



EAST CAMBRIDGESHIRE DISTRICT COUNCIL

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

MEETING: FINANCE & ASSETS COMMITTEE

TIME: 4:30pm

DATE: Monday 24th January 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 Christine 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 meeting of the Finance & Assets Committee held on 25th November 2021.
- 5. Chairman's Announcements** **[oral]**

ITEMS FOR DECISION

- 6. Local Council Tax Reduction Scheme (LCTRS) for 2022/23**
- 7. 2022/23 Annual Treasury Management Strategy, Minimum Revenue Provision Policy Statement & Annual Investment Strategy**
- 8. Revenue Budget, Capital Strategy and Council Tax 2022/23**
- 9. CIL Spending Request**

ITEMS FOR NOTING

- 10. Assets Update**
- 11. Draft Bus, Cycle, Walk Working Party Notes – 10th November 2021**
- 12. Finance Report**
- 13. 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 & 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

- 14. Appointments, Transfers and Resignations**
- 15. Exempt Minutes**
To confirm as a correct record the Exempt Minutes of the meeting of the Finance & Assets Committee held on 25th November 2021.

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.
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)."

**FINANCE & ASSETS COMMITTEE
ANNUAL AGENDA PLAN**

AGENDA ITEM NO 13

LEAD OFFICER: Emma Grima, Director Commercial

DEMOCRATIC SERVICES OFFICER: Tracy Couper

Meeting: Thursday 24 March 2022 (4:30pm)		Meeting: Thursday 23 June 2022 (4:30pm)		Meeting: Monday 26 Sept 2022 (4:30pm)	
Report deadline: 4pm Thurs 10 March 2022		Report deadline: 4pm Thurs 9 June 2022		Report deadline: 4pm Mon 12 Sept 2022	
Agenda despatch: Mon 14 March 2022		Agenda despatch: Mon 13 June 2022		Agenda despatch: Wed 14 Sept 2022	
Chairman's Announcements	Chairman	Chairman's Announcements	Chairman	Chairman's Announcements	Chairman
Service Delivery Plans 2022/23	Service Leads	<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
ECTC Annual Business Plan 2022/23		Forward Agenda Plan	DSO	Forward Agenda Plan	DSO
2022/23 Asset Management Plan	Open Spaces & Facilities Mgr	<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>Bus, Cycle, Walk WP notes (if any)</i>	DSO	<i>Appointments, Transfers, Resignations [EXEMPT]</i>	HR Manager	<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO
<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO	<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO	<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO
<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO	ECTC Management Accounts (Jan-March 2022) [EXEMPT]	ECTC Finance Manager	Health & Safety Annual Report	Dir Commercial
Forward Agenda Plan	DSO	Annual Reports of Representatives on Outside Bodies	DSO	Local Council Tax Reduction Scheme Policy Review	Finance Manager & S151 Officer
<i>Write off of unrecoverable debt (if any)</i>	Finance Manager & S151 Officer	<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO	ECTC Accounts 2020/21	
<i>Depot Improvements</i>	<i>Open Spaces & Facilities Mgr</i>	Financial Outturn Report 2021/22	Finance Manager & S151 Officer	Medium-Term Financial Strategy update	Finance Manager & S151 Officer
ECTC Management Accounts (Oct-Dec 2021) [EXEMPT]	ECTC Finance Manager	Treasury Operations Annual Performance Review	Finance Manager & S151 Officer	ECTC Management Accounts (April-June 2022) [EXEMPT]	ECTC Finance Manager
<i>Asset Management Matter [EXEMPT]</i>	<i>Director Commercial</i>				

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: Thursday 24 Nov 2022 (4:30pm)		Meeting: Monday 23 Jan 2023 (4:30pm)	
Report deadline: 4pm Thurs 10 Nov 2022		Report deadline: 4pm Mon 9 Jan 2023	
Agenda despatch: Mon 14 Nov 2022		Agenda despatch: Wed 11 Jan 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
Treasury Management Update	Finance Manager & S151 Officer	<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO
<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO	<i>Appointments, Transfers, Resignations [EXEMPT]</i>	HR Manager
Annual Infrastructure Funding Statement	Dir. Commercial	2023/24 Annual Treasury Mgt Strategy MRP & AIS	Finance Mgr & S151 Officer
ECTC Half Yearly Report		Finance Report	Finance Mgr & S151 Officer
ECTC Management Accounts (July-Sept 2022) [EXEMPT]	ECTC Finance Manager	Revenue Budget 2023/24	Finance Mgr & S151 Officer
<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO	<i>ECTC Board Meeting Minutes (if any) [EXEMPT]</i>	DSO
Finance Report	Finance Manager & S151 Officer		

**Notes: 1. Agenda items which are likely to be "urgent" and therefore not subject to call-in are marked *
2. Agenda items in italics are provisional items / possible items for future meetings.**



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

AGENDA ITEM NO 4

Minutes of a meeting of the Finance & Assets Committee held at 4:30pm on Thursday 25th November 2021 in the Council Chamber at The Grange, Nutholt Lane, Ely, CB7 4EE

PRESENT

Cllr David Brown (Chairman)
Cllr Anna Bailey
Cllr Ian Bovingdon
Cllr Lorna Dupré
Cllr Simon Harries
Cllr Julia Huffer
Cllr Bill Hunt
Cllr John Trapp
Cllr Paola Trimarco (Substitute for Cllr Sue Austen)
Cllr Gareth Wilson (Substitute for Cllr Alison Whelan)

OFFICERS

Sally Bonnett – Infrastructure & Strategy Manager
Spencer Clark – Open Spaces & Facilities Manager
Emma Grima – Director Commercial
Ian Smith – Finance Manager
Adrian Scaites-Stokes – Democratic Services Officer
Angela Tyrrell – Senior Legal Assistant
Russell Wignall – Legal Assistant

IN ATTENDANCE

Nigel Ankers – Finance Manager, ECTC
John Hill – Managing Director, ECTC
1 member of the public

59. PUBLIC QUESTION TIME

No questions were submitted by members of the public.

60. APOLOGIES AND SUBSTITUTIONS

Apologies for absence were received from Cllr Sue Austen and Cllr Paola Trimarco substituted for this meeting.

Apologies for absence were received from Cllr Alison Whelan and Cllr Gareth Wilson substituted for this meeting.

Apologies for absence were received from Cllr Mark Goldsack.

61. DECLARATIONS OF INTEREST

Cllr Anna Bailey declared a personal interest in agenda item 6, due to being a Trustee of the East Cambs Community Land Trust.

62. MINUTES

The Committee received the Minutes of the meeting held on 5th October 2021.

It was resolved:

That the Minutes of the Finance and Assets Committee meeting held on 5th October 2021 be confirmed as a correct record and be signed by the Chairman.

63. CHAIRMAN'S ANNOUNCEMENTS

The Chairman informed Members that, in order to aid discussions, he had invited John Hill, Nigel Ankers and Phil Rose from the East Cambs Trading Company to attend the meeting. Unfortunately Phil Rose had been unable to attend this meeting.

Questions received from Members prior to the meeting, relating to the agenda items, had been tabled along with relevant answers and these would be included with the minutes for this meeting.

64. ECTC HALF YEARLY REPORT

The Committee considered a report (W109, previously circulated) that provided an update on progress on the East Cambs Trading Company (ECTC) Business Plan 2021/22.

The half-yearly report covered the period from 1st May until 30th September 2021. The first section of the update related to the risk management matrix, identifying risks and how they would be managed. The next section related to progress made against the Business Plan and showed that both Markets and Ground Maintenance were on track to meet their budget targets. That section also included updates on the property business.

The financial figures had seen a big change, as the revenues for the Kennett development had now been included. This meant that the Company was in a profitable situation.

The recommendations in the report were duly proposed and seconded.

Members' questions relating to this item had been submitted in advance of the meeting. Responses were provided and circulated at the meeting and included in the Appendix to these minutes.

A number of follow up questions were asked expressing concerns about the scoring method used when assessing risks, the assessment of other risks, purchasing of building materials which had had an impact on the Company, the availability of dwellings and the lack of updates to the Council or its committees.

The Committee was informed that the Council's Section 151 Officer could advise about the governance of the Company. There was an ongoing risk related to land supply but there was no massive impact on the Company and it was now not reliant on community land trusts. The Company forward purchased building materials to reduce construction risks but had not directly affect the Company and there had been nothing abnormal in that. At the Haddenham development 17 homes were available for sale and the affordable houses had already been transferred to the

Community Land Trust. In future the report would specify those available houses which had been allocated.

No updates had yet been reported back to Council, as there was nothing to report but issues would go back to Council when decisions were required.

It was resolved:

That the update be noted.

65. TREASURY MANAGEMENT UPDATE

The Committee considered a report (W110, previously circulated) that provided an update on the Council's 2021/22 Treasury Management Strategy.

The Finance Manager advised the Committee that interest receipts had been higher than expected due to the level of cash the Council was holding. The Capital Financing Requirement was lower than the original estimate, at £10.806 million.

Members' questions relating to this item had been submitted in advance of the meeting. Responses were provided and circulated at the meeting and included in the Appendix to these minutes.

A number of follow up questions were asked and the Committee was informed that it would be difficult to give a definitive range of commercial interest rates, but the 3.5% interest rate on the ECTC loan was considered reasonable. This would be checked against normal commercial rates and Members informed.

It was resolved TO RECOMMEND TO FULL COUNCIL:

That the mid-year review of the Council's Treasury Management Strategy for 2021/22, as set out in Appendix 1, be noted.

66. DRAFT CYCLING AND WALKING STRATEGY

The Committee received a report (W111, previously circulated) that set out the East Cambridgeshire Cycling and Walking Strategy.

The Infrastructure and Strategy Manager advised the Committee that the Strategy had been based on feedback from the public and influenced by climate change issues. As a result, the Council had taken action to have five feasibility studies undertaken on potential new cycling routes.

The recommendations in the report were duly proposed and seconded.

A Member acknowledged that the Strategy had been a big undertaking and thanks were given to the infrastructure & Strategy Manager and the Members' Working Party for their work. The nature of the district made travelling around it difficult as many roads were narrow and took farm traffic. There was also some frustration in obtaining funding for travel schemes. However, although the District Council did not have it in its remit to deliver those schemes, the Strategy gave a good indication of what its residents needed and could be used to secure funding. Some money

had already been spent on developing individual schemes and this gave a better understanding how to implement further schemes. The Council needed to lobby on its priority schemes and the Strategy would help negotiate with developers or add schemes to the Community Infrastructure Levy list.

Another Member praised the cross-party collaboration of the Working Party and thought the Strategy reflected what the public wanted. The whole process had been very positive and had generated a good report. However, the pressure must be kept on to be able to deliver schemes and this should include publicising the feasibility studies.

It was resolved:

That the draft East Cambridgeshire Cycling and Walking Strategy document, attached as Appendix 1 to the report, with any minor editorial or presentation improvements delegated to officers, in consultation with the Chairman of Finance & Assets Committee, be approved.

67. ECDC BUSINESS GROWTH FUND

The Committee received a report (W112, previously circulated) that detailed the criteria and decision matrix for the ECDC Business Growth Fund.

The Infrastructure and Strategy Manager advised the Committee that the proposal was to support East Cambridgeshire businesses in recovering from the impacts of COVID and helping them get staff or additional staff.

The recommendations in the report were duly proposed and seconded.

Members' questions relating to this item had been submitted in advance of the meeting. Responses were provided and circulated at the meeting and included in the Appendix to these minutes.

A Member was concerned that the Additional Restrictions grant process had meant that some businesses had missed out. No Equality Impact Assessment was included with the report but this was an important issue, as this matter could affect deprived areas. The criteria for sustainable business growth needed to be made clear. Although the Council should not hold up businesses receiving funding, the criteria needed to be updated to tackle equality and extended to help achieve the Council's net zero carbon ambition.

Other Members also thought a 'green' element should be included in the criteria and given some weight when assessing applications. Businesses should be made aware that these grants were available, as it was urgent that small businesses received support and that all the grant money was allocated. A request was made to receive a report at the next Committee meeting on how the scheme was proceeding, so the Committee could give better support if needed.

In response, the Director Commercial stated that the points raised would be picked up. Unfortunately, there would not be enough time to prepare a report on how the scheme was progressing for the next meeting, but a Members' briefing note could be provided instead.

It was resolved:

- (i) That the criteria for the ECDC Business Growth Fund as set out in Appendix 1, be approved;
- (ii) That the draft decision matrix as set out in Appendix 2 be approved.

68. CPCA MASTERPLANS UPDATE

The Committee received a report (W113, previously circulated) that provided an update on the Cambridgeshire & Peterborough Combined Authority (CPCA) Masterplans for Ely, Littleport and Soham.

The Infrastructure and Strategy Manager advised the Committee that the report detailed the bids approved by the CPCA Board and proposed bids.

The recommendations in the report were duly proposed and seconded.

Members' questions relating to this item had been submitted in advance of the meeting. Responses were provided and circulated at the meeting and included in the Appendix to these minutes.

Members commented that monitoring of the investments made would be very important and would be undertaken by the CPCA. This Council could help facilitate and support schemes put forward for funding. Engaging local residents and businesses would help the schemes. Even though there were already many attractive things about the city centres, including local businesses and entrepreneurs with lots of events, perhaps a more strategic view needed to be taken for those city centres. Members were free to put forward ideas for future funding.

It was resolved:

That the update provided in the report be noted.

69. FINANCE REPORT

The Committee received a report (W114, previously circulated) that provided budget monitoring information for services under the remit of this Committee and as part of its corporate remit for the Council as a whole.

The Finance Manager advised the Committee that the Committee had a projected yearend underspend on both its and the Council's revenue and capital budgets.

The recommendations in the report were duly proposed and seconded.

Members' questions relating to this item had been submitted in advance of the meeting. Responses were provided and circulated at the meeting and included in the Appendix to these minutes.

A number of follow up questions were asked and the Committee was informed that further details could be provided later for everyone relating to reasons for the

underspend. In relation to the loan made to the Trading Company which had not yet been used, it was explained that at the time the loan was granted a decision was needed due to the circumstances at the time. Going through the usual channels, i.e. a request to this Committee followed by a recommendation to Council for it to make the decision, would have delayed matters. Discussions on its use was still ongoing.

It was resolved to note:

- (i) That the Committee had a projected yearend underspend of £197,560 when compared to its approved revenue budget of £5,517,792;
- (ii) That overall the Council had a projected yearend underspend of £401,793 when compared to its approved revenue budget of £14,310,015;
- (iii) That the overall position for the Council on Capital was a projected outturn of £2,760,444, which was an underspend of £2,000,000 compared to the revised budget.

70. ASSETS UPDATE

The Committee received a report (W115, previously circulated) that provided an update on Council owned assets.

The Open Spaces & Facilities Manager advised the Committee that an application for an extension to complete the works decarbonisation works until the end of February. Reference to 'Gregorian' windows at the Grange should have read 'Georgian'.

The recommendations in the report were duly proposed and seconded.

A Member's question relating to this item had been submitted in advance of the meeting. A response had been provided and circulated at the meeting and included in the Appendix to these minutes.

Some Members objected to the demolition of the buildings at Mepal Outdoor Centre but were informed that those buildings had been condemned, so needed to be removed. The site was currently costing the Council around £14,000 per month in security.

When put to the vote, the recommendations in the report were agreed.

It was resolved:

- (i) That the update on Council owned assets be noted;
- (ii) That the expenditure tracking sheet at Appendix 1 be noted.

71. ANNUAL INFRASTRUCTURE FUNDING STATEMENT

The Committee received a report (W116, previously circulated) that provided information relating to Community Infrastructure Levy and Section 106 income and expenditure.

The Director Commercial advised the Committee that the Council were obliged to provide an Infrastructure Funding Statement annually, in a prescribed form, as shown in Appendix 1.

The recommendations in the report were duly proposed and seconded.

A Member commented that it was good to see that funding was going out to the towns and villages in the district.

It was resolved:

That the Annual Infrastructure Funding Statement 2020/21 as detailed in Appendix 1 which would be published in December 2021 be noted.

72. FORWARD AGENDA PLAN

The Committee received the revised Forward Agenda Plan.

The Director Commercial explained that the revised Agenda Plan included the amended agenda despatch dates, following the decision to extend the period to a clear 7 working days prior to meetings, and had programmed in the service delivery plans.

The revised Forward Agenda Plan was noted.

73. 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 & 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

74. ECTC MANAGEMENT ACCOUNTS (JULY – SEPT 2021)

The Committee considered a report (W117, previously circulated) and a revised set of financial figures (also previously circulated) that provided a summary view of East Cambs Trading Company (ECTC) management accounts for the six month period to September 2021.

The Finance Manager, ECTC, advised the Committee on the turnover from its businesses, the effect on the budget, the level of costs, profit and loss, the financial forecast and the cash balance.

The recommendations in the report were duly proposed and seconded.

Members' questions relating to this item had been submitted in advance of the meeting. Responses were provided and circulated at the meeting.

A number of follow up questions were asked and the Committee was informed about the progress relating to a current development, the status of some related properties and the effect on financial figures.

Councillor Paola Trimarco left the meeting at this point, 6:05pm.

A Member was concerned that it was difficult to understand what was going on with the Trading Company, as this it appeared to be a complex structure. The Committee was then given a reminder of how the Company was set up.

It was resolved:

That the contents of the report, with the revised account figures, be noted.

75. ASSET MANAGEMENT MATTER – PARISH OF ELY

The Committee considered a report (W118, previously circulated) that provided details of a leasing agreement relating to a Council asset in the parish of Ely.

The Director Commercial advised the Committee of the terms of the proposed lease and the background to it.

The recommendations in the report were duly proposed and seconded.

A Member's question relating to this item had been submitted in advance of the meeting. A response was provided and circulated at the meeting.

A Member noted the more favourable terms for the Council on this lease.

It was resolved:

That the recommendations within the report be approved.

76. ECTC BOARD MEETING MINUTES

The Committee received the Minutes from the Board Meetings of the East Cambs Trading Company held on 7th September 2021.

Noting the report was duly proposed and seconded.

A Member's question relating to this item had been submitted in advance of the meeting. A response was provided and circulated at the meeting.

The Minutes of the ECTC Board meeting was noted.

EXEMPT MINUTES

The Committee received the Exempt Minutes from the meeting of the Finance & Assets Committee held on 5th October 2021.

It was resolved unanimously:

That the Exempt Minutes of the Finance and Assets Committee meeting held on 5th October 2021 be confirmed as a correct record and be signed by the Chairman.

The meeting concluded at 18:20pm.

**FINANCE & ASSETS COMMITTEE
25 NOVEMBER 2021
QUESTIONS FROM MEMBERS OF COMMITTEE**

All questions below have been submitted by Councillor Lorna Dupre

Item 6 – ECTC Half Yearly Report

Is the risk score on the Brexit risk and the COVID Risk right?	The Head of Development is actively considering these particular risks which may lead to the score being adjusted.
Did ECTC introduce rapid testing on-site and if not was something different done?	ECTC did not introduce rapid testing on-site as the model that was eventually rolled out was more appropriate for businesses with a higher number of staff, and alternative locally accessible testing facilities were quickly put in place.
Until when was ECDC 'wholly reliant' on CLT schemes?	The narrative in this risk should say 'not' instead of 'no longer'.
How likely is ECTC to require a further loan to repay its loans from ECDC in 2023?	Based on the current forecasts ECTC will have the resources to repay the loans in 2023.
Where would ECTC secure 'additional loan financing for future projects' following the drying up of the supply from the Combined Authority?	The availability and sources of development finance for housing projects is constantly changing and this is a matter that would be assessed as part of a business case that would need to be approved before any new project commences.
Projected loan repayments to the Combined Authority have slipped behind anticipated levels. The Combined Authority is clear that ECTC is not defaulting on its obligations, but how confident is the Council that the company's obligations will be repaid on time and in full?	The Council is confident that ECTC will meet its obligations on time and in full.
To what extent has forward purchasing of building materials occurred? What additional risks does this bring? And if forward purchasing has already occurred, why is the likelihood of financial or operational impact from Brexit been assessed only as 3?	Forward purchasing is always under review but to date has only occurred in a limited way, where key building materials required for the Haddenham project were known to be in short supply with long lead in times. Forward purchasing has been done to reduce construction risk and does not itself create any additional risk for the company. Risks continue to be actively reviewed.
On property section, the final column in both tables says Available. What does that actually mean?	'Available' means that a property is build complete and either 'for sale' on the market or 'under offer'.
P4 Is ECTC's risk register the appropriate place to be informing councillors of the progress of the Council's application to set up a company to be a Registered Provider? Why are updates on this being provided through East Cambs Trading	This has been part of the risk register as the Council took the decision to apply for Stage 1 consent.

Company rather than to the Council and its committees directly?	
P6 How does the Council and ECTC propose to address the risk of officer conflicts, and the opportunity for observers to influence decision making without public oversight?	Members have previously received advice on officers conflicts of interest. The role of observers was approved by Council on 17 October 2019 (Agenda Item 14) and is incorporated in the Shareholder Agreement.
P7 These risks relate to the previous loans, and were realised because ECTC was unable to repay until the Council had lent the company further funds (at a significantly reduced interest rate). Why does the risk register not address the risks to the current loans? The new loans have been drawn down in full.	This risk does also relate to the new loan.
P8 What terms and conditions would ECTC face if it had to go to the market for loans, and what would be the impact of those terms and conditions on the profitability of ECTC?	Terms and conditions of market based loans would be dependent on a wide range of factors, including risk level associated with the particular project, project duration, timing of loan drawdowns / repayments, economic outlook, loan security that can be provided by the borrower etc
P9 What further loan capital will ECTC be seeking in order to deliver its business plan? What would be the impact on the profitability and cash flow of ECTC if this loan funding was not provided?	At this stage the company is not seeking further loan capital.
P9 In the accounts to 31 March 2021 the directors state (Note 1.2) that they consider the company a going concern. One of the reasons given is "The company successfully negotiated amended terms to its loans with Cambridgeshire & Peterborough Combined Authority. The amended terms include interest-free periods and most importantly agreement that the loans would not be due for repayment until March 2023. It also secured new facilities from East Cambridgeshire District Council, made available in March 2021, which enabled the Company to repay its original loans to the council and have sufficient funds to continue its projects". Yet this statement says the loans are inadequate to fund the development activities in the Business Plan. Which statement is correct?	The loans are adequate to fund current projects that are under construction but the business plan also includes future projects that do not yet have planning approval or an approved business case. These future projects will require separate project funding that will need to be approved as part of a business case.
P10 The company has drawn down the loan facilities from the Council and there are no further loans from the Combined Authority. So why are these referenced here as if they were options? How did the Directors show a twelve-month cash flow to justify using the 'going concern' basis for their accounts, despite showing a deficit of over £1M, if their cash flow was dependent on loan facilities which have not been agreed? Is ECTC currently paying all suppliers and contractors within thirty days, and is it up to date on all interest payments and loan	The Combined Authority loans are not at this point fully utilised and there is a rolling forecast of further drawdowns (as expenses are incurred on site) and repayments (as houses are sold) that enable ECTC to pay creditors as they fall due. The loans are not drawn down until they are required and repayments are made directly from sales receipts.

repayments to the Council and the Combined Authority?	
P11 The risk of inadequate management of commercial build contracts is proposed to be managed by having regard to changing market conditions and build cost inflation. These are different risks to the risk described. Why the lack of alignment?	There is an alignment of the risks identify monitoring and are interlinked.
P12 The description of the risk of unemployment and economic uncertainty is totally out of date. At present unemployment is staying low, the furlough scheme has ended, but inflation and shortages of staff and of building materials are rampant. These must be big risks—why are they not covered in more detail?	The company is not experiencing ‘rampant’ shortages of staff or building materials. but the company continues to take a cautious approach to its business forecasts.

Item 7 – Treasury Management Update

In 4.2 of the covering report- Why is the loan not an investment?	<p>It is treated as a Capital Loan rather than an investment.</p> <p>Investments, for the Council, are the use of its “surplus” cash to generate additional income.</p> <p>The Loan is part of the capital programme. While we are funding this from our surplus cash, we would have provided the facility even if we had had to borrow to do so.</p>
In 4.5 of the report- Why is this higher than budget?	As explained in 4.5 of the report this is due to all of the loan being drawn down at its full value. When setting the budget it was prudently assumed that the loan may be drawn down in stages and / or repaid early which would have the impact of less interest payable to the Council.
On Page 12 of the strategy in Section 6- It mentions £13.906m- how does this correlate with the Table at 5.3 which states £13.731m and why the revised estimate of £10,806m (table 5.3 again)	<p>The figure in Section 6 is wrong, it should be £10.806 million. This relates to the not purchasing the Waste fleet this year. It was changed in the tables, but wasn’t picked up in the text. This will be mentioned when the report is introduced.</p> <p>The £13,731 figure comes from the original approved Strategy.</p> <p>The £10,806 is the now forecast capital spend this year. This matches appendix 3 in the Finance Report.</p>
In what sense is ECTC paying a commercial rate of interest on the loan? P8 of ECTC’s Half Yearly Update states – ‘...This may lead to ECTC being forced to borrow from the ‘market’. In such circumstances, ... ECTC would be unlikely to benefit from the same loan terms and conditions...’. If ECTC would obtain less favourable terms and conditions from the	All lenders will determine their own view of a business and offer loan terms based on that opinion. The loan to ECTC is at a 3.5% interest rate, which is significantly above the base rate of 0.1% and higher than Council can borrow from the PWLC which is currently 1.41%. The loan is therefore within a range which would be considered commercial.

market, how is the current rate of interest a commercial one?	
---	--

Item 9 – ECDC Business Growth Fund

Is the Council the Agent or the Principal for these grants?	The Council is the Principal
How are officers going to assess that growth plans were suspended and that the proposals are viable and ‘market ready’?	The applicant will be required to submit a business plan which should contain this information.
Who is going to review the last two years of management accounts, and what will they tell us especially for businesses which have effectively been closed for much of that time?	As with previous grants this will be assessed by Officers. The management accounts should prove solvency and turnover.

Item 10 – CPCA Masterplans Update

How will the outcome of these investments be measured?	MTP Investment is subject to a bid, which the applicant has to show joins up to the market towns plan and also meets other criteria, for example covid-19 recovery/growth, GVA growth, CPCA priorities etc. Once the bid is independently assessed and then approved by the CPCA Board, it becomes subject to a funding agreement between the applicant and the CPCA. Within this agreement are monitoring schedules for the duration of the project implementation plan and then annual reviews of projects anticipated performance e.g. job creation, works space created, benefit to the community. The applicant must monitor and submit these reports to the CPCA as required.
What evidence is there of the effectiveness of existing CCTV provision in deterring crime or catching criminals?	This question will be posed directly to City of Ely Council. The response will be provided to Members of Committee once it is received.
Are there sufficient approved volunteers to run the CCTV scheme in Ely?	The Council is submitting this bid on behalf of City of Ely Council. The CCTV scheme is being led and managed by the City of Ely and it will be a matter for City of Ely Council to assess whether there will be sufficient volunteers to manage the scheme.
Is the Littleport proposal still going to be for money for a roundabout?	A bid was submitted to CPCA for a roundabout. However, ECDC and CPCA were concerned that the timing of the roundabout delivery may not meet spend deadlines. Officers are working with Littleport Members and stakeholders to ensure that alternative schemes can be supported.
If Ely businesses can bid into the £100k pot for capital improvements, will they still be able to apply for the ECDC Business Growth Fund	So long as public subsidy rules are followed then there should be no reason that a business could not be awarded both as the purpose of the grants will be different.

Item 11 – Finance Report

<p>What will be the impact of the ending of the secondments to the Combined Authority on next year's budget?</p>	<p>The 2021-22 budget was built assuming that these secondments would end mid-year. No income was therefore budgeted for in 2022-23 and future years.</p>
<p>What is the reason for the housing benefit underspend?</p>	<p>The amount we are now paying out in Housing Benefit is less than budgeted and we have also been more successful recovering overpayments than forecast.</p>
<p>What are the plans to ensure the Council delivers £1M of Disabled Facilities Grants by the year end, given that to date the spend on these is negative?</p>	<p>By working with local contractors and the OT service we endeavour to deliver the annual capital budget of approx £800,000, our present committed budget for 21/22 £389,000 we have £248,000 of works in the pipeline, which will be committed within this financial year. Additional recommendations are coming through on a daily basis therefore we are confident that the full capital budget will be committed by year end.</p> <p>To date spend on budget is approx. £250,000, however contractors are increasing the throughput of works on site as things return to normal following lockdown periods and supply issues. The works being undertaken are from approved applications from 20/21 that have been rolled over into this financial year that is why appears to be a negative spend. From approval there is a 12 month period to complete the works.</p> <p>It is anticipated that there will be a continued increase in the delivery of works moving forward. Due to officers being trained as Trusted Assessors and the setting up of a Framework for the delivery of works through signed up contractors.</p>
<p>Why was the £390k loan to East Cambs CLT expedited through the Council's governance processes, bypassing the Finance & Assets Committee, when the loan has still not been made?</p>	<p>At the time East Cambs CLT could not make progress without a decision from the Council as to whether it would be in a position to provide a loan. At the time it was expedient to go to Council as only Council could take the decision.</p>
<p>What are the plans to spend £846k on the Depot when only £2k has been spent to date? Similarly Ely Country Park?</p>	<p>Officers are working on a scheme for the Depot Improvements. Recommendations will be made to the Finance & Assets Committee early in 2022.</p> <p>Country Park- The Council is still in the process of completing the purchase of land.</p>

Item 12 – Assets Update

<p>Fisherman's Car Park resurfacing shows a budget of £13,500, work completed, but no actual spend—please explain?</p>	<p>This is an error in the table. It should not read 'works complete', it should read 'Awaiting further quotes'.</p>
--	--

TITLE: LOCAL COUNCIL TAX REDUCTION SCHEME (LCTRS) FOR 2022/23

Committee: Finance and Assets Committee

Date: 24th January 2022

Author: Finance Manager & Section 151 Officer

[W134]

1. ISSUE

1.1 To review the 2021/22 scheme and consider options for the Local Council Tax Reduction Scheme (LCTRS) for 2022/23.

2. RECOMMENDATION

2.1 Committee is asked to recommend to Full Council that the changes detailed in this report be approved and thus to amend East Cambridgeshire District Council's Local Council Tax Reduction Scheme 2022/23 by:

- Reducing the capital threshold from £16,000 to £10,000 and abolishing tariff income.
- Introducing a fixed rate reduction of £7.40 for non-dependants.
- Further streamlining the claim process.
- Increasing the tolerance for Universal Credit data re-assessments from £65 per month to £100 per month.

3. MATTERS TO CONSIDER

3.1 Councils are required to consider whether to review their LCTRS schemes annually. Where it is determined to retain the existing scheme for the forthcoming year this must be decided by 11th March.

3.2 Where Councils seek to amend their scheme, it is necessary to consult preceptors and stakeholders along with a consultation to inform a final scheme design by 28th February.

3.3 The current East Cambridgeshire District Council Working Age LCTRS scheme provides a maximum benefit of 91.5% for working age claimants and the scheme also fully protects War Pensioners. The aim in designing the scheme was to achieve a balance in charging an amount of Council Tax to encourage customers back into work whilst setting the amount charged at an affordable and recoverable level during the year.

3.4 A statutory scheme applies to Pensioners who can receive up to a maximum 100% reduction of their Council Tax bill.

4. BACKGROUND

- 4.1 We are now in the ninth year of LCTRS; a locally set scheme that replaced the previous national Council Tax Benefit (CTB) scheme from April 2013.
- 4.2 In 2013/14 the Council took advantage of a one-off Government grant that compensated in part for the reduction in Government funding for the Working Age scheme that year. This meant that the maximum LCTRS awarded was the 91.5%.
- 4.3 For 2014/15 to 2017/18 the Council retained the original scheme, except that allowances and premiums (the amounts of income from state-administered benefits such as Jobseekers' Allowance) were increased in line with other benefits such as Housing Benefit.
- 4.4 For the 2018/19 scheme the Council approved and introduced a proposal to harmonise the scheme with DWP welfare reforms introduced for Housing Benefit and LCTRS for Pensioners and introduced closer links to Universal Credit data share for claims, thereby removing the requirement to make a separate claim.
- 4.5 For 2019/20 the Council kept the same scheme as for 2018/19.
- 4.6 For 2020/21 the Council introduced a fluctuating earnings rule to the treatment of Universal Credit (UC). A weekly tolerance level of £15 (£65 monthly) was introduced to reduce the number of monthly reassessments impacting customers every time a revised Universal Credit notification is received.
- 4.7 For 2021/22 there were no changes implemented and the 2020-21 scheme was retained.

5.0 PROPOSALS

- 5.1 The proposed changes to the East Cambridgeshire District Council Local Council Tax Reduction Scheme that should take effect from 1st April 2022 are as follows. If implemented, these changes would affect:
- The threshold for how much capital a customer can own (for example, savings) and still be entitled to a Council Tax reduction
 - The impact that living with non-dependent adult friends or family members has on the Council Tax reduction that a customer receives
 - The relationship between the application processes for Universal Credit and for Local Council Tax Reduction
 - The way in which fluctuations in a customer's earnings are taken into account in LCTRS.

PROPOSAL 1

5.2 It is proposed to lower the 'capital threshold' for Local Council Tax Reduction from £16,000 to £10,000 and remove the requirement to pay a tariff on savings over £6,000.

5.3 The capital threshold is the amount of capital (for example, savings) that a customer can own and still receive a reduction on their Council Tax. This proposal is intended both to ensure support is focused on those customers who most need it and to remove the need for customers to provide evidence (where there is an over £250 change to their capital) of their capital in order for 'tariff income' to be calculated. ('Tariff income' is a measure that the Government uses for all benefits to calculate how much income a customer could theoretically earn from their capital, even if they don't earn it).

5.4. IMPACT OF PROPOSAL 1

This proposal would result in:

- A simplified scheme reducing the burden on customer and evidence requirements
- A reduced number of claim adjustments as there would be no requirement to notify changes in capital of £250 or more
- More streamlined customer experience and reduced processing times for universal credit claims as tariff income details are not provided in DWP data share records

Targeting help to those most in need as those with less capital will receive increased awards and those who no longer qualify will have more than £10,000 capital.

5.5 Modelling suggests that this proposal would have the following impact on customers

Customers with capital above £10,000 will no longer be entitled to LCTRS. This represents 91.5% of every Council Tax band. These customers would re-enter LCTRS if their capital fell below £10,000.

Simplification would enable us to provide quicker decisions to such customers as the need to manually calculate tariff income would be removed. It is estimated that seven customers would gain under this option with eleven customers paying more Council Tax. This option will have no financial cost to the Council and is estimated to reduce the reliefs provided by £11,171.

If the Council were to remove the tariff income but retain the current capital limit of £16,000 this would result in seven customers receiving more benefit with an estimated cost to the Council of £953.

5.6 PROPOSAL 2

It is proposed to set a fixed deduction of £7.40 on the amount of Council Tax reduction a customer on 'non-passported benefits' (see definition below) is entitled to if they live with non-dependent adult family members or friends. Currently, the amount of deduction must be calculated individually and can cause problems when the non-dependent family members or friends refuse to, or forget to, let the customer know about changes in their circumstances.

- 5.7 Non-passported benefits is a DWP term. 'Passported' means people in receipt of DWP prescribed benefits; the income-based elements of Income Support, Jobseekers Allowance and Employment Support Allowance for whom a council does not have to undertake a separate means-tested exercise and evidence gather to determine Council Tax Support or Housing Benefit. 'Non passported' means a council must undertake that separate exercise, usually because people have earnings / income exceeding those benefit thresholds. 'Passported' customers automatically receive full Council Tax Support up to the non-contribution rate (91.5%) or full Housing Benefit whilst non-passported customers will have to make some contribution towards the 91.5% charge of their Council Tax; both cohorts must pay the minimum 8.5% as required within East Cambridgeshire's scheme.
- 5.8 The proposed change would speed up benefits claims and reduce the number of adjustments needed every time an adult household member's income changes, would provide certainty over LCTRS entitlement, and would also reduce the potential for mistakes which can lead to arrears. Customers who are entitled to a severe disability premium would not be affected by this change and would continue to be exempt from non-dependent deductions.
- 5.9 This proposal would result in:
- Reduced burden on customer and evidence requirements
 - Reduced number of claim adjustments as there would be no requirement to notify changes in non-dependent income. This is something the customer is not always aware of or able to obtain verification of themselves
 - The functionality to verify and receive automatic income updates from DWP and HMRC does not extend to non-dependents meaning verification is always a manual process and the onus is solely on the customer to identify and report changes for their adult household members
 - More streamlined customer experience and quicker processing times for Universal Credit claims as DWP do not gather details of non-dependents'

income and the responsibility on the Council to obtain this missing information delays claim processing

- Harmonisation with Universal Credit where there is already a flat-rate non-dependent deduction

Delays in and failure to provide non-dependent income details results in incorrect LCTRS awards, often impacting Council Tax collection and arrears.

5.10 An administrative consequence of this proposal would be that Anglia Revenue Services (ARP's) ability to increase automation and provide decisions to customers in one day would be extended to those with non-dependents, as the need to request follow up details would be removed.

5.11 Modelling suggests that this proposal would have the following impact on customers:

There are likely to be 94 who will be better off because of this change and 92 customers who would receive less benefit.

Meanwhile, there would be a much-reduced risk of incorrect LCTRS awards and arrears, due to the fixed rate.

5.12 PROPOSAL 3

East Cambridgeshire District Council is proposing to simplify the application process for LCTRS by requiring all customers to apply to DWP rather than direct to the Council. Whereas previously, customers submitted separate claims for LCTRS, the proposals would mean customers would in future only need to apply for benefits through DWP, who will automatically notify ARP if someone is eligible for LCTRS.

5.13 IMPACT OF PROPOSAL 3

We expect this proposal will minimise customer engagement, improve speed of administration and improve processing times for customers by:

- Clarifying the customer journey by removing any confusion that a separate claim is require
- Reducing customer burden to provide evidence through making a non-UC claim
- Removing requirement for both DWP and ARP to verify the same income details
- Maximising customer income by signposting customers to claim Universal Credit
- Makes full use of DWP data share functionality

There will be no financial impact on customers. Customers who complete a contact form will be advised to complete a Universal Credit application form, which will automatically trigger an application for LCTRS. There will be a

fallback option where in exceptional circumstances, a customer could still apply direct to ARP.

5.14 PROPOSAL 4

- 5.15 The Council is proposing to adjust the current rule whereby customers' income can vary up to £65 a month (£15 a week) before a reassessment is required, to £100 a month. Since the £65 threshold was introduced in 2020, ARP have seen a significant reduction in adjustment notifications, direct debit amendments and refunds. It has also given customers greater certainty to enable them to manage their payments and household budgets.
- 5.16 A review of the current rule suggests that if the threshold was increased from £65 to £100 a month, it would further improve financial certainty for customers and streamline the process.
- 5.17 ARP will continue to have discretion to review exceptional cases and override the rule, however, this has not been necessary since the £65 threshold was introduced, because most cases have monthly fluctuations which even out any impact over the course of a year.

5.18 IMPACT OF PROPOSAL 4

- 5.19 In April 2020 a tolerance rule of £65 per month was introduced which meant we no longer reassessed income changes of less than £15 per week for UC customers.
- 5.20 UC is designed to be paid monthly, calculated on the customer's circumstances, including Real Time Information (RTI) earnings data from HM Revenue and Customs. Given customers' circumstances, especially earnings, fluctuate, this leads to significant volumes of monthly revised UC awards sent to the Council by the DWP.
- 5.21 Due to the tolerance rule such customers have seen a reduction by one third in Council Tax adjustment notifications, as well as a reduction in direct debit amendments and the need to request a refund. This has provided greater certainty to customers to enable them to manage their payments and household budgets, with it being well received and working as expected.
- 5.22 The introduction of a fluctuating earnings rule has been particularly beneficial given the significant increase in the Covid-19 workload for ARP, which peaked at a 500% increase compared to the same point last year, before reducing to 200% and now starting to return to normal levels.
- 5.23 A review of the tolerance rule suggests increasing the figure from £65 per month to £100 per month would further reduce the need for re-assessments from a third to a half, thereby providing more customers with stable payment arrangements, fewer adjustments and improved financial certainty. By retaining the discretion to review exceptional cases

we will be able to override the rule in the case of a single beneficial change being reported. However, ARP are yet to see a case where discretion has been needed with the current £65 tolerance, given most cases have monthly fluctuations reported which evens out any impact of applying the tolerance over the course of a year.

6. **ARGUMENTS / CONCLUSIONS**

Consultation exercise

- 6.1 The consultation commenced on Friday 15th October 2021 and concluded on Sunday 28th November 2021. As the changes proposed were relatively small, this period of consultation was considered appropriate.
- 6.2 The Consultation was available on the Council's and ARP's websites with, in addition, to get as much interest as possible, everyone on the Council's Register of Consultees that had expressed an interest in 'corporate issues' and 'housing and homelessness', the consultees on a list provided by ARP and the Council's major preceptors all being notified direct where to find the consultation document.

Consultation Results

- 6.3 Nine responses were received to the consultation. All responses were anonymous, so it is unknown who completed them.
- 6.4 Each of the responders answered questions on each of the four proposals:
- 33.3% of respondents agree or strongly agree with the proposed capital rules changes, 33.3% disagree / strongly disagree and 33.3% were not sure. The not sure respondents did not add any comments as to why they were unsure of this proposed change.
 - 55.44% of respondents agreed or strongly agree with the proposed fixed rate non-dependent deduction, 11.1% disagree / strongly disagree and 33.33% were unsure.
 - 66.6% of respondents agree or strongly agree with the simplification of the CTRS application process while 33.3% disagree / strongly disagree with the proposal.
 - 77.7% of respondents agree or strongly agree with increasing the amount used within the tolerance rule with 22.2% either disagree or strongly disagree with the proposal.

Conclusion

- 6.5 The consultation exercise resulted a relatively small response. Most respondents agree or strongly agree with the proposals except the capital changes as all three answers received the same percentage.

6.6 Members are asked to recommend to Full Council at its meeting planned for the 24th February 2022 to adopt the changes detailed.

7.0 **FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT**

Financial

7.1 The recommendations in this paper will not have a material impact on the Council Tax collected by the Council, this as the recommendation is to leave the non-relief discount at 8.5%.

Equality

7.2 The existing LCTRS scheme continues the DWP's previous Council Tax Benefit scheme conventions established over many years, regarding protections for vulnerable groups, including children, the disabled and the Armed Forces.

7.3 A Carbon Impact Assessment is not required.

8.0 **APPENDICES**

Appendix A – East Cambridgeshire District Council Survey
Appendix B - East Cambridgeshire District Council CTRS Scheme
Consultation responses.

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Finance & Assets Committee meeting, 5 th Oct 2021, Agenda Item 6: "Local Council Tax Reduction Scheme (LCTRS) For 2022/23"	Room 104 The Grange Ely	Ian Smith Finance Manager & Section 151 Officer Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk

East Cambridgeshire District Council CTRS Consultation Survey Results

	Proposal 1 Capital changes East Cambridgeshire District Council is proposing to lower the ‘capital threshold’ for Local Council Tax Reduction from £16,000 to £10,000 and remove the requirement to pay a tariff on savings.	Proposal 2 Fixed deduction. East Cambridgeshire District Council is proposing to set a fixed deduction on the amount of Council Tax reduction a customer is entitled to if they live with non-dependent adult family members or friends. At the moment, the amount of deduction has to be calculated individually and can cause problems when the non-dependent family member or friend refuse to, or forget to, let the customer know about changes in their circumstances.	Proposal 3 Simplify LCTRS application process East Cambridgeshire District Council is proposing to simplify the application process for LCTRS by requiring all customers to apply to DWP rather than direct to the Council. Whereas previously, customers submitted separate claims for LCTRS, the proposals would mean customers would in future only need to apply for benefits through DWP, who will automatically notify ARP if someone is eligible for LCTRS.	Proposal 4 Increase tolerance rule from £65 to £100 a month The Council is proposing to adjust the current rule whereby customers’ income can vary up to £65 a month (£15 a week) before a reassessment is required, to £100 a month. Since the £65 threshold was introduced in 2020, ARP have seen a significant reduction in adjustment notifications, direct debit amendments and refunds. It has also given customers greater certainty to enable them to manage their payments and household budgets.
Strongly agree	22.2%	11.1%	22.2%	33.3%
Agree	11.1%	44.44%	44.4%	44.4%
Unsure	33.33%	33.33%		
Disagree	11.1%		11.1%	
Strongly disagree	22.2%	11.1%	22.2%	22.2%

(9 Responses)

Appendix B: Responses to consultation on proposed changes to East Cambridgeshire District Council Local Council Tax Reduction Scheme 2022/23

	Question	Consultees' responses	East Cambridgeshire District Council response
1	<p>Proposal 1. Do you agree with the proposal to lower the 'capital threshold' for Local Council Tax Reduction from £16,000 to £10,000, and remove the requirement to pay a tariff on savings over £6,000?</p>	<p>Agree – 3, Don't know - 3, Disagree – 3</p> <p>The respondent who disagreed said:</p> <p>"Customer purses already being squeezed by other increases n essential goods/services including Council Tax rates"</p> <p>"People are encouraged to save for various reasons; essential maintenance work or home improvements or a new vehicle to get to work as public transport is so poor in rural areas. Then if you lose your job and need to claim benefits, this money is taken into account and either works or purchases can no longer happen and £16,000 is not last very long"</p> <p>"Reduction in Council Tax should not be 'wealth' dependent but based purely on personal circumstances, such as sole occupancy or the like"</p>	<p>This change is specifically intended to help simplify the scheme, improve the customer experience, reduce the need for reporting changes to capital of £250 or more and the burden of evidence provision. It also ensures we target help to those most in need as those with less capital will receive increased awards and those who no longer qualify will have more than £10,000 capital As with all means tested schemes there is a level where customers' savings or income results preclude assistance. If customers savings decrease below this level £10,000 a customer may make a further claim for LCTRS assistance.</p> <p>Discounts and exemptions do exist which are based on criteria such as sole or main resident, disability, or student status. Council Tax Reduction Support has since its inception been a means tested scheme, as was the scheme's precursor Council Tax Benefit</p>

	Question	Consultees' responses	East Cambridgeshire District Council response
2	<p>Proposal 2. Do you agree with the proposal to set a fixed deduction for customers with non-dependent adult friends or family members in the same household?</p>	<p>Agree – 5, Unsure – 3, Disagree – 1</p> <p>The respondents who disagreed said:</p> <p>“Only reason to revise it is to decrease allowance to customers - everyone’s situation is different and by not looking at their individual circumstances”</p> <p>“No reason to use a fixed rate”</p>	<p>The proposal is to retain a nil deduction for non-dependents in receipt of passported benefits (or UC with no earnings) but introduces a fixed rate deduction of £7.40 for other non-dependents.</p> <p>We would also retain the existing protections for customers in receipt of disability benefits meaning they would be exempt from any deductions (regardless of their non-dependent’s circumstances):</p> <p>Deductions are not made if a resident or residents partner:</p> <ul style="list-style-type: none"> • are receiving attendance allowance • are registered as blind • are receiving <u>Disability Living Allowance</u> (the care component) • are receiving the <u>Personal Independence Payment</u> (the daily living component). <ul style="list-style-type: none"> • A fixed deduction reduces the burden on customer to continually provide and evidence and updated wage information.

	Question	Consultees' responses	East Cambridgeshire District Council response
3-4	Based on data about average deductions for current claimants, the council is proposing a fixed rate deduction of £7.40 for claimants whose benefits are not 'passportred'. Do you agree that this is the right amount?	<p>"Too high"</p> <p>"Too low"</p> <p>"Because you have not explained whether the £7.40 is a weekly, monthly or annual deduction and i have to press buttons to get to a comment box. If the deduction is annual, there is going to be a lot of adjusting required for little gain"</p>	<p>The nil deduction will apply to those on passported benefits including those on UC with no earnings.</p> <p>It is anticipated that there will be less claim adjustments as there would be no requirement to notify changes in non-dependant income. This is something the customer is not always aware of or able to obtain verification of themselves</p>
5	<p>Proposal 3. Do you agree with the proposal to simplify the application process for LCTRS by requiring all customers to apply to the Department for Work and Pensions (DWP) rather than direct to the Council? Whereas previously, customers submitted separate claims for LCTRS, the proposals would mean customers would in-future only need to apply for benefits through DWP, who will automatically notify ARP if someone is eligible for the LCTRS.</p>	<p>Agree – 6, Disagree – 3.</p> <p>"DWP will be swamped by applications to the detriment of the customer"</p> <p>"The DC charge for Council Tax and therefore any reduction should be their decision alone. The DWP should not be involved as they cannot be relied upon to notify ARP if someone is eligible, and it will be more difficult for the person to track the process. In any case, DWP is always something of a blackhole and not easy to contact"</p> <p>"Which is more effective in providing relief for people in low income circumstances. I would say ECDC rather than DWP and therefore citizens will be better protected by ECDC handling applications"</p>	<p>We are not placing any additional pressure on DWP – we already receive data for new UC claimants directly from DWP and treat this as a new claim in its own right (removing the need for a duplicate claim via the LA). This change is to help reduce the number of duplicate claims still received.</p> <p>This change will mean that we only accept new claims via our website from those in receipt of legacy benefits or war pensions. Anyone else will be signposted to claim UC in the first instance or advised that they do not need to complete a form if they have claimed UC already and are waiting its outcome. The numbers we will be signposting are minimal with modelling showing we would only signpost around four customers per quarter and three of these would have qualified for</p>

	Question	Consultees' responses	East Cambridgeshire District Council response
			<p>UC so we would be helping maximise their income.</p> <p>Anyone already in receipt of UC or who has previously made an unsuccessful claim for UC will be able to make a quick and easy re-claim via a short declaration form on our website.</p> <p>We will still provide customer assistance with eligibility questions etc.</p>
6	<p>Proposal 4. Do you agree with the proposal to increase the threshold for income changes that affect Local Council Tax Reduction from £65 to £100?</p>	Agree – 7, Disagree – 2,	
7	Anything else about the proposals.		

2022/23 ANNUAL TREASURY MANAGEMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY

Committee: Finance and Assets Committee

Date: 24th January 2022

Author: Finance Manager

[W135]

1.0 ISSUE

1.1 To consider the 2022/23 Treasury Management Strategy, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement.

2.0 RECOMMENDATIONS

2.1 That the Finance and Assets Committee recommends to Full Council to approve:

- The 2022/23 Treasury Management Strategy
- The Annual Investment Strategy
- The Minimum Revenue Provision Policy Statement
- The Prudential and Treasury Indicators.

3.0 BACKGROUND / OPTIONS

3.1 CIPFA Requirements

The Council has adopted the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management and any subsequent revisions.

3.2 The Treasury Management Policy Statement

As per CIPFA's definition, the Council defines its treasury management activities as:

- The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and

reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.

- The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the CIPFA Code, subject only to amendment where necessary to reflect the particular circumstances of this Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- Full Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the financial year (this report), a mid-year review and an annual report after financial close, in the form prescribed in its TMPs.
- The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Finance and Assets Committee, and for the execution and administration of treasury management decisions to the Finance Manager and Section 151 Officer, who will act in accordance with the Council's policy statement and TMPs and as a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- The Council nominates Finance and Assets Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

3.3 Investment Strategy

The Council continues to hold significant reserves (January 2022) and has been able, up until now, to meet the costs of the loans to East Cambs Trading Company

(ECTC), the construction of the Leisure Centre and the purchase of Waste fleet from internal borrowing against these reserves; therefore, without the need for external borrowing. This situation is forecast to continue in 2022/23.

The Council continues to hold cash balances in advance of those needed to cover internal borrowing and these will be invested in line with the criteria detailed in the Treasury Management Strategy (appendix 1 to this report).

The continuation of low interest rates means that some smaller short term investment dealings will not return a beneficial return on investment, compared to the transaction cost of moving the cash. Small investments over a short period of time will therefore continue to be reviewed to determine if the investment is cash efficient. Where these circumstances arise, this will result in a higher balance in the Council's NatWest Account than would have historically been the case; however we will ensure that this balance remains within the counterparty limit set in the strategy.

The Council has currently loaned East Cambs Trading Company a cumulative value of £4.9 million, in relation to two loan agreements, these loans are due to be repaid in 2023.

3.4 Borrowing Strategy

The Council continues to hold reserves so internal cash balances are being used to fund capital commitments. This situation is expected to continue and while cash balances are expected to reduce in the remainder of this financial year and in future years, it is now forecast that no external borrowing will be required during 2022/23. This situation will be continually monitored as we go into the new financial year.

3.5 Counterparty Limits

The Counterparty limits were reviewed in the 2016/17 Treasury Management Strategy and approved by Council. There are no amendments to report.

4.0 **APPENDICES**

4.1 Appendix 1 - Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy

Background Documents**Location****Contact Officer**

The Prudential Code
published by CIPFA

Treasury Management
Practice Schedules

Revenue Budget, Capital
Programme and Council
Tax 2022/23 Report (also
on this agenda)

Room 104
The Grange
Ely

Ian Smith
Finance Manager
(01353) 616470
E-mail:
Ian.Smith@eastcambs.gov.uk

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

East Cambridgeshire District Council
2022/23

INDEX

1.1	Background.....	3
1.2	Reporting requirements.....	3
1.3	Treasury Management Strategy for 2022/23	4
1.4	Training	5
1.5	Treasury management consultants	5
2	THE CAPITAL PRUDENTIAL INDICATORS 2022/23 – 2024/25	6
2.1	Capital expenditure and financing.....	6
2.2	The Council's borrowing need (the Capital Financing Requirement).....	6
2.3	Core funds and expected investment balances	7
2.4	Minimum revenue provision (MRP) policy statement.....	7
3	BORROWING	9
3.1	Current portfolio position.....	9
3.2	Treasury Indicators: limits to borrowing activity	10
3.3	Prospects for interest rates.....	10
3.4	Borrowing strategy.....	16
3.5	Policy on borrowing in advance of need	17
4	ANNUAL INVESTMENT STRATEGY.....	18
4.1	Investment policy – management of risk	18
4.2	Creditworthiness policy.....	19
4.3	Other limits	21
4.4	Investment strategy	21
4.5	Investment performance / risk benchmarking	23
4.6	End of year investment report	23
5	APPENDICES	24
5.1	THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2022/23 – 2024/25.....	25
5.2	ECONOMIC BACKGROUND	26
5.3	TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT	32
5.4	APPROVED COUNTRIES FOR INVESTMENTS	34
5.5	TREASURY MANAGEMENT SCHEME OF DELEGATION	35
5.6	THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER.....	36

1.INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
 - the capital plans, (including prudential indicators);
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
 - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy, (the parameters on how investments are to be managed).

- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Finance and Assets Committee.

1.3 Treasury Management Strategy for 2022/23

The strategy for 2022/23 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2022/23 – 2024/25

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure and financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £000	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Operational Services Committee	714	667	3,491	841	841
Finance and Assets Committee	6,445	613	916	40	40
Total	7,159	1,280	4,407	881	881

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £000	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Revenue		35			
Capital grants (DFG)	503	500	717	608	608
Capital reserves	387	80	775	184	184
CIL / Section 106	1,089	1,355	89	89	89
Net financing need for the year	5,180	(690)	2,826	0	0

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The Council is asked to approve the CFR projections below:

£000	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital Financing Requirement					
CFR Brought Forward	11,761	11,051	9,980	8,398	6,975
Movement in CFR	(710)	(1,071)	(1,582)	(1,423)	(593)
Total CFR	11,051	9,980	8,398	6,975	6,382

Movement in CFR represented by					
Net financing need for the year (above)	5,180	(690)	2,826	0	0
Repayment of Loan from ECTC	(5,470)	0	(4,070)	(830)	0
Less MRP and other financing movements	(420)	(381)	(338)	(593)	(593)
Movement in CFR	(710)	(1,071)	(1,582)	(1,423)	(593)

2.3 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Fund balances / reserves	13,955	13,281	11,866	8,104	7,250
CIL / Section 106	8,582	10,358	10,258	10,158	10,058
Capital receipts	1,472	1,442	717	583	449
Provisions	2,176	2,144	2,144	2,144	2,144
Working capital*	3,731	3,731	3,731	3,731	3,731
Internal Borrowing	(11,051)	(9,980)	(8,398)	(6,975)	(6,382)
Expected investments	18,865	20,976	20,318	17,745	17,250

*Working capital balances shown are estimated year-end; these may be higher mid-year

2.4 Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

DLUHC regulations have been issued which require the full Council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement.

From 1 April 2008 for all unsupported borrowing the MRP policy will be the **Asset life method** – MRP will be based on the estimated life of the assets, in accordance

with the regulations. This option provides for a reduction in the borrowing need over approximately the asset's life.

The Asset Life's used in MRP calculations are:

Fleet (including Waste and Parks and Gardens) 9 years

Leisure Centre 25 years

Depot 25 years

ECTC Loan No MRP provision is made on the loans to ECTC as the loans will be repaid by the Company in line with the loan agreements and used to reduce the Council's Capital Financing Requirement at that time.

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The overall treasury management portfolio as at 31st March 2021 was that the Council had £18.865 million of treasury investments and had no external borrowing.

At this point the investments were:

Banks £7.465 million
Money Market Funds £11.400 million

The up-dated position at 30th November 2021 was that the Council remained external debt free, with £31.756 million invested as detailed below:

Banks £11.756 million
Money Market Funds £20.000 million

This reflects, to some degree, the income / expenditure flows of the Council as a collection authority. Council Tax tends to be collected in the first ten months of the year, but the money we pay out to precepting authorities is more evenly spaced, with one Council Tax collection date and two precept payment dates in the final quarter of the year. This year, however, it is also impacted by the Government's response to the Covid-19 pandemic where they have provided Council's with funding in advance to pay out grants to local businesses and we also hold a balance for Business Rates Section 31 grant.

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt					
Debt at 1 April	0	0	0	0	0
Expected change in Debt	0	0	0	0	0
Actual gross debt at 31 March	0	0	0	0	0
The Capital Financing Requirement	11,051	9,980	8,398	6,975	6,382
Under / (over) borrowing	11,051	9,980	8,398	6,975	6,382

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early

borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Finance Manager reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £000	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt	0	0	0	0
Other long-term liabilities	0	0	0	0
Total	0	0	0	0

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £000	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt	10,000	10,000	10,000	10,000
Other long-term liabilities	0	0	0	0
Total	10,000	10,000	10,000	10,000

3.3 Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 20th December 2021. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 20.12.21														
	Dec-21	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	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

Additional notes by Link on this forecast table: -

- *LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.*
- *Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.*

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.

As shown in the forecast table above, the forecast for Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Significant risks to the forecasts

- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, or cannot be administered fast enough to prevent further lockdowns. 25% of the population not being vaccinated is also a significant risk to the NHS being overwhelmed and lockdowns being the only remaining option.
- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **The Monetary Policy Committee** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **The Monetary Policy Committee** tightens monetary policy too late to ward off building inflationary pressures.
- **The Government** acts too quickly to cut expenditure to balance the national budget.

- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Longer term US treasury yields** rise strongly and pull gilt yields up higher than forecast.
- **Major stock markets** e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- **Geopolitical risks**, for example in Ukraine, Iran, North Korea, but also in Europe and Middle Eastern countries; on-going global power influence struggles between Russia/China/US. These could lead to increasing safe-haven flows.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC’s 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- We do not know how severe an impact Omicron could have on the economy and whether there will be another lockdown or similar and, if there is, whether there would be significant fiscal support from the Government for businesses and jobs.
- There were already increasing grounds for viewing the economic recovery as running out of steam during the autumn and now into the winter. And then along came Omicron to pose a significant downside threat to economic activity. This could lead into stagflation, or even into recession, which would then pose a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Will some current key supply shortages spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.

- On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- It looks as if the economy coped well with the end of furlough on 30th September. It is estimated that there were around 1 million people who came off furlough then and there was not a huge spike up in unemployment. The other side of the coin is that vacancies have been hitting record levels so there is a continuing acute shortage of workers. This is a potential danger area if this shortage drives up wages which then feed through into producer prices and the prices of services i.e., a second-round effect that the MPC would have to act against if it looked like gaining significant momentum.
- We also recognise there could be further nasty surprises on the Covid front beyond the Omicron mutation.
- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no-deal Brexit.

In summary, with the high level of uncertainty prevailing on several different fronts, we expect to have to revise our forecasts again - in line with whatever the new news is.

It should also be borne in mind that Bank Rate being cut to 0.25% and then to 0.10%, were emergency measures to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away such emergency cuts on no other grounds than they are no longer warranted, and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on our gilt yields. **As an average since 2011, there has been a 75% correlation between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

US treasury yields. During the first part of 2021, US President Biden's, and the Democratic party's, determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend \$1trn on infrastructure, (which was eventually passed by both houses later in 2021), and an even larger sum on an American families

plan over the next decade; this is still caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when: -

1. A fast vaccination programme had enabled a rapid opening up of the economy during 2021.
2. The economy was growing strongly during the first half of 2021 although it has weakened overall during the second half.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing substantial stimulus through monthly QE purchases during 2021.

It was not much of a surprise that a combination of these factors would eventually cause an excess of demand in the economy which generated strong inflationary pressures. This has eventually been recognised by the Fed at its December meeting with an aggressive response to damp inflation down during 2022 and 2023.

At its 3rd November Fed meeting, the Fed decided to make a start on tapering its \$120bn per month of QE purchases so that they ended next June. However, at its **15th December meeting** it doubled the pace of tapering so that they will end all purchases in February. These purchases are currently acting as downward pressure on treasury yields and so it would be expected that Treasury yields will rise over the taper period and after the taper ends, all other things being equal. The Fed also forecast that it expected there would be three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy.

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to monitor.

There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PWLB rates** due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields (see below). Over 10 years since 2011 there has been an average 75% correlation between movements in US treasury yields and gilt yields. However, from time to time these two yields can diverge. Lack of spare economic capacity and rising inflationary pressures are viewed as being much greater dangers in the US than in the UK. This could mean that central bank rates will end up rising earlier and higher in the US than in the UK if inflationary pressures were to escalate; the consequent increases in treasury yields could well spill over to cause (lesser) increases in gilt yields. There is, therefore, an upside risk to forecasts for gilt yields due to this correlation. The Link Group forecasts have included a risk of a 75% correlation between the two yields.
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures actually turn out to be in both the US and the UK and so put upward pressure on treasury and gilt yields?

- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases eventually needed to suppress inflation, are likely to be faster and stronger than Bank Rate increases in the UK. This is likely to put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within the forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and Russia, China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era for local authority investing

– a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US, before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be ‘sustainably over 2%’ before starting on raising Bank Rate and the ECB now has a similar policy.
- **For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.**
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition,

recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.

- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -
 - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
 - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with external loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Finance Manager will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates*, then borrowing will be postponed.
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast*, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the Finance and Assets Committee at the next available opportunity.

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

3.6 New financial institutions as a source of borrowing and / or types of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency
- UK Infrastructure Bank

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.7 Approved sources of long- and short-term borrowing

	Fixed	Variable
PWLB	●	●
Municipal Bond Agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
UK Infrastructure Bank	●	●
Internal (capital receipts & revenue balances)	●	●

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments and Capital loans, are covered in the Capital Strategy, (a separate report).

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix 5.3 under the categories of 'specified' and 'non-specified' investments.

- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
5. **Non-specified and loan investment limits.** The Council has determined that it will not engage in any non-specific investments as part of its investment strategy.
 6. **Lending limits**, (amounts and maturity), for each counterparty are set out in paragraph 4.2.
 7. **Transaction limits** are set for each type of investment in 4.2.
 8. This authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
 9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
 10. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
 11. All investments will be denominated in **sterling**.
 12. As a result of the change in accounting standards for 2022/23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31st March 2023.

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

4.2 Creditworthiness policy

This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main

credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- "watches" and "outlooks" from credit rating agencies;
- CDS spreads that may give early warning of changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green not to be used
- No colour not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The following counterparty limits were agreed in the 2021/22 Treasury Management Strategy and will remain in place during 2022/23.

- £6 million with counterparties rated up to 6 months (red on the above scale) and above time duration limit on the approved weekly list
- £5 million with Money Market Funds

Creditworthiness.

Significant levels of downgrades to Short- and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

4.3 Other limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a) **Non-specified treasury management investment limit.** The Council has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being 5% of the total treasury management investment portfolio.
- b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-** from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.4. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

It should be noted that historically ECDC has not invested outside of the UK and while this document provides details of the Countries it is considered safe to do so, there is no intension to move any of our investments abroad at this time.

- c) **Other limits.** In addition:
 - no more than 20% will be placed with any non-UK country at any time;
 - limits in place above will apply to a group of companies;
 - sector limits will be monitored regularly for appropriateness.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments

up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations.

The current forecast shown in paragraph 3.3, includes a forecast for a first increase in Bank Rate in May 2022, though it could come in February.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year, (based on a first increase in Bank Rate in quarter 2 of 2022), are as follows.:

Average earnings in each year	Now	Previously
2022/23	0.50%	0.50%
2023/24	0.75%	0.75%
2024/25	1.00%	1.00%
2025/26	1.25%	1.25%
Long term later years	2.00%	2.00%

For its cash flow generated balances, the Council will seek to utilise its instance access business account and notice accounts, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
£000	2022/23	2023/24	2024/25
Principal sums invested for longer than 365 days	2,000	£2,000	£2,000
Current investments as at 30 th November 2021 in excess of 1 year maturing in each year	0	0	0

4.5 Investment performance / risk benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Council's main priority is the security of its capital, and therefore security risk continues to be its main focus, with the process for securing this detailed in Section 4.1 of this report.

This is measured / benchmarked by the use of a Historic Risk of Default calculation provided to us by Link Asset Services. The calculation is a proxy for the average percentage risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment. At the end of November 2021 our calculated Historic Risk of Default was 0.09% as our cash was in either Money Market Funds, deposits with Lloyds Bank of Scotland and Santander and a liquid call account with NatWest. As this situation is not expected to change in 2022/23, then the risk remains very small.

Liquidity – in respect of this area the Council seeks to maintain:

- No Bank overdraft
- Liquid short-term deposits of at least £5 million available with a week's notice.

Yield - local measures of yield benchmarks are

- Investments – internal returns above the 7-day SONIA compounded rate

4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5 APPENDICES

1. Prudential and treasury indicators
2. Economic background
3. Treasury management practice 1 – credit and counterparty risk management (option 1)
4. Approved countries for investments
5. Treasury management scheme of delegation
6. The treasury management role of the section 151 officer

5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2022/23 – 2024/25

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.1.1 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to 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.

%	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Annual Change	(0.75)	(0.38)	(0.41)	2.06	0.00

The estimates of financing costs include current commitments and the proposals in this budget report.

5.2 ECONOMIC BACKGROUND

COVID-19 vaccines.

These were the game changer during 2021 which raised high hopes that life in the UK would be able to largely return to normal in the second half of the year. However, the bursting onto the scene of the Omicron mutation at the end of November, rendered the initial two doses of all vaccines largely ineffective in preventing infection. This has dashed such hopes and raises the spectre again that a fourth wave of the virus could overwhelm hospitals in early 2022. What we now know is that this mutation is very fast spreading with the potential for total case numbers to double every two to three days, although it possibly may not cause so much severe illness as previous mutations. Rather than go for full lockdowns which heavily damage the economy, the government strategy this time is focusing on getting as many people as possible to have a third (booster) vaccination after three months from the previous last injection, as a booster has been shown to restore a high percentage of immunity to Omicron to those who have had two vaccinations. There is now a race on between how quickly boosters can be given to limit the spread of Omicron, and how quickly will hospitals fill up and potentially be unable to cope. In the meantime, workers have been requested to work from home and restrictions have been placed on large indoor gatherings and hospitality venues. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in sectors like restaurants, travel, tourism and hotels which had been hit hard during 2021, but could now be hit hard again by either, or both, of government restrictions and/or consumer reluctance to leave home. Growth will also be lower due to people being ill and not working, similar to the pingdemic in July. The economy, therefore, faces significant headwinds although some sectors have learned how to cope well with Covid. However, the biggest impact on growth would come from another lockdown if that happened. The big question still remains as to whether any further mutations of this virus could develop which render all current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread until tweaked vaccines become widely available.

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- In December, the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies as recovery progresses from the Covid recession of 2020.
- The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.
- If there are lockdowns in January, this could pose a barrier for the MPC to putting Bank Rate up again as early as 3rd February.
- With inflation expected to peak at around 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.
- The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term.
- Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022.
- However, the MPC will want to normalise Bank Rate over the next three years so that it has its main monetary policy tool ready to use in time for the next down-turn; all rates under 2% are providing stimulus to economic growth.
- We have put year end 0.25% increases into Q1 of each financial year from 2023 to recognise this upward bias in Bank Rate - but the actual timing in each year is difficult to predict.

- Covid remains a major potential downside threat in all three years as we ARE likely to get further mutations.
- How quickly can science come up with a mutation proof vaccine, or other treatment, – and for them to be widely administered around the world?
- Purchases of gilts under QE ended in December. Note that when Bank Rate reaches 0.50%, the MPC has said it will start running down its stock of QE.

MPC MEETING 16^H DECEMBER 2021

- The Monetary Policy Committee (MPC) voted 8-1 to raise Bank Rate by 0.15% from 0.10% to 0.25% and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.
- The MPC disappointed financial markets by not raising Bank Rate at its November meeting. Until Omicron burst on the scene, most forecasters, therefore, viewed a Bank Rate increase as being near certain at this December meeting due to the way that inflationary pressures have been comprehensively building in both producer and consumer prices, and in wage rates. However, at the November meeting, the MPC decided it wanted to have assurance that the labour market would get over the end of the furlough scheme on 30th September without unemployment increasing sharply; their decision was, therefore, to wait until statistics were available to show how the economy had fared at this time.
- **On 10th December we learnt of the disappointing 0.1% m/m rise in GDP** in October which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" COVID-19 restrictions could cause the economy to contract in December.
- **On 14th December, the labour market statistics** for the three months to October and the single month of October were released. The fallout after the furlough scheme was smaller and shorter than the Bank of England had feared. The single-month data were more informative and showed that LFS employment fell by 240,000, unemployment increased by 75,000 and the unemployment rate rose from 3.9% in September to 4.2%. However, the weekly data suggested this didn't last long as unemployment was falling again by the end of October. What's more, the 49,700 fall in the claimant count and the 257,000 rise in the PAYE measure of company payrolls suggests that the labour market strengthened again in November. The other side of the coin was a further rise in the number of vacancies from 1.182m to a record 1.219m in the three months to November which suggests that the supply of labour is struggling to keep up with demand, although the single-month figure for November fell for the first time since February, from 1.307m to 1.227m.
- These figures by themselves, would probably have been enough to give the MPC the assurance that it could press ahead to raise Bank Rate at this December meeting. However, the advent of Omicron potentially threw a spanner into the works as it poses a major headwind to the economy which, of itself, will help to cool the economy. The financial markets, therefore, swung round to expecting no change in Bank Rate.
- **On 15th December we had the CPI inflation** figure for November which spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).

- **Other elements of inflation are also transitory** e.g., prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues are likely to clear during 2022, and then prices will subside back to more normal levels. Gas prices and electricity prices will also fall back once winter is passed and demand for these falls away.
- Although it is possible that the Government could step in with some **fiscal support for the economy**, the huge cost of such support to date is likely to pose a barrier to incurring further major economy wide expenditure unless it is very limited and targeted on narrow sectors like hospitality, (as announced just before Christmas). The Government may well, therefore, effectively leave it to the MPC, and to monetary policy, to support economic growth – but at a time when the threat posed by rising inflation is near to peaking!
- This is the adverse set of factors against which the MPC had to decide on Bank Rate. For the second month in a row, the MPC blind-sided financial markets, this time with a **surprise increase in Bank Rate from 0.10% to 0.25%**. What's more, the hawkish tone of comments indicated that the MPC is now concerned that inflationary pressures are indeed building and need concerted action by the MPC to counter. This indicates that there will be more increases to come with financial markets predicting 1% by the end of 2022. The 8-1 vote to raise the rate shows that there is firm agreement that inflation now poses a threat, especially after the CPI figure hit a 10-year high this week. The MPC commented that “there has been significant upside news” and that “there were some signs of greater persistence in domestic costs and price pressures”.
- On the other hand, it did also comment that “**the Omicron variant is likely to weigh on near-term activity**”. But it stressed that at the November meeting it had said it would raise rates if the economy evolved as it expected and that now “these conditions had been met”. It also appeared more worried about the possible boost to inflation from Omicron itself. It said that “the current position of the global and UK economies was materially different compared with prior to the onset of the pandemic, including elevated levels of consumer price inflation”. It also noted the possibility that renewed social distancing would boost demand for goods again, (as demand for services would fall), meaning “global price pressures might persist for longer”. (Recent news is that the largest port in the world in China has come down with an Omicron outbreak which is not only affecting the port but also factories in the region.)
- On top of that, there were no references this month to inflation being expected to be below the **2% target in two years' time**, which at November's meeting the MPC referenced to suggest the markets had gone too far in expecting interest rates to rise to over 1.00% by the end of the year.
- These comments indicate that there has been a material reappraisal by the MPC of the inflationary pressures since their last meeting and the Bank also increased its forecast for inflation to peak at 6% next April, rather than at 5% as of a month ago. However, as the Bank retained its guidance that only a “**modest tightening**” in policy will be required, it cannot be thinking that it will need to increase interest rates that much more. A typical policy tightening cycle has usually involved rates rising by 0.25% four times in a year. “Modest” seems slower than that. As such, the Bank could be thinking about raising interest rates two or three times next year to 0.75% or 1.00%.
- In as much as a considerable part of the inflationary pressures at the current time are indeed **transitory**, and will naturally subside, and since economic growth is likely to be

weak over the next few months, this would appear to indicate that this tightening cycle is likely to be comparatively short.

- As for the timing of the next increase in Bank Rate, the MPC dropped the comment from November's statement that Bank Rate would be raised "in the coming months". That may imply another rise is unlikely at the next meeting in February and that May is more likely. However, much could depend on how adversely, or not, the economy is affected by Omicron in the run up to the next meeting on 3rd February. Once 0.50% is reached, the Bank would act to start shrinking its stock of QE, (gilts purchased by the Bank would not be replaced when they mature).
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 - Raising Bank Rate as "the active instrument in most circumstances".
 - Raising Bank Rate to 0.50% before starting on reducing its holdings.
 - Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 - Once Bank Rate had risen to at least 1%, it would start selling its holdings.
- **US.** Shortages of goods and intermediate goods like semi-conductors, have been fuelling increases in prices and reducing economic growth potential. In November, **CPI inflation hit a near 40-year record level of 6.8%** but with energy prices then falling sharply, this is probably the peak. The biggest problem for the Fed is the mounting evidence of a strong pick-up in cyclical price pressures e.g., in rent which has hit a decade high.
- **Shortages of labour** have also been driving up wage rates sharply; this also poses a considerable threat to feeding back into producer prices and then into consumer prices inflation. It now also appears that there has been a sustained drop in the labour force which suggests the pandemic has had a longer-term scarring effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed's 2% central target.
- Inflation hitting 6.8% and the feed through into second round effects, meant that it was near certain that the **Fed's meeting of 15th December** would take aggressive action against inflation. Accordingly, the rate of tapering of monthly \$120bn QE purchases announced at its November 3rd meeting, was doubled so that all purchases would now finish in February 2022. In addition, Fed officials had started discussions on running down the stock of QE held by the Fed. Fed officials also expected three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy. The first increase could come as soon as March 2022 as the chairman of the Fed stated his view that the economy had made rapid progress to achieving the other goal of the Fed – "maximum employment". The Fed forecast that inflation would fall from an average of 5.3% in 2021 to 2.6% in 2023, still above its target of 2% and both figures significantly up from previous forecasts. What was also significant was that this month the Fed dropped its description of the current level of inflation as being "transitory" and instead referred to "elevated levels" of inflation: the statement also dropped most of the language around the flexible average inflation target, with inflation now described as having exceeded 2 percent "for some time". It did not see Omicron as being a major impediment to the need to take action now to curtail the level of inflationary pressures that have built up, although Fed officials did note that it has the potential to exacerbate supply chain problems and add to price pressures.
See also comments in paragraph 3.3 under PWLB rates and gilt yields.
- **EU.** The slow role out of vaccines initially delayed **economic recovery** in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2%. With Q3 at 2.2%, the EU recovery was then within 0.5% of its

pre Covid size. However, the arrival of Omicron is now a major headwind to growth in quarter 4 and the expected downturn into weak growth could well turn negative, with the outlook for the first two months of 2022 expected to continue to be very weak.

- **November's inflation figures** breakdown shows that the increase in price pressures is not just due to high energy costs and global demand-supply imbalances for durable goods as services inflation also rose. Headline inflation reached 4.9% in November, with over half of that due to energy. However, oil and gas prices are expected to fall after the winter and so energy inflation is expected to plummet in 2022. Core goods inflation rose to 2.4% in November, its second highest ever level, and is likely to remain high for some time as it will take a long time for the inflationary impact of global imbalances in the demand and supply of durable goods to disappear. Price pressures also increased in the services sector, but wage growth remains subdued and there are no signs of a trend of faster wage growth which might lead to *persistently* higher services inflation - which would get the ECB concerned. The upshot is that the euro-zone is set for a prolonged period of inflation being above the ECB's target of 2% and it is likely to average 3% in 2022, in line with the ECB's latest projection.
- **ECB tapering.** The ECB has joined with the Fed by also announcing at its meeting on 16th December that it will be reducing its QE purchases - by half from October 2022, i.e., it will still be providing significant stimulus via QE purchases for over half of next year. However, as inflation will fall back sharply during 2022, it is likely that it will leave its central rate below zero, (currently -0.50%), over the next two years. The main struggle that the ECB has had in recent years is that inflation has been doggedly anaemic in sticking below the ECB's target rate despite all its major programmes of monetary easing by cutting rates into negative territory and providing QE support.
- The ECB will now also need to consider the impact of **Omicron** on the economy, and it stated at its December meeting that it is prepared to provide further QE support if the pandemic causes bond yield spreads of peripheral countries, (compared to the yields of northern EU countries), to rise. However, that is the only reason it will support peripheral yields, so this support is limited in its scope.
- The EU has entered into a **period of political uncertainty** where a new German government formed of a coalition of three parties with Olaf Scholz replacing Angela Merkel as Chancellor in December 2021, will need to find its feet both within the EU and in the three parties successfully working together. In France there is a presidential election coming up in April 2022 followed by the legislative election in June. In addition, Italy needs to elect a new president in January with Prime Minister Draghi being a favourite due to having suitable gravitas for this post. However, if he switched office, there is a significant risk that the current government coalition could collapse. That could then cause differentials between Italian and German bonds to widen when 2022 will also see a gradual running down of ECB support for the bonds of weaker countries within the EU. These political uncertainties could have repercussions on economies and on Brexit issues.
- **CHINA.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of **2020**; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021.
- However, the pace of economic growth has now fallen back in **2021** after this initial surge of recovery from the pandemic and looks likely to be particularly weak in 2022. China has been struggling to contain the spread of the Delta variant through using sharp local lockdowns - which depress economic growth. Chinese consumers are also being very wary about leaving home and so spending money on services. However, with Omicron having

now spread to China, and being much more easily transmissible, this strategy of sharp local lockdowns to stop the virus may not prove so successful in future. In addition, the current pace of providing boosters at 100 billion per month will leave much of the 1.4 billion population exposed to Omicron, and any further mutations, for a considerable time. The **People's Bank of China** made a start in December 2021 on cutting its key interest rate marginally so as to stimulate economic growth. However, after credit has already expanded by around 25% in just the last two years, it will probably leave the heavy lifting in supporting growth to fiscal stimulus by central and local government.

- Supply shortages, especially of coal for power generation, were causing widespread power cuts to industry during the second half of 2021 and so a sharp disruptive impact on some sectors of the economy. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.
- **JAPAN.** 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy has been rebounding rapidly in 2021 once the bulk of the population had been double vaccinated and new virus cases had plunged. However, Omicron could reverse this initial success in combating Covid.
- The Bank of Japan is continuing its **very loose monetary policy** but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was actually negative in July. New Prime Minister Kishida, having won the November general election, brought in a supplementary budget to boost growth, but it is unlikely to have a major effect.
- **WORLD GROWTH.** World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum in the second half of the year, though overall growth for the year is expected to be about 6% and to be around 4-5% in 2022. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. While headline inflation will fall sharply, core inflation will probably not fall as quickly as central bankers would hope. It is 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 to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.
- **SUPPLY SHORTAGES.** The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. Major queues of ships unable to unload their goods at ports in New York, California and China built up rapidly during quarters 2 and 3 of 2021 but then halved during quarter 4. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods available to purchase.

5.3 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum ‘high’ quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the specified investment criteria. The Council will not engage in any non-specified investments.

It should be noted that any funding provided to East Cambridgeshire Trading Company or East Cambs CLT will be given as a Capital loan and treated as Capital expenditure. It is not an investment, as defined in this Strategy document, although clearly the Council does receive a return on the amount loaned.

SPECIFIED INVESTMENTS

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made, it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria / colour band	£ limit per institution	Max. maturity period
DMADF – UK Government	yellow	£6 million	6 months (max. is set by the DMO*)
UK Government gilts	yellow	£5 million	5 years
UK Government Treasury bills	yellow	£5 million	364 days (max. is set by the DMO*)
Bonds issued by multilateral development banks	yellow	£5 million	5 years
Money Market Funds CNAV	AAA	£5 million	Liquid
Money Market Funds LNAV	AAA	£5 million	Liquid
Money Market Funds VNAV	AAA	£5 million	Liquid
Local authorities	yellow	£5 million	5 years

Term deposits with banks and building societies	Blue Orange Red Green No Colour	£6 million £6 million £6 million Nil Nil	12 months 12 months 6 months 100 days Not for use
---	---	--	---

* DMO – is the Debt Management Office of HM Treasury

5.4 APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

5.5 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Finance and Assets Committee (as the responsible body)

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) The Finance Manager and Section 151 Officer (as the person with responsibility for treasury function)

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5.6 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe.
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.

Finance and Assets Committee 24th January 2022

**AGENDA ITEM 8 – REVENUE BUDGET, CAPITAL STRATEGY & COUNCIL TAX
2022/23**

Revised Recommendation:

Delete 2.1, delete 2.2 and replace with:

2.1 To refer Agenda item 8 (Revenue Budget, Capital Strategy and Council Tax 2022/23) to Full Council on 22nd February 2022 for decision.

PROPOSER: Cllr Anna Bailey

SECONDER: Cllr Bill Hunt

DRAFT BUDGET 2022-23

	Budget 2021-22 £	Estimate 2022-23 £	Estimate 2023-24 £	Estimate 2024-25 £	Estimate 2025-26 £
Committees:					
Operational Services	5,558,994	5,772,171	6,000,693	6,214,531	6,346,579
Finance & Assets	5,517,792	5,649,540	5,832,188	6,009,805	6,178,780
Net District Spending	11,076,786	11,421,711	11,832,881	12,224,335	12,525,358
New Homes Bonus Grant	-540,959	-1,112,624	0	0	0
Rural / Lower Tier Services Grant	-274,640	-450,215	0	0	0
Covid-19 Grant	-463,270	0	0	0	0
Internal Drainage Board Levies	512,018	525,581	536,093	546,815	557,751
Contributions to / from Corporate Reserves	199,881	104,772	104,772	104,772	104,772
Net Operating Expenditure	10,509,816	10,489,225	12,473,746	12,875,922	13,187,881
Contribution from Surplus Savings Reserve	-2,072,648	-1,426,522	-3,961,002	-1,154,087	0
Savings to be identified	0	0	0	-2,728,634	-3,823,555
ECDC Budget Requirement	8,437,168	9,062,703	8,512,744	8,993,202	9,364,327
Parish Council Precepts	2,521,330	2,584,363	2,648,972	2,715,196	2,783,076
DISTRICT BUDGET REQUIREMENT	10,958,498	11,647,066	11,161,716	11,708,398	12,147,403
<u>Financed by:</u>					
Council's share of Collection Funds Surplus/Def	191,008	-49,892	201,376	0	0
Revenue Support Grant	-11,829	-12,579	0	0	0
Locally retained Non-Domestic Rates	-3,687,369	-3,733,741	-3,223,513	-3,273,000	-3,408,893
Plus: NNDR from Renewable Energy	-674,728	-688,186	-688,186	-688,186	-688,186
COUNCIL TAX REQUIREMENT	6,775,580	7,162,668	7,451,393	7,747,212	8,050,324

	Estimate 2021-22 £	Estimate 2022-23 £	Estimate 2023-24 £	Estimate 2024-25 £	Estimate 2024-25 £
Unallocated Surplus Savings Reserve					
In hand at 1st April	7,836,516	6,541,611	5,115,089	1,154,087	0
Movement in year	-1,294,905	-1,426,522	-3,961,002	-1,154,087	0
In hand at 31st March	6,541,611	5,115,089	1,154,087	0	0

IMPLIED BAND 'D' COUNCIL TAX (District only i.e. excluding parish levies)					
Demand on Collection Fund as above	6,775,580	7,162,668	7,451,393	7,747,212	8,050,324
Less Parish Precepts as above	2,521,330	2,584,363	2,648,972	2,715,196	2,783,076
	4,254,250	4,578,305	4,802,421	5,032,016	5,267,248
Council Tax Base	29,930.0	31,115.3	31,565.8	32,022.5	32,485.8
District Council Tax - Band D	142.14	147.14	152.14	157.14	162.14

Description	Budget 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Operational Services					
Building Regulations	17,696	30,900	30,952	31,005	31,059
Civic Amenities	11,671	9,828	10,017	10,210	10,407
Climate Change	100,000	100,000	100,000	100,000	100,000
Community Projects & Grants	179,585	189,099	190,757	192,449	194,174
Community Safety	57,002	57,661	58,495	59,346	60,214
Cons. Area & Listed Buildings	60,967	64,569	65,610	66,672	67,755
Customer Services	460,037	493,405	503,558	513,915	524,480
Dog Warden Scheme	34,443	36,022	36,535	37,058	37,591
Emergency Planning	28,374	28,665	28,962	29,265	29,574
Environmental	91,486	146,705	148,956	139,375	141,964
Environmental Health	410,201	423,589	431,540	439,650	450,923
Homelessness	343,080	377,911	387,281	396,839	406,338
Information Technology	801,664	872,889	883,493	899,001	914,820
Leisure Centre	-241,113	-471,469	-649,136	-551,038	-551,038
Licencing - Env Services	2,499	11,835	8,244	4,202	-331
Marketing & Grants	70,094	73,229	42,420	42,838	43,265
Nuisances	75,315	80,306	81,836	83,396	84,988
Parish Forums	1,500	1,500	1,500	1,500	1,500
Performance Management	10,400	10,400	10,400	10,400	10,400
Pest Control	9,341	9,866	10,054	10,246	10,442
Planning	6,808	144,837	155,895	167,276	178,987
Public Relations	75,917	102,779	104,820	106,902	109,026
Recycling	1,006,700	1,040,235	1,381,351	1,407,057	1,433,277
Refuse Collection	1,201,511	1,225,541	1,250,052	1,275,053	1,300,554
Street Cleansing	703,258	717,323	731,669	746,302	761,228
Street Naming & Numbering	6,841	16,289	16,531	16,779	17,031
The Old Gaol House	0	0	0	0	0
Travellers Sites	-22,000	-21,743	-21,099	-21,167	-22,049
Tree Preservation / Landscaping	55,717	0	0	0	0
	5,558,994	5,772,171	6,000,693	6,214,531	6,346,579
Finance & Assets					
Asset Management	141,918	141,918	141,918	141,918	141,918
Award Ditches	9,006	9,186	9,370	9,557	9,748
Civic Relations	22,542	22,448	22,741	23,040	23,345
Closed Churchyards	29,668	30,261	30,866	31,483	32,113
Community Transport	15,000	15,000	15,000	15,000	15,000
Corp. Man. Policy Research / Review	274,503	159,973	162,511	165,111	167,773
Council Tax Collection Costs	423,191	423,264	439,923	456,067	467,751
Data Management	100,992	96,167	97,404	98,665	99,952
Economic Development	31,649	43,430	52,705	58,077	63,560
Finance	347,842	365,772	372,955	380,280	387,751
General Gang	82,556	87,128	88,421	89,739	91,084
Health & Safety (Work)	22,566	22,857	23,154	23,457	23,766
Housing Benefits	336,367	366,116	389,383	411,478	421,636
Housing Strategy	230,177	274,130	282,298	290,631	299,129
Human Resources (including training)	209,337	222,112	220,396	222,725	225,101
Interest & Financial Transactions	-31,859	-81,594	74,035	79,559	81,386
Internal Audit	72,822	74,278	75,764	77,280	78,826
Land Charges Admin	-41,268	-36,498	-38,076	-39,687	-41,329
Legal Services	240,531	253,764	258,323	262,973	267,716
Local Elections	22,500	22,500	22,500	22,500	22,500
Local Plans	95,000	95,000	95,000	95,000	95,000
Management Team	364,685	468,878	478,017	487,338	496,847
Markets	0	0	0	0	0
Member & Committee Support	531,290	562,984	573,994	574,713	585,648
Misc. Financial Services	761,012	715,692	722,412	783,862	846,541
Miscellaneous Properties	-45,157	-45,940	-45,973	-46,006	-46,040
NNDR Collection Costs	45,170	42,877	45,481	47,854	48,831
Out Of Hours Service	12,000	15,000	15,300	15,606	15,918
Parking of Vehicles	63,691	61,276	2,442	6,636	10,914
Parks and Open Spaces	268,562	256,893	313,698	320,639	327,718
Payroll	70,665	77,231	78,651	80,099	81,576
Public Conveniences	154,013	147,830	153,094	155,693	158,348
Registration of Electors	53,371	51,721	51,721	51,721	51,721
Reprographics	116,170	139,032	140,723	142,449	144,210
Office Accommodation	354,203	382,874	403,272	410,350	417,567
Sport & Recreation Admin	133,077	165,980	62,765	63,998	65,255
	5,517,792	5,649,540	5,832,188	6,009,805	6,178,780
Total	11,076,786	11,421,711	11,832,881	12,224,335	12,525,358

Reserve Accounts

AGENDA ITEM NO 8 Appendix 2

Description	2021/22				2022/23			
	Opening Balance 1	Transfers to Reserve	Contributions from Reserve	Forecast Balance 31	Opening Balance 1	Transfers to Reserve	Contributions from Reserve	Forecast Balance 31
	April £	£	£	March £	April £	£	£	March £
District Elections	22,500	22,500		45,000	45,000	22,500		67,500
Historic Buildings Grants	6,190			6,190	6,190			6,190
Housing Conditions Survey	45,000	5,000		50,000	50,000	5,000		55,000
Building Control	23,155			23,155	23,155			23,155
Change Management	249,223		(5,353)	243,870	243,870		0	243,870
Major Project Development	100,000			100,000	100,000			100,000
Surplus Savings Reserve	7,836,516	777,743	(2,072,648)	6,541,611	6,541,611		(1,426,522)	5,115,089
Vehicle Replacements	89,187			89,187	89,187			89,187
Sports Facilities Funding Reserve	87,722	142,127		229,849	229,849	70,151		300,000
Insurance	0			0	0			0
IT	80,000	10,000		90,000	90,000	40,000		130,000
CIL	5,223,174	4,376,757	(2,100,000)	7,499,931	7,499,931	1,200,000	(800,000)	7,899,931
CIL Admin	226,560		(50,000)	176,560	176,560	70,000	(100,000)	146,560
Care and Repair	45,000			45,000	45,000			45,000
Community Fund Reserves	30,884		(16,000)	14,884	14,884			14,884
Housing	79,547			79,547	79,547			79,547
Affordable Housing	412,510	53,200	(243,910)	221,800	221,800			221,800
General Fund Balance	1,045,629	5,353		1,050,982	1,050,982			1,050,982
Commercial Invest to Save	20,000			20,000	20,000			20,000
CLT Grant Applications	20,000			20,000	20,000			20,000
Travellers' Sites	0	40,762		40,762	40,762	48,523		89,285
Enterprise Zone NNDR	389,617	146,681		536,298	536,298	104,772		641,070
Cambridgeshire Horizons	0	3,891,500	(103,000)	3,788,500	3,788,500		(250,000)	3,538,500
Council Tax / NNDR Carry Forwards	3,105,955		(3,105,955)	0	0			0
Climate Change	39,422		(39,422)	0	0			0
Other								
Section 106 Agreements	3,358,535		(500,000)	2,858,535	2,858,535		(500,000)	2,358,535
Internal Borrowing	(11,051,229)	690,000	381,144	(9,980,085)	(9,980,085)	(2,825,950)	4,407,944	(8,398,091)
Total Reserves	11,485,097	10,161,623	(7,855,144)	13,791,576	13,791,576	(1,265,004)	1,331,422	13,857,994

Reserve Accounts

AGENDA ITEM NO 8 Appendix 2

Description	2023/24				2024/25			
	Opening Balance 1 April	Transfers to Reserve	Contributions from Reserve	Forecast Balance 31 March	Opening Balance 1 April	Transfers to Reserve	Contributions from Reserve	Forecast Balance 31 March
	£	£	£	£	£	£	£	£
District Elections	67,500	22,500		90,000	90,000	22,500		112,500
Historic Buildings Grants	6,190			6,190	6,190			6,190
Housing Conditions Survey	55,000	5,000		60,000	60,000	5,000		65,000
Building Control	23,155			23,155	23,155			23,155
Change Management	243,870		(196,393)	47,477	47,477		(40,218)	7,259
Major Project Development	100,000			100,000	100,000			100,000
Surplus Savings Reserve	5,115,089		(3,961,002)	1,154,087	1,154,087		1,154,087	2,308,174
Vehicle Replacements	89,187			89,187	89,187			89,187
Sports Facilities Funding Reserve	300,000			300,000	300,000			300,000
Insurance	0			0	0			0
IT	130,000	40,000		170,000	170,000	40,000		210,000
CIL	7,899,931	1,200,000	(800,000)	8,299,931	8,299,931	1,200,000	(800,000)	8,699,931
CIL Admin	146,560	70,000	(100,000)	116,560	116,560	70,000	(100,000)	86,560
Care and Repair	45,000			45,000	45,000			45,000
Community Fund Reserves	14,884			14,884	14,884			14,884
Housing	79,547			79,547	79,547			79,547
Affordable Housing	221,800			221,800	221,800			221,800
General Fund Balance	1,050,982	196,393		1,247,375	1,247,375	40,218		1,287,592
Commercial Invest to Save	20,000			20,000	20,000			20,000
CLT Grant Applications	20,000			20,000	20,000			20,000
Travellers' Sites	89,285	56,959		146,244	146,244	56,959		203,203
Enterprise Zone NNDR	641,070	104,772		745,842	745,842	104,772	(31,432)	819,182
Cambridgeshire Horizons	3,538,500			3,538,500	3,538,500			3,538,500
Council Tax / NNDR Carry Forwards	0			0	0			0
Climate Change	0			0	0			0
Other								
Section 106 Agreements	2,358,535		(500,000)	1,858,535	1,858,535		(500,000)	1,358,535
Internal Borrowing	(8,398,091)	0	1,423,205	(6,974,886)	(6,974,886)	0	593,205	(6,381,681)
Total Reserves	13,857,994	1,695,624	(4,134,190)	11,419,428	11,419,428	1,539,449	275,643	13,234,519

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

FEES AND CHARGES SCHEDULE 2022-23

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
<u>COMMUNITY SERVICES</u>				
BUSINESS PARKING PERMIT SCHEME				
First permit	SR	Discretionary	£50.00	£50.00
Second permit	SR	Discretionary	£55.00	£55.00
Third permit	SR	Discretionary	£60.00	£60.00
Fourth permit	SR	Discretionary	£70.00	£70.00
Market Traders	SR	Discretionary	£20.00	£20.00
CAR PARKING – ANGEL DROVE, ELY				
Cost per day (except Saturdays & Bank Holidays)	SR	Discretionary	£3.00	£3.00
Season Ticket – Weekly (6 days)	SR	Discretionary	£12.00	£12.00
Season Ticket – Quarterly	SR	Discretionary	£145.00	£145.00
Season Ticket – Annual	SR	Discretionary	£506.00	£506.00
CAR PARKING – THE DOCK, ELY				
Cost per day (except Saturdays & Bank Holidays)	SR	Discretionary	£3.00	£3.00
Season Ticket – Weekly (6 days)	SR	Discretionary	£12.00	£12.00
Season Ticket – Quarterly	SR	Discretionary	£145.00	£145.00
Season Ticket – Annual	SR	Discretionary	£506.00	£506.00
CAR PARKING – LITTLEPORT STATION				
<u>On-peak</u>				
Daily	SR	Discretionary	£1.80	£1.80
Weekly	SR	Discretionary	£5.70	£5.70
Quarterly	SR	Discretionary	£57.00	£57.00
Annual	SR	Discretionary	£205.00	£205.00
<u>Off-peak</u>				
Daily	SR	Discretionary	£0.50	£0.50
FIXED PENALTY PARKING FINES				
Excess Charge if paid within 14 days	OS	Discretionary	£50.00	£50.00
Excess Charge if paid after 14 days	OS	Discretionary	£60.00	£60.00
ELY RIVERSIDE				
Mooring Overstay Charge Notice - First 48 hours are free, with a charge applying after this period	SR	Discretionary	£100.00 (reduced to £70 if paid within 14 days)	£100.00 (reduced to £70 if paid within 14 days)
<u>DEVELOPMENT SERVICES</u>				
PLANNING PRE APPLICATION ADVICE				
Householder Schemes – Extension or works to a dwelling - General Advice on issues is FREE but comment on a particular scheme would attract a fee - Written advice only	SR	Discretionary	£42.00	£43.00

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Householder Schemes – Extension or works to a dwelling - General Advice on issues is FREE but comment on a particular scheme would attract a fee - Meeting Only	SR	Discretionary	£42.00	£43.00
Householder Schemes - Extension or works to a dwelling - General Advice on issues is FREE but comment on a particular scheme would attract a fee - Meeting and written advice	SR	Discretionary	£84.00	£86.00
Householder Schemes – Building Control Advice - Written advice only	SR	Discretionary	£23.00	£24.00
Householder Schemes – Building Control Advice - Meeting and written advice	SR	Discretionary	£45.00	£46.00
Householder Schemes – Heritage Advice – Written advice only	SR	Discretionary	£10.70	£11.00
Householder Schemes – Heritage Advice– Meeting only	SR	Discretionary	£10.70	£11.00
Householder Schemes – Heritage Advice– Meeting and written advice	SR	Discretionary	£21.00	£21.50
Householder Schemes – Follow Up Plan Checking	SR	Discretionary	FREE	FREE
Small Scale Minor Development – Residential schemes 1-2 dwellings. Other buildings up to 999sqm. Written Advice	SR	Discretionary	£150.00	£153.00
Small Scale Minor Development – Residential schemes 1-2 dwellings. Other buildings up to 999sqm. Meeting only	SR	Discretionary	£250.00	£255.00
Small Scale Minor Development – Residential schemes 1-2 dwellings. Other buildings up to 999sqm. Meeting and Written Advice	SR	Discretionary	£400.00	£408.00
Small Scale Minor Development – Subsequent Advice on Amended Schemes. Written Advice	SR	Discretionary	£75.00	£76.50
Small Scale Minor Development – Subsequent Advice on Amended Schemes. Meeting only	SR	Discretionary	£125.00	£127.50
Small Scale Minor Development – Subsequent Advice on Amended Schemes. Meeting and Written Advice	SR	Discretionary	£200.00	£204.00
Small Scale Minor Development – Building Control Advice. Written Advice	SR	Discretionary	£57.00	£58.00
Small Scale Minor Development – Building Control Advice. Meeting and Written Advice	SR	Discretionary	£120.00	£122.50
Small Scale Minor Development – Heritage Advice. Written Advice	SR	Discretionary	£32.00	£32.65
Small Scale Minor Development – Heritage Advice. Meeting only	SR	Discretionary	£32.00	£32.65
Small Scale Minor Development – Heritage Advice. Meeting and Written Advice	SR	Discretionary	£62.00	£63.00
Minor Residential Schemes 3-9 dwellings – Written Advice only	SR	Discretionary	£250.00	£255.00
Minor Residential Schemes 3-9 dwellings – Meeting only	SR	Discretionary	£350.00	£357.00
Minor Residential Schemes 3-9 dwellings – Meeting and Written Advice	SR	Discretionary	£600.00	£612.00
Minor Residential Schemes 3-9 dwellings – Subsequent Advice on Amended Schemes - Written Advice only	SR	Discretionary	£125.00	£127.50
Minor Residential Schemes 3-9 dwellings – Subsequent Advice on Amended Schemes - Meeting only	SR	Discretionary	£175.00	£178.50
Minor Residential Schemes 3-9 dwellings – Subsequent Advice on Amended Schemes - Meeting and Written Advice	SR	Discretionary	£300.00	£306.00
Minor Residential Schemes 3-9 dwellings – Building Control Advice - Written Advice only	SR	Discretionary	£104.00	£106.00
Minor Residential Schemes 3-9 dwellings – Building Control Advice - Meeting and Written Advice	SR	Discretionary	£177.00	£180.50
Minor Residential Schemes 3-9 dwellings – Heritage Advice - Written Advice only	SR	Discretionary	£62.00	£63.00

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Minor Residential Schemes 3-9 dwellings – Heritage Advice - Meeting only	SR	Discretionary	£62.00	£63.00
Minor Residential Schemes 3-9 dwellings – Heritage Advice - Meeting and Written Advice	SR	Discretionary	£125.00	£127.50
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Unaccompanied site visit – Written advice only	SR	Discretionary	£400.00	£408.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Unaccompanied site visit – Meeting only	SR	Discretionary	£450.00	£459.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm plus floor-space. Unaccompanied site visit – Meeting and Written Advice	SR	Discretionary	£850.00	£867.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Unaccompanied site visit –Advice on Amended Schemes - Written advice only	SR	Discretionary	£200.00	£204.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm plus floor-space. Unaccompanied site visit – Advice on Amended Schemes - Meeting only	SR	Discretionary	£225.00	£229.50
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Unaccompanied site visit – Advice on Amended Schemes - Meeting and Written advice	SR	Discretionary	£424.00	£432.50
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Building Control Advice - Written advice only	SR	Discretionary	£177.00	£180.50
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Building Control Advice - Meeting and Written advice	SR	Discretionary	£292.00	£298.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Heritage Advice - Written advice only	SR	Discretionary	£78.00	£80.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Unaccompanied site visit – Heritage Advice -Meeting only	SR	Discretionary	£78.00	£80.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Heritage Advice - Meeting and Written advice	SR	Discretionary	£156.00	£159.00
Large Scale Major Development – 41-99 Dwellings - Site are over 0.5ha. 5000sqm plus floor spaces - Meeting Only.	SR	Discretionary	£550.00	£561.00
Large Scale Major Development – 41-99 Dwellings - Site are over 0.5ha. 5000sqm plus floor spaces - Meeting and Written Advice	SR	Discretionary	£1,150.00	£1,173.00
Large Scale Major Residential Development – 41-99 Dwellings Site are over 0.5ha. 5000sqm plus floor spaces - Advice on Amended Schemes - Meeting Only	SR	Discretionary	£274.00	£279.50
Large Scale Major Residential Development – 41-99 Dwellings Site are over 0.5ha. 5000sqm plus floor spaces - Advice on Amended Schemes - Meeting and Written Advice	SR	Discretionary	£575.00	£586.50

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Large Scale Major Residential Development – 41-99 Dwellings - Building Control Advice - Written Advice	SR	Discretionary	£292.00	£298.00
Large Scale Major Residential Development – 41-99 Dwellings - Building Control Advice - Meeting and Written Advice	SR	Discretionary	£411.00	£419.00
Large Scale Major Residential Development – 41-99 Dwellings - Heritage Advice - Meeting Only	SR	Discretionary	£156.00	£159.00
Large Scale Major Residential Development – 41-99 Dwellings - Heritage Advice - Meeting and Written Advice	SR	Discretionary	£156.00	£159.00
Strategic Development – 100 plus dwellings or mixed use development that includes 1000sqm of non-residential floor space. Accompanied site visit.	SR	Discretionary	£1,798.00	£1,844.00
Strategic Development – 100 plus dwellings or mixed use development that includes 1000sqm of non-residential floor space. Advice on Amended Schemes	SR	Discretionary	£899.00	£917.00
Strategic Development – 100 plus dwellings or mixed use development that includes 1000sqm of non-residential floor space. Building Control Advice - Meeting and Written Advice	SR	Discretionary	£358.00	£365.00
Strategic Development – 100 plus dwellings or mixed use development that includes 1000sqm of non-residential floor space. Heritage Advice - Meeting and Written Advice	SR	Discretionary	£156.00	£159.00
High Hedge Complaint	SR	Discretionary	£468.00	£477.00
Admin Charge if we return application because information requested for validation is not provided within timescale - Householder	SR	Discretionary	£26.00	£26.50
Admin Charge if we return application because information requested for validation is not provided within timescale - Minor & Other Applications	SR	Discretionary	£52.00	£53.00
Admin Charge if we return application because information requested for validation is not provided within timescale - Major Applications	SR	Discretionary	£156.00	£159.00
Listed Building Advice for alteration or extension to a listed building or development within the curtilage if a listed building - On site Meeting (1 hour) plus written advice	SR	Discretionary	£156.00	£159.00
Listed Building Advice for alteration or extension to a listed building or development within the curtilage if a listed building - Site visit (No written advice)	SR	Discretionary	£100.00	£102.00
Registration and annual fee to be included on the register under the Self Build and Custom Housing Building Act 2015	OS	Discretionary	£21.00	£21.50
PLANNING APPLICATIONS				
See separate document for scale of fee for planning applications, determinations, certificates of lawful use or development and advertising consents				
Planning Portal Fees Legislation Link				

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
<u>BUILDING REGULATION CHARGES</u>				
TABLE 1 – Standard charges for new dwellings and flats up to 300m2 and not more than 3 storeys.				
TABLE 2 – Standard domestic charges including extensions and conversions to an existing dwelling				
TABLE 3 – Standard Charges for other work under £100,000 including				
For works over £100,000, please contact Building Control for an individual quote.				
If your building work is defined as requiring an individual determined charge, please contact us on 01353 665555, email us at bcservices@eastcamb.gov.uk				

PLEASE NOTE THAT BUILDING CONTROL FEES FOR 2022-23 WILL BE AGREED AS PART OF A SEPARATE REPORT TO OPERATIONAL SERVICES COMMITTEE

TABLE 1 – NEW DWELLINGS/FLATS & DWELLINGS/FLATS FORMED BY CHANGE OF USE				
(ALL FEE'S INCLUSIVE OF VAT UNLESS OTHERWISE STATED)				
Full Plans Application/Plan Check Fee				
1 Dwelling	SR		£226.00	
2 Dwellings	SR		£314.00	
2+ Dwellings	SR		POA	
Full Plans Application Inspection Fee				
1 Dwelling	SR		£548.00	
2 Dwellings	SR		£873.00	
2+ Dwellings	SR		POA	
Building Notice Application (NO VAT)				
1 Dwelling	OS		£727.00	
2 Dwellings	OS		£1,262.00	
2+ Dwellings	OS		POA	
Regularisation Application (No VAT)				
1 Dwelling	OS		£893.00	
2 Dwellings	OS		£1,262.00	
2+ Dwellings	OS		POA	
Electrical Check & Testing				
1 Dwelling	SR		£893.00	
2 Dwellings	SR		£1,262.00	
2+ Dwellings	SR		POA	
TABLE 2 – DOMESTIC EXTENSIONS AND CONVERSIONS				
(ALL FEE'S INCLUSIVE OF VAT UNLESS OTHERWISE STATED)				
Extension or annex with floor area not exceeding 10m1				
Full Plans Application Plan Check Fee	SR		£189.00	
Full Plans Application Inspection Fee's	SR		£340.00	
Building Notice Application	SR		£609.00	
Regularisation Application No VAT	OS		£623.00	

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Extension or annex with floor area not exceeding 10m2 Extension or annex with floor area exceeding 10m2 but not exceeding 40m2				
Full Plans Application Plan Check Fee	SR		£189.00	
Full Plans Application Inspection Fee's	SR		£454.00	
Building Notice Application	SR		£732.00	
Regularisation Application No VAT	OS		£750.00	
Extension or annex with floor area exceeding 40m2 but not exceeding 100m2				
Full Plans Application Plan Check Fee	SR		£189.00	
Full Plans Application Inspection Fee's	SR		£596.00	
Building Notice Application	SR		£888.00	
Regularisation Application No VAT	OS		£909.00	
A building or extension comprising solely of a garage, carport or store the total floor area not exceeding 60m2				
Full Plans Application Plan Check Fee	SR		£189.00	
Full Plans Application Inspection Fee's	SR		£284.00	
Building Notice Application	SR		£546.00	
Regularisation Application No VAT	OS		£543.00	
First or second floor loft conversions with a floor area not exceeding 100m2				
Full Plans Application Plan Check Fee	SR		£189.00	
Full Plans Application Inspection Fee's	SR		£355.00	
Building Notice Application	SR		£694.00	
Regularisation Application No VAT	OS		£709.00	
Garage conversion up to 60m2				
Full Plans Application Plan Check Fee	SR		£125.00	
Full Plans Application Inspection Fee's	SR		£291.00	
Building Notice Application	SR		£396.00	
Regularisation Application No VAT	OS		£408.00	
Electrical Check & Testing			£228.00	
The charges in Table 2 apply to extensions, garages and conversions only. Where it is intended to carry out other alterations at the same time as the extension, the charges outlined in Table 3 will also apply.				
TABLE 3 – DOMESTIC ALTERATIONS				
(ALL FEE'S INCLUSIVE OF VAT UNLESS OTHERWISE STATED)				
Renovation of a thermal element				
Full Plans Application Plan Check fee	SR		£143.00	
Plan Check fee Full Plans Application	SR		£0.00	
Building Notice Application	SR		£142.00	
Regularisation Application No VAT	OS		£160.00	
Replacement of windows, roof lights, roof windows or external glazed doors				
Full Plans Application Plan Check fee	SR		£113.00	
Plan Check fee Full Plans Application	SR		£0.00	
Building Notice Application	SR		£113.00	
Regularisation Application No VAT	OS		£127.00	
Replacement Boiler/New wood burner				
Full Plans Application Plan Check fee	SR		£143.00	
Plan Check fee Full Plans Application	SR		£0.00	

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Building Notice Application	SR		£143.00	
Regularisation Application No VAT	OS		£160.00	
Renewable Energy systems/installation of wood burner				
Full Plans Application Plan Check fee	SR		£143.00	
Plan Check fee Full Plans Application	SR		£0.00	
Building Notice Application	SR		£143.00	
Regularisation Application No VAT	OS		£160.00	
Alterations with a cost up to £5,000				
Full Plans Application Plan Check fee	SR		£254.00	
Plan Check fee Full Plans Application	SR		£0.00	
Building Notice Application	SR		£255.00	
Regularisation Application No VAT	OS		£287.00	
Alterations exceeding £5,000 but not exceeding £10,000				
Full Plans Application Plan Check fee			£188.00	
Plan Check fee Full Plans Application			£198.00	
Building Notice Application			£411.00	
Regularisation Application No VAT			£472.00	
Alterations exceeding £10,000 but not exceeding £20,000				
Full Plans Application Plan Check fee	SR		£188.00	
Plan Check fee Full Plans Application	SR		£325.00	
Building Notice Application	SR		£538.00	
Regularisation Application No VAT	OS		£606.00	
Alterations exceeding £20,000 but not exceeding £50,000				
Full Plans Application Plan Check fee	SR		£188.00	
Plan Check fee Full Plans Application	SR		£411.00	
Building Notice Application	SR		£686.00	
Regularisation Application No VAT	OS		£701.00	
Alterations exceeding £50,000 but not exceeding £100,000				
Full Plans Application Plan Check fee	SR		£188.00	
Plan Check fee Full Plans Application	SR		£532.00	
Building Notice Application	SR		£819.00	
Regularisation Application No VAT	OS		£837.00	
Electrical work up to a value of £10,000				
Full Plans Application Plan Check fee	SR		£238.00	
Plan Check fee Full Plans Application	SR		£0.00	
Building Notice Application	SR		£238.00	
Regularisation Application No VAT	OS		£303.00	
Drainage works with a cost up to £5,000				
Full Plans Application Plan Check fee	SR		£143.00	
Plan Check fee Full Plans Application	SR		£0.00	
Building Notice Application	SR		£142.00	
Regularisation Application No VAT	OS		£160.00	
Electrical Check & Testing				
			£228.00	

The new Service Lead in Building Control is currently undertaking a full review of charges and will report back his findings in due course, it remains the intention to implement any approved changes by the 1st April 2021

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
STREET NAMING & NUMBERING				
Property name additions/amendments/removals	OS	Discretionary	£52.00	£53.00
Naming of new streets	OS	Discretionary	£156.00	£159.00
Numbering of new properties				
1 property	OS	Discretionary	£52.00	£53.00
2 – 5 properties	OS	Discretionary	£78.00	£80.00
6 – 10 properties	OS	Discretionary	£104.00	£106.00
11 – 25 properties	OS	Discretionary	£156.00	£159.00
26 – 50 properties	OS	Discretionary	£260.00	£265.00
51 – 100 properties	OS	Discretionary	£416.00	£424.00
101 + properties	OS	Discretionary	£520.00	£530.00
			Plus £10.50 per property over 101	Plus £10.50 per property over 101
Division of properties – same as numbering of new properties (and based on number of properties created including the original)	OS	Discretionary	See numbering of new properties	See numbering of new properties
Confirmation of address to solicitors / conveyancers / occupiers or owners	OS	Discretionary	£26.00	£26.50
Renumbering of scheme following development replan (after notification of numbering scheme issued)	OS	Discretionary	£102.00 + £10 per property	£102.00 + £10 per property
Address issued/confirmed when replacement property built (as the original address will have been removed following the demolition as address may be different to original property) reactivation of address	OS	Discretionary	£52 per property	£52 per property
1 st set of nameplates erected for each new street if one nameplate required	OS	Discretionary	£234.00	£238.70
1 st set of nameplates erected for each new street if two nameplates required	OS	Discretionary	£338.00	£345.00
For each additional nameplate that is required to be erected at other junctions and entrances onto the new street	OS	Discretionary	£104.00	£106.00
Challenges/requests/revisions to existing street naming and numbering schemes	OS	Discretionary		
E-SPACE BUSINESS CENTRES				
Ely – Annual rental charge per square foot (effective for new leases and on renewals)	SR	Discretionary	£31.00	£31.70
Littleport – Annual rental charge per square foot (effective on new leases and on renewals)	SR	Discretionary	£20.50	£21.00
PHOTOCOPYING CHARGES				
Up to 10 A4 pages	SR	Discretionary	No charge	No charge
11 A4 pages and over	SR	Discretionary	£1.20 plus 10p per copy	£1.20 plus 10p per copy
A3 copies (2xA4)	SR	Discretionary	As above plus 20p per copy	As above plus 20p per copy
A2 copies (4xA4)	SR	Discretionary	As above plus 40p per copy	As above plus 40p per copy
A1 copies (8xA4)	SR	Discretionary	As above plus 80p per copy	As above plus 80p per copy
Copy of Building Control Completion Certificate			£10.40	£10.60

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
<u>ENVIRONMENTAL SERVICES</u>				
Safer Food Better Business Mentoring Scheme	SR	Discretionary	£50 per hour	£50 per hour
Re-rating inspection fee for food business	OS	Discretionary	£135.00	£137.00
HYPNOTISM				
Daily permit to stage a show	OS	Discretionary	£93.00	£93.00
GAMBLING ACT 2005				
Casino Premises Licence - Regional				
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£8,000.00	£8,000.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£15,000.00	£15,000.00
Annual fee	OS	Statutory	£15,000.00	£15,000.00
Fee for application to vary licence	OS	Statutory	£7,500.00	£7,500.00
Fee for application to transfer licence	OS	Statutory	£6,500.00	£6,500.00
Fee for application for reinstatement of a licence	OS	Statutory	£6,500.00	£6,500.00
Fee for application for provisional statement	OS	Statutory	£15,000.00	£15,000.00
Casino Premises Licence - Large				
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£5,000.00	£5,000.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£10,000.00	£10,000.00
Annual fee	OS	Statutory	£10,000.00	£10,000.00
Fee for application to vary licence	OS	Statutory	£5,000.00	£5,000.00
Fee for application to transfer licence	OS	Statutory	£2,150.00	£2,150.00
Fee for application for reinstatement of a licence	OS	Statutory	£2,150.00	£2,150.00
Fee for application for provisional statement	OS	Statutory	£10,000.00	£10,000.00
Casino Premises Licence - Small				
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£3,000.00	£3,000.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£8,000.00	£8,000.00
Annual fee	OS	Statutory	£5,000.00	£5,000.00
Fee for application to vary licence	OS	Statutory	£4,000.00	£4,000.00
Fee for application to transfer licence	OS	Statutory	£1,800.00	£1,800.00
Fee for application for reinstatement of a licence	OS	Statutory	£1,800.00	£1,800.00
Fee for application for provisional statement	OS	Statutory	£8,000.00	£8,000.00
Casino Premises Licence - Converted				
Maximum conversion application fee for non fast track application	OS	Statutory	£2,000.00	£2,000.00
Annual fee	OS	Statutory	£3,000.00	£3,000.00
Fee for application to vary licence	OS	Statutory	£2,000.00	£2,000.00
Fee for application to transfer licence	OS	Statutory	£1,350.00	£1,350.00
Fee for application for reinstatement of a licence	OS	Statutory	£1,350.00	£1,350.00
Bingo Premises Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,750.00	£1,750.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£1,200.00	£1,200.00

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Maximum non conversion application fee in respect of other premises	OS	Statutory	£3,500.00	£3,500.00
Annual fee	OS	Statutory	£1,000.00	£1,000.00
Fee for application to vary licence	OS	Statutory	£1,750.00	£1,750.00
Fee for application to transfer licence	OS	Statutory	£1,200.00	£1,200.00
Fee for application for reinstatement of a licence	OS	Statutory	£1,200.00	£1,200.00
Fee for application for provisional statement	OS	Statutory	£3,500.00	£3,500.00
Adult Gaming Premises Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,000.00	£1,000.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£1,200.00	£1,200.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£2,000.00	£2,000.00
Annual fee	OS	Statutory	£1,000.00	£1,000.00
Fee for application to vary licence	OS	Statutory	£1,000.00	£1,000.00
Fee for application to transfer licence	OS	Statutory	£1,200.00	£1,200.00
Fee for application for reinstatement of a licence	OS	Statutory	£1,200.00	£1,200.00
Fee for application for provisional statement	OS	Statutory	£2,000.00	£2,000.00
Betting Premises (Track) Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,250.00	£1,250.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£950.00	£950.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£2,500.00	£2,500.00
Annual fee	OS	Statutory	£1,000.00	£1,000.00
Fee for application to vary licence	OS	Statutory	£1,250.00	£1,250.00
Fee for application to transfer licence	OS	Statutory	£950.00	£950.00
Fee for application for reinstatement of a licence	OS	Statutory	£950.00	£950.00
Fee for application for provisional statement	OS	Statutory	£2,500.00	£2,500.00
Family Entertainment Centre Premises Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,000.00	£1,000.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£950.00	£950.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£2,000.00	£2,000.00
Annual fee	OS	Statutory	£750.00	£750.00
Fee for application to vary licence	OS	Statutory	£1,000.00	£1,000.00
Fee for application to transfer licence	OS	Statutory	£950.00	£950.00
Fee for application for reinstatement of a licence	OS	Statutory	£950.00	£950.00
Fee for application for provisional statement	OS	Statutory	£2,000.00	£2,000.00
Betting Premises (Other) Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,500.00	£1,500.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£1,200.00	£1,200.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£3,000.00	£3,000.00
Annual fee	OS	Statutory	£600.00	£600.00

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Fee for application to vary licence	OS	Statutory	£1,500.00	£1,500.00
Fee for application to transfer licence	OS	Statutory	£1,200.00	£1,200.00
Fee for application for reinstatement of a licence	OS	Statutory	£1,200.00	£1,200.00
Fee for application for provisional statement	OS	Statutory	£3,000.00	£3,000.00
Temporary Use Notices				
Temporary Use Notice fee	OS	Statutory	£500.00	£500.00
Replacement of an endorsed copy	OS	Statutory	£25.00	£25.00
All premises licences				
Change of circumstances fee	OS	Statutory	£50.00	£50.00
Fee for a copy licence	OS	Statutory	£25.00	£25.00
GAMBLING ACT 2005 PERMITS				
Family Entertainment Centre Gaming Machine Permit				
Application fee	OS	Statutory	£300.00	£300.00
Renewal	OS	Statutory	£300.00	£300.00
Change of name	OS	Statutory	£25.00	£25.00
Copy of permit	OS	Statutory	£15.00	£15.00
Club Gaming Permits				
Application fee - holder of club premises certificate or holder of existing Pt 2 or 3 registration under Gaming Act 1968	OS	Statutory	£100.00	£100.00
Application fee – non club premises certificate holder	OS	Statutory	£200.00	£200.00
Renewal after 10 years	OS	Statutory	£200.00	£200.00
Copy of permit	OS	Statutory	£15.00	£15.00
Variation	OS	Statutory	£100.00	£100.00
Club Machine Permits				
Application fee - holder of club premises certificate or holder of existing Pt 2 or 3 registration under Gaming Act 1968	OS	Statutory	£100.00	£100.00
Application fee – non club premises certificate holder	OS	Statutory	£200.00	£200.00
Renewal after 10 years	OS	Statutory	£200.00	£200.00
Copy of permit	OS	Statutory	£15.00	£15.00
Variation	OS	Statutory	£100.00	£100.00
Alcohol Licensed Premises – 2 or less machines				
Notification fee	OS	Statutory	£50.00	£50.00
Alcohol Licensed Premises – more than 2 machines				
Application fee	OS	Statutory	£150.00	£150.00
Annual fee	OS	Statutory	£50.00	£50.00
Change of name	OS	Statutory	£25.00	£25.00
Copy of permit	OS	Statutory	£15.00	£15.00
Variation	OS	Statutory	£100.00	£100.00
Transfer	OS	Statutory	£25.00	£25.00
Prize Gaming Permits (pubs)				
Application fee	OS	Statutory	£300.00	£300.00
Renewal	OS	Statutory	£300.00	£300.00
Change of name	OS	Statutory	£25.00	£25.00
Copy of permit	OS	Statutory	£15.00	£15.00

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Registration Of Small Society Lotteries				
Lottery registration	OS	Statutory	£40.00	£40.00
Lottery renewals	OS	Statutory	£20.00	£20.00
HACKNEY CARRIAGE AND PRIVATE HIRE FEES				
New Driver Licence Application for 12 months				
Joint Hackney Carriage <u>and</u> Private Hire (incl. 1st knowledge test)	OS	Discretionary	£217.00	£217.00
Knowledge Test Re-sit	OS	Discretionary	£20.00	£20.00
Renewal of Driver Licence Application for 12 months				
Joint Hackney Carriage <u>and</u> Private Hire	OS	Discretionary	£175.00	£175.00
New Driver Licence Application for 36 months				
Joint Hackney Carriage <u>and</u> Private Hire (incl. 1st knowledge test)	OS	Discretionary	£567.00	£567.00
Renewal of Driver Licence Application for 36 months				
Joint Hackney Carriage <u>and</u> Private Hire	OS	Discretionary	£570.00	£570.00
General driver fees				
Three yearly Criminal Records Bureau disclosure		Discretionary	£49.00	£49.00
DVLA check		Discretionary	£5.00	£5.00
New Vehicle (Plate) Licence Application				
Private Hire Vehicle Licence – 1 year	OS	Discretionary	£250.00	£250.00
Hackney Carriage Vehicle Licence – 1 year	OS	Discretionary	£250.00	£250.00
Renewal Vehicle (Plate) Licence Application				
Private Hire Vehicle Licence – 1 year	OS	Discretionary	£250.00	£250.00
Hackney Carriage Vehicle Licence – 1 year	OS	Discretionary	£250.00	£250.00
Transfer of Vehicle Plate/licence				
Private Hire	OS	Discretionary	£35.00	£35.00
Hackney Carriage	OS	Discretionary	£25.00	£25.00
Variation of Vehicle Plate/licence				
Private Hire	OS	Discretionary	£35.00	£35.00
Hackney Carriage	OS	Discretionary	£25.00	£25.00
Private Hire Operator's Licence				
New & Renewal - 1 year - Single vehicle	OS	Discretionary	£126.00	£126.00
New & Renewal - 1 year - 2 to 5 vehicles	OS	Discretionary	£156.00	£156.00
New & Renewal - 1 year - 6 to 10 vehicles	OS	Discretionary	£186.00	£186.00
New & Renewal - 1 year - 11 + vehicles	OS	Discretionary	£216.00	£216.00
New & Renewal - 5 year - Single vehicle	OS	Discretionary	£627.00	£627.00
New & Renewal - 5 year - 2 to 5 vehicles	OS	Discretionary	£737.00	£737.00
New & Renewal - 5 year - 6 to 10 vehicles	OS	Discretionary	£847.00	£847.00
New & Renewal - 5 year - 11 + vehicles	OS	Discretionary	£957.00	£957.00
Replacement Items (charge applicable per licence)				
Joint P/H & H/C Licence	OS	Discretionary	£10.50	£10.50
P/H or H/C Vehicle Licence	OS	Discretionary	£10.50	£10.50
Private Hire Operator Licence	OS	Discretionary	£10.50	£10.50
Joint P/H and H/C Driver Badge/ID	OS	Discretionary	£10.50	£10.50
P/H or H/C Vehicle Plate	OS	Discretionary	£20.00	£20.00
Joint P/H and H/C Driver change of address	OS	Discretionary	£10.50	£10.50

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
P/H and H/C Vehicle change of address	OS	Discretionary	£10.50	£10.50
Theft, loss etc of a licence	OS	Discretionary	£10.50	£10.50
Replacement door sticker	OS	Discretionary	£6.00	£6.00
DBS update service check	OS	Discretionary	£5.00	£5.00
Knowledge test re-sit fee	OS	Discretionary	£20.00	£20.00
DBS enhanced check (where no DBS update service option available)	OS	Discretionary	£49.00	£49.00
DVLA licence check	OS	Discretionary	£5.00	£5.00
PARK HOMES / CARAVAN SITES / MOBILE HOMES				
Costs of New Applications				
1-5 pitches	OS	Discretionary	£216.00	£220.00
6-10 pitches	OS	Discretionary	£237.00	£241.75
11-20 pitches	OS	Discretionary	£237.00	£241.75
21-50 pitches	OS	Discretionary	£256.00	£261.00
51-100 pitches	OS	Discretionary	£276.00	£281.50
Greater than 100 pitches	OS	Discretionary	£276.00	£281.50
Annual Inspection Fees				
1-5 pitches	OS	Discretionary	nil	nil
6-10 pitches	OS	Discretionary	£234.00	£238.70
11-20 pitches	OS	Discretionary	£234.00	£238.70
21-50 pitches	OS	Discretionary	£234.00	£238.70
51-100 pitches	OS	Discretionary	£274.00	£279.50
Greater than 100 pitches	OS	Discretionary	£274.00	£279.50
Cost of Laying Site Rules	OS	Discretionary	£28.56	£29.00
Cost of Variation / Transfer	OS	Discretionary	£104.04	£106.00
ZOO LICENCE				
New establishment (excl. VET fees)	OS	Discretionary	£2,415.00	£2,415.00
Renewal (excl. VET fees)	OS	Discretionary	£2,070.00	£2,070.00
Theft, loss etc of a licence	OS	Discretionary	£10.50	£10.50
Change of name on licence	OS	Discretionary	£10.50	£10.50
Change of licence details	OS	Discretionary	£10.50	£10.50
ANIMAL WELFARE LICENCE				
Animal Welfare Licence - New and renewal applications	OS	Discretionary	£290.00 - £2,490	£290.00 - £2,490
Re-rating inspection fee	OS	Discretionary	£72.00 - £168.00	£72.00 - £168.00
Variation requiring inspection	OS	Discretionary	£72.00 - £168.00	£72.00 - £168.00
Copy licence, change of details not requiring inspection	OS	Discretionary	£10.50	£10.50
DANGEROUS WILD ANIMALS (2 YR LICENCE)				
New establishment (excl. VET fees)	OS	Discretionary	£648.00	£648.00
Renewal applications (excl. VET fees)	OS	Discretionary	£648.00	£648.00
Theft, loss etc of a licence	OS	Discretionary	£10.50	£10.50
Change of name on licence	OS	Discretionary	£10.50	£10.50
Change of licence details	OS	Discretionary	£10.50	£10.50
STRAY DOGS				
Stray Dog Collection - per dog	OS	Statutory	£25.00	£25.00

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Kennelling Charge per night/or few hours	OS	Discretionary	£16.50	£16.80
Stray dog collection (anytime)	OS	Discretionary	£51.00	£52.00
Transfer to Woodgreen	OS	Discretionary	£41.00	£42.00
Admin Fee	OS	Discretionary	£10.20	£10.40
PRIVATE WATER SUPPLY SAMPLING				
Risk Assessment (each assessment) - officer hourly rate x time taken up to a maximum fee	OS	Discretionary	Max £500.00	Max £500.00
Sampling (each visit) - officer hourly rate x time taken up to a maximum fee	OS	Discretionary	Max £100.00	Max £100.00
Investigation (each investigation) - officer hourly rate x time taken up to a maximum fee	OS	Discretionary	Max £100.00	Max £100.00
Granting an authorisation (each authorisation) - officer hourly rate x time taken up to a maximum fee	OS	Discretionary	Max £100.00	Max £100.00
Analysing a sample				
Taken under Regulation 10 - officer hourly rate x time taken up to a maximum fee	OS	Discretionary	Max £25.00	Max £25.00
Taken during check monitoring - officer hourly rate x time taken up to a maximum fee	OS	Discretionary	Max £100.00	Max £100.00
Taken during audit monitoring - officer hourly rate x time taken up to a maximum fee	OS	Discretionary	Max £500.00	Max £500.00
IMMIGRATION HOUSING INSPECTIONS				
Production of housing condition reports	OS	Discretionary	£110.00	£115.00
LICENSING OF HOUSES IN MULTIPLE OCCUPATION				
Mandatory licence for 5 years	OS	Discretionary	£320.00	£330.00
SKIN PIERCING (ACUPUNCTURE,TATTOING, PERMANENET AND SEMI PERMANENT SKIN COLOURING)				
Premises	OS	Discretionary	£190.00	£193.80
Per Individual	OS	Discretionary	£190.00	£193.80
Amendment of Export health or skin piercing certificate	OS	Discretionary	£10.50	£10.70
SEX ESTABLISHMENTS				
Application	OS	Discretionary	£3,761.00	£3,761.00
Renewal	OS	Discretionary	£1,880.50	£1,880.50
Variation	OS	Discretionary	£1,880.50	£1,880.50
Transfer	OS	Discretionary	£1,880.50	£1,880.50
Theft, loss etc of a licence	OS	Discretionary	£10.50	£10.50
TRAVELLER SITE RENTS				
Earith Bridge – Site Rent per week	EX	Discretionary	£85.00	£85.00
Earith Bridge – Water & Waste Charge per week	EX	Discretionary	£10.00	£10.00
Wentworth – Site Rent per week	EX	Discretionary	£85.00	£85.00
Wentworth – Water & Waste Charge per week	EX	Discretionary	£10.00	£10.00
STREET TRADING				
Street Trading - Consent - Annual	OS	Discretionary	£520.00 - £1,040.00	£520.00 - £1,040.00
Street Trading– Consent - Daily Permit	OS	Discretionary	£15.00 - £30.00	£15.00 - £30.00
Street Trading - Consent - Transfer	OS	Discretionary	£48.00	£48.00
Street Trading Consent - Event	OS	Discretionary	£20.00 - £500.00	£20.00 - £500.00

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
THE POLLUTION PREVENTION & CONTROL ACT 1990 ENVIRONMENTAL PERMITTING REGULATIONS 2010 See link for nationally set figures Environment Permitting Regulations		Statutory		
LICENSING ACT 2003				
Personal Licence				
Application for a grant of a personal licence	OS	Statutory	£37.00	£37.00
Theft, loss etc of a personal licence	OS	Statutory	£10.50	£10.50
Temporary Event Notices				
Temporary & Late Temporary Event Notices	OS	Statutory	£21.00	£21.00
Theft, loss etc of Temporary Event Notice	OS	Statutory	£10.50	£10.50
Premises Licence				
Application for transfer of a premises licence	OS	Statutory	£23.00	£23.00
Theft, loss etc of premises licence	OS	Statutory	£10.50	£10.50
Loss of premises summary	OS	Statutory	£10.50	£10.50
Application to vary licence to specify individual as designated premises supervisor (DPS)	OS	Statutory	£23.00	£23.00
Application to dis-apply designated premises supervisor (DPS) on community premises	OS	Statutory	£23.00	£23.00
Club Premises				
Change of relevant registered address of club	OS	Statutory	£10.50	£10.50
Notification of change of name or alteration of club rules	OS	Statutory	£10.50	£10.50
Theft, loss etc of club certificate	OS	Statutory	£10.50	£10.50
General				
Minor variation to a premises licence or club premises certificate	OS	Statutory	£89.00	£89.00
Notification of change of name or address	OS	Statutory	£10.50	£10.50
Duty to notify change of name or address	OS	Statutory	£10.50	£10.50
Application fee for a provisional statement where premises being built	OS	Statutory	£315.00	£315.00
Interim authority notice following death etc of licence holder	OS	Statutory	£23.00	£23.00
Right of freeholder etc to be notified of licensing matters	OS	Statutory	£21.00	£21.00
New Premises Licence Applications And Variations For Premises And Club Premises Licences				
Band A	OS	Statutory	£100.00	£100.00
Band B	OS	Statutory	£190.00	£190.00
Band C	OS	Statutory	£315.00	£315.00
Band D	OS	Statutory	£450.00	£450.00
Band D when primary business Alcohol Sales x 2	OS	Statutory	£900.00	£900.00
Band E	OS	Statutory	£635.00	£635.00
Band E when primary business Alcohol Sales x 3	OS	Statutory	£1,905.00	£1,905.00

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Premises Annual Renewal				
Band A	OS	Statutory	£70.00	£70.00
Band B	OS	Statutory	£180.00	£180.00
Band C	OS	Statutory	£295.00	£295.00
Band D	OS	Statutory	£320.00	£320.00
Band D when primary business Alcohol Sales x 2	OS	Statutory	£640.00	£640.00
Band E	OS	Statutory	£350.00	£350.00
Band E when primary business Alcohol Sales x 3	OS	Statutory	£1,050.00	£1,050.00
Additional Fees For Large Venues And Events				
Number in attendance at any one time				
5,000 – 9,999	OS	Statutory	£1,000.00	£1,000.00
10,000 – 14,999	OS	Statutory	£2,000.00	£2,000.00
15,000 – 19,999	OS	Statutory	£4,000.00	£4,000.00
20,000 – 29,999	OS	Statutory	£8,000.00	£8,000.00
30,000 – 39,999	OS	Statutory	£16,000.00	£16,000.00
40,000 – 49,999	OS	Statutory	£24,000.00	£24,000.00
50,000 – 59,999	OS	Statutory	£32,000.00	£32,000.00
60,000 – 69,999	OS	Statutory	£40,000.00	£40,000.00
70,000 – 79,999	OS	Statutory	£48,000.00	£48,000.00
80,000 – 89,999	OS	Statutory	£56,000.00	£56,000.00
90,000 and over	OS	Statutory	£64,000.00	£64,000.00
SCRAP METAL DEALER LICENCE				
Initial Site Licence Fee	OS	Discretionary	£732.00	£732.00
Site Licence Renewal	OS	Discretionary	£600.00	£600.00
Initial Collectors Licence Fee	OS	Discretionary	£560.00	£560.00
Collectors Licence renewal.	OS	Discretionary	£450.00	£450.00
Variation for both licences.	OS	Discretionary	£120.00	£120.00
Theft, loss etc of a licence	OS	Discretionary	£10.50	£10.50
WASTE				
Bulky Waste				
Up to three household items	OS	Discretionary	£26.00	£26.50
Fridge or freezer	OS	Discretionary	£26.00	£26.50
Initial cost of bins for new residential properties (this is for each bin provided)	OS	Discretionary	£26.00	£26.50
Annual Garden Waste Wheeled Bin Licence - this is for an additional bin	OS	Discretionary	£50.00	£50.00
Delivery and Administration Charge for additional blue bin (one off charge)	SR	Discretionary	£26.00	£26.50
Fly Tipping Fee	OS	Statutory	£400.00	£400.00
ENVIRONMENTAL PROTECTION ACT PERMIT				
EXPORT CERTIFICATE OF HEALTH	OS	Discretionary	£99.00	£100.00
Amendment of Export Heath Certificate	OS	Discretionary	£10.00	£10.50
<u>FACILITIES MANAGEMENT</u>				
GARAGE RENTS – ST JOHNS ROAD, ELY				
Monthly charge	SR	Discretionary	29.76 (Including VAT) plus RPI as at 1.1.21	30.18 (Including VAT) plus RPI as at 1.1.22

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
<u>LEGAL SERVICES</u>				
LLC1 ONLY	OS	Discretionary	£22.40	£22.85
CON29(R) ONLY	SR	Discretionary	£133.10	£135.75
STANDARD SEARCH - LLC1 AND CON29(R)	SR/OS	Discretionary	£155.50	£158.60
CON29 OPTIONAL ENQUIRIES				
Q4 Road proposal by private bodies	SR	Discretionary	£10.70	
Q5. Advertisements	SR	Discretionary	£10.70	£10.90
Q6 Completion Notices	SR	Discretionary	£14.00	£14.30
Q7 Parks and Countryside	SR	Discretionary	£10.70	£10.90
Q8 Pipelines	SR	Discretionary	£3.60	£3.70
Q9 Houses in Multiple Occupation	SR	Discretionary	£3.60	£3.70
Q10 Noise Abatement	SR	Discretionary	£3.10	£3.20
Q11 Urban Development Areas	SR	Discretionary	£10.70	£10.90
Q12 Enterprise Zones, Local Development Orders and BIDS	SR	Discretionary	£3.60	£3.70
Q13 Inner Urban Improvement Areas	SR	Discretionary	£3.60	£3.70
Q14 Simplified Planning Zones	SR	Discretionary	£10.70	£10.90
Q15 Land Maintenance Notices	SR	Discretionary	£10.70	£10.90
Q16 Mineral Consultation and Safeguarding Areas	SR	Discretionary	£5.10	£5.20
Q17 Hazardous Substance Consents	SR	Discretionary	£10.70	£10.90
Q18 Environmental and Pollution Notices	SR	Discretionary	£3.60	£3.70
Q19 Food Safety Notices	SR	Discretionary	£8.10	£8.30
Q20 Hedgerow Notices	SR	Discretionary	£3.60	£3.70
Q21 Flood Defence and Land Drainage Consents	SR	Discretionary	£5.30	£5.40
Q22 Common Land and Town or Village Green	SR	Discretionary	£10.50	£10.70
Additional Enquiries				
Additional Parcels of land	SR	Discretionary	£14.40	£14.70
Q24 Typed Enquiries	SR	Discretionary	£7.20	£7.35
CON29 ENQUIRIES				
1.1a-i Planning and Building Decisions and Pending			Total £9.90	£10.10
1.1 j-l Planning and Building Decisions and Pending			Total £4.10	£4.30
1.2 Planning designations and proposals			Total £0.95	£1.00
2.1 to 2.5 Roadways and footpaths			HIGHWAYS	HIGHWAYS
3.1 Other Matters - Is the property included in land required for public purposes	SR	Discretionary	Total £3.90	£4.00
3.2 Other Matters - Is the property included in land required for road works	SR	Discretionary	HIGHWAYS	HIGHWAYS
3.3 Drainage Matters			Total £2.90	£3.00
3.4 Nearby Road Schemes			HIGHWAYS	HIGHWAYS
3.5 Nearby Railway Schemes			HIGHWAYS	HIGHWAYS
3.6 Traffic Schemes			HIGHWAYS	HIGHWAYS
3.7 Outstanding Notices (a) (b) (c) (d) & (f) only			Total £6.40	£6.50
3.8 Contravention of Building Regulations			Total £2.70	£2.80
3.9 Notices, Orders, Direction and Proceedings under			Total £4.80	£4.80
3.10 Community Infrastructure Levy (CIL)			Total £7.90	£8.00
3.11 Conservation Area			Total £4.10	£4.20
3.12 Compulsory Purchase			Total £4.10	£4.20
3.13 Contaminated Land			Total £0.95	£1.00
3.14 Radon Gas			Total £1.90	£2.00
3.15 Assets of Community Value			Total £5.30	£5.40

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
REGISTER OF ELECTORS				
Sale of Copies of Register of Electors				
Data Form per 1000 electors or part of	OS	Statutory	£20.00 plus £1.50	£20.00 plus £1.50
Printed Form per 1000 electors or part of	OS	Statutory	£10.00 plus £5.00	£10.00 plus £5.00
List of Overseas Electors				
Data Form per 1000 electors or part of	OS	Statutory	£20.00 plus £1.50	£20.00 plus £1.50
Printed Form per 1000 electors or part of	OS	Statutory	£10.00 plus £5.00	£10.00 plus £5.00
LEGAL WORK				
Section 106 Agreements & Variations				
Hourly rates ***				
Legal Services Manager/Planning Solicitor	OS	Discretionary	£158.00	£161.00
Legal Assistant	OS	Discretionary	£128.00	£130.60
Senior Legal Assistant	OS	Discretionary	£138.00	£141.00
Land Charges Officer & Paralegal/Paralegal	OS	Discretionary	£52.00	£53.00
Information Officer	OS	Discretionary	£57.00	£58.00
Simple S106 - Standard Charge	OS	Discretionary	£1,122.00	£1,145.00
Easements (e.g. Car parking verges etc)				
Simple	OS	Discretionary	£710.00	£720.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***
Conveyancing (e.g. POS, small parcels of land, small leases & Licences, etc)				
Simple	OS	Discretionary	£710.00	£720.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***
Release of restrictive covenant				
Simple	OS	Discretionary	£710.00	£720.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***
Miscellaneous Deeds				
Simple	OS	Discretionary	£710.00	£720.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***
Prosecutions				
Car Parking	OS	Discretionary	£105 plus Legal Officer presentation time at court and disbursements – i.e. if have to travel to Court	£108 plus Legal Officer presentation time at court and disbursements – i.e. if have to travel to Court
Licence - Garage at St John's Road	OS	Discretionary	£115.00	£117.00
All prosecutions			See hourly rates above***	See hourly rates above***
Miscellaneous removal of charge from property	OS	Discretionary	£115.00	£117.00

Description	VAT code	Discretionary or Statutory	Charge for 2021/22	Charge for 2022/23
Mortgages Redemptions	OS	Discretionary	£230.00	£235.00
Civil Cases	OS	Discretionary	See hourly rates above***	See hourly rates above***

Capital Programme 2021/22 to 2025/26

CAPITAL BUDGET	Projected Spend 2021/22 £	Proposed Budget 2022/23 £	Proposed Budget 2023/24 £	Proposed Budget 2024/25 £	Proposed Budget 2025/26 £
Operational Services					
Refuse Vehicles		2,000,000			
Waste Bins	45,238	40,000	40,000	40,000	40,000
Conservation Area Schemes - 2nd round	27,506				
Mandatory Disabled Facilities Grants (DFG)	500,000	1,347,087	697,299	697,299	697,299
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	30,000	75,000	75,000	75,000	75,000
Vehicle Etc. Replacements	64,000	29,000	29,000	29,000	29,000
Operational Services Total	666,744	3,491,087	841,299	841,299	841,299
Finance and Assets					
A14 Contribution	40,000	40,000	40,000	40,000	40,000
Depot	20,000	825,950			
Extension to Ely Country Park	163,200				
E-Space North, Solar Panels		50,000			
EC CLT Loan	390,000				
Finance and Assets Total	613,200	915,950	40,000	40,000	40,000
Capital Programme Total	1,279,944	4,407,037	881,299	881,299	881,299

Refuse Vehicles

The Council purchases and then hires to East Cambs Street Scene refuse vehicles to be used to undertake the refuse contract for the Council. A large number of vehicles are planned to be purchased in 2022/23 as the vehicles purchased with the Weekly Collection Grant have now reach the end of their economic life. It had previously been planned to purchase these vehicles in 2020/21, but Government are currently developing their Waste strategy, so purchases have been delayed to ensure that the vehicles purchased address the needs placed upon the Council by this revised Strategy.

Waste Bins

As the number of residential houses increase within the District, the Council is required to purchase wheeled bins for these properties.

Conservation Area Schemes

This scheme is for the Steeple Row enhancement, led by Ely Perspective for public realm improvements in the Steeple Row area. The remaining balance is required to provide partnership funding towards a larger Heritage Lottery Scheme currently being worked on by Ely Cathedral for enhancements to the entire cathedral precinct.

Mandatory Disabled Facilities Grants

These grants are provided to enable disabled people, including children, to remain in their own home. Due to an ageing population, the demand for this type of grant is likely to increase and capital funding will need to continue to enable the Council to meet this statutory function. The majority if funded from Government grant from the Better Care Fund. The projected spend in 2021-22 includes an underspend from 2020-21 when the amount of work undertaken was impacted by the Covid-19 pandemic.

Empty Properties, Discretionary DFGs, Minor Works & Home Repair Asst.

Grant provided to owner occupiers on an income related benefit to carry out essential repairs and energy efficiency work to their homes, to ensure that they meet the decent homes standard. This grant takes two forms, one, a small non-repayable grant and the other, where more extensive works are needed, a repayable loan.

Vehicle Replacements

Vehicle replacement mostly for the Parks and Gardens Team. This is funded from CIL contributions.

A14 Contributions

When the A14 Improvement was originally planned, it was agreed that all councils in Cambridgeshire would contribute to the overall costs of the project. This budget reflects East Cambs element of this, which will be funded from CIL contributions.

Depot

The depot, including the drainage on the site, will be improved to provide staff with a safe environment, a fuller report on this will be presented to Finance and Assets Committee in March.

Extension to Country Park

Purchase of land from the Environment Agency

E-Space North, Solar Panels

Installation of solar panalling on the E-Space building in Littleport

Loan to East Cambs CLT

Loan to East Cambs CLT, to provide the funding (alongside Ecology Building Society) for the CLT to purchase fifteen properties on the former MoD site in Ely, so these can be offered as affordable, shared ownership properties to local residents. The terms of the loan require it to be repaid in seven years time.

SOURCES OF FINANCING	Projected 2021/22 £	Budget 2022/23 £	Budget 2023/24 £	Budget 2024/25 £	Budget 2025/26 £
Operational Services					
Revenue Contribution	35,000				
Grants (Disability Facilities Grant)	500,000	716,942	608,471	608,471	608,471
Capital Reserves	80,125	725,145	183,828	183,828	183,828
Section 106 / CIL	1,151,619	49,000	49,000	49,000	49,000
Borrowing	(1,100,000)	2,000,000			
Operational Services Total	666,744	3,491,087	841,299	841,299	841,299
Finance and Assets					
Capital Reserves	0	50,000			
Section 106 / CIL	203,200	40,000	40,000	40,000	40,000
Borrowing	410,000	825,950			
Finance and Assets Total	613,200	915,950	40,000	40,000	40,000
Capital Funding Total	1,279,944	4,407,037	881,299	881,299	881,299

Capital Reserves Forecast	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Balance Brought Forward	1,472,328	1,442,203	717,058	583,230	449,402
Add receipts from Sales of Assets	50,000	50,000	50,000	50,000	50,000
Less Capital Receipts Applied	(80,125)	(775,145)	(183,828)	(183,828)	(183,828)
Capital Reserves Carried Forward	1,442,203	717,058	583,230	449,402	315,574

Borrowing Forecast	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Balance Brought Forward	11,051,229	9,980,085	8,398,091	6,974,886	6,381,681
Add Borrowing in Year	(690,000)	2,825,950	0	0	0
Repayment from ECTC	0	(4,070,000)	(830,000)	0	0
Less Minimum Revenue Provision (MRP)	(381,144)	(337,944)	(593,205)	(593,205)	(593,205)
Total Borrowing Carried Forward	9,980,085	8,398,091	6,974,886	6,381,681	5,788,476
Internal Borrowing	9,980,085	8,398,091	6,974,886	6,381,681	5,788,476
External Borrowing	0	0	0	0	0

AGENDA ITEM NO 8 Appendix 5

PARISH	COUNCIL TAX BASE Band D Eq Revised Band D for C/Tax discount scheme	2022-23	Band D
		PRECEPT £	Rate £
Ashley	225.7	19,100.00	84.69
Bottisham	869.2		0.00
Brinkley	153.2	9,244.00	60.39
Burrough Green	158.6	11,005.20	69.39
Burwell	2,428.6	183,602.00	75.60
Cheveley	924.2	80,000.00	86.58
Chippenham	218.1		0.00
Coveney	170.3		0.00
Dullingham	344.5	24,831.45	72.09
Ely, City of	7,264.9	660,000.00	90.90
Fordham	1,044.4		0.00
Haddenham	1,268.6	112,539.00	88.74
Isleham	857.3	108,055.00	126.09
Kennett	135.9	9,095.00	66.96
Kirtling and Upend	188.8	11,539.38	61.20
Little Downham	938.3		0.00
Little Thetford	269.0	17,509.00	65.16
Littleport	2,988.8	257,715.00	86.31
Lode	362.6		0.00
Mepal	376.5	38,792.00	103.05
Reach	137.5		0.00
Snailwell	82.6		0.00
Soham	3,781.0	428,480.00	113.40
Stetchworth	284.1	18,500.00	65.16
Stretham	708.1		0.00
Sutton	1,403.1		0.00
Swaffham Bulbeck	344.0		0.00
Swaffham Prior	368.4		0.00
Wentworth	67.4	8,970.00	133.11
Westley Waterless	64.0		0.00
Wicken	345.0		0.00
Wilburton	477.5		0.00
Witcham	173.1		0.00
Witchford	913.9		0.00
Wooditton	778.1	17,500.00	22.50
Whole Area/Average Tax Charge	31,115.30	2,016,477.03	

AGENDA ITEM 9

COMMUNITY INFRASTRUCTURE LEVY FUNDING REQUESTS

5.3 Carbon Impact Assessment (CIA):

St Mary's, Ely, Building Transformation Project

Directly, the provision of a grant (or not) would have no direct carbon implications on ECDC operations. Hence, overall, the conclusion is that the impact is 'neutral'. That said, indirectly, if the grant was to be awarded, it would subsequently be spent on a construction project. Any construction project can have a mix of negative (e.g. energy and water consumption, embodied carbon) and positive impacts (e.g. tree planting), but generally speaking are almost entirely net negative compared with 'do nothing'. Helpfully, the applicant has provided information for the construction project, in terms of the impact as constructed, and this highlights a mix of positive and negative carbon aspects. However, it demonstrates a high commitment by the applicant for the construction to have careful consideration of carbon implications throughout such as reduced energy consumption (air source heat pump and low energy lighting). Thus, whilst the construction will inevitably result in a net negative carbon release (as do all construction schemes), it is clear that the applicant is attempting to mitigate this impact through the design choices it is taking.

TITLE: ASSETS UPDATE

Committee: Finance & Assets Committee

Date: 24 January 2022

Author: Director Commercial and Open Spaces & Facilities Manager

[W138]

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 26 September 2019 (Agenda Item 16) 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 for 2021/22 is £141,918. The 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 Since the last update the Council has completed works and recorded actual spend as follows:

- Fisherman's Car Park resurfacing works at a cost of £10,950, which is £2,550 under the budgeted amount.
- Littleport Church Streetlamp head replacement to LED at a cost of £1,713.20. This was not included in the original budget profile, however there are sufficient funds in the budget to accommodate the spend.

3.4 Key Updates on Council owned assets

3.4.1 The Grange

The first phase of secondary glazing to the windows is complete. Officers are awaiting a start date for the second phase. Members will recall that this work has been funded by the Salix Grant.

It has been necessary to arrange for repair works to be carried out to the flat roof. These works are due to commence on 13 January 2022. The cost of this work will be £16,468.75. There will be sufficient underspend in the 2021/22 Asset Management budget to meet these costs.

3.4.2 70, 72 and 74 Market Street, Ely

70 Market Street- The property is currently being marketed by Robinson Layer. There were 3 viewings in early December and several enquiries have been made. To date 2 offers have been made and it is likely that more offers will come in by the end of January.

The agent will assess the offers and make a recommendation to Officers in early February. The Director Commercial will make a recommendation to the Finance & Assets Committee at its March 2022 meeting.

72 & 74 Market Street- In accordance with committee approval the leases for both 72 & 74 Market Street were agreed with Cambridgeshire & Peterborough Combined Authority. The leases were completed on 21 December 2021.

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 APPENDICES

5.1 Appendix 1- Asset Spend Tracker

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Finance & Assets Committee- 26 September 2019- Agenda Item 16	Room 106, The Grange, Ely	Spencer Clark Open Spaces & Facilities Manager (01353) 616960 E-mail: spencer.clark@eastcambs.gov.uk

Asset	Budgeted Expenditure	Nature of Work	Actual Expenditure	Notes
Public Car Parks				
	2,597.00	White Lining - Newnham Street/ Barton Road	2,597.00	Work Completed
	13,500.00	Fishermans Car Park - Re surfacing	10,950.00	Work Completed
		Replacement Drainage Gullies Barton Road		Awaiting Quote
		Replacement Drainage Gullies Newnham Street		Awaiting Quote
		Replacement Drainage Gullies Forehill		Awaiting Quote
	101.50	Remarking of Bays in Market Area - Barton Road	101.5	Work Completed
	2,500.00	General Pot Hole Repairs		None identified to date
	3,000.00	Streetlight maintenance		None identified to date
Total Public Car Parks	21,698.50		13,648.50	
Closed Churchyards				
	6,000.00	Wall repairs and memorial stone removal and replacement - St Marys - Ely	7,177.96	Work Completed
	536.96	Wilburton - Refurbish gate	536.96	Work Completed
	5,000.00	St Mary's Burwell - Path repair	3,250.00	Work Completed
	165.00	Littleport Ch - Wall repair Upton Place	165.00	Work Completed
	780.00	Littleport Church Pier repair	780.00	Work Completed
		Littleport Ch - Streelamp head replacement to LED	1,713.20	Works completed
	8,100.00	Lt Thetford Church wall repair		Date to be confirmed
Total Closed Churchyards	20,581.96		13,623.12	
Littleport Depot				
	1,553.90	Repairs to roller shutter doors	1,553.90	Work Completed
	490.95	Door replacement	490.95	Work Completed
Total Littleport Depot	2,044.85		2,044.85	
Play Areas				
	583.00	Collier Close - replacement platform	583.00	Work Completed
	3,657.30	Resurfacing- Jubilee Gardens	3,657.30	Work Completed
Total Play Areas	4,240.30		4,240.30	
Public Conveniences				
	5,000.00	Annual Deep Cleaning of all Public Toilets	4,704.00	Complete
	5,000.00	Refurbishment as identified		Currently identifying necessary works across all PC's
Total Public Conveniences	10,000.00		4,704.00	

Asset Management Budget

Asset	Budgeted Expenditure	Nature of Work	Actual Expenditure	Notes
Public Footpaths/Open Spaces				
	5,000.00	Footpath repairs (Various)		None identified to date
		Fence repair Milking Common		Quote agreed at £8,480- works to commence in the coming weeks
	5,000.00	District Streetlights Maintenance		None identified to date
Total Public Footpaths/Open Space	10,000.00		0.00	
The Grange				
	4,480.00	Repair to small flat roof by room 105	4,965.07	Work Completed
		Roof & gutter repairs	16,468.75	Quote agreed at £16,468.75. Work to commence 13/01/22
	288.75	White line rear car park	288.75	Work Completed
Total The Grange	4,768.75		21,722.57	
Travellers Sites				
Total Wentworth Travellers Site	0.00			
Unit 6 St Thomas Place				
Total Unit 6 St Thomas Place	0.00		0.00	
Unit 8 St Thomas Place				
Total Unit 8 St Thomas Place	0.00		0.00	
70 Market Street, Ely				
Total 70 Market Street, Ely (CAB)	300.00	Remedial works if required	0.00	
72 Market Street, Ely				
Total 72 Market Street, Ely (Cambs Acre)	300.00	Remedial works if required	0.00	
74 Market Street, Ely				
Total 74 Market Street, Ely (Registry Office)	300.00	Remedial works if required	0.00	None identified to date

Asset Management Budget

Asset	Budgeted Expenditure	Nature of Work	Actual Expenditure	Notes
Cemetery Lodge				
	2,000.00	Fencing repairs	529.00	Interim repair
	7,000.00	External decoration (+Scaffold Hire)		Currently engaging a contractor to carry out works
Total Cemetery Lodge	9,000.00		529.00	
Ely Museum				
Total Ely Museum	0.00		0.00	
St Johns Road Garages				
	10,000.00	Replacement garage door programme		Currently identifying which doors need replacing
Total St Johns Road Garages	10,000.00		0.00	
The Old Barn, Littleport				
Total The Old Barn, Littleport	0.00		0.00	
Mepal Outdoor Centre				
	11,471.40	Site security cameras	11,471.40	Ongoing
	48,000.00	Demolition of buildings	36,427.00	Due to complete soon
Total Mepal Outdoor Centre	59,471.40		47,898.40	
Other				
Total Other	0.00			
Periodic Inspections, Surveys, Valuations & Misc. Projects				
	10,000.00	Contingency		
Total Misc. Projects	10,000.00		0.00	
Valuation of Assets (end of year financial accounts)				
Total Valuation of Assets	0.00		0.00	

Total Budgeted Expenditure	162,705.76	Spend to Date	108,410.74
Asset Management Budget	141,918.00		
Section 106	25,337.00		

Asset Budget Remaining 4,549.24

AGENDA ITEM NO 11

Notes of a remote meeting of the East Cambs Bus, Cycle, Walk Working Party held on Wednesday 10th November at 6.00pm.

PRESENT

Cllr Alan Sharp (Chairman)
Cllr David Ambrose Smith
Cllr Charlotte Cane
Cllr Lorna Dupré
Cllr Mark Goldsack
Cllr Simon Harries

OFFICERS

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

67. APOLOGIES

The Chairman welcomed Cllr Goldsack to the group as a permanent Member, replacing Cllr Lis Every.

Cllr Dupré stated that Cllr Harries would be joining the meeting late.

68. DECLARATIONS OF INTEREST

No declarations of interest were made.

69. NOTES OF PREVIOUS MEETING

The Notes of the meeting held on 24th June 2021 were agreed as an accurate record.

70. REVISED TERMS OF REFERENCE

The Working Party received the revised Terms of Reference, previously circulated, which had been approved by the Finance & Assets Committee on 22nd July 2021.

A Member observed that the reference in 2.4 to the Combined Authority's "Local Transport Plan Refresh Consultation" should technically be amended to refer to the "Local Transport and Connectivity Plan Consultation" but there was general agreement that this was not formally necessary.

71. DRAFT ECDC CONSULTATION RESPONSE TO THE CPCA LOCAL TRANSPORT AND CONNECTIVITY PLAN CONSULTATION

The Working Party received a draft version, previously circulated, of the Council's proposed response to the Cambridgeshire and Peterborough Combined Authority Local Transport and Connectivity Plan Consultation. The Infrastructure & Strategy Manager explained that the Combined Authority's Local Transport Plan had been renamed to include connectivity in recognition of the importance of digital improvements which could, in many cases, be a substitute for physical journeys.

The Council's draft response had included various projects that the Council wanted to deliver throughout the District. The intention was to make any necessary changes to the document following the meeting, then send it to all Members for comment before making final amendments and submitting the response to the Combined Authority by their 28th November deadline. The public consultation on the draft Local Transport and Connectivity Plan would commence in early 2022. The Officer also highlighted that the County Council had an open Active Travel Consultation for Soham, and the Greater Cambridge Partnership (GCP) had launched two consultations in the last week.

A Member commented, and other Members agreed, that it was problematic that East Cambs was not part of the GCP. They were currently proposing changes to the eastern access to Cambridge that would affect residents of the District. Lack of ECDC representation on GCP meant there was a reliance on the Combined Authority and the County Council to promote the District's issues, not just with respect to the eastern access.

6:06pm Cllr Simon Harries joined the meeting.

The Chairman reminded Members that much of the background to the document was outside the remit of the Working Party whose focus had been on buses, cycling and walking. Nonetheless, discussion would be helpful prior to the document being circulated to all Members.

Members made the following observations and suggested amendments:

- There were political differences regarding support of the detailed content of the document.
- Page 2, paragraph 4 – the balance between subsidised bus fares and subsidised routes should be clearly articulated. Although rural routes were very important, subsidising some groups could result in “quick wins” taking substantial amounts of traffic off the roads. For example, facilitating young people to access The Hive Leisure Centre or jobs/training would be beneficial.
- Although the report contained a section regarding A14/A142 junctions 37 and 38, a more specific reference should be made regarding the impact of tailbacks along the A142 in East Cambs, and that rat-runs were created through the nearby villages in order to avoid congestion and delays at the junctions.

- Electric vehicles were already established on the roads whereas the future of hydrogen-fuelled vehicles was more uncertain. The document should reflect that and the importance of electric charging points should be stressed.
- A stronger paragraph should be included regarding connectivity. As a rural District this was an important issue since remote working was not possible in some areas due to poor connectivity and/or poor mobile phone reception.

The Infrastructure & Strategy Manager explained that she would submit the response on behalf of the Council but all Members could additionally submit individual or group responses if they wished.

It was agreed that:

- The Infrastructure & Strategy Manager would send the document to all Members for comment prior to submission of the Council's response.

72. DRAFT EAST CAMBRIDGESHIRE CYCLING AND WALKING ROUTES STRATEGY

The Working Party received a report (W96, previously circulated) requesting approval of the draft East Cambridgeshire Cycling and Walking Routes Strategy and its subsequent recommendation to Finance & Assets Committee for approval. The Infrastructure & Strategy Manager explained that it had been designed by the Reprographics team to complement the Working Party's previously-published Bus Prospectus, and a website version would also be produced in order to make the maps more accessible.

In response to Members' questions the Officer explained that:

- the previously-agreed Sustrans studies were underway with the analysis of the Reach-Burwell-Swaffham route due to be completed at the end of the year, Littleport-Ely at the end of January 2022, and the remainder at the end of June 2022. Sustrans were also updating the costs for the Soham to Wicken cycle route. As part of the process, Sustrans talked to stakeholders regarding aspects such as utilities and ground conditions but she was unsure whether communities could be involved at this stage; she committed to finding out and feeding back to Members.
- The Department for Transport was very prescriptive regarding the contents of the LCWIP. The County Council's Active Travel would consider elements that would not be included, including equestrians.
- The routes indicated on page 9 of the document were purely indicative and Sustrans would investigate the best route in each instance.

Members made the following observations:

- Cycle routes should be segregated from the road traffic in order for all users to have confidence in their safety. The positioning and landscaping of the routes should also be carefully considered so that

users would not feel vulnerable, for example by giving a sense of isolation.

- Footpath/cycle path design should also consider safety aspects related to their use by users of e-bikes, e-scooters and mobility scooters in addition to pedestrians and cyclists.
- A vast amount of data had been condensed into a usable and positive strategy.
- There had been some misunderstandings throughout by the public and Parish Councils as to what constituted a “footpath”, in particular whether pavements should be included.

Members suggested the following revisions:

- Page 1 – it should be made clearer that equestrian travel had not been included.
- Page 1 – the final sentence was defeatist and should be altered.
- Page 3, paragraph 2 – “food shopping” should be amended to “shopping”.
- Page 9 – it should be clear that the priority routes were indicative only. (For example, the Soham to Ely route should follow the river *via* Barway rather than the A142.)
- Page 12 – e-scooters should be added to the new forms of active travel.

It was agreed:

- That the Infrastructure & Strategy Manager would amend the document in light of the debate and then re-circulate to Working Party Members for final comments to be received by Monday 15th November.
- Following revisions as above, **to RECOMMEND TO FINANCE & ASSETS COMMITTEE:**
That the draft East Cambridgeshire Cycling and Walking Routes Strategy be approved.

73. CYCLE PATH AND FOOTPATH CONDITION FEEDBACK REPORT

The Working Party received a report (W97, previously circulated) detailing the responses received from Parish Councils regarding routes that had been identified in the 2020 consultation as being in disrepair or having street clutter or insufficient lighting. The Infrastructure & Strategy Manager explained that 15 Parish Councils had responded and their comments had been added to the information already provided in response to the consultation. All of the information was listed in Appendix 1 of the report. The proposal was to send the Appendix to the County Council’s Highways Team with the request that they address the outstanding issues highlighted in the document.

There was general agreement that more clarity was required for some of the routes, and that local knowledge would enable some entries to be grouped together since essentially the same route may have been described slightly differently by different respondents, thereby generating unnecessary multiple

entries. It was considered that a more concise document with more specific locations and descriptions would increase the likelihood of successful action. Ward Members and Parish Councils could work together where further information was needed and it was agreed that the responses received from Littleport Parish Council gave the level of detail required.

It was agreed that:

- The Infrastructure & Strategy Manager would send to the County Council all entries that contained sufficient detail for the Highways Team to action.
- The Infrastructure & Strategy Manager would send all remaining entries to all Members asking them to raise the issue with the relevant Parish Council(s) in their Ward, and include examples from Littleport to illustrate what was required. Any further, suitably detailed, responses would then be sent to the County Council, as above, without further consultation with the Working Party.

74. WORK PROGRAMME – NOVEMBER 2021

Members received and noted the Work Programme to January 2022.

There was general discussion about revisiting the bus provision once the immediate actions relating to cycling and walking had been completed in the coming months. The following points were made by Members:

- The Combined Authority's Bus Service Improvement Plan had recently been published on their website. The Overview & Scrutiny Committee had not seen it prior to publication. The Working Party should reconsider buses in light of the contents of the publication
- With the imminent opening of the new train station in Soham, private and public buses were needed to enable young people to access the trains, for example to travel to sixth form colleges in Cambridge and Bury St Edmunds. Facilitating node-to-node travel was essential.
- The "dial-a-ride" concept from previous discussions remained of interest. A demand-responsive trial in Huntingdonshire was underway called "Ting". West Hunts had been chosen for the trial but a Member was keen that East Cambs should undertake a second trial.
- Quality multi-person transportation schemes were important.

7:30pm Cllrs Dupré, Goldsack and Harries left the meeting and did not return due to other commitments.

The next stage of the LTCP consultation would commence in January 2022 and the final publication was due in March 2022.

75. DATE OF NEXT MEETING

The Chairman proposed, to general agreement, that the next meeting be held in January or February 2022, the timing to be arranged according to the LTCP consultation timeframe.

The meeting closed at 7:33pm.

DRAFT

FINANCE & ASSETS COMMITTEE BUDGET MONITORING REPORT - 31st December 2021

	Total Budget 2021-22	Profiled Budget to 31 December 2021	Actual to 31 December 2021	Variance	Projected Outturn	Variance between Total Budget & Projected Outturn	Last Qtr Variance between Total Budget & Projected Outturn
Revenue	£		£	£	£	£	£
Asset Management	141,918	--	(6,910)	6,910	141,918	--	--
Award Ditches	9,006	6,755	4,967	(1,788)	9,006	--	--
Civic Relations	22,542	16,910	11,287	(5,623)	17,542	(5,000)	(5,000)
Closed Churchyards	29,668	22,251	26,375	4,124	29,668	--	--
Community Safety	--	--	--	--	--	--	--
Community Transport	15,000	--	--	--	15,000	--	--
Corporate Management	274,503	(15,620)	(32,947)	(17,327)	274,503	--	--
Cost of Other Elections	--	--	(41,216)	(41,216)	--	--	--
Council Tax Accounting	423,191	310,977	302,675	(8,302)	423,191	--	--
Crematorium	--	--	35,557	35,557	--	--	--
Data Management	100,992	75,746	70,502	(5,244)	100,992	--	--
Depot Services	(66,300)	38,275	38,249	(26)	(66,300)	--	--
Economic Development	31,649	20,724	(77,028)	(97,752)	(28,351)	(60,000)	(25,000)
Financial Services	347,842	252,806	200,063	(52,743)	327,842	(20,000)	--
General Gang	82,556	62,143	62,143	--	82,556	--	--
Health & Safety (Work)	22,566	8,000	8,000	--	22,566	--	--
Housing Benefits	336,367	252,275	524,164	271,889	269,367	(67,000)	(60,960)
Housing Strategic	229,737	269,803	154,416	(115,387)	213,737	(16,000)	(16,000)
Human Resources	209,337	176,525	186,874	10,349	203,337	(6,000)	--
Interest & Financial Transactions	(31,859)	(26,546)	(53,387)	(26,841)	(74,359)	(42,500)	(42,500)
Internal Audit	72,822	35,444	34,411	(1,033)	72,822	--	--
Land Charges Admin	(41,268)	(30,401)	(95,904)	(65,503)	(71,268)	(30,000)	(15,000)
Legal	240,531	172,497	168,923	(3,574)	230,531	(10,000)	--
Local Elections	22,500	--	--	--	22,500	--	--
Local Plans	95,000	71,250	(10,028)	(81,278)	85,000	(10,000)	(10,000)
Management Team	364,685	268,599	279,396	10,797	384,685	20,000	20,000
Member & Committee Support	531,290	398,690	366,242	(32,448)	491,290	(40,000)	(15,000)
Miscellaneous Properties	(45,157)	(33,582)	(35,305)	(1,723)	(45,157)	--	--
Miscellaneous Finance	761,012	669,043	558,321	(110,722)	749,712	(11,300)	(11,300)
Museums - Old Gaol House	--	182	964	782	--	--	--
NNDR Collection Costs	45,170	109,657	103,298	(6,359)	45,170	--	--
Office Accomodation	354,203	307,953	315,864	7,911	354,203	--	--
Oliver Cromwell House	--	--	--	--	--	--	--
Out Of Hours call out Service	12,000	9,000	6,019	(2,981)	12,000	--	--
Parking Of Vehicles	64,131	92,105	120,060	27,955	84,131	20,000	--
Parks And Gardens Team	334,862	288,722	318,564	29,842	334,862	--	--
Payroll	70,665	52,879	62,120	9,241	70,665	--	--
Public Conveniences	154,013	121,717	132,122	10,405	137,213	(16,800)	(16,800)
Refuse Collection	--	--	--	--	--	--	--
Registration of Electors	53,371	35,240	(3,893)	(39,133)	53,371	--	--
Reprographics	116,170	88,033	66,498	(21,535)	106,170	(10,000)	--
Sport & Recreation	133,077	72,404	74,330	1,926	133,077	--	--
Covid 19	--	--	(181,277)	(181,277)	--	--	--
Finance & Assets Committee Total	5,517,792	4,200,456	3,694,509	(492,127)	5,213,192	(304,600)	(197,560)
Operational Services Committee	5,558,994	4,286,505	(455,887)	(4,742,392)	5,376,494	(182,500)	(157,500)
Other Spend							
Parish Precepts	2,521,330	2,521,330	2,521,330	--	2,521,330	--	--
Internal Drainage Boards	512,018	512,018	515,285	3,267	515,285	3,267	3,267
Movement in Corporate Reserves	199,881	--	--	--	199,881	--	--
Revenue Budget Total	14,310,015	11,520,309	6,275,237	(5,231,252)	13,826,182	(483,833)	(23,100)
Funding							
Council Tax	(6,805,967)	--	--	--	(6,805,967)	--	--
Revenue Support Grant	(11,829)	(8,467)	(4,144)	4,323	(11,829)	--	--
Business Rates	(4,140,702)	(114,000)	(58,303)	55,697	(4,140,702)	--	--
Other Government Grants (NHB / RSG etc.)	(1,278,869)	(1,074,969)	(1,302,804)	(227,835)	(1,328,869)	(50,000)	(50,000)
Budgeted draw from Surplus Savings Reserve	(2,072,648)	--	--	--	(2,072,648)	--	--
	(14,310,015)	(1,197,436)	(1,365,251)	(167,815)	(14,360,015)	(50,000)	(50,000)
Revenue Total	--	10,322,873	4,909,986	(5,399,067)	(533,833)	(533,833)	(401,793)

OPERATIONAL SERVICES COMMITTEE BUDGET MONITORING REPORT - December 2021

Revenue	Total Budget 2021-22	Profiled Budget to 31 December 2021	Actual to 31 December 2021	Variance	Projected Outturn	Current variance between Total Budget & Projected Outturn	Variance between Total Budget & Projected Outturn - September
	£	£	£	£	£	£	£
Building Regulations	17,696	11,134	19,404	8,270	17,696		
CIL	--	--	(3,830,481)	(3,830,481)	--		
Civic Amenities Act	11,671	6,878	7,066	188	11,671		
Climate Change	100,000	75,000	51,264	(23,736)	100,000		
Community Projects & Grants	179,585	115,960	184,292	68,332	159,585	(20,000)	(20,000)
Community Safety	57,002	37,298	(13,104)	(50,402)	57,002		
Cons.Area & Listed Buildings	60,967	45,725	48,485	2,760	60,967		
Customer Services	460,037	354,014	350,151	(3,863)	437,537	(22,500)	(12,500)
Dog Warden Scheme	34,443	25,895	24,144	(1,751)	34,443		
Ely Markets	--	--	--	--	--		
Emergency Planning	28,374	5,883	13,779	7,896	28,374		
Environmental Issues	91,486	71,915	79,356	7,441	91,486		
Health - Admin. & Misc.	410,201	303,175	293,028	(10,147)	410,201		
Homelessness	343,080	165,377	(651,786)	(817,163)	283,080	(60,000)	(25,000)
IT	801,664	672,773	715,757	42,984	821,664	20,000	
Leisure Centre	(241,113)	6,750	1,097	(5,653)	(241,113)	--	--
Licencing	2,499	1,772	(23,509)	(25,281)	2,499		
Marketing & Grants	70,094	57,875	48,280	(9,595)	70,094		
Neighbourhood Panels	1,500	1,125	--	(1,125)	1,500		
Nuisance Investigation	75,315	56,486	59,253	2,767	75,315		
Performance Management	10,400	7,800	--	(7,800)	10,400		
Pest Control	9,341	7,006	6,863	(143)	9,341		
Planning	6,808	5,634	(142,217)	(147,851)	(103,192)	(110,000)	(110,000)
Public Relations	75,917	56,938	52,432	(4,506)	75,917		
Refuse Recycling	1,006,700	770,025	768,954	(1,071)	1,006,700		
Refuse Collection	1,201,511	901,133	904,652	3,519	1,201,511		
Street Cleansing	703,258	527,444	527,444	--	703,258		
Street Naming & Numbering	6,841	5,131	6,412	1,281	6,841		
Travellers Sites	(22,000)	(45,024)	15,614	60,638	(12,000)	10,000	10,000
Tree Preservation	55,717	35,383	27,483	(7,900)	55,717		
			--				
Revenue Total	5,558,994	4,286,505	(455,887)	(4,742,392)	5,376,494	(182,500)	(157,500)

CAPITAL BUDGET MONITORING 2021/22

Capital	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Actual at 31st December 2021 £	Forecast Outturn £	Variance between Revised Budget & Forecast Outturn £
OPERATIONAL SERVICES							
Conservation Area Schemes - 2nd round		27,506		27,506		27,506	0
Refuse & Cleansing Vehicles	2,000,000			2,000,000		0	(2,000,000)
Waste - Wheeled Bins	40,000			40,000	45,238	45,238	5,238
Mandatory Disabled Facilities Grants	697,299	370,595	81,894	1,149,788	58,149	500,000	(649,788)
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	75,000			75,000	(6,020)	30,000	(45,000)
Vehicle Etc. Replacements	29,000			29,000	42,750	64,000	35,000
Leisure Centre				0	(188,038)	0	0
Operational Services Total	2,841,299	398,101	81,894	3,321,294	(47,921)	666,744	(2,654,550)
FINANCE & ASSETS							
East Cambs Trading Company - New loan facility	100,000	(100,000)		0		0	0
A14 Contribution	40,000			40,000		40,000	0
Depot	845,950			845,950	5,737	20,000	(825,950)
Extension to Ely Country Park		163,200		163,200		163,200	0
Loan to EC CLT			390,000	390,000		390,000	0
Finance & Assets Total	985,950	63,200	390,000	1,439,150	5,737	613,200	(825,950)
Total	3,827,249	461,301	471,894	4,760,444	(42,184)	1,279,944	(3,480,500)

SOURCES OF FINANCING	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variations £	Forecast Outturn £
Operational Services						
Grants - DFG	526,577		81,894	608,471	(108,471)	500,000
Revenue Contributions					35,000	35,000
Capital Receipts	265,722	398,101		663,823	(583,698)	80,125
Borrowing	2,000,000	0	0	2,000,000	(3,100,000)	(1,100,000)
Section 106 / CIL	49,000			49,000	1,102,619	1,151,619
Operational Services Total	2,841,299	398,101	81,894	3,321,294	(2,654,550)	666,744
Finance & Assets						
Capital Receipts		0		0	0	0
Section 106 / CIL	40,000	163,200		203,200	0	203,200
Borrowing	945,950	(100,000)	390,000	1,235,950	(825,950)	410,000
Finance & Assets Total	985,950	63,200	390,000	1,439,150	(825,950)	613,200
Capital Funding Total	3,827,249	461,301	471,894	4,760,444	(3,480,500)	1,279,944

Capital Resources Forecast	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variations £	Outturn £
Balance Brought Forward	839,305	633,023		1,472,328		1,472,328
Add receipts from Sales of Assets	50,000			50,000	0	50,000
Less Capital Receipts Applied	(265,722)	(398,101)		(663,823)	583,698	(80,125)
Capital Reserves Carried Forward	623,583	234,922	0	858,505	583,698	1,442,203

Borrowing	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variations £	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	(3,925,950)	(690,000)
Borrowing Carried Forward	13,731,457	(226,774)	390,000	13,894,683	(3,914,598)	9,980,085

Description	2021/22			
	Opening Balance 1 April £	Transfers to Reserve £	Contributions from Reserve £	Forecast Balance 31 March £
District Elections	22,500	22,500		45,000
Historic Buildings Grants	6,190			6,190
Housing Conditions Survey	45,000	5,000		50,000
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	777,743	(2,072,648)	6,541,611
Vehicle Replacements	89,187			89,187
New Homes Bonus	0			0
Leisure Centre - sinking fund	87,722	142,127		229,849
Insurance	0			0
IT	80,000	10,000		90,000
CIL	5,223,174	4,376,757	(2,100,000)	7,499,931
CIL Admin	226,560		(50,000)	176,560
Care and Repair	45,000			45,000
Community Fund Reserves	30,884		(16,000)	14,884
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	40,762		40,762
Enterprise Zone NNDR	389,617	146,681		536,298
Cambridgeshire Horizons	0	3,891,500	(103,000)	3,788,500
Council Tax / NNDR Carry Forwards	3,105,955		(3,105,955)	0
Climate Change	39,422		(39,422)	0
Other				
Section 106 Agreements	3,358,535		(500,000)	2,858,535
Internal Borrowing	(11,051,229)	690,000	381,144	(9,980,085)
Total Reserves	11,485,097	10,161,623	(7,855,144)	13,791,576

TITLE: FINANCE REPORT

Committee: Finance & Assets Committee

Date: 24th January 2022

Author: Finance Manager

[W139]

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 projected yearend underspend of £304,600 when compared to its approved revenue budget of £5,517,792.
- that overall the Council has a projected yearend underspend of £533,833 when compared to its approved revenue budget of £14,310,015.
- that the overall position for the Council on Capital is a projected outturn of £1,279,944, which is an underspend of £3,480,500 compared to the revised budget.

3. BACKGROUND / OPTIONS

3.1 Under Financial Regulations, each policy committee is required to consider projections of 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 third report for the 2021/22 financial year and details actual expenditure incurred and income received as at 31st December 2021 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 the Operational Services Committee is shown in Appendix 2. The net position is that the Committee will come in

£182,500 underspend at yearend due to underspends in Planning, Community Projects & Grants, Customer Services & Homelessness. There are overspends on Travellers and ICT. Further detail will be included in the budget monitoring report to Operational Services Committee on the 21st March 2022.

- 3.5 With regard to Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of December 2021, where no yearend variance is being reported, are detailed below:

Service	Variance £	Explanation
Corporate Management	(£17,327)	This budget has accruals from 2020/21 that remain unpaid (mainly External Audit costs).
Cost of Other Elections	(£41,216)	This relates to costs and income for running the Police and Crime Commissioner election, this will be subject to a full reconciliation process before yearend.
Parks & Open Spaces	£29,842	Recharge of costs against S106 receipts will be done at the end of this financial year.
Registration of Electors	(£39,133)	Roll over of income from 2020/21 to fund future work.
COVID-19	(£188,218)	This relates to ringfenced Government grants that have been received and will be either forwarded on to businesses or returned to Government.

- 3.6 Explanations for the forecast yearend variances reported for this Committee are detailed in the table below:

Service	Variance £	Explanation
Civic Relations	(5,000)	There will be no civic reception this year, therefore resulting in saving.
Economic Development	(£60,000)	Occupancy levels at the e-space centres has been maintained in the first nine months of 2021/22, despite concerns surrounding the Covid-19 pandemic. The budget was reduced to allow for empty units at the sites, however this proved not to be the case, and rentals levels have therefore exceeded the budget.

Housing Benefit	(£67,000)	Up-dated figures on Housing Benefit payments in the District have shown a reduction in payments being made.
Housing Strategic	(£16,000)	Underspend on staffing during the first nine months of the year.
Interest and Financial Transactions	(£42,500)	Interest receipts are now expected to be higher than budgeted, mainly as the result of ECTC drawing down their full loan on the 31 st March 2021.
Land Charges Admin	(£30,000)	An increased level of income has been received during the first nine months of the year.
Local Plans	(£10,000)	We negotiated a settlement of an old invoice from 2019/20, thus resulting in a saving in this financial year.
Management Team	£20,000	The secondment of senior staff to the Combined Authority ended earlier than anticipated when we prepared the budget, which has resulted in reduced income in 2021/22.
Member & Committee Support	(£40,000)	Savings on the salary budget due to vacancies and on the members ICT budget.
Miscellaneous Finance	(£11,300)	More leisure centre capital costs were met from CIL in 2020/21 than forecast, which has resulted in reduced debt costs in the current year.
Parking of Vehicles	£20,000	Parking income over the first nine months has been significantly reduced because of Covid-19, although the overspend has been reduced by a reduction in rates and reduced maintenance costs.
Public Conveniences	(£16,800)	There is a saving on public conveniences business rates as such properties have been deemed by Government to be zero rated moving forward.
Reprographics	(£10,000)	This reflects an increase in income for Reprographics services for the first three quarters of the year.

Other Government Grants	(£50,000)	We have been given extra administration (new burden) funding this year to facilitate the Government Covid-19 business grants scheme.
-------------------------	-----------	--

Capital

- 3.7 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.
- 3.8 The current forecast for spend against the Capital programme is £1,279,944, an underspend of £3,480,500. There has been 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, and with lead times between order and receipt of such vehicles around twelve months, none of the Waste vehicles capital budget will now be spent in 2021/22.
 - Depot; the depot refurbishment has been delayed while proposals for the scheme have been reassessed, but it now expected that a revised proposal will come to Finance and Assets Committee at its March meeting.
 - 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 projected net revenue expenditure for the Council is forecast to be £13,826,182 in 2021/22, before Funding. Once Funding is taken into account, this results in a forecast underspend of £533,833 when compared to the Council's approved budget.
- 4.2 The projected Capital Outturn for the Council stands at £1,279,944. This is an underspend of £3,480,500 when compared to the revised budget.

5 FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

- 5.1 There is a revenue underspend of £533,833 compared to this Council's approved budget, all things being equal, this will be moved into the Surplus Savings Reserve at yearend and provide additional 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

- 6.1 Appendix 1 – Summary Budget Monitoring – December 2021
Appendix 2 – Operational Services Budget Monitoring – December 2021
Appendix 3 – Capital Budget Monitoring – December 2021
Appendix 4 – Reserve Balances – December 2021

<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