupied.

4.0 **FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT**

4.1 There are no financial implication arising from this report.

4.2 An Equality Impact Assessment (EIA) is not required.

4.3 A Carbon Impact Assessment (CIA) is not required.

5.0 APPENDICIES

5.1 Appendix 1- Asset Spend Tracker

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Finance & Assets Committee- 24 March 2022- Assets Update and Assets Management Plan	Room 106, The Grange, Ely	Spencer Clark Open Spaces & Facilities Manager (01353) 665555 E-mail: spencer.clark@eastcambs.gov.uk

Asset Management Budget

APPENDIX 1

Asset	Budgeted Expenditure	Nature of Work	Actual Expenditure	Notes
Public Car Parks				
	4,000.00	White Lining after resurfacing		Due to procure
	43,500.00	Forehill Car Park surface repairs		Due to procure
	22,845.00	Replacement Drainage Gullies Barton Road		Due to procure
	9,325.00	Replacement Drainage Gullies Forehill		Due to procure
Total Public Car Parks	79,670.00		0.00	
Closed Churchyards				
	780.00	Littleport repair to damaged wall		In progress
	165.00	Littleport Upton place repair of damaged wall		In progress
	8,100.00	Little Thetford rebuild damaged wall	8,100.00	Completed
Total Closed Churchyards	9,045.00		8,100.00	
Littleport Depot				
	543,400.00	Depot Improvement Plan (XP092 C201 Contractors)		Formalising contracts
Total Littleport Depot	543,400.00		0.00	
Play Areas				
Total Play Areas	0.00		0.00	
Public Conveniences				
	5,000.00	Annual Deep Cleaning of all Public Toilets		Not yet due
	5,000.00	Refurbishment as identified		Not yet identified
Total Public Conveniences	10,000.00		0.00	
Public Footpaths/Open Spaces				
	10,000.00	Street Light Column Replacement		Order placed with CCC
Total Public Footpaths/Open Space	10,000.00		0.00	
The Grange				
	6,000.00	Essential Lift repairs		Instructed and await work
	1,962.50	Upgrade old Distribution boards to provide RCD protection		Due to commence soon
	5,000.00	Ceilings to be battened boarded and plastered		Work commenced and is in progress
Total The Grange	12,962.50		0.00	
Travellers Sites				
Total Travellers Site	0.00			
Unit 6 St Thomas Place				
Total Unit 6 St Thomas Place	0.00		0.00	

Asset Management Budget

Unit 8 St Thomas Place				
Total Unit 8 St Thomas Place	0.00		0.00	
70 Market Street, Ely				
	0.00			
Total 70 Market Street, Ely	0.00		0.00	
72 Market Street, Ely				
Total 72 Market Street, Ely	0.00		0.00	
74 Market Street, Ely				
Total 74 Market Street, Ely (Registry Office)	0.00		0.00	

Asset Management Budget

Cemetery Lodge				
	2,000.00	Fencing repairs required (landlords duty)		
	7,000.00	External decoration (+Scaffold Hire)		
Total Cemetery Lodge	9,000.00		0.00	
Ely Museum				
Total Ely Museum	0.00		0.00	
St Johns Road Garages				
	5,000.00	Replacement garage door programme		
Total St Johns Road Garages	5,000.00		0.00	
The Old Barn, Littleport				
Total The Old Barn, Littleport	0.00		0.00	
Mepal Outdoor Centre				
	11,471.40	Site security cameras	1,911.90	Ongoing monthly
Total Mepal Outdoor Centre	11,471.40		1,911.90	
Other				
Total Other	0.00			
Periodic Inspections, Surveys, Valuations & Misc. Projects				
Total Misc. Projects	0.00		0.00	
Valuation of Assets (end of year financial accounts)				
Total Valuation of Assets	0.00		0.00	

Total Budgeted Expenditure	690,548.90	Spend to Date	10,011.90
Asset Management Budget	170,194.00		
Depot Reserve	543,400.00		
Asset Budget Remaining	23,045.10		

ANNUAL REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

Committee: Finance and Assets Committee

Date: 23rd June 2022

Author: Democratic Services Officer (Committees)

[X25]

1.0 ISSUE

1.1 To receive the annual reports from Council representatives on Outside Bodies within the responsibility of the Finance & Assets Committee.

2.0 RECOMMENDATION(S)

2.1 That David Chaplin be reappointed as the joint ECDC/SCDC representative on the Waterbeach Level IDB, as detailed in paragraph 3.2.

2.2 That the annual reports from Council representatives on Outside Bodies within the responsibility of the Finance & Assets Committee be noted.

2.3 That the vacancies on three IDBs and the process for seeking nominations be noted.

3.0 BACKGROUND/OPTIONS

3.1 The Council's Constitution specifies in the Terms of Reference for the Finance & Assets Committee that it should appoint representatives to Outside Bodies within its remit, from the wider membership of Council, for a period of up to 4 years. In the majority of cases the most recent appointments were made at the Finance & Assets Committee meeting held on 20th June 2019.

3.2 An anomaly is the 3-year appointment to the Waterbeach Level IDB, which is a joint appointment with South Cambridgeshire District Council as per a reciprocal agreement dated June 1990. David Chaplin, the current lay member representative, was appointed in 2019 and therefore requires a 1-year reappointment to bring the term in line with all of the 4-year Outside Bodies appointments.

3.3 The list of Outside Bodies currently within the remit of the Finance & Assets Committee is attached as Appendix 1, which includes the names of the appointed representatives.

3.4 Attention is drawn to a number of vacancies on the Internal Drainage Boards (IDBs). Vacancies on the Littleport & Downham IDB and the Padnal & Waterden IDB have arisen due to the retirement of lay member Paul Cox. In

addition to the two outstanding vacancies on the Cawdle Fen IDB, a third has arisen due to the recent passing of City of Ely Cllr Mike Rouse.

- 3.5 Group Leaders have been consulted regarding all vacancies and no nominations had been received at the time of writing. Therefore, in accordance with the previously-agreed process (see Appendix 2), the affected Parish Councils will be contacted to request nominations for the vacancies. Once received, any nominations will be brought to a future meeting of the Finance & Assets Committee for consideration.
- 3.6 Attached as Appendix 2 are the relevant pages of the Outside Bodies Booklet which detail the aims and activities of the Outside Bodies within the remit of the Finance & Assets Committee, and the 2021-22 annual reports from the Council representatives.
- 4.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT
- 4.1 There are no additional financial implications arising from this report.
- 4.2 Equality Impact Assessment (EIA) not required.
- 4.3 Carbon Impact Assessment (CIA) not required.
- 5.0 APPENDICES
- 5.1 Appendix 1: Summary of the Outside Bodies and representatives for 2022-23 under the remit of the Finance & Assets Committee.

Appendix 2: The relevant pages of the Outside Bodies Booklet which detail the aims and activities of the Outside Bodies within the remit of the Finance & Assets Committee, and the annual reports of the Council representatives.

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
None	Room 214 The Grange, Ely	Caroline Evans Democratic Services Officer (Committees) (01353) 616457 caroline.evans@eastcambs.gov.uk

**SUMMARY OF OUTSIDE BODIES AND REPRESENTATIVES 2022-23 UNDER
THE REMIT OF THE FINANCE & ASSETS COMMITTEE**

ORGANISATION	REPRESENTATIVE(S)	ECDC CONTACT OFFICER
East Cambridgeshire Community Land Trust	Anna Bailey Lisa Stubbs (<i>until 2022 AGM</i>)	Corporate Unit Manager: Sally Bonnett
East of England Local Government Association	Leader of Council: Anna Bailey	Chief Executive: John Hill
Local Government Association	Joshua Schumann	Chief Executive: John Hill
Local Government Association – District Councils Network	Leader of Council: Anna Bailey	Chief Executive: John Hill
Burnt Fen Internal Drainage Board	Julia Huffer Derrick Beckett (<i>Lay Member</i>)	Finance Manager: Ian Smith
Cawdle Fen Internal Drainage Board	Simon Harries Christine Whelan Rupert Moss-Eccardt Ian Lindsay Vacancy Vacancy Vacancy	Finance Manager: Ian Smith
Haddenham Level Internal Drainage Board	Gareth Wilson Steve Cheetham	Finance Manager: Ian Smith
Littleport and Downham Internal Drainage Board	Christine Ambrose Smith David Ambrose Smith Lorna Dupré Jo Webber Mark Taylor Vacancy	Finance Manager: Ian Smith
Middle Fen and Mere Internal Drainage Board	Ian Bovingdon Mark Goldsack Alec Jones Dan Schumann Derrick Beckett (<i>Lay Member</i>)	Finance Manager: Ian Smith
Padnal and Waterden Internal Drainage Board	David Ambrose Smith Lis Every Alison Whelan Debra Jordan Sue Kerridge Clive Webber Vacancy	Finance Manager: Ian Smith
Swaffham Internal Drainage Board	David Brown Lavinia Edwards Alan Sharp John Trapp	Finance Manager: Ian Smith
Waterbeach Level Internal Drainage Board	David Chaplin (<i>Lay Member</i>)	Finance Manager: Ian Smith

EAST CAMBRIDGESHIRE DISTRICT COUNCIL



REPRESENTATION ON OUTSIDE BODIES WITHIN THE REMIT OF THE FINANCE & ASSETS COMMITTEE 2022-23

(Including reports from representatives for 2021-22)

Contents

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PRIORITY CATEGORY OF OFFICER SUPPORT

1. Nominated officers to provide Members with regular support on a proactive basis, and attend meetings where appropriate (including those outside bodies where officers attend at present).
2. Nominated officers to provide ad hoc support on specific agenda issues and act as a contact for feedback and implementation of action points. The onus will be on the Member to contact the nominated officer to facilitate these arrangements.
3. Members should liaise directly with Democratic Services (Committees).

EAST CAMBRIDGESHIRE COMMUNITY LAND TRUST

AIMS AND ACTIVITIES

East Cambs Community Land Trust is incorporated to enable affordable homes to be owned and managed by an independent locally-run body that enables people to live and work locally. It is an “umbrella” Community Land Trust (CLT) and therefore covers a wider area or region than a local CLT and takes a complementary, supportive, role to any local CLTs.

Its purpose is to carry on, for the benefit of people in need (whether by virtue of poverty, financial hardship, age, physical or mental disability or ill health), in East Cambridgeshire:

- The business of providing and managing housing (including social housing) and facilitating the provision and management of such housing;
- The provision of, and facilitating the provision of, information, advice, assistance, training, support, facilities, amenities and services incidental to the provision and promotion of housing;
- The promotion of regeneration in areas of social and economic deprivation in such ways as may be thought fit by the Trustees;
- Any other charitable object that can be carried out from time to time by a community land trust and which the Trustees consider would further the social, economic and environmental interest of the community in the area of benefit.

Representation: Up to three Members (total of one vote irrespective of number of Members.)

Status of Member: Custodian Nominee Trustee

No. meetings per year: 3-4

Expenses paid by organisation: No

Insurance provision: Yes

Category of Officer Support (see p. 1): 3

Contact Officer: Corporate Unit Manager, Sally Bonnett

Representatives for 2022/23: **Cllr Anna Bailey**

Cllr Lisa Stubbs (appointment ends at the 2022 AGM)

REPORTS FROM 2021/22 REPRESENTATIVES

Cllrs Anna Bailey and Lisa Stubbs (attended all 9 meetings)

ECCLT is a not-for-profit Community Benefit Society, run by volunteers. The Trust was established in November 2017 as an umbrella Community Land Trust (CLT) for the whole of East Cambridgeshire. ECCLT supports the work of the Council in promoting Community Land Trust development in the District and in securing affordable homes that help to enable people with ties to the area to live and work locally.

ECCLT owns and manages two affordable homes within Montgomery House that were part of the East Cambs Trading Company's Kings Row development in Barton Road, Ely which are occupied by local people. ECCLT also manages the Montgomery House building.

ECCLT has been working with East Cambs Trading Company on a proposal to take on the ownership and management of 15 shared ownership affordable homes on the ex-MOD housing site in Ely.

Continued representation on this outside body is very important – the District Council has Custodian Member status and has responsibilities to the Trust in that regard. Membership also helps to pursue the stated Corporate Plan housing objectives of the Council.

This organisation facilitates the delivery of affordable homes and supports the outcomes of the Council's Corporate Plan.

EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION

AIMS AND 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:	Leader of Council
Status of Member:	Representative of ECDC
No. meetings per year:	1
Expenses paid by organisation:	No
Insurance provision:	Yes
Category of Officer Support (see p. 1):	1
Contact Officer:	Chief Executive, John Hill

Representative for 2022/23: **Cllr Anna Bailey**

REPORT FROM 2021/22 REPRESENTATIVE

Cllr Anna Bailey (attended 1 meeting)

This is a member-led organisation whose core services are funded by member subscriptions from the East of England.

Core Services are a universal offer available to all subscribing members and provided free at the point of access. They include programmes of activity in priority areas, support for regional member and officer networks, a range of free events and briefings, specific helpdesk and advice services, as well as activity undertaken jointly with Trade Unions in its role as the Regional Employers Organisation.

The organisation provides support and advice to the Council, particularly adding value when in house services are not available.

Continued representation on this Outside Body is worthwhile; the organisation is useful to the Council in providing briefings, information, support and expertise and in representing local Government with central Government.

LOCAL GOVERNMENT ASSOCIATION

AIMS AND ACTIVITIES

To support, promote and improve local government in England and Wales.

To support Councillors in their role as democratically elected local representatives.

Representation:	One Member
Status of Member:	Representative of ECDC (voting Member)
No. meetings per year:	1
Expenses paid by organisation:	Yes (attendance only, not travel)
Insurance provision:	No
Category of Officer Support (see p. 1):	1
Contact Officer:	Chief Executive, John Hill

Representative for 2022/23: Cllr Joshua Schumann

REPORTS FROM 2021/22 REPRESENTATIVES

Cllr Joshua Schumann

(Not received.)

LGA – DISTRICT COUNCILS NETWORK

AIMS AND 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:	Leader of Council
Status of Member:	ECDC representative
No. meetings per year:	4
Expenses paid by organisation:	No
Insurance provision:	No
Category of Officer Support (see p. 1):	1
Contact Officer:	Chief Executive, John Hill

Representatives for 2022/23: **Cllr Anna Bailey**

REPORTS FROM 2021/22 REPRESENTATIVES

Cllr Anna Bailey (attended 1 meeting)

The District Councils’ Network (DCN) is a cross-party member-led network of 180 District Councils. It is a Special Interest Group of the Local Government Association (LGA), and provides a single voice for all District Councils within the Local Government Association.

Being a member of the network supports the work of the organisation, provides valuable information and data to the Council and facilitates networking, helping the Council to lobby Government and fulfil its statutory and non-statutory activities.

Over the last two years the DCN has been particularly pro-active during the COVID-19 pandemic, and more latterly on housing policy, convening meetings with Government Ministers and Leaders of its Member Councils, providing a single voice to Government and making the case for funding and powers to be given to District Councils. Topics have been wide ranging covering most aspects of the functions of District Councils.

This organisation has been an incredibly effective conduit for District Councils and central Government, particularly in relation to dealings with the Ministry of Housing, Communities and Local Government; it has meant that District Councils have had a strong and united voice.

INTERNAL DRAINAGE BOARDS

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Internal Drainage Boards (IDBs) are public bodies that manage water levels in areas where there is a special need for drainage. They reduce flood risk to people and property and they manage water levels for agricultural and environmental needs. IDBs are funded by a combination of drainage rates levied on the owners of farmland, and special levies on District and Unitary Councils. District Councils appoint representatives to IDBs, the number of representatives being determined by the IDBs by consideration of the percentage of the Board's income being paid by each Council.

Haddenham Level IDB is part of the Middle Level Commissioners, all other IDBs on which ECDC is represented are part of the Ely Group of Internal Drainage Boards.

Appointment of ECDC representatives to Internal Drainage Boards has been discussed at various Council and Committee meetings¹ and the following process has been agreed:

1. Nominations should be invited from the Members of Council.
2. If vacancies cannot all be filled from within the District Council then;
 - a. former District Councillors who are willing to continue in their IDB role could be nominated as a layperson, and;
 - b. the relevant Parish Council(s) should be invited to submit nominations.

If there are more nominations than vacancies then consideration should be given to the candidates' prior knowledge and experience of both the geographical area and the issues relevant to IDBs. In all cases, the final decision on each appointment rests with the Finance & Assets Committee.

¹ Resources & Finance Committee: 29 March 2018 (Agenda Item 11, Minute 94); 26 July 2018 (Agenda Item 12, Minute 35).
Council: 19 April 2018 (Agenda Item 10, Minute 89).
Finance & Assets Committee: 20 June 2019 (Agenda Item 13, Minute 17); 26 September 2019 (Agenda Item 18, Minute 56).

BURNT FEN INTERNAL DRAINAGE BOARD

District Wards covered:	Ely North Littleport
Parish Councils covered:	City of Ely Council Littleport Parish Council
Representation:	Two Members
Status of Member:	Board Member
No. meetings per year:	3
Expenses paid by organisation:	No (paid by the Council)
Insurance provision:	Yes
Category of Officer Support (see p. 1):	3
Contact Officer:	Finance Manager, Ian Smith

Representatives for 2022/23: **Cllr Julia Huffer**
Derrick Beckett (*Lay Member*)

REPORTS FROM 2021/22 REPRESENTATIVES

Cllr Julia Huffer (attended 3 of 4 meetings)

The IDB continues to perform vital work in maintaining and regulating the drainage systems throughout the District. It is an extremely well-run organisation, who carry out vital work to support our farmers and protect our residents from flooding.

Support for this organisation should continue.

Derrick Beckett

(Not received.)

CAWDLE FEN INTERNAL DRAINAGE BOARD

District Wards covered:	Ely West
Parish Councils covered:	City of Ely Council
Representation:	Seven Members
Status of Member:	Board Member
No. meetings per year:	3
Expenses paid by organisation:	No (paid by Council)
Insurance provision:	Yes
Category of Officer Support (see p. 1):	3
Contact Officer:	Finance Manager, Ian Smith

Representatives for 2022/23:	Cllr Simon Harries Cllr Christine Whelan Parish Cllr Ian Lindsay Rupert Moss-Eccardt [3 Vacancies]
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REPORTS FROM 2021/22 REPRESENTATIVES

Cllr Simon Harries (attended 2 of 3 meetings)

This is one of the many drainage boards that have kept the fenland areas of Cambridgeshire, Bedfordshire, Norfolk and Lincolnshire not just prosperous as important farming areas but habitable at all. It is hard to think of a more important reason for supporting this organisation: it is basic necessity.

The Board also has an important connection to the Council's environmental policies. Though not directly guided by or dependent on these policies it is a key ally. I do not think we can achieve environmental improvement without close collaboration with the drainage boards.

I think it is essential for the Council to stay as closely connected as possible with the drainage boards, not just as a matter of common sense but for two very specific reasons.

- 1st, the risk of flooding is growing fast and every year becomes more urgent and troubling. We recognise that there will need to be large-scale investment at central government level in order to save the fens for the long term as habitable space, but the drainage boards are vital partners in delivering such policies.
- 2nd, in a rural area such as this, drainage boards amplify the voice and influence of the agricultural community, which otherwise risks being slightly marginalised, especially as demographic change alters the character of the area. It is not possible to

understand the importance of farming priorities and preoccupations except by participating in discussions within a forum of this kind, where the reality of how the natural world shapes our lives is unmistakably clear.

Water management, travel and transport, agriculture, environment, future strategic planning, cost and finance, tourism, and landscape and leisure are all relevant to the Council and have been discussed by the drainage board.

Cllr Christine Whelan (attended 1 of 3 meetings)

It gives ECDC and Parish councils an insight into the work that is done by the drainage board and the importance of keeping the Fens well drained to avoid flooding in the area.

Representation to the board is worthwhile and although I haven't been able to attend many meetings this year getting the reports through has been useful.

I highlighted in my last report about the timings of the meetings but there is no possibility of changing these unfortunately. Moving forward however I am hoping to be able to attend more meetings in the future.

Parish Cllr Ian Lindsay (appointed 22nd July 2021)

(Not received.)

Rupert Moss-Eccardt (attended all 3 meetings)

Water management is essential to support food production, protect property and underpin the local economy:-

The CPIER report alludes to significant GVA benefit from flood protection schemes. A recent modelling exercise for the Great Ouse fens predicts £7-10bn of damage in the event of a significant flood control failure.

Many planning applications are only successful because, even though they are in Flood Zone 3, the site is protected by flood defences.

SUDSs only work if there is somewhere for the final outflow to go. IDBs move that water from catchwater drains through to the main river.

Finally, if the IDBs didn't provide a path for water to be abstracted, the local agricultural economy would fail.

So, the work of the IDB is essential for the continued existence of East Cambs.

As this is a body that raises a levy against ECDC it is incumbent on ECDC to utilise its scrutiny and management power to meet its obligations to ensure the money is spent properly.

The Environment Act opens the door for the Special Levy to be changed. Nominated Members will ensure that any change is well-considered.

The IDB has considered some planning applications where there is the need to manage run-off. It has also considered enhancement of bio-diversity.

HADDENHAM LEVEL INTERNAL DRAINAGE BOARD

District Wards covered:	Haddenham Stretham Sutton
Parish Councils covered:	Haddenham Parish Council Stretham Parish Council Sutton Parish Council Wentworth Parish Council Wilburton Parish Council
Representation:	Two Members
Status of Member:	Board Member
No. meetings per year:	3
Expenses paid by organisation:	No (paid by Council)
Insurance provision:	Yes
Category of Officer Support (see p. 1):	3
Contact Officer:	Finance Manager, Ian Smith
Representatives for 2022/23:	Cllr Gareth Wilson (<i>Lead Member</i>) Parish Cllr Steve Cheetham

REPORTS FROM 2021/22 REPRESENTATIVES

Cllr Gareth Wilson (attended 1 of 2 meetings)

Through the operation, maintenance and improvement of watercourses and other water control assets within the District, the Board seeks to achieve a general standard of water level management that enables the drainage and irrigation of agricultural land, reduces flood risk to developed areas, and sustains environmental features throughout the District. Much of the Board's watercourse maintenance work constitutes vegetation control and desilting and is often a vital and routine requirement.

The following outlines the key details of the District:

- Total area of the drainage district: 3035 ha
- Catchment area draining to and including the District: 4360 ha
- Area of agricultural land: 2995 ha
- Area of other (non-agricultural) land including residential and commercial property: 40 ha
- It maintains 30km of watercourses and has 2 pumping stations
- It is consulted on relevant planning applications

- The commissioners precept on EDC for the area of non-agricultural land and charge a rate of 38p on the owners of the agricultural land.

Parish Cllr Steve Cheetham (attended all 4 meetings)

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.

Continued work on the proposed construction of irrigation reservation reservoirs at Willow Hall Farm, Haddenham has continued with objections being raised by the HIBD on the planning application and potential implications for East Cambs. This application has now been approved by the County Council. However, the HIBD will monitor the development of the reservoirs accordingly.

HIBD have raised concerns on the amount of seepage coming through or under the 100 ft riverbank, 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 is now being rescheduled for discussion with Lucy Frazer to ensure the HIBD concerns are understood and raised at the highest political level.

This is a precepting body with the duty of protecting the Haddenham & Aldreth area from flooding and providing irrigation for agriculture and the meetings give a real insight into issues affecting farming and agriculture. The 2021/2022 winter has seen lower levels of rainfall than the rain which impacted East Cambs 2020/21, but it continues to be critical that the knowledge of the issues in detail from the HIBD are understood by ECDC.

LITTLEPORT & DOWNHAM INTERNAL DRAINAGE BOARD

District Wards covered:	Downham Villages Ely North Littleport Stretham Sutton
Parish Councils covered:	Coveney Parish Council Little Downham Parish Council Little Thetford Parish Council Littleport Parish Council Stretham Parish Council Wentworth Parish Council Wilburton Parish Council Witchford Parish Council
Representation:	Six Members
Status of Member:	Board Member
No. meetings per year:	3
Expenses paid by organisation:	No (paid by Council)
Insurance provision:	Yes
Category of Officer Support (see p. 1):	3
Contact Officer:	Finance Manager, Ian Smith
Representatives for 2022/23:	Cllr Christine Ambrose Smith Cllr David Ambrose Smith Cllr Lorna Dupré Cllr Jo Webber Parish Cllr Mark Taylor [1 Vacancy]

REPORTS FROM 2021/22 REPRESENTATIVES

Cllr Christine Ambrose Smith (attended 3 meetings)

IDBs carry out essential work to avoid flooding across the district and are an integral body within local Climate Change planning. Working closely with the farming community, sufficient water is made available to aid the growing of crops and to avoid flooding issues which would otherwise cause considerable damage to agriculture. Much work needs to be constantly carried out to ensure that the drainage infrastructure remains fit for purpose. The increase in housing across the District does pose additional challenges regarding potential flooding and

every planning application is reviewed by the IDBs as consultees. The IDBs also need to be mindful of wildlife habitats and the regulations in place around these.

Close involvement by councillor representatives is essential in order to be aware of potential flooding issues which could result in serious harm to both residents and local businesses. It is important to also to understand the large level of funding required in order that current standards are maintained and the cost of potential improvements.

The recent reported damage to the local riverbed caused by the dredging up of clay caused considerable alarm and prompted investigations to be made to assess the situation. The progress of ongoing work, managing the workforce, the machinery, consideration of training requirements and the manner of mapping and recording the territory are dealt with in a timely manner.

Cllr David Ambrose Smith

IDBs are extremely important partners. ECDC planners work closely with the IDBs and value one another's contribution 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 (attended 4 meetings)

The work of the Littleport & Downham Internal Drainage Board is key to the provision and maintenance of flood and drainage infrastructure in this part of East Cambridgeshire, and to the environment of the District. Continued representation on this Outside Body is very worthwhile, indeed arguably never more important than now, in the context of the effects of the climate emergency, and the large number of emerging strategic water projects in the fens.

The IDB, like many other organisations concerned with flood, water, and drainage, has continued to work through its response to the flood events of Winter 2020. This has included inspecting 300km of watercourses, initiating a study funded by the Environment Agency on improving catchwaters across the South Level including Haddenham Level IDB, reviewing and replacing equipment at the Hundred Foot pumping station, and trialling digital mapping.

The IDB has also played a significant role in investigating materials taken from the Hundred Foot during Environment Agency de-silting works in Autumn 2021. Local concerns were raised about the material being dredged from the river, and both the IDB (funded by the District Council) and the Environment Agency took samples of the arisings in December 2021 for analysis. Work is ongoing to interpret and further consider the findings.

The Lead Local Flood Authority (Cambridgeshire County Council) has now published an updated Local Flood Risk Management Strategy in consultation with the IDBs, and work is expected to begin shortly on a revised Supplementary Planning Document. The Engineer

continues to play an active part in the Cambridgeshire & Peterborough Flood & Water Partnership.

Cllr Jo Webber (attended 2 meetings)

The internal drainage boards play a vital role in keeping East Cambridgeshire free from flooding, and 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 are a key stakeholder in the ECDC Climate Change Strategy and Action Plan.

With the ECDC Climate Change Action Plan and Strategy now in place, I think it is increasingly important that East Cambs continues to work closely with 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.

Ongoing maintenance of drainage channels and the reliability of equipment play a huge part in reducing the risk of flooding to both farmers' fields and adjacent homes. Excess water can cause issues during the winter months, but a shortage of water for irrigation purposes can cause as many issues during the drier summer months, as it can severely impact the ability to produce crops. The IDBs are tasked with managing this situation and each meeting addresses issues as they arise, as well as planned maintenance of equipment, health and safety, training and wider issues that can impact the Board.

The potential breach of the clay bed of the Hundred Foot River, and damage to the structural integrity of the river bed has also been a cause for concern over the last year, and this has been addressed with the Environment Agency.

As the local planning authority, East Cambs DC play a key role in the overall plan to address the flood risks to our area along with the County Council as the lead flood authority, Anglian Water, the Environment Agency and the Internal Drainage Boards.

Parish Cllr Mark Taylor (attended multiple meetings)

Representation is definitely worthwhile. I got drains being dug out that haven't been done for 20 years and new pumps fitted at pump engine. This July I have been pushing for catch waters to be cleaned out and made bigger to stop houses and businesses flooding in Littleport, which is being done. And Ely catch waters to be done next year. The whole system is been run to ruin but I have done lots of work proving what needs doing and even the dyke that stops Needhams school and the swimming pool and KFC area and been done too. I have been to a number of meetings involving the 100ft river because me and my cousin were the first to send alarms that the contractor is digging it out wrong.

MIDDLE FEN & MERE INTERNAL DRAINAGE BOARD

District Wards covered:	Ely East Ely North Fordham & Isleham Soham North Soham South
Parish Councils covered:	City of Ely Council Fordham Parish Council Isleham Parish Council Soham Town Council Wicken Parish Council
Representation:	Five Members
Status of Member:	Board Member
No. meetings per year:	3
Expenses paid by organisation:	No (paid by Council)
Insurance provision:	Yes
Category of Officer Support (see p. 1):	3
Contact Officer:	Finance Manager, Ian Smith

Representatives for 2022/23:	Cllr Ian Bovingdon Cllr Mark Goldsack Cllr Alec Jones Cllr Daniel Schumann Derrick Beckett (<i>Lay Member</i>)
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REPORTS FROM 2021/22 REPRESENTATIVES

Cllr Ian Bovingdon (attended 2 meetings)

The Board does hugely important work which affects one of ECDC's primary industries, being agriculture, which employs many people and produces foodstuffs for the nation. The Board enforces correct drainage rules and procedures protecting the area from flooding, whilst providing water at times of drought. Close scrutiny of planning applications that may affect surface water run-off/flooding is rigidly upheld. In addition, this policy fits with ECDC's commitment that the District continues to be an area where people want to live, businesses want to grow, and people want to visit. Current issues under discussion are protection of the fens for agriculture for the future.

Continued representation is important because it is essential to understand the important work that the IDB undertakes. This affects local employment, flooding and the environment. ECDC

can assist in many areas with rules over planning, carbon footprint and general assistance to ensure that the IDB can do its job in the area.

Items that have been discussed of specific relevance to ECDC include

- the impact of new developments on the watercourses
- the use of fuels, which may benefit ECDC's drive to be carbon neutral
- climate change issues.

Cllr Mark Goldsack (appointed 5/10/21, attended 1 meeting)

I have attended just one meet since re-election but the board is excellently chaired by M Mawby and well attended. It has plans for support of the land area it covers with direct land ownership and guardianship involved in the IDB.

Cllr Alec Jones (attended 2 meetings)

This organisation fits in with ECDC's Corporate Plan by supporting the local farming industries. It does this by ensuring the continued management of the drainage & water supply in the local area.

This is a worthwhile commitment as its relevance to local agricultural businesses is immense and it is useful to maintain the links between business and the Local Authorities.

Increasing costs, uneven rainfall patterns are part of many issues the drainage board are increasingly having to deal with. As such large infrastructure improvements need to be managed carefully and also need to work in partnership with Local Government to reduce the impact to businesses.

Cllr Daniel Schumann (attended 0 meetings)

The IDB are a key partner to ECDC. The work of the IDB fits with the Council's Corporate Objectives:

Cleaner, Greener East Cambridgeshire = Implement the Council's Environment and Climate Strategy & Action Plan

Social and Community Infrastructure = Work with the Internal Drainage boards to increase system capacity for Water Management and Flood Prevention

Derrick Beckett (lay member)

(Not received.)

PADNAL & WATERDEN INTERNAL DRAINAGE BOARD

District Wards covered:	Ely North Littleport
Parish Councils covered:	City of Ely Council Littleport Parish Council
Representation:	Seven Members
Status of Member:	Board Member
No. meetings per year:	3
Expenses paid by organisation:	No (paid by Council)
Insurance provision:	Yes
Category of Officer Support (see p. 1):	3
Contact Officer:	Finance Manager, Ian Smith

Representatives for 2022/23:	Cllr David Ambrose Smith Cllr Lis Every Cllr Alison Whelan Parish Cllr Debra Jordan Parish Cllr Susan Kerridge Parish Cllr Clive Webber [1 vacancy]
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REPORTS FROM 2021/22 REPRESENTATIVES

Cllr David Ambrose Smith

IDBs carry out essential work to avoid flooding across the district and are an integral body within local Climate Change planning. Working closely with the farming community, sufficient water is made available to aid the growing of crops and to avoid flooding issues which would otherwise cause considerable damage to agriculture. Much work needs to be constantly carried out to ensure that the drainage infrastructure remains fit for purpose. The increase in housing across the District does pose additional challenges regarding potential flooding and every planning application is reviewed by the IDBs as consultees. The IDBs also need to be mindful of wildlife habitats and the regulations in place around these.

Close involvement by councillor representatives is essential in order to be aware of potential flooding issues which could result in serious harm to both residents and local businesses. It is important to also to understand the large level of funding required in order that current standards are maintained and the cost of potential improvements.

The recent reported damage to the local riverbed caused by the dredging up of clay caused considerable alarm and prompted investigations to be made to assess the situation. The progress of ongoing work, managing the workforce, the machinery, consideration of training requirements and the manner of mapping and recording the territory are dealt with in a timely manner.

Cllr Lis Every (attended all 3 meetings)

The internal drainage board (IDB) is the operating authority which is established in areas of special drainage need in England and Wales, eg 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 Draining 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 representatives from ECDC.

Regular discussions take place with local farmers for whom the drainage board is vital. Discussions are based on the running of the individual IDB, but for this IDB concerns are currently being discussed about the North Ely Junction and what this will mean for the Board and also for the local farmers.

Continued representation is important because 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.

Cllr Alison Whelan (attended 1 of 3 meetings)

The nature of the land that surrounds Ely is such that water management is crucial to avoid flooding. Representation on these bodies is important to further the Council's environmental and flood prevention objectives.

The upgrading the Padnal No 1 pumping station has been discussed as it is near the end of its useful life. It was questioned whether or not it could be upgraded, however, this would require additional planning permissions.

Clearing of the Clayway Drain had caused significant destruction of wildlife areas during the spring breeding season in previous years, and public notification is now happening.

Parish Cllr Debra Jordan (attended 0 meetings)

After attending a couple of meetings, I realised that I bring no expertise or skill to the meetings and feel that I could be more of a hindrance than a help. In essence, the skilled and expert attendees of the meetings need to tailor their language and vocabulary to suit the uninitiated and thereby lengthen the process.

Parish Cllr Susan Kerridge (attended 2 of 3 meetings)

Representation on this Committee and other IDBs is required so the Council is informed concerning the risks of flooding or shortage of water in the future and can take the necessary action in advance of problems.

Parish Cllr Clive Webber (attended all 3 meetings)

I represent the Littleport Parish Council on the IDB. With flooding becoming more of a risk with climate changes, I think we all need to be aware of the important work being carried out by the IDBs, as they maintain the drainage channels that run through our parishes, and support our farmers.

I think it is very important that ALL levels of local government continue to be represented on the IDBs, as we need to be aware of the continuing threat of flooding, the actions we can take to mitigate the risks, and the costs involved.

Keeping drainage channels clean, supplying water for irrigation and increased risk of flooding have all been items recently discussed.

It is vital that East Cambs District Council work with all of the agencies that are involved in keeping the District free from flooding.

SWAFFHAM INTERNAL DRAINAGE BOARD

District Wards covered:	Bottisham Burwell Fordham & Isleham Soham South
Parish Councils covered:	Bottisham Parish Council Burwell Parish Council Fordham Parish Council Lode Parish Council Reach Parish Council Swaffham Bulbeck Parish Council Swaffham Prior Parish Council Wicken Parish Council
Representation:	Four ² Members
Status of Member:	Board Member
No. meetings per year:	3
Expenses paid by organisation:	No (paid by Council)
Insurance provision:	Yes
Category of Officer Support (see p. 1):	3
Contact Officer:	Finance Manager, Ian Smith
Representatives for 2022/23:	Cllr David Brown Cllr Lavinia Edwards Cllr Alan Sharp Cllr John Trapp

REPORTS FROM 2021/22 REPRESENTATIVES

Cllr David Brown (attended 2 of 4 meetings)

The work of the Internal Drainage Boards is key to the ongoing land management of East Cambridgeshire and therefore to the ability of residents and business alike to prosper. As a major preceptor it is vital that the District Council is closely involved in oversight of the IDBs and how taxpayers' money is spent. It is therefore very important that the District Council maintains continued representation on the IDBs. Decisions on spending, such as purchase

² Four Members plus one nominee jointly with South Cambridgeshire District Council (SCDC). SCDC makes the joint appointment by reciprocal agreement of June 1990 whereby ECDC makes the joint appointment to Waterbeach Level IDB. Appointments are for 3 years.

of new machinery are of particular relevance to ECDC, because of the preceptor status of the IDB.

Cllr Lavinia Edwards (attended 2 of 3 meetings)

The IDB plays an important role in ECDC's Corporate Objective by maintaining the drainage network in the district. There is a large agricultural element with much employment in the area and they are also a consultee for planning applications.

Continued representation is worthwhile because IDBs are in receipt of public funds and it is important that ECDC are involved in any financial decisions.

Specific items discussed and considered to be relevant to ECDC include Budget and Precept Setting, climate change and management of the fens.

Cllr Alan Sharp (attended 1 of 3 meetings)

The work of the Drainage Board totally fits in with the corporate objectives of the Council, as the issue of flooding and water management is a crucial factor in resolving the challenges that Climate Change presents to us.

I have attended one meeting during the year out of the three arranged, the other two meetings clashing with other commitments.

The Board has moved away from zoom meetings towards a return to face-to-face meetings and these take place at the Drainage Board offices in Prickwillow.

Contributing to the management of The Fens is an important role of the Council and the involvement of Council representatives with this body is totally necessary.

Cllr John Trapp (attended 2 of 3 meetings)

This board is well run, and it is very conscientious about value for money from its operations. There is scope for discussion of the issues, and helpful explanations and guidance from the chief engineer on all matters.

WATERBEACH LEVEL INTERNAL DRAINAGE BOARD

District Wards covered:	Stretham Soham South
Parish Councils covered:	Little Thetford Parish Council Stretham Parish Council Wicken Parish Council
Representation:	One ³ Member
Status of Member:	Board Member
No. meetings per year:	3
Expenses paid by organisation:	No (paid by Council)
Insurance provision:	Yes
Category of Officer Support (see p. 1):	3
Contact Officer:	Finance Manager, Ian Smith
Representative for 2022/23:	David Chaplin (<i>lay member</i>)

REPORT FROM 2021/22 REPRESENTATIVE

David Chaplin

(*Not received.*)

³ One Member jointly with South Cambridgeshire District Council (SCDC). ECDC makes the joint appointment by reciprocal agreement of June 1990 whereby SCDC makes the joint appointment to Swaffham IDB. Appointments are for 3 years.

Notes of a remote meeting of the East Cambs Bus, Cycle, Walk Working Party held on Wednesday 20th April at 6.00pm.

PRESENT

Cllr Alan Sharp (Chairman)
Cllr Charlotte Cane
Cllr Lorna Dupré
Cllr Lis Every
Cllr Mark Goldsack (*from 6:15pm*)

OFFICERS

Sally Bonnett – Infrastructure & Strategy Manager
Caroline Evans – Democratic Services Officer

76. APOLOGIES

Apologies were received from Cllr Simon Harries.

77. DECLARATIONS OF INTEREST

No declarations of interest were made.

78. NOTES OF PREVIOUS MEETING

The Notes of the meeting held on 10th November 2021 were agreed as an accurate record.

79. DRAFT SUSTRANS FEASIBILITY STUDIES

The Infrastructure & Strategy Manager gave a presentation about the Sustrans feasibility studies that had been commissioned by the Council. Five priority routes had been identified for the studies, of which three had now been completed and copies had been sent to the Working Party members in advance of the meeting: Burwell – Fordham, Haddenham – A142, and Swaffham Prior – Reach – Burwell. The other two studies (Little Downham – Ely and Littleport – Chettisham – Ely) were underway and due to be submitted in June. In addition, Sustrans had updated the construction cost for the remaining works needed to complete the Wicken – Soham cycle path that had been included in their 2013 report.

The studies had each looked at constraints in the area, provided several route options, ensured compliance with the latest Government policy requirements,

included a cost estimate and benefit-cost ratio (BCR), and had considered construction, community engagement, and risks. In order to increase the BCR and encourage people to use the routes, options had been provided within villages rather than the routes just reaching the edges of settlements. The routes were described as cycle routes but the proposals were for 3m-wide shared-use paths between villages and segregated cycle paths within villages wherever possible. Where sufficient width was available a non-tarmac bridle path could also be included alongside. Full details were provided in the reports, including the reasons for discounting some options.

Swaffham Prior – Reach – Burwell

Seven different options had been identified of which three had been recommended as the preferred choices. Improvements within the villages had also been considered. All potential routes involved the use of private land and therefore there may be some variations on delivery if landowners did not allow access. In terms of ecology and heritage, the disused railway, Devil's Dyke, and many legally-protected species were all factors that would affect feasibility. The most expensive scenario would be £10.1m for Option 7 including new bridges and measures within the settlements. The cheapest scenario would be £176k for Option 3 with no bridges and reaching the edges of settlements only. A 20mph speed limit was recommended throughout Reach in order to improve the cycling and walking environment.

Burwell – Fordham

Six different options had been identified of which two had been recommended as the preferred choices. Improvements within the villages had also been considered and there was the option to include a Burwell – Soham link. The main constraints to the route would be the railway line and the A142. The most expensive scenario would be £16.6m for Option 2 including two new bridges and measures within the settlements. The cheapest scenario would be £1.1m for Option 6 reaching the edges of settlements only, and going *via* Exning which would allow onward access towards Newmarket.

6:15pm - Cllr Goldsack joined the meeting.

Haddenham – A142

Five different options had been identified of which Option 4 had been recommended as the preferred choice. Improvements within Haddenham and routes *via* Witchford and Wilburton had also been considered. The main issue was that the A142 cycle path was no longer policy-compliant (LTN 1/20), mainly due to its width, its lack of separation from traffic, and the manner of crossing side roads. Therefore, it could not be included in any funded scheme. The highest cost would be £3.8m to include measures in the villages. The lowest cost would be £1m to the edges of settlements only.

Soham – Wicken

The route would provide a link from the new Soham station to Wicken and to Wicken Fen. The costs in the report had been used to inform a successful bid

for CPCA Market Towns Funding, and work was underway with Soham Town Council to secure the remaining funding required.

Information regarding land ownership was needed and local knowledge would be particularly helpful. The reports would all be shared with all Members, as well as with other stakeholders, and Sustrans were keen to deliver a workshop or seminar in the District in order to explain the reports. Project Initiation Documents submitted to the Combined Authority were awaiting determination regarding funding for the Swaffham Prior – Reach – Burwell route as well as five further Sustrans studies. Officers would continue to seek funding for the delivery of the schemes and the Planning Department would use the bus and cycle/walk strategies when engaging with developers. Lobbying would also take place to have the routes included in the LCWIP, the County Council's Active Travel Strategy, and the Combined Authority's LTCP refresh. In due course there would be a Comms strategy detailing the commissioning of the reports, the work that had taken place regarding buses, and the plans for active transport.

Members complimented the depth and thoroughness of the reports, and the clear evidence of understanding of each area. In having gone beyond simply linking settlements, some of the proposals within villages had the potential to greatly improve the village environment but could also prove to be very controversial.

Discussion followed regarding the following points:

- **Preferred format for the proposed Sustrans event:** There was general agreement that an initial online event to explain the background and process would maximise attendance. All Members should be included so that they would be well-briefed on the project and, with no limit on numbers, it would be possible to include Parish Councillors and members from other relevant groups as well. In due course, in-person events near to each route and open to the wider public could be beneficial.
- **Parish Councils involvement:** It was agreed that only the Parish Councils affected by the proposed routes should be contacted at this stage. Funding had been requested from the Combined Authority for further feasibility studies in other locations and therefore other Parish Councils could be included in future.
- **Communications:** It was agreed that clear messaging would be essential to avoid giving false impressions of imminent projects or definite plans. The work to date, and the Sustrans event and any further community consultation, was purely a preparation for funding bids. No funding was yet in place and, although the feasibility studies had identified multiple routes, many proposals had later been discounted within the reports. In addition, areas not yet included in the studies were potentially to be investigated in future.
- **Funding:** A Member stated that transformative projects would require very significant levels of funding, conversely the lowest-cost options could potentially be disappointing; the Council would therefore need to

decide on its level of ambition. Several Members commented that completion of fewer ambitious projects would be more meaningful than multiple weaker projects.

Sustrans had informed the Infrastructure & Strategy Manager that there would be future funding announcements from the Department for Transport. Both the Cambs LCWIP team and the County Council's Active Travel team were aware of this work. She had submitted a bid to the Combined Authority's Active Travel Fund for the Swaffham Prior – Reach – Burwell route in late 2021 but had not yet heard the outcome. (That route had been the only one with a completed feasibility study by the bid deadline of 31/12/21.) Further funding options would be researched and the various routes would need to be prioritised due to limited funds; external funding would be essential since the Council did not have its own funding available. A Member suggested that by preparing a "shopping list" of ideal requirements, appropriate bids could be made as and when funding opportunities arose.

- **Equestrian routes:** A Member asked about the status of routes with an adjacent equestrian path, and stressed the importance of maximising equestrian access to avoid horses being close to busy and fast-moving traffic. The Infrastructure & Strategy Manager stated that not all of the routes would be suitable for horses, but she was aware that similar schemes had been implemented elsewhere so she would clarify with Sustrans what the route status would be.
- **Next steps:** Potential dates for future meetings, and a draft potential stakeholders list for the Sustrans meeting, would be circulated to Working Party Members. An update report would be provided to the Finance & Assets Committee in June and a decision report in September.

80. WORK PROGRAMME – APRIL 2022

Members received and noted the Work Programme to October 2022. The Chairman highlighted the need for the Council to respond to the Combined Authority's Local Transport and Connectivity Plan that was due for release after the May elections. There would be a Member Seminar on 16th June and a subsequent Working Party meeting to prepare the response for approval by all Members.

81. DATE OF NEXT MEETING

It was agreed that meetings would be arranged as follows:

- A Member Seminar to be arranged with Sustrans in mid-June.
- Working Party to meet in late May to plan the Sustrans seminar.
- Working Party to meet in late June/early July, after the LTCP Member Seminar, in order to prepare the Council's response.

The meeting closed at 7:32pm.

ACTION TAKEN BY THE CHIEF EXECUTIVE ON THE GROUNDS OF URGENCY

Committee: Finance & Assets Committee

Date: 23 June 2022

Author: John Hill, Chief Executive

[X26]

1.0 **ISSUE**

1.1 To note the action taken by the Chief Executive on the grounds of urgency.

2.0 **RECOMMENDATION**

2.1 That the action taken by the Chief Executive on grounds of urgency be noted.

3.0 **BACKGROUND**

Council Tax Energy Rebate

3.1 The Government has passed onto the Council funding of £4,502,100 for the mandatory Council Tax fuel rebate scheme and £113,700 in relation to a discretionary scheme that the Council needs to determine locally.

3.2 As the main scheme is mandatory, no approval is required, but approval is required for the discretionary scheme, where residents will be required to demonstrate financial hardship / low income.

3.3 For the record, with regard to the mandatory scheme the vast majority of people will receive a £150 payment direct into their bank account in either late April or early May. The amount will be paid into the bank account from which they pay their Council Tax Direct Debit (DD). Anybody setting up a new DD in early 2022, will need to pay their first monthly instalment of Council Tax before they are given the £150.

3.4 For those who do not pay by direct debit, ARP will send them a letter asking them to apply for the money and provide details of a bank account where the money should be paid. They will be given 28 days to provide this information and this will be verified before payments are made to reduce the likelihood of fraud. Where no reply is received, the money will be credited to their Council Tax account, and as such, they will receive no direct payment.

3.5 Approval is requested to use the discretionary amount in the following manner:

- Give all residents receiving either Council Tax Support (CTRS), Support Mortgage Interest (SMI) or disabled benefit (DBR) in E to H properties on 1st April 2022, the standard £150. This is estimated to be around 140 residents and would therefore use £21,000 of our allocation.

- Give a discretionary top up for all residents who receive CTRS (property bands A to H) an additional £20, this would mean that these residents would receive £170. There are currently 3,705 of these, so would cost a further £74,100.
- Give residents in houses of multiple occupation £100, there is estimated to be 35 of these, so would cost £3,500.
- Give residents in E to H properties that are responsible for fuel on 1st April 2022, but only become eligible for CTRS / SMI / DBR after this date, but before September 2022 £150, this is forecast to cost around £7,500
- This would leave £7,600 for other residents to claim via a simple application, where individual circumstances will be reviewed on a case by case basis. This would be advertised on our and ARPs website.

Community Infrastructure Levy (CIL)

- 3.6 At its meeting in January 2022, the Finance & Assets Committee allocated up to £192,000 of CIL funding to the St. Mary's Church Building Transformation Project. On 23rd April 2022, the Council received a letter stating that due to increased costs, as a result of the discovery of graves beneath the floor and subsequent delays, St Mary's Parochial Church Council had taken the decision to defer the west end extension element of the project. As this is a change to the project that the Committee agreed to fund, approval is required for funding of the revised project.
- 3.7 Although no longer providing additional floor space for community use, the works, including removal of the wooden pews, will still make the existing space more useable by the community. The existing, and very old, warm air heating system and gas boiler will still be replaced with new underfloor and secondary heating system driven by air source heat pumps and new energy-efficient lighting will be installed. Therefore, the funding allocation of up to £192,000 for the revised St. Mary's Church Building Transformation Project has been approved.
- 3.8 To ensure maximum community use of the space by the general public, the project Funding Agreement will be amended to require St Mary's Parochial Church Council to submit a plan setting out how they will promote this community facility to potential users, which should include targets. ECDC will require the Church Council to monitor and report back this usage for the period of one year and if the targets are not met, the Council may request repayment of part or all of the CIL funding awarded.
- 3.9 The decision has been taken on the grounds of urgency, rather than wait until the next meeting of the Finance & Assets Committee on 23rd June 2022, because the Church Council will need to pause the project to await the decision and this delay will cause them to incur further costs.
- 3.10 In accordance with Part 3B(II) paragraph 5.1 of the Constitution, the Chief Executive consulted the Chairman of the Finance & Assets Committee prior to the delegated decision. The spokespersons of the Committee and the Leaders

of the three Political Groups were subsequently notified of the delegated action taken.

3.11 In accordance with Part 3B(II) paragraph 5.1 of the Constitution, the urgent action is being reported to the Finance & Assets Committee for information.

4.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

4.1 There are no additional financial implications.

4.2 Equality Impact Assessment (INRA) not required for the purposes of this report.

5.0 APPENDICES

None

Background Documents

Urgent Action Memos dated 11 & 25 May 2022

Location

Room 103
The Grange
Ely

Contact Officer

John Hill
Chief Executive
(01353) 665555
john.hill@eastcambs.gov.uk

**FINANCE & ASSETS COMMITTEE
ANNUAL AGENDA PLAN**

AGENDA ITEM NO 18

LEAD OFFICER: Emma Grima, Director Commercial

DEMOCRATIC SERVICES OFFICER: Tracy Couper

Meeting: Thursday 23 June 2022 (4:30pm)		Meeting: Monday 26 Sept 2022 (4:30pm)		Meeting: Thursday 24 Nov 2022 (4:30pm)	
Report deadline: 4pm Thurs 9 June 2022		Report deadline: 4pm Mon 12 Sept 2022		Report deadline: 4pm Thurs 10 Nov 2022	
Agenda despatch: Mon 13 June 2022		Agenda despatch: Wed 14 Sept 2022		Agenda despatch: Mon 14 Nov 2022	
Chairman's Announcements	Chairman	Chairman's Announcements	Chairman	Chairman's Announcements	Chairman
<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO	<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO	<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO
Forward Agenda Plan	DSO	Forward Agenda Plan	DSO	Forward Agenda Plan	DSO
<i>Write off of unrecoverable debt (if any)</i>	Finance Manager & S151 Officer	<i>Write off of unrecoverable debt (if any)</i>	Finance Manager & S151 Officer	<i>Write off of unrecoverable debt (if any)</i>	Finance Manager & S151 Officer
Assets Update	Open Spaces & Facilities Mgr	Assets Update	Open Spaces & Facilities Mgr	Assets Update	Open Spaces & Facilities Mgr
<i>Appointments, Transfers, Resignations [EXEMPT]</i>	HR Manager	<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO	Treasury Management Update	Finance Manager & S151 Officer
<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO	<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO	<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO
ECTC Management Accounts (Jan-March 2022) [EXEMPT]	ECTC Finance Manager	Health & Safety Annual Report	Dir Commercial	Annual Infrastructure Funding Statement	Dir. Commercial
ECTC Business Plan	Dir Commercial	Local Council Tax Reduction Scheme Policy Review	Finance Manager & S151 Officer	Finance Report	Finance Manager & S151 Officer
Annual Reports of Representatives on Outside Bodies	DSO	ECTC Accounts 2020/21		ECTC Management Accounts (July-Sept 2022) [EXEMPT]	ECTC Finance Manager
<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO	Medium-Term Financial Strategy update	Finance Manager & S151 Officer	<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO
Financial Outturn Report 2021/22	Finance Manager & S151 Officer	Covid – Lessons Learned	Dir Commercial	ECTC Half Yearly Report	
Treasury Operations Annual Performance Review	Finance Manager & S151 Officer	ECTC Management Accounts (April-June 2022) [EXEMPT]	ECTC Finance Manager	Service Delivery Plans – 6 Month Performance Monitoring	Service Leads
Economic Development Service Delivery Plan	Business Development Manager				
Motion from Council: Accessible Toilets	Dir Commercial/ Open Spaces & Facilities Mgr				

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.

Levelling-Up Fund Bid	Business Development Manager				
First Homes Local Allocation & Position Statement	Corp Unit Manager				
Growth & Infrastructure Fund Criteria	Corp Unit Manager				

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.

ANNUAL AGENDA PLAN

LEAD OFFICER(S): Emma Grima, Director Commercial

DEMOCRATIC SERVICES OFFICER: Tracy Couper

Meeting: Monday 23 Jan 2023 (4:30pm)		Meeting: Thursday 30 March 2023 (4.30pm)			
Report deadline: 4pm Mon 9 Jan 2023		Report deadline: 4pm Thurs 16 March 2023			
Agenda despatch: Wed 11 Jan 2023		Agenda despatch: Mon 20 March 2023			
Chairman's Announcements	Chairman	Chairman's Announcements	Chairman		
<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO	<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO		
Forward Agenda Plan	DSO	Forward Agenda Plan	DSO		
<i>Write off of unrecoverable debt (if any)</i>	Finance Manager & S151 Officer	<i>Write off of unrecoverable debt (if any)</i>	Finance Manager & S151 Officer		
Assets Update	Open Spaces & Facilities Mgr	Assets Update	Open Spaces & Facilities Mgr		
<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO	<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO		
<i>Appointments, Transfers, Resignations [EXEMPT]</i>	HR Manager	Asset Management Plan 2023/24	Open Spaces & Facilities Mgr		
2023/24 Annual Treasury Mgt Strategy MRP & AIS	Finance Mgr & S151 Officer	Service Delivery Plans 2023/24	Service Leads		
Finance Report	Finance Mgr & S151 Officer	ECTC Annual Business Plan 2023/24			
Revenue Budget 2023/24	Finance Mgr & S151 Officer				
<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO				

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.