



EAST CAMBRIDGESHIRE  
DISTRICT COUNCIL

**East Cambs  
Trading CO. Ltd**

**BUSINESS PLAN  
2025/26**

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**East Cambs**  
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EAST CAMBRIDGESHIRE  
DISTRICT COUNCIL

## INTRODUCTION

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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

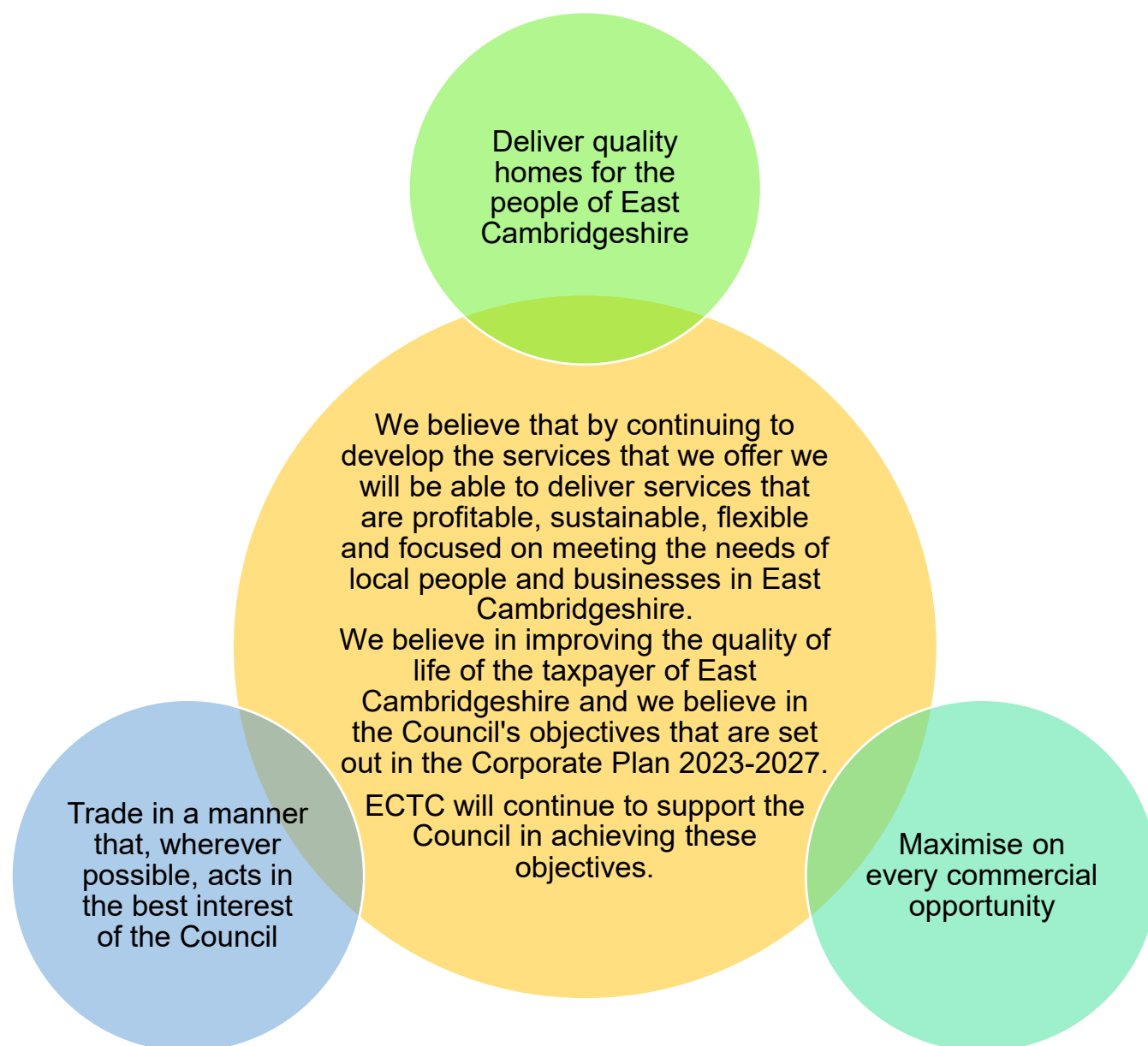
Financial Overview

Risk Management

Board and Management Structure

Commercial Services

Property Development



# 1. BACKGROUND

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ECTC was established in 2016 as a Local Authority Trading Company that enables 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, both financial and social value, 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.

As ECTC heads into its tenth year of operation it is important to reflect on what the Company has delivered since it was incorporated in 2016.

## **Commercial Services- Grounds Maintenance**

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

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

ECTC has been able to include additional sites and offer a discount because it has been able to generate income and profit from other organisations and has used the profits to invest in the service and offer discounts on the management fee to the Council where appropriate. In 2024/25 ECTC generated 26% of its income from other organisations. This is something that the Council would not have been able to achieve because of its limitations to act commercially in a public sector environment. It should be noted that in many cases ECTC has had to bid competitively to secure contracts. In a recent award ECTC was awarded a 3-year contract with a two-year extension despite not being the cheapest of the bidders. Our award was based on our ethos, quality and our approach to relationship management.

For various reasons, a discount to the Council is not being offered in 2025/26 and this largely relates to the increased sites being managed on behalf of the Council, the increased salary costs and the additional pressure from the employers national insurance increase. These costs are being absorbed within the income generated across the Grounds Maintenance Service.

### **Commercial Services- Ely Markets**

This business area is a great success for ECTC. Since 2016 Ely Markets has increased its revenue by 59% and year on year has delivered profit to the Company. In recent years the profits are modest but reflect investment and absorption of increased salaries arising from both the NJC pay award and a reevaluation and redesignation of responsibilities.

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

Ely Markets also delivers another direct financial benefit to the Council by leasing Ely Market Place at a cost of £30,000 per annum (increasing annually in accordance with the contract). This is income that the Council would not be able to achieve if it directly managed the service. In 2025/26 the cost of the lease is £37,480

In 2016 Ely Markets employed 3 part-time core staff. In 2025 Ely Markets employs 2 full-time and 3 part-time core staff and utilises a number of casual staff; ranging from wrecking crew to stewards that assist with event management and safety on special market days, e.g. Foodie Fridays. Investment has also been made to ensure the improvement and sustainability of the service. All of this has been achieved at no cost to the Council. Ely Markets has returned profits to the Company and some profits have been used to reinvest in the service.

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

- Vegan Fair
- Festive Lates
- Mini Markets
- Foodie Fridays
- Prince of Wales Visit
- NABMA Award Winner

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- Queens Jubilee Weekend
- Christmas Markets
- Environmental Campaign #Bring Your Own
- Safe environment during COVID

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

**Property Development**

Since 2016 ECTC has delivered 183 homes and 48 of these are affordable housing units. 44 affordable housing units have been delivered through Community Land Trusts, enabling people to live and work locally. 4 houses have been delivered as £100k Homes and were available to those who could demonstrate a local connection to Ely.

| <b>Site</b>                              | <b>Open Market</b> | <b>Affordable Housing</b> |
|--|--------------------|---------------------------|
| Barton Road, Ely (Kings Row)             | 9                  | 2 + Contribution in lieu  |
| The Shade, Soham (The Fledglings)        | 5                  | 8                         |
| Former MOD Phase 1 (Arbour Square)       | 77                 | 15                        |
| West End Gardens, Haddenham (Ovins Rise) | 35                 | 19                        |
| Former Paradise Pool (Eden Square)       | 9                  | 4                         |
| <b>Total</b>                             | <b>135</b>         | <b>48</b>                 |

ECTC, as site promoter, worked with the landowners and Kennett CLT to facilitate the delivery of an infrastructure first 500 home development, which includes 150 affordable homes (60 of which will be owned and managed by the CLT), near net zero development. The landowners sold the site to Bellway in 2021 and planning has been approved for the detailed design of 328 of the units and the perimeter road. The primary school was constructed and open prior to any occupation on the development. The first open market sales completed in December 2024 and the first tranche of CLT units are now ready for occupation.

ECTC maintain a legal interest in the site and have a key role to play through the Kennett Delivery Board to ensure that the vision is adhered to.

The development pipeline includes Phase 2 Arbour Square; 27-unit scheme which includes a minimum 37% affordable housing and Arbour Square Phase 3; 12 unit scheme (subject to planning) and Phase 2 Ovins Rise; a scheme of circa 30 houses (subject to community support and planning).



## Financing and returns

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

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

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

In February 2024, the Council agreed to extend the loan deadline from March 2026 to March 2027 to accommodate the timetable changes necessary to enable the NHS to complete the car park works which were only possible because of the land swap agreement between ECTC and the NHS. Note: the loan interest rate increased from 4.50% to 5.25% for the extension period (March 2026 to March 2027).

In February 2025, the Council agreed to extend the loan deadline (replacing the February 2024 request) from April 2026 to March 2029 to enable ECTC to deliver (subject to community support and planning) Phase 2 Ovens Rise. Note: the loan interest rate from April 2026 to March 2029 will be 4.75%

By 31 March 2025, ECTC will have paid £1,787,943 in interest to ECDC since incorporation in 2016.

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

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

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

ECTC could have, with the consent of Council, secured loan financing from traditional lenders. It has not done this and instead has borrowed from the public sector. This means that between ECDC and CPCA the public sector has benefited a total amount of £3,627,943 with further interest payments due to ECDC in future years.



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

| <b>Purpose</b>                  | <b>Total 1 April 2016 to 31 March 2025</b> |
|---------------------------------|--|
| Senior Management Cost Recovery | £368,069                                   |
| Service Charge Recovery         | £597,140                                   |
| Accommodation Cost Recovery     | £521,310                                   |
| S106/CIL                        | £861,995                                   |
| Land Acquisition                | £1,264,650                                 |
| <b>Total</b>                    | <b>£3,613,164</b>                          |

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

## **2. PROCESS**

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### **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 2025/26 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 currently occupy The Depot, Littleport.

### **Policies and Procedures**

ECTC continue to use all relevant ECDC policies and procedures unless there is a company specific policy.

### **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**

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This Business Plan will be delivered in full compliance with the governance arrangements set out by ECDC. ECTC will seek to maintain and enhance ECDC's 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 Director Operations

### **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).

ECTC provide information to the Shareholder Committee in accordance with the Shareholder Agreement.

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

## 4. FINANCIAL INFORMATION

### Budget

The table below provides a summary of turnover and cost up to March 2028.

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

|                          | 2022/23           | 2023/24          | 2024/25          | 2025/26          | 2026/27          | 2027/28           |
|--------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| <b>Turnover</b>          |                   |                  |                  |                  |                  |                   |
| <b>Commercial</b>        | 1,317,360         | 1,573,850        | 1,571,015        | 1,774,045        | 1,827,266        | 1,882,084         |
| <b>Property</b>          | 27,054,487        | 4,267,868        | 2,337,148        | 4,224,949        | 6,437,808        | 12,533,076        |
| <b>Total</b>             | <b>28,371,847</b> | <b>5,841,718</b> | <b>3,908,163</b> | <b>5,998,994</b> | <b>8,265,074</b> | <b>14,415,160</b> |
| <b>Cost</b>              |                   |                  |                  |                  |                  |                   |
| <b>Corporate</b>         | 277,336           | 252,384          | 222,703          | 212,821          | 217,077          | 152,669           |
| <b>Commercial</b>        | 1,340,074         | 1,573,541        | 1,557,169        | 1,762,435        | 1,797,683        | 1,833,637         |
| <b>Property</b>          | 25,366,877        | 4,733,357        | 2,752,844        | 3,573,097        | 5,886,561        | 11,132,991        |
| <b>Total</b>             | <b>26,984,287</b> | <b>6,559,282</b> | <b>4,532,716</b> | <b>5,548,353</b> | <b>7,901,321</b> | <b>13,119,297</b> |
| <b>EBITDA</b>            | <b>1,387,560</b>  | <b>(717,564)</b> | <b>(624,553)</b> | <b>450,641</b>   | <b>363,753</b>   | <b>1,295,863</b>  |
| <b>Interest cost</b>     | 1,164,178         | 175,893          | 123,912          | 184,082          | 67,470           | 376,955           |
| <b>Profit before tax</b> | <b>223,382</b>    | <b>(893,457)</b> | <b>(748,465)</b> | <b>266,559</b>   | <b>296,283</b>   | <b>918,908</b>    |

**Financial Benefit to ECDC**

The table below shows the receipts that ECDC will have received from ECTC as a result of its activities from April 2016 up to the end of March 2025.

|   | £              | £         | £                |
|---|----------------|-----------|------------------|
| <b>Land receipts</b>                                  |                |           |                  |
| Soham   | 10,000         |           |                  |
| Barton Road, Ely                                      | 715,000        |           |                  |
| Eden Square   | <u>539,650</u> |           |                  |
| Total land receipts                                   |                | 1,264,650 |                  |
| <b>S106 / CIL agreements</b>                          |                |           |                  |
| Soham   | 16,752         |           |                  |
| Barton Road, Ely                                      | 200,122        |           |                  |
| Haddenham   | 547,378        |           |                  |
| Paradise  | <u>97,743</u>  |           |                  |
| Total S106 / CIL agreements                           |                | 861,995   |                  |
| <b>Total council tax receipts from new properties</b> |                | 86,776    |                  |
| <b>Property Development</b>                           |                |           | <b>2,213,421</b> |
| <b>ECDC Charges</b>                                   |                |           |                  |
| Interest  |                | 1,787,943 |                  |
| Support Services                                      |                |           |                  |
| Management Support                                    | 368,069        |           |                  |
| Finance   | 67,592         |           |                  |
| Payroll & HR  | 99,865         |           |                  |
| IT Support  | 67,655         |           |                  |
| Customer Services                                     | 33,868         |           |                  |
| Vehicles  | 321,853        |           |                  |
| Member Services                                       | <u>6,307</u>   |           |                  |
|   |                | 965,209   |                  |
| Accommodation   |                | 521,311   |                  |
| Total ECDC Charges                                    |                |           | 3,274,462        |
| Reduction in Parks                                    |                |           | <u>300,000</u>   |
|   |                |           | <b>5,787,883</b> |



| EAST CAMBS TRADING COMPANY LTD:                     |                | STATEMENT OF FINANCIAL BENEFITS FOR EAST CAMBS DISTRICT COUNCIL |                  |                |                |                |                |                  |                |                  |                |                |                |                  |
|---|----------------|---|------------------|----------------|----------------|----------------|----------------|------------------|----------------|------------------|----------------|----------------|----------------|------------------|
|   | 2016/17        | 2017/18   | 2018/19          | 2019/20        | 2020/21        | 2021/22        | 2022/23        | 2023/24          | 2024/25        | CUMULATIVE       | 2025/26        | 2026/27        | 2027/28        |                  |
|   | Actual         | Actual  | Actual           | Actual         | Actual         | Actual         | Actual         | Actual           | Forecast       | TO DATE          | Forecast       | Forecast       | Forecast       | TOTAL            |
| <b>SUMMARY</b>                                      |                |   |                  |                |                |                |                |                  |                |                  |                |                |                |                  |
| <b>FINANCIAL BENEFITS FROM PROPERTY DEVELOPMENT</b> |                |   | 943,224          | 109,745        | 444,171        | 16,559         | 16,559         | 660,278          | 22,885         | 2,213,421        | 103,885        | 179,188        | 291,774        | <b>2,788,267</b> |
| <b>CHARGES INCURRED FROM ECDC</b>                   | 101,299        | 249,888   | 383,834          | 389,627        | 435,959        | 365,777        | 411,939        | 465,773          | 470,367        | 3,274,462        | 402,922        | 405,099        | 485,460        | <b>4,567,944</b> |
| <b>REDUCTIONS IN PARKS CONTRACTS</b>                |                |   |                  |                | 100,000        | 100,000        | 100,000        |                  |                | 300,000          |                |                |                | <b>300,000</b>   |
| <b>TOTAL FINANCIAL BENEFIT FROM TRADING COMPANY</b> | <b>101,299</b> | <b>249,888</b>  | <b>1,327,058</b> | <b>499,372</b> | <b>980,130</b> | <b>482,336</b> | <b>528,498</b> | <b>1,126,051</b> | <b>493,252</b> | <b>5,787,883</b> | <b>506,807</b> | <b>584,286</b> | <b>777,234</b> | <b>7,656,210</b> |

## 5. RISK MANAGEMENT

| Inherent Risk             |  |   |       |            |        |       | Residual Risk   |            |        |       | Monitoring   |
|---------------------------|--|---|-------|------------|--------|-------|---|------------|--------|-------|--|
| Risk No.                  | Risk Description   | Effect  | Owner | Likelihood | Impact | Score | Key Controls  | Likelihood | Impact | Score | Notes  |
| <b>Legislative/Policy</b> |  |   |       |            |        |       |   |            |        |       |  |
| 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 2025/26.  |
| 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 2025/26.</p> <p>The Company has secured a loan from ECDC to fund the</p> |

|                   |   |   |    |   |   |    |  |   |   |    |  |
|-------------------|---|---|----|---|---|----|--|---|---|----|--|
|                   |   |   |    |   |   |    |  |   |   |    | projects within this Business Plan.  |
| 3.                | Changes in Planning and Housing Policies could have an impact on Property division, for example, First Homes and policies relating to Climate Change and Nature Recovery. | Reduced ability to repay ECDC loan or reinvest profits into future projects                             | DC | 2 | 2 | 4  | Continuous monitoring of government announcements on changes to planning and the need to deliver more housing.<br><br>Keep a watching brief on announcements from government on Planning Reform.   | 2 | 2 | 4  | There is no impact on the projects that have planning permission and no significantly adverse impact on projects going through the planning system in 2025/26.<br><br>Individual business cases for future projects should consider possible changes in Planning and Housing Policy. |
| 4.                | Changes in Council structure resulting from Local Government Reorganisation   | The Council is the Shareholder and a new Unitary Authority may decide to review the need for a Company. | MD | 4 | 5 | 20 | Advice has already been sought. The new Unitary Authority will automatically become the shareholder.<br><br>Continue to stay appraised of progress and ensure that all new contracts/acquisitions make the necessary provisions for successors rights. | 4 | 5 | 20 | There are no known implications for 2025/26.<br><br>All new contracts/acquisitions will contain appropriate provisions for assignments/successor in title.   |
| <b>Governance</b> |   |   |    |   |   |    |  |   |   |    |  |
| 4.                | Inadequate governance arrangements and lack of clarity on roles of ECDC and ECTC could lead to poor decision making that undermines                                       | Impact on the Commercial operation of ECTC  | MD | 3 | 4 | 12 | Shareholder Agreement<br><br>Articles of Association<br><br>Rights of Observers<br><br>Service Level Agreements<br><br>Management Contracts  | 1 | 4 | 4  | Governance arrangements are currently fit-for-purpose<br><br>The Shareholder Agreement was amended in 2024/25 to reflect minor improvement   |

|                 |   |  |    |   |   |    |  |   |   |    |  |
|-----------------|---|--|----|---|---|----|--|---|---|----|--|
|                 | the operation of ECTC.  |  |    |   |   |    |  |   |   |    | recommendations from the Council's Internal Auditors.  |
| 5.              | ECTC is wholly owned by ECDC and so is subject to the controls and decision-making process for matters that are outside of the Business Plan.   | The speed of decision-making process may have an impact on ECTC's ability to operate effectively.                                      | MD | 3 | 4 | 12 | 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 necessary make recommendations to Full Council.   |
| <b>Economic</b> |   |  |    |   |   |    |  |   |   |    |  |
| 6.              | ECDC has provided a £7.5m loan to ECTC to be drawn down and repaid in accordance with the loan agreement. In the event of an economic slowdown or sites not being delivered in the timeframe contemplated in the loan request, there may be a risk that the company cannot meet the repayment schedule. | The £7.5m loan provides ECDC with security over all ECTC's unsecured assets.<br><br>ECDC could call in its rights to recover the loan. | FM | 5 | 5 | 25 | Loan Agreement<br><br>Debenture Agreement<br><br>ECTC/ECDC Finance Manager Briefings<br><br>Board review of business and loan performance<br><br>Sensitivity analysis for future housebuilding projects<br><br>Ability to make formal requests to the Council to make changes to the loan which will be supported by evidence of ability to repay the loan | 4 | 5 | 20 | When requesting the loan sensitivity analysis was carried out for future projects.<br><br>Individual, detailed business cases will be produced for future projects which will review assumptions made when requesting the loan.<br><br>The NHS projections identify that the land for MOD Phase 3 will not be available until later in 2025.<br><br>In February 2025 the Council agreed an extension to the loan deadline to March |

**East Cambs Trading Company**

*Business Plan 2025/26*

|    |  |   |       |   |   |    |   |   |   |    |  |
|----|--|---|-------|---|---|----|---|---|---|----|--|
|    |  |   |       |   |   |    |   |   |   |    | 2029 to include new opportunity.   |
| 7. | <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/DC | 2 | 5 | 10 | <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 | 10 | <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> |
| 8. | <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/DC | 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 DC monitor changes and factor these changes into individual detailed business cases.</p>   |
| 9. | <p>Cost of living</p>  | <p>The cost of living crisis could impact on the sale</p>   | FM/DC | 4 | 4 | 16 | <p>Future development schemes will include this risk in the Full Business</p>   | 4 | 2 | 8  | <p>Continuous review of the homes remaining</p>  |

|                    |   |   |       |   |   |    |  |   |   |    |  |
|--------------------|---|---|-------|---|---|----|--|---|---|----|--|
|                    |   | ability and/or profitability of a scheme, for example, increased mortgage rates   |       |   |   |    | Case Phase with appropriate sensitivity analysis carried out which will include testing a longer sales period and the impact this may have on cashflow and the ability for ECTC to repay its loan.   |   |   |    | for sale in the portfolio is ongoing.<br><br>Regular reports are produced 'Project Status Update' for Board to be kept up to date.   |
| 10.                | Economic downturn could result in lower profits (or even possible losses) than are anticipated in the Business Plan | Depending on the severity of the situation it may impact on ECTC's ability to meet its financial obligations to its creditors | FM/DC | 3 | 5 | 15 | <p>FM and DC carry out a full assessment of the market conditions before any development commences.</p> <p>Once projects have commenced, ECTC is at risk from market fluctuations.</p> <p>In the event of a market downturn the DC will appraise the MD and the Board and make recommendations to mitigate any potential losses.</p> | 3 | 5 | 15 | <p>The impact of change in market behavior is being actively managed.</p> <p>DC 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.</p> <p>Monitor closely and link with the specific cost of living risk.</p> <p>Phase 2 Arbour Square, Ely has received Full Business Case approval with appropriate sales/cost assumptions, including factoring for a slow build/sales programme.</p> |
| <b>Operational</b> |   |   |       |   |   |    |  |   |   |    |  |

**East Cambs Trading Company**

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|     |  |  |       |   |   |   |   |   |   |   |   |
|-----|--|--|-------|---|---|---|---|---|---|---|---|
| 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/DC | 2 | 4 | 8 | Qualified project manager<br><br>Regular review of business case assumptions  | 1 | 4 | 4 | The DC 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                              | DC    | 1 | 3 | 3 | Resources identified when recommending the Business Plan for Board and F & A approval.<br><br>In year changes discussed with the MD | 1 | 3 | 3 | Adequacy of resources is continuously reviewed.<br>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

DC- Director Commercial

**Residual Risk Scoring**

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

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



## **6. COMMERCIAL SERVICES**

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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 2025/26 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 2028.

|                 | <b>2022/23</b>  | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> |
|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Turnover</b> | 1,317,360       | 1,573,850      | 1,571,015      | 1,774,045      | 1,827,266      | 1,882,084      |
| <b>Cost</b>     | 1,340,074       | 1,573,541      | 1,557,169      | 1,762,435      | 1,797,683      | 1,833,637      |
| <b>EBITDA</b>   | <b>(22,714)</b> | <b>309</b>     | <b>13,846</b>  | <b>11,610</b>  | <b>29,583</b>  | <b>48,447</b>  |

For 2025/26 Grounds Maintenance is able to operate within the originally agreed management fee from ECDC for the service that it provides.

For various reasons, a discount is not being offered in 2025/26 and this largely relates to the increased sites being managed on behalf of the Council and the increased salary costs, including increased national insurance contributions, which are being absorbed within the additional income received by ECTC from other contracts.

Ely Markets has shown significant growth in the past and is projecting further growth as the Market goes from strength to strength. During 2025/26 and future years it is necessary to continue provide adequate resources to ensure the growth and sustainability of the service.

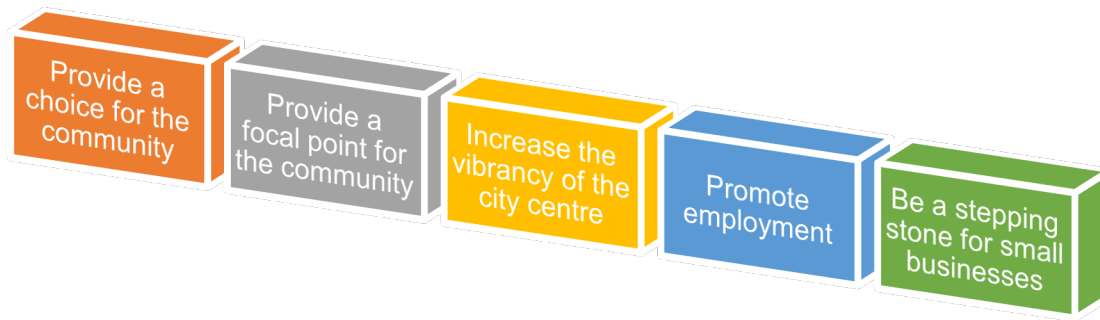
**East Cambs Trading Company**

*Business Plan 2025/26*

**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 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.

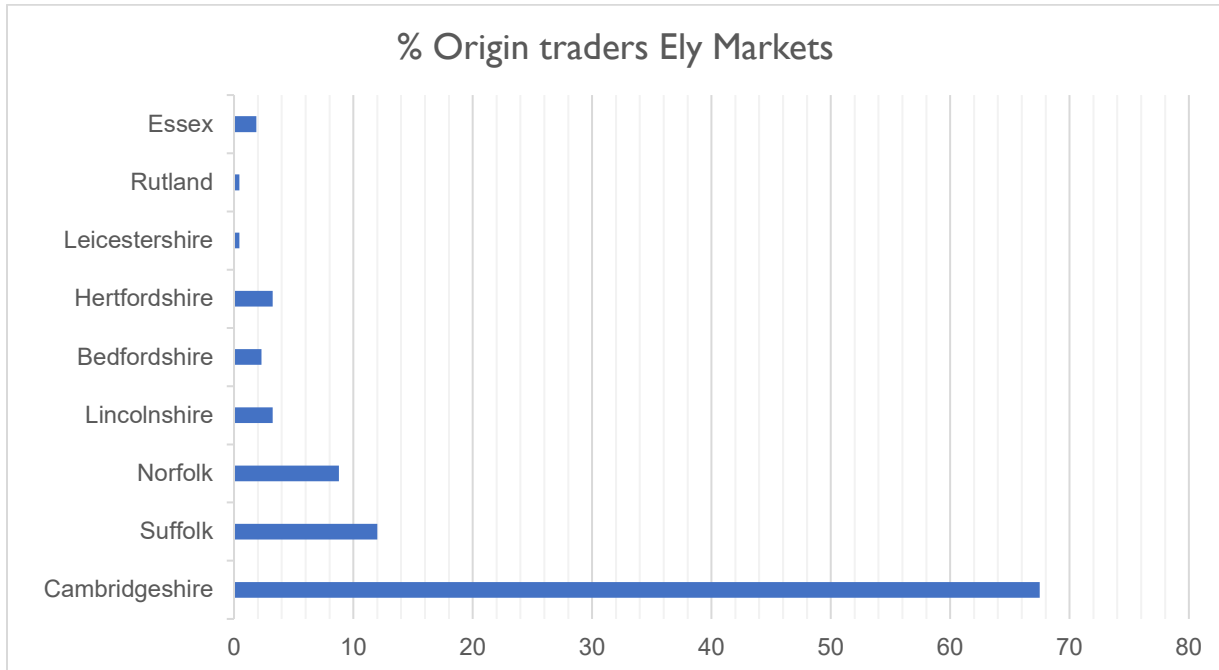
Ely Markets welcomes around 50,000 visitors to their markets each week and supports a vision of a vibrant and thriving market town, whilst at the same time function as an engine for community based socio-economic interaction.

**East Cambs Trading Company**

*Business Plan 2025/26*

Ely Markets continues to go from strength to strength. There is an ongoing commitment to ensure that profits from the service are reinvested back into the service to ensure that it continues to deliver an excellent offering to the community.

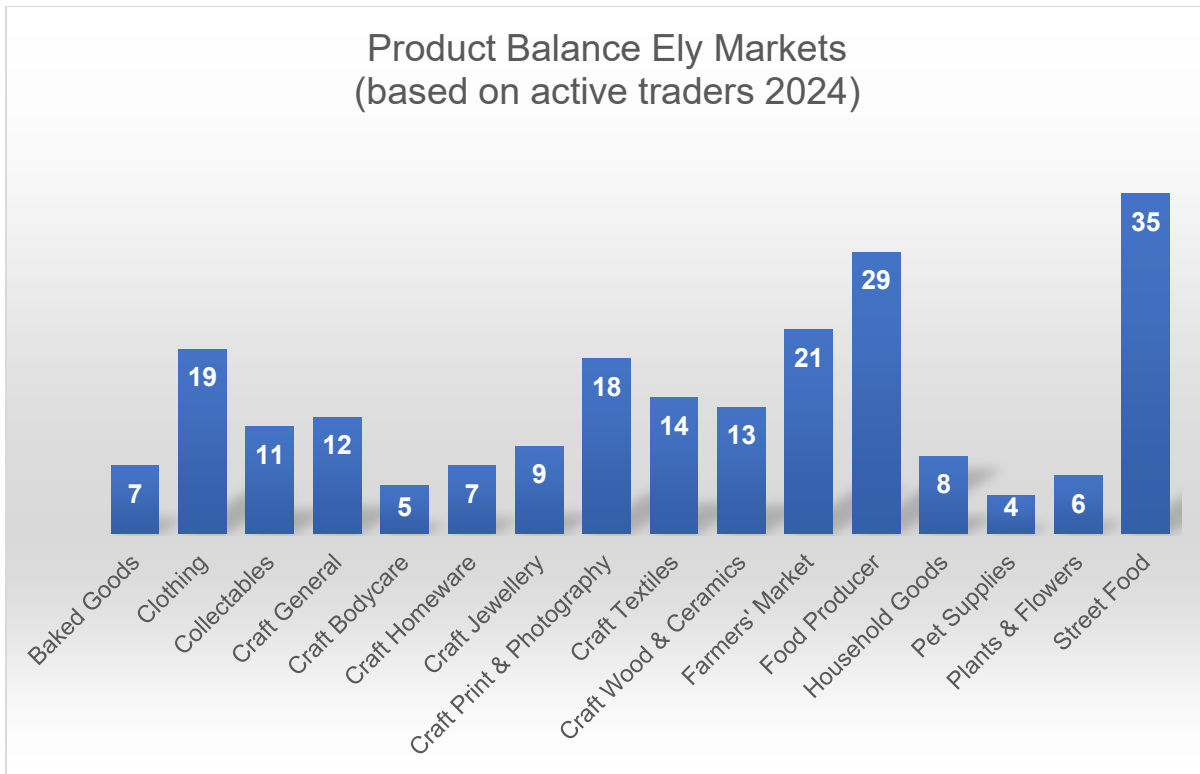
Ely Markets prides itself on facilitating local employment and in 2024 over 65% of the traders come from Cambridgeshire.



Ely Markets is committed to playing its part to reduce its carbon footprint and our focus on local traders provides for this.

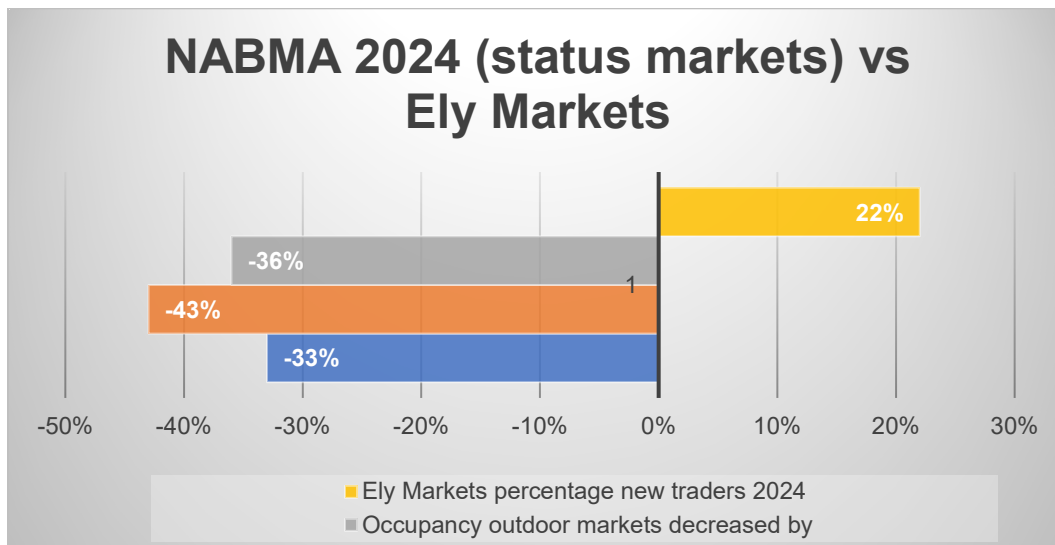


The following graphs shows the variety that is available at Ely Markets.



In 2024 Ely Markets received 224 applications from individuals/business wanting to trade on the market. 71 applicants started trading on the market.

Ely Markets continues to buck the trend and shows that Ely Markets continues to thrive whilst others continue to see decline. Ely Markets success is not a product of luck. The Team work incredibly hard to make sure that Ely Markets continues provide an offer that the community want and need.



**Budget**

The following table provides a summary of the budget to March 2028.

| <b>Markets</b>                 | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Turnover</b>                | 292,583        | 298,775        | 294,953        | 344,376        | 354,707        | 365,348        |
| <b>Salaries</b>                | 186,684        | 208,765        | 225,358        | 268,422        | 273,790        | 279,266        |
| <b>Premises</b>                | 23,204         | 8,613          | 25,026         | 34,003         | 34,683         | 35,377         |
| <b>Transport</b>               | 1,927          | 3,227          | 4,878          | 5,470          | 5,579          | 5,691          |
| <b>Supplies &amp; Services</b> | 64,639         | 76,917         | 33,745         | 31,320         | 31,946         | 32,585         |
| <b>Gross Profit</b>            | <b>16,130</b>  | <b>1,253</b>   | <b>5,946</b>   | <b>5,161</b>   | <b>8,708</b>   | <b>12,429</b>  |

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**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 69% of its income.

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

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

In 2024/25 ECTC secured a new contract with a school academy. This followed a rigorous competitive tendering exercise. ECTC did not win the contract on price, it was one based on our flexible approach to delivering a service that meets the needs of the various schools, places relationship management at the heart of the contract and our demonstration of excellent service delivery.

**Budget**

The following table provides a summary of the budget to March 2028

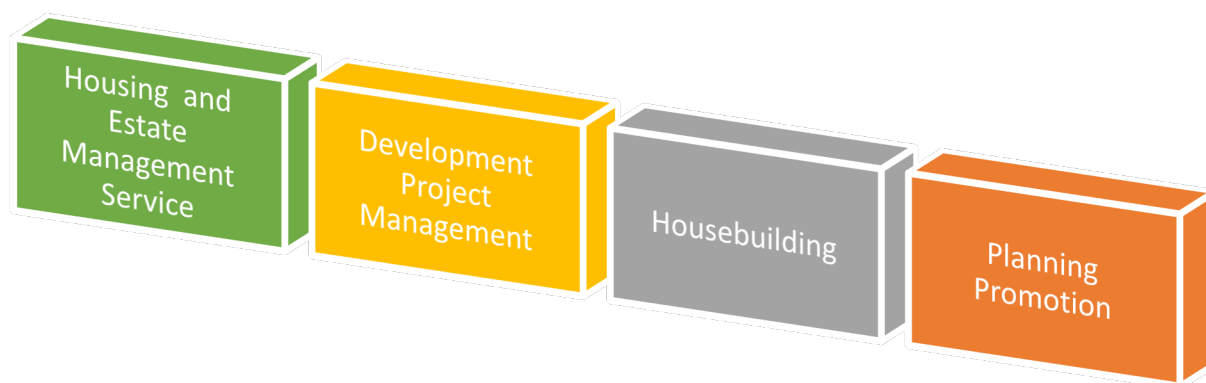
| <b>Grounds Maintenance</b>     | <b>2022/23</b>  | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> |
|--------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Turnover</b>                | 1,024,777       | 1,275,075      | 1,276,062      | 1,429,669      | 1,472,559      | 1,516,736      |
| <b>Salaries</b>                | 769,457         | 858,380        | 889,867        | 1,032,445      | 1,053,094      | 1,074,156      |
| <b>Premises</b>                | 66,194          | 131,995        | 107,647        | 97,746         | 99,701         | 101,695        |
| <b>Transport</b>               | 139,892         | 157,444        | 180,903        | 200,133        | 204,136        | 208,218        |
| <b>Supplies &amp; Services</b> | 88,077          | 124,350        | 89,745         | 92,896         | 94,754         | 96,649         |
| <b>EBITDA</b>                  | <b>(38,843)</b> | <b>2,906</b>   | <b>7,901</b>   | <b>6,449</b>   | <b>20,875</b>  | <b>36,018</b>  |

## 7. PROPERTY DEVELOPMENT

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ECTC's Property Development Team focus on the delivery of high-quality development in East Cambridgeshire.

### Service Objectives



### Brief 2024/25 Overview

During 2024/25 the company continued to sell homes, including the final transfer of 2 Shared Ownership properties at Phase 1 Arbour Square, Ely. In February 2025 the company accepted an offer for the final property and this is likely to complete in the summer of 2025.

Additionally, the company completed construction of 13 new homes at Eden Square, Ely which includes 4 £100k Homes.

In addition, working in partnership with Kennett Community Land Trust and the landowners, the Company continued to work to ensure the agreed vision is delivered. This has facilitated the delivery of a flagship development which commenced in July 2023.

Other areas of focus:

- Formal commencement of 27 houses at Phase 2 Arbour Square,
- Set up of Eden Square Management Company
- 4 houses at Eden Square sold and occupied
- 4 £100k Homes at Eden Square under offer (occupation expected March 2025)
- New loan secured for opportunity with Haddenham CLT (subject to community support and planning)



### Projects

#### 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.

Affordable Housing- 15 properties are now occupied.

Market Homes- As 5 March 2025 76 properties have been sold. The final property is under offer and is expected to complete in the summer of 2025.

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### Eden Square, Ely



Construction has completed on all 13 homes on the site at Eden Square. 4 of the homes are provided as £100k Homes. 3 houses are sold and occupied. 1 house has exchanged and will complete on 7 March 2025, 1 house is due to exchange imminently and should complete on 18 March 2025. 1 house is under offer. All 4 £100k homes are under offer with completion and occupation expected before 31 March 2025.

The Board will receive updates on the project at each Board meeting.

### Arbour Square, Ely- (Phase 2) 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 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.

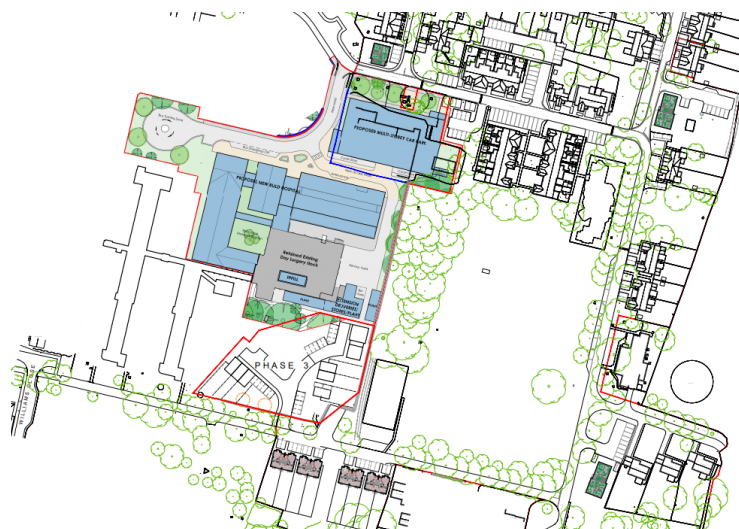
Through discussions with planning officers at ECDC, the company has further reduced the scheme to 27 one, two and three-bed homes. This has been achieved by removing units from the open green space, thereby preserving the open green space.

The planning application includes a policy compliant level of 33% affordable housing. In 2022/23 the Council's Planning Committee approved the application subject to the prior completion of a Section 106 Agreement. Planning permission was issued on 19 February 2024.

A full business case has been approved and construction commenced on 10 March 2025. Work continues on work with a registered provider to increase the level of affordable housing above 33%.

The Board will receive updates on the project at each Board meeting.

### 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 has received 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 12 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 late 2025/26.

The Board will receive updates on the project at each Board meeting.

## **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 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.



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The primary school has been constructed and was opened prior to the occupation of any house.

Bellway has secured Reserved Matters consent for the perimeter road and 328 homes. The site commenced in July 2023. First occupations occurred in December 2024. The first tranche of CLT units have now been constructed and are due to be occupied shortly.

**Haddenham CLT**

The company has an opportunity to work with Haddenham CLT to deliver homes in Haddenham. This is subject to both community support and planning. A Community Engagement Event will be held on 20 March 2025. If there is support for a small development of circa 30 units then the company will work in collaboration with Haddenham CLT to deliver this ambition.

The company has secured an extension to its loan finance with the Council to accommodate this opportunity in its pipeline.

The Board will receive updates on the project at each Board meeting.

**Financial Projections**

| <b>PGH</b>                        | <b>2022/23</b>   | <b>2023/24</b>   | <b>2024/25</b>   | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b>   |
|-----------------------------------|------------------|------------------|------------------|----------------|----------------|------------------|
| <b>Turnover</b>                   | 27,054,487       | 4,267,868        | 2,337,148        | 4,224,949      | 6,437,808      | 12,533,076       |
| <b>Housing construction costs</b> | 24,997,022       | 4,320,572        | 2,265,381        | 3,063,050      | 5,411,646      | 10,612,353       |
| <b>Salaries</b>                   | 277,316          | 332,713          | 424,962          | 495,822        | 460,405        | 505,738          |
| <b>Premises</b>                   | 25,461           | 22,643           | 21,482           | 5,000          | 5,250          | 5,500            |
| <b>Supplies &amp; Services</b>    | 67,078           | 57,429           | 41,019           | 9,225          | 9,260          | 9,400            |
| <b>Gross Profit</b>               | <b>1,687,610</b> | <b>(465,489)</b> | <b>(415,696)</b> | <b>651,852</b> | <b>551,247</b> | <b>1,400,085</b> |

**ECTC (Property) - SWOT Matrix**

| <b>SWOT MATRIX</b>   |   |
|--|---|
| <b>INTERNAL FACTORS</b>  |   |
| <b>STRENGTHS (+)</b>   | <b>WEAKNESSES (-)</b>   |
| <ol style="list-style-type: none"> <li>1. Low overhead costs.</li> <li>2. Specialist knowledge of project and construction teams.</li> <li>3. Strong local connections with key stakeholders, contractors and suppliers.</li> <li>4. Company ethos aligned with development partners.</li> </ol> | <ol style="list-style-type: none"> <li>1. Reliance on existing public sector funders.</li> <li>2. Build costs higher than volume house builders.</li> <li>3. Balancing of financial priorities / community benefit inevitably becomes political.</li> </ol>   |
| <b>EXTERNAL FACTORS</b>  |   |
| <b>OPPORTUNITIES (+)</b>   | <b>THREATS (-)</b>  |
| <ol style="list-style-type: none"> <li>1. ECTC objectives aligned with Council Corporate Plan.</li> <li>2. Public sector land disposal programmes.</li> <li>3. Partnerships / Joint ventures with commercial companies and other public sector bodies.</li> </ol>                                | <ol style="list-style-type: none"> <li>1. Increasing build costs</li> <li>2. Current projects show low profit margins to ensure community benefits but this puts the company more at risk from market variations.</li> <li>3. Changing Council priorities can take time to implement on complex development projects.</li> <li>4. Increasing mortgage interest rates.</li> <li>5. Cost of Living Crisis.</li> </ol> |