



EAST CAMBRIDGESHIRE DISTRICT COUNCIL

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

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that a meeting of the **EAST CAMBRIDGESHIRE DISTRICT COUNCIL** will be held in **THE COUNCIL CHAMBER, NUTHOLT LANE, ELY ON THURSDAY 20 FEBRUARY 2020** commencing at **6.00pm** with up to 15 minutes of Public Question Time, immediately followed by the formal business, and you are summoned to attend for the transaction of the following business.

A minute's silence will be observed as a mark of respect following the death of former District Councillor PJ Bridge, Independent Member for Cheveley from 1973 to 1999

AGENDA

1. **PUBLIC QUESTION TIME** [oral]
The meeting will commence with up to 15 minutes public question time
2. **APOLOGIES FOR ABSENCE** [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 – 17 OCTOBER 2019**
To confirm as a correct record
5. **CHAIRMAN'S ANNOUNCEMENTS** [oral]
6. **TO RECEIVE PETITIONS** [oral]

To receive a Petition of over 500 local signatures requesting East Cambridgeshire District Council to reinstate its grant to Ely Citizen's Advice Bureau:

East Cambridgeshire District Council has decided to cease its grant funding to the Citizens Advice Bureau (CAB) in Ely and provide the service itself. This means the CAB office may close, or its service be reduced.

- The Council does not have, and will not be seen to have, the **independence** which is essential to the service offered by the CAB, so it is probable that many people who need advice in the Ely area will be reluctant to use the Council's proposed service.
- The Council will be **wasting public funds** by employing and training staff to replace the free service provided by the CAB's many, experienced volunteers.

7. NOTICE OF MOTIONS UNDER PROCEDURE RULE 10 [oral]

(i) Antisemitism

East Cambridgeshire is a welcoming, safe and tolerant district; incidents of police reported hate crime are low compared with the wider Cambridgeshire Constabulary area.

Nevertheless, East Cambridgeshire District Council acknowledges with concern the Community Security Trust's (CST) 2019 report "Antisemitic Incidents January - June 2019" which cites a worrying increase of antisemitic incidents in the UK and the highest total on record in the first six months of 2019. Home Office statistics from October 2019 show that 18% of religiously motivated hatred is targeted at Jewish people, up from 12% in 2018.

East Cambridgeshire District Council is currently drafting a revised Inclusivity, Equality and Diversity scheme to replace its Single Equalities Scheme 2016 - 2020.

East Cambridgeshire District Council wishes to join with the Government and other local authorities across the UK in adopting the internationally recognised International Holocaust Remembrance Alliance (IHRA) definition of antisemitism, including its associated 11 contemporary examples, as follows:

"Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities."

To guide IHRA in its work, the following examples may serve as illustrations:

Manifestations might include the targeting of the state of Israel, conceived as a Jewish collectivity. However, criticism of Israel similar to that levelled against any other country cannot be regarded as antisemitic. Antisemitism frequently charges Jews with conspiring to harm humanity, and it is often used to blame Jews for "why things go wrong." It is expressed in speech, writing, visual forms and action, and employs sinister stereotypes and negative character traits.

Contemporary examples of antisemitism in public life, the media, schools, the workplace, and in the religious sphere could, taking into account the overall context, include, but are not limited to:

- Calling for, aiding, or justifying the killing or harming of Jews in the name of a radical ideology or an extremist view of religion.
- Making mendacious, dehumanising, demonising, or stereotypical allegations about Jews as such or the power of Jews as collective - such as, especially but not exclusively, the myth about a world Jewish conspiracy or of Jews controlling the media, economy, government or other societal institutions.
- Accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, or even for acts committed by non-Jews.
- Denying the fact, scope, mechanisms (e.g. gas chambers) or intentionality of the genocide of the Jewish people at the hands of National Socialist Germany and its supporters and accomplices during World War II (the Holocaust).
- Accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust.
- Accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interests of their own nations.
- Denying the Jewish people their right to self-determination, e.g., by claiming that the existence of a State of Israel is a racist endeavour.
- Applying double standards by requiring of it a behaviour not expected or demanded of any other democratic nation.
- Using the symbols and images associated with classic antisemitism (e.g., claims of Jews killing Jesus or blood libel) to characterise Israel or Israelis.
- Drawing comparisons of contemporary Israeli policy to that of the Nazis.
- Holding Jews collectively responsible for actions of the state of Israel.

Council therefore resolves to:

- 1) Condemn all forms of racism in all its manifestations
- 2) Adopt the IHRA definition of antisemitism as the working model of challenging and confronting incidents of antisemitism
- 3) Include the IHRA definition in the Council's updated Inclusivity, Equality and Diversity scheme

Proposer: Cllr Anna Bailey
Seconder: Cllr David Brown

(ii) Climate Change and Kennett Garden Village

Preamble

The Council notes with approval the decision taken on October 17th 2019 to declare a climate emergency in the East Cambs district. The Council further notes that the climate emergency should be the catalyst for changing methods, working practices and principles in order to deliver real, measurable benefits to the district and its people.

The Council understands that positive action will be required in priority areas to deliver maximum benefit as quickly as possible. The priorities for action should be those activities that have the greatest potential for creating carbon and other greenhouse gas emissions, and therefore offer the greatest opportunity for benefit if successfully addressed.

The Council accepts that the most carbon intensive activity undertaken today is in housing development and requests officers to review principles, methods and working practices in this area as a matter of urgency to ensure that measurable emission reductions are delivered without delay. The Council wishes priority focus to be given to the largest current development that is in S106 discussions. This development is the Kennett "Garden Village", which will therefore become a best practice exemplar for the future.

Actions

The Council instructs officers to review proposed actions related to Kennett in two specific areas: integrated transportation and build policy. The goal will be to identify actions that can be updated, improved and amended as a result of the climate emergency declaration. Using a real test case will make it possible to model real information, even if regulations do not permit substantive changes to this specific development.

By testing methods and identifying alternatives, we will learn lessons, develop better methods for the future and turn the climate emergency declaration into positive benefit.

Integrated Transportation

The Council notes that a thorough review of current and projected medium-term road traffic movements has been carried out but believes that insufficient work has been done in evaluating the likely road traffic impact of the new development, itself. The Council therefore asks officers to:

1. Evaluate the likely number of additional road vehicles passing along the B1085 once the development is complete, to reflect car ownership within the 500 housing units in the Kennett Garden Village area, together with workers and visitors to the 100 bed care home, visitors and students to the primary school and workers / visitors at the light industrial park. Having evaluated the number of new vehicle movements, officers should provide the best available estimate concerning the increase to carbon emissions caused by this increase.
2. Liaise with Highways England and the CCC Highways Department to determine whether there is any long-term plan to close the Railway Bridge at the south of the B1085 to HGVs or if the current restrictions are only temporary.
3. Clearly state whether or not the requirements set out by Network Rail regarding the car park and rail bridge close to Kennett station have been agreed by ECDC. Notably, transfer of land ownership at no charge to NR, agreement to move the car park, agreement to replace the rail bridge at developer cost.

4. Liaise with Network Rail and the rail franchisees to give a clear date by when service frequency to Kennett station, especially for Greater Anglia trains, will be at least doubled. This needs to be a commitment, not an aspiration.

Build policy

The Council notes that air pollution levels are likely to rise in the area of Kennett by an estimated 2100% as a result of building work for the development, with other factors noted in the MLM Consultancy reports.

The Council further notes that issues have been raised by the Environment Agency, Anglia Water and Heritage England concerning potential for pollution of aquifers and damage to the natural and archaeological environment.

The Council also notes that declaration of a climate emergency implies new and measurably higher build standards in order to move fast towards a zero-carbon standard. The Council therefore instructs officers to:

1. Enumerate the changes to build standards for the future that will be set for developers in order to raise build standards related to emissions, heat loss, use of materials and building methods that go above and beyond current building regulations. In simple terms, what do we wish to change as a result of the climate emergency declaration?
2. Enumerate the clear mitigations, in terms of measurable actions, to be required from developers in order to avoid the projected growth in emissions. Where legally permitted these mitigations should be applied to Kennett, where not they should be introduced for future developments.
3. Enumerate the mitigations set in place to address issues related to possible chemical pollution, damage to the natural environment and protection of aquifers.

Long-term changes

The Council notes that the climate emergency declaration will require systemic changes in the way that planning activities are carried out, and will also require better decision-making tools for officers. The Council therefore requires officers to present a strategy for upgrade, change and improvement in their own working methods and use of tools in order to accelerate the move to zero carbon development by the council and its trading companies.

Temporary halt to work

The Council instructs officers to take no major or irrevocable steps, such as issuing contracts, for work to commence at Kennett until the information requested in this motion has been presented to Full Council.

Proposer: Cllr Simon Harries
Seconder: Cllr Charlotte Cane

8. **TO ANSWER QUESTIONS FROM MEMBERS** **[oral]**
9. **CALL-IN OF DECISION MADE AT OPERATIONAL SERVICES COMMITTEE 20 JANUARY 2020 – REVIEW OF GRANT TO CITIZEN’S ADVICE RURAL CAMBRIDGESHIRE**
 - a. **Call-in Procedure Note**
 - b. **Call-in Form**
 - c. **Report to Operational Services Committee**
 - d. **Extract of draft Minutes from Operational Services Committee**
 - e. **Update Briefing Note**
10. **SCHEDULE OF ITEMS RECOMMENDED FROM COMMITTEES AND OTHER MEMBER BODIES:**
 - **Local Council Tax Reduction Scheme 2019-20 Review**
 - **Treasury Operations Mid-Year Report**

- **Annual Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy Statement and Annual Investment Strategy (AIS)**

11. REVENUE BUDGET, CAPITAL STRATEGY AND COUNCIL TAX 2020/21

In accordance with The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, there is a statutory requirement for a recorded vote to be taken on the Budget each year.

12. ANGLIA REVENUES PARTNERSHIP (ARP) REVISED PARTNERSHIP AGREEMENT

13. PAY POLICY STATEMENT 2020/21

14. COMBINED AUTHORITY UPDATE REPORTS:

- a. **October & November 2019**
- b. **January 2020**

To receive reports on the activities of the Combined Authority from the Council's appointee(s)

EXCLUSION OF THE PRESS & PUBLIC

That the press and public be excluded during the consideration of agenda item no. 15 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 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended)

15. EXEMPT MINUTES – 17 OCTOBER 2019

To confirm as a correct record.



J Hill
Chief Executive

To: All Members of the Council

NOTES:

Members of the public are welcome to attend this meeting. If you are visiting The Grange during normal office hours you should report to the main reception desk, where you will be asked to fill in a visitor's pass that must be worn at all times whilst you are in the building. Please remember to return your pass before you leave.

This will not apply if you come to an evening meeting: in this case you will enter via the rear access doors in the glass atrium at the back of the building and a Facilities Assistant will direct you to the room in which the meeting will take place.

The maximum capacity for meetings in the Council Chamber has been set by the Fire Officer at 100 persons. Allowing for Member/Officer attendance and room layout constraints, this will normally give a capacity for public attendance of 30 people. Admittance to the Council Chamber is on a "first come, first served" basis and public access will be from 15 minutes before the start time of the meeting.

There are a number of schemes aimed at encouraging public participation in the Council's activities and meetings. These include public question times and a process to enable petitions to be submitted. Details of these can be obtained by calling the telephone number as listed at the top of this agenda or by logging onto the Council's website.

Meetings of full Council are webcast and broadcast live to the internet via YouTube.

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 to use the lifts.
- The fire assembly point is in the front staff car park by the exit barrier.
- This 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 of this area.

Reports are attached for each agenda item unless marked "oral".

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@eastcamb.gov.uk

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)."

DATED _____ 2020

BRECKLAND DISTRICT COUNCIL

and

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

and

FENLAND DISTRICT COUNCIL

and

WEST SUFFOLK COUNCIL

and

EAST SUFFOLK COUNCIL

**AGREEMENT FOR THE RECONSTITUTION
OF THE ANGLIA REVENUES PARTNERSHIP**

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THIS AGREEMENT is made the day of 2019

BETWEEN

- (1) **BRECKLAND DISTRICT COUNCIL** of Elizabeth House Walpole Loke Dereham Norfolk NR19 1EE (“**Breckland**”) of the first part
- (2) **EAST CAMBRIDGESHIRE DISTRICT COUNCIL** of The Grange Nutholt Lane Ely Cambridgeshire CB7 4EE (“**East Cambridgeshire**”) of the second part and
- (3) **FENLAND DISTRICT COUNCIL** of Fenland Hall County Road March PE15 8NQ (“**Fenland**”) of the third part
- (4) **WEST SUFFOLK COUNCIL** of West Suffolk House Western Way Bury St Edmunds Suffolk IP33 3YU (“**West Suffolk** of the fourth part
- (5) **EAST SUFFOLK COUNCIL** of East Suffolk House, Station Road, Melton, Woodbridge Suffolk IP12 1RTU (“**East Suffolk**”) of the fifth part

Together referred to as the ‘Five Councils’

RECITALS

- (i) The parties hereto have entered into this Agreement having recognised that significant efficiency and financial gains can be made by working together to deliver revenues and benefits services in partnership thereby enabling them to secure administrative advantages and economies of scale and to provide a robust and flexible service to their councils.
- (ii) On the 01 April 2015 Breckland District Council, Fenland District Council, East Cambridgeshire District Council, Forest Heath District Council, St Edmundsbury Borough Council, Suffolk Coastal District Council and Waveney District Council (then referred to as the Seven Authorities) being duly empowered to do so under their constitutional arrangements and by law in force at the time agreed to form a joint committee (“**the 2015 Joint Committee**”) pursuant to Section 101 (5) and Section 102 of the LGA 1972, Section 20 of the LGA 2000 and the 2000 Regulations and 2012 Regulations.

- (iii) On the 01 April 2019 Forest Heath District Council and St Edmundsbury Borough Council were abolished and a new non-metropolitan district council, West Suffolk Council, was created by virtue of the West Suffolk (Local Government Changes) Order 2018.
- (iv) On the 01 April 2019 Suffolk Coastal District Council and Waveney District Council were abolished and a new non-metropolitan district council, East Suffolk Council, was created by virtue of the East Suffolk (Local Government Changes) Order 2018.
- (v) On the 01 April 2019 the functions of the abolished councils referred to in recitals (iii) and (iv) above became the functions of the new district councils by virtue of the Local Government (Boundary Changes) Regulations 2018 and the Seven Councils referred to in all arrangements for the creation of the 2015 Joint Committee will mean the Five Councils referred to in this Agreement.
- (vi) The 2015 Joint Committee was created for the purpose of:
 - (a) Jointly managing the administration and performance of the Five Councils' respective statutory functions relating to the collection of council tax and non-domestic rates and the payment of housing and other relevant benefits;
 - (b) To establish a joint operational unit known as the Anglia Revenues Partnership ("ARP") under the control and management of the 2015 Joint Committee to provide the Five Councils with such services ("the JC Services);
 - (c) To enter into a Reconstitution Agreement to regulate the constitution and proceedings of the 2015 Joint Committee and the relationships between the Five Councils and between each of the Five Councils and the 2015 Joint Committee and the future operation and funding of the ARP and making provision for:-
 1. the constitution, meetings, officers and funding of the 2015 Joint Committee;
 2. the transfer to the control and management of the 2015 Joint Committee the existing ARP.

- (vii) This Reconstitution Agreement will for all intents and purposes replace the Reconstitution Agreement made between the Seven Councils on the 10 September 2015 subject to the 2015 Joint Committee which will continue to remain in effect from 00.01 hours on the 01 April 2015.
- (viii) The Five Councils have pursuant to Section 95 of the LGA 2003 formed a wholly owned company limited by shares registered under the Companies Acts (“ARP Trading Limited”) for the purpose of them being in a position to jointly trade commercially in their functional activities in respect of the JC Services.
- (ix) The Five Councils have mutually exchanged information concerning their performance of their statutory functions within the definition of the JC Services (including financial reports and audit reports in respect of the previous two Financial Years together with other independent reports and assessments relevant to such performance).

NOW THIS AGREEMENT WITNESSES:

1. INTERPRETATION

1.1 In this Agreement:

“Accountancy Protocol”

means the Budget Policies and Procedures at Schedule 3 of this Agreement

“Action Plan”

means a written plan agreed by the Five Councils under Clause 10.3;

“ADR Notice”

means a notice given pursuant to Clause 22.2;

“Alternative Business Structure”

means for the purposes of this Agreement, further Joint Committee partnership; limited company; Arms Length Management Organisations; or such business vehicles that may be available for the running and management of local authority services.

“ARP”

means the operational unit entitled the Anglia Revenues Partnership controlled and managed by the 2015 Joint Committee pursuant to this Agreement;

“ARP Management Team”

means the working group of senior employees of the ARP established by the 2015 Joint Committee pursuant to Clause 5.1;

“ARP Trading Limited”

means the company limited by shares of which the Five Councils are equal shareholders pursuant to Section 95 of the LGA 2003;

“The Chair”

means the person who is the Chair of the 2015 Joint Committee from time to time elected under Clause 3.13;

“Commencement Date”

means the 1st April 2019 when West Suffolk and East Suffolk Councils were created;

“DPA and GDPR”

means the Data Protection Act 2018 and the General Data Protection Regulation;

“DWP”

means the Department of Works and Pensions

“Employment Costs”

means all salaries, wages, sick pay, holiday pay, pension contributions, bonuses, commission, maternity, paternity and adoption pay, redundancy pay, expenses (including, but not limited to travel and subsistence allowances and disturbance pay), **tribunal awards or pre dispute resolution settlements** income and other taxes, national insurance contributions and levies of any kind for which an employer is accountable and all other normal employment costs;

“Financial Year”

means a period of one year commencing on 1st April in any year and ending on 31st March in the next following year;

“FOIA”

means the Freedom of Information Act 2000

“Five Councils”

means together the parties hereto;

“JC Member”

means a member of the 2015 Joint Committee appointed in accordance with Clause 3.1;

“JC Services”

means the functions and services listed respectively in Part I and Part II of Schedule 1 of this Agreement;

“LGA 1972”

means the Local Government Act 1972 (as amended);

“LGA 2000”

means the Local Government Act 2000 (as amended);

“LGA 2003”

means the Local Government Act 2003 (as amended);

“2015 Joint Committee”

means the joint committee formed by the Seven Councils and now the Five Councils pursuant to the resolutions of the Five Councils to that effect pursuant to the terms of this Agreement;

“Operational Improvement Board”

means the working group of senior employees from ARP and the Five Councils established by the 2015 Joint Committee pursuant to Clause 5.4;

“Review Report”

means a report referred to in Clause 11.1;

“Secretary”

means the Secretary of the 2015 Joint Committee for the time being appointed pursuant to Clause 3.21;

“Service Delivery Plan”

means the document agreed by the 2015 Joint Committee on an annual basis regarding service standards;

“Statement of Intent”

means the Statement produced under Clause 10.4.1 setting out the reasons of the Council producing it for intending to serve a notice of withdrawal under Clause 10.3;

“Support Services”

means any service required to support the operations of the ARP including but not limited to human resources finance ICT internal audit procurement and legal;

“2000 Regulations”

means the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2000 (S.I. 2000 No. 2851) as amended by the Local Authorities (Arrangements for the Discharge of Functions) (England) (Amendment) Regulations 2001 (S.I. 2001 No.3961);

“2012 Regulations”

means the Local Authorities (Arrangements for the Discharge of Functions (England) Regulations 2012 (SI 2012 No. 1019);

“Treasurer”

means the officer appointed as the Chief Financial Officer of the 2015 Joint Committee pursuant to Clause 3.22;

“TUPE”

means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended;

“Value for Money Objectives”

means the responsibility incumbent upon all councils to ensure that taxpayers’ money is spent responsibly balancing the need for high quality service delivery with the need to reduce costs;

“Vice-Chair”

means the person who is the Vice-Chair of the 2015 Joint Committee elected from time to time under Clause 3.13;

“Working Days”

means Monday to Friday (9am – 5pm Monday to Thursday and 9am to 4.30pm Friday), with the exception of public holidays in England.

- 1.2 In this Agreement (unless the context requires otherwise):
 - 1.2.1 references to Clauses Schedules and Paragraphs are to the clauses Schedules and paragraphs of this Agreement. Any reference to a sub-clause or a sub-paragraph is to the relevant sub-clause or sub-paragraph of the Clause or Schedule in which it appears;
 - 1.2.2 the table of contents and headings are not part of this Agreement and are not to be taken into account in the interpretation of this Agreement;
 - 1.2.3 the use of the masculine gender alone includes the feminine and neuter genders and the singular includes the plural and vice versa;
 - 1.2.4 references to legislation (including subsidiary legislation) determinations and directions include all amendments replacements or re-enactments thereof and all regulations determinations directions and statutory guidance made or given under them save that the treatment under this Agreement of any such amendment or modification that imposes any new or extended obligation or liability adversely affecting the parties or any of them shall be determined by the 2015 Joint Committee after consultation with the Five Councils;
 - 1.2.5 any reference to a requirement for “consent” or “approval” shall be taken to be the prior written consent or approval of the relevant person or body;
 - 1.2.6 the terms “including” and “in particular” are illustrative only and are not intended and shall not limit the meaning of the relevant words that precede them;
 - 1.2.7 the term “persons” means individuals, companies, industrial and provident societies, limited liability partnerships, statutory bodies, or other bodies with a legal personality and includes H.M. Government, Government Departments, and the European Union and its constituent parts.
- 1.3 The Schedules to this Agreement are to have effect as if set out in full in the body of this Agreement and references to this Agreement include the Schedules.

2. THE 2015 JOINT COMMITTEE

- 2.1 Each of the Five Councils agree that the 2015 Joint Committee shall have all the powers of Breckland, East Cambridgeshire, Fenland, West Suffolk and East Suffolk (with effect from the Commencement Date) over the finances made available by Her Majesty's Government the European Union and other sources of finance to each of the Five Councils in relation to or in respect of the establishment, maintenance and development of the JC Services.
- 2.2 Each of the Five Councils hereby warrants that it shall not do nor omit to neither do nor permit to be done anything that prevents or inhibits or seeks to prevent or inhibit the 2015 Joint Committee from carrying out all or any of the JC Services.
- 2.3 Each of the Five Councils shall at all times co-operate with each other and shall work within the spirit of openness, honesty, trust, and with a co-operative approach in respect of each of the others of the Five Councils and with the 2015 Joint Committee.
- 2.4 Each of the Five Councils hereby agrees that it will make to the Treasurer of the 2015 Joint Committee such payments as are provided by this Agreement in full in accordance with the terms of this Agreement and shall meet such liabilities and carry out such obligations in respect of the establishment, maintenance and proceedings of the 2015 Joint Committee and of the operation of the ARP as may be provided by this Agreement or may be determined in accordance with the terms of this Agreement.
- 2.5 The 2015 Joint Committee and the Five Councils shall keep under review (having regard to each of the Five Councils' Value for Money Objectives) whether the performance of the JC Services should continue to be managed through the 2015 Joint Committee and may decide to consider and agree alternative mechanisms for the performance of the JC Services.
- 2.6 Where any of the Five Councils considers that its Value for Money Objectives require it to do so it shall have the right (after consultation with the others of the Five Councils and the 2015 Joint Committee) to make other arrangements for the performance of any of its statutory functions within the JC Services provided that to do so shall not be inconsistent with its obligations under this Agreement.

3. THE 2015 JOINT COMMITTEE, ITS ROLE, MEMBERSHIP, MEETINGS AND OFFICERS

Joint Committee Members

- 3.1 Subject to Clause 3.2 each of the Five Councils shall appoint one of its members for the time being to be a member of the 2015 Joint Committee. In addition each of the Five Councils shall appoint two substitutes, who may attend meetings of the 2015 Joint Committee in the absence of their Council's JC Members.
- 3.2 All such appointments (whether made under Clause 3.1 or 3.4) shall be made in accordance with the relevant statutory provisions of Sections 101 and 102 of the LGA 1972 and of the 2000 Regulations or 2012 Regulations, as they may from time to time be applicable to each of the Five Councils.
- 3.3 Each JC Member shall remain in office until removed or replaced by his or her appointing Council or until ceasing to be a member of his or her appointing Council (or of the executive if Regulation 12 of the 2012 Regulations is applicable to his or her appointment).
- 3.4 Each of the Five Councils may remove and replace its JC Members at any time by giving notice of such removal or replacement to the 2015 Joint Committee by sending such notice to the Secretary within 5 days of effecting such removal or replacement.
- 3.5 The proceedings of the 2015 Joint Committee shall not be invalidated by any vacancy or by any defect or purported defect in the appointment of any JC Member.

Meetings of the 2015 Joint Committee

- 3.6 Part I of Schedule 12 of the LGA 1972 and the provisions of Clauses 3.7 to 3.17 shall apply to meetings of the 2015 Joint Committee.
- 3.7 Meetings of the 2015 Joint Committee shall normally be held once each quarter, subject to the need exceptionally to call additional meetings. The Chair shall

decide the venue, date and time of all meetings of the 2015 Joint Committee. Wherever practicable, at least ten Working Days notice of such meetings shall be given to each JC Member, the Secretary, the Treasurer, the Monitoring Officer and to each of the Five Councils.

- 3.8 Any JC Member may requisition a meeting of the 2015 Joint Committee by giving notice of such requisition to the Chair and to the Secretary. Immediately upon receipt of such requisition, the Chair shall call a meeting of the 2015 Joint Committee in accordance with Clause 3.7.
- 3.9 The standing orders applicable to council meetings of Breckland shall apply to meetings of the 2015 Joint Committee except in so far as the 2015 Joint Committee may agree amendments thereto or may adopt its own standing orders. All recommendations taken to the 2015 Joint Committee shall be voted upon and the majority shall prevail. Please refer to Clause 3.17 should an equality of votes arise.
- 3.10 No business may be transacted at a meeting of the 2015 Joint Committee unless a quorum is present. The quorum for a meeting of the 2015 Joint Committee shall be four JC Members or their substitute present in person. In the unlikely event that a JC Member or one of their substitutes is unable to attend a meeting of the 2015 Joint Committee a proxy arrangement may be agreed between the affected party and the remaining parties to this Agreement and a named member of the affected party may attend as such proxy. A substitute member or proxy member will count towards a quorum but will be unable to chair the meeting nor to vote on any issues. If the meeting is quorate but, upon considering an item brought to the Joint Committee the Chair determines (in consultation with the other Joint Committee members present) that it would be appropriate for all five JC Members (or their substitute) to be present, the item shall be deferred until the next meeting of the 2015 Joint Committee and a request shall be made for all five JC Members to be present or represented at that meeting.
- 3.11 If a quorum is not present within fifteen minutes of the time set for the commencement of a meeting of the 2015 Joint Committee (or a quorum ceases to be present during a meeting) the meeting shall be adjourned to the same day time

and venue seven days later or to such other date time and venue as the Chair (or other person who is chairing the meeting) shall determine.

- 3.12 One of the meetings of the 2015 Joint Committee referred to in Clause 3.7 shall be held during May or June of each calendar year and shall be the annual meeting of the 2015 Joint Committee at which the election of the Chair and Vice-Chair of the 2015 Joint Committee shall take place together with such other business as may be appropriate in the opinion of the outgoing Chair.

Chair and Vice-Chair

- 3.13 The 2015 Joint Committee shall at each annual meeting elect a new Chair and a new Vice-Chair to hold office for the next ensuing year. The persons eligible to be elected as Chair shall not be the appointees of a Council whose appointee held that position in any of the four previous years. The persons eligible to be elected as Vice-Chair shall not be the appointees of a Council whose appointee held that position in the previous year. The Chair and Vice-Chair shall not be appointees of the same Council.
- 3.14 The Chair or Vice-Chair may be removed by a majority vote of all JC Members present at a meeting of the 2015 Joint Committee subject to the Chair or the Vice Chair being given the opportunity to address the meeting before the vote is taken to put his or her case why he or she should not be removed.
- 3.15 If the Chair or the Vice-Chair is removed by a vote of the 2015 Joint Committee or resigns or is otherwise unable to continue as Chair or Vice Chair he or she may be replaced by the election of a JC Member as Chair or Vice-Chair as the case may be who is the appointee of the same Council as the outgoing Chair or Vice-Chair.
- 3.16 The Chair shall preside at all meetings of the 2015 Joint Committee. If the Chair is not present within five minutes of the time for the commencement of a meeting, or being present does not wish to preside, or is unable to do so then the Vice-Chair shall preside at that meeting. If (in the event of the absence or non-availability of the Chair) the Vice-Chair is not present within five minutes of the time for the commencement of the meeting or does not wish to preside or is unable to do so, the meeting shall appoint a JC Member to chair the meeting.

- 3.17 In the event of an equality of votes the person chairing a meeting of the 2015 Joint Committee shall have a second or casting vote.

Responsibilities of the Chair and Vice-Chair

- 3.18 The responsibilities of the Chair are as follows: -
- 3.18.1 to act as an ambassador for the 2015 Joint Committee and to represent the views of the 2015 Joint Committee to the general public and other organisations;
 - 3.18.2 to seek to ensure that the meetings of the 2015 Joint Committee are conducted efficiently;
 - 3.18.3 to give all JC Members and/or their substitutes/proxy an opportunity to express their views;
 - 3.18.4 to establish a constructive working relationship with, and to provide support for, any sub-committees or officers of the 2015 Joint Committee or of the ARP to whom the 2015 Joint Committee have delegated any of its powers and functions;
 - 3.18.5 to encourage the 2015 Joint Committee to delegate sufficient authority to officers of the 2015 Joint Committee or of the ARP to enable the statutory functions within the provision of the JC Services to be carried out efficiently between meetings of the 2015 Joint Committee;
 - 3.18.6 to ensure that the 2015 Joint Committee monitors and controls the use of delegated powers.
- 3.19 The role of the Vice-Chair is to deputise for the Chair during any period of the Chair's absence and during that period his or her responsibilities shall be the same as those of the Chair.
- 3.20 Except as provided by this Agreement neither the Chair nor the Vice-Chair has any authority or powers beyond those of any other JC Member.

Officers of the 2015 Joint Committee

(i) Secretary

- 3.21 The Secretary of the 2015 Joint Committee shall be the officer for the time being designated by the 2015 Joint Committee. The Secretary shall be responsible for the recording of the minutes of all meetings of the 2015 Joint Committee and for

the circulation of draft minutes to each JC Member within five days of each meeting and responsible for the sending out of all notices and agendas of meetings. Minutes and records of the meetings of the 2015 Joint Committee shall be maintained by the Secretary in accordance with the requirements of the LGA 1972.

(ii) Treasurer

- 3.22 The Treasurer of the 2015 Joint Committee shall be appointed by the 2015 Joint Committee at each annual meeting for the next ensuing year from the Five Councils. The Treasurer as the Chief Financial Officer of the 2015 Joint Committee shall perform the functions of the relevant officer responsible for the administration of the financial affairs of the 2015 Joint Committee under Section 151 of the LGA 1972, Part VIII of the Local Government Finance Act 1988 and the Local Government (Accounts and Audit) Regulations 2003.

The Treasurer shall also perform the role of the accounting officer in respect of all funds held on account for or paid to the Five Councils or any of them by Her Majesty's Government the European Union or other sources of finance for any purposes of the JC Services and to make or provide all appropriate banking and accounting arrangements and services required for the due and proper receipt, holding and application of such funds in accordance with the requirements of Her Majesty's Government and in accordance with best practice.

(iv) Legal Advice and Services in Respect of the Constitution and Governance of the 2015 Joint Committee

- 3.23 Legal advice and services as detailed in Schedule 4 of this Agreement should be sought from the Head of Legal Services or equivalent for the time being of one of the Five Councils or, where the ARP Management Team considers it appropriate, and on the advice of a Head of Legal Services or equivalent of the Five Councils, from external legal sources on specialist matters, or in the event that a conflict of interest may arise or has arisen. Where the use of legal advice and services from an external source is required, the 2015 Joint Committee shall be required to approve the use of such external legal sources and their proposed fees for providing such legal advice and services. The precise manner in which such advice and services will be provided shall be the subject of a separate agreement between the Five Councils.

The Role of the 2015 Joint Committee

- 3.24 The Role of the 2015 Joint Committee is to discharge the Five Council's statutory functions in respect of the JC Services including to: -
- 3.24.1 approve the Service Delivery Plan for each Financial Year including the approval of staffing requirements to be met by the Five Councils;
 - 3.24.2 approve the annual budget for the 2015 Joint Committee and the ARP;
 - 3.24.3 approve the annual report of the 2015 Joint Committee and the ARP;
 - 3.24.4 monitor expenditure and income of the 2015 Joint Committee and the ARP against the agreed annual budget;
 - 3.24.5 set progress and performance targets for the JC Services, approve the Service Delivery Plan for the performance of such Services and monitor and review the performance of such Services against such targets and delivery plan;
 - 3.24.6 recommend to the Five Councils any amendment of the terms of reference of the 2015 Joint Committee or of this Agreement;
 - 3.24.7 regularly review and update the ARP Health and Safety Policy having particular regard to any amendments required by reason of a change of law which Policy the Five Councils shall have developed as soon as is practicable following the entering into of this Agreement;
 - 3.24.8 appoint one or more sub-committees of the 2015 Joint Committee (in accordance with Regulation 11(4) of the 2000 Regulations) as it may consider to be required and to delegate specific functions to such sub-committees. Any sub-committee shall comprise a majority of JC Members (one of whom shall chair the sub-committee) but may include non-JC Members (namely from the membership of the Five Councils) and the 2015 Joint Committee shall determine terms of reference of each sub-committee the term of office of each sub-committee member and the quorum for meetings of each sub-committee and the financial limits within which it shall operate;
 - 3.24.9 delegate specific functions to officers of the 2015 Joint Committee or of the ARP in accordance with the provisions of Section 101 of the LGA 1972 and Regulation 11(4) of the 2000 Regulations.

4. HEALTH AND SAFETY POLICY

- 4.1 The Five Councils shall through the 2015 Joint Committee regularly review and update an ARP Health and Safety Policy having particular regard to any amendments required by reason of a change of law.

5. ARP MANAGEMENT TEAM AND OPERATIONAL IMPROVEMENT BOARD

ARP Management Team

- 5.1 The 2015 Joint Committee has established a working group of ARP senior employees to be known as the ARP Management Team.

- 5.2 The members of the ARP Management Team shall continue to comprise the following officers of the ARP: -

The Head of ARP

The Strategic Manager (Billing and Benefits)

The Strategic Manager (Revenues)

The Strategic Manager (Support)

and such other officers of ARP as the 2015 Joint Committee may decide.

- 5.3 The responsibilities of the ARP Management Team shall be to: -

- 5.3.1 manage the performance of the JC Services so as to ensure, so far as is possible and practicable, the delivery of such Services in accordance with the Service Delivery Plan and the progress and performance targets for the JC Services set by the 2015 Joint Committee pursuant to Clause 3.25.5;

- 5.3.2 review the JC Services following a subsidy reclaim made by the DWP and in the event of such reclaim from the DWP or equivalent body to review the matter to which the reclaim relates and determine whether in the circumstances of the case the payment of the reclaimed amount shall be shared in accordance with the agreed percentages payable by the Five Councils for the period of subsidy reclaim;

- 5.3.3 report to the 2015 Joint Committee meetings on the progress and performance of the services provided by the ARP in connection with the provision of the JC

Services against the Service Delivery Plan and the progress and performance targets set by the 2015 Joint Committee pursuant to Clause 3.25.5;

- 5.3.4 strive to ensure that the services provided by the ARP are delivered equitably between the Five Councils, so far as may be practicable;
- 5.3.5 prepare and submit to the 2015 Joint Committee for its approval on or before 31st December in each year an annual budget, and annual Service Delivery Plan for the next Financial Year;
- 5.3.6 report to the 2015 Joint Committee on the income and expenditure of the ARP against the approved budget;
- 5.3.7 seek to ensure so far as is practicable that the JC Services are provided within the budget (to include the allocation of new burdens funding) approved by the 2015 Joint Committee and to notify the 2015 Joint Committee of any material divergence from the annual budget and the reasons therefore;
- 5.3.8 recommend to the 2015 Joint Committee the resources (including staffing resources) required to provide the JC Services to the requisite performance standards and any changes required in such resources to maintain such performance standards;
- 5.3.9 make appropriate recommendations to the 2015 Joint Committee on any matter of relevance to the business of the 2015 Joint Committee and of the ARP.

Operational Improvement Board

- 5.4 The 2015 Joint Committee has established an Operational Improvement Board.
- 5.5 The members of the Operational Improvement Board shall continue to be a working group of senior employees from ARP and the Five Councils as established by the 2015 Joint Committee.
- 5.6 The Operational Improvement Board shall meet monthly and report to the 2015 Joint Committee.
- 5.7 The responsibilities of the Operational Improvement Board shall be to:-
 - 5.7.1 clarify service standards/levels provided by the ARP on behalf of each of the Five Councils in particular:-
 - 5.7.1.1 interface with client services;

- 5.7.1.2 performance management requirements;
and ensure a clear relationship between the ARP and client services in terms of areas of responsibility and fairness of cost/benefit arising;
- 5.7.2 shape future services both for each of the Five Councils and the ARP by identifying issues and prioritisation of them by the ARP management;
- 5.7.3 provide a basis to resolve problems and improve service incrementally over time;
- 5.7.4 where no Support Service arrangements have been agreed, or where it is deemed time to review the existing Support Service arrangements, decide how on going Support Service arrangement should be provided for ARP and
- 5.7.5 receive reports on specific employee Employments Costs.
- 5.7.6 consider and agree any future spending in respect of additional funding

6. FINANCE, BUDGETING AND AUDIT

Finance – Budgets

- 6.1 The budget for the provision of the JC Services on behalf of the Five Councils for the Financial Year 2019/20 set out in Schedule 2 has been approved by the Five Councils.
- 6.2 A draft budget for each Financial Year subsequent to 2019/20 shall be prepared by the ARP Management Team in collaboration with the Heads of Finance and Chief Finance Officers (or equivalent) of the Five Councils respectively and submitted to the Treasurer for consideration. The draft budget shall be based upon the budget for the previous Financial Year updated for any anticipated changes considered necessary and shall take account of the information in Schedule 3, paragraph 2.1
- 6.3 The draft budget shall also have appended to it a Schedule detailing the payments estimated to be required to be made by each of the Five Councils during the relevant Financial Year.
- 6.4 After being considered by the Treasurer, the draft budget shall be submitted to the 2015 Joint Committee for approval and thereafter submitted to each of the Five Councils so as to be received by them by no later than 31st December in each year.

- 6.5 Any comments of the Five Councils on the draft budget shall be submitted to the ARP Management Team who shall report to the 2015 Joint Committee the comments of each of the Five Councils and the effect thereof and the 2015 Joint Committee shall, having taken such comments and the report of the ARP Management Team into consideration, decide whether or not to approve the draft budget whether in the original or an amended form.
- 6.6 If the 2015 Joint Committee approves the draft budget (whether or not as amended) it shall become the approved budget for the relevant Financial Year and a copy of the approved budget shall be submitted to each of the Five Councils.
- 6.7 If the 2015 Joint Committee fails to approve a budget for the relevant Financial Year the process referred to in Clauses 6.2 to 6.6 shall be repeated in an attempt to secure an approved budget as soon as possible and in the meantime the JC Services shall be provided on the basis of the approved budget for the previous Financial Year with such amendment as the 2015 Joint Committee may determine.
- 6.8 In the event that the budget for the current Financial Year requires amendment to meet any overspend or increase in the costs of the provision of the JC Services by the ARP for that year, the ARP Management Team shall report thereon to the 2015 Joint Committee. If the 2015 Joint Committee agrees that the budget requires amendment it shall notify the Five Councils thereof and of the proposed amendments to the budget and of any increased payments it proposes that should be required from the Five Councils. The 2015 Joint Committee shall consider any comments on the proposals and determine whether or not and how the budget shall be amended and the amount of any additional payment required to be made by each of the Five Councils to meet the overspend or increase in the ARP's costs.
- 6.9 The ARP Management Team shall report as soon as practicable to the 2015 Joint Committee on any deficit or surplus arising during the current or immediately preceding Financial Year as compared with the approved budget. Any such deficit shall be met or any such surplus shall be dispersed by reference to the Accountancy Protocol.

Payments to be made by the Five Councils

- 6.10 The Five Councils shall in each Financial Year each pay to the funds of the 2015 Joint Committee sums in respect of the expenses of the 2015 Joint Committee and the costs of provision of the JC Services on behalf of each of them by the ARP.
- 6.11 The budget for the Financial Year 2015/16 set out in Schedule 2 and referred to in Schedule 3 formed the baseline position from which all further adjustments to the budget would be calculated. For each Financial Year subsequent to 2015/16 the cost of any increases or savings from any decreases in the ARP budget are allocated to each of the Five Councils in line with the agreed percentages set out in Paragraph 5.1 of the Accountancy Protocol. The agreed ARP percentage figures will be reviewed annually as set out in Paragraph 5.2 of the Accountancy Protocol.

One-off Costs

- 6.12 The One-off Costs shall be paid by each of the Five Councils in accordance with the percentages provided by Clause 6.11 upon receipt of an invoice from the Treasurer.
- 6.13 Each of the Five Councils shall pay the sums and percentages provided by Clauses 6.10 and 6.11 to the Treasurer for the credit of the funds of the 2015 Joint Committee in each Financial Year during which this Agreement remains in force.

Accounts and Audit

- 6.14 The Treasurer shall maintain the accounts of the 2015 Joint Committee and the ARP in accordance with the requirements of the Accounts and Audit (England) Regulations 2015 and the Local Authority Accountancy Act 2014 and with the requirements of the Department of Social Security, H.M. Treasury, H.M. Revenue and Customs, and all other applicable requirements.
- 6.15 Independent and objective internal audits of the JC Services shall be undertaken by the Five Councils either independently or in accordance with the provisions and schedules contained within Service Level Agreements outside this Agreement.

7. EMPLOYEES OF THE ARP

- 7.1 The Five Councils shall ensure that sufficient and appropriate employees shall be made available to undertake and manage the activities necessary or expedient for the proper and adequate provision of the JC Services as approved in the annual staffing establishment by the 2105 Joint Committee on behalf of the Five Councils. A draft staffing establishment for each Financial Year subsequent to the establishment of the ARP shall be prepared by the ARP Management Team in collaboration with the Heads of Human Resources (or equivalent) of the Five Councils respectively and submitted to the Treasurer for consideration. The draft establishment budget shall be based upon the establishment for the previous Financial Year updated for any anticipated changes considered necessary.
- 7.2 Any employee allocated by any of the Five Councils, as the case may be, to carry out any activities necessary or expedient for the provision of the JC Services shall be required to report to the 2015 Joint Committee unless his or her terms of employment require otherwise and subject to the obligations of the council as his or her employer.
- 7.3 Each of the Five Councils warrant and represent that:
- 7.3.1 it shall (subject to Clause 7.5 and without prejudice to the indemnities in Clause 7.3.5) continue to pay all Employment Costs for each of its employees allocated to carry out work in respect of the 2015 Joint Committee and the provision of the JC Services (to be covered by the payment detailed in Clauses 6.10 and 6.11);
- 7.3.2 the allocation of such of its employees to carry out work in respect of the 2015 Joint Committee and the provision of the JC Services does not breach the terms of their contracts of employment;
- 7.3.3 it shall use reasonable endeavours to ensure that its employees so allocated shall perform their duties with the skill care and diligence to be expected of a competent employee engaged in the performance of those duties having regard to the grade and experience of such employees;
- 7.3.4 it shall use reasonable endeavours to ensure that nothing is done by it or by its employees or agents which results in a breach of the contract of employment of

- any member of the ARP employees or of any employee of another council so allocated;
- 7.3.5 it shall indemnify the others of the Five Councils against all claims by or in respect of its employees allocated to the 2015 Joint Committee or the ARP in respect of the delivery of Support Services in the provision of the JC Services caused by the fault negligence or omission of that Council or its employees or agents in respect of the provision of the JC Services and take disciplinary action against such employees, if the employing Council deems appropriate; and
- 7.3.6 (in respect of issues arising under 7.3.5) it shall be responsible for all claims by or in respect of its employees allocated to the 2015 Joint Committee or the ARP in respect of the provision of the JC Services caused by the fault negligence or omission of that Council or its employees or agents towards those employees.
- 7.4 The Five Councils agree to indemnify each other against all costs in relation to pensions and pensions' contributions in respect of any employees transferred/working within ARP in accordance with the percentages in Paragraph 5.1 as may be amended by Paragraph 5.2 of the Accountancy Protocol (Schedule 3).
- 7.5 Each of the Five Councils shall where relevant cooperate and give assistance to and act in good faith towards each other in order to enable each of the others of these Councils to comply with their legal obligations in respect of their own employees.
- 7.6 In the event that an employee of the 2015 Joint Committee is to be offered early retirement, redundancy or termination with associated payments, then such an offer to a specific employee will be reported to the next available Operational Improvement Board meeting.
- 7.7 In the event that: -
- 7.7.1 the 2015 Joint Committee is dissolved pursuant to Clause 10.2 because of a decision by any or all of the Five Councils to withdraw from the 2015 Joint Committee; or
- 7.7.2 such Council no longer requires any part or element of the JC Services to be performed on its behalf by the ARP; and

7.7.3 TUPE does not apply to transfer the contracts of employment of all or any of the relevant employees of the others of the Five Councils carrying out work in connection with the performance of the JC Services on behalf of that Council or to any new contractor engaged by that Council

then that Council shall indemnify the others of the Five Councils against all contractual and statutory redundancy payments and notice payments made to employees dismissed by those others of the Five Councils for the reasons of redundancy arising from such withdrawal of that Council from the 2015 Joint Committee or the cessation of the performance of all or any of the JC Services by ARP on its behalf.

7.8 The Employment Costs incurred by any of the Five Councils in respect of any of its employees allocated to the 2015 Joint Committee or the ARP, other than the costs covered by the indemnities in Clauses 7.3.5, 7.5, and 7.6, shall be a charge against the accounts of the 2015 Joint Committee.

7.9 In the event that all Five Councils wish to consider dissolution and transfer to an Alternative Business Structure, all Five Councils agree:

7.9.1 that all Five Councils shall jointly instruct a pensions expert to undertake an actuarial and valuations assessment of the 2015 Joint Committee employee pensions contributions and liability, being both current and inherited liability ("Pensions Valuation Report") as at an agreed date, prior to dissolution; and

7.9.2 that full disclosure of the information submitted by or on behalf of the Five Councils in respect of Clause 7.9.1 shall be available to all Five Councils, together with any drafts and final copies of the most recent Pensions Valuation Report; and

7.9.3 that upon receipt of the most recent Pensions Valuation Report, each Council shall be liable for a proportion that directly relates to the caseload undertaken at the time of the dissolution, as calculated under Paragraph 5.1 or as may be amended by Paragraph 5.2 of the Accountancy Protocol and to the extent that it is necessary to indemnify the others of the Five Councils of any outstanding liability; and

7.9.4 that all Five Councils must then consider whether to transfer the 2015 Joint Committee employee pensions and liability detailed in the most recent Pensions Valuation Report to the Alternative Business Structure.

8. ARP PREMISES, ASSETS, CONTRACTS AND INTELLECTUAL PROPERTY

Premises

8. The costs of the premises at Breckland House, Thetford occupied and used by the 2015 Joint Committee or by the ARP for the provision of the JC Services shall be charged to the accounts of the 2015 Joint Committee in accordance with Clause 2.1 of Schedule 3

Assets

8.1 Any assets allocated for use by the ARP for the provision of the JC Services shall remain the property of the Council who owned it prior to the formation of the 2015 Joint Committee.

8.2 Any jointly used new assets procured by one of the Five Councils (as determined by the 2015 Joint Committee) on behalf of and at the cost of the 2015 Joint Committee (subject to the standing orders of the procuring Council and any applicable procurement legislation) shall be owned by the Five Councils in proportion to the percentages determined under Paragraph 5.1 or as may be amended by Paragraph 5.2 of the Accountancy Protocol.

8.3 The 2015 Joint Committee shall be responsible for the security, maintenance and repair of all assets used by it and the ARP for the provision of the JC Services.

8.4 A register of assets shall be maintained by the Treasurer showing the ownership, the date of its allocation to, or purchase for, the purposes of the 2015 Joint Committee for use by the ARP and the date of disposal of all assets allocated to or used by the 2015 Joint Committee formerly used by the ARP.

Contracts

- 8.5 All contracts (whether for goods, equipment, supplies, services or use of intellectual property rights) entered into on behalf of the 2015 Joint Committee or its predecessor for use by the ARP shall (subject to the provision of any necessary licence or approval of the other contracting party) be continued in effect.
- 8.6 Any new contracts required for the purposes of the 2015 Joint Committee for the benefit of the ARP for the provision of the JC Services shall be procured by one of the Five Councils (as determined by the Operational Improvement Board) on behalf of the 2015 Joint Committee in accordance with the acquiring Council's standing orders and any applicable procurement legislation and the procuring Council shall remain contractually liable for any rights obligations and liabilities arising under the contracts and shall act in that regard in the best interests of the Five Councils and the 2015 Joint Committee and account for any monies received to the 2015 Joint Committee and be entitled to seek recompense from the funds of the 2015 Joint Committee for any expenditure properly and reasonably incurred in that respect.

Intellectual Property

- 8.7 Each of the Five Councils shall grant to each of the others of the Five Councils a royalty free licence to copy and use through the 2015 Joint Committee all materials relevant to the JC Services in which it has intellectual property rights for use by or for the 2015 Joint Committee and the ARP only. The Council owning such intellectual property rights shall indemnify the others of the Five Councils in respect of any claim for infringement of the intellectual property rights of a third party and shall notify the others of the Five Councils and the 2015 Joint Committee as soon as it receives notice of any such claim.

9. INDEMNITIES INSURANCE AND LIABILITIES AND CONDUCT OF CLAIMS

Indemnities

- 9.1 Save as provided under Clause 5.3.2 (*subsidy reclaims*) and Clauses 7.3.5 and 7.3.6 (*employee fault negligence or omission*) each of the Five Councils shall

indemnify the others of them and their employees and agents against all claims demands actions costs and expenses (including legal expenses on an indemnity basis) which such other of the Five Councils or its employees or agents may incur as a result of any act omission or default of the others of the Five Councils as the case may be or of their employees or agents in respect of this Agreement and:

- 9.1.1 breach of contract;
 - 9.1.2 damage to real and personal property; or
 - 9.1.3 injury to persons including injury resulting in death.
- 9.2 Save as provided by Clauses 7.3.5 and 7.3.6, (*employee fault negligence or omission*) each of the Five Councils shall indemnify the others of them from and against any damages or awards paid to any of its employees or his or her personal representatives or payment made in settlement of any claims made by an employee or his or her personal representative arising from a breach by that Council of this Agreement or from negligence of that Council or its employees or agents (including legal expenses on an indemnity basis).
- 9.3 Save as provided under Clause 5.3.2 (*subsidy reclaims*) and Clauses 7.3.5 and 7.3.6 (*employee fault negligence or omission*) each of the Five Councils shall release and indemnify the others of the Five Councils and their members and officers from and against all liability for any of the following which arise out of or in consequence of the obligations under this Agreement, including but not limited to:
- 9.3.1 breach by that Council of its supply contracts for goods or materials or equipment made or to be made available to the 2015 Joint Committee for the purposes of the JC Services; or
 - 9.3.2 breach by that Council of the terms of any other of the Five Councils' supply contracts for such goods or materials or equipment.
- 9.4 Where one of the Five Councils enters into such a supply contract as is referred to in Clause 9.3.1 then the others of the Five Councils shall release and indemnify the contracting Council in respect of any breach by those others of the Five Councils (or of their officers or agents) of the obligations under such a supply contract arising from or in consequence of any non-performance or part

performance acts defaults omissions breaches and negligence of any obligation under that supply contract.

- 9.5 A Council shall not be responsible or obliged to indemnify any other or others of the Five Councils for:
 - 9.5.1 any liability under Clause 9.3 which arises as a direct result of one of the Five Councils acting on the instructions of any other or others of the Five Councils (to the extent that the other Council is or other Councils are entitled to give such instructions); or
 - 9.5.2 any injury loss damage cost and expense caused by the negligence wilful misconduct or a breach of this Agreement by any other or others of the Five Councils or an agent contractor or employee of any other or others of the Five Councils.
- 9.6 None of the Five Councils shall be liable in tort to any other or others of the Five Councils for any negligent act or omission of that other Council or those other Councils relating to this Agreement and the only remedy of such other Council or Councils is under this Agreement. Each of the Five Councils shall use reasonable endeavours to procure that no agent, contractor or employee of it brings a claim in tort or otherwise against any of the others of the Five Councils.
- 9.7 Any indemnity under any provision of this Agreement shall be without prejudice to any indemnity by the same Council under any other provision of this Agreement.
- 9.8 None of the indemnities under this Agreement shall apply and there shall be no right to claim damages for breach of this Agreement in tort or on any other basis whatsoever to the extent that any loss claimed is for loss of profits, loss of use, loss of production, loss of business or loss of business opportunity or is a claim for consequential or for indirect loss of any nature allegedly suffered by any Council.

Insurance and Liabilities

- 9.9 Each of the Five Councils shall take out and maintain with a well established insurance provider or underwriter of repute for so long as may be necessary the following insurances in respect of their own employees premises and assets allocated to the 2015 Joint Committee for the use of the ARP: -

- 9.9.1 public liability insurance for a value of not less than £10 million for each and every claim;
- 9.9.2 employer's liability insurance for a value of not less than £10 million for each and every claim;
- 9.9.3 buildings and/or contents insurance;
- 9.9.4 any other insurances required by law or agreed by the 2015 Joint Committee to be appropriate.
- 9.10 In respect of any assets owned by any of the Five Councils and allocated to the 2015 Joint Committee for use by the ARP, the Council nominated by the Joint Committee shall take out and maintain the insurances referred to in Clause 9.9.
- 9.11 Any new assets or any accommodation or premises leased or acquired pursuant to Clauses 8.2 or 8.3 shall be insured by the Council nominated by the 2015 Joint Committee to acquire or lease such assets accommodation or premises on behalf of the 2015 Joint Committee for the purposes of the ARP.
- 9.12 In relation to the insurances referred to in Clauses 9.9, 9.10 and 9.11: -
 - 9.12.1 the interests of the others of the Five Councils shall be noted on the policies;
 - 9.12.2 none of the Five Councils shall take any action or fail to take any action nor allow anything to occur which would entitle an insurer to refuse a claim under any of the insurance policies or which may render such a claim wholly or partially repayable;
 - 9.12.3 each of the Five Councils shall provide to the others of the Five Councils copies of insurance policies referred to in Clauses 9.9, 9.10 and 9.11 and evidence of the payment of the premiums and that the insurances are in full force and effect.
- 9.13 In the event of a default by the responsible Council in taking out and maintaining any requisite insurance one of the others of the Five Councils may pay the premium or take out the requisite insurances and recover its costs from the responsible Council as a debt.
- 9.14 Other than in respect of the insurances referred to in Clauses 9.9.1 and 9.9.2 a Council responsible for taking out or maintaining insurances may (subject to the prior agreement of the 2015 Joint Committee) decide to self insure in respect of

any risks or interest as defined and agreed by the 2015 Joint Committee and to accept and meet liability thereof as if it were an insurer of such risks or interest.

Conduct of Claims

- 9.15 The conduct by one of the Five Councils of claims made by a third person against it in relation to a matter related to this Agreement in connection with a potential liability described in Clauses 9.1 to 9.8 shall be dealt with under the procedures set out in Schedule 4 of this Agreement.

10. COMMENCEMENT AND TERMINATION

Commencement of the Agreement

- 10.1 This Agreement shall come into at the date at the beginning of this Agreement and shall replace the Reconstitution Agreement dated 10 September 2015 subject to Clause 2 of that Agreement which shall continue to be in force.

Withdrawal of a Party from this Agreement

- 10.2 Subject to the requirements of Clause 10.3 any of the Five Councils may withdraw from the 2015 Joint Committee on giving two years notice to the others of the Five Councils, in accordance with Clause 25. On the effective date of any such withdrawal, being two years after the date of service of the notice set out in Clause 25, this Agreement shall terminate and the 2015 Joint Committee shall be dissolved (save that any of the remaining Councils may enter into a new joint arrangement on such terms as the remaining Councils may agree).
- 10.3 Before serving a notice under Clause 10.2 the Council wishing to withdraw from the 2015 Joint Committee must have:-
- 10.3.1 served a Statement of Intent on the others of the Five Councils setting out the reasons underlying their intention to leave the 2015 Joint Committee and
- 10.3.2 discussed the Statement of Intent with the others of the Five Councils with a view to agreeing an Action Plan at a meeting of the 2015 Joint Committee that shall be

convened to take place within 28 days of the date of service deemed under Clause 25 but

- 10.4 failed to agree an Action Plan to address the concerns expressed or improved outcomes cited following discussion to deal with these.
- 10.5 Where an Action Plan is agreed the Five Councils will ensure that it is carried out.
- 10.6 Where an Action Plan is not agreed, then the Treasurer shall agree the appointment of an independent actuary to value assets, for the purposes of redistribution/sale or repayment to the Council leaving the 2015 Joint Committee, in accordance with the percentages set out in Paragraph 5.1 or as may be amended by Paragraph 5.2 of the Accountancy Protocol, and the Provisions on Termination set out under Clause 10.7 shall be applied.

New Member

- 10.7 If at any time it is agreed by the Five Councils that one or more other local authorities shall join in or benefit from the activities of the 2015 Joint Committee this Agreement shall be terminated and the 2015 Joint Committee shall be dissolved on such date as may be agreed by the Five Councils and a new joint committee arrangement entered into on such terms as the Five Councils and such one or more other local authorities may agree.

Provisions on Termination

- 10.8 From receipt of a notice of withdrawal given under the provisions of Clause 10.2 until the date of termination of this Agreement and without prejudice to any other rights or remedies that the Five Councils have against each other under the terms of this Agreement:
 - 10.8.1 each of the Five Councils shall continue to make the payments provided for in this Agreement in respect of the maintenance of the ARP and the costs of the ARP's provision of the JC Services in respect of that Council until date of termination. This shall be subject to any redistribution/sale or repayment to the Council in relation to the ARP assets, in the agreed proportions set out under Paragraph 5.1 as may be amended by Paragraph 5.2 of the Accountancy Protocol, such assets to be valued in accordance with Clause 10.5;

- 10.8.2 each of the Five Councils shall co-operate with each other to ensure a smooth and timely handover of the JC Services to each of those Councils or to any contractor or contractors appointed by them or any of them or to any successor to the ARP and
- 10.8.3 each of the Five Councils shall act in good faith and use reasonable endeavours to minimise loss or harm to the others of the Five Councils arising from such a termination of this Agreement.

Provisions when dissolving ARP and transferring to an Alternative Business Structure

- 10.9 In the event that the Five Councils resolve that they wish to dissolve ARP and move to an Alternative Business Structure, the Treasurer shall agree the appointment of an independent actuary and pensions expert, for the purposes of valuing assets and liabilities, including, although not limited to those detailed under Clause 7.11 and that, subject to Clause 8.5 shall be apportioned in accordance with the percentages calculated under Paragraph 5.2 of the Accountancy Protocol.

11. REVIEW OF AGREEMENT

- 11.1 At any time any one or more of the Five Councils may seek a review of this Agreement and the operation of the ARP and its performance of the JC Services by submitting a report detailing the reason for the review (Review Report) to each of the other of the Five Councils and the 2015 Joint Committee.
- 11.2 Upon receiving the Review Report the 2015 Joint Committee shall advise the OIB and task it with conducting the review.
- 11.3 On production of the Review Report the Five Councils will have 8 weeks in which to submit their comments to the OIB in order to allow time for committee/member briefing cycles.
- 11.4 On receipt of comments from each of the Five Councils within the timescale referred to in Clause 11.3 (or any extension thereof agreed by the OIB) the OIB shall meet to consider the content and recommendations of the Review Report in

the light of the comments received from the Five Councils and submit to the Five Councils and the 2015 Joint Committee the revisions and amendments (if any) it proposes be made to this Agreement and this Agreement shall be amended (or if not amended shall be deemed to have been amended) to accord with the proposals of the Review Report (as revised and amended by the OIB) with effect from such date as determined by the OIB. The outcome of the review shall be reported to the next meeting of the 2015 Joint Committee.

12. EQUAL OPPORTUNITIES

12.1 The Five Councils shall work together through the 2015 Joint Committee to deliver the provision of the JC Services to a high standard of quality in a manner which is fair and equitable to all sectors of the communities of the Five Councils and their employees allocated to ARP and to this end each of the Five Councils shall agree:

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12.1.1 to adopt policies to comply with their statutory obligations under the Equality Act 2010 and any modification or re-enactment thereof and will not treat any person less favourably than any others because of that person's gender, sex or sexual orientation, marital or other status, race, nationality, ethnic origin, disability or age and will comply with all relevant codes of practice;

12.1.2 if found guilty of unlawful discrimination which relates to the ARP, to take steps to avoid a repetition of such unlawful discrimination and provide details of such steps to the others of the Five Councils; and

12.1.3 as far as possible to observe all relevant codes of practice for equal opportunities in employment especially in relation to the employees allocated to the ARP.

13. CONFIDENTIALITY

13.1 Each of the Five Councils agrees that (except as required by law) it will:

13.1.1 keep confidential and not divulge to any person any agreed confidential, technical or commercial information concerning the business accounts finance technology expertise contractual arrangements or other dealings transactions or affairs of the others of the Five Councils; and

- 13.1.2 not use any such information for its own purposes (except as contemplated in this Agreement).
- 13.2 Each of the Five Councils agrees to use its reasonable endeavours to prevent the publication or disclosure of any such confidential information.
- 13.3 Clauses 13.1 and 13.2 do not apply to any confidential information (as agreed by the Five Councils) used, divulged or communicated:
 - 13.3.1 pursuant to a contract for the supply of goods or services;
 - 13.3.2 pursuant to the procurement of goods and services in accordance with Clauses 8.2 and 8.6;
 - 13.3.3 pursuant to this Agreement;
 - 13.3.4 on the instructions of any other or others of the Five Councils;
 - 13.3.5 to its employees and professional advisers on terms that this information is confidential to them; or
 - 13.3.6 under any Court order or where there is statutory obligation to disclose it.
- 13.4 Each of the Five Councils undertake that they will not without the consent of the others of the Five Councils make any press or other announcement concerning any aspect of this Agreement or make any use of the names of the others of the Five Councils in consequence of this Agreement.

14. DATA PROTECTION AND FREEDOM OF INFORMATION

- 14.1 Each of the Five Councils agrees that in relation to any personal data (as defined in the DPA and GDPR) it holds in relation to this Agreement it will comply as a data controller if necessary with the DPA and GDPR including:
 - 14.1.1 the seven data protection principles listed in Article 7 to the GDPR;
 - 14.1.2 (subject to any exemptions) requests from data subjects for access to data held by it; and
 - 14.1.3 the requirements relating to notification to the Information Commissioner by data controllers under Article 33 of the GDPR.

- 14.2 Each of the Five Councils agrees that if it acquires personal data from any other party in connection with this Agreement it will:
 - 14.2.1 maintain a valid and up to date registration or notification under the DPA which covers all processing of such data which it undertakes;
 - 14.2.2 only undertake processing of such personal data where it is reasonably required in connection with the performance of its obligations under this Agreement;
 - 14.2.3 not disclose such personal data to any third party other than:
 - 14.2.3.1 disclosure on terms substantially the same as and no less stringent than those required by this Clause, to its employees agents and contractors to whom such disclosure is reasonably necessary in connection with the performance of its obligations under this Agreement; or
 - 14.2.3.2 as required by court order; or
 - 14.2.3.3 as may be required under relevant exemption under the DPA & GDPR.
 - 14.2.4 bring into effect and maintain all technical and organisational measures to prevent unauthorised or unlawful processing of personal data and accidental loss or destruction of or damage to personal data including taking reasonable steps to ensure the reliability of employees having access to the personal data; and
 - 14.2.5 (save as under any relevant exemption, where exemptions under the DPA & GDPR apply to obtaining consent) obtain the consent of data subjects to the disclosure of any personal data disclosed under this Agreement.
- 14.3 Nothing in this Agreement requires any of the Five Councils to disclose any information to another party if that Council considers that to do so would be in breach of the DPA and GDPR.
- 14.4 In the event that any of the Five Councils receives a request for information under the FOIA (relating to the JC Services provided by the ARP to the Council) then the Five Councils agree that the ARP shall provide all the necessary assistance as reasonably requested by the Council to enable the Council to respond to the request for information within the time for compliance set out in Section 10 of the FOIA.

- 14.5 The Council in receipt of the request for information shall be responsible for determining at its absolute discretion whether the information requested is exempt from disclosure in accordance with the provisions of the FOIA or may be disclosed.

15. WAIVER AND SEVERABILITY

- 15.1 A failure or delay by any of the Five Councils in exercising any rights, powers or privileges under this Agreement will not operate as a waiver of them. The single or partial exercise of any right power or privilege does not prevent any other exercise of it or the exercise of any other right power or privilege (whether arising out of the same factual situation or otherwise). Any waiver of a breach of this Agreement is not to be effective unless given in writing signed by the Council waiving its entitlement. No waiver is to be deemed a waiver of any subsequent breach or default nor is it to affect the other terms of this Agreement.
- 15.2 The receipt of money does not prevent the Council receiving it questioning the correctness of the amount or any other statement in respect of money.
- 15.3 If any term of this Agreement is illegal void or unenforceable the remainder of this Agreement will continue in force as though that term had not been included in it.

16. ENTIRE AGREEMENT

- 16.1 This Agreement sets out the whole agreement between the Five Councils in relation to the transaction it provides for.
- 16.2 Each of the Five Councils warrants that it has not entered into this Agreement on the basis of any representation made by any one or more of the others of the Five Councils except to the extent that such representation is expressly included in it (but nothing in this Clause 16 excludes any liability for fraudulent misrepresentation).

17. EXTENT OF OBLIGATIONS AND FURTHER ASSURANCE

- 17.1 Nothing in this Agreement is to require any of the Five Councils to act in any way that is inconsistent with its obligations or duties as a local authority.

17.2 Each of the Five Councils undertakes (subject to Clause 17.1) to do all things and execute all further documents that may reasonably be required by one or all of the others of the Five Councils to give effect to this Agreement.

18. NO PARTNERSHIP OR AGENCY

18.1 Nothing in this Agreement is to constitute or be deemed a partnership within the meaning of the Partnership Act 1890 the Limited Partnerships Act 1907 the Limited Liability Partnerships Act 2000 or any other legislation concerning partnerships or limited liability partnerships.

18.2 None of the Five Councils shall hold itself out as the agent of any one or more of the others of the Five Councils or to have any authority to bind any one or more of the others of the Five Councils except to the extent that this Agreement expressly provides otherwise.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

20. VARIATIONS

20.1 Except as provided by Clause 11.4 no person has authority on behalf of any of the Five Councils to agree to any variation to this Agreement except where the amendment is agreed to in writing by each of the Five Councils.

20.2 No consents to any variation to this Agreement are required from any person other than the 2015 Joint Committee (acting pursuant to Clause 11.4) or all of the Five Councils as detailed under Clause 20.1.

21. PREVENTION OF CORRUPTION/BRIBERY

21.1 Where any of the Five Councils or any person employed by or acting on behalf of any of the Five Councils (whether with or without that Council's knowledge) has offered or given or agreed to give to any person or received or agreed to receive

from any person any gift or consideration of any kind as an inducement or reward for:

- 21.1.1 doing or not doing or having done or not having done any action in relation to the obtaining or execution of this Agreement or any other contract with that Council; or
- 21.1.2 showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with that Council; or
- 21.1.3 where in relation to any contract with such a Council the Council or any person employed by that Council or acting on that Council's behalf has:
 - 21.1.3.1 committed any offence under the Bribery Act 2010 or legislation revoking or amending the same; or
 - 21.1.3.2 given any fee or reward the receipt of which is an offence under the LGA 1972 or Bribery Act 2010;

then the others of the Five Councils, if they all agree in writing so to do, may withdraw from this Agreement pursuant to Clauses 10.3. to 10.6 and recover from the aforesaid Council the amount of any loss they may suffer as a result of such termination of this Agreement.

22. MEDIATION AND ARBITRATION

- 22.1 If any dispute arises out of this Agreement the Five Councils shall attempt to settle it by mediation in accordance with the Centre for Effective Dispute Resolution ("**CEDR**") Model Mediation Procedure ("**the Model Procedure**").
- 22.2 To initiate mediation, the Chief Executive of any of the Five Councils seeking such mediation shall give notice in writing ("**ADR Notice**") to the others of the Five Councils requesting mediation in accordance with Clause 22.1 and shall notify CEDR of the dispute.
- 22.3 If the Five Councils cannot agree the identity of the mediator within 10 Working Days of the date of the ADR Notice the mediator is to be appointed by CEDR.
- 22.4 The mediation will start not later than 20 Working Days after the date of the ADR Notice.

- 22.5 None of the Five Councils may commence any court proceedings or arbitration in relation to any dispute arising out of this Agreement until they have attempted to settle it by mediation and that mediation has terminated.
- 22.6 If the dispute has not been settled by the mediation within 35 Working Days from the date of the ADR Notice the dispute shall be referred to arbitration under the Arbitration Acts 1950 to 1996 by a single arbitrator appointed by agreement between the Five Councils. If the Five Councils cannot agree the identity of the arbitrator within 10 Working Days of one or more of the Five Councils proposing at least two possible appropriate arbitrators to the others of the Five Councils the arbitrator is to be appointed by the President or next most senior officer available of the Law Society on the application of one or more of the Five Councils.

23. ASSIGNMENT AND SUBCONTRACTING

- 23.1 None of the Five Councils may transfer assign mortgage or pledge its rights or obligations under this Agreement.
- 23.2 None of the Five Councils may subcontract any of its obligations under this Agreement except with the consent of the others of the Five Councils (such consent not unreasonably to be withheld or delayed) but any Council who so subcontracts is to be liable for the performance of its subcontractors.
- 23.3 No rights under this Agreement are to devolve by operation of the law or otherwise on any receiver administrative receiver liquidator or assignee.

24. GOVERNING LAW AND ENFORCEMENT

- 24.1 The formation construction performance validity and all aspects of this Agreement are to be governed by English law and subject to Clause 22.6 each of the Five Councils agree to submit to the exclusive jurisdiction of the courts of England and Wales.
- 24.2 The rights and remedies given by this Agreement are cumulative and do not exclude any other rights or remedies given by law under this Agreement.

25. NOTICES

25.1 Notices or other communications under this Agreement will be duly served if given in writing and sent to the nominated representative of the Five Councils or to JC Members or to officers of the 2015 Joint Committee and shall be deemed to have been served in accordance with the following table with the date of service and method of proof being as set out therein.

Method of service	Date of service	Proof of service
Personal delivery to the nominated representative.	Day of delivery.	Proof of handing to the nominated representative.
Personal delivery of a letter addressed to the nominated representative at the address for service.	Day of delivery if before 16.00 on a Working Day otherwise 10.00 on the next Working Day thereafter.	Proof of delivery.
First class letter addressed to the nominated representative at the address for service.	48 hours after posting if that is a Working Day otherwise 10.00 on the next Working Day thereafter.	Proof of posting unless returned through the Post Office undelivered service within 21 days of posting.
Facsimile addressed to the nominated representative at the address for service.	Day of transmission if before 16.00 on a Working Day otherwise 10.00 on the next Working Day thereafter.	Transmission report showing a successful transmission to the correct number plus proof of posting of a hard copy.
Electronic mail addressed to the	Date of transmission if before 16.00 on a	Delivery receipt

nominated representative's electronic mail address	Working Day otherwise 10.00 on the next Working day thereafter	
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25.2 Each of the Five Council's address for service is the address set out at the start of this Agreement or such other address as it may notify to the other of the Five Councils and the Secretary in writing.

25.3 The nominated representative for the receipt of notices under this Agreement is the Chief Executive of each of the Five Councils or such other person as the relevant Council may nominate by written notice to the others of the Five Councils and to the Secretary.

26. COSTS

Except in so far as the costs of the preparation negotiation and completion of this Agreement shall be within the One-off Costs each of the Five Councils shall bear their own costs in relation to the negotiation and completion of this Agreement.

IN WITNESS whereof each of the Five Councils have executed and delivered this Agreement as a Deed on the above date.

SCHEDULE 1

PART I

JC Services

The JC Services shall comprise the statutory functions of each of the Five Councils under each of the following enactments: -

- (a) **Local Government Finance Act 1988** Part III sections 43 to 51 and 62 to 67;
- (b) **Local Government Finance Act 1992** Part I Chapter I sections 43 to 51, sections 62 to 67, section 103 and Schedule IX;
- (c) **Social Services Contributions and Benefits Act 1992** Part VII section 123 and sections 130 to 137;
- (d) **Social Services Administration Act 1992** sections 5, 6, 7, 7A, 16, 75, 76, 110A, 110AA, 111, 112, 113, 139E, 139F, 139G, 139H, 140, 140A, 140B, 140C, 140D, 140E, 140EE, 140F and 140G and Regulations made under sections 7A and 76;
- (e) **Local Government Act 1972** section 111(1) (in so far as it relates to anything done thereunder that is calculated to facilitate or is incidental or conducive to the discharge of any statutory function or functions referred to in subparagraphs (a) to (d) above);
- (f) **Tribunals, Courts & Enforcement Act 2007** in so far as it relates to enforcement of debts for Council Tax, Non Domestic Rates and other debts collected by the ARP
- (g) Any other statutory functions of the Five Councils which relate directly or indirectly to the collection of council tax and non-domestic rates and/or the administration of housing benefit council tax benefit and other relevant benefits.
- (h) The collection and/or enforcement of any other debt as agreed in writing by each of the Five Councils.

SCHEDULE 1

PART II

JC Services

The JC Services of the Five Councils in respect of the collection and administration of council tax and non-domestic rates (business rates) and the payment of housing and other benefits shall comprise the following services:

1. Council Tax including calculation of tax base
 - 1.1 Billing
 - 1.2 Recovery including enforcement
2. Business Rates including granting rate relief
 - 2.1 Billing
 - 2.2 Recovery including enforcement
3. Benefits Administration including recovery of overpayments
4. Anti-Fraud measures

SCHEDULE 2

Baseline Budget – 2015/16

	7(5)Partners 2015-16 £	4 (3) Partners 2015-16 £	Total 2015-16 £
Breckland Council	1,590,842	281,525	1,872,367
East Cambridgeshire Council	923,914	167,441	1,091,355
Fenland Council	1,151,977	0	1,151,977
Forest Heath Council	785,400	136,689	922,089
St Edmundsbury Council	1,121,313	224,491	1,345,804
Suffolk Coastal	1,185,218	0	1,185,218
Waveney Council	1,643,273	0	1,643,273
	8,401,937	810,146	9,212,083

Agreed ARP Budget for the provision of the JC Services on behalf of the Five Councils for the 2019/2020 Financial Year

2019-20 Budget			
	5 Partners 2019-20 Budget £	3 Partners 2019-20 Budget £	Total 2019-20 Budget £
Breckland Council	1,624,756	218,377	1,843,134
East Cambridgeshire Council	926,615	130,174	1,056,789
East Suffolk Council	2,985,568	0	2,985,568
Fenland Council	1,235,369	0	1,235,369
West Suffolk Council	1,957,656	280,673	2,238,330
	8,729,965	629,224	9,359,189

SCHEDULE 3

ANGLIA REVENUES PARTNERSHIP

Accountancy Protocol

1.0 INTRODUCTION

- 1.1 The formulation of these budget policies and procedures has been written with reference to details contained within this Agreement.
- 1.2 Any issues resulting from any of the Five Councils not approving the budget approved by the 2015 Joint Committee should be pursued in accordance with the arrangements detailed within this Agreement.

2.0 RECAP OF MAIN BUDGET ISSUES FROM THIS AGREEMENT

- 2.1 The baseline budget was set in 2015/16 and was split between all seven (now Five) Councils for the majority of agreed costs and income, however a small part of the baseline budget was split between Breckland, East Cambridgeshire and West Suffolk Councils only (Three Councils). The agreed items which are charged only to these Three Councils are:
- Rent & Rates at the Thetford Offices
 - Magistrates Court Costs
 - Fax Machines
 - Support service recharges from Breckland & West Suffolk agreed in advance
- 2.2 A draft budget for each Financial Year subsequent to the 2015/16 baseline split is prepared by the ARP Management Team in collaboration with the Heads of Finance and Chief Finance Officers of the Five Councils respectively and submitted to the Treasurer for consideration and thereafter submitted to the Section 151 Officers of each of the Five Councils, by 30th October in each year. The draft budget for the next Financial Year shall be based upon the budget for the previous Financial Year with the agreed Three Councils and Five Councils baseline split, updated for any anticipated changes considered necessary and shall take account of:-
- The cost of employees required to perform the JC Services during the relevant Financial Year
 - The agreed goods, services, plant etc. required to be procured during the Financial Year
 - The share of cost of the accommodation occupied by the employees of the ARP for the Three Councils split only
 - The cost of implementing any change in the legal or other requirements affecting the performance of the JC Services
 - Any capital requirements
 - Any agreed changes to the JC services to be provided in connection with the performance of the JC Services
 - Indexation
 - Support services agreed in advance

- Any projected under spend or over spend for the current Financial Year that may be required to be taken into account in the budget for the next Financial Year.
 - Income receivable in respect of costs that are charged to the partnership
- 2.3 The draft budget shall also have appended to it a Schedule detailing the payments estimated to be required by each of the Five Councils during the relevant Financial Year.
- 2.4 After being considered by the Section 151 Officers the draft budget shall be submitted to the Treasurer for consideration and then to the 2015 Joint Committee for approval and thereafter submitted to each of the Five Councils so as to be received by them no later than 31st December in each year.
- 2.5 In the event that the budget for the current Financial Year requires amendment to meet any over spend or increase in the costs of the performance of the JC Services by the ARP for that year the ARP Management Team shall report thereon to the 2015 Joint Committee.
- 2.6 The ARP Management Team shall report as soon as practicable on any deficit or surplus arising during the current or immediately preceding Financial Year as compared with the approved budget, first to the Section 151 Officers and subsequently to the 2015 Joint Committee. Any such deficit shall be met, or any such surplus shall be dispersed, by reference to this Accountancy Protocol.

3.0 THE BUDGET

3.1 Introduction

The budget must be set in line with the arrangements and timetable detailed in this Agreement.

3.2 The process

- The Five Councils will hold a “Client” account and a “Partnership” account
- Costs chargeable to the “Partnership” account (taking into account the three & Five partner splits detailed in 2.1 above) are:
 - Employee related expenses
 - Transport related expenses
 - Premises related expenses
 - Supplies and services
 - Any Support Service costs agreed in advance by the Five Councils as chargeable to the “Partnership” account because of the obvious service/benefit provided
 - Any income that is received in respect of costs that are chargeable to the “Partnership” account.
- Costs chargeable to the “Client” account are:
 - Support Services not specifically agreed as chargeable to the “Partnership” account

- Income not received in respect of costs that are chargeable to the “Partnership” account
- Corporate costs not directly attributable to the work of the 2015 Joint Committee and the ARP.

3.3 Once all of the costs are identified the Council who will be making the various payments should be clearly identified. This will form the basis of future budget monitoring and control.

3.4 It will be necessary for the OIB to review each budget line each Financial Year to confirm the following:

- the basis of calculation is acceptable to each of the Five Councils and
- the reasonableness of the cost and the benefits to the 2015 Joint Committee and the ARP.

4.0 TREATMENT OF COSTS

4.1 “Partnership” account costs must adhere to the following principles:

- Costs must be based on actual usage/cost
- Costs must be directly attributable to the work of the 2015 Joint Committee and the ARP
- Costs are assessed on an annual basis in accordance with Value for Money Objectives

4.2 The annual budget of the 2015 Joint Committee must not include any corporate or client costs or previously un-agreed costs from any of the Five Councils.

4.3 The annual budget of the 2015 Joint Committee will include the costs chargeable to the “Partnership” account as set out under Paragraph 3.2 of this Accountancy Protocol.

5.0 APPORTIONING THE PARTNERSHIP BUDGET

5.1 The “Partnership” account will be apportioned to each of the Five Councils: by taking the agreed baseline (detailed in Schedule 2) & apportioning any increase or decrease in costs between the councils, in accordance with paragraph 2.1, in the following proportions:

2019-20 Budget apportionment (based on 1 August 2019)			
	5 Partners (Excl Bailiff)	3 Partners	5 Partners Bailiff Only
Breckland Council	17.89%	34.90%	20.60%
East Cambridgeshire Council	10.55%	20.60%	9.81%
East Suffolk Council	35.23%	0.00%	33.22%
Fenland Council	13.53%	0.00%	10.99%
West Suffolk Council	22.80%	44.50%	25.38%

Costs and income from Enforcement Agent activity (Tribunals, Court and Enforcement Act 2007) will be shared in relation to the percentage of liability orders passed, in respect of each of the Five Councils, to an Enforcement Agency Service

- 5.2 These percentages are based on a combination of caseload data, which include the number of hereditaments, the number of businesses chargeable to business rates and the number of benefits claimants (and in the case of the Enforcement Agency liability orders passed for enforcement). This data will be reviewed annually on 1 August, and the new percentage data used with respect to the budget for the following Financial Year.
- 5.3 The Treasurer shall prepare a Schedule setting out the payments due from each of the Five Councils, taking into account each Council's share of the ARP budget and the costs incurred by each Council. This Schedule shall be agreed by the OIB. Amounts due shall be payable in equal instalments on the first Working Day of each month.
- 5.4 Any new capital acquisitions shall be jointly funded by the Five Councils in accordance with the percentages set out in Paragraph 5.1 of this Accountancy Protocol, or amended in accordance with Paragraph 5.2 of this Accountancy Protocol.

6.0 BUDGET MONITORING AND CONTROL

- 6.1 The Treasurer will act as the lead for monitoring and control of the budget which will be undertaken as follows:
- The budget will be set as detailed in Paragraphs 1 and 2 of this Accountancy Protocol.
 - Payments will be made by the relevant Council as identified when setting the budget (as provided in Paragraph 3.3 of this Accountancy Protocol).
 - Within 7 Working Days of the end of the quarter, each of the Five Councils will provide the Treasurer with a Schedule of payments made against the annual budget of the 2015 Joint Committee.
 - The Treasurer will compile an overall position against budget and raise any queries with the each of the other Councils.
 - The Treasurer will compile a quarterly monitoring report to the OIB and the 2015 Joint Committee, showing actual against budget and a forecast position for the year end.

7.0 BUDGET CHANGES AND AMENDMENTS

- 7.1 Budget changes may result from:
- a) New initiatives
 - b) Additional expenditure not previously identified
 - c) Over spends
 - d) Additional Government funding received during the year
 - e) Under spends

- 7.2 Budget changes a)-d) above should be dealt with as detailed in Paragraphs 2.4 and 2.5 of this Accountancy Protocol.
- 7.3 In these cases each of the Five Councils will share this cost in addition to the fixed fees in the ratio as detailed in Paragraph 5.1 of this Accountancy Protocol.
- 7.4 Budget changes resulting from Paragraph 8.1d) of this Accountancy Protocol should be reported to the 2015 Joint Committee once confirmation of the under spend is confirmed.
- 7.5 In all cases variations to the budget involving changes to or additions to a previously agreed budget will need reporting to the 2015 Joint Committee for approval and thereafter to each of the Five Councils for approval in line with each of the relevant Council's Standing Orders and Terms of Reference regarding budgets.

8.0 ASSETS

- 8.1 Any new assets shall be procured by one of the Five Councils (as determined by the 2015 Joint Committee) on behalf of and at the cost of the 2015 Joint Committee (subject to the standing orders of the procuring Council and any applicable procurement legislation) and shall be owned by the Five Councils jointly in proportion to the percentages set out in Paragraph 5.1 of this Accountancy Protocol for the purposes of the 2015 Joint Committee.
- 8.2 A register of assets shall be maintained by the Treasurer showing the ownership, the date of their allocation to or purchase for the purposes of the 2015 Joint Committee for use by the ARP and the date of disposal of all assets allocated to or used by the 2015 Joint Committee formerly used by the previous Joint Committee.

SCHEDULE 4

General Legal Advice and Services

Subject to the 2015 Joint Committee deciding otherwise the Legal Advice and Services will include and be provided by the following of the Five Councils:-

West Suffolk

- 1.1 Securing outstanding liability orders for unpaid council tax and business rates by obtaining a charging order on the property and registering the same;
- 1.2 Where a charging order has been made by the court, applying for an order for sale when instructed to do so;
- 1.3 Investigating the possibility of collecting outstanding liability orders for both council tax and business rates by way of insolvency proceedings and commencing such proceedings when instructed to do so;
- 1.4 Advising generally on alternative methods of enforcement; and
- 1.5 Advising in connection with the recovery of overpaid housing benefit and other benefits and commencing proceedings when instructed to do so.

Any of the Five Councils

- 2.1 General Constitutional Advice to be the Council whose Monitoring Officer has been appointed
- 2.2 Commencing and conducting fraud prosecutions, although at the Commencement Date this is provided by external Solicitors, as previously arranged through ARP, or in respect of West Suffolk Council - by their Council, and may change at the request of one of the Five Councils to undertake their own prosecutions/or all of the prosecutions on behalf of the Five Councils.

Conduct of Claims

- 3.1 If one of the Five Councils (“**the Notifying Council**”) receives a notice demand letter or other document concerning such a claim for which the Notifying Council may be entitled to be indemnified under this Agreement the Notifying Council shall notify the others of the Five Councils in writing as soon as reasonably practicable and in any event within twenty (20) Working Days of its receipt.
- 3.2 The Notifying Council shall be free at any time to give notice to the others of the Five Councils that it is retaining or taking over conduct of any defence dispute compromise or appeal of any claim made by a third party in connection with any matter described in Paragraph 3.1 or any incidental negotiations. On receipt of such notice the others of the Five Councils shall promptly take all reasonable steps necessary to transfer the conduct of such claim to the Notifying Council and shall provide to the Notifying Council all reasonable co-operation access and assistance for the purposes of considering and resisting such claim. If the Notifying Council gives any notice pursuant to this Clause then the others of the Five Councils shall be released from any future liability under its indemnity in respect of such claim.
- 3.3 If one or more of the others of the Five Councils pays to the Notifying Council an amount in respect of an indemnity and the Notifying Council subsequently recovers (whether by payment discount credit saving relief or other benefit or otherwise) a sum which is directly referable to the fact matter event or circumstances giving rise to the claim under the indemnity the Notifying Council shall immediately repay to the other or others of the Five Councils the lesser of:-
- 3.3.1 the sum recovered (or the value of the saving or benefit obtained) less any out of pocket expenses and costs properly incurred by the Notifying Council in recovering it; and
- 3.3.2 the amount paid to the Notifying Council by the others of the Five Councils in respect of the claim under the relevant indemnity.
- 3.4 There is no obligation on the Notifying Council to pursue a recovery under Paragraph 3.3. The other or others of the Five Councils is to be repaid only to the extent that the amount of recovery aggregated with the amount paid by the other or others of the Five Councils exceeds the Notifying Council’s losses.

3.5 Each of the Five Councils shall comply with the requirements of any insurer who may have an obligation to consider any claim made in respect of any liability arising under this Agreement.

The Common Seal of **BRECKLAND**)
DISTRICT COUNCIL was affixed hereto in)
in the presence of)

The Common Seal of **EAST**)
CAMBRIDGESHIRE DISTRICT COUNCIL)
was hereto affixed in the presence of)

Head of Legal and Democratic Services

The Common Seal of **FENLAND DISTRICT**)
COUNCIL was hereunto affixed in the)
presence of)

Authorised Signatory

The Common Seal of **WEST SUFFOLK**)
COUNCIL was affixed hereto in)
the presence of)

Authorised Signatory

The Common Seal of **EAST SUFFOLK**)
COUNCIL was hereunto affixed)
in the presence of)

Authorised Signatory

ARP REVISED PARTNERSHIP AGREEMENT

Committee: Council

Date: 20 February 2010

Author: Director Commercial

[U186]

1.0 **ISSUE**

1.1 To approve changes to the Anglia Revenue Partnership agreement.

2.0 **RECOMMENDATION**

2.1 Members are requested to:

- i) Approve the revised Anglia Revenue Partnership Agreement as set out in Appendix 1

3.0 **BACKGROUND/OPTIONS**

3.1 On 17 December 2019 (Agenda Item 40/19) the Anglia Revenues Partnership Joint Committee approved changes to the Partnership Agreement and further agreed to recommend that each partner Council approved these changes. This revised Partnership Agreement is provided at Appendix 1.

3.2 The changes arise from statutory changes to four of the Councils within the Partnership. On 24 May 2018 the Secretary of State, in exercise of the powers conferred by sections 10, 11, 12 and 13 of the Local Government and Public Involvement in Health Act 2007 (1) made The East Suffolk (Local Government Changes) Order 2018 and The West Suffolk (Local Government Changes) Order 2018. These orders took effect on 1 April 2019 to create two new non-metropolitan districts and councils for East and West Suffolk respectively and abolished Suffolk Coastal District, Waveney District, Forest Heath District and St Edmundsbury Borough Councils.

3.3 The revised Partnership Agreement reflects these changes with each authority having one member and one vote and makes further consequential changes that reflect that the Partnership has reduced from 7 Councils to 5 Councils.

3.4 The revised Partnership Agreement also updates matters that have been agreed by the Joint Committee, specifically:

- Financial provisions and budget shares: ensures that the agreement reflects current accounting practice and new partnership agreements
- Audit: clarifies provisions for audit and the role of Joint Committee and the Operational Improvement Board in the audit process

- Review process: updates the review process to remove the need for all Chief Executives to agree the need for a review
- Data Sharing: reflects changes to GDPR
- Variation: clarifies the approach to minor variation and what constitutes a minor variation

4.0 ARGUMENTS/CONCLUSIONS

4.1 The revised Partnership Agreement reflects the changes to other partner Councils and has been approved by the ARP Joint Committee. Members are recommended to approve the Partnership Agreement provided at Appendix 1.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT

5.1 There are no financial implication arising from this report.

5.2 EIA not required.

5.3 CIA not required.

6.0 APPENDICIES

6.1 Appendix 1- Revised Partnership Agreement

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
ARP Joint Committee Report & Minutes- 17 December 2019 Agenda Item 40/19	Room 105, The Grange, Ely	Emma Grima Director Commercial (01353) 616960 E-mail: emma.grima@eastcambs.gov.uk

DRAFT BUDGET 2020-21

	Budget 2019-20 £	Estimate 2020-21 £	Estimate 2021-22 £	Estimate 2022-23 £	Estimate 2023-24 £
Committees:					
Operational Services	5,516,770	5,650,903	6,059,294	6,175,172	6,263,162
Finance & Assets	5,239,673	4,655,272	5,233,766	5,467,014	5,593,274
Net District Spending	10,756,443	10,306,175	11,293,060	11,642,186	11,856,436
New Homes Bonus Grant	-572,681	-695,237	-241,365	-179,636	0
Rural Services Grant	-161,606	-161,606	0	0	0
Internal Drainage Board Levies	492,140	501,978	512,018	522,258	532,703
Contributions to / from Corporate Reserves	-58,006	265,895	145,293	133,253	108,333
Net Operating Expenditure	10,456,290	10,217,205	11,709,006	12,118,061	12,497,472
Contribution from Surplus Savings Reserve	-1,538,798	-1,291,541	-3,778,100	-831,399	0
Savings to be identified	0	0	0	-3,266,854	-4,391,777
ECDC Budget Requirement	8,917,492	8,925,664	7,930,906	8,019,807	8,105,695
Parish Council Precepts	2,255,224	2,470,158	2,524,650	2,580,169	2,636,909
DISTRICT BUDGET REQUIREMENT	11,172,716	11,395,822	10,455,556	10,599,976	10,742,604
<u>Financed by:</u>					
Council's share of Collection Funds Surplus	-329,345	-71,635	0	0	0
Revenue Support Grant	-11,576	-11,764	0	0	0
Locally retained Non-Domestic Rates	-3,349,219	-3,876,316	-2,913,716	-2,951,063	-2,984,785
Plus: NNDR from Renewable Energy	-1,003,036	-674,728	-674,728	-674,728	-674,728
COUNCIL TAX REQUIREMENT	6,479,540	6,761,379	6,867,112	6,974,185	7,083,091

	Estimate 2019-20 £	Estimate 2020-21 £	Estimate 2021-22 £	Estimate 2022-23 £	Estimate 2023-24 £
Unallocated Surplus Savings Reserve					
In hand at 1st April	6,234,651	5,809,838	4,609,499	831,399	0
Movement in year	-424,813	-1,200,339	-3,778,100	-831,399	0
In hand at 31st March	5,809,838	4,609,499	831,399	0	0

IMPLIED BAND 'D' COUNCIL TAX (District only i.e. excluding parish levies)					
Demand on Collection Fund as above	6,479,540	6,761,379	6,867,112	6,974,185	7,083,091
Less Parish Precepts as above	2,255,224	2,470,158	2,524,650	2,580,169	2,636,909
	4,224,316	4,291,221	4,342,462	4,394,016	4,446,182
Council Tax Base	29,719.4	30,190.1	30,550.6	30,913.3	31,280.3
District Council Tax - Band D	142.14	142.14	142.14	142.14	142.14

Description	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Operational Services					
Building Regulations	18,280	27,520	27,473	27,425	27,375
Civic Amenities	9,935	11,428	11,600	11,775	11,954
Community Projects & Grants	221,424	221,578	222,391	223,526	224,684
Community Safety	46,346	50,834	51,531	52,242	52,968
Cons. Area & Listed Buildings	59,701	60,578	61,539	62,519	63,519
Customer Services	359,094	465,859	475,221	484,771	494,512
Dog Warden Scheme	40,317	34,512	34,954	35,405	35,865
Emergency Planning	27,808	28,088	28,374	28,665	28,962
Environmental	91,821	90,260	91,613	92,992	94,399
Environmental Health	367,010	407,059	412,159	419,738	427,468
Homelessness	337,757	372,074	380,210	388,509	396,974
Information Technology	833,281	801,156	811,733	822,494	833,442
Licencing - Env Services	-11,373	-899	-8,194	-17,273	-27,317
Marketing & Grants	66,119	66,345	66,617	66,895	35,959
Nuisances	60,197	70,970	72,313	73,683	75,080
Parish Forums	2,000	1,500	1,500	1,500	1,500
Performance Management	56,486	10,400	10,400	10,400	10,400
Pest Control	14,310	9,090	9,263	9,439	9,619
Planning	-80,821	-16,131	-8,538	-695	7,406
Public Relations	74,435	75,172	75,917	76,669	77,429
Recycling	894,887	952,785	1,282,264	1,316,549	1,353,248
Refuse Collection	1,249,854	1,177,951	1,201,510	1,225,540	1,250,051
Renovation Grants	20,464	0	0	0	0
Street Cleansing	675,950	689,469	703,258	717,323	731,669
Street Naming & Numbering	3,062	7,896	7,972	8,050	8,129
The Old Gaol House	0	0	0	0	0
Travellers Sites	-20,000	-20,000	-19,963	-19,929	-19,892
Tree Preservation / Landscaping	98,426	55,409	56,177	56,960	57,759
	5,516,770	5,650,903	6,059,294	6,175,172	6,263,162

Description	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Finance & Assets					
Asset Management	191,918	141,918	141,918	141,918	141,918
Award Ditches	8,829	8,829	9,006	9,186	9,370
Civic Relations	13,292	21,794	22,074	22,360	22,651
Closed Churchyards	29,086	29,086	29,668	30,261	30,866
Community Transport	15,000	15,000	15,000	15,000	15,000
Corp. Man. Policy Research / Review	167,588	170,724	171,502	173,586	175,718
Council Tax Collection Costs	402,508	422,337	435,508	456,150	466,542
Data Management	95,352	99,024	100,315	101,632	102,975
Economic Development	23,006	-13,155	-8,266	-3,280	1,806
Finance	329,265	335,662	336,032	342,529	349,155
General Gang	111,987	117,565	120,930	122,918	124,945
Health & Safety (Work)	14,000	22,280	22,566	22,857	23,154
Housing Benefits	338,516	373,717	396,113	422,080	432,825
Housing Strategy	244,191	210,597	216,339	222,196	228,169
Human Resources (including training)	186,195	186,883	188,798	190,750	192,742
Interest & Financial Transactions	-225,916	-142,347	54,943	65,193	65,443
Internal Audit	71,710	70,855	72,228	73,629	75,058
Land Charges Admin	-97,602	-59,353	-61,388	-63,464	-65,581
Legal Services	241,452	221,889	225,810	229,810	233,890
Leisure Centre	-332,062	-396,613	-305,411	-305,411	-305,411
Local Elections	22,500	22,500	22,500	22,500	22,500
Local Plans	91,000	95,000	95,000	95,000	95,000
Management Team	453,160	296,018	445,662	483,225	492,049
Markets	0	0	0	0	0
Member & Committee Support	481,990	498,187	507,650	517,303	527,151
Misc. Financial Services	1,170,878	831,648	879,557	924,557	954,557
Miscellaneous Properties	-43,884	-45,124	-45,907	-45,940	-45,973
NNDR Collection Costs	36,867	42,040	44,699	49,386	52,148
Out Of Hours Service	20,000	15,000	15,300	15,606	15,918
Parking of Vehicles	-13,610	-44,514	-41,041	-37,497	-33,883
Parks and Open Spaces	384,896	261,832	268,368	325,036	331,837
Payroll	53,833	63,485	64,629	65,796	66,987
Public Conveniences	145,367	150,988	153,594	156,249	158,961
Registration of Electors	58,431	53,371	53,371	53,371	53,371
Reprographics	106,121	111,559	112,696	113,856	115,038
Office Accommodation	332,163	355,278	361,547	367,943	374,464
Sport & Recreation Admin	111,646	111,312	112,456	90,723	91,914
	5,239,673	4,655,272	5,233,766	5,467,014	5,593,274
Total	10,756,443	10,306,175	11,293,060	11,642,186	11,856,436

Reserve Accounts

Description	2019/20				2020/21			
	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	73,185		(73,185)	0	0	22,500		22,500
Historic Buildings Grants	6,190			6,190	6,190			6,190
Housing Conditions Survey	35,000	5,000		40,000	40,000	5,000		45,000
Building Control	23,155			23,155	23,155			23,155
Change Management	284,015		(34,792)	249,223	249,223		0	249,223
Major Project Development	100,000		(60,000)	40,000	40,000		(40,000)	0
Asset Management	26,690			26,690	26,690			26,690
Leisure	0			0	0			0
Surplus Savings Reserve	6,234,651	1,113,985	(1,538,798)	5,809,838	5,809,838	91,202	(1,291,541)	4,609,499
Vehicle Replacements	89,187			89,187	89,187			89,187
New Homes Bonus	577,682		(486,480)	91,202	91,202		(91,202)	0
Leisure Centre - sinking fund	(42,953)		(48,249)	(91,202)	(91,202)	270,529		179,327
Insurance	16,343			16,343	16,343			16,343
IT	0	40,000		40,000	40,000	40,000		80,000
CIL	1,690,698	5,101,000	(5,008,000)	1,783,698	1,783,698	1,200,000	(800,000)	2,183,698
CIL Admin	267,681	255,000	(100,000)	422,681	422,681	70,000	(100,000)	392,681
Care and Repair	45,000			45,000	45,000			45,000
Wheeled Bins Reserve	10,000			10,000	10,000			10,000
Community Fund Reserves	14,884			14,884	14,884			14,884
Housing	79,547			79,547	79,547			79,547
Affordable Housing	294,070	52,080		346,150	346,150	66,360		412,510
General Fund Balance	1,010,837	34,792		1,045,629	1,045,629			1,045,629
MTFS Reserve	0			0	0			0
Commercial Invest to Save	20,000			20,000	20,000			20,000
External Elections	0			0	0			0
CLT Grant Applications	19,000			19,000	19,000			19,000
Weekly Waste Collection Grant	0			0	0			0
Travellers' Sites	0	23,283		23,283	23,283	27,634		50,917
Enterprise Zone NNDR	75,600	70,460	(43,818)	102,242	102,242	154,761	(46,428)	210,575
Economic Development	98,500		(98,500)	0	0			0
Business Rates Retention Pilot	0			0	0			0
Other								
Section 106 Agreements	2,392,542		(500,000)	1,892,542	1,892,542		(500,000)	1,392,542
Internal Borrowing	(14,486,529)	2,993,230	(1,652,450)	(13,145,749)	(13,145,749)	5,119,058	(2,628,027)	(10,654,718)
Total Reserves	(1,045,023)	9,688,830	(9,644,272)	(1,000,465)	(1,000,465)	7,067,044	(5,497,198)	569,381

Reserve Accounts

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		(126,297)	122,926	122,926		(40,867)	82,059
Major Project Development	0			0	0			0
Asset Management	26,690			26,690	26,690			26,690
Leisure	0			0	0			0
Surplus Savings Reserve	4,609,499		(3,778,100)	831,399	831,399		(831,399)	(0)
Vehicle Replacements	89,187			89,187	89,187			89,187
New Homes Bonus	0			0	0			0
Leisure Centre - sinking fund	179,327	327,903		507,230	507,230	313,382		820,612
Insurance	16,343			16,343	16,343			16,343
IT	80,000	40,000		120,000	120,000	40,000		160,000
CIL	2,183,698	1,200,000	(800,000)	2,583,698	2,583,698	1,200,000	(800,000)	2,983,698
CIL Admin	392,681	70,000	(100,000)	362,681	362,681	70,000	(100,000)	332,681
Care and Repair	45,000			45,000	45,000			45,000
Wheeled Bins Reserve	10,000			10,000	10,000			10,000
Community Fund Reserves	14,884			14,884	14,884			14,884
Housing	79,547			79,547	79,547			79,547
Affordable Housing	412,510	36,960		449,470	449,470	24,920		474,390
General Fund Balance	1,045,629	126,297		1,171,926	1,171,926	40,867		1,212,793
MTFS Reserve	0			0	0			0
Commercial Invest to Save	20,000			20,000	20,000			20,000
External Elections	0			0	0			0
CLT Grant Applications	19,000			19,000	19,000			19,000
Weekly Waste Collection Grant	0			0	0			0
Travellers' Sites	50,917	34,647		85,564	85,564	42,279		127,843
Enterprise Zone NNDR	210,575	154,761	(46,428)	318,907	318,907	154,761	(46,428)	427,240
Economic Development	0			0	0			0
Business Rates Retention Pilot	0			0	0			0
Other								
Section 106 Agreements	1,392,542		(500,000)	892,542	892,542		(500,000)	392,542
Internal Borrowing	(10,654,718)	1,742,015		(8,912,703)	(8,912,703)	2,742,015		(6,170,688)
Total Reserves	569,381	3,760,083	(5,350,825)	(1,021,361)	(1,021,361)	4,655,724	(2,318,694)	1,315,668

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

FEES AND CHARGES SCHEDULE 2020-21

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
COMMUNITY SERVICES				
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)

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
<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	£40.00	£41.00
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 Only	SR	Discretionary	£40.00	£41.00
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	£80.00	£82.00
Householder Schemes – Building Control Advice - Written advice only	SR	Discretionary	£22.00	£22.50
Householder Schemes – Building Control Advice - Meeting and written advice	SR	Discretionary	£43.00	£44.00
Householder Schemes – Heritage Advice – Written advice only	SR	Discretionary	£10.00	£10.50
Householder Schemes – Heritage Advice– Meeting only	SR	Discretionary	£10.00	£10.50
Householder Schemes – Heritage Advice– Meeting and written advice	SR	Discretionary	£20.00	£20.50
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	£144.00	£147.00
Small Scale Minor Development – Residential schemes 1-2 dwellings. Other buildings up to 999sqm. Meeting only	SR	Discretionary	£240.00	£245.00
Small Scale Minor Development – Residential schemes 1-2 dwellings. Other buildings up to 999sqm. Meeting and Written Advice	SR	Discretionary	£384.00	£392.00
Small Scale Minor Development – Subsequent Advice on Amended Schemes. Written Advice	SR	Discretionary	£72.00	£73.50
Small Scale Minor Development – Subsequent Advice on Amended Schemes. Meeting only	SR	Discretionary	£120.00	£122.50
Small Scale Minor Development – Subsequent Advice on Amended Schemes. Meeting and Written Advice	SR	Discretionary	£192.00	£196.00
Small Scale Minor Development – Building Control Advice. Written Advice	SR	Discretionary	£55.00	£56.00
Small Scale Minor Development – Building Control Advice. Meeting and Written Advice	SR	Discretionary	£115.00	£117.00
Small Scale Minor Development – Heritage Advice. Written Advice	SR	Discretionary	£30.00	£31.00
Small Scale Minor Development – Heritage Advice. Meeting only	SR	Discretionary	£30.00	£31.00
Small Scale Minor Development – Heritage Advice. Meeting and Written Advice	SR	Discretionary	£60.00	£61.00
Minor Residential Schemes 3-9 dwellings – Written Advice only	SR	Discretionary	£240.00	£245.00
Minor Residential Schemes 3-9 dwellings – Meeting only	SR	Discretionary	£336.00	£343.00
Minor Residential Schemes 3-9 dwellings – Meeting and Written Advice	SR	Discretionary	£576.00	£588.00
Minor Residential Schemes 3-9 dwellings – Subsequent Advice on Amended Schemes - Written Advice only	SR	Discretionary	£120.00	£122.50

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
Minor Residential Schemes 3-9 dwellings – Subsequent Advice on Amended Schemes - Meeting only	SR	Discretionary	£168.00	£171.50
Minor Residential Schemes 3-9 dwellings – Subsequent Advice on Amended Schemes - Meeting and Written Advice	SR	Discretionary	£288.00	£294.00
Minor Residential Schemes 3-9 dwellings – Building Control Advice - Written Advice only	SR	Discretionary	£100.00	£102.00
Minor Residential Schemes 3-9 dwellings – Building Control Advice - Meeting and Written Advice	SR	Discretionary	£170.00	£173.50
Minor Residential Schemes 3-9 dwellings – Heritage Advice - Written Advice only	SR	Discretionary	£60.00	£61.00
Minor Residential Schemes 3-9 dwellings – Heritage Advice - Meeting only	SR	Discretionary	£60.00	£61.00
Minor Residential Schemes 3-9 dwellings – Heritage Advice - Meeting and Written Advice	SR	Discretionary	£120.00	£122.50
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	£384.00	£392.00
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	£432.00	£441.00
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	£816.00	£832.50
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 - Written advice only	SR	Discretionary	£192.00	£196.00
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	£216.00	£220.50
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	£408.00	£416.00
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	£170.00	£173.50
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	£280.00	£286.00
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	£75.00	£76.50
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	£75.00	£76.50
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	£150.00	£153.00
Large Scale Major Development – 41-99 Dwellings - Site are over 0.5ha. 5000sqm plus floor spaces - Meeting Only.	SR	Discretionary	£528.00	£539.00

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
Large Scale Major Development – 41-99 Dwellings - Site are over 0.5ha. 5000sqm plus floor spaces - Meeting and Written Advice	SR	Discretionary	£1,104.00	£1,126.00
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	£264.00	£269.00
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	£552.00	£563.00
Large Scale Major Residential Development – 41-99 Dwellings - Building Control Advice - Written Advice	SR	Discretionary	£280.00	£286.00
Large Scale Major Residential Development – 41-99 Dwellings - Building Control Advice - Meeting and Written Advice	SR	Discretionary	£395.00	£403.00
Large Scale Major Residential Development – 41-99 Dwellings - Heritage Advice - Meeting Only	SR	Discretionary	£150.00	£153.00
Large Scale Major Residential Development – 41-99 Dwellings - Heritage Advice - Meeting and Written Advice	SR	Discretionary	£150.00	£153.00
Strategic Development – 100 plus dwellings or mixed use development that includes 1000sqm of non-residential floor space. Accompanied site visit.	SR	Discretionary	£1,728.00	£1,763.00
Strategic Development – 100 plus dwellings or mixed use development that includes 1000sqm of non-residential floor space. Advice on Amended Schemes	SR	Discretionary	£864.00	£881.00
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	£344.00	£351.00
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	£150.00	£153.00
High Hedge Complaint	SR	Discretionary	£450.00	£459.00
Admin Charge if we return application because information requested for validation is not provided within timescale - Householder	SR	Discretionary	£25.00	£25.50
Admin Charge if we return application because information requested for validation is not provided within timescale - Minor & Other Applications	SR	Discretionary	£50.00	£51.00
Admin Charge if we return application because information requested for validation is not provided within timescale - Major Applications	SR	Discretionary	£150.00	£153.00
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	£150.00	£153.00
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	£96.00	£98.00
Registration and annual fee to be included on the register under the Self Build and Custom Housing Building Act 2015	OS	Discretionary	£20.00	£20.50

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
PLANNING APPLICATIONS				
See separate document for scale of fee for planning applications, determinations, certificates of lawful use or development and advertising consents				
click here for planning fees				
BUILDING REGULATION CHARGES				
See separate documents for Building Regulations Non-Domestic/Domestic Guidance Notes				
www.eastcambs.gov.uk/sites/default/files/BC%20Fees%20Aug%202018%20Final%206th%20August.pdf				
STREET NAMING & NUMBERING				
Property name additions/amendments/removals	OS	Discretionary	£50.00	£51.00
Naming of new streets	OS	Discretionary	£150.00	£153.00
Numbering of new properties				
1 property	OS	Discretionary	£50.00	£15.00
2 – 5 properties	OS	Discretionary	£75.00	£76.50
6 – 10 properties	OS	Discretionary	£100.00	£102.00
11 – 25 properties	OS	Discretionary	£150.00	£153.00
26 – 50 properties	OS	Discretionary	£250.00	£255.00
51 – 100 properties	OS	Discretionary	£400.00	£408.00
101 + properties	OS	Discretionary	£500.00	£510.00
			Plus £10 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	£25.00	£25.50
Renumbering of scheme following development replan (after notification of numbering scheme issued)	OS	Discretionary	£100.00 + £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	£50.00 per property	£51.00 per property
1 st set of nameplates erected for each new street if one nameplate required	OS	Discretionary	£225.00	£229.50
1 st set of nameplates erected for each new street if two nameplates required	OS	Discretionary	£325.00	£331.50
For each additional nameplate that is required to be erected at other junctions and entrances onto the new street	OS	Discretionary	£100.00	£102.00
Challenges/requests/revisions to existing street naming and numbering schemes	OS	Discretionary	Price on Application	Price on Application
E-SPACE BUSINESS CENTRES				

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
Ely – Annual rental charge per square foot (effective for new leases and on renewals)	SR	Discretionary	£29.30	£30.00
Littleport – Annual rental charge per square foot (effective on new leases and on renewals)	SR	Discretionary	£19.20	£20.00
PHOTOCOPYING CHARGES				
Up to 10 A4 pages	SR	Discretionary	No charge	No charge
11 A4 pages and over	SR	Discretionary	£1.00 plus 10p per copy	£1.10 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			£10.00	£10.20
ENVIRONMENTAL SERVICES				
Safer Food Better Business Mentoring Scheme	SR	Discretionary	£50.00 per hour	£51.00 per hour
Re-rating inspection fee for food business	OS	Discretionary	£130.00	£133.00
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

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
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
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

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
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
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
Annual fee	OS	Statutory	£50.00	£50.00

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
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
Annual fee	OS	Statutory	£50.00	£50.00
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
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	£612.00	£525.00
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

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
Transfer of Vehicle Plate/licence				
Private Hire	OS	Discretionary	£35.00	£25.00
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	£35.00
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
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	No longer charged
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	£208.00	£212.00
6-10 pitches	OS	Discretionary	£227.00	£232.00
11-20 pitches	OS	Discretionary	£227.00	£232.00
21-50 pitches	OS	Discretionary	£246.00	£251.00
51-100 pitches	OS	Discretionary	£265.00	£270.50
Greater than 100 pitches	OS	Discretionary	£265.00	£270.50
Annual Inspection Fees				
1-5 pitches	OS	Discretionary	nil	nil
6-10 pitches	OS	Discretionary	£225.00	£229.50
11-20 pitches	OS	Discretionary	£225.00	£229.50
21-50 pitches	OS	Discretionary	£225.00	£229.50
51-100 pitches	OS	Discretionary	£263.00	£268.50
Greater than 100 pitches	OS	Discretionary	£263.00	£268.50
Cost of Laying Site Rules	OS	Discretionary	£27.00	£28.00
Cost of Variation / Transfer	OS	Discretionary	£100.00	£102.00

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
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
Kennelling Charge per night/or few hours	OS	Discretionary	£16.20	£16.20
Stray dog collection (anytime)	OS	Discretionary	£50.00	£50.00
Transfer to Woodgreen	OS	Discretionary	£40.00	£40.00
Admin Fee	OS	Discretionary	£10.00	£10.00
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	£100.00	£105.00
LICENSING OF HOUSES IN MULTIPLE OCCUPATION				
Mandatory licence for 5 years	OS	Discretionary	£300.00	£310.00

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
SKIN PIERCING (ACUPUNCTURE, TATTOOING, PERMANENT AND SEMI PERMANENT SKIN COLOURING)				
Premises	OS	Discretionary	£182.00	£186.00
Per Individual	OS	Discretionary	£182.00	£186.00
Amendment of Export health or skin piercing certificate	OS	Discretionary	£10.50	£0.00
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				
Burwell – Site Rent per week	EX	Discretionary	N/A	N/A
Burwell – Water & Waste Charge per week	EX	Discretionary	N/A	N/A
Earith Bridge – Site Rent per week	EX	Discretionary	£85.00	£87.00
Earith Bridge – Water & Waste Charge per week	EX	Discretionary	£10.00	£10.50
Wentworth – Site Rent per week	EX	Discretionary	£85.00	£87.00
Wentworth – Water & Waste Charge per week	EX	Discretionary	£10.00	£10.50
STREET TRADING				
Street Trading - Consent - Annual	OS	Discretionary	£520.00 - £1040.00	£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
THE POLLUTION PREVENTION & CONTROL ACT 1990 ENVIRONMENTAL PERMITTING REGULATIONS 2010				
See link for nationally set figures http://www.defra.gov.uk/industrial-emissions/files/List-		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				

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
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
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	£662.00	£732.00
Site Licence Renewal	OS	Discretionary	£450.00	£600.00
Initial Collectors Licence Fee	OS	Discretionary	£490.00	£560.00
Collectors Licence renewal.	OS	Discretionary	£394.00	£450.00
Variation for both licences.	OS	Discretionary	£120.00	£120.00
Theft, loss etc of a licence	OS	Discretionary	£10.50	£10.50

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
WASTE				
Bulky Waste				
Up to three household items	OS	Discretionary	£25.00	£25.50
Fridge or freezer	OS	Discretionary	£25.00	£25.50
Initial cost of bins for new residential properties (this is for each bin provided)	OS	Discretionary	£25.00	£25.50
Annual Garden Waste Wheeled Bin Licence - this is for an additional bin	OS	Discretionary	£48.00	£49.00
Delivery and Administration Charge for additional blue bin (one off charge)	SR	Discretionary	£25.00	£25.50
Fly Tipping Fee	OS	Statutory	£400.00	£400.00
ENVIRONMENTAL PROTECTION ACT PERMIT	OS	Statutory	Variable	Variable
EXPORT CERTIFICATE OF HEALTH	OS	Discretionary	£95.00	£97.00
<u>FACILITIES MANAGEMENT</u>				
GARAGE RENTS – ST JOHNS ROAD, ELY				
Monthly charge	SR	Discretionary	£28.83	£28.83 + April 2020 RPI
<u>LEGAL SERVICES</u>				
LLC1 ONLY	OS	Discretionary	£21.48	£21.95
CON29(R) ONLY	SR	Discretionary	£127.98	£130.50
STANDARD SEARCH - LLC1 AND CON29(R)	SR/OS	Discretionary	£149.46	£152.50
CON29 OPTIONAL ENQUIRIES				
Q4 Road proposal by private bodies	SR	Discretionary	£10.32	£10.50
Q5. Advertisements	SR	Discretionary	£10.32	£10.50
Q6 Completion Notices	SR	Discretionary	£13.44	£13.70
Q7 Parks and Countryside	SR	Discretionary	£10.32	£10.50
Q8 Pipelines	SR	Discretionary	£3.24	£3.50
Q9 Houses in Multiple Occupation	SR	Discretionary	£3.24	£3.50
Q10 Noise Abatement	SR	Discretionary	£2.88	£3.00
Q11 Urban Development Areas	SR	Discretionary	£10.20	£10.50
Q12 Enterprise Zones, Local Development Orders and BID	SR	Discretionary	£3.24	£3.50
Q13 Inner Urban Improvement Areas	SR	Discretionary	£3.24	£3.50
Q14 Simplified Planning Zones	SR	Discretionary	£10.32	£10.50
Q15 Land Maintenance Notices	SR	Discretionary	£10.32	£10.50
Q16 Mineral Consultation and Safeguarding Areas	SR	Discretionary	£4.80	£5.00
Q17 Hazardous Substance Consents	SR	Discretionary	£10.32	£10.50
Q18 Environmental and Pollution Notices	SR	Discretionary	£3.24	£3.50
Q19 Food Safety Notices	SR	Discretionary	£7.68	£7.90
Q20 Hedgerow Notices	SR	Discretionary	£3.24	£3.50
Q21 Flood Defence and Land Drainage Consents	SR	Discretionary	£4.98	£5.20
Q22 Common Land and Town or Village Green	SR	Discretionary	£9.96	£10.20
CON29 ENQUIRIES				
1.1a-i Planning and Building Decisions and Pending			Total £9.50	Total £9.70
1.1 j-l Planning and Building Decisions and Pending			Total £3.85	Total £4.0
1.2 Planning designations and proposals			Total £0.84	Total £0.90
2.1 to 2.5 Roadways and footpaths			HIGHWAYS	HIGHWAYS

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
3.1 Other Matters - Is the property included in land required for public purposes	SR	Discretionary	Total £3.60	Total £3.80
3.2 Other Matters - Is the property included in land required for road works	SR	Discretionary	HIGHWAYS	HIGHWAYS
3.3 Drainage Matters			Total £2.70	Total £2.80
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 £6.14	Total £6.30
3.8 Contravention of Building Regulations			Total £2.52	Total £2.60
3.9 Notices, Orders, Direction and Proceedings under			Total £4.58	Total £4.70
			Total £7.56	Total £7.80
3.10 Community Infrastructure Levy (CIL)				
3.11 Conservation Area			Total £3.96	Total £4.00
3.12 Compulsory Purchase			Total £3.96	Total £4.00
3.13 Contaminated Land			Total £0.86	Total £0.90
3.14 Radon Gas			Total £1.68	Total £1.80
3.15 Assets of Community Value			Total £5.04	Total £5.20
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	£21.00, plus £1.50
Printed Form per 1000 electors or part of	OS	Statutory	£10.00, plus £5.00	£10.50, plus £5.00
List of Overseas Electors				
Data Form per 1000 electors or part of	OS	Statutory	£20.00 plus £1.50	£21.00 plus £1.50
Printed Form per 1000 electors or part of	OS	Statutory	£10.00 plus £5.00	£10.50 plus £5.00
LEGAL WORK				
Section 106 Agreements & Variations				
Hourly rates ***				
Legal Services Manager/Planning Solicitor	OS	Discretionary	£150.00	£155.00
Legal Assistant	OS	Discretionary	£120.00	£125.00
Senior Legal Assistant	OS	Discretionary	£130.00	£135.00
Land Charges Officer & Paralegal/Paralegal	OS	Discretionary	£50.00	£51.00
Information Officer	OS	Discretionary	£55.00	£56.00
Simple S106 - Standard Charge	OS	Discretionary	£1,050.00	£1,100.00
Easements (e.g. Car parking verges etc)				
Simple	OS	Discretionary	£675.00	£690.00
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	£675.00	£690.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***
Release of restrictive covenant				
Simple	OS	Discretionary	£675.00	£690.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***

Description	VAT code	Discretionary or Statutory	Charge for 2019-20	Proposed Charge for 2020-21
Miscellaneous Deeds				
Simple	OS	Discretionary	£675.00	£690.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***
Prosecutions				
Car Parking	OS	Discretionary	£100 plus Legal Officer presentation time at court and disbursements – i.e. if have to travel to Court	£100 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	£110.50	£113.00
All prosecutions			See hourly rates above***	See hourly rates above***
Miscellaneous removal of charge from property	OS	Discretionary	£110.50	£113.00
Mortgages				
Redemptions	OS	Discretionary	£220.00	£225.00
Civil Cases	OS	Discretionary	See hourly rates above***	See hourly rates above***
HOUSING				
Bed and Breakfast Charges	OS	Discretionary	See hourly rates above***	See hourly rates above***
Removals and Storage Charges	SR	Discretionary	See hourly rates above***	See hourly rates above***

Capital Programme 2019/20 to 2023/24

CAPITAL BUDGET	Projected Spend 2019/20 £	Proposed Budget 2020/21 £	Proposed Budget 2021/22 £	Proposed Budget 2022/23 £	Proposed Budget 2023/24 £
Operational Services					
Refuse Vehicles	52,450	1,882,077			
Depot	100,000	745,950			
Conservation Area Schemes - 2nd round	27,506				
Mandatory Disabled Facilities Grants (DFG)	1,080,808	697,299	697,299	697,299	697,299
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	78,619	75,000	75,000	75,000	75,000
Vehicle Etc. Replacements	118,187	29,000	29,000	29,000	29,000
Operational Services Total	1,457,570	3,429,326	801,299	801,299	801,299
Finance and Assets					
Intranet / HR / Payroll System Improvements	26,115				
Commuter Car Park - Ely (additional)	400,000				
Riverside Moorings	289,500				
Extension to Country Park		163,200			
East Cambs Trading Company - MOD Loan	1,500,000				
Finance and Assets Total	2,215,615	163,200	0	0	0
Capital Programme Total	3,673,185	3,592,526	801,299	801,299	801,299

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 will need to be purchased in 2020/21 when the vehicles purchased with the Weekly Collection Grant reach the end of their economic life.

Depot

The depot, including the drainage on the site, will be improved to provide staff with a safe environment.

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. Part grant funded from the Better Care Fund. The projected spend in 2018-19 includes the underspend from 2017-18 where work was committed, but not undertaken in year.

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. The majority of this is funded from CIL contributions.

Intranet / HR / Payroll System Improvements

Procurement and up-grade of a new HR and Finance systems and refreshing the intranet.

Commuter Car Park - Ely (additional)

Extension of Angel Drove commuter car park. Mostly funded from CIL funding.

Riverside Moorings

Purchase of Riverside Moorings from the Environment Agency

Extension to Country Park

Purchase of land from the Environment Agency

East Cambs Trading Company - MOD Loan

Load funding to East Cambs Trading Company(ECTC). ECTC is wholly owned by the Council, and operates as a commercial enterprise, providing more opportunities to compete for contracts. Profits generated will be either returned to the Council, the sole shareholder as dividends, or ploughed back into the company to improve services. This loan is specifically for use at the former MOD site in Ely, the Company is expected to repay this loan in full in (or before) March 2021.

SOURCES OF FINANCING	Projected 2019/20 £	Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £	Budget 2023/24 £
Operational Services					
Revenue Contribution	89,187				
Grants (Disability Facilities Grant)	526,577	526,577	526,577	526,577	526,577
Capital Reserves	632,850	245,722	245,722	245,722	245,722
Section 106 / CIL	56,506	29,000	29,000	29,000	29,000
Borrowing Waste	152,450	2,628,027			
Operational Services Total	1,457,570	3,429,326	801,299	801,299	801,299
Finance and Assets					
Capital Reserves	315,615				
Section 106 / CIL	400,000	163,200			
Borrowing Company	1,500,000				
Finance and Assets Total	2,215,615	163,200	0	0	0
Capital Funding Total	3,673,185	3,592,526	801,299	801,299	801,299

Capital Reserves Forecast	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £
Balance Brought Forward	1,361,638	463,173	2,490,951	2,295,229	2,099,507
Add receipts from Sales of Assets	50,000	2,273,500	50,000	50,000	50,000
Less Capital Receipts Applied	(948,465)	(245,722)	(245,722)	(245,722)	(245,722)
Capital Reserves Carried Forward	463,173	2,490,951	2,295,229	2,099,507	1,903,785

Borrowing Forecast	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £
Balance Brought Forward	14,486,529	13,145,749	11,654,718	10,912,703	10,170,688
Add Borrowing in Year	1,652,450	2,628,027	0	0	0
Repayment from ECTC	(2,500,000)	(3,620,000)	0	0	0
Less Minimum Revenue Provision (MRP)	(493,230)	(499,058)	(742,015)	(742,015)	(742,015)
Total Borrowing Carried Forward	13,145,749	11,654,718	10,912,703	10,170,688	9,428,672
Internal Borrowing	13,145,749	10,654,718	8,912,703	6,170,688	5,428,672
External Borrowing	0	1,000,000	2,000,000	4,000,000	4,000,000

REVENUE BUDGET, CAPITAL STRATEGY AND COUNCIL TAX 2020/21

Committee: Full Council

Date: 20th February 2020

Author: Finance Manager

[U185]

1 **ISSUE**

1.1 This report sets out the Council's proposed revenue budget, capital strategy, and the required level of Council Tax in 2020/21. The report assesses the robustness of the budgets, the adequacy of reserves and up-dates the Council's Medium Term Financial Strategy (MTFS).

2 **RECOMMENDATIONS**

2.1 To approve:

- The formal Council Tax Resolution which calculates the Council Tax requirement as set out in Appendix 1 (to follow).
- The draft 2020/21 revenue budget and MTFS for 2021/22 to 2023/24 as set out in Appendix 2.
- A proposed Council Tax freeze.
- The Statement of Reserves as set out in Appendix 3.
- The 2020/21 Fees and Charges as set out in Appendix 4.
- The Capital Strategy and financing as set out in Appendix 5.
- The awarding of discretionary Business Rate relief as detailed in paragraphs 6.5 and 6.6 of this report.

3 **BACKGROUND / OPTIONS**

3.1 At the Full Council meeting on 21st February 2019, members approved a net budget for 2019/20 of £8,917,492 and a frozen Council Tax. The budget had a planned draw of £1,538,798 from the Surplus Savings Reserve. The Medium Term Financial Strategy at that time showed a balanced budget in 2020/21 (using further resources from the Surplus Savings Reserve), but with then significant budget deficits in 2021/22 and 2022/23.

3.2 The outturn position for 2018/19 was reported to the Finance and Assets Committee on the 20th June 2019. This showed that due to the proactive actions taken by management to reduce the Council's cost base prior to and during 2018/19, the Council underspent in 2018/19 by £987,740. This was transferred into the Surplus Savings Reserve.

- 3.3 The Council put aside one-third of the New Homes Bonus it received in 2015/16. This has been used in recent years to provide revenue funding to cover the costs of the Leisure Centre, this up until the point that the Council started to receive the management fee from the operator. With the first operator payment falling due in 2019/20, any surplus received in advance of the annual running costs, will initially be used to repay the drawdown from this reserve until it is returned to its 2015-16 level. As this reserve then has no further planned use, it is recommended that the reserve is then closed with the balance being transferred into the Surplus Savings Reserve for use in balancing the budget in future years. The remainder of this report is based on this transfer having been made.
- 3.4 Management has continued to reduce the Council's cost base during the current financial year. This work has led to further one-off and on-going savings being made; which both contribute to the projected outturn underspend for this financial year and also provide savings throughout the term of the MTFs. The current yearend forecast underspend for 2019/20 is £627,505, this too will be transferred to the Surplus Savings Reserve at yearend and has been reflected in the figures in this report.

4 SPENDING ROUND 2019

- 4.1 Local Government was expecting a major change in the way it is funded by Government in 2020/21. At this time last year we were expecting a:
- Spending Review, a major review by Government of all of its spending plans, determining the quantum of funding that will be made available to each Department for a number of years.
 - Fair Funding Review, a review of the relative needs of all local authorities to determine how much of the funding allocated above, would be allocated to each individual authority.
 - Business Rates Retention Scheme revision, which would result in local authorities retaining 75% of Business Rates collected, rather than the current 50%; but at the same time some direct grants paid to councils by Government, such as Revenue Support Grant and Rural Services Delivery Grant would be withdrawn.
- 4.2 On the 4th September 2019, Government postponed plans for the Spending Review, Fair Funding Review and Business Rate Retention Scheme revision, announcing that in order to fully engage and consult on such fundamental reforms, these would now take place in 2020, to be implemented for the 2021/22 financial year.
- 4.3 Instead they announced they planned to implement a one-year Spending Round, which would "roll forward" the current year's settlement into 2020-21, this to provide certainty and stability into the local government sector.

5 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 5.1 The Final Local Government Finance Settlement was announced in a written statement on the 6th February 2020. There were no changes from the Provisional Settlement which had been announced on Friday 20th December 2019.

- 5.2 The Settlement confirmed the extension to the previous four year funding settlement that covered the period 2016/17 to 2019/20 into 2020/21, rolling over the previous funding schemes either in cash terms or increased in line with the change in the Business Rate multiplier.
- 5.3 The Revenue Support Grant figure was one of those increased in line with the Business Rate multiplier, which has resulted in us getting a small increase in cash terms.

	2017/18	2018/19	2019/20	2020/21
Settlement	£659,999	£353,703	£11,576	£11,764

- 5.4 The Settlement made a further change in the awarding of New Homes Bonus grant. Amounts earned in year 10 of the scheme, between October 2018 and October 2019, will only attract reward for one-year in 2020/21. Previous awards had been for four years, and this continues for those awarded prior to 2020/21. What this therefore means is that we receive four years of reward in 2020/21, but this reduces to two years in 2021/22 and one year in 2022/23. The current expectation is that the grant will be discontinued at this time, but, like all other funding sources in local government, this is far from clear. There is a view that Government remain committed to incentivising housing growth, but the exact form of this is unclear and there appears to be a growing view that New Homes Bonus is not the answer and they would prefer something more “targeted”. Government have announced that a consultation will take place in the spring to consider options.
- 5.5 That said, due to the increased level of house building in the District in the past year, our New Homes Bonus grant for 2020/21 is forecast to be £695,237, which is an increase of £122,556 when compared to that received in 2019/20.
- 5.6 The Settlement includes details of other specific grants, including the Rural Services Delivery grant, an allocation to the most rural authorities, which amounts to £161,606 in 2020/21 (this is the same value as in 2019/20); Housing Benefit administration grant of £166,767 (a reduction of £4,662 compared to 2019/20) and Council Tax administration grant £63,345 (a reduction of £3,334 compared to 2019/20).
- 5.7 The Settlement further identified the local authorities who will have Business Rates Pools during 2020/21, Cambridgeshire was amongst those councils (see paragraph 6.3).
- 5.8 The Settlement makes provision for shire districts to increase Council Tax by up to 2% or £5, whichever is the greater, in 2020/21 without the need for a referendum. To put a value on this, if we were to increase Council Tax by £5 in 2020/21 (this is the higher figure for us), this would generate additional income of £150,951 in that year. The draft budget assumes, that Council Tax will remain frozen for 2020/21 at £142.14.
- 5.9 The Business Rate Retention Scheme continues as previously operated in 2019/20. The baseline has been uplifted by CPI inflation. Growth in this Council’s Business Rates remain positive, however, there is always a risk that appeals against Business

Rates can be lodged and, if successful, can be backdated for several years. The Council does therefore include a provision for appeals in determining how much of the rates collected should be posted into the budget.

- 5.10 The Business Rate multipliers for 2020/21 were also announced in the Settlement. The small business non-domestic multiplier will increase from 49.1 pence to 49.9 pence and the multiplier for larger businesses (rateable values greater than £51,000) will be 51.2 pence. The multiplier is up-dated using the September CPI which was 1.63%.

6 BUSINESS RATES

- 6.1 The NNDR 1 return for 2020/21 was produced by the end of January in line with statutory requirements. Figures from this have been included in the draft budget as now presented.
- 6.2 The MTFs assumed that the Collection Fund for Business Rates would be in balance as at 31st March 2020, however the completed NNDR1 shows that the Fund will be in surplus at this point and that £12,451 of additional income will be available to this Council in 2020/21.
- 6.3 East Cambridgeshire applied to be, and was accepted by Government, to be part of a Business Rate Pool in 2020/21, alongside a number of other authorities in Cambridgeshire.
- Cambridgeshire County Council
 - Cambridgeshire Fire Authority
 - Fenland District Council
 - Peterborough City Council
 - South Cambridgeshire District Council

It is anticipated that this arrangement will benefit this authority by around £400,000 in 2020/21.

- 6.4 As highlighted elsewhere in this report, forecasts for retained Business Rates beyond 2020/21 are almost impossible at this time, but the figures presented take a prudent view, showing a significant reduction on those expected in 2020/21.
- 6.5 The Government announced, in a written ministerial statement on the 27th January 2020, additional Business Rates measures that will apply from 1st April 2020. These measures will increase the current retail discount and extend that discount to cinemas and music venues; extend the duration of the local newspapers office space discount; and introduce an additional discount for public houses as follows:
- a) Currently retail premises receive a discount of one-third. In 2020/21 this will be increased to 50 percent for eligible retail premises that occupy a property with a Rateable Value less than £51,000. Eligible retail premises have been extended to include cinemas and music venues;
 - b) Offices occupied by Local Newspapers will receive a discount of £1,500 for 5 years from 1 April 2020 until 31 March 2025;

- c) Public Houses with a rateable value less than £100,000 will receive a £1,000 discount in 2020/21. This will be in addition to the retail discount detailed above and will apply after the retail discount.

6.6 The Government have issued guidelines on the operation of these reliefs and State Aid rules will apply in the usual way. Local authorities are expected to use their discretionary relief powers (Section 47 of the Local Government Act 1988, as amended) to grant these reliefs in line with the relevant eligibility criteria set out in the guidelines. However, the full cost of granting these reliefs will be compensated through a Section 31 grant from Government. Council is asked to approve the award of these reliefs.

7 THE 2020/21 BUDGET

7.1 Due to the proactive actions taken by management to reduce costs and generate new sources of funding in recent years, the revenue budgets for 2020/21 and 2021/22 are fully funded; but there are significant budget deficits remaining in subsequent years which will need to be addressed.

7.2 The draft budget for 2020/21 is set out in Appendix 2 to this report.

7.3 The following key assumptions have been made in preparing the draft budget:

- Staff pay will increase by 2% per annum throughout the MTFs period;
- Inflation on other expenditure has only been included where there is a contractual inflationary increase for example utilities and insurance. 2% has been added to the Waste contract with East Cambs Street Scene. Other budgets have not been increased by inflation;
- Following the Pension Fund revaluation as at 31st March 2019 and discussion with the fund manager the Council's contribution rate has remained at 17.2%, with in addition, the lump sum contribution remaining at £485,000 in each year;
- The Housing Benefit budget reflects the latest information from Anglia Revenues Partnership (ARP) this at December 2019 (this has been up-dated since the version presented to Finance and Assets Committee);
- The Leisure Centre budget remains in line with the original funding strategy; that it should be revenue cost neutral. The MRP costs associated with the Leisure Centre project are being fully met in 2020/21 from the management fee to be paid to the Council by the operator. Additional management fee received over that needed to cover the debt and running costs of the Leisure Centre will initially be used to repay the New Homes Bonus reserve before then being put into a "sinking fund" to ensure that money is available for future maintenance and repairs at the Centre.
- East Cambs Trading Company (ECTC) has reduced its management fee for parks and gardens by £100,000.

8 RESERVES

8.1 The Council holds reserves, at levels which remain prudent. It is important to review the level of reserves on a regular basis, in particular to ensure that potential liabilities not in the Council's base budget can be funded from earmarked reserves; and that unearmarked reserves are at a sufficient level to cover any unforeseen events.

8.2 As part of the process of preparing this budget, officers have reviewed each reserve to ensure its purpose and level is appropriate. A Statement of Reserves is attached at Appendix 3.

8.3 The sole unearmarked reserve is the General Fund. This stands at £1,045,629. There is no statutory minimum level set for a local authority's reserves; it is a matter for each local authority's own judgement after taking into consideration the strategic, operational and financial risks it faces. It has been this authority's policy for some time that the level of the unearmarked reserve be set at 10% of their net operating budget, this is a reasonably prudent approach and a higher percentage than many other authorities locally. The proposed net operating budget for 2020/21 is £10,217,205. Using the 10% figure, this would therefore require an unearmarked reserve of £1,021,721. As this would result in a reduction to the value of this reserve, for reasons of prudence it will remain unchanged in 2020/21.

9 FEES AND CHARGES

9.1 Officers have reviewed the fees and charges, and details of the proposals are shown at Appendix 4. The proposed budgets include increases as a result of both volume and price.

9.2 There have been no new fees or charges introduced in 2020/21.

9.3 Where fees and charges are predominately related to staff costs it is planned to increase these by approximately 2% to match the anticipated increase in salary costs from the 1st April 2020. A similar approach will be adopted in future years, with fees and charges being increased by the same percentage as the anticipated pay increase for staff. This approach ensures that the additional cost of providing the service is met by the person / organisation benefiting from the service, rather than the general populous through Council Tax.

9.4 As external funding from Government grants continues to reduce, the Council's approach to fees and charges will need to reflect the increasing importance of this as an income source.

10 CAPITAL STRATEGY

10.1 The CIPFA revised 2017 Prudential and Treasury Management Codes required from 2019/20 all local authorities to prepare a capital strategy report, which provides:

- 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.

10.2 This Council has no long term capital objectives at this time. The medium term capital programme has been reviewed, and is attached at Appendix 5. The programme is largely a continuation of the previous programme. The total value of the programme in 2020/21 is £3,592,526.

- 10.3 The Council's Treasury Management Strategy is a separate document, which was reviewed at Finance and Assets Committee on the 6th February and is on today's Full Council agenda seeking approval.
- 10.4 With the Council's Waste Service now being provided by East Cambs Street Scene (ECSS), the Council is purchasing waste fleet and hiring this to the Company. The hire charge reflecting the Council's capital costs of doing this, both the minimum revenue provision (MRP) and interest costs. Spend in 2020/21 is forecast at £1,882,077 as vehicles previously purchased by the use of the Weekly Collection Grant from Government, reach the end of their useful life and require replacing. While these additional costs will be reflected in the charge to ECSS, the Council will need to increase the contract value it pays the Company for providing the service as detailed in paragraph 13.4 to ensure that it can meet these additional costs.
- 10.5 The project to refurbish the depot has been deferred into 2020/21, while further feasibility work takes place and costings of the project reviewed. At this time the budget originally put in for 2018/19 remains in place, but potentially this will need to be adjusted as new information comes to hand.
- 10.6 Additional capital provision, £163,200 is built into the budget for purchasing further land to extend Ely Country Park. This purchase will be funded from CIL contributions.
- 10.7 The other two areas of capital spend in the capital programme are the on-going provision of Disabled Facilities, both mandatory and discretionary. The Council receives Government funding (from the Better Care Fund), via the County Council to assist with the funding of this work. The total budget in 2020/21 is £772,299, with £526,577 being funded by grant, with the remainder (£245,722) being funded by the Council by the use of previously obtained capital receipts. And vehicle replacement funding for the Parks and Gardens team, these vehicles are purchased by the Council using Section 106 funding, and then hired to ECTC at a commercial rate.
- 10.8 The Council previously held cash balances which were invested in short and fixed term deposits, however as agreed in the 2017/18 budget, these are now being deployed to fund the expenditure on the Leisure Centre, Waste fleet and the loan to the ECTC. The current expectation is that external borrowing will be required in 2020/21, however, borrowing will only be undertaken when necessary. More details of the borrowing requirement are detailed in the Treasury Management Strategy (also on the agenda for this meeting).
- 10.9 The original loan arrangement with ECTC was that the loan must be repaid within five years (by March 2021). It has been agreed with our External Auditors that the Council does not need to make any annual revenue provision to repay this loan in the short-term, but simply use the Company's repayment to repay the Council's borrowing. Officers will continue to monitor this, to ensure that the Company's accounts remain robust and the expectation remains that funding will be available in / by March 2021 to repay the loan. As long as this remains the case, the Council will not be required to set aside annual revenue provisions, however if at any point it was felt that the loan repayment could be in doubt, the Council would be expected to make provision for any expected shortfall in the year that this became known. The current schedule is that £2.5 million of this loan will be repaid in 2019/20 with the balance in 2020/21.

- 10.10 Council approved a further £1.5 million loan to ECTC in December 2018, specifically for the development of the former Ministry of Defence houses in Ely. It is the expectation that this loan will also be repaid in March 2021. Again, if this is the case, then no MRP will be required on this loan.
- 10.11 In summary therefore, the Council has limited exposure to the on-going costs of capital expenditure at this time. The costs of the Leisure Centre are being met by the operator through the management fee; the loans to ECTC will be repaid in full in March 2021 and in the intervening period a commercial interest rate is being charged, and the costs of the Waste fleet and some of the costs of the depot enhancements will be passed onto ECSS, although the Council's revenue budget has been increased to reflect the replacement of the vehicles reaching the end of their useful life in 2020/21.

11 COUNCIL TAX

- 11.1 The MTFs assumed that the Collection Fund for Council Tax would be in balance as at 31st March 2020. However, an increased number of houses being built in the District have resulted in a forecast surplus as at 31st March 2020, of which £59,184 will come as income to this Council.
- 11.2 The taxbase for 2020/21 estimated in last year's budget was an equivalent of 30,178.3 Band D properties. However, the real growth in housing between October 2018 and October 2019 and an estimation of future growth in 2020/21 means that the current forecast for 2020/21 is 30,190.1 Band D properties.
- 11.3 It is proposed that the Council freezes its Council Tax for a Band D property at the current level of £142.14, based on the Council Tax requirement of £4,291,221 divided by the taxbase of 30,190.1 properties.
- 11.4 The County Council, Fire and Police Authority budgets and precepts were considered by their respective decision making bodies in early February and we have been notified of their precept requirements.
- 11.5 All parish precepts have also been notified to the Council. These are reflected, along with the precepts set out in paragraphs 11.3 and 11.4, in the formal Council Tax Resolution as detailed as Appendix 1.

12 RISK AND SENSITIVITY ANALYSIS

- 12.1 The Local Government Act 2003 places two specific requirements on an authority's Section 151 Officer in determining the Council's budget and Council Tax. Under section 25, the Section 151 Officer must advise on the robustness of the estimates included in the budget. The advice given to the Council on these issues is that the estimates have been produced on a prudent basis, with a strong emphasis on ensuring all cost pressures are included. Budget estimates have been developed with senior officers, with regular updates and discussions at Management Team.
- 12.2 The key risks are around funding of the Council. The Settlement provides clarity around grant funding for 2020/21, but looking beyond that, there is very limited information to put forward a MTFs based on confident assumptions on future Government funding. The risks from 2021/22 are significant; there is limited

information on likely sources of funding and indeed the value of any funding to be received.

- 12.3 The Government has announced that it intends for local authorities to retain 75% of all business rates generated in 2021/22 - but there will continue to be the need to share resources across the country - and there will also be additional new burdens placed on local authorities, which are unclear at this time.
- 12.4 Possibly the greatest concern for this Council however, is that plans suggest that Government intend to implement a full Business Rate baseline reset in 2021/22. The current baseline was set in 2013, when all councils were given a share of Business Rates equal to their needs. Since then councils have been allowed to keep a share of their growth, which for us as a district council has been 40%. In broad figures our baseline is £2.5 million, where we actually budget for £3.4 million of Business Rates because of this growth. If the baseline is fully reset, we will lose all of the growth, and wouldn't know what our revised baseline will be until the results of the Fair Funding Review (as detailed in 4.1) is known. An allowance has been made in the MTFS for this probable reduction, but at this point, there is no certainty on what this is likely to be.
- 12.5 To mitigate the above risk, the Section 151 Officer will continue to report on a frequent basis to Management Team and members as new information becomes available.
- 12.6 The Section 151 Officer is also required to report on the adequacy of reserves. The projected level of reserves, specifically the General Fund Reserve and Surplus Savings Reserve, and their use in 2020/21 are **prudent** and show how these will sustain the functions of the Council in that year.
- 12.7 However, the budget for 2021/22 assumes the vast majority of the remaining balance on the Surplus Savings Reserve is utilised, which will reduce the overall levels of reserves significantly. Reserves can only be utilised once and while the purpose of the Surplus Savings Reserve is to provide one-off funding to balance the budget in future years, the Council needs to be considering all options to reduce the speed that these are utilised so that they remain available further into the future. The Council has a track record of delivering additional savings and generating extra income in advance of the budget requirement, so work done during 2020/21 will hopefully lead to a reduced draw from the Surplus Savings Reserve in that and later years through the MTFS period.
- 12.8 Another key risk around reserves is the risk exposure the Council has with its loan funding of ECTC. Should ECTC encounter any financial difficulties and be unable to repay the £6,500,000 loan made available to it, then the Council will need to account for this within its financial statements. In such an event, the Council would need to draw on its reserves to meet such a liability. At this point, however, there is no indication that this is likely to be the case.

13 MEDIUM TERM FINANCIAL STRATEGY

- 13.1 The Council's Medium Term Financial Strategy is to set a robust financial framework for the Council's plans over the next four years which support the delivery of the Council's priorities within a context of an annual balanced budget. Specifically, the MTFS:

- Looks to the longer term to help plan sustainable services within an uncertain external economic and funding environment;
- Maximises the Council's financial resilience and manage risk and volatility, including managing adequate reserves;
- Helps ensure that the Council's financial resources are directed to support delivery of the Council's priorities over the medium term.

13.2 The MTFS covers the period 2020/21 to 2023/24. As highlighted earlier the spending round announced by Government for 2020/21 provides assurance about the grant position for that year and these figures can therefore be considered robust.

13.3 However, it is extremely difficult to develop a robust MTFS to cover the period 2021/22 and beyond while the uncertainties around future funding levels remain. As detailed earlier in this report, the Government is currently undertaking a number of pieces of work which will impact on local government funding moving forward. The Spending Review, will determine the quantum of funding available to local government, while the Fair Funding Review will determine how much of this funding is allocated to each individual authority. Then further Government intend to change the Business Rate retention scheme in 2021/22 to allow local government to retain 75% of the amount collected, rather than the current 50%. These issues create considerable uncertainty for local authority funding; and is an issue which will require monitoring; this so that the Council can adjust its MTFS as new information becomes available. Further up-dates will be provided to Council as further information becomes available.

13.4 The assumptions used in the MTFS include:

- Government funding through Revenue Support Grant and Rural Services Grant end in 2020/21;
- New Homes Bonus (NHB) remains part of the overall funding package from Government for the next three years, before being removed. However, while remaining in the funding package, the benefit of NHB reduces considerably over this period, before being stopped completely in 2023/24 (see paragraph 5.4);
- The Council's Business Rate growth continues;
- 2% inflation is added to the Waste contract on an annual basis, however additional budget is provided from 2021/22 when new recycling vehicles will be purchased. The vehicles purchased by the Council using the weekly collection grant from Government will reach the end of their useable life in 2020/21 so will need to be replaced, adding this additional cost. (This cost increase would have occurred regardless of whom is undertaking the contract at this point);
- The loan to ECTC is planned to be repaid in March 2021, the interest received by the Council on this loan will therefore stop at this point. The loan repayment will be used to reduce / prevent the Council needing to borrow externally, therefore reducing costs, albeit not to the magnitude that income will be lost;
- The Council has a track record of delivering cost reductions; it is anticipated therefore that a contribution to the budget deficit forecast in future years will be achieved during the term through general efficiencies and income generating opportunities; however, to be prudent, no account of these are shown within the forecasts within this report.

- Further, while ECTC is anticipated to start making profits in the period of the MTFS, it remains unclear how much of this will need to be retained by the Company as working capital, so at this point, no account of this income being paid back to the Council as a dividend is assumed in the budget.

13.5 The impact of the above assumptions is attached at Appendix 2. This shows the budgets for 2020/21 and 2021/22 are fully funded. However, there are significant budget shortfalls projected in the subsequent years. Clearly many things will change between now and then, so members should not focus on the precise numbers. What is far more important is that members appreciate the direction of funding facing this and many local authorities, and the likely scale. It will be necessary to develop a plan to meet these shortfalls, although the Council does have time (although limited) to put the necessary plans in place. The Council also has access to a reasonable level of reserves, as described in section 8 of this report.

13.6 While noting the uncertainty that is highlighted in this report about the 2021/22 financial year, it is considered unlikely that the quantum of funding from Government will increase and as such, this Council will need to identify measures to bridge the budget gap. A comparison between this year's MTFS and the past two last years does highlight an increasing need to identify savings in the medium term, to ensure that the Council's budget can be balanced in future years.

2018/19 Budget	
2018/19 – budget year	Balanced
2019/20 – MTFS year 1	Balanced
2020/21 – MTFS year 2	Savings to find £2,266,849
2021/22 – MTFS year 3	Savings to find £3,284,390
2019/20 Budget	
2019/20 – budget year	Balanced
2020/21 – MTFS year 1	Balanced
2021/22 – MTFS year 2	Savings to find £3,181,842
2022/23 – MTFS year 3	Savings to find £4,044,479
2020/21 Budget	
2020/21 – budget year	Balanced
2021/22 – MTFS year 1	Balanced
2022/23 – MTFS year 2	Savings to find £3,266,854
2023/24 – MTFS year 3	Savings to find £4,391,777

13.7 Options to resolve the budget shortfalls in future years come from:

- Efficiencies in the cost of service delivery
- Reductions in service levels
- Increased Council Tax
- Increased income from fees and charges
- Increased commercialisation via its trading companies

13.8 While noting the Council's favourable position of having a balanced budget (by use of the Surplus Savings Reserve) for the first two years of the MTFS period, it is strongly recommended that early consideration is made to how savings in future years will be achieved. All the bullets above need to be considered, with a quickening

of the pace of commercialisation and the review of all income generating opportunities, as these are potentially the areas that could generate the highest returns. However, within the MTFS period, all options will need to be considered and potentially implemented.

- 13.9 Any savings achieved in 2019/20, 2021/22 or 2022/23 resulting in potential underspends in those years, will provide further funding in the Surplus Savings Reserve to assist in the balancing of future years.

14 ARGUMENTS / CONCLUSIONS

- 14.1 The proactive actions already taken have led to a balanced budget for 2020/21 and 2021/22 (based on known information and the use of the Surplus Savings Reserve). The budget for 2020/21 therefore has minimal risks attached to it, although the Medium Term Financial Strategy and the new funding regime post 2021/22 do contain significant uncertainty and therefore risk. While there is little this Council can do to remove this uncertainty at this point, it does need to look for opportunities within its own control now, which will bridge some part of the funding gap currently forecast.

15 FINANCIAL IMPLICATIONS

- 15.1 The proposed net operating budget of £10,217,205 will be financed by Revenue Support Grant, retained Business Rates, Council Tax and the Surplus Savings Reserve.

16 APPENDICES

Appendix 1 - Formal Council Tax Resolution – ***To follow (awaiting confirmation of Council Tax levels from major Preceptors)***

Appendix 2 - Draft Budget 2020/21 and MTFS

Appendix 3 - Statement of Reserves

Appendix 4 - Schedule of Fees and Charges

Appendix 5 - Capital Programme

Background Documents

Location

Room 104
The Grange
Ely

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EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

AGENDA ITEM NO. 9d
EXTRACT OF DRAFT MINUTES

Minutes of a meeting of the Operational Services Committee held in the Council Chamber, The Grange, Nutholt Lane, Ely on Monday 20th January 2020.

P R E S E N T

Cllr David Ambrose Smith (Chairman)
Cllr Christine Ambrose Smith
Cllr Anna Bailey (as a Substitute Member)
Cllr Simon Harries (as a Substitute Member)
Cllr Julia Huffer
Cllr John Trapp (as a Substitute Member)
Cllr Paola Trimarco
Cllr Jo Webber
Cllr Christine Whelan

OFFICERS & PUBLIC

Lewis Bage – Communities & Partnerships Manager
Tracy Couper – Democratic Services Manager
Emma Grima – Director Commercial
James Khan – Head of Street Scene
Angela Parmenter – Housing & Community Safety Manager
Adrian Scaites-Stokes – Democratic Services Officer
Annette Wade – Customer Services Manager
Anne Wareham – Senior Accountant
15 Members of the Public

The Chairman welcomed Councillor Christine Ambrose Smith to her first meeting of this Committee.

39. **PUBLIC QUESTION TIME¹**

Questions and statements were submitted by 7 Citizen's Advice Rural Cambridgeshire (CARC) Volunteers; and Mr Michael Mealing, Chair of the CARC Trustee Board, relating to Agenda Item 6 on the review of grant provided to CARC. A copy of these questions/statements and the full responses to them provided by the ECDC Director Commercial are attached at Appendix A to these Minutes.

At the meeting, the Director Commercial gave initial responses to the questions/statements in advance of her full written responses, referring to the upskilling of ECDC staff and the extensive range of advice and support now available from the Council; the nature of the SLA with CARC, which was for a one year period, with no guarantee of grant funding in future years; and the notice given to CARC in March 2019 that the Council would be carrying out a review.

¹ See the Appendix at the end of the minutes for the full set of questions received.

In that connection, Mr Mealing acknowledged the initial responses from the Director Commercial, but expressed disappointment that there had not been negotiation with CARC in the spirit/intention of best practice represented by the national compact. He referred to the fact that CARC was a well-respected organisation with a wealth of professional experience amongst its volunteers and would welcome the opportunity for further dialogue/discussion on the matter.

40. **APOLOGIES AND SUBSTITUTIONS**

Apologies were received from Councillors Victoria Charlesworth, Lis Every and Mark Inskip.

Councillors Anna Bailey, Simon Harries and John Trapp attended as Substitute Members.

41. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

42. **MINUTES**

It was resolved:

That the minutes of the meeting held on 18th November 2019 be confirmed as a correct record and be signed by the Chairman.

43. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made the following announcements:

- A Parish Conference would be held on 2nd March at the Littleport Leisure Centre, commencing at 10am, and all Members would be notified.

44. **REVIEW OF GRANT PROVIDED TO CITIZENS ADVICE RURAL CAMBRIDGESHIRE**

The Committee considered a report, U153 previously circulated, detailing the outcome of a review undertaken as to whether to continue awarding a grant to Citizens Advice Rural Cambridgeshire (CARC).

The Communities & Partnerships Manager and Housing & Community Safety Manager advised the Committee that the Council was committed to ensuring its citizens had access to relevant services and had awarded grants to CARC on an annual basis to help achieve that. A review had been undertaken to see if this resulted in the effective delivery of these services. It became apparent that the services were also being provided by the Council.

In assessing the services, officers completed options appraisals and recommended Option 3, for a direct delivery of these services by the Council. Therefore it was recommended to not provide the grant to CARC in 2021 and the Council would then deliver a more comprehensive service.

In reply to Members questions, the Committee was informed that the Council officers dealt with a range of mental health issues and officers were trained in these issues and continued to undertake training to ensure that they were able to assist in the most effective way. All training includes ensuring that the service stayed up to date with any changing legislation. Previously officers would not have dealt with a number of services but through upskilling the Council would not now be turning people away who needed help.

Some Members thought that the Council appeared to consider that making these services available from the Council would result in a better service. The questions received at the meeting showed there was concern that the Council was not seen as independent. There was no question that the officers did not do a fine job but the question was, should the Council be doing this itself? People wanted to go somewhere that was independent. It was also questioned why Members had not been informed about the consultation and why the review had been evaluated internally, which cast doubts on the credibility of the results. Duplication of services had been mentioned, but where was this duplication and how was it measured? The CARC office in Ely was only open three hours a day for three days per week and appointments had to be made, so what would happen if it closed?

Officers responded by disclosing that historically the Service Level Agreement with CARC, paid for CARC to pick up services, which are listed in the Service Level Agreement, not provided by the Council. Since then the Council service had evolved so it could provide these services through the upskilling of its staff. The Council had also introduced community hubs, where people who did not wish to approach the Council directly could access relevant services. The Council also offered greater opening hours and people could drop-in at any time or could telephone in for advice. Free home visits were also available.

In debating the issue some Members contended that people wanted an independent advice bureau, as some vulnerable people did not trust the Council, so they needed independent help. The offices could not cover all things, such as mental health issues or other groups. There was concern about the process used to determine the recommendation and it appeared that the Service Level Agreement did not matter. The Council should step back from making the decision and consider whether it wanted to do everything. Why were the staff upskilling, as people would be better served by expert independent advice? The services provided by CARC were extremely cheap and included professional volunteers, so their training and resources were second to none. The services provided were not just about housing but covered a range of topics, so a range of expertise was needed which CARC could supply.

The contrasting view was that the recommendation not to provide grant funding in future years had not come out of the blue, as CARC had been notified 12 months ago. The Council was not closing CARC down, as the Council only provided a grant, and CARC also received funding from other sources. CARC was always looking for alternative sources of revenue and had never taken Council funding for granted. There was no denying that CARC provided a good quality service and it was hoped that it would continue to work with the Council.

The Council's department had changed, for the better, beyond all recognition and now dealt with people in a holistic manner. The team had been trained in many fields and had become incredibly skilled and supportive. The staff could call on other expertise and so respond quickly. The duplication of service was not a good use of either service, so the recommendations were to provide a more accessible service. The needs of the community were changing and the services needed to respond. The community hubs being introduced in various locations would help people feel less intimidated.

The report recommendations were duly proposed, and second, and when put to the vote were carried.

It was resolved:

- That the availability of grant funding available in 2020/21 and future years cease;
- That the recommendation to directly deliver the service as set out in 5.12 of this report be approved.

APPENDIX A

LIST OF QUESTIONS RECEIVED

Debi Tynan

Question:

The Council states that the advice is duplicated and that they offer impartial, confidential and are independent of any governing body.

But the council are not independent for clients to use. So how is this just? If clients feel, they have nowhere else to go, how is this going to have a knock on effect on advice sought. There could be a big domino effect with issues in benefits, housing, ICT and overpayments.

Response:

For citizens not wishing to come in to the Council offices directly, they can have access to full support and advice via the community hubs which are being extended to cover a wider area of East Cambridgeshire. The community hubs are a multi-agency approach for delivering a service.

All of the Council's front line officers offer home visits if needed.

Anita Mills

Question:

Where will the staff of ECDC that they are proposing to recruit, obtain their training from to cover all of the items on the CA website, how long do they propose it will take to train them given that our own staff and volunteers take up to a year to become proficient as advisers.

Response:

As set out in 5.10 of the report to Operational Services Committee, the existing staff have already undertaken training to improve service delivery and provide a fully comprehensive support service to the community. Further training will be undertaken within the team with the Financial Conduct Authority to ensure they can offer compliant financial advice.

Chris Prescott

Question:

Please explain how the proposal to cease grant funding, which I understand has not been put to consultation, is consistent with the Council's Community Engagement Strategy 2018-2031.

In particular, how the proposal has addressed the following:

- That "community engagement ... should ... provide the fundamental basis of everything [my emphasis] that we do" (p4).
- That "This strategy seeks to ensure that effective engagement takes place when changes to policies or services are being proposed and that the views and opinions of those possibly affected are heard, understood and valued." (p5).

- The forms of engagement illustrated in the diagram on page 7.
- That “residents have a wealth of knowledge and information regarding their communities as well as a first-hand insight to the matters faced, solutions desired and services required.” (p8).
- The promise to “work with other organisations, groups and individuals from the community, voluntary and private sectors to make sure that engagement activities influence the future direction of the district. We know that we need to work closely with communities to encourage effective community engagement and ensure that processes are flexible and can be tailored to different groups and individuals in different areas of the district.” (p14).
- The promise to “Consult on policy reviews relating to all areas of service delivery to ensure that the public and businesses have the opportunity to put forward their views on policy changes that may impact on them” (p18).
- The process of decision making outlined on page 18.

Further, please advise why the Government’s Revised Best Value Statutory Guidance Consultation Paper (for England) (February 2015) does not appear to have been followed. This states that “authorities are under a Duty to Consult representatives of a wide range of local persons; this is not optional. Authorities must consult representatives of council tax payers, those who use or are likely to use services provided by the authority, and those appearing to the authority to have an interest in any area within which the authority carries out functions” (quoted p9).

The Review of Grant makes no mention of CARC volunteers. Is ECDC aware of the fact that CARC volunteers contributed value of £83,785 in 2018-19, based on a conservative putative hourly rate?

- If it is so aware, why was this not considered in the Review?
- Why has this input to the community not been factored into the assessment?
- Is it not considered to be a disadvantage of Option 3 that the experience, enthusiasm, knowledge, time and effort of these volunteers is being completely discarded, without a hint of recognition or gratitude, and entirely lost to the community?
- Furthermore, has ECDC considered the effect of its proposal on the morale of the wider voluntary sector. In particular, has it considered the impact that this contemptuous disregard of CARC volunteers may have on its relationship with other charities with which it wishes to work?

Appendix 1, Summary of Options, states that 80% of services provided by CARC are already provided by ECDC. How is this figure arrived at? It does not appear in the Review of Grant.

Response:

Providing an outstanding and effective service to the community is at the heart of what the Council strives to achieve. To ensure that we continue to achieve this, we provide customer feedback forms for all customers that our housing team are engaged with. We use this feedback to continue to improve our service.

The service from our Council offices includes a daily drop-in service where no appointment is needed and customers can get immediate help and advice. Customers can also access our holistic service through community hubs (informal community based settings), home visits and our out of hours service. This multi access offer ensures that people can get advice in a way that is accessible and comfortable for them.

The Council is invested in continuing to improve the service that is offered to the community. This is one of the reasons the review of the CARC grant arose. Historically, the purpose of the SLA was to provide funding to CARC to deliver an element of service that was not available through the Council.

Over time, the Council has evolved its offer in order to provide a holistic service and has focused on delivering a service that can support people with all of their issues. The Council is very focused on the prevention and intervention agenda and has been working hard to identify people at an early stage to support them before they get into crisis. The review identified that 80% of the service being offered to the community was in fact already being done through the existing housing service.

It is important to stipulate that the Council is not proposing to cease making a service available to the community. It is seeking to continue to deliver and extend it from within its own service offer.

The Council will continue to work with CARC for the benefit of the community of East Cambridgeshire. CARC are encouraged to work with the Council to see what opportunities arise for the CARC within the community hubs.

The Council has considered, in detail, the service that it offers to the community and in particular how to improve the service being offered to the community. This has been at the heart of the rationale for the review. It is for the Council to determine how to measure best value, which is not necessarily a measure of cost, but indeed the social benefit that will arise. The Council believes that it is complying with best value and is improving the service for its users.

Spencer Greener

Question:

Although you as an organisation plan to provide advice in certain areas, you will not cover all the areas that are presently advised on by Citizens Advice. Many people will be disadvantaged by this.

Do you think the public should be put in this position?

Response:

The Council is not proposing that it will provide all of the wide ranging services offered by CARC. The Council is proposing that it will provide the services detailed in the SLA between the Council and CARC.

Joanna Landeryou

Question:

How will the new advice service be impartial and guarantee no conflict of interest? (E.g. council tax debt, housing benefit and other benefit enquiries)?

Will the new advice service staff use and direct clients to the national CAB public site (without contribution to funding it)?

Is there already training in place for advice staff or is it cart before horse?

CAB relies on volunteers meaning funding-wise CAB is sustained on a shoe string. Will new service have only paid staff and therefore will it cost ECDC more than £47,000 to fund or will it be an even more stretched service with fewer people able to deal with fewer clients or with less comprehensive support for each client?

How comprehensive will the support be according to the client's need? Will they be offered a more in-depth face to face appointment if necessary? What if anything will be an improvement in the service and will it (and how will it) be better value? Presumably ECDC plans for it to be both these things or why end the relationship with CAB.

Why such short notice for CAB? The immediate withdrawal of funds allows almost no time for any public consultation or for CAB to deal with all the issues that arise. It's both unfair and unreasonable and could have been avoided.

CAB is very visible and known to the public. When people search for information online very often the CAB site comes up with answers through a search engine and so people can learn about CAB and phone numbers, their local office etc., if they didn't know already. How will ECDC make their new service just as visible and will they guarantee funding for it into the future?

Response:

As identified in the review, 80% of the service is already being delivered by the Council. The Council has established relationships with multiple agencies to ensure that a well-rounded and holistic service is offered to the community.

The Council has no intention of referring customers to the national CAB; the Council will be working directly with customers to support them with their issues.

Existing experienced support officers and other frontline members of the team have been upskilling their knowledge, this is an ongoing programme within the team.

The Council will closely monitor the impact from the changed arrangements and will listen to feedback from the community and make the changes necessary to keep improving the service to the community.

The Council deals with every client face-to-face. There will be a full drop-in service Monday to Thursday 8:45am to 5pm and Fridays 8:45am to 4:30pm allowing customers to get immediate access and timely advice. This will be in addition to our

home visits and community hub services. This will provide a much more accessible and immediate service to the community.

At a meeting in March 2019, CARC were informed of the Council's intention to carry out a review and were told that the grant was not guaranteed for 2020/21 and in future years.

If the Council is to offer the enhanced service from April 2020 there will be a full communication strategy to ensure that the community is fully aware of the service.

Questions from Michael Mealing Chair of the Trustee Board

Despite the fact that CARC is a long standing and well regarded supplier of independent advice and information services, it has only very recently become aware of the threat to its funding and has not had the opportunity to put forward alternative ways of deploying the additional resources that the Council seeks to use to enhance the services provided to the local community.

A unilateral decision to accept the recommendation before the Committee would be contrary to Section 1.16 of the current Service Level Agreement between ECDC and CARC. This states that the "entire agreement shall be the subject of a formal review at a time to be negotiated between the parties, outside the normal annual review process. The aim of this review will be to consider the funding commitment of the Council in the longer term."

If the recommendation were approved, ECDC would also not be compliant with its obligations under the National Compact. The compact provides a framework for relations between the Public and Third sectors. Section 4, deals with arrangements for managing changes to services. It specifies the need for Impact Assessments that in this instance would cover current CARC clients, CARC itself and the local community. A minimum of 3 months' notice in writing is also required in the case of the change or withdrawal of funding.

The review ignores and omits both the cost per client of Council run services (In comparison with CARC) and the additional funding acquired for the East Cambs area by the leverage provided to CARC by the ECDC grant. This would not be accessible to a non-charitable council run service

Backed but not funded by a national organisation CA Volunteers are trained to extremely high professional standards and are subject to very rigorous quality assurance and auditing requirements. CARC is also registered with the Financial Conduct Authority with regard to the provision of debt advice.

Currently over 50 clients are seen a week and many of these particularly appreciate an independent source of professional advice. Part time Volunteer Advisors are also better able to respond more flexibly to the individual needs and time requirements of particular clients with multiple issues.

It is also not yet clear whether without ECDC financial support, it will be possible to keep the CARC office in Ely open. Should it be closed, three jobs would be lost and twenty two local volunteers would lose the opportunity to make their contribution to

Community.

The Committee should not be prepared without further deliberations to approve an only partially formulated proposal, which disenfranchises local residents, sets a precedent for dismantling the local third sector and runs counter to open and community focussed policy-making.

If the decision is deferred an opportunity would be created for discussions to take place between officials on the short and long term development of advice services within the District. We strongly believe that these discussions would lead to a mutually beneficial outcome that would help achieve the Council's objectives without the loss to the Community that would arise, if a local Citizens Advice service were no longer available.

Response:

The Council is grateful to CARC and its volunteers for the service that it has delivered to the community on behalf of the Council. The review has focused on ensuring that we offer the best, most preventative, holistic, accessible and responsive service we can in the future to those people throughout our growing district that need help, advice and support.

The SLA between CARC and the Council expires on 31 March 2020. It is very clear in the SLA that it is for a one year period and places no obligation on the Council to renew the SLA or to even consider a renewal of the agreement.

The Council informed CARC of its intention to carry out a review at a meeting held in March 2019, at that same meeting CARC were informed that there was no guarantee that the grant would be available in 2020/21 and in future years.

The national compact agreement relates to the relationship between government and public and third sectors. It does not relate to the relationship between the local authority and the third sector. There is the local compact agreement which does relate to the local authority and the third sector.

The 12 week notice period to terminate mentioned at para 3.2 of the local compact is in relation to Agreements which run for 3 years. In this instance, the SLA is a 1 year agreement so arguably, either a notice period is not required or a fraction of that period would be considered reasonable notice. If a decision is taken in line with the recommendation then the Council will effectively be giving 10 weeks' notice to end of March (leaving aside the verbal notice that was given months ago that funding may not continue in 2020) which is reasonable.

The review, undertaken by Officers, did not focus on delivering savings to the Council. The focus was to ensure that the community received the most efficient and effective service possible.

Officers have already undertaken training to ensure that a meaningful and effective service can be delivered. They will undergo further training to reflect the needs of the

service. All frontline officers in the housing team will undergo training which will be delivered by the Financial Conduct Authority.

All of our frontline officers are experienced in dealing with complex cases; most of the officers carry a caseload of 40+ and could see many of these clients on several occasions. Ongoing support is at the heart of the offer to the community and there is no timescale on support plans, they are tailored to meet the needs of the individual.

The Council would be very happy to have a discussion with CARC about staffing.

Linda Spiers

Statement

People having problems at work. I've personally seen pregnant women experiencing constructive dismissal, someone who should have been TUPE'd and wasn't, someone who'd been working over 70 hours a week for 2 years who was sacked when they had a nervous breakdown, people who hadn't been paid when their employer went out of business ... etc etc. These are not people who live in Sanctuary Housing and I don't think it would occur to most of them to go to ECDC for help and none of them could afford a lawyer.

Advice and support to people who are having consumer issues. I have helped people suffering from John Lewis, a furniture store, their energy supplier, mobile phone supplier, garage etc etc. Again, not all these people are extremely poor or vulnerable, but they still need help and generally can't afford a solicitor. I don't think ECDC is planning to offer support with consumer issues?

Relationships. "Domestic violence" is the tip of the iceberg, there is also coercive control and I have had at least two male clients who have been the victims of violent female partners. Thinking about their social class, income brackets, again I'm not sure many people I've seen would have approached the Council for help, but they really needed it. Then there's access to children and grandchildren, I have seen so many people about this issue, and it has been the biggest cause of people crying in the consulting room. The barriers to people approaching the Council for help with this are enormous, given the fear of getting social services involved in a difficult situation and the loss of the children to the care system.

I think that CARC provides a very useful bridge and a doorway for people who either don't think of going to the Council for help or who are frightened/shy of doing so and we also cover areas of advice that the new service will not offer. I'd really like this to be considered and see if there is a way in which at least part of the service could be retained.

Just a couple of other points I wanted to raise - the money the Council gives us provides the core of the funding for the Ely office and without it Citizens Advice would not be able to provide its central service and would likely have to close, except for a bit of separately funded case work like Universal Credit and some debt advice - if it could find a premises to operate from. Nick, our CEO, told me that officers seemed surprised when he told them that.

The money also funds the telephone advice service, which receives over 300 calls a months from people based in East Cambs. If the funding is withdrawn, the Contact Centre would have to refer all East Cambs callers to the Council. Nick said that when he raised it with them, officers told him they had not planned to put in a phone service and so all these calls would have to go via the Council's switchboard.

Penelope Taylor

Statement

CARC is an independent charitable organisation and I am extremely concerned at the possibility of ECDC withdrawing their funding. I had extensive training and now have 15 years experience of dealing with clients with a wide variety of issues. I am one of many advisers and I do not feel that 2 additional employees at ECDC will be able to cope with the work that is covered by Citizens Advice in Ely. They will need extensive training in many more areas than housing, benefits and debt. I hope that you will be able to support me and my colleagues in our great concern for clients if this change occurs.



EAST CAMBRIDGESHIRE DISTRICT COUNCIL

CALL-IN OF A DECISION MADE AT A POLICY COMMITTEE/SUB-COMMITTEE

Policy Committee/Sub-Committee	Operational Services Committee
Date of Meeting	20 January 2020
Date Decision due to Come into Effect (7 th working day after publication of Decision Notice)	29 January 2020
Agenda Item/Report Reference Number	Item 6, reference U153
Report Title	Review of Grant provided to Citizens Advice Rural Cambridgeshire
Reason for Call-In (1)	<p>(1) The decision has not adequately taken into account:</p> <ul style="list-style-type: none"> (a) the importance of the reputation Citizens Advice has developed for independence, and the confidence this gives residents in approaching them; (b) the need for advice services free from potential or perceived conflict of interest; (c) the expertise Citizens Advice has at its disposal, from its national parent organisation as well as locally; (d) the benefits, including financial value, that voluntary organisations and their individual volunteers bring to the community; (e) ways in which Government funding could have been used in conjunction with the voluntary sector to add value. <p>(2) The decision was taken without adequate discussion with Citizens Advice Rural Cambridgeshire, or appropriate recognition of the terms of the Cambridgeshire Compact and the council's own Community Engagement Strategy.</p>
Members/Other Parties to attend (2)	Cllr David Ambrose-Smith; Nick Blencowe (Chief Officer, Citizens Advice Rural Cambs) or substitute
Senior Officers Required to attend (3)	Emma Grima; Lewis Bage; Angela Parmenter

This form must be signed by three Members of the Council and must be presented to the Chief Executive within 5 working days from the date that the decision was made. The call-in must not refer to a decision on an urgent item or an item that has previously been called-in.

We the undersigned do hereby object to and 'call-in' the above decision, in accordance with the Council Procedure Rule 26 in the Council Constitution. We understand that no action will be taken on the decision until it has been discussed at the next appropriate full Council meeting. We also require the aforementioned Members and/or senior officers (see above) to attend the next Council meeting.

Name (please print)	Signature	Date
Cllr MARK INSKIP (Spokesperson for Call-in)	REDACTED	26 th January 2020
Cllr SIMON HARRIES		26 th January 2020
Cllr VICKY CHARLESWORTH		26/01/2020



EAST CAMBRIDGESHIRE DISTRICT COUNCIL
COUNCIL CALL-IN PROCEDURE NOTE

Purpose of Call-in:

For full Council to consider the matter afresh and make a final decision which could be to uphold, amend or reject the previous decision of the Policy Committee/Sub-Committee.

No action will be taken on the Policy Committee/Sub-Committee decision until full Council has considered the matter and made a final determination. Any decision will then take effect from the date when made by full Council (unless another implementation date is indicated by full Council).

Procedure to be followed at Council meeting:

1. Report Author(s) [or Service Lead/Lead Officer on their behalf]:

To present the report to Council and update Members on any new developments, as normal at a Committee/Council meeting.

2. Spokesperson for the Members who called-in the decision:

To be invited to speak to explain the reason(s) for the Call-in. The Call-in Spokesperson also may wish to move a motion on the issue to the effect of the options above (i.e. to amend, or reject the Policy Committee/Sub-Committee decision).

(3.If any other Members/Officers/Other Parties have been specified on the Call-in form to attend the Council meeting:

To be invited to speak to put their views on the issue.)

4. The matter then will be opened up for debate/questioning by all Members of Council:

As part of the debate, questions can be asked of any Members, Officers, or other parties invited to speak above and they may respond in accordance with Council Procedure Rules. *As part of the debate, another Member may wish to move a motion/amendment (depending on whether a motion has already been proposed by any Member invited to speak above).*

5. Possible Decisions:

- To uphold the Policy Committee/Sub-Committee decision(s)
- To amend the Policy Committee/Sub-Committee decision(s)
- To reject the Policy Committee/Sub-Committee decision(s) with or without proposing an alternative.

Summary of Options

Option 1: Maintain Status Quo (i.e. one year SLA)	
<p>Advantages:</p> <ul style="list-style-type: none"> • Minimal disruption to services • The grant provided allows CARC stability to explore other income streams • No reputational damage to ECDC • Fixed cost of £47,346.80 	<p>Disadvantages:</p> <ul style="list-style-type: none"> • Duplication of services as other organisations (including ECDC), have evolved to meet the changing needs of residents. For example, holistic approach to advice and support through Community Hubs and partnership work with the Rosmini Centre • Rigid performance targets reduce opportunities for flexible and innovative ways of working • Lack of control for the Council to intervene
Option 2: Re-tender SLA service using revised criteria	
<p>Advantages:</p> <ul style="list-style-type: none"> • New criteria provides an opportunity for alignment with ECDC strategies and Corporate Plan priorities • By reviewing SLA criteria there is an opportunity to review what services are provided by various organisations to minimise duplication • Testing the market could provide an opportunity to obtain better value, attract innovative solutions to the criteria and provide opportunity for organisations to develop a consortia to deliver services more effectively 	<p>Disadvantages:</p> <ul style="list-style-type: none"> • Changes may take time to embed • Lack of control for the Council to intervene

Option 3: ECDC to directly deliver the service

Advantages:

- Duplication reduced as much of the service (approx. 80%) is already provided by ECDC
- Track record for delivery of prevention and support services
- Direct control of service being offered
- Opportunity to design innovative and flexible service
- Established relationships with external organisations
- Access to specialist advice
- Expanding team = greater ability to expand community hubs throughout the whole of the district
- Ability to offer Better Business to Businesses in our District
- Meets the needs of The Council's Vulnerable Community Strategy
- Better links with the Council's developing Youth Strategy
- Compliments the Council's two Think Communities Projects
- Offers residents a one stop shop
- More access to services as Council Offices are open longer with more face-to-face availability

Disadvantages:

- Whilst this option presents an additional cost to the Council there will be an improvement in the services offered to the community. The additional costs can be met through ring fenced Central Government funding for early intervention and prevention and the £47,000 grant fund previously awarded to CARC.

EQUALITY IMPACT ASSESSMENT (EIA) FORM

Name of Policy:	Review of Grant Provided to Citizens Advice Rural Cambridgeshire
Lead Officer (responsible for assessment):	Lewis Bage, Communities and Partnerships Manager and Angela Parmenter, Housing and Community Safety Manager
Department:	Communities and Partnerships
Others Involved in the Assessment (i.e. peer review, external challenge):	
Date EIA Completed:	01.11.2019

What is an Equality Impact Assessment (EIA)?

As part of any effective policy development process, it is important to consider any potential risks to those who will be affected by the policy's aims or by its implementation. The Equality Impact Assessment (EIA) process helps us to assess the implications of our decisions on the whole community, to eliminate discrimination, tackle inequality, develop a better understanding of the community we serve, target resources efficiently, and adhere to the transparency and accountability element of the Public Sector Equality Duty.

The word 'policy', in this context, includes the different things that the Council does. It includes any policy, procedure or practice - both in employment and service delivery. It also includes proposals for restructuring, redundancies and changes to service provision.

- (a) **What is the policy trying to achieve?** i.e. What is the aim/purpose of the policy? Is it affected by external drivers for change? What outcomes do we want to achieve from the policy? How will the policy be put into practice?

A review has been undertaken to establish whether a future grant to CARC is effectively meeting the aims of the Council to deliver an excellent service that meets the needs of an evolving community.

- (b) **Who are its main beneficiaries?** i.e. who will be affected by the policy?

Vulnerable residents and the wider community

- (c) **Is the EIA informed by any information or background data (quantitative or qualitative)?** i.e. consultations, complaints, applications received, allocations/take-up, satisfaction rates, performance indicators, access audits, census data, benchmarking, workforce profile etc.

Performance data illustrating demand for services and service usage has been gathered to inform the proposal.

- (d) **Does this policy have the potential to cause a positive or negative impact on different groups in the community, on the grounds of any of the protected characteristics?** (please tick all that apply)

Ethnicity	<input checked="" type="checkbox"/>	Age	<input checked="" type="checkbox"/>
Gender	<input checked="" type="checkbox"/>	Religion and Belief	<input checked="" type="checkbox"/>
Disability	<input checked="" type="checkbox"/>	Sexual Orientation	<input checked="" type="checkbox"/>
Gender Reassignment	<input checked="" type="checkbox"/>	Marriage & Civil Partnership	<input checked="" type="checkbox"/>
Pregnancy & Maternity	<input checked="" type="checkbox"/>	Caring Responsibilities	<input checked="" type="checkbox"/>

Please explain any impact identified: i.e. What do you already know about equality impact or need? Is there any evidence that there is a higher or lower take-up by particular groups? Have there been any demographic changes or trends locally? Are there any barriers to accessing the policy or service?

The proposal will ensure an excellent and holistic service is provided to vulnerable residents and the wider community and enable existing services to grow, evolve and improve to continually meet community needs.

(e) Does the policy have a differential impact on different groups?

YES/NO/Na

(f) Is the impact *adverse* (i.e. less favourable)?

YES/NO/Na

(g) Does it have the potential to disadvantage or discriminate unfairly against any of the groups in a way that is unlawful?

YES/NO/Na

(h) How have you engaged stakeholders in gathering evidence or testing the policy proposals? Who was involved, how and when where they engaged? Does the evidence show potential for differential impact? How will you mitigate any negative impacts? Where there is the potential for an adverse impact that cannot be addressed immediately, these should be highlighted in your recommendations and objectives at the end of the EIA.

As part of the Service Level Agreements, the organisations are required to highlight emerging areas of concern. The performance monitoring data supplied by the organisations provides evidence of the level of demand for the services they provide.

* The Consultation Register is available to assist staff in consulting with the Council's stakeholders.

(i) Summarise the findings of your research and/or consultation (please use a separate sheet if necessary).

Findings detailed at 4.0 of Report entitled Review of Grant Provided to Citizens Advice Rural Cambridgeshire

(j) What are the risks associated with the policy in relation to differential impact and unmet needs/requirements? i.e. reputation, financial, breach of legislation, service exclusion, lack of resources, lack of cooperation, insufficient budget etc.

Details included within Options Appraisal at Appendix 1

(k) Use the information gathered in the earlier stages of your EIA to make a judgement on whether there is the potential for the policy to result in unlawful discrimination or a less favourable impact on any group in the community, and what changes (if any) need to be made to the policy.

Option 1:	No major change - the evidence shows that the policy is robust and no potential for discrimination.	x
Option 2:	Adjust the policy - to remove barriers or to better promote equality.	
Option 3:	Continue the policy - despite potential for adverse impact or missed opportunity to promote equality, provided you have satisfied yourself that it does not unlawfully discriminate.	
Option 4:	Stop and remove the policy – if the policy shows adverse effects that cannot be justified.	

- (I) Where you have identified the potential for adverse impact, what action can be taken to remove or mitigate against the potential for the policy to unlawfully discriminate or impact less favourably on one or more communities in a way that cannot be justified?** Include key activities that are likely to have the greatest impact (max. 6). Identified actions should be specified in detail for the first year but there may be further longer term actions which need to be considered. To ensure that your actions are more than just a list of good intentions, include for each: the person responsible for its completion, a timescale for completion, any cost implications and how these will be addressed. It is essential that you incorporate these actions into your service plans.

It is proposed that these costs are met from savings to be made by not funding CARC in future years (£47,346.80 per annum). The remainder will be met from Central Government grant allocated to the Council's Housing Team. This fund is ring-fenced for early intervention and prevention and currently has a budget of £627,000.

This completed EIA will need to be countersigned by your Head of Service. **Please forward completed and signed forms to the Principal HR Officer.**

All completed EIAs will need to be scrutinised and verified by the Council's Equal Opportunities Working Group (EOWG) and published on the Council's Intranet to demonstrate to local people that the Council is actively engaged in tackling potential discrimination and improving its practices in relation to equalities. Please be aware that you may be asked to attend a half-an-hour session to summarise the findings of the EIA to the Scrutiny and Verification panel.

Signatures:

Completing Officer:	Lewis Bage Angela Parmenter	Date:	01.11.2019
Head of Service:	_____	Date:	_____

V1 (Cfte Reports Jan 2020 onwards)

ECDC Carbon Impact Assessment:

Once complete, this CIA should be sent to Richard Kay (richard.kay@eastcambs.gov.uk) for review prior to including a summary of this CIA within your committee report.

Please provide a brief description of the policy/decision including the proposed outcomes?

To consider the outcome of a review undertaken as to whether to continue awarding a grant to Citizens Advice Rural Cambridgeshire.

Members are requested to:

- (i) Cease the availability of grant funding available in 2020/21 and future years, and
- (ii) Approve the recommendation to directly deliver the service as set out in 5.12 of this report.

Now consider whether any of the following aspects will be affected. Many are likely to be ticked 'neutral':

Aspect	Likely climate effect:			Commentary
	+ve	-ve	neutral	
The council's energy consumption via buildings (electricity, gas, oil). Tick +ve if consumption will reduce.			√	
The council's energy consumption via travel (eg petrol). Tick +ve if consumption will reduce.			√	
The councils water usage (especially hot water). Tick +ve if consumption will reduce.			√	
Creation of renewable energy. Tick +ve if it increases renewable energy production. Tick –ve if renewable energy is lost.			√	
Carbon offsetting – will the proposal offset carbon emissions such as through tree planting. Tick +ve if yes.			√	
Reducing carbon emissions through amending ongoing activities not covered above eg management of land, such as peat soils,			√	

in a way which reduces carbon dioxide emissions. Tick +ve if yes.				
If the project involves the creation or acquisition of a building, has the energy rating been considered? Are / will measures be included to make the building energy efficient, beyond basic building regulation or other legal requirements? Tick +ve if yes.			√	
Embodied energy - does your project/proposal include construction of buildings or other significant infrastructure? If no, then tick neutral. If yes, have genuine efforts been made to minimise the <i>embodied energy</i> * in the materials being used for that construction, and the source of such materials? If so, tick +ve.			√	

What information is available to help the carbon impacts identified above to be quantified?

(e.g. this might be a estimation of energy consumption provided by a constructor, an estimate of distance travelled to a new site etc.)

Can any negative outcomes be justified as appropriate or necessary?

N/A

Are any remedial or mitigation actions required?

No

Once implemented, will you monitor the actual impact of any +ve or -ve outcomes? Yes / No. If so, how?

N/A

Overall summary to be included in your covering report (i.e. what you put in this box should be replicated in your committee report, and therefore should provide the overall summary of the carbon impact, in language suitable for being placed in the public domain).

There are no positive or negative carbon impact implications arising.

Assessment completed by (name and position)	Lewis Bage Communities and Partnerships Manager
Date CIA completed	19.12.2019
Approved by Richard Kay	23.12.2019

*Embodied energy is the energy used (and therefore carbon dioxide or other greenhouse gases emitted) during the manufacture, transport and construction of building materials. So for example, if you are specifying concrete on a project then carbon dioxide (or equivalent) will have been emitted making that concrete. Different materials have high and low levels of embodied energy, with low being good. Not only can different materials have different embodied energy values, but the same material can also have differing embodied energy values depending on where it was sourced and transported. For example, stone sourced from China would have a far greater embodied energy within it than the same stone sourced locally, due to the carbon dioxide emitted during transportation. By way of examples, using stainless steel will likely have over 10 times more embodied energy within it, per kg, than timber.

REVIEW OF GRANT PROVIDED TO CITIZENS ADVICE RURAL CAMBRIDGESHIRE

Committee: Operational Services Committee

Date: 20 January 2020

Author: Communities & Partnerships Manager and Housing & Community Safety Manager

[U153]

1.0 ISSUE

1.1 To consider the outcome of a review undertaken as to whether to continue awarding a grant to Citizens Advice Rural Cambridgeshire.

2.0 RECOMMENDATIONS

2.1 Members are requested to:

- (i) Cease the availability of grant funding available in 2020/21 and future years; and
- (ii) Approve the recommendation to directly deliver the service as set out in 5.12 of this report.

3.0 BACKGROUND

3.1 The Council is committed to ensuring that all residents have access to services that meet their needs. It is recognised that the district is evolving, and service must be in place that reflect these needs.

3.2 The Council has a track record for delivering against the needs of its residents and this can be evidenced through its approach to multi-agency community hubs, drop-in services and the establishment of referral pathways. Strategies are in place to build resilience and embed effective engagement into Council services by widening the scope of advice and support services being provided by the Council.

3.3 The Council currently provides grant funding (through a Service Level Agreement (SLA)) to Citizens Advice Rural Cambridgeshire (CARC) to support the provision of free, confidential, impartial and independent advice to residents for a wide range of issues; benefits, money advice, consumer advice, employment advice and relationship advice. In 2018/19 a grant of £47,346.80 was awarded to CARC.

3.4 This grant is not guaranteed to CARC beyond 2019/20. A decision to award a grant is undertaken on an annual basis.

4.0 REVIEW

4.1 A review has been undertaken to establish whether a future grant to CARC is effectively meeting the aims of the Council to deliver an excellent service that meets the needs of an evolving community.

4.2 In conducting the review Officers have considered the issues that were dealt with by the Council in 2018/19 and the outcome of the CARC SLA for 2018/19.

CARC 2018/19 Outcomes

4.2.1 In 2018/19 CARC assisted 2,712 East Cambridgeshire residents. CARC has identified that Ely, Littleport, Soham and Burwell make up 60% of the residents utilising their services.

4.2.2 CARC dealt with 8,652 issues, citing the prominent issues as debt and benefits.

- 2,165 of the debt issues were dealt with
- Debt prevention work such as financial capability training was provided to 239 residents
- 352 residents were assisted with family and relationship issues
- 312 residents were assisted with employment issues

Matters dealt with by the Council in 2018/19

4.2.3 In 2018/19 the Council assisted 14,478 residents with a range of council tax and housing benefit queries. The Council provides support and advice to residents on a wide variety of issues, including (not limited to):

- Debt, budgeting and benefits
- Emotional support
- Assistance with Homelink applications and Cambridgeshire Local Assistance Scheme applications
- Discretionary Housing Payments
- Grant applications for acquiring white goods and furniture
- Providing financial support with utility and energy bills

4.2.4 In 2018/19 the Council's Housing Team dealt with 5,449 enquiries which included assisting 561 residents that attended the Housing drop-in sessions. A further 61 residents attended Tenancy Support drop-in sessions. The Council's Customer Service Team assisted 95 residents on matters related to Universal Credit Assisted Digital Claims.

4.2.5 The Council works jointly with organisations that provide specific support such as Red2Green (mental health), CGL (drug and alcohol) and P3 (floating support). In addition the Council has referral pathways established with organisations such as the Bridge Project who provide debt and support advice.

4.2.6 The Council continues to lead the establishment and development of community hubs in Ely, Littleport, Stretham and Earith Traveller Site. In 2018/19 the community hubs assisted 78 residents with housing issues, 204 residents were assisted with mental health issues, 131 residents received tenancy support, 74 residents received floating support (long term support which enables and supports residents to live independently; practical and emotional support), and 79 residents received support from a range organisations including the Rosmini Centre, Sanctuary Housing, Ely Foodbank, Change Grow Live (previously known as Inclusion) and Christians Against Poverty.

4.3 Assessing the services being delivered by the Council and the outcome of the 2018/19 CARC SLA, enabled Officers to develop an options appraisal. A summary of the options appraisal is provided at Appendix 1 of this report.

5.0 RECOMMENDATION

5.1 This section expands Option 3 of Appendix 1 (direct delivery) in more detail.

5.2 The Council's Housing & Community Safety Team delivers a holistic service that seeks to meet the needs of those most in need. Following a full and thorough review it has been established that the service offered is very much in line with the advice and support that is currently being provided by CARC. Further, the review has proven that there is currently overlap and duplication of service.

5.3 The Council's Housing & Community Safety Team has ensured that it is well positioned to respond to the impacts of Universal Credit (Housing & Community Safety part-fund a post in Customer Services specifically for Universal Credit queries) and the Homelessness Reduction Act by recruiting to new posts and working closely with the Rosmini Centre (located in ECDC offices to provide advice and support on immigration, social and employment and legal aid issues).

5.4 The Council's Energy Efficiency Officer (part-time) now forms part of the Housing & Community Safety Team; this enables advice and support to be provided to those in need.

5.5 'Think Tank' sessions were carried out by the Housing & Community Safety Team. The purpose of these sessions was to identify whether there was a duplication of services being provided. The following was identified as duplication:

- Debt advice (e.g. income and expenditure assessments, personal budget plans, liaising with providers to reduce payments, arranging affordable payment plans, referrals)
- Employment advice
- Benefits advice (financial capability training, budgeting support, advice for claimants and appeals)
- Relationship/mediation advice
- Rent advice
- Housing advice
- Immigration housing rights and eligibility
- Pension advice
- Utilities advice (e.g. combining debts)

The Council participates in local campaigns and attracts external funding into the district. Further, the Council is able to refer and signpost clients requiring specialist assistance (such as bankruptcy) to other agencies, many of whom are already partners.

5.6 The Council's Vulnerable Community Strategy provides that services should be aligned to ensure that the requirements of people in need of support are recognised, understood and addressed appropriately.

- 5.7 The Council's developing involvement with the Youth Strategy, Think Communities and ongoing work with Anglia Revenues Partnership places the Council in a very good position to plan, prevent and react to the evolving needs of the community.
- 5.8 Direct delivery of the service enables the Council to act as a one-stop-shop for residents; providing a range of services and expertise that is readily available and expanding on the Council's proven ability to intervene and assist residents with the issues that they face in an ever changing environment.
- 5.9 As identified elsewhere in this report, the Council has already established strong relationships with external organisations who are able to assist the Council where specialist assistance is required. This can largely be demonstrated by the success of the community hubs.
- 5.10 In order to directly deliver an excellent service, the Housing Team will expand by 4 posts on 2 year fixed term contracts. In addition to this the existing Housing frontline staff have broadened their knowledge which has enabled the scope of the drop-ins to increase. During the 'Think Tank' sessions, referred to above, Officers identified that direct delivery would benefit existing staff as it would provide them with an opportunity to develop and enhance their roles within the Council. The Housing & Community Safety Team have already started to further develop their knowledge and understanding, including (but not limited to):
- Universal Credit (including the housing element)
 - Domestic abuse
 - Defending possession proceedings
 - Conflict management
 - Partnership oriented problem solving
 - DASH risk assessments
 - Armed forces covenants
 - Immigrations status and eligibility
 - Drug and alcohol awareness
 - Adults and Mental Capacity Act
 - Mental Health
 - Neglect
 - Parenting and learning disabilities
 - Challenging personal independent payment decisions
 - Overpayments of benefits and tax credits
 - Employment law
 - Mediation

This list is not exhaustive and is provided as a 'taster' to the level of commitment Officers have already undertaken to ensure that they are best placed to understand and offer advice on the issues that face our diverse community. The Council is committed to continuing to provide training to enable Officers to perform to the best of their abilities.

- 5.11 The Council's opening hours (08:45-17:00 (16:30 on Fridays)) provides increased access to services. By comparison the CARC opening hours are Mondays,

Wednesdays and Thursdays (09:15 to 12:00 for drop-in). Other times during these days can be available but by appointment only.

5.12 For the reasons set out in the report and Option 3 of Appendix 1 Members are recommended to cease awarding a grant to CARC in 2020/21 and in future years and deliver the service directly. The financial implications of this recommendation are set out in section 6 of this report.

6.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/ CARBON IMPACT ASSESSMENT

6.1 The current cost of the Housing & Community Safety Team is £369,301. If the recommendation is approved then there will be an additional cost of £95,252. This additional cost will be to fund the creation of 4 new posts (2 years fixed term*) on the Council's establishment (1 FTE Team Leader, 2 FTE Support Officers and 1 FTE Administrative Officer). These additional costs will take effect from 1 April 2020 and will be reviewed on a 6 monthly basis.

*The posts are two-year fixed term; this will allow the Council sufficient time to review and evaluate the effectiveness of the service.

6.2 It is proposed that these costs are met from savings to be made by not funding CARC in future years (£47,346.80 per annum). The remainder will be met from Central Government grant allocated to the Council's Housing Team. This fund is ring-fenced for early intervention and prevention and currently has a budget of £627,000, with additional funding of £277,670 recently awarded.

6.3 It is important to note that whilst this recommendation results in an overall cost increase to the Council, there is significant social benefit that outweighs the increased cost.

6.4 A Full EIA is provided at Appendix 2 of this report.

6.5 Carbon Impact Assessment (CIA) completed (Appendix 3). There are no positive or negative carbon impact implications arising.

7.0 APPENDICES

7.1 Appendix 1 - Summary Options Appraisal
Appendix 2 - EIA (Full)
Appendix 3 - Carbon Impact Assessment

Background Documents

CARC SLA 2019/20

Location

The Grange,
Ely

Contact Officer

Lewis Bage (01353 616340)

Lewis.bage@eastcambs.gov.uk

Angela Parmenter (01353 616374)

Angela.parmenter@eastcambs.gov.uk

UPDATE BRIEFING NOTE

- 1.1 The recommendation to Operational Services Committee follows a full and thorough review of the services (prescribed by the Service Level Agreement (SLA)) being delivered by CARC. At the heart of the review was ensuring that the most accessible and fit-for-purpose service was being offered to the community. A key benefit identified in the review is that the Council has built a network of multi-agency community hubs that go beyond Ely and will continue to grow into the future. A range of agencies attend the community hubs and these agencies can provide advice and support to clients. This approach provides a degree of independence from the Council.
- 1.2 The decision of Operational Services Committee (20 January 2020 Agenda Item 6) does not propose that CARC withdraws from providing services to residents, this is a matter for CARC not the Council, and as such the community will still have access to CARC services, if they so wish.
- 1.3 The Council does not charge rent to CARC for its occupation of the Market Street Offices, this provides an in kind benefit to CARC of approximately £15,000 per annum. CARC also offer their services through other means; telephone and webchat. Residents can contact any CAB office throughout the UK for assistance.
- 1.4 It is the Council's understanding that CARC has 2 part-time employed staff and 12 volunteers. By contrast the Council has 3 full-time support staff and 3 full-time housing officers that have been upskilling over the last 12 months to deliver a full and effective service. In addition to this, there will be a staged recruitment of 4 new staff to deliver the service. The 4 new staff will be employed on a two-year fixed term contract. This approach has been taken to ensure that the most fit-for-purpose service is being offered to the community.
- 1.5 Through the resources identified above, the Council has a breadth of knowledge available. The existing Officers have been upskilled to respond to the evolving needs of the community. The Council's Housing team have already undergone extensive training and will undertake further training in the coming weeks. This is outlined in Section 5.10 of the report considered by the Operational Services Committee.
- 1.6 Further, the Council has established effective working relationships with a multitude of agencies providing specialist advice, support and expertise. This is delivered in the multi-agency community hubs. It is also worth noting that the Council, in its own offices, accommodates multiple agencies; Rosmini Centre, Anglia Revenues Partnership and Sanctuary Housing.
- 1.7 The decision of Operational Services Committee does not propose the cessation of occupation of CARC in the Market Street, Ely office. Therefore volunteers could continue their role within that base. In the future, if CARC cannot maintain occupation in the Market Street, Ely office, the volunteers' expertise could be deployed within the community hubs.

- 1.8 It is not possible to use the Housing Grant (referred to in the report to Operational Services Committee) to pay external organisations to deliver these services. Whilst the Council can, because it is responsible for homelessness and preventing homelessness, CARC are not in the same position.
- 1.9 At a recent meeting with DCLG, Officers outlined the current proposals and the intention of spend through the grant. DCLG is satisfied that the proposal meets the terms of the grant conditions as it is linked to preventing homelessness in East Cambridgeshire. Further, DCLG have expressed that the approach taken by the Council provides a truly holistic service to the community that seeks to ensure a one stop shop for users who could face homelessness if the correct intervention and prevention methods are not in place.
- 1.10 The current SLA between the Council and CARC expires on 31 March 2020. It is very clear in the SLA that it is for a one-year period and places no obligation on the Council to renew the SLA or to even consider a renewal of the agreement.
- 1.11 The 12-week notice period to terminate mentioned at paragraph 3.2 of the Cambridgeshire Compact is in relation to agreements which run for 3 years. In this instance, the SLA is a 1-year agreement so arguably, either a notice period is not required or a fraction of that period would be considered reasonable notice. The decision of Operational Services Committee provided 10 weeks' notice to the end of March, which is reasonable. In addition, verbal notice was given to CARC at a meeting in March 2019, where CARC were informed of the Council's intention to conduct a review and that a grant was not guaranteed in future years.
- 1.12 The Cambridgeshire Compact states at Section 3.2 'work towards a situation in which statutory contracts and service agreements are a minimum of three years duration and where a minimum of 12 weeks' notice is given in respect of decisions to change or terminate grant or contract conditions (or less by mutual agreement)'. The Council is not changing or terminating a grant or contract conditions and therefore this does not apply. The SLA will still be in effect until 31 March 2020.
- 1.13 A decision to award this grant is taken on an annual basis, the Council is not withdrawing funding, it is merely making a decision not to award a grant in 2020 and beyond in favour of delivering the same level of service by via its own service.
- 1.14 The Council's Community and Engagement Strategy states that 'As the district continue to evolve and communities change, it is fundamental that effective engagement mechanisms are in place so that all residents have the opportunity to engage with the Council and have their say regarding the services and resources that they need. The Council recognises that change is a fundamental part of growth and effective change must come from individuals and groups. It is important that our language, attitudes and views embrace the role of community engagement in response to growth and changing community

needs.’ And ‘The East Cambridgeshire Community Engagement Strategy has been developed to ensure that all residents have the opportunity to engage with the Council and have their say regarding the services and resources that they need.’

- 1.15 The decision of Operational Services Committee has considered the needs of the evolving community and the ongoing evolution of Council services. This includes engagement with users to better understand their current and emerging needs.
- 1.16 The decision also reflects evidence provided by CARC about the trend of services that they advise on; further supporting the need for a more holistic approach.



Agenda Item: 14b

Cambridgeshire & Peterborough Combined Authority

Reports from Constituent Council Representatives on the Combined Authority

Meeting	Dates of Meeting	Representative
Overview and Scrutiny Committee	27th January 2020	Councillors Lorna Dupré and Alan Sharp (Substitutes: Councillors Charlotte Cane and David Ambrose-Smith)
Combined Authority Board	29th January 2020	Councillor Anna Bailey (Substitute: Councillor Joshua Schumann)

The above meetings have taken place in January 2020.

Overview and Scrutiny Committee – Monday 27th January 2020

The Overview and Scrutiny Committee met on 27th January 2020, the decision summary is attached as **Appendix 1**.

Combined Authority Board – Wednesday 29th January 2020.

The Combined Authority Board met on 29th January 2020, the decision summary is attached as **Appendix 2**.

The agendas and minutes of the meetings are on the Combined Authority's website – Links in the appendices



OVERVIEW AND SCRUTINY COMMITTEE - Decision Summary

Meeting: 27th January 2020

Agenda/Minutes [Overview and Scrutiny Committee – 27th January 2020](#)

Chair: Cllr Lorna Dupre

Summary of decisions taken at this meeting

Item	Topic	Decision [<i>None of the decisions below are key decisions</i>]
1.	Apologies	Apologies were received from: Cllr G Chamberlain, Cllr P Heylings, Cllr P Jordan (substituted by Cllr Humphrey), Cllr A Miscandlon, Cllr K Price
2.	Declaration of Interests	<p>Cllr Hay declared an interest as Vice Chair of the Planning Committee at Fenland DC and confirmed that she would not speak or vote in any discussion of the report on the Combined Authority agenda relating to a housing site in Fenland.</p> <p>Cllr Connor declared an interest as Chair of the Planning Committee at Fenland DC and confirmed that he would not speak or vote in any discussion of the report on the Combined Authority agenda relating to a housing site in Fenland.</p>

3.	Minutes	<p>The minutes of the meeting held on 6 December 2019 were agreed as a correct record.</p> <p>Members noted on page 7 of the minutes, an assurance was given by the Director of Delivery and Strategy regarding the appointment of the Chair of the Climate Change Commission. It is not clear if an appointment has been made.</p> <p>AGREED:</p> <p>That a question should be raised at the meeting of the Combined Authority Board: What progress is being made regarding the appointment of the Chair and the Climate Change Commission and what impact will delays in recruiting a Chair have on the timescales for production of the report.</p>
4.	Public Questions	<p>There were no public questions received.</p>
5.	Draft Budget 2020-21 and Medium-Term Financial Plan 2020-2024	<p>The Committee received the report from Jon Alsop, Head of Finance.</p> <p>A point was raised that there are proposals to replace the current European funding when the United Kingdom leaves the EU and the transitional arrangements end with other government funding such as the Shared Prosperity Fund. The draft budget is based on the situation as it was in November.</p> <p>AGREED:</p> <p>That the Head of Finance would confirm at what stage the UK would lose EU funding.</p>

6.	Lead Member Role Descriptions	<p>Councillor Coles attended the recent Skills Committee meeting in his capacity as Lead Member for the Skills Committee.</p> <p>AGREED:</p> <ul style="list-style-type: none"> a) That the Interim Monitoring Officer would arrange for the Skills Committee questions and answers to be published on the website. b) That a standing item be added to the agenda for lead members to include written questions and answers. c) That role description be amended to add 'liaising with officers of the Combined Authority to enable the lead member to undertake his/her duties'.
7.	Review of Combined Authority Board Agenda	<p>The Committee reviewed the Board agenda for 29 January 2020.</p> <p>The Committee agreed that the following questions would be raised at the meeting of the Combined Authority</p> <ul style="list-style-type: none"> • Page 130 Business Plan Report Question to the Board - A note is needed in the report stating when a funding decision is expected to be made by government to enable members to keep a track of what is going on and when to expect the decisions • £100k Homes – Whom these would attract other than those who were already able to afford existing low cost options? What would attract individuals to the £100k Home Scheme as opposed to other established types of affordable housing? • Page 548 current CAM network map. The feedback on the Local Transport Plan includes a recognition of the demand for a stop on the

		<p>proposed CAM network in East Cambs. How will that issue be developed and where would the stop be located?</p> <ul style="list-style-type: none">• Motion – A lengthy discussion took place as this Motion and it was noted that, if passed, it would prevent the Committee from meeting in Cambridge.• Committee notes that the proposed effects of the motion would affect where it could meet. Committee is deeply disappointed that it does not mention public transport and may deny the committee the opportunity to meet at the location with the best public transport links for the actual number of people to attend. Committee would ask what evidence has been considered about the impact of holding meetings elsewhere on air quality and about public transport.• The Committee were also concerned about the democratic deficit in not holding meetings at the offices of two of its constituent councils and that the proposal is not in accordance with the spirit of the Constitution. In those circumstances, how can the proposal be justified.• Consultation – Questions to the CA Board – Why were the papers on the CAM Metro consultation not provided to the CAM Task and Finish Group as promised?• What progress has been made towards funding options for the CAM?• Given the responses from the public about the importance of climate change in the context of the Local Transport Plan, will the Combined Authority outline the changes of approach that it has made in the LTP as a result of the feedback?
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8.	Combined Authority Forward Plan	The Committee considered the Combined Authority Forward Plan. No comments were made.
9.	Work Programme Report	<p>The Committee received the report which outlined the work programme for the committee</p> <ul style="list-style-type: none"> • There will be an Affordable Housing Programme presentation at the February meeting which will include the issue of accessible housing. • The Chair of the Climate Change Commission is to be invited to the March meeting. The timing of this may need to be reviewed. • There will be a presentation on the University of Peterborough – end of March.
10.	Date and Location of the next Committee meeting	The Committee agreed that the next meeting would be held 24 Feb at 11.00 am at Cambridge City Council.



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY BOARD - Decision Summary

Meeting: 29th January 2020

Agenda/Minutes: [Cambridgeshire and Peterborough Combined Authority Board - 29th January 2020](#)

Item	Topic	Decision
Part 1 – Governance Items		
1.1	Announcements, Apologies and Declarations of Interest	<p>Apologies were received from Councillors S Count (substituted by Councillor R Hickford) and R Fuller (substituted by Councillor J Neish).</p> <p>The following declarations of interest were made:</p> <p><u>Item 3.1.1: £100m Affordable Housing Programme (Non-Grant) Proposed Acquisition – Hunts</u> Mayor James Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote.</p> <p><u>Item 3.1.2: £100m Affordable Housing Programme (Non-Grant) Proposed Acquisition – Fenland</u></p>

		<p>Mayor James Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote.</p> <p><u>Item 5.1: University of Peterborough Outline Business Case Phase 1</u> Councillor John Holdich declared a non-statutory disclosable interest as the Leader of Peterborough City Council. Following advice from the Monitoring Officer Councillor Holdich did speak and vote on the item.</p> <p><u>Item 6.1: For approval as Accountable Body: Local Growth Fund Project Proposals January 2020</u></p> <p>Austen Adams declared a disclosable pecuniary interest as the managing director of Stainless Metalcraft (Chatteris) Ltd. Mr Adams did not take part in discussion of the report and did not vote.</p>
1.2	Minutes – 27 November 2019	The minutes of the meeting on 27 November 2019 were confirmed as an accurate record and signed by the Mayor.
1.3	Petitions	None received.
1.4	Public Questions	Nine public questions were received. A copy of the questions is published at the following link - Combined Authority: Public Questions
-	A605 Kings Dyke Level Crossing Closure	<p>The Board considered a report requesting agreement for Cambridgeshire County Council’s revised timeline for completion of the King’s Dyke Level Crossing Closure scheme of late 2022.</p> <p>It was resolved to:</p> <p>Agree Cambridgeshire County Council’s revised timeline for completion of the King’s Dyke Level Crossing Closure scheme of late 2022.</p>

1.5	Forward Plan – January 2020	It was resolved to approve the Forward Plan published on 17 January 2020 and the addition to the Forward Plan KD2020/023: A605 Kings Dyke Level Crossing Closure published on 27 January 2020 under special urgency arrangements.
1.6	Membership of the Combined Authority Board and Appointment of the Lead Member for Housing and Chair of the Housing and Communities Committee	<p>The Board considered a report requesting consideration of Huntingdonshire District Council's revised nominations for Members and substitutes on the Combined Authority's Executive Committees. The report also requested that the Board note Councillor Ray Bisby's Membership on the Board as a co-opted member with no substitute.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note and agree the nominations for membership of the Executive Committees, Chairs and Lead Members for the remainder of the 2019/20 municipal year, as set out in Appendix 1. b) Note that Councillor Ray Bisby has been appointed as the acting Police and Crime Commissioner for Cambridgeshire and Peterborough and is now a co-opted member of the Combined Authority Board.
1.7	Review of the Corporate Risk Management Strategy	<p>The Board considered a report recommending the adoption of the proposed revised Corporate Risk Management Strategy.</p> <p>It was resolved to:</p> <p style="text-align: center;">Adopt the proposed revised Risk Management Strategy [Appendix 2];</p>

1.8	Review of the Data Protection Policy	<p>The Board considered a report recommending the adoption of the proposed revised Data Protection Policy.</p> <p>It was resolved to:</p> <p style="text-align: center;">Adopt the revised Data Protection Policy [Appendix 2]</p>
1.9	Performance Reporting	<p>The Board considered a report providing the first of the new performance reporting updates for January.</p> <p>It was resolved to:</p> <p style="text-align: center;">Note the January Delivery Dashboard</p>
Part 2 – Finance		
2.1	Mayor’s Budget 2020-21	<p>The Board considered a report requesting approval of the Mayor’s draft budget for 2020/21.</p> <p>It was resolved to:</p> <p style="text-align: center;">Approve the Mayor’s draft budget for 2020/21.</p>
2.2	Combined Authority Business Plan 2020-21	<p>The Board considered a report recommending the adoption of the 2020/21 Business Plan.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Review the draft 2020-21 Combined Authority Business Plan attached at Appendix 1 and consider any appropriate amendments. b) Delegate to the Chief Executive the authority to finalise the Business Plan for publication in the light of the view of the Combined Authority Board.

2.3	Budget Monitor Update	<p>The Board considered a report providing an update on the 2019/20 financial position as at the 30th November 2019 and recommending approval of a virement between two capital budget lines.</p> <p>It was resolved to:</p> <p style="padding-left: 40px;">Note the updated financial position of the Combined Authority for the year.</p>
Part 3 - Combined Authority Decisions		
3.1.1	£100m Affordable Housing Programme (Non-Grant) Proposed Acquisition – Huntingdonshire	<p>The Board considered a report seeking approval for the grant of a loan to Angle Developments (East) Ltd to enable the acquisition of an approximately 1.5 acre (0.6Ha) freehold residential development site in Huntingdonshire.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the lending of a sum of £1,400,000 from the Combined Authority to Angle Developments (East) Ltd to enable the acquisition and progression of a revised planning application on a site in Huntingdonshire (comprising £900,000 to acquire the site and £500,000 in costs). Heads of terms for the acquisition are detailed in the Business Case at Exempt Appendix 1. The purchase will be Conditional on satisfactory investigation and pricing of land contamination being within the £300,000 allowance provided for in the business case. b) Grant delegated authority to the Development Manager Housing and Development, in consultation with the Deputy Monitoring Officer and the Lead Member for Investment and Finance, to conclude any necessary documentation to complete the loan with Angle Developments (East) Ltd.

3.1.2	£100m Affordable Housing Programme – Non-Grant – Fenland	<p>The Board considered a report seeking approval for the grant of a loan to Angle Developments (East) Ltd to enable the acquisition of an approximately 2.7 acre (1.1 Ha) freehold residential development site in Fenland.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the lending of a sum of £1,290,000 from the Combined Authority to Angle Developments (East) Ltd to enable the acquisition and progression of a revised planning application on a site in Fenland (comprising £790,000 to acquire the site and £500,000 in costs). Heads of terms for the acquisition are detailed in the Business Case at exempt Appendix 1. b) Grant delegated authority to the Housing Development Manager, in consultation with the Deputy Monitoring Officer and the Portfolio Holder for Investment and Finance, to conclude any necessary legal documentation to complete the loan with Angle Developments (East) Ltd.
3.2	£100k Homes Business Case	<p>The Board considered a report requesting approval of the £100k Homes Business Case.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the Business Case detailed in Appendix 1; and b) Authorise the Monitoring Officer to amend the terms of reference of the Housing & Communities Committee to include the responsibility for adopting the £100k Homes Allocations Policy.
3.3	Market Towns Programme – Approval of Masterplans for Fenland	<p>The Board considered a report requesting approval of the four Growing Fenland masterplans produced for the towns of March, Wisbech, Chatteris and Whittlesey.</p>

		<p>It was resolved to;</p> <p>a) Approve the four Growing Fenland market town masterplans produced for March, Wisbech, Chatteris and Whittlesey.</p> <p>b) Note the Overarching Growing Fenland Strategic Report for the Fenland district (referenced in paragraphs 2.21 – 2.25).</p>
<p>By Recommendation to the Combined Authority Part 4 – Transport & Infrastructure Committee Recommendations to the Combined Authority</p>		
4.1	Local Transport Plan	<p>The Board considered a report requesting approval of the Local Transport Plan.</p> <p>It was resolved to:</p> <p>a) Note the Public Consultation Report and Final Local Transport Plan;</p> <p>b) Approve the Local Transport Plan.</p>
4.2	Cambridge Autonomous Metro (CAM) Core Outline Business Case – Public Consultation	<p>The Board considered a report seeking authorisation for an initial non-statutory public consultation in the early part of the New Year to inform the CAM programme Outline Business Case, in line with the requirements of the government’s transport appraisal requirements guidance.</p> <p>It was resolved to:</p> <p>Agree that a non-statutory public consultation on the CAM should be undertaken in the early part of the New Year.</p>
4.3	Cambridge Autonomous Metro (CAM) Programme - Regional	<p>The Board considered a report seeking approval for a £100,000 drawn from uncommitted contingency within the CAM Outline Business Case project budget</p>

	Arms Strategic Outline Business Case (SOBC) Tender Document.	<p>to fund the early development of the CAM Regional Arms Strategic Outline Business Case tender document.</p> <p>It was resolved to:</p> <p>Approve early development of the CAM regional arms SOBC tender documents as part of the wider CAM programme and for £100,000 to be utilised from uncommitted contingency within the current 19/20 CAM OBC budget to fund the early development of these documents.</p>
4.4	Delegation of Passenger Transport Powers and the Transport Levy 2020-21	<p>The Board considered a report requesting approval for the 2020-21 Transport Levy and Transport Delegations.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the delegation of the role of Travel Concessionaire Authority and other powers set out in paragraph 2.8 of the appendix, to Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) for the 2020/21 financial year b) Approve the amount and apportionment of the Transport Levy (2020/21 financial year) as set below: <p>Peterborough City Council: £3,849,906 Cambridgeshire County Council: £8,497,733</p>

By Recommendation to the Combined Authority

Part 5 – Skills Committee Recommendations to the Combined Authority

5.1	University of Peterborough Outline Business Case – Phase 1	<p>The Board considered a report seeking approval of the adoption of the Outline Business Case for the new University of Peterborough whilst approving the preferred option. Approval was also sought to give delegated authority to the Director of Business and Skills to enter into negotiations with Peterborough City Council to agree the Subscription Agreement.</p> <p>It was resolved to:</p> <ul style="list-style-type: none">a) Approve the preferred option as part of an Options Appraisal and adopt the Outline Business Case for the new University of Peterborough as a Combined Authority priority and key element of the Local Industrial Strategy and Skills Strategy;b) Approve the development of a Subscription Agreement between the Combined Authority and Peterborough City Council for the capital investment into the development of Phase 1 and the land required and delegate to the Director of Business and Skills, in consultation with the Lead Member for Skills, the Chief Financial Officer and the Monitoring Officer, authority to negotiate and complete the Subscription Agreement;c) Approve the commitment to invest the £12.3M capital budget into the Phase 1 build and draw down the funding to mobilise the activities and milestones identified within the Outline Business Case to achieve the target of opening the University in September 2022 to 2000 students.
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By Recommendation to the Combined Authority Part 6 – Business Board Recommendations to the Combined Authority		
6.1	For approval as Accountable Body – Local Growth Fund Project Proposals January 2020	<p>The Board considered a report requesting approval of the Local Growth Fund Project Proposals, January 2020.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a. Approve funding for the projects ranked 1, 2, 4, 5, 6, 7, 8, 9, 12 and 14 in the table at paragraph 2.8 below based on achieving highest scoring criteria and external evaluation recommendation. b. Approve a revised grant funding offer for the project ranked 11 in the table at paragraph 2.8 of £2,400,000. c. Approve a revised grant funding offer for the project ranked 13 in the table at paragraph 2.8 of £1,400,000. d. Reject project ranked 15 in the table at paragraph 2.8 in the report. e) Decline projects ranked 3 and 16 in the table at paragraph 2.8 based on the scoring criteria for project 16 as this is the lowest scored project and the external evaluation recommendation on project 3. f) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Investment and Finance, to approve project ranked 10 upon completion of satisfactory renegotiation of the management fee proposed and due diligence.
6.2	For approval as Accountable Body –Local Growth Fund Programme Management January 2020	The Board considered a report providing an update on the programme’s performance since April 2015 for the Local Growth Fund (LGF) and operational updates on LGF progress to 31 st December 2019.

		<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the programme updates outlined in this paper to the Combined Authority Board. b) Note the submission of the Growth Deal monitoring report to Government to end Q2 2019/20.
6.3	Monitoring and Evaluation Plan	<p>The Board considered a report presenting the draft Monitoring and Evaluation Plan for Local Growth Funding and seeking agreement to it being incorporated into the Combined Authority's Monitoring and Evaluation Framework.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the incorporation of the proposed Local Growth Fund Monitoring & Evaluation Plan into the Monitoring and Evaluation Framework and to grant the Monitoring Officer delegated authority to make any consequential amendments required to the Monitoring and Evaluation Framework. b) Note the resource implications for effective Monitoring & Evaluation to be delivered.
6.4	Eastern Agri-Tech Growth Initiative Funding Review	<p>The Board considered a report requesting approval for a reduction in funding of £3.5million currently allocated from Local Growth Fund to the Eastern Agri-Tech Growth Initiative.</p> <p>It was resolved to:</p> <p style="text-align: center;">Approve a reduction in the Local Growth Fund allocated to the Eastern Agri-Tech Growth Initiative scheme of £3.5m.</p>

6.5	Small Business Capital Grant Scheme Funding Allocation	<p>The Board considered a report requesting approval of the revised allocation of £9million to the Small Business Capital Growth Grant Programme.</p> <p>It was resolved to:</p> <p style="padding-left: 40px;">Approve the allocation of an additional £9m to the Small Business Capital Growth Grant Programme from Local Growth Fund and recycled Growth Fund to create a total £12m budget for the Small Business Capital Growth Grant programme</p>
6.6	High Growth Small and Medium Sized Enterprises Observatory	<p>The Board considered a report providing details of proposals to establish an Observatory function, which will monitor the local business environment, for the new Business Growth Service to help identify high growth small and medium enterprises (SMEs) who will be our target clients.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note and approve the proposals to create the Observatory which will act as a Research, Analytical and Market Intelligence function to identify the Combined Authority's target clients at a total cost of £80,000 subject to the following: b) Approve the re-profiling of £80,000 from the 19-20 LEP Capacity Funding budget to cover the costs of the High Growth SME Observatory in 2020/21 and 2021/22.

Part 7 – Budget		
7.1	Budget 2020-21 and Medium Term Financial Plan 2020-2024 (1)	<p>The Board considered a report requesting approval of the revenue budget for 2020/21, Medium-Term Financial Plan 2020/21 to 2023/24 and the Capital Programme 2020/21 to 2023/24.</p> <p>It was resolved to:</p> <p>a) Approve the revenue budget for 2020/21 and the Medium-Term Financial Plan 2020/21 to 2023/24.</p> <p>b) Approve the capital programme 2020/21 to 2023/24</p>
Part 8 – Motion submitted under Proceedings of Meetings Rule 14		
8.1	Motion received from Councillor Chris Boden	<p>On being put to the vote, the amended motion was carried:</p> <p>To remove Shire Hall, Cambridge from the premises used by the Combined Authority Board, its Executive Committees, Employment Committee, Overview & Scrutiny Committee and Audit & Governance Committee; and not use Shire Hall for informal meetings where attendance is limited to the Mayor, and / or Members of the Combined Authority and / or officers of the Combined Authority.</p>



Agenda Item: 14a

Cambridgeshire & Peterborough Combined Authority

Reports from Constituent Council Representatives on the Combined Authority

Meeting	Dates of Meeting	Representative
Overview and Scrutiny	28th October 2019 25th November 2019	Councillors Lorna Dupré and Alan Sharp (Substitutes: Councillors Charlotte Cane and David Ambrose-Smith)
Combined Authority Board	30th October 2019 27th November 2019	Councillor Anna Bailey (Substitute: Councillor Joshua Schumann)

The above meetings have taken place in October and November 2019.

Overview and Scrutiny Committee – Monday 28th October 2019 and 25th November 2019

The Overview and Scrutiny Committee met on 28th October and 25th November 2019, the decision summaries are attached as **Appendix 1 and 2**.

Combined Authority Board – Wednesday 30th October and 27th November 2019

The Combined Authority Board met on 30th October and 27th November 2019, the decision summaries are attached as **Appendix 3 and 4**

The agendas and minutes of the meetings are on the Combined Authority’s website – Links in the appendices



OVERVIEW AND SCRUTINY COMMITTEE - Decision Summary

Meeting: 28 October 2019

Agenda/Minutes: Overview & Scrutiny Committee - 28th October 2019

Chair: Cllr Lorna Dupre

Summary of decisions taken at this meeting

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.	Apologies	Apologies received from: Cllr Connor, Cllr Scutt and Cllr Gehring, Cllr Heylings (substituted by Cllr Fane)
2.	Declaration of Interests	There were none.
3.	Minutes	The minutes of the meeting held on the 23 September 2019 were agreed and signed by the Chair.
4.	Public Questions	There were no public questions received.

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
5.	Mayor of the Combined Authority	<p>The Mayor for the Combined Authority was welcomed to the Overview and Scrutiny meeting. Members asked the Mayor a series of questions to which they received responses, including:</p> <p>In response to a question about the progress of the Mayor’s transport plans, the Mayor explained that a survey conducted to look at whether the Metro in Peterborough was feasible, had come back as positive. The Mayor noted he had been working hard to find a way to get the Metro beyond the South of Cambridgeshire and noted that he had had positive conversations with Homes England and Urban & Civic to explore options of bringing the Metro from St Ives to Alconbury.</p> <p>The Mayor further explained that he was wishing, through the Combined Authority, to create a better bus service and had been working since the initial Bus Review to improve relationships between the Combined Authority and Cambridgeshire’s major player – Stagecoach. The Mayor explained the Combined Authority had already seen a positive trial at Addenbrooke’s Hospital for a reduced bus rate for NHS staff, and Stagecoach had agreed to move that trial to other areas.</p> <p>In a response to a further question regarding the carbon neutral growth, the Mayor noted that policies put forward by the Combined Authority would allow to create carbon neutral growth and further stressed that the plans that he and the Combined Authority advocated, were a significant way forward in creating a new environmental standard not only for Cambridgeshire but for the UK as well.</p> <p>In response to a question about the Housing Revenue Account (HRA), the Mayor acknowledged that the housing solution in Cambridgeshire and Peterborough was not a “one size fits all” solution and that the Combined Authority needed to create a solution to best fit the entirety of the area. The</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>Mayor further explained that traditional ways of developing homes, through Market and Social Housing Associations, had not provided the housing necessary to prevent the housing crisis in Cambridgeshire and Peterborough.</p> <p>The Mayor further stressed that the Combined Authority needed to create other possible ways to deliver the housing required and that the Combined Authority was leading the way in trying to bring new models into the market.</p> <p>Responding to a question on the status of Thomas Cook's former employees, the Mayor informed Members of a meeting he had had with Thomas Cook recently and the quick action of the Combined Authority by holding a jobs' fair with over 110 companies.</p>
6.	Update from the Task and Finish Group	<p>As the Chair of the Task & Finish Group, Councillor Price updated Members on the last CAM Metro Task & Finish Group meeting that had taken place on 11 September 2019 at Cambridgeshire County Council.</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> a) That the update from the Chair of the Task & Finish Group for the CAM Metro be noted. b) That the outstanding actions, as well as responses to questions, would be followed up with officers and provided to the Chair of the CAM Metro Task & Finish Group.

7.	Governance (decision-making) Review	<p>The Interim Monitoring Officer presented the report and outlined key proposed solutions to issues raised at the O&S Committee meeting in September.</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> a) That the recommendations in the Governance Review Report be accepted, with the number of lead Members for each Executive Committee be reduced to one, instead of two. b) That the Committee would invite the Chairs of the Executive Committees to attend meetings of the Committee on a rotation basis. c) That the lead Members for Executive Committees are to be: Cllr Coles – Skills Executive Committee, shadowed by Cllr Miscandlon; Cllr Murphy – Housing and Communities Executive Committee; Cllr Sharp – Transport and Infrastructure Executive Committee.
8.	Review of Combined Authority Board Agenda	<p>The Committee reviewed the agenda for the Combined Authority Board meeting on Wednesday 30 October 2019 and identified questions to the Board as below:</p> <p><u>2.1 Budget Monitor Update</u></p> <p>Q: In light of the Budget Monitoring Report indicating that a lot of projects are slipping, what are the reasons for this?</p> <p><u>3.1 100k Homes and Community Land Trusts (CLTs)</u></p> <p>Q: With only 935 Community Land Trust homes built so far in the whole country and the 56 affordable homes funded through the £40m revolving fund, is too much emphasis being put on Community Land Trusts rather than the more tried and tested use of housing associations, when there is a crisis for affordable</p>

housing in parts of the Combined Authority area? How does the Combined Authority intend to encourage the Constituent Councils to promote CLTs?

Transport Plan

Q: What funding options are being looked as part of the Outline Business Case for the CAM Metro?

Transport levy

Q: Given the financial difficulties both the County Council and the Peterborough City Council have been facing, please can you clarify whether transport levy funding passed back to those councils is ring fenced for transport functions?

Employment and departure of the former CEO and CFO

Q: Audit and Governance Committee had been asked to carry out a review of the employment and dismissal procedures relating to the departures of the former Chief Executive and Chief Finance Officer. Can there be a confirmation of what progress has been made or if this has now been completed?

Climate Emergency

Q: Does the Combined Authority intend to declare a Climate Emergency?

RESOLVED:

- a) That the CA Board agenda be noted.
- b) That the questions be submitted to the Combined Authority Board at its meeting on 30 October 2019.

9.	Combined Authority Forward Plan	<p>The Committee considered the Combined Authority Forward Plan.</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> a) That the Combined Authority Forward Plan be noted. b) That the Transport and Infrastructure Executive Committee Chair and lead officer be invited to the Committee meeting in December. c) That the Budget Item be allocated as a new Standing Item for the next three Committee meetings.
10.	Overview and Scrutiny Work Programme	<p>The Committee received the report which outlined the Work Programme for the Committee for the municipal year 2019/20.</p> <p>The Committee asked for the following items to be added to the Work Programme:</p> <ul style="list-style-type: none"> i) Budget (November, December and January) ii) Transport – Chair and officer to attend the Committee meeting in December iii) Housing (November) iv) Programme Development – Cohesion issues and tackling inequality v) Climate Change <p>RESOLVED:</p> <p>That additional items identified be added to the Committee Work Programme.</p>

11.	Date and Location of the next Committee meeting	<p>The Committee agreed that the next meeting would be held on the 25 November 2019 at 11:00am, Huntingdonshire District Council.</p> <p>The pre-meeting on the 25 November 2019 at 10:00am, Huntingdonshire District Council.</p>
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OVERVIEW AND SCRUTINY COMMITTEE - Decision Summary

Meeting: 25 November 2019

Agenda/Minutes: Overview & Scrutiny Committee - 25th November 2019

Chair: Cllr Lorna Dupre

Summary of decisions taken at this meeting

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.	Apologies	Apologies received from: Cllr Chamberlain, Cllr Gehring, Cllr Heylings (substituted by Cllr Fane) and Cllr Price (substituted by Cllr Davey).
2.	Declaration of Interests	Cllr Davey declared a non-pecuniary interest.
3.	Minutes	The minutes of the meeting held on the 28 October 2019 were agreed and signed by the Chair.
4.	Public Questions	There were no public questions received.

Item	Topic	Decision [<i>None of the decisions below are key decisions</i>]
5.	Combined Authority Draft Budget and Medium-Term Financial Plan	<p>Deputy S73 Officer explained that the Committee would have the opportunity to look at the Draft Budget and Medium-term Financial Plan three times. He explained the process the Combined Authority had gone through so far in terms of the next year's Budget and that the consultation would be starting on Thursday 28 November 2019 and concluding on 31 December 2019.</p> <p>The Committee would have the opportunity to look at this report again at its December meeting, which would be during the consultation period. It would have the opportunity to draft a response to go back into the consultation process, which would be responded to at the January meeting of the Combined Authority Board.</p> <p>The final look at the Budget paper would be at January Committee meeting, which would be two days before the Budget was presented to the Combined Authority Board.</p> <p>Deputy S73 Officer presented and explained to the Committee the draft, timetable and principles that had been taken into account when drafting the Budget. He explained that while the key overarching objective was to set an affordable balanced budget, the Combined Authority had gone beyond that and developed its budget in line with key principles that had been established through feedback from Members and Officers throughout the process.</p> <p>RESOLVED:</p> <p>That the Combined Authority Draft Budget and Medium-term Financial Plan be noted.</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
6.	Affordable Housing Programme Update	<p>The Director of Housing and Development provided a brief update on the progress of the Programme since the last update in June 2019, explaining the objective of £170m Affordable Housing Programme being the delivery of 2500 homes. It was further noted that some good progress had been made in recent months. Homes with funding approved have increased from 777 to over 1100, money paid to date had gone from £3.5m to £28m. Looking ahead to the rest of this financial year, it is anticipated approximately 1230 units would be approved by the end of March with a significant jump in numbers of homes starting on-site.</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> a) That the update from the Director of Housing and Development be noted. b) That a more informed discussion was to be held at the February meeting, when more information will be available.
7.	Review of Combined Authority Board Agenda	<p>The Committee reviewed the agenda for the Combined Authority Board meeting on Wednesday 27 November 2019 and identified questions to the Board as below:</p> <p><u>3.3 Climate Change</u></p> <p>Q: How will the Commission and its work align with the work of its constituent authorities and of Cambridgeshire County Council’s technical group on air quality? We note that Cambridgeshire County Council publishes its pre-consultation Climate Change and Environment Strategy next month.</p> <p>Q: How can the Commission effectively address the environmental effects of transport when the Local Transport Plan is going to the Combined Authority’s Transport Committee in early January and will be approved by the Combined</p>

Item	Topic	Decision [<i>None of the decisions below are key decisions</i>]
		<p>Authority Board at the end of January, given the importance of transport to climate change?</p> <p>Q: How will the Commission influence the decision-making processes of the Cambridgeshire and Peterborough Combined Authority?</p> <p>Q: Whom will the Commission consult as part of its work?</p> <p>Q: How will the Commission work with the Executive Committees of the Combined Authority?</p> <p>Q: Will the Commission’s interim report be made available before the pre-election period for the May elections?</p> <p>Q: How soon does the Cambridgeshire and Peterborough Combined Authority expect the Panel to be recruited and hold its first meeting?</p> <p>Q: Will the Cambridgeshire and Peterborough Combined Authority appoint a lead officer for Climate Change?</p>
8.	Combined Authority Forward Plan	<p>The Committee considered the Combined Authority Forward Plan.</p> <p>The Chair identified the following items for the Committee’s consideration:</p> <p>January - Local Transport Plan January – Skills Committee Business plan University of Peterborough Market Towns March – Local Enterprise Partnerships</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>RESOLVED:</p> <p>That the Combined Authority Forward Plan be noted.</p>
9.	Overview and Scrutiny Work Programme	<p>The Committee received a report which outlined the Work Programme for the Committee for the municipal year 2019/20.</p> <p>Identified items to be added to the Work Programme for February meeting:</p> <ul style="list-style-type: none"> i) Item on Housing ii) Item on Trading companies <p>RESOLVED:</p> <p>That the items be added to February agenda.</p>
10.	Date and Location of the next Committee meeting	<p>The Committee agreed that the next meeting would be held on 16 December 2019 at 11:00am, at South Cambridgeshire District Council with a pre-meeting at 10am</p>



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY BOARD - Decision Summary

Meeting: 30 October 2019

Agenda/Minutes: Cambridgeshire and Peterborough Combined Authority Board - 30th October 2019

Item	Topic	Decision
Part 1 – Governance Items		
1.1	Announcements, Apologies and Declarations of Interest	Apologies were received from Councillor G Bull (substituted by Councillor R Fuller) and Councillor L Herbert. No declarations of interest were made.
1.2	Minutes – 25 September 2019	The minutes of the meeting on 25 September 2019 were confirmed as an accurate record and signed by the Mayor.
1.3	Petitions	None received.

1.4	Public Questions	None received.
1.5	Forward Plan – September 2019	It was resolved to note and approve the Forward Plan.
1.6	Designation of Scrutiny Officer	<p>The Board considered a report recommending the appointment of a new Interim Scrutiny Officer.</p> <p>It was resolved to:</p> <p style="text-align: center;">Designate Katarina O'Dell as the Combined Authority's Interim Scrutiny Officer for the remainder of the maternity leave of the Scrutiny Officer.</p>
1.7	Appointments to Executive Committees and Appointment of Chairs and Lead Members	<p>The Board considered a report seeking agreement for the Membership of the Executive Committees, the appointment of Chairs and the appointment of Lead Members for the remainder of the 2019/20 municipal year.</p> <p>It was resolved to:</p> <p style="margin-left: 40px;">a) Note and agree the nominations for membership of the Executive Committees, Chairs and Lead Members for the remainder of the 2019/20 municipal year, as set out in Appendix 1.</p> <p style="margin-left: 40px;">b) Approve the Monitoring Officer to accept any consequential changes to membership and confirm that on receipt such changes would be immediately in effect.</p>
Part 2 – Finance		
2.1	Budget Monitor Update	The Board considered a report providing an update on the 2019/20 financial position of the Cambridgeshire and Peterborough Combined Authority as at 31st August 2019.

		<p>It was resolved to:</p> <p>Note the updated financial position of the Combined Authority for the year.</p>
Part 3 - Combined Authority Matters		
3.1	£100k Homes and Community Land Trusts	<p>The Board considered a report providing further information of the £100k Homes and Community Land Trusts and seeking approval for the immediate expenditure required to develop the formal business cases for approval.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Delegate to the Chief Executive, in consultation with the Chair of the Housing and Communities Committee, authority to draw down the £250,000 allocated from the non-transport feasibility budget for the creation of community land trusts and for the operational costs of delivering the £100k Housing project, subject to the phasing set out in the Medium Term Financial Plan (MTFP); and b) Confirm that the monitoring of spend on the development of the business cases for Community Land Trusts and £100k Homes would be reported to the Housing & Communities Committee; and c) Confirm that the business cases for Community Land Trusts and £100k Homes would be reported to the Combined Authority Board for approval in due course, subject to consultation with the Housing & Communities Committee.



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY BOARD - Decision Summary

Meeting: 27th November 2019

Agenda/Minutes: Cambridgeshire and Peterborough Combined Authority Board - 27th November 2019

Item	Topic	Decision
Part 1 – Governance Items		
1.1	Announcements, Apologies and Declarations of Interest	Apologies were received from Councillor G Bull (substituted by Councillor R Fuller) No declarations of interest were made.
1.2	Minutes – 30 October 2019	The minutes of the meeting on 30 October 2019 were confirmed as an accurate record and signed by the Mayor.
1.3	Petitions	None received.
1.4	Public Questions	None received.
1.5	Forward Plan	It was resolved to approve the Forward Plan.

1.6	Performance Report	<p>The Board considered a report proposing an amendment to the performance reporting update that is received by the Combined Authority Board.</p> <p>It was resolved to:</p> <p style="padding-left: 40px;">Note and approve proposed changes to the Performance Reporting process.</p>
1.7	Assurance Framework	<p>The Board considered a report seeking approval of the final amended version of the Assurance Framework.</p> <p>It was resolved to:</p> <p style="padding-left: 40px;">a) Agree the adoption of the single Assurance Framework as amended to meet the requirements of the Ministry of Housing, Communities & Local Government (the amended Assurance Framework forms the Appendix to this report - amendments are highlighted in bold) with an additional amendment to paragraph 3.3.33 of the Assurance Framework to replace the word “nine” with the word “fourteen” and the word “seven” with the word “twelve” and to delegate authority to the Monitoring Officer to amend the Constitution accordingly.</p>
Part 2 – Finance		
2.1	Draft Budget 2020-21 and Medium Term Financial Plan 2020-2024	<p>The Board considered a report proposing the Combined Authority’s draft Budget for 2020/21 and the Medium-Term Financial Plan (MTFP) and Capital Programme for the period 2020/21 to 2023/24. The report also set out the proposed timetable for the consultation and approval of the draft Budget and MTFP.</p> <p>It was resolved to:</p>

		<p>a) Approve the Draft Budget for 2020/21 and the Medium Term Financial Plan 2020/21 to 2023/24 for consultation purposes.</p> <p>b) Approve the timetable for consultation and those to be consulted.</p>
Part 3 - Combined Authority Decisions		
3.1	£100m Affordable Housing Programmes Scheme Approvals (Non-Grant) November 2019 – Linton Road, Great Abingdon	<p>The Board considered a report seeking approval for the provision of a 21 month repayable loan facility capped at £5.78m to Linton Road (Great Abingdon) LLP for the development of a housing scheme at 734 Linton Road, Great Abingdon, South Cambridgeshire, CB21 6AA.</p> <p>It was resolved to:</p> <p>a) Approve the provision of a loan facility of £5.78m to Linton Road (Great Abingdon) LLP for a scheme of no less than 13 units based on the heads of terms detailed in the exempt Appendix 1.</p> <p>b) Authorise the Director of Housing and Development, in consultation with the Interim Legal Counsel and the Lead Member for Investment and Finance, to conclude any necessary legal documentation to secure the loan, to include taking a charge upon the land</p>
3.2	Appointment of the Chair of Angle Holdings Ltd and Angle Developments (East) Ltd	<p>The Board considered a report seeking approval for the appointment of the successful candidate to the role of Chair of Angle Holdings Limited and Angle Developments (East) Limited.</p> <p>It was resolved to:</p> <p>Approve the appointment of Brian Stewart OBE as the Chairman of both Angle Holdings Limited and Angle Developments (East) Limited.</p>

3.3	Climate Change	<p>The Board considered a report recommending the establishment of an independent Commission on Climate Change.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the establishment of an Independent Commission on Climate Change with a mandate to report within the next 12 months; b) Agree the proposed terms of reference of the Commission set out in the Annex to this paper; c) Authorise the chief executive, in consultation with the Mayor, to appoint a chairman and members of the Commission; and d) Approve a revenue budget of £125,000 to support the commission’s work
<p>By Recommendation to the Combined Authority Part 4 – Business Board recommendations to the Combined Authority</p>		
4.1	For approval as Accountable Body – Local Growth Fund Project Proposals November 2019	<p>The Board considered a report seeking approval for the allocations of the Growth Fund.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve projects number 3 and 6 in the table at paragraph 2.8; b) Approve funding for the projects numbered 5, 7 and 8 in the table at paragraph 2.8; c) Agree that the Director of Business and Skills be granted delegation to approve the application numbered 1 in the table at paragraph 2.8 in the report subject to legal advice to confirm that approval would be lawful in the context of the Bus Review

4.2	For approval as Accountable Body – Local Growth Fund Update November 2019	<p>The Board considered a report providing an update on the Local Growth Funds' performance since April 2015.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Delegate authority to the Director of Business and Skills, in consultation with the Chair of Business Board, to approve grants to SMEs under the Small Business Capital Grant Programme. b) Approve the allocation of £100,000 from the Small Business Capital Growth Grant Programme to a new Entrepreneurs' Accelerator Fund to be ring-fenced for Thomas Cook employees or affected supply chain companies' employees who have been made redundant and are exploring starting up a business. c) Approve delegated authority to the Director of Business and Skills, in consultation with the Chair of the Business Board, to adopt appropriate application evaluation criteria and award processes for the Entrepreneurs' Accelerator Fund.
4.3	Local Industrial Strategy Delivery Plan – Business Growth Service Outline Business Case	<p>The Board considered a report presenting the Outline Business Case for the Business Growth Service, providing an overview of the financial and commercial strategies and recommending the actions needed to implement the Local Industrial Strategy Delivery Plan.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Endorse the Outline Business Case and agree to establish a Growth Service Management Company initially to be a wholly owned subsidiary of Angle Holdings Limited as set out in Section 4 below.

		<p>b) Approve the making of a bid for Local Growth Fund monies as set out in paragraph 4.3 below:</p> <p>c) Approve the making of a bid for European Regional Development Fund (ERDF) and European Social Fund (ESF) monies as set out in paragraph 4.4 below:</p> <p>d) On condition that recommendation (a) above was accepted and the bids referred to at recommendations (b) and (c) above were successful, agree to allocate £2.185m funding from a combination of Enterprise Zone receipts and funding within the Medium Term Financial Plan and from Enterprise Zone receipts, as set out in paragraph 4.5 of the report, to the Growth Service Management Company to part fund the procurement of the Business Growth Service.</p> <p>e) Note that the Skills Committee has resolved, subject to all the remaining public funding set out at paragraph 4.5 below being secured, to approve the allocation of £50,000 per annum for three years starting in 2020/21 from the £150,000 per annum Skills Strategy Implementation Budget set out in the Combined Authority's Medium Term Financial Plan, for the part funding of the Skills Brokerage element of the proposed new Business Growth Service</p> <p>f) Subject to all the remaining public funding set out at paragraph [4.5] being secured, to delegate to the Director for Business and Skills authority to manage the procurement process, to bring forward a Full Business Case in March 2020 and to contract with the successful bidder(s), subject to confirmation of award of the funding components from the Local Growth Fund, European Regional Development Fund and European Social Fund</p>
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		g) Delegate to the Director of Business and Skills authority to task the Business Growth Service with the administration of the Small Business Capital Growth Investment Fund, as set out at paragraph 5.4 below.
4.4	Enterprise Zones	<p>The Board considered a report providing an overview on the progress being made on each of the Enterprise Zone sites and to set out associated National Non-Domestic Rates (NNDR) income profiles for the CPCA.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the progress being made with delivery on each of the area's Enterprise Zone sites, and the associated Enterprise Zone National Non-Domestic Rates income profile for the Combined Authority as per table 1. b) Note the existing financial commitments and allocations from the Combined Authority share of Enterprise Zone National Non-Domestic Rates income in supporting core Local Enterprise Partnership services as set out in table 2.
Part 5 – Transport and Infrastructure Committee recommendations to the Combined Authority		
5.1	A605 Alwalton to Lynchwood	<p>The Board considered a report requesting funding approval for the A605 Alwalton to Lynchwood scheme.</p> <p>It was resolved to:</p> <p>Approve the additional £795,000 of funding required to progress with construction</p>



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Agenda Item 4

Minutes of the Meeting of East Cambridgeshire District Council held in the Council Chamber, The Grange, Nutholt Lane, Ely, on Thursday 17 October 2019 at 6.00pm

P R E S E N T

Councillor Christine Ambrose-Smith	Councillor Bill Hunt
Councillor David Ambrose-Smith	Councillor Mark Inskip
Councillor Anna Bailey	Councillor Alec Jones
Councillor Ian Bovingdon	Councillor Daniel Schumann
Councillor David Brown	Councillor Joshua Schumann
Councillor Charlotte Cane	Councillor Alan Sharp
Councillor Victoria Charlesworth	Councillor Amy Starkey
Councillor Matthew Downey	Councillor Lisa Stubbs
Councillor Lorna Dupré	Councillor John Trapp
Councillor Lavinia Edwards	Councillor Paola Trimarco
Councillor Lis Every (Chairman)	Councillor Jo Webber
Councillor Simon Harries	Councillor Alison Whelan
Councillor Julia Huffer	Councillor Christine Whelan
	Councillor Gareth Wilson

Approximately 25 members of the public were in attendance.

35. **PUBLIC QUESTION TIME**

A statement was read out by Mr Rod Hart:

“The science is clear and incontrovertible. We have entered the six mass extinction event in our planet Earth’s 4.5 billion year history, one of those extinction events, the one that killed the dinosaurs, is likely to have been caused by an asteroid strike but the other four were caused by excessively high levels of carbon dioxide in the atmosphere, today levels of atmospheric carbon dioxide are far higher than they were in any of the four previous extinction events.

Carbon dioxide is one of the main greenhouse gases released by burning of fossil fuels, such as coal, oil and gas, and has increased from 280ppm to 415ppm (almost 70%) since the start of the Industrial Revolution.

The increase in atmospheric greenhouse gas makes the planet overheat, we are already at 1.1°C above pre-industrial temperatures and this is what’s causing the current Climate Collapse and Ecosystem Destruction that we are all witnessing daily. The United Nations scientific body called Intergovernmental Panel on Climate Change, IPCC for short, in its 2018 Special Report SR15 very clearly stated that unless we limit global temperature increase to below 1.5°C it is likely that Planetary feedback loops will take over and we humans will then be unable to prevent runaway Climate Collapse and Ecosystem Destruction, with subsequent societal breakdown and human extinction.

The IPCC was also very clear on how long we have left to take the radical and urgent action required to prevent Runaway Climate Collapse – 10 to 12 years – that was 2018 so we now have only 9 to 11 years remaining.

We are all culpable in this wholesale planetary destruction so we all have immense life-altering changes to make. We citizens look to government at all levels to lead on this and to give us clear and immediate guidance and direction, the first part of this is to Tell the Truth about how desperate the situation really is by Declaring a Climate

and Ecological Emergency the second part is to Act as if The Truth is real by taking swift and radical action to reduce greenhouse gas emissions to net zero by 2030, preferably sooner.

I'm not here talking to you tonight just because I understand climate science or because I know what needs to be done about it, but because I'm a grandparent and I don't want my grandchildren to grow up hating me and because I know with absolute certainty that unless we change course, my grandchildren will not die of natural causes and may well not live to be my age.

You councillors have the opportunity tonight to be brave and bold, to take on an immensely difficult challenge but to do the only thing that is right, support the motion to declare a Climate and Ecological Emergency."

The Director Operations reminded Members that there were two motions on the agenda relating to the subject referred to by Mr Hart and his comments could be considered during the discussions on those motions.

Mrs Susan Bussell was invited to speak and made the following points:

- She grew up with nature and considered the ocean and trees as friends, so nature was part of her childhood.
- People needed to look to the future for the children.
- She was standing up and speaking up for those children.
- She had attended an event at St Johns College and could not believe what the experts revealed was happening.
- Another event in Ely Cathedral had given a chilling future prospect if carbon emissions were not reduced.
- The science was now on the public record.
- Everyone had to change their way of life for everybody's future.
- People are already seeing and feeling the effects of climate change with higher temperatures, dry meadows, rain downpours and droughts.
- The Council was urged to agree to declare a climate emergency to help reduce carbon dioxide emissions.
- Making that declaration would be the building block to starting the urgent measures needed.
- The Council was therefore urged to vote for the declaration and taking urgent measures.

The Chairman reiterated the previous reply made by the Director Operations.

36. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Sue Austen.

37. **DECLARATIONS OF INTEREST**

No declarations of interests were received.

38. **MINUTES**

The following amendment was proposed and accepted relating to page 6 of the minutes in that the reference to Councillor Christine Whelan should be amended to read Councillor Alison Whelan.

It was resolved:

That the Minutes of the Council meeting held on 18 July 2019, as amended, be confirmed as a correct record and be signed by the Chairman.

39. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made the following announcements:

- Since receiving the honour to be elected as Chair in May, I have been undertaking research and training on its role and responsibilities. As you are aware, the Chair represents the Council as a whole in all civic and ceremonial matters and presides over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of Councillors and the interests of the community.
- As you may be aware, the Chair and Deputy Chair receive many invitations from within the District but also outside. We have decided that we will attend civic and ceremonial functions primarily within the District to support the activities of parishes and the community. We will, of course, attend the out of District functions which we determine are appropriate and which link to our Corporate Objectives and promote the Council and the District. I would welcome the opportunity to receive invitations to visit the Parishes for events should they wish me to do so.
- To support the latter, I will be compiling with the Communications team a newsletter which will go to Parishes and community organisations every 2 months not only to provide a showcase of the work of the Council but also to promote our excellent staff who undertake service on behalf of residents. We want to actively promote a greater collaboration with our parishes and will also be delighted to showcase their successes. I am sure Councillors will be delighted to make contributions for the Ward areas that can be considered for inclusion. We will keep you informed of dates.

Councillor Dan Schumann joined the meeting at this point.

40. **PETITIONS**

Mr Kim Ashton presented a petition that:

Called on East Cambridgeshire District Council to:

1. Declare a Climate Emergency;
2. Pledge to make ECDC together with its wholly-owned companies and contractors carbon neutral by 2030 and pledge to divest Council investments, including pensions, from fossil fuels;
3. Call on the Government to provide powers, resources and technical support to make the 2030 target possible;
4. Work with local stakeholders to deliver a strategy in line with the target of net zero emissions by 2030, via a Council Working Group and a Citizen's Assembly. These should involve participation from as wide a range of residents, young people, businesses and other relevant parties as possible and should report within 6 months, or at least in time for their recommendations to be funded in the next Budget cycle.

Why is this Important?

We are facing an unprecedented climate and ecological catastrophe. Leading scientists from the IPCC have warned that if we carry on our business as usual and don't take emergency action on Climate Change, we face the gravest threats to our global environment. This includes worsening risks of drought, floods, extreme heat and poverty

for hundreds of millions of people. Extreme weather events are already being seen, even in East Cambs which experienced severe drought last year. More recently, during a heatwave in July 2019 which saw temperatures across Europe, the highest temperature ever recorded in the UK was reached in Cambridge.

In the light of this urgent situation, at least 230 Councils in the UK have already declared a Climate Emergency, while cities including Exeter, Bristol and Edinburgh have set themselves ambitious targets of carbon neutrality by 2030.

Mr Kim Ashton then made the following points:

- The world was facing an emergency.
- The scientific evidence was clear.
- All over the world people were asking their governments to tackle climate change and over half of local authorities had declared an emergency.
- Climate change was happening.
- East Anglia was on the frontline with low lying land, high rainfall and much of the fens would be under water due to rising sea levels.
- Much more action was needed as a matter of urgency.
- This was a critical moment and it offered enormous opportunities to mitigate the effects of climate change.
- If nothing was done there would be major problems such as food shortages and mass migration with civilisation at stake.
- Action was needed at all levels so the Council should seize this opportunity to act accordingly.

41. **MOTIONS**

Encouraging Inclusivity

This Motion was withdrawn by the mover of the motion with the consent of her seconder in accordance with Council Procedure Rule 12.7.

Climate Emergency

Councillor Mark Inskip proposed, seconded by Councillor Charlotte Cane, the following Motion:

Council notes:

that the impacts of climate breakdown are already causing serious damage around the world.

that the 'Special Report on Global Warming of 1.5°C', published by the Intergovernmental Panel on Climate Change in October 2018, (a) describes the enormous harm that a 2°C average rise in global temperatures is likely to cause compared with a 1.5°C rise, and (b) confirms that limiting Global Warming to 1.5°C may still be possible with ambitious action from national and sub-national authorities, civil society and the private sector;

that East Cambridgeshire is at significant risk from climate change by both drought from reduced rainfall and flooding from rising sea levels, with the Environment Agency reporting that the river flow on the Ely Ouse is 'notably low', and reports suggesting that a 1.5° rise in temperature would see most of East Cambs under salt water with Ely becoming an island and the fen edge villages becoming coastal villages;

that East Cambridgeshire is a major contributor to Greenhouse gas emissions from allowing our peat to dry out releasing CO2 into the atmosphere, burning oil and bottled gas for heating and frequently using cars due to inadequate public transport or provision for cyclists and pedestrians;

that all governments (national, regional and local) have a duty to act, and local governments that recognise this should not wait for their national governments to change their policies;

that strong policies to cut emissions also have associated health, wellbeing and economic benefits;

and that, recognising this, a growing number of UK local authorities have already passed 'Climate Emergency' motions.

Council therefore commits to:

- Declare a 'Climate Emergency' that requires urgent action.
- Make the Council, and its trading subsidiaries' activities net-zero carbon by 2030
- Achieve 100% clean energy across the Council and its trading subsidiaries' full range of functions by 2030
- Ensure that all strategic decisions, budgets and approaches to planning decisions are in line with a shift to zero carbon by 2030.
- Support and work with all other relevant agencies towards making the entire area zero carbon within the same timescale;
- Ensure that political and chief officer leadership teams and trading subsidiaries' Directors embed this work in all areas and take responsibility for reducing, as rapidly as possible, the carbon emissions resulting from the Council's activities, ensuring that any recommendations are fully costed and that committees and full Council review council activities taking account of production and consumption emissions and set up a joint members and officers working group to produce an action plan within 12 months, together with budget actions and a measured baseline;
- Ensure that Council considers the impact of climate change and the environment when reviewing Council policies and strategies;
- Work with, influence and inspire partners across the district, county and region to help deliver this goal through all relevant strategies, plans and shared resources;
- Council to take steps to proactively include young people in the process, ensuring that they have a voice in shaping the future;
- Establish an East Cambridgeshire Climate Change Partnership, involving councillors, residents, young people below voting age, academics and other relevant parties, to prioritise carbon reduction measures, identify related benefits to employment, health, agricultural and transport sectors and develop a strategy in line with the 'net-zero carbon by 2030' target;
- Require East Cambs Trading Limited to investigate ways to build zero carbon homes in East Cambridgeshire and report to Council within 12 months on the proposed ways forward with a view to building zero carbon homes by 2022 at the latest;
- Require East Cambs Street Scene Limited to work with Council officers to develop a capital assets replacement and refurbishment programme and review work processes to report to Council within 12 months on proposed ways forward to become a zero-carbon operation;

- Ensure that all reports in preparation for the 2020/21 and future budget cycles and investment strategies will take into account the actions the council will take to address this emergency;
- Ask officers to investigate the most appropriate training for members and officers about how to promote carbon neutral policies for future consideration by Council;
- Write to the Secretary of State to request that Government provides the powers, resources and help with funding to make this possible, and ask local MPs to do likewise;
- Consider other actions that could be implemented, including (but not restricted to): renewable energy generation and storage, providing electric vehicle infrastructure and encouraging alternatives to private car use, increasing the efficiency of buildings, in particular to address fuel poverty; proactively using local planning powers to accelerate the delivery of net carbon new developments and communities, coordinating a series of information and training events to raise awareness and share good practice.

It was stated that the world would be in a very sorry state in about 200 years' time if nothing was done about climate change, which endangered the very survival of life. A document from 1990 had highlighted the issues, so this issue was not new, but that document had been neglected. People had since undertaken recycling and other like measures but these would not address the problems.

Decades of small steps had been taken but a recent shocking statement indicated that even a small 1.5° increase in global temperatures would lead to increasing risks, including food shortages and lessening of water supplies. Crop yields would fall, livestock put at risk and diseases would increase. A 2° increase would result in 1.7 million people suffering extreme temperatures, sea levels would rise and millions of people would be adversely impacted. 90% of coral reefs had been lost, fisheries were down and ecosystems were facing life threatening problems. East Cambridgeshire itself would be under salt water but conversely draughts would increase as weather patterns changed. These problems had to be taken seriously and rapid changes had to be made.

A climate emergency had to be declared and serious action had to be undertaken by 2030 to tackle the problems.

In support of the motion, some Members acknowledged that it would not be easy and be challenging to achieve the targets set. Although the Council only covered a small part of the county the targets could be achieved. It was now time to start doing things to tackle the problems. There may be some failure in some details but an effort had to be made. A consensus could be reached to save the district from disaster. So the motion was worth supporting.

Warm words meant nothing if there was a refusal to do anything to deal with the relevant matters. It would not be too expensive to save the district and other local authorities across the country were taking action, so it was possible to cut carbon emissions.

The Council needed to continue to recycle as much as it could but much more was needed, as shown by the ambition within the motion. For example, the proposal relating to bin lorries asked for a review of the work processes, to be reported back, to see if improvements could be made. The Council had to take some responsibility for our generation and the generations that followed, as this was critical. The Council had to talk to its communities and work in partnership on the problems, supported by Government funding.

The motion before the Council suggested things that could be difficult to achieve and could fail but the Council had to aim high for the best target. Responsibility had to be accepted to try harder which would lead to success in some things.

Wicken Fen had developed knowledge and techniques on how peat fens could be restored, so their knowledge should be spread around the district to increase that restoration. The creation of a partnership to bring ideas in was needed, as everybody had to be involved. If these actions were not got right then the planet would very quickly change and cause issues for people and biodiversity. The Government should be asked to deliver on its commitments and should spend its money on climate change measures. The motion was full of sensible plans and should be supported.

The crucial point was to declare an emergency and then take appropriate action. The Council prided itself on a 'can do' attitude so should agree to the motion. Complains about technology being currently unavailable would be addressed as, if there was a demand for it, it would be developed. The Council was not currently doing enough and setting a target of 2030, which was not radical, would help achieve significant progress.

In opposing the motion, it was countered that the motion was short on action and so would be undeliverable. The motion was only to make headlines and was set up for failure. Instead, other agencies should be supported to make them zero carbon, for example the County Council had obtained support for its woodland and peat restoration project. Zero carbon emissions were needed by 2050, which would be hugely challenging. A suggested 2030 target would be impossible to achieve and would undermine the credibility and commitments that could be made on the climate agenda.

The Government's forthcoming Environmental Bill would bolster local leadership, by giving new powers and provide Government funding to make climate change actions a reality. All parties cared about this issue and it was hoped cross-party agreement could help take this forward.

The Council was reminded that three years previously, enquiries had been made about battery operated refuse lorries, as some trials had been held in some cities. The cost of such vehicles was prohibitive and a staggering amount could be spent on refurbishing the fleet. Until the Council could guarantee a suitable price, it should not make empty promises.

There should be no playing down of the small measures already being taken, as everybody had a duty to everything they could to help tackle the issue. Any agreed action had to be properly thought through by asking what could be done and whether it was realistically achievable. One of the proposals in the motion could not be achieved, as the technology for it was not in place. It was also unfair to suggest that the Council was not doing anything, but workable schemes were needed to make progress.

Whilst acknowledging that all the Council cared about the environment and how urgent the issue was, there was a worry that the motion was being unrealistic. The Council had to agree with actions that were workable and effective, which this motion was not.

A recorded vote was requested and voting was as follows:

For [12] – Councillors Charlotte Cane, Victoria Charlesworth, Matthew Downey, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Alison Whelan, Christine Whelan, Gareth Wilson

Against [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

The motion was therefore declared to be lost.

Climate Change

Councillor Anna Bailey acknowledged, in recognition of the public support, that a Climate Emergency should be declared and therefore proposed, seconded by Councillor Josh Schumann, the following:

The current generation has a duty to protect and improve the health of our planet for those that follow.

The world is facing unprecedented challenges in population growth, climate change, pollution and ever increasing and competing demands on its land and natural resources. By 2050 the world population is expected to rise from its current level of 7.7 billion to 9.2 billion. There is global consensus that climate change poses significant risk to the health of the planet and its ability to sustain life.

Local Authorities have a responsibility, both in their own activities and those undertaken with partners, as well as in the influence they can bring to bear to reduce the adverse effects of their populations on the planet.

Cambridgeshire and East Cambridgeshire are growing areas; increasing populations result in increasing need for businesses, houses, health, retail and leisure outlets, transport and other supporting infrastructure, all of which lead to adverse impacts on the environment. With growth comes a responsibility to balance competing demands and mitigate the negative impacts of that growth as far as is reasonably possible.

This Council thanks residents for calling for action and acknowledges that it has a significant role to play in protecting and improving the environment for future generations.

Council notes the positive actions it is already undertaking:

- A District wide review of bus services to inform a detailed plan, which aims to increase the number and frequency of services, to be presented to the Combined Authority in its county wide bus review
- Development of an East Cambs Strategic Cycle/Footpath Network, identifying gaps in the current network, and seeking funding opportunities to improve the network over time
- Thanks to our residents, achievement of one of the highest recycling rates in the country, leading to a new target of 65%; we stand ready to make further improvements in line with the Government's emerging Resources and Waste Strategy
- Through planning policy we favour sustainable development, we secure energy and sustainability measures on all developments of 5 dwellings or more and we seek BREEAM 'very good' build standard on non-domestic developments greater than 1000m²
- We seek to secure landscaping and tree planting in new developments

- Our Tree Strategy and Conservation Area policies are helping to protect and improve the tree stock across the District
- We work with wildlife groups to increase habitat and biodiversity
- We have established wildflower habitats on some of our own open spaces
- Our Purge on Plastics campaign and action plan is helping to reduce the Council's use of single use plastics and to encourage others across the district to do the same
- Ely Markets' Bring your Own Campaign is helping to raise awareness and reduce the use of single use plastic by market traders and customers
- We are signed up to and supporting the Doubling Nature campaign and the Local Nature Partnership
- Our free energy advice service helps residents improve the energy efficiency of their homes
- Participation in the Energy Company Obligation Flexible Eligibility Scheme is helping to reduce carbon emissions and tackle fuel poverty
- Together with Cambridgeshire County Council we are developing an Innovate UK bid to design an energy system to deliver net zero carbon emissions from energy use in East Cambridgeshire by 2050; the project focuses on shifting transport, gas and oil use to electricity and to grow the electricity network to cater for the change
- We are working with Swaffham Prior Community Land Trust and Cambridgeshire County Council to secure funding for the low carbon Swaffham Prior Community Heat Scheme
- Kennett Community Land Trust has been designed using Garden Village principles
- We are building new homes at Haddenham Community Land Trust to high energy efficient standards
- 2 rapid electric vehicle charging points were installed at The Hive car park
- At end of life all lightbulbs on Council premises are replaced with LED lightbulbs
- Grant applications to the Council are asked to explain what steps are being taken to make a project environmentally sustainable

Council recognises the need to build on this positive work, to further embed positive environmental thinking, behaviours, and action throughout our organisation and to seek to influence partners and others to do the same.

Council therefore resolves to:

- Note the positive actions and work that have already been completed or begun
- Declare a Climate Emergency that needs urgent action.
- Commit to the following actions, to begin immediately:
 - Launch and publicise an online 'Ideas Forum' for residents to submit their ideas for consideration on how the Council can tackle climate change
 - Develop a Supplementary Planning Document for the Natural Environment
 - Conduct a review of the management, use of pesticides and the grass cutting schedule of our own open spaces and develop a Parks and Open Spaces Eco Plan to reduce adverse environmental impacts and increase biodiversity
 - Request East Cambs Trading Company to consider if and how the Parks and Open Spaces Eco Plan can be applied to customers of the Company
 - Promote tree schemes by the Woodland Trust and other organisations to encourage tree planting throughout the District
- Assess the feasibility and capability of new carbon emission free vehicles available on the market when any Council owned vehicle comes to the end of its life,

- alongside consideration of the required investment in infrastructure to charge and maintain a carbon emission free fleet
- Task the Operational Services Committee to develop a costed Environment and Climate Change Strategy and Action Plan, including targets and timescales to reduce carbon emissions and pollution and protect and enhance biodiversity and present to Committee within 6 months; as part of this work, Committee will explore and consider the following, which is not an exhaustive list:
 - Measures in conjunction with the Combined Authority
 - Measures in conjunction with Cambridgeshire County Council
 - Measures in conjunction with other organisations and customers
 - Measures required and feasibility of reaching net zero carbon emissions by the Council by 2050
 - Pre-application Planning fee incentives/discounts for schemes using eco-friendly building methods and heating and cooling systems and green energy schemes
 - Incentives/discounts on taxi license fees for ultra-low and zero emission vehicles at renewal
 - Installing more electric charging points in Council owned car parks
 - Installing additional water refill stations on Council premises
 - Communications Plan, including:
 - Changing the culture of the Council to one of 'Think Zero'
 - Promotion of the online 'Ideas Forum'
 - Michael Recycle 'Zero Hero' cut the carbon campaign
 - Schools engagement
 - Measures in the emerging Youth Strategy

In support of this motion, it was stated that there would be no refusal for the Council to take action and the motion was about the action that would be taken. The Council was already in the process of taking action and other plans were in place. The current generation had a duty to take steps and the Council had a responsibility to undertake those steps and acknowledge the requests made in the public petition. All relevant issues mattered and, although efforts were already being made, further action was needed. The motion set out a net zero-carbon target by 2050, which was realistic. Detailed actions had been thought about but more could be done. The motion was not an attempt to include everything but would get the ball rolling. Increasing action would be taken in certain areas, such as a commitment to replace bin vehicles appropriately. An Ideas Forum would be established immediately with consideration being given to putting in suitable ideas into Council plans. The Environment Bill would provide funding where increased costs would be incurred to instigate new plans. A lot of time had been spent speaking to officers and looking at everything that the Council should be doing to improve its processes. Passing this motion would include a clear delivery of objectives which would be measurable. It was packed with things that could be done, and the Council would be implementing these. This motion should be taken forward, hopefully with cross-party support.

Amendment 1 to declare a climate change emergency already had been incorporated into the motion by the proposer with the agreement of the seconder, as detailed above.

Amendment 2

Councillor Victoria Charlesworth proposed, seconded by Councillor Mark Inskip, the following amendment:

To replace the 2050 deadline with 2030 in the following points that begin:

- “Together with Cambridgeshire County Councilto deliver net zero carbon emissions from energy use in East Cambridgeshire by 2030.
- “Measures required and feasibility of reaching net zero carbon emissions by the Council by 2030.

To have an overall goal of 2030 for all current and upcoming actions.

It was questioned how ambitious the Council was, as if it did not get fully on board it would be left behind. A 2030 target date instead of 2050 would be better and potentially more successful, as climate change was happening now and the Council had to act now. Everyone has to face this threat and take it seriously.

Members had to consider whether aiming for 2030 was the right thing to do, as a target of 2030 added nothing, as missing it would be contrary to current legislation. Realistic targets were needed and plenty of other Councils had set similar timetables.

In speaking against the motion, it was suggested that making policy ‘on-the-hoof’ like this was dangerous, as there was no opportunity to consider it properly. Whereas going forward with the proposals made by the County Council, to totally refurbish the energy infrastructure in the area, was the way to move forward.

A recorded vote was requested and voting was as follows:

For [12] – Councillors Charlotte Cane, Victoria Charlesworth, Matthew Downey, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Alison Whelan, Christine Whelan, Gareth Wilson

Against [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

The amendment was therefore declared to be lost.

Amendment 3

Councillor Charlotte Cane proposed, seconded by Councillor Gareth Wilson, the following amendment:

After ‘Commit to the following actions, to begin immediately:’ add new bullet point

–

Form a Climate Change Partnership to develop the Council’s Environment and Climate Change Strategy and Action Plan to consider for adoption at Full Council in January 2020. To ensure that the funding for the Action Plan is built into the budget for the year 1 April 2020 to 31 March 2021 and built into financial planning for subsequent years. To require an assessment for every item included in budgets going forward of its impact on the Council’s Environment and Climate Change Strategy and Action Plan.

As no clear action was set out, the amendment tried to address that forming a Climate Change Partnership would get it involved in developing and delivering a Strategy and Action Plan in time to be adopted by full Council at its January meeting. This would then enable the costs of any actions to be built into the Council Budget. The amendment would ensure some form of action would be taken and would allow every budget item to be assessed on environmental or climate change grounds against the agreed Strategy.

The amendment enabled faster action to be instigated. It would be simple to form the Partnership so that action could be started straight away. To get the finances required into the budget, the timescales had to be appropriate. This would mean that action would be budgeted for within next year's budget. The Council was already proceeding with relevant work, so 13 weeks should be enough time to organise the work needed.

The motion proposed working together on this issue, as everybody was trying to protect the district. Getting the relevant parties and experts together seemed like a sensible idea and any ideas would require money allocated within the budget. The budget would then reflect the requirements of an agreed plan, so the amendment should be approved.

In applauding the ambition of the amendment, it was accepted that there would be a need to consult other parties, but this should be through the committee structure to produce a fully costed plan. So the amendment could not be supported.

A recorded vote was requested and voting was as follows:

For [12] – Councillors Charlotte Cane, Victoria Charlesworth, Matthew Downey, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Alison Whelan, Christine Whelan, Gareth Wilson

Against [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

The amendment was therefore declared to be lost.

Amendment 4

Councillor Victoria Charlesworth proposed, seconded by Councillor Simon Harries, the following amendment:

To insert immediately after "Through planning policy we favour sustainable development, we secure energy and sustainability measures on all developments of 5 dwellings or more and we seek BREEAM 'very good' build standard on non-domestic developments greater than 1000m²"

- We seek to follow the example set by Goldsmith St. in Norwich, to build to the most exacting of environmental standards using Passivhaus specification for residential developments.
- To clarify the BREEAM standard as BREEAM 2018

Norwich Council had built high specification housing designed that so the sun warmed the houses, reduced energy consumption and reduced costs. This Council should also aim for higher specifications on housing, particularly as it had limited land on which such housing could be built. The Council should seek to follow the example given, as Norwich was not the only council taking this view. The Council should show ambition to build to the Passivhaus specifications and its 'green' standards.

However, it was contended that the amendment would require the policy in the Local Plan and planning policies to be amended. This would have to be accomplished through planning policy and doing so would result in the Local Plan failing at appeal. So the consequences of this amendment had not been thought through, and could not be agreed.

A recorded vote was requested and voting was as follows:

For [12] – Councillors Charlotte Cane, Victoria Charlesworth, Matthew Downey, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Alison Whelan, Christine Whelan, Gareth Wilson

Against [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

The amendment was therefore declared to be lost.

Amendment 4a

Councillor Simon Harries proposed, seconded by Councillor John Trapp, that the wording “Kennett Community Land Trust has been designed using Garden Village principles” be struck out.

Associating the Kennett development with the garden Village principles suggested that the development would be environmentally friendly, which would not be the case. Householders would leave every day by car, which would have a negative environmental effect. The scheme itself was deeply controversial and was not environmentally sustainable, therefore this statement should be deleted.

Speaking against this amendment, it was stated that the Council was proud of the Kennett development, as it would be low density and had been designed to Garden Village principles. The list of activities on the agenda were simply to inform residents of what the Council was doing.

A recorded vote was requested and voting was as follows:

For [12] – Councillors Charlotte Cane, Victoria Charlesworth, Matthew Downey, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Alison Whelan, Christine Whelan, Gareth Wilson

Against [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

The amendment was therefore declared to be lost.

Amendment 5

Councillor Charlotte Cane proposed, seconded by Councillor Mark Inskip, the following amendment:

After ‘Conduct a review.... And increase biodiversity’ add new bullet point – Require East Cambs Trading Company Limited to develop and Environment and Climate Change Strategy and Action Plan and imbed that into its Business Plan for 2020/21 and subsequent years.

The Council via the Trading Company was developing houses, looking at the ex-Ministry of Defence site and dealing with parks and open spaces, so it had a huge impact on the environmental plan. Therefore, it should be asked to produce a Strategy and Action Plan.

The amendment asked for a decision in principle with the details worked out in committee. This was extremely important, as the companies were set up by Council and carried high risks. So a statement of intent should be given to show how the Council was accepting its responsibilities.

The amendment was not asking for a great deal, just a Strategy and Plan, which other councils had, as it was well worth having. This could incorporate historic standards and building environmental resilience.

This would form part of the work by relevant committees, and many companies were already doing this. There was no reason why this should not be agreed, as it could deliver real change.

The implication was to build houses to the Passivhaus standard, but there was no consideration of how this would be paid for. That issue should form part of work by the committees, as specified in the original motion. This issue was already embedded in the Business Plan, as covered by the original motion, so there was no need for this amendment.

A recorded vote was requested and voting was as follows:

For [12] – Councillors Charlotte Cane, Victoria Charlesworth, Matthew Downey, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Alison Whelan, Christine Whelan, Gareth Wilson

Against [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

The amendment was therefore declared to be lost.

Amendment 6

Councillor Charlotte Cane proposed, seconded by Councillor Mark Inskip, the following amendment:

After 'Request East Cambs..... customers of the Company' add new bullet point –
Require East Cambs Street Scene to develop and Environment and Climate Change Strategy and Action Plan and imbed that into its Business Plan for 2020/21 and subsequent years.

Street Scene was wholly owned by the Council and was Teckal compliant. It also had a key role in delivering a climate change strategy. So it should also have a Strategy and Action Plan embedded in the 2020/21 Plan. The amendment suggested that the Council take action that could be measured and this did not appear in the original motion.

It was questioned whether the Council would be ambitious and get its company to be environmentally sustainable. This needed to be embedded in the Business Plan. There was nothing controversial in the amendment and, as the companies activities were very focused on environmental matters. So the Council should get at least one of its companies to produce a Strategy and Action Plan.

The Council was reminded that there were plans for a massive change to the entire infrastructure to help tackle climate change. This amendment was not the normal way

to deal with business, gave no specific proposals and did not have any measurable outcomes.

A recorded vote was requested and voting was as follows:

For [12] – Councillors Charlotte Cane, Victoria Charlesworth, Matthew Downey, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Alison Whelan, Christine Whelan, Gareth Wilson

Against [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

The amendment was therefore declared to be lost.

Returning to the original motion, in opposing the motion, it was stated that the motion had no substance and with a target date of 2050 it should not be accepted. People had taken the trouble to bring their concerns to the Council via the petition, with a 2030 target, but this had not been accepted in the motion. The target date of 2030 would be challenging but was necessary.

With regard to the 2030 target date, it was contended that it was a massive target to develop a Strategy within 6 months and was not realistic. The motion had been amended to include the declaration of a climate emergency and the parties should work together to take action. The motion set high targets but was intended to be realistic in its aims. It was to be hoped that people would contribute their ideas to the Forum so that sustainable actions could be undertaken.

Councillor Matthew Downey left the meeting by this point.

A recorded vote was requested and voting was as follows:

For [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

Against [11] – Councillors Charlotte Cane, Victoria Charlesworth, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Alison Whelan, Christine Whelan, Gareth Wilson

The substantive motion was therefore declared to be carried.

It was resolved:

- (i) That the positive actions and work that have already been completed or begun be noted;
- (ii) That a 'Climate Emergency' be declared that required urgent action;
- (iii) That Council be committed to the following actions, to begin immediately:
 - Launch and publicise an online 'Ideas Forum' for residents to submit their ideas for consideration on how the Council can tackle climate change

- Develop a Supplementary Planning Document for the Natural Environment
 - Conduct a review of the management, use of pesticides and the grass cutting schedule of our own open spaces and develop a Parks and Open Spaces Eco Plan to reduce adverse environmental impacts and increase biodiversity
 - Request East Cambs Trading Company to consider if and how the Parks and Open Spaces Eco Plan can be applied to customers of the Company
 - Promote tree schemes by the Woodland Trust and other organisations to encourage tree planting throughout the District
- (iv) The Council assess the feasibility and capability of new carbon emission free vehicles available on the market when any Council owned vehicle comes to the end of its life, alongside consideration of the required investment in infrastructure to charge and maintain a carbon emission free fleet
- (v) That the Operational Services Committee be tasked to develop a costed Environment and Climate Change Strategy and Action Plan, including targets and timescales to reduce carbon emissions and pollution and protect and enhance biodiversity and present to Committee within 6 months; as part of this work, Committee will explore and consider the following, which is not an exhaustive list:
- Measures in conjunction with the Combined Authority
 - Measures in conjunction with Cambridgeshire County Council
 - Measures in conjunction with other organisations and customers
 - Measures required and feasibility of reaching net zero carbon emissions by the Council by 2050
 - Pre-application Planning fee incentives/discounts for schemes using eco-friendly building methods and heating and cooling systems and green energy schemes
 - Incentives/discounts on taxi license fees for ultra-low and zero emission vehicles at renewal
 - Installing more electric charging points in Council owned car parks
 - Installing additional water refill stations on Council premises
 - Communications Plan, including:
 - Changing the culture of the Council to one of 'Think Zero'
 - Promotion of the online 'Ideas Forum'
 - Michael Recycle 'Zero Hero' cut the carbon campaign
 - Schools engagement
 - Measures in the emerging Youth Strategy

The meeting was adjourned for a comfort break at 9:05pm.

Councillors Alison Whelan and Christine Whelan left the meeting at this point and did not return.

The meeting reconvened at 9:17pm.

42. **QUESTIONS FROM MEMBERS**

The following question, to the Leader of the Council Councillor Anna Bailey, was read out by Councillor Charlotte Cane:

On 30 May 2019 Councillor Dupre moved an amendment to delete the proposals to appoint the Leader of Council and Chair of Operational Services as Directors of

ECTC Limited and the Deputy Leader of Council and Chair of Finance and Assets as Directors of ECSS Limited. Councillor Bailey opposed this amendment, stating that “She did not concur with Councillor Dupre’s view regarding increasing the potential for conflicts of interest, but thought that the proposed revised arrangements would lessen this. The two companies had their own identities, delivery programmes and challenges and the proposals would better align the responsibilities of the Trading Companies to the relevant policy Committees. In addition, it would also complement the existing Shareholder arrangements and widen the knowledge of the Companies’ structure and operations to more Members to promote a greater level of expertise.”

On 8 October 2019 Councillor Bailey informed members that she and the other 3 Councillors had resigned as Directors noting that as Directors they ‘cannot take part in important debates and motions arising from the new political makeup of the Council’ and that officers would be proposing changes to the composition of the two companies’ Boards.

What has changed since 30 May 2019, when Councillor Bailey gave support to the arrangements which she has now resigned from and is now seeking to change?

What was so urgent that she, and the three other Directors felt they had to resign on 8 October 2019?

In reply, Councillor Anna Bailey stated¹ that the resignations had been a pragmatic response to the change in the Council’s composition. All four ex-Board Members could now play a full part in Council debates when considering the companies’ matters and ensure that the companies could deliver their aims. The main focus of concern regarding the governance of the two companies should be that it was correct and legal.

43. **CORPORATE PLAN 2019-2023**

Council considered a report U89, previously circulated, that gave details of the new Corporate Plan 2019-2023 for East Cambridgeshire District Council.

Councillor Anna Bailey proposed that the new Corporate Plan with the subsequent Constitution changes be approved, seconded by Councillor Joshua Schumann.

The Corporate Plan was a co-operation between the Council Administration and the public, as a public survey had helped form the Plan. It set out the Council’s priorities for the next four years with some already having been delivered. The Plan included funding Viva in Soham, managing Community Infrastructure Levy so no money had been borrowed for the delivery of The Hive, helping deliver the new railway station in Soham, supporting the schools recycling campaign and approving the Littleport Vision. This would be done within a well-managed budget.

The Council had been very successful with its Corporate Plan over the last four years and the new one listed the ambitions of the Council to tackle environmental issues, produce a communication plan, deal with fly tipping, have a purge on plastics and extend public car parking provision. Residents would be consulted about the Transport Plan and this would be included within a wider strategy.

¹ Councillor Charlotte Cane requested that Councillor Anna Bailey’s name be recorded in the minutes against her response.

The Corporate Plan had intent, implementation and impact. It been developed by a fantastic team of Council Officers and all Members had been invited to offer ideas to help produce the Plan. Legal advice had been sought about the governance of the trading companies to ensure it was correct and legal. The trading companies would aid the medium term financial strategy of the Council. The priorities were to improve Council services but keep council tax levels low. A public survey had indicated support for the new Plan, so it should be approved.

In opposing the Plan, it was stated that although some things within the Corporate Plan could be worked on together, such as bus transport, cycleways and potholes, some other matters were disappointing. For example, the proposals for the roundabout on the A142 appeared to be about speeding up traffic which would disincentivise pedestrians and isolate communities. The previous Plan had included tackling heavy goods vehicles travelling through villages but this was now not mentioned. Community Land Trusts were promoted but the model was distorted as many were driven by the Council for its own purposes and were thrust upon communities. The Trading Companies had the same people making decisions as the Combined Authority, which was a failure of governance. The Council was financially dependent on income from the Kennett project. The Local Plan would not deliver on environmental issues. With no overwhelming mandate for this Corporate Plan could not be supported.

Good governance of the trading companies was crucial, as the Council was dependent on their income. Sound financial management was needed and also an understanding of any conflicts of interest, so integrity of the planning process was not undermined. More details in the Plan would have been useful and there was no confidence in the Plan until the activities of the trading companies was known.

Councillor Gareth Wilson declared a personal interest in this item, as he was a Trustee on the Haddenham Community Land Trust.

The Transport Plan made no reference to pedestrians, who suffer due to lack of footpaths in some villages, and seemed to focus on allowing cars to go faster. More consideration should be given to pedestrians, although undertaking a Bus Review was commendable.

There was not a list of priorities in the Plan so how could the Council agree the proposal to amend the Constitution accordingly. To clarify the position, Councillor Anna Bailey proposed, with the support of her seconder, that the word “priorities” be removed from 2.1 (ii) of the recommendations, and when put to the vote:

It was resolved:

- (i) That the new Corporate Plan set out in Appendix 1 be approved:
- (ii) That the Monitoring Officer be instructed to amend the Constitution (ref: Article 1 paragraph 1.05) to make the necessary amendments to reflect the new Corporate Plan.

44. **RECOMMENDATIONS FROM COMMITTEES**

Council considered a report U90, previously circulated, that gave details of recommendations from the Council’s Committees.

FINANCE & ASSETS COMMITTEE – 26 SEPTEMBER 2019

Anti-Fraud and Corruption Strategy

The recommendation was proposed by Councillor David Brown, and seconded by Councillor Ian Bovingdon, and agreed unanimously.

ECTC Business Plan

The recommendation was proposed by Councillor David Brown and seconded by Councillor Ian Bovingdon

Amendment

Councillor Charlotte Cane proposed, seconded by Councillor Lorna Dupre, that the Business Plan be deferred to the next Council meeting, as a number queries had been raised with the Auditors and no resolution had yet been received. The recent Shareholder meeting did not supply those answers and did not give any re-assurance. There was a serious worry about the governance of the East Cambs Trading Company and it was already six months into the financial year without the previous year's accounts being confirmed. There had been discrepancies in the figures and inconsistencies that needed resolving before the new Business Plan should be agreed.

It was revealed that re-assurances had been given at the Trading Company Board meeting, as some doubts had been raised at the Finance & Assets Committee meeting.

A recorded vote was requested and voting was as follows:

For [9] – Councillors Charlotte Cane, Victoria Charlesworth, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Gareth Wilson.

Against [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

The amendment was therefore declared to be lost.

In support of the recommendation, the Council was reminded that the Trading Company existed for the benefit of the district's residents. It was not failing but was exceeding its expectations. It was handling a high number of activities such as the markets, parks and open spaces, car parks and building schemes. This included the Kennett project, which had received planning permission, and purchasing of the former Ministry of Defence houses. The Business Plan evidenced the benefit of £1.6million to the Council, to help the Council deliver a balanced budget, which had been achieved for the last six years. The Trading Company income formed part of the Medium Term Financial Strategy and it had been audited properly. Governance of the Trading Company had been found to be sound by external legal advice, so there were no conflicts of interests. The staff should be appreciated for delivering community benefits.

A recorded vote was requested and voting was as follows:

For [15] – Councillors Christine Ambrose Smith, David Ambrose Smith, Anna Bailey, Ian Bovingdon, David Brown, Lavinia Edwards, Lis Every, Julia Huffer, Bill Hunt, Dan Schumann, Joshua Schumann, Alan Sharp, Amy Starkey, Lisa Stubbs, Jo Webber.

Against [9] – Councillors Charlotte Cane, Victoria Charlesworth, Lorna Dupre, Simon Harries, Mark Inskip, Alec Jones, John Trapp, Paola Trimarco, Gareth Wilson.

The motion was therefore declared to be carried.

It was resolved:

- (i) That the updated Anti-Fraud and Corruption Strategy, as attached at Appendix 1 to the report, be adopted.
- (ii) That the ECTC Business Plan be approved.

45. **POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS REVIEW**

Council considered a report, U91 previously circulated, detailing the outcome of the review of Polling Districts, Polling Places and Polling Stations.

The Electoral Services Team Leader advised Council that permission was being sought from Members to accept the final recommendations of the Polling District Review. Two existing halls would not be able to be used, due to refurbishment work, but alternative venues had already been sourced.

Councillor Lis Every proposed the recommendations, seconded by Councillor Alan Sharp, and these were unanimously agreed. Thanks were offered to the Electoral Services team for their work on this issue.

It was resolved:

- (i) That the outcome of the review of Polling Districts, Polling Place and Polling Stations as detailed in Appendix A be noted;
- (ii) That the proposed changes in the Returning Officer's Proposals as detailed in Appendix A be agreed.

46. **REVIEW OF MEMBERS' ALLOWANCES – REPORT OF THE INDEPENDENT REMUNERATION PANEL**

Council considered a report, U92 previously circulated, detailing the recommendations of the Independent Remuneration Panel (IRP) relating to Members' Allowances.

The Democratic Services Manager stated that the IRP had undertaken a very thorough process to form its recommendations and the Councillors who contributed to the review were thanked.

It was suggested that the Council could not afford the recommended increases, and the money could be better spent elsewhere.

The Council was reminded that the Review had been completed independently and the IRP had put a huge amount of hours into the work. It had gathered detailed evidence in drawing up its conclusions, so the recommendations should be accepted.

The Democratic Services Officer sought clarity on the proposals and it was confirmed that the words "or approve an alternative scheme of Members' Allowances, and consider whether to backdate these" be deleted from recommendation 2.1 and that

recommendation 2.2 be for noting only. The revised recommendations were therefore proposed by Councillor Lis Every, seconded by Councillor David Ambrose Smith, and upon being put to the vote were agreed.

It was resolved:

- (i) That the recommendations of the Independent Remuneration Panel (IRP) as set out in Appendix A be approved;
- (ii) That the IRP comments in paragraph 6.3 of their report be noted.

47. **REVIEW OF THE CONSTITUTION**

Councillor Lis Every proposed the recommendations in the report, seconded by Councillor David Brown.

Amendment

Councillor Lorna Dupre proposed, seconded by Councillor Charlotte Cane, the following amendments:

Add:

- At the end of 2.1 'with the following exceptions/additions:
 - The exception of the changes proposed to 3A (Full Council) – *see 2.2 below*;
 - Amend Part 4 Rules of Procedure new 10.6 to add at end 'and circulated to all councillors prior to the start of the meeting';
 - Amend Part 4 Rules of Procedure 13.3 to add at end 'All answers will be answered by the person to whom the question is addressed'
 - 2.2 That Council establish a Strategic Planning Committee of seven members to determine any strategic planning matters delegated from Full Council which shall include the SCI and SPDs
- and renumber accordingly.

Concern had already been expressed about the lack of notice given for amendments and one proposed change appeared to enable future amendments to be given to officers but with no opportunity for Members to see it before the meeting. Any future amendments should be circulated to members.

Any questions addressed to a specific person should be answered by that person, rather than officers answering on their behalf.

A proposal had been brought back about establishing a new Committee to consider strategic planning matters, as expertise would be required to ensure the relevant policies were right. Clarity was also needed about planning in the district and to tackle the review of the Local Plan. The Council had a four-year old Local Plan, so the new Committee would be needed to handle this important issue which involved a huge amount of work.

It was stated that the Finance and Assets Committee had the ability and capacity to consider Strategic Planning matters, so there was no convincing argument to create another Committee. If the Finance and Assets Committee could not handle the issue in the future then this could be re-considered.

When put to the vote the amendment was declared to be lost.

Councillor Joshua Schumann proposed an amendment to the recommendations in the submitted report, seconded by Councillor Anna Bailey, that the words “with the consent of the Council (without debate)” be deleted under paragraph 12.6 of the Council Procedure Rules. It was acknowledged that Members of all parties who had proposed a motion sometimes made minor amendments to motions given under notice, so this altered wording would facilitate cross-party working as suggested amendments could be agreed. If the wording was left unaltered, this could preclude the opposition from amending any of their future motions.

It was suggested that amending this would permit anyone giving notice of a motion to amend it substantially during the meeting without notice and that would be truly unacceptable. This proposed clause would be ambiguous and Members should not be allowed to amend such motions at will. The clause did not need tidying up as any error in a motion that was spotted only needed Council to correct it.

The Democratic Services Manager explained that any motion with notice had to be submitted eight days before a Council meeting under Council Procedure Rules. The current wording could result in a potentially inflexible and contradictory situations whereby motions could not be amended by the proposer in the light of changed circumstances or cross-party agreement, without the consent of Council.

When put to the vote the recommendations, with the proposed amendment, were declared to be carried.

It was resolved:

- (i) That the proposed amendments to the Constitution, detailed at Appendix 1 be approved, with the following amendment:
 - the words “with the consent of the Council (without debate)” be deleted from Paragraph 12.6 of the Council Procedure Rules;
- (ii) That the Legal Services Manager and Democratic Services Manager be authorised to make any consequential changes to the Constitution arising from the agreed amendments.

48. **EAST CAMBS TRADING COMPANY SHAREHOLDER AGREEMENT AND ARRANGEMENTS**

Council considered a report, U94 previously circulated, on changes to the membership of East Cambs Trading Company (ECTC) and the terms of reference for the Finance & Assets Committee in its capacity as Shareholder Committee.

Councillor Joshua Schumann proposed, seconded by Councillor David Ambrose Smith, that the recommendations be agreed.

Amendment 1

Councillor Charlotte Cane proposed, seconded by Councillor Lorna Dupre, the following amendment:

2.1 add new point (i) and re-number thereafter –

Express concern that the Annual Report and Accounts for the Year ended 31 March 2019 have not been circulated to members, despite being expected to be provided for the Finance & Assets Committee meeting on 26 September and

despite the Chair noting at that meeting that they would be circulated as soon as possible.

Concerns were raised by the Finance & Assets Committee when the Chairman of the Committee explained that the annual accounts had not been ready for the Committee meeting but would be circulated later. These should have included with the Annual Report but this had not been done. This showed disrespect for the Committee and did not allow it to scrutinise matters at the right time. Discrepancies had been noted in the draft accounts and Members could not simply accept assurances that everything was satisfactory. This was not good enough and the Council had to be concerned about this, as millions of pounds had been borrowed by the Company, but the final accounts had not been presented as promised.

It was disclosed that the Annual Report had been approved in July by the Company's Board and the delay in the Accounts was due to the appointed auditors not having completed the audit. This now had been done and nothing had changed from the draft set of reports that Members had already seen.

When put to the vote the amendment was declared to be lost.

Amendment 2

Councillor Charlotte Cane proposed, seconded by Councillor Lorna Dupre, the following amendment:

Amend the composition of the Board to:
Chairman, ECTC Ltd (Independent)
Managing Director
Director

The proposed recommendation gave the person the same title held within the Council as that on the Company's Board. There was already confusion over officers' roles, so this would add further confusion. Therefore, the Company title should be changed. Clarity needed to be preserved and this change would make things clearer and would demonstrate which role the officer was undertaking at any particular time.

When put to the vote the amendment was declared to be lost.

Amendment 3

Councillor Charlotte Cane proposed, seconded by Councillor Lorna Dupre, the following amendment:

2.1 delete point (ii) and re-number thereafter

The structure recommended would not work effectively and it was not considered a good idea to have Members as 'Observers', as it would be unclear what role they were undertaking and would place them in an invidious position. They would in fact be quasi-directors but with no protection and they could be seen to unduly influence members of the Company's Board. There would be a risk of misconception about their role and would cause confusion over the governance of the Company.

When put to the vote the amendment was declared to be lost.

Councillor Paola Trimarco left the meeting at this point, 11:29pm.

Amendment 4

Councillor Charlotte Cane proposed, seconded by Councillor Lorna Dupre, the following amendment:

2.1 delete point (iv)

The recommendation to authorise a Council officer to take action relating to the Company was not something the Council had a right to do, so this recommendation should be deleted.

The Legal Services Manager advised the Council that these matters were reserved for Council, so it did have the authority to authorise the Company Secretary to make amendments.

When put to the vote the amendment was declared to be lost.

The original motion was then put to the vote and declared to be carried.

It was resolved:

- (i) That the changes to the Board membership as detailed in paragraph 4.0 be approved;
- (ii) That the Leader of Council and Chairman of Finance & Assets Committee be appointed to ECTC as Board Observers;
- (iii) That the Monitoring Officer be authorised to make consequential amendments to the Shareholder Agreement and Finance & Assets Committee Terms of Reference to implement the decisions of Council as detailed above;
- (iv) That the Company Secretary be authorised to make changes to the ECTC Articles of Association to implement the decision of Council as detailed above.

49. **EAST CAMBS STREET SCENE SHAREHOLDER AGREEMENT AND ARRANGEMENTS**

Council considered a report, U95 previously circulated, on changes to the membership of East Cambs Trading Company (ECTC) and the terms of reference for the Finance & Assets Committee in its capacity as Shareholder Committee.

Councillor Anna Bailey proposed, seconded by Councillor David Brown, that the recommendations be approved.

Amendments

Councillor Charlotte Cane proposed, seconded by Councillor Lorna Dupre, the following amendments:

Amend the composition of the Board to:
Chairman, ECTC Ltd (Independent)
Managing Director
Director

- 2.1 delete point (ii) and re-number thereafter
- 2.1 delete point (iv)

When put to the vote, the amendment was declared to be lost.

The original motion was then put to the vote and declared to be carried.

It was resolved:

- (i) That the changes to the Board membership as detailed in paragraph 4.0 be approved;
- (ii) That the Leader of Council and Chairman of Operational Services Committee be appointed to ECSS as Board Observers;
- (iii) That the Monitoring Officer be authorised to make consequential amendments to the Shareholder Agreement and Operational Services Committee Terms of Reference to implement the decisions of Council as detailed above;
- (iv) That the Company Secretary be authorised to make changes to the ECSS Articles of Association to implement the decision of Council as detailed above.

50. **REVIEW OF THE LOCAL PLAN 2015 AND WIDER PLANNING POLICY MATTERS**

Council considered a report, U96 previously circulated, that sought a way forward regarding the East Cambridgeshire Local Plan.

Councillor Anna Bailey proposed, seconded by Councillor Joshua Schumann, that the recommendations in the report be approved.

The Director Commercial advised the Council that officers had reviewed the relevant legislation and the Council did not have to commence work on a new Local Plan. The Council would, however, continue to work with its parish councils on their Neighbourhood Plans, on supplementary planning guidance and design guides.

Thanks were offered to the Strategic Planning Manager on a clear and well-written report. Work on a new Local Plan would cost the Council between £500-700K and this had not been included in the Council's budget. Although the 2015 Local Plan did not quite conform to national planning policy, national affordable housing rules were being implemented and the targets were similar. National emphasis on better design could be overcome locally using supplementary planning documents. There was no substantive change in housing need within the district and the Council could not be held at fault for the lack of housing being built, as plenty of planning permissions had been granted but developers had let the Council down. The five-year housing supply was down but the backlog of unbuilt homes would be removed in 2020, whereas adopting a new Local Plan now could be detrimental to the Council and district. The Government had also indicated that it would be making changes to the planning system so it made sense to hold off on producing a new Plan at this point. The Council had to ensure that it protected against speculative planning applications to safeguard its communities.

Amendment

Councillor Charlotte Cane proposed, seconded by Councillor Alec Jones, to defer consideration of this item until the parish councils had been consulted on whether to proceed or not with preparing a new Local Plan.

Planning in this area was a challenge for parish councils as there were a lot of speculative applications being made. So they were expending more time providing reasons why those applications did not merit consent. The Council should be trying to ensure proper development and should hear what the parish councils thought about not proceeding with a new Local Plan. Neighbourhood Plans were useful but needed a Local Plan to refer to. Only some parishes had the protection of a Neighbourhood Plan, so the rest of the district was not protected. Planning was a complicated process, so seeking the views of the parishes was important. Delaying the start of a new Local Plan would have a real impact on the parishes. Therefore this issue should be deferred to allow consultation and give proper weight to the decision.

An alternative view stated was that deferring this issue would affect the development of supplemental planning documents and the environmental action plan. There was only one policy currently out-of-date and that related to the five-year land supply, but it was highly likely that the Council would regain control of this in 2020. This could be jeopardised by deferring the matter. The parish councils had not been chasing the Council, as the planning authority, about any issues but there was no reason why Members could not continue to consult them. Big changes in the planning system were on the way and these needed to be kept under review.

When put to the vote the amendment was declared to be lost.

It was noted that in the officer report it stated that there had been a failure with the Planning Inspector, but using that to have no Plan would have a knock-on effect. Parish councils were struggling under the burden due to no up-to-date Plan, meaning they had to develop their own Neighbourhood Plans for self-protection. The Inspector had put arbitrary numbers of housing needed because the Council had dithered.

An alternative view was that it was right not to go ahead with a new Local Plan following the Inspector's recommendations, as the Inspector had failed to follow the Inspectorate's own processes. There had been fundamental issues with those recommendations, such as including an additional 1500 houses which would significantly affect local communities. Village characteristics would have been erased, no infrastructure had been considered and Community Land Trusts would have been deleted. Not proceeding with a new Local Plan would result in the Council regaining an effective Local Plan by April 2020.

When put to the vote the original motion was declared to be carried.

It was resolved:

- (i) That the formal Review of the Local Plan be endorsed and consequently preparation of a new Local Plan is not commenced at this stage;
- (ii) That a further Review be undertaken within 18 months, or earlier if evidence suggests it was prudent to do so;
- (iii) That the updated Local Development Scheme as presented at Appendix 3 be approved;

- (iv) That the work programme for the preparation of Supplementary Planning Documents over the coming 1-2 years be endorsed;
- (v) That the continued progress with Neighbourhood Plans across the district be welcomed and their production where reasonable and practical to do so be continued.

51. **COMMUNITY INFRASTRUCTURE LEVY UPDATE AND PROPOSED CHANGES**

Council considered a report, U97 previously circulated, that detailed changes to the Community Infrastructure Levy (CIL) Regulations, new governance arrangements and amendments to the Infrastructure List.

Councillor Ian Bovingdon proposed, seconded by Councillor Bill Hunt, that the recommendations in the report be approved.

The Council should approve the projects listed as it was a fantastic way for communities to benefit. Parish Councils should be encouraged to put forward projects within their own parishes.

Amendment

Councillor Lorna Dupre proposed, seconded by Councillor Charlotte Cane, that this item should be deferred to allow for a review of the CIL list, as the time was appropriate. The current list was dominated by road schemes but that took money away from potential environmental projects. CIL should be about improving the area, so the opportunity to discuss the list and its costs should be taken. The list was also not aligned with the climate emergency and the possible measures that could be funded via CIL. Therefore this issue should be deferred to consider those matters.

When put to the vote the amendment was declared to be lost.

The current update was about governance and how funds were allocated, rather than considering individual projects. Potential projects for adding to the list could be discussed at a future Council meeting. This would be aided by the Government changes, which would give more flexibility, and any environmental improvement suggestions would be given extra weight due to the decisions on climate change made at this meeting.

In answer to Members questions, the Director Commercial reminded the Council that there was an application process for potential projects to go on the list. Applications were accepted all year round, but it was being recommended that the current list be approved.

When put to the vote the original motion was declared agreed.

It was resolved:

- (i) That the update provided on the changes to the Community Infrastructure Levy regulations which came into force on 1 September 2019 be noted;
- (ii) That the Infrastructure List as set out in Appendix 1 be approved;

- (iii) That the draft Governance Arrangements as set out in Appendix 2 be approved;
- (iv) That the Deputy Monitoring Officer be authorised to make the necessary changes to the Council's Constitution.

Councillor Julia Huffer left the meeting at this point, 12:07.

52. **COMBINED AUTHORITY UPDATE REPORTS**

Council considered a revised set of reports, as tabled, from the Combined Authority on its activities.

It was resolved:

That the revised tabled report on the activities of the Combined Authority be noted.

53. **ACTION TAKEN BY THE CHIEF EXECUTIVE ON THE GROUNDS OF URGENCY**

Council considered a report, U98 previously circulated, outlining the action taken by the Chief Executive on the grounds of urgency.

It was resolved:

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

54. **EXCLUSION OF THE PRESS & PUBLIC**

It was resolved:

That the press and public be excluded during the consideration of the remaining item no. 20 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 Category 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

55. **ASSET MANAGEMENT MATTER**

Council considered an Exempt report, U99 previously circulated, concerning an asset management matter.

Councillor David Brown proposed, seconded by Councillor Ian Bovingdon, that the recommendations in the report be approved.

The Director Commercial outlined the matter and clarified the process following Members' questions.

It was resolved:

That the recommendation in the report be agreed.

The meeting concluded at 12:25am.

Chairman.....

Date: 20 February 2020

EAST CAMBRIDGESHIRE DISTRICT COUNCIL
PAY POLICY STATEMENT 2020/21

a) INTRODUCTION

- 1.1 The Localism Act 2011 (Sections 38 to 43) requires Local Authorities to produce a Pay Policy Statement for each financial year.
- 1.2 The Act and supporting statutory guidance provides details of matters that must be included in the Pay Policy Statement but also recognises that each Local Authority has the autonomy to determine its own pay structure and pay policies. The Pay Policy Statement must be formally approved by Full Council by the end of March each year (although it can be amended in-year), must be published on the Council's website and must be complied with when setting terms and conditions for Chief Officers as defined in the Act.

2. SCOPE

- 2.1 This Pay Policy Statement includes a policy on:
- a) The level and elements of remuneration for each Chief Officer;
 - b) The remuneration of the lowest paid employee;
 - c) The relationship between the remuneration of Chief Officers and other Officers; and
 - d) Other specific aspects of Chief Officer remuneration such as fees, charges and other discretionary payments.
- 2.2 Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and other discretionary payments.
- 2.3 Under the Local Government and Housing Act 1989, a 'Chief Officer' is defined as:
- The Head of Paid Service, as designated under Section 4(1);
 - The Monitoring Officer, as designated under Section 5(1);
 - A Statutory Chief Officer, as detailed in Section 2(6);
 - A Non-Statutory Chief Officer, as detailed in Section 2(7); and
 - A Deputy Chief Officer, as detailed in section 2(8).
- 2.4 At East Cambridgeshire District Council, this would apply to the following posts:
- Chief Executive
 - Director (Operations)
 - Director (Commercial)
 - Finance Manager (S.151 Officer)
 - Legal Services Manager (Monitoring Officer)

3. CHIEF OFFICER SALARIES

- 3.1 The current salary scales for the staff in 2.4 are as presented in the table below.
- 3.2 Incremental progression through the salary scale will be determined each year as part of the annual appraisal and will be dependent on the individual being awarded a rating of either 'excellent' or 'outstanding' in accordance with the Council's Performance Management Scheme.

POST	SALARY SCALE £'S*				
	MINIMUM				MAXIMUM
Chief Executive	124,097	127,196	130,299	133,403	136,504
Director (Operations)	79,834	83,825	88,704	92,416	97,575
Director (Commercial)	79,834	83,825	88,704	92,416	97,575
Legal Services Manager (Monitoring Officer)	57,693	60,576	64,102	66,786	70,513
Finance Manager (S151 Officer)	57,693	60,576	64,102	66,786	70,513

* Figures as at 1st April 2019.

- 3.3 The salaries shown include the 2019/20 Pay Award of 2% (determined by the National Joint Council for Local Government Services). The salaries will continue to be updated each year in accordance with the agreed NJC pay award.

4. REMUNERATION OF EMPLOYEES

- 4.1 All staff below Chief Officer level are employed on terms and conditions in accordance with the NJC National Agreement on Pay and Conditions of Service (commonly known as the "Green Book"). The Council currently uses a pay spine that commences at Spinal Column Point (SCP) 1 and ends at SCP 50. The pay spine currently in use is divided into 10 pay scales, which contain various incremental points. Scale 1 is the lowest scale and Scale 10 is the highest of these pay scales. Posts are allocated to a scale through the NJC 'Green Book' job evaluation process. The values of the SCPs are increased by the pay award agreed annually by the National Joint Council for Local Government Services.
- 4.2 Incremental progression through the salary scale is determined each year as part of the annual appraisal and will be dependent on the individual being awarded a rating of either 'excellent' or 'outstanding' in accordance with the Council's Performance Management Scheme.
- 4.3 For the purposes of this Pay Statement, "Green Book" employees on Scale 1 are defined as our lowest paid employees as there are no employees of the Council paid

at a SCP that is lower than a point contained in Scale 1. The bottom of Scale 1 is currently SCP 1 and the top is SCP 4. At 1st April 2019 (following the implementation of the pay award), the full-time equivalent (FTE) annual values of these two SCPs were £17,364 (SCP 1) and £18,426 (SCP 4).

- 4.4 The Council will continue to meet or exceed the National Living Wage which is currently £8.21 per hour and is set to increase to £8.72 per hour from 1st April 2020. The lowest point on the Council's pay scale (SCP 1) currently equates to £9.00 per hour and this will increase with the April 2020 pay award.

5. ENGAGEMENT OF WORKERS THROUGH INTERMEDIARIES

- 5.1 Where individuals are working for the Council through an intermediary such as their own limited company or a consultancy firm, or an employment agency, and are working in the same way as our own employees, the payer will be liable to pay associated income tax and National Insurance Contributions (NICs). Genuinely self-employed workers will not be covered by this requirement (commonly known as IR35) and will continue to make their own assessment and payment arrangements for income tax and NICs.

6. TERMS AND CONDITIONS OF EMPLOYMENT

- 6.1 The terms and conditions of employment for the Chief Executive is in accordance with the Joint Negotiating Committee for Chief Executives, Scheme of Conditions of Service and as varied by local agreement.
- 6.2 The terms and conditions of employment for the other Chief Officers (as detailed at 2.4) is in accordance with the Joint Negotiating Committee for Chief Officers, Scheme of Conditions of Service as varied by local agreement.
- 6.3 The terms and conditions of employment for all other staff are in accordance with the National Joint Council for Local Government Services as varied by local agreement.
- 6.4 The Chief Executive (Head of Paid Service), Legal Services Manager (Monitoring Officer) and Finance Manager (S.151 Officer) occupy statutory positions and specific rules on termination apply (as set out in the respective Scheme of Conditions of Service Handbook).

7. REMUNERATION ON APPOINTMENT AND RE-EMPLOYMENT

- 7.1 Recruitment of Chief Executive and 'Chief Officer' (as defined by the Localism Act) posts are as set out in the Council's Constitution Part 4, Section 6, Officer Employment Procedure Rules.
- 7.2 The starting salary of all newly appointed officers will be in accordance with the principles set out in the Council's Recruitment Policy designed to avoid inequality.

8. BONUSES AND OTHER ADDITIONAL PAYMENTS/ALLOWANCES/BENEFITS PAYABLE TO CHIEF OFFICERS

- 8.1 There are currently no bonus payments in place.
- 8.2 The Chief Executive receives:
- a) An Acting-up Allowance of £2,581 per month in recognition of the additional responsibility he is undertaking as Joint Acting Chief Executive for the Cambridgeshire and Peterborough Combined Authority (CPCA). These costs are being met by the Combined Authority.
 - b) An employer contribution to the provision of a leased car of £9,275 per annum. This scheme is now closed to staff.
 - c) BUPA membership at a cost to the authority of £929 per annum. This scheme is now closed to staff.
- 8.3 The Director (Operations) receives:
- a) An Additional Responsibility Allowance of £813 per month in recognition of the additional duties arising from the temporary/part time secondment of the Chief Executive to the Cambridgeshire and Peterborough Combined Authority (CPCA).
 - b) A payment of £3,624 per annum for being an emergency pager holder.
- 8.4 The Director (Commercial) receives:
- a) An Acting-up Allowance of £770 per month in recognition of the additional responsibility she is undertaking as Project Director for the Cambridgeshire and Peterborough Combined Authority. These costs are being met by the Combined Authority.
- 8.5 The other eligible allowances and expenses payable to the posts set out in paragraph 2.4 of this statement are as set out:
- Professional subscriptions
 - Childcare (as per the Council's Childcare policy)
 - Relocation Scheme (where applicable for new staff)
- 8.6 The Council will meet or reimburse authorised travel, accommodation and subsistence expenses for attendance away from the normal place of work on approved Council business. The Council does not regard such expenses as remuneration but as non-pay operational expenses. The same approach applies to legitimate Health and Safety reimbursements.

9. PENSION CONTRIBUTIONS

- 9.1 All staff who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table. The employee contribution tables for 2019/20 are shown below.

Contribution table 2019/20			
Band	Actual pensionable pay for an employment	Contribution rate for that employment	
		Main section	50/50 section
1	Up to £14,400	5.5%	2.75%
2	£14,401 to £22,500	5.8%	2.9%
3	£22,501 to £36,500	6.5%	3.25%
4	£36,501 to £46,200	6.8%	3.4%
5	£46,201 to £64,600	8.5%	4.25%
6	£64,601 to £91,500	9.9%	4.95%
7	£91,501 to £107,700	10.5%	5.25%
8	£107,701 to £161,500	11.4%	5.7%
9	£161,501 or more	12.5%	6.25%

9.2 The Council makes employer's contributions into the scheme, which are reviewed by the actuary. The rate with effect from 1st April 2020 will remain at 17.2%.

9.3 The Council's discretions on pension enhancements are set out in the approved Pensions Discretion Statement.

10. PAYMENT UPON TERMINATION OF EMPLOYMENT

10.1 Senior management who cease to hold office or be employed by the Council will receive payments calculated using the same principles as any other employee, based on entitlement within their contract of employment, their general terms and conditions and existing policies (e.g. Redundancy Policy).

10.2 Redundancy payments are calculated in accordance with the statutory scheme based on actual contractual weekly pay.

10.3 Where there is a business case for doing so, the Council (and/or as delegated) may approve to exceed the level of statutory payments (redundancy) (and pension enhancements) to enable longer-term savings, thereby seeking to achieve best value for the Council.

10.4 Any termination or severance payment (in the interests of efficiency of the service or on grounds of redundancy) will be made in accordance with the statutory terms under the Local Government Pension Scheme (LGPS) or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as applicable.

11. RELATIONSHIP BETWEEN HIGHEST AND LOWEST GRADE OF STAFF

- 11.1 The lowest paid grade for East Cambridgeshire District Council is Scale 1 of the National pay structure. The pay range for Scale 1 is currently £17,364 - £18,426 per annum. The highest paid post is that of Chief Executive with a pay scale of £124,097-£136,504 per annum.
- 11.2 The ratio between the highest grade and lowest grade at the scale minimum pay point is 1:7.1 and at the scale maximum pay point is 1:7.4. Ratios are based on basic salary and do not include other payments.
- 11.3 The Council does not have a specific policy on pay ratios between the highest and lowest graded posts, but will continue to monitor the ratio each year within the Pay Policy Statement.

12. ELECTION FEES

- 12.1 The Returning Officer has overall responsibility for the conduct of elections.
- 12.2 The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Although appointed by the Council, the role of Returning Officer is one of a personal nature and is separate and distinct from their duties as an employee of the Council.
- 12.3 Election fees are paid for electoral duties and are separate and additional to basic salary.
- 12.4 The Chief Executive is the Council's Returning Officer.
- 12.5 The fees for local elections are set on a countywide basis through the Association of Electoral Administrators, Cambridgeshire Group.
- 12.6 The fees for all other elections are set by the Electoral Commission.
- 12.7 Other officers, including some of the posts set out in paragraph 2, may receive additional payments for specific election duties.
- 12.8 Only fees for District Council elections are met by this Council.

13. DISCLOSURE

- 13.1 This Pay Policy Statement will be published annually by 31st March and made available on the Council's website. The Council already publishes details of all staff paid above £50,000 on the Council's website.

14. REVIEW

- 14.1 The Pay Policy Statement will be updated annually as required by the Localism Act.

PAY POLICY STATEMENT 2020/21

Committee: Full Council

Date: 20 February 2020

Author: Nicole Pema, HR Manager

[U187]

1.0 **ISSUE**

1.1 To present the Council's Pay Policy Statement 2020/21, a requirement under the Localism Act 2011.

2.0 **RECOMMENDATION**

2.1 It is recommended that Members approve and adopt the 2020/21 Pay Policy Statement.

3.0 **BACKGROUND**

3.1 The Localism Act 2011 requires the Council to prepare a Pay Policy Statement for each financial year. The Statement must be prepared and approved by the end of March each year.

3.2 The Council's Pay Policy Statement for 2020/21 is attached at Appendix 1.

3.3 The statement must include the pay and remuneration for all posts on the Council's establishment designated as 'Chief Officer' in accordance with the Local Government and Housing Act 1989 (see Section 2.4 of the Pay Policy Statement).

3.4 The Pay Policy Statement has to include:

- The level and elements of remuneration for each Chief Officer;
- The remuneration of the lowest paid employee; and
- The relationship between the remuneration of Chief Officers and other Officers.

3.5 Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and other discretionary payments.

4.0 **FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT**

4.1 The Council's Pay Policy Statement draws together existing policies relating to pay and reward and the financial implications of these policies were taken into account at the time they were established. There are no further financial implications arising from the policy proposals in this report.

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

5.0 APPENDICES

5.1 Appendix 1 Draft Pay Policy Statement 2020/21

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Local Government and Housing Act 1989	Room 118	Nicole Pema
The Local Government Transparency Code (Feb 2015)	The Grange Ely	HR Manager (01353) 616325 E-mail: nicole.pema@eastcambs.gov.uk
Openness and Accountability in Local Pay: Guidance under the Localism Act 2011		

LOCAL COUNCIL TAX REDUCTION SCHEME 2019-20 REVIEW

Committee: Finance and Assets Committee

Date: 28th November 2019

Author: Finance Manager

[U121]

1. **ISSUE**

1.1 Each year the Council is required to review its Local Council Tax Reduction Support Scheme (LCTRS). This report advises Committee about the findings of the 2019 annual review, the consultation on these findings and the resultant proposals for the LCTRS scheme to take effect from 1 April 2020.

2. **RECOMMENDATION**

2.1 Committee is asked to recommend to full Council that:

2.2 The Council retain the 8.5% benefit scheme, i.e. the maximum benefit to working age claimants is 91.5% and

2.3 Introduce enhancements to the treatment of Universal Credit income as detailed in this report.

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 11 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 28 February.

4. **BACKGROUND**

4.1 Full details to the background of this scheme and the Council's current scheme were detailed in the original paper on this matter, presented to Committee on the 20th June 2019 and attached to this report as Appendix 1.

4.2 This paper gained approval from Committee to undertake a statutory consultation on the changes being proposed and stated that the results of the consultation would be reported back to Committee once complete.

4.3 The matters consulted on were:

4.4 To introduce a tolerance rule to the treatment of some Universal Credit (UC) monthly awards, to provide stability to customers who are having to alter their Council Tax repayments.

4.5 The consultation paper is included as Appendix 2.

5. ARGUMENTS / CONCLUSIONS

Consultation exercise

5.1 The consultation commenced on Monday 23rd September 2019 and concluded on Sunday 3rd November 2019. As the changes proposed were relatively small, a six week consultation was considered appropriate.

5.2 The Consultation was available on the Council's and Anglia Revenues Partnership websites with, in addition, in an attempt 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. The consultation was further discussed at a Benefits Stakeholder liaison meeting held by the Anglia Revenues Partnership at Thetford on the 7th October 2019.

Consultation Results

5.3 Stakeholders at the liaison meeting did not express any concerns with the proposed change; we have not received any direct responses.

5.4 Eight responses were received to the wider consultation. All responses were anonymous, so it is unknown who completed them.

5.5 Of these, six (75%) of the eight responses supported the proposed change, one disagreeing and one was not sure. Six respondents agreed that a £15 weekly tolerance level would be right, one suggested £5, the one nothing. Seven respondents agreed East Cambridgeshire should have discretion to review cases where a single change during the year disadvantages the customer; one felt there should not be such provision. Seven of the respondents live in the East Cambridgeshire area.

Conclusion

5.6 The consultation exercise resulted in a positive response to the changes proposed and on this basis Members are asked to recommend to Full Council at its meeting planned for the 16th January 2020, to adopt the changes detailed in the paragraph 4.4.

6 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

Financial

- 6.1 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

- 6.2 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.
- 6.3 Equality Impact Assessment (INRA) not required.

7 APPENDICES

Appendix 1 – Report to Resources and Finance Committee on the 20th June 2019.

Appendix 2 – Consultation Paper

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Appendix 2 – Consultation paper published on the Council's website. Background Documents Report to Resources and Finance Committee 20 th June 2019	Room 104 The Grange Ely	Ian Smith Finance Manager Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk

LOCAL COUNCIL TAX REDUCTION SCHEME 2019-20 REVIEW

Committee: Finance and Assets Committee

Date: 20th June 2019

Author: Strategic Manager, ARP

[U121]

1. ISSUE

- 1.1 Each year the Council is required to consider whether to review its Local Council Tax Reduction Scheme (LCTRS). This report advises Committee about the conclusion of the 2019 annual review undertaken by ARP, and the resultant proposals for consultation for changes to the LCTRS scheme to take effect from April 2020.

2. RECOMMENDATION

- 2.1 It is recommended that Committee approve:
- 2.2 That Council undertakes a statutory consultation on the LCTRS for 2020/21 based on retaining the 8.5% benefit scheme, i.e. the maximum benefit to working age claimants is 91.5% and introducing a tolerance rule for the treatment of Universal Credit (UC) awards.
- 2.3 To report back to Committee at the end of the consultation period.

3. BACKGROUND

- 3.1 The Government replaced Council Tax Benefit with a LCTRS from the 1st April 2013.
- 3.2 The aim of this change was
- To transfer the system to local control
 - To make savings
 - To protect vulnerable people
 - To support work incentives for claimants created by the Government's wider welfare reform.
- 3.3 Prior to April 2013, 100% of Council Tax Benefit was funded through Benefit subsidy and the funding was based upon actual expenditure in a year.
- 3.4 This meant that East Cambridgeshire had to decide upon a local means tested scheme to replace Council Tax Benefit for Working Age residents as the Government prescribe a national Scheme for Pensioners.

- 3.5 East Cambridgeshire made use of the new powers to increase Council Tax income and also passed some of the shortfall in LCTRS funding on to working age LCTRS recipients (pensioners were protected from any changes by the Government) with the intention of making the scheme cost neutral to the Councils.
- 3.5 Belatedly the Government offered a small amount of additional transitional funding to Councils who limited the reduction in LCTRS, when compared to Council Tax Benefit, to 8.5% or less.
- 3.6 The Council received a one-off Government grant that partly compensated for the reduction in Government funding during 2013-14, which meant that the maximum LCTRS awarded was the amount calculated, less 8.5% (Pensioners are protected by legislation and receive up to 100% LCTRS).

4. CURRENT POSITION

- 4.1 East Cambridgeshire initially developed a scheme that mirrored the previous Council Tax Benefit rules. The scheme pays maximum benefit of 91.5% for working age claimants, and otherwise is, in most areas, the same as the default prescribed LCTRS scheme applied to pensioners. It should be noted the old Council Tax Benefit scheme and rules complied with protections for vulnerable groups, including the disabled, to mitigate the effects of child poverty, duty to prevent homelessness as well as the Equality Duty.

5. ARGUMENTS / CONCLUSIONS

Behavioural and Administrative impacts

- 5.1 The Council's aim in designing the scheme was to achieve a balance in charging an amount of Council Tax to encourage customers back in to work whilst setting the amount charged at an affordable and recoverable level.
- 5.2 By setting the amount payable at 8.5% of the charge, in most cases, where a customer is not paying we can affect recovery through attachment to benefit within a year and so, the charge with costs is recoverable. If the amount payable was much higher, then it is likely that debt would not be recoverable and there would be a danger of creating a culture of non-payment of Council Tax.

Matters to consider

- 5.3 Councils are required to consider whether to review their LCTRS schemes annually. Where it is determined to retain the existing scheme this must be decided by 11 March of the preceding financial year.
- 5.4 Where Councils seek to amend their scheme it will be necessary to consult preceptors and stakeholders prior to a wider consultation to inform a final scheme design by 28 February of the preceding financial year. Therefore work

on any amendments needs to start in the summer to allow sufficient time to consult, approve and implement changes prior to 28 February 2020.

- 5.5 Proposals for change will need to be considered and determined by Members to inform the public consultation process. The results of which will be presented to Committee to consider final scheme revisions.

Scheme review - options to consider

- 5.6 Claims dependent upon Universal Credit (UC) have become increasingly apparent since the Council entered the UC full service during summer 2018, whereby the significant majority of new claims now go through UC and are received by the ARP through the Universal Credit Data Sharing hub (UCDS).
- 5.7 UC is designed to be paid monthly, calculated on the customer's circumstances, including Real Time Information (RTI) earnings data from HMRC every month. Given customer's circumstances, especially earnings, fluctuate, this leads to monthly revised UC awards sent to the Council by the DWP.
- 5.8 The existing Council Tax Support scheme rules require the Council to revise awards when a customer's Universal Credit changes leading to reassessment of Council Tax Support. In turn this means customers receive a revised Council Tax bill for balance due for the year and have to amend their payment arrangements, typically direct debit instructions. Increasingly, this can be a monthly occurrence for customers.
- 5.9 We have seen an increase in customer contact regarding these notifications because customers are unsure as to what they have to pay due to the requirement to re-profile their Council Tax payments on receipt of UCDS files on a monthly basis. The uncertainty caused toward the customer also has an impact on Council Tax collection, as well as increased administration costs associated with producing additional notification letters.
- 5.10 Within the Anglia Revenues Partnership, Waveney (East Suffolk) has been in the UC full service the longest, where we have seen a 72% increase in revised UC awards sent to the Council. Over time we expect this pattern to continue and increase for East Cambridgeshire and the other partner Councils.
- 5.11 To ease the burden on the customer and the Council we recommend a tolerance rule is introduced into the Council's scheme. This would have the effect of freezing a customer's assessment when a revised UCDS notification would otherwise trigger a reassessment. UCDS changes notified above the tolerance level would be processed as usual, whereas changes within the tolerance level would not be updated, no correspondence issued to the customer, and without amendment to Council Tax repayments.

5.12 We have analysed UCDS award notifications for the past three months. The table below shows the level of reduction in reassessments for changes in UC banded in £5 increments, were a tolerance rule to be applied:

	£5	£10	£15	£20	£25
reduction in reassessments	14%	21%	32%	32%	36%

5.13 It is recommend a weekly tolerance level of £15 (£65 monthly) be applied, to achieve a 32% reduction in revised Council Tax adjustments. We consider a £10, 21% reduction to be less effective, whilst there is little to gain by increasing the tolerance level further. Setting the tolerance level at £15 equates to less than two hours employment at national minimum hourly rates.

5.14 A relatively small tolerance level will ensure smoothing of customer's fluctuating UC awards and will not disadvantage those customers receiving greater or occasional beneficial changes.

5.15 It should be noted where customers circumstances noticeably change, for example when employment ceases, the tolerance rule will not apply, given the change will be greater than £15 per week. In these circumstances the customer's Council Tax Support will be immediately adjusted to provide extra benefit.

5.16 It is also recommended that the changes to the Council Tax Support Scheme include discretion to reassess entitlement where a reduction in earnings occurs and it is clear that this level of earnings have and will be likely to continue at a lower level.

5.17 In looking at how a tolerance would apply, a typical case would currently have 12 monthly reassessments and 12 amended Council Tax bills during the year. However, with a tolerance rule a typical customer will only have 4 monthly reassessments and the weekly difference in support would be £0.27p per week.

5.18 We are working with our software supplier to introduce additional functionality to enable a tolerance rule, along with automation of these assessments.

5.19 Should Committee agree the principle of introducing a tolerance rule, the Council will undertake a formal public consultation to amend the scheme for 2020/21 over the coming months.

5.20 Consultation responses will be reported to Committee and Full Council as necessary to conclude the review in time for 28th February 2020, or by 11th March 2020 if continuing with the existing scheme.

Other options considered but discounted

5.21 Increasing the contribution rate to more than 8.5%; the possible increase in Council Tax collected for the Council is considered to be less than the additional costs of recovery (additional staff, postage and enquires to customer services),

including the inability to recover the debt in year by deduction from DWP benefits and therefore this is not recommended.

REASONS FOR RECOMMENDATION

- 5.22 The changes made to the current scheme have worked well – introducing a tolerance rule for the treatment of UC awards will reduce the number of notifications customers receive to amend their Council Tax payments, and provide stability for customer repayments whilst reducing customer contact.

Conclusion

- 5.23 Adopt the options detailed in paragraphs 5.6 to 5.20 above to inform the consultation with preceptors and the public.

6.0 Financial Implications

- 6.1 The recommendation in this paper is not expected to have a material impact on the Council Tax collected by the Council.

Equality

- 6.2 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.

- 6.3 Equality Impact Assessment (INRA) is likely to be required.

7 APPENDICES

None.

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
	Room 206 The Grange Ely	Ian Smith Finance Manager Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk

Local Council Tax Reduction Scheme Consultation Form

1. Do you agree that the Council should freeze the level of council tax Universal Credit claimants pay, unless their income changes by more than a set amount (e.g. £15 per week)?

Strongly Agree	
Agree	
Do not Know	
Disagree	
Strongly Disagree	

2. The Council is proposing that council tax will only be reassessed for Universal Credit claimants if council tax support changed by more than £15 per week. This amount is based on the results of a review about the ability of Universal Credit claimants to pay their council tax when their income changes. Do you agree that this is the right figure? *

Yes	
No	

3. If changes in people's income is consistently less than the agreed amount (currently £15 is being proposed), they may pay more council tax over the course of the year compared to if they were reassessed. Therefore, when this happens, do you agree the Council should consider not applying the new income change rule and recalculate somebody's council tax bill during the year? *

Yes	
No	

4. Any other comments?

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For information, for Universal Credit customers, East Cambridgeshire District Council intends to change when it assesses entitlement to Council Tax Support from DWP notification that a Universal Credit claim has been made, to when DWP notifies the actual award. The effect of this is to avoid correcting awards, whilst ensuring that they are correct first time, which is seen as beneficial for customers and does not have any financial impact.

About You

5. Do you live in East Cambridgeshire? *

Yes	
No	
Prefer not to say	

6. Do you currently or have you ever claimed Universal Credit? *

Yes	
No	

TREASURY OPERATIONS MID-YEAR REVIEW

Committee: Finance & Assets Committee

Date: 28th November 2019

Author: Finance Manager

[U122]

1.0 **ISSUE**

- 1.1 To provide Members with an update on the Council's 2019/20 Treasury Management Strategy Statement.

2.0 **RECOMMENDATIONS**

Members are asked to recommend to Full Council that the mid-year review of the Council's Treasury Management Strategy for 2019/20, as set out in Appendix 1, be noted.

3.0 **BACKGROUND**

- 3.1 The Chartered Institute of Public Finance and Accountancy (C.I.P.F.A.) Revised Code of Practice on Treasury Management requires Councils to adopt the revised Code and fully comply with its requirements.
- 3.2 This report complies with the requirement for a mid-year review.
- 3.3 The size of the Council's investment portfolio is relatively small meaning that investment decisions are made so liquidity and cash flow requirements are the priority focus, this rather than returns. Despite this position, opportunities for proactive investment decisions are taken where appropriate.
- 3.4 The loan that the Council has made to East Cambs Trading Company (ECTC) is not technically an investment, but is included in this report for completeness. ECTC is paying a commercial rate on its loan from the Council – this to avoid breaking State-aid rules.
- 3.5 The Council's 2019/20 Treasury Management Strategy and budget detailed an expected return on investments of £8,000, with then a further £285,934 from interest payments on the loan to ECTC.

4.0 INTEREST RECEIPTS

- 4.1 During 2019/20 the Council has operated within its approved treasury limits and Prudential Indicators, no changes have been made to the counterparty values detailed in the Annual Treasury Management Strategy.
- 4.2 The interest receipts generated on investments to the end of September 2019 were £32,809. The average return on investments on this date being 0.74%. This is above the benchmark overnight LIBID (London Inter-Bank Bid Rate) of 0.54%. The expected return on investments for the year will be significantly in excess of the budget.
- 4.4 As at 30th September 2019, the Council had cash investments of £12.95 million (£7.95 million 2018), with a further £4.62 million (£4.62 million 2018) loan to ECTC, details of these investments are included in Appendix 1.
- 4.5 While the loan to the Company is not specifically an investment, it is generating the Council interest receipts, £120,911 up until 30th September 2019. This is however lower than budgeted as the Company has not needed to drawdown as much of the funding made available to it by the Council as forecast when preparing the budget.
- 4.6 In total, the combination of interest receipts on both general investments and the loan to ECTC, are forecast to come in on budget at yearend.
- 4.6 Interest rates on offer to the Council from Money Market Investment Deposit Accounts remain very low and at times it has been decided to retain money within the Council's Corporate Cash Manager Plus Account with NatWest, rather than invest relatively small amounts overnight as the transaction costs of moving the money would be greater than the interest earned. This approach complies with the Treasury Management Strategy.

5.0 INTEREST PAYMENTS

- 5.1 The Council has remained external debt free during the first six months of the financial year, and with the healthy cash balance at the end of September, it is expected to remain so for much of the remainder of the year. It is therefore expected that a saving of £70,000 compared to the original budget for external debt interest will be achieved in year.

6.0 CONCLUSIONS

- 6.1 The Council's Treasury Management Strategy, as approved on 21st February 2019, continues to offer the Council the best approach to Treasury Management and the policies contained within it will continue to be followed for the remainder of the financial year.

7.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT ASSESSMENT

- 7.1 It is now anticipated that a saving will be made on interest payments in relation to external borrowing of around £70,000, compared to the budgeted amount.
- 7.2 An Equality Impact Assessment is not required.

8.0 APPENDICES

- 8.1 Appendix 1: Mid-Year Review

BACKGROUND DOCUMENTS	LOCATION	CONTACT OFFICER
Treasury Management Strategy as approved by Council on 21 st February 2019	Room 104 The Grange Ely	Ian Smith (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk
Link Asset Services Revised Interest Rate Forecast		

Treasury Management Strategy Statement and Annual Investment Strategy

Mid-Year Review Report 2019/20

East Cambridgeshire District Council

1. Background

1.1 Capital Strategy

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities have been required to prepare a Capital Strategy which is to provide the following: -

- a high-level 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.

1.2 Treasury Management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising 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 the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses to meet Council risk or cost objectives.

Accordingly, treasury management is defined 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.”

2. Introduction

This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the Full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Finance and Assets Committee.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2019/20 financial year;

- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2019/20;
- A review of the Council's borrowing strategy for 2019/20;
- A review of compliance with Treasury and Prudential Limits for 2019/20.

3. Economics and interest rates

3.1 Economics update

UK. This first half year has been a time of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on or 31 October, with or without a deal. However, in September, his proroguing of Parliament was overturned by the Supreme Court and Parliament carried a bill to delay Brexit until 31 January 2020 if there is no deal by 31 October. MPs also voted down holding a general election before 31 October, though one is likely before the end of 2019. So far, there has been no majority of MPs for any one option to move forward on enabling Brexit to be implemented. At the time of writing, (first week in October), the whole Brexit situation is highly fluid and could change radically by the day. Given these circumstances and the likelihood of an imminent general election, any interest rate forecasts are subject to material change as the situation evolves. If the UK does soon achieve a deal on Brexit agreed with the EU, including some additional clarification wording on the Irish border backstop, then it is possible that growth could recover relatively quickly. The MPC could then need to address the issue of whether to raise Bank Rate when there is very little slack left in the labour market; this could cause wage inflation to accelerate which would then feed through into general inflation. On the other hand, if there was a no deal Brexit and there was a significant level of disruption to the economy, then growth could weaken even further than currently and the MPC would be likely to cut Bank Rate in order to support growth. However, with Bank Rate still only at 0.75%, it has relatively little room to make a big impact and the MPC would probably suggest that it would be up to the Chancellor to provide help to support growth by way of a fiscal boost by e.g. tax cuts, increases in government departments and services annual expenditure budgets and expenditure on infrastructure projects, to boost the economy.

The first half of 2019/20 has seen UK **economic growth** fall as Brexit uncertainty took a toll. In its Inflation Report of 1 August, the Bank of England was notably downbeat about the outlook for both the UK and major world economies. The MPC meeting of 19 September reemphasised their concern about the downturn in world growth and also expressed concern that the prolonged Brexit uncertainty would contribute to a build-up of spare capacity in the UK economy, especially in the context of a downturn in world growth. This mirrored investor concerns around the world which are now expecting a significant downturn or possibly even a recession in some major developed economies. It was therefore no surprise that the Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% throughout 2019, so far, and is expected to hold off on changes until there is some clarity on what is going to happen over Brexit. However, it is also worth noting that the new Prime Minister is making some significant promises on various spending commitments and a relaxation in the austerity programme. This will provide some support to the economy and, conversely, take some pressure off the MPC to cut Bank Rate to support growth.

As for **inflation** itself, CPI has been hovering around the Bank of England's target of 2% during 2019, but fell to 1.7% in August. It is likely to remain close to 2% over the next two years and so it does not pose any immediate concern to the MPC at the current time. However, if there was a no deal Brexit, inflation could rise towards 4%, primarily as a result of imported inflation on the back of a weakening pound.

With regard to the **labour market**, despite the contraction in quarterly GDP growth of -0.2%q/q, (+1.3% y/y), in quarter 2, employment continued to rise, but at only a muted rate of 31,000 in the three months to July after having risen by no less than 115,000 in quarter 2 itself: the latter figure, in particular, suggests that firms are preparing to expand output and suggests there could be a return to positive growth in quarter 3. Unemployment continued at a 44 year low of 3.8% on the Independent Labour Organisation measure in July and the participation rate of 76.1% achieved a new all-time high. Job vacancies fell for a seventh consecutive month after having previously hit record levels. However, with unemployment continuing to fall, this month by 11,000, employers will still be having difficulty filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to a high point of 3.9% in June before easing back slightly to 3.8% in July,

(3 month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.1%. As the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. The latest GDP statistics also included a revision of the savings ratio from 4.1% to 6.4% which provides reassurance that consumers' balance sheets are not over stretched and so will be able to support growth going forward. This would then mean that the MPC will need to consider carefully at what point to take action to raise Bank Rate if there is an agreed Brexit deal, as the recent pick-up in wage costs is consistent with a rise in core services inflation to more than 4% in 2020.

In the **political arena**, if there is a general election soon, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up although, conversely, a weak international backdrop could provide further support for low yielding government bonds and gilts.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of strong growth to 2.9% y/y. Growth in 2019 has been falling back after a strong start in quarter 1 at 3.1%, (annualised rate), to 2.0% in quarter 2. Quarter 3 is expected to fall further. The strong growth in employment numbers during 2018 has reversed into a falling trend during 2019, indicating that the economy is cooling, while inflationary pressures are also weakening. The Fed finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not to be seen as the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August, (reducing its holdings of treasuries etc.). It then cut rates again in September to 1.75% - 2.00% and is thought likely to cut another 25 bps in December. Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This trade war is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China.

EUROZONE. Growth has been slowing from +1.8 % during 2018 to around half of that in 2019. Growth was +0.4% q/q (+1.2% y/y) in quarter 1 and then fell to +0.2% q/q (+1.0% y/y) in quarter 2; there appears to be little upside potential to the growth rate in the rest of 2019. German GDP growth fell to -0.1% in quarter 2; industrial production was down 4% y/y in June with car production down 10% y/y. Germany would be particularly vulnerable to a no deal Brexit depressing exports further and if President Trump imposes tariffs on EU produced cars. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in EZ growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels "at least through the end of 2019", but that was of little help to boosting growth in the near term. Consequently, it announced a third round of TLTROs; this provides banks with cheap borrowing every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank's eligible loans. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting on 12 September, it cut its deposit rate further into negative territory, from -0.4% to -0.5%, and announced a resumption of quantitative easing purchases of debt. It also increased the maturity of the third round of TLTROs from two to three years. However, it is doubtful whether this loosening of monetary policy will have much impact on growth and unsurprisingly, the ECB stated that governments will need to help stimulate growth by fiscal policy. On the political front, Austria, Spain and Italy are in the throes of forming coalition governments with some unlikely combinations of

parties i.e. this raises questions around their likely endurance. The recent results of two German state elections will put further pressure on the frail German CDU/SDP coalition government.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress also still needs to be made to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. The trade war with the US does not appear currently to have had a significant effect on GDP growth as some of the impact of tariffs has been offset by falls in the exchange rate and by transshipping exports through other countries, rather than directly to the US.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH. The trade war between the US and China is a major concern to financial markets and is depressing worldwide growth, as any downturn in China will spill over into impacting countries supplying raw materials to China. Concerns are focused on the synchronised general weakening of growth in the major economies of the world compounded by fears that there could even be a recession looming up in the US, though this is probably overblown. These concerns have resulted in government bond yields in the developed world falling significantly during 2019. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US), and there are concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been sub 50 which gives a forward indication of a downturn in growth; this confirms investor sentiment that the outlook for growth during the rest of this financial year is weak.

3.2 Interest rate forecasts

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

This forecast includes the increase in margin over gilt yields of 100bps introduced on 9th October 2019.

Link Asset Services Interest Rate View										
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60
5yr PWLB Rate	2.30	2.50	2.60	2.70	2.70	2.80	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.60	2.80	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40
25yr PWLB Rate	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00
50yr PWLB Rate	3.20	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90

The above forecasts have been based on an assumption that there is some sort of muddle through to an agreed deal on Brexit at some point in time. Given the current level of uncertainties, this is a huge assumption and so forecasts may need to be materially reassessed in the light of events over the next few weeks or months.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit. In its meeting on 1 August, the MPC became more dovish as it was more concerned about the outlook for both the global and domestic economies. That's shown in the policy statement, based on an assumption that there is an agreed deal on Brexit, where the suggestion that rates would need to rise at a "gradual pace and to a limited extent" is now also conditional on "some recovery in global growth". Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. If there were a no deal Brexit, then it is likely that there will be a cut or cuts in Bank Rate to help support economic growth. The September MPC meeting sounded even more concern about world growth and the effect that prolonged Brexit uncertainty is likely to have on growth.

Bond yields / PWLB rates. There has been much speculation recently that we are currently in a bond market bubble. However, given the context that there are heightened expectations that the US could be heading for a recession, and a general background of a downturn in world economic growth, together with inflation generally at low levels in most countries and expected to remain subdued, conditions are ripe for low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last thirty years. We have therefore seen over the last year, many bond yields up to ten years in the Eurozone actually turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby ten year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities. However, stock markets are also currently at high levels as some investors have focused on chasing returns in the context of dismal ultra-low interest rates on cash deposits.

What we have seen during the past half year is a near halving of longer term PWLB rates to completely unprecedented historic low levels. (See paragraph 7 for comments on the increase in margin over gilt yields of 100bps introduced on 9th October 2019.) There is though, an expectation that financial markets have gone too far in their fears about the degree of the downturn in US and world growth. If, as expected, the US only suffers a mild downturn in growth, bond markets in the US are likely to sell off and that would be expected to put upward pressure on bond yields, not only in the US, but due to a correlation between US treasuries and UK gilts, which at various times has been strong but at other times weaker, in the UK. However, forecasting the timing of this and how strong the correlation is likely to be, is very difficult to forecast with any degree of confidence.

One potential danger that may be lurking in investor minds is that Japan has become mired in a twenty year bog of failing to get economic growth and inflation up off the floor, despite a combination of massive monetary and fiscal stimulus by both the central bank and government. Investors could be fretting that this condition might become contagious.

Another danger is that unconventional monetary policy post 2008, (ultra-low interest rates plus quantitative easing), may end up doing more harm than good through prolonged use. Low interest rates have encouraged a debt fuelled boom which now makes it harder for economies to raise interest rates. Negative interest rates could damage the profitability of commercial banks and so impair their ability to lend and / or push them into riskier lending. Banks could also end up holding large amounts of their government's bonds and so create a potential doom loop. (A doom loop would occur where the credit rating of the debt of a nation was downgraded which would cause bond prices to fall, causing losses on debt portfolios held by banks and insurers, so reducing their capital and forcing them to sell bonds – which, in turn, would cause further falls in their prices etc.). In addition, the financial viability of pension funds could be damaged by low yields on holdings of bonds.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.

One risk that is both an upside and downside risk is that all central banks are now working in very different economic conditions than before the 2008 financial crash. There has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for eleven years since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could, therefore, over or under-do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England** takes action 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.
- A resurgence of the **Eurozone sovereign debt crisis**. In 2018, Italy was a major concern due to having a populist coalition government which made a lot of anti-austerity and anti-EU noise. However, in September 2019 there was a major change in the coalition governing Italy which has brought to power a much more EU friendly government; this has eased the pressure on Italian bonds. Only time will tell whether this new unlikely alliance of two very different parties will endure.
- Weak capitalisation of some **European banks**, particularly Italian banks.
- **German minority government**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD had a major internal debate as to whether it could continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018. However, this makes little practical difference as she has continued as Chancellor, though more recently concerns have arisen over her health.
- **Other minority EU governments**. Austria, Sweden, Spain, Portugal, Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Italy, Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.
- There are concerns around the level of **US corporate debt** which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.

- **Geopolitical risks**, for example in North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement, (TMSS), for 2019/20 was approved by Full Council on 21st February 2019. There are no policy changes to the TMSS; the details in this report up-date the position in the light of the up-dated economic position and budgetary changes.

Prudential Indicator 2019/20	Original £m	Revised Prudential Indicator £m
Authorised Limit	15.000	15.000
Operational Boundary	17.487	17.487
Capital Financing Requirement	17.487	15.746

5. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital Expenditure by Service	2019/20 Original Estimate £000	2019/20 Revised Estimate £000
Operational Services	1,656	1,558
Finance and Assets	8,610	2,215
Total capital expenditure	10,266	3,773

The forecast capital expenditure for the year is significantly lower than originally forecast as no external funding is now being requested by the County Council for the Soham Eastern Gateway project; there has been a delay in the depot redevelopment as further costings are obtained and it is now believed unlikely that East Cambs Trading Company will require the remainder of their original £5 million loan approval.

5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision).

Capital Expenditure	2019/20 Original Estimate £000	2019/20 Revised Estimate £000
Total capital expenditure	10,266	3,773
Financed by:		
Capital receipts	261	948
Capital grants	6,842	527
CIL / Section 106	435	457
Revenue	0	89
Total financing	7,538	2,021
Borrowing requirement	2,728	1,752

5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

The original forecast / approved Capital Financing Requirement will not be exceeded, indeed the need for all borrowing is now expected to be lower than forecast in the budget.

Prudential Indicator – the Operational Boundary for external debt

	2019/20 Original Estimate £000	2019/20 Revised Estimate £000
CFR – brought forward	15,386	14,487
CFR – new borrowing 2019/20	2,728	1,752
CRF – MRP	-627	-493
Total CFR	17,487	15,746
Net movement in CFR	2,101	1,259
External Borrowing	8,000	2,000
Internal Borrowing	9,487	13,746
Total debt (yearend forecast)	17,487	15,746

In the Treasury Management Strategy for 2019/20, the asset life for the Leisure Centre was incorrectly stated as 20 years, this should have been 25 years in line with the original business plan for the Centre approved June 2016. The revised MRP in the above table has now been calculated based on the corrected asset life.

5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose*. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2019/20 Original Estimate £000	2019/20 Revised Estimate £000
External Borrowing	8,000	2,000
Other long term liabilities*	0	0
Total debt	8,000	2,000
CFR* (yearend forecast)	17,487	15,746

The Finance Manager reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator. Indeed the amount of external borrowing forecast is now lower than that forecast in the Treasury Management Strategy. This is for a number of reasons including:

- Reduced capital expenditure in both 2019/20 and the latter stages of 2018/19.
- Reserve levels at the end of 2018/19 being higher than expected, not least as a result of the Council's revenue underspend and additional CIL receipts received in year.
- Provisions were increased in 2018/19, not least in relation to Business Rate appeals, where there are potentially a large number of appeals backed up following the April 2017 revaluation.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2019/20 Original Indicator £000	2019/20 Revised Indicator £000
Borrowing	15,000	15,000
Other long term liabilities*	0	0
Total	15,000	15,000

6. Investment Portfolio 2019/20

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As shown

by forecasts in section 3.2, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.75% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

The Council held £12.95 million of investments as at 30th September 2019 (£6.191 million at 31 March 2019). The average return on investments on this date being 0.74% against a benchmark overnight LIBIB (London Inter-Bank Bid Rate) of 0.54%.

The full list of investments at this point are detailed in the table below.

Borrower	Principle	Interest Rate
MMF BlackRock	£5,000,000	0.68%
MMF Insight	£460,000	0.66%
MMF Aberdeen	£4,400,000	0.68%
Lloyds Bank of Scotland	£3,000,000	0.95%
NatWest PLC (RFB)	£90,129	0.01%
Total	£12,950,129	0.74%

The Finance Manager confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2019/20.

The Council's budgeted investment return for 2019/20 is £8,000, and performance for the year to date is already £24,809 in excess of the annual budget.

In addition to this income from investments, the Council is also receiving interest from ECTC on the capital loan provided to the Company. The loan to the Company currently stands at £4,620,000 (out of a total authorised loan of £6,500,000). Interest received on this loan in the first six months of the year was £120,911, this is lower than the budgeted income for the half-year of £142,967 as at the time of preparing the budget, ECTC was expected to have drawn down more of their authorised loan facility than has been the case.

Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

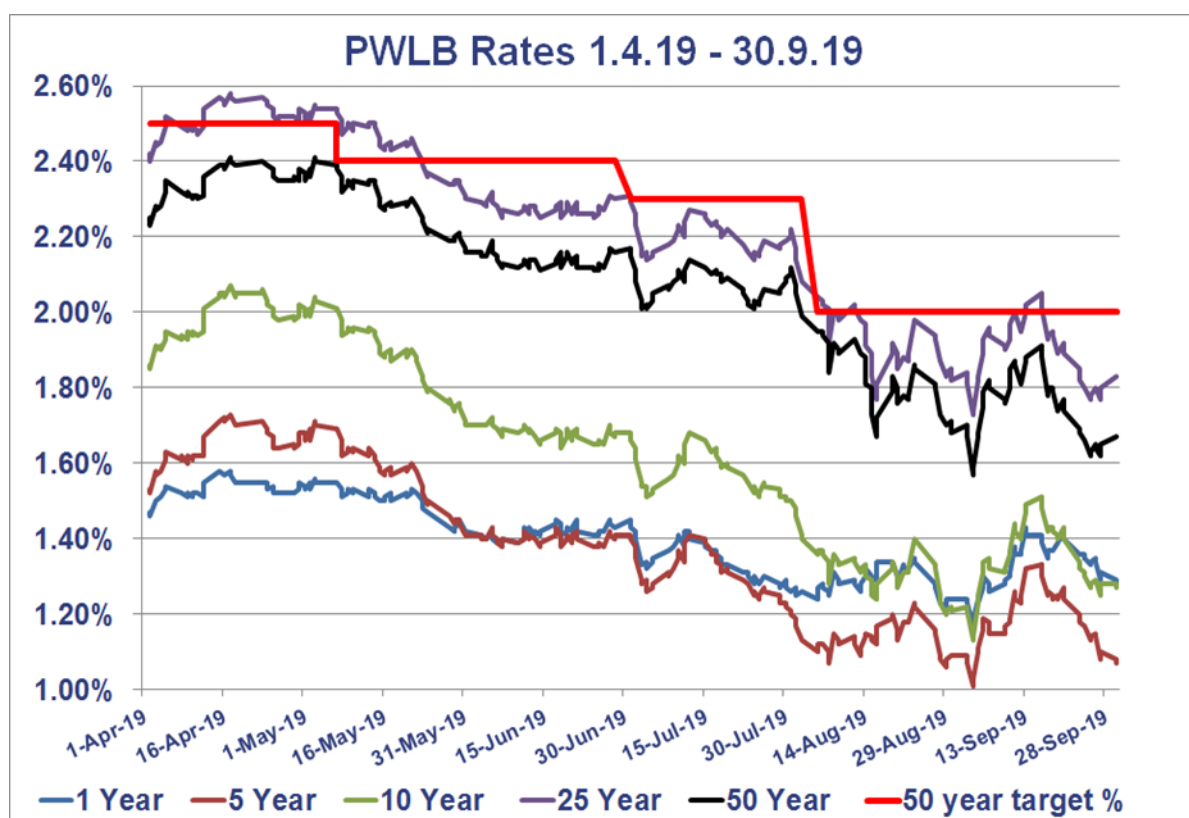
7. Borrowing

The Council's capital financing requirement (CFR) for 2019/20 is £17.487 million. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 5.4 shows the Council is forecasting external borrowing of £2.0 million at the end of 2019/20 and has utilised £13.746 million of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require on-going monitoring in the event that upside risk to gilt yields prevails.

The Council remains external debt free at this time, but it is anticipated that external borrowing of £2.0 million may be undertaken during the remainder of the financial year.

The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date. PWLB rates have been on a falling trend during this period and longer rates have

almost halved to reach historic lows. The 50 year PWLB target (certainty) rate for new long term borrowing fell from 2.50% to 2.00% during this period.



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.17%	1.01%	1.13%	1.73%	1.57%
Date	03/09/2019	03/09/2019	03/09/2019	03/09/2019	03/09/2019
High	1.58%	1.73%	2.07%	2.58%	2.41%
Date	15/04/2019	17/04/2019	17/04/2019	17/04/2019	17/04/2019
Average	1.40%	1.37%	1.62%	2.20%	2.07%

Increase in the cost of borrowing from the PWLB

On 9th October 2019 the Treasury and PWLB announced an increase in the margin over gilt yields of 100bps on top of the current margin of 80 bps. There was no prior warning that this would happen and it now means that every local authority has to fundamentally reassess how to finance their external borrowing needs and the financial viability of capital projects in their capital programme due to this unexpected increase in the cost of borrowing. Representations are going to be made to HM Treasury to suggest that areas of capital expenditure that the Government are keen to see move forward e.g. housing, should not be subject to such a large increase in borrowing.

While this authority has no external debt at present, the expectation was that we would be using PWLB when this became necessary, however we will now need to consider whether this remains appropriate and whether alternative cheaper sources of borrowing may be available. At the current time, this is an area that still needs to be explored as this event has also taken the financial services industry by surprise. We are expecting that various financial institutions will enter the market or make products available to local authorities.

It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. This Authority may make use of this new source of borrowing as and when appropriate.

2020/21 ANNUAL TREASURY MANAGEMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY

Committee: Finance and Assets Committee

Date: 6th February 2020

Author: Finance Manager

[U171]

1.0 ISSUE

1.1 To consider the 2020/21 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 2020/21 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 Finance and Assets Committee, and for the execution and administration of treasury management decisions to the Finance Manager, 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 2020) and has been able, up until now, to meet the costs of the loan to East Cambs Trading Company (ECTC), the construction of the Leisure Centre and the purchase of Waste fleet

from internal borrowing against the cash within these reserves; therefore without the need for external borrowing. However this situation will not be maintained, cash levels will reduce in the remainder of this financial year and then further in 2021/22 with the consequence that external borrowing will be required.

External borrowing will of course be kept as low as possible, with external debt only being taken when cash balances require this. The consequence of this being that cash balances will reduce to minimal levels, resulting in the Council's ability to invest sizeable sums in longer-term deposits (more than 6 months) ceasing.

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.

It is the expectation that ECTC will meet its business plan objectives within the £6.5 million maximum loan approved by the Council and will repay the full amount of the loan in instalments to the Council by / during March 2021, indeed it should be noted that an initial £1.7 million has already been repaid and a further £0.8 million is expected before the end of the 2019/20 financial year.

3.4 Borrowing Strategy

The Council continues to hold reserves so internal cash balances are used to initially fund capital commitments.

However, as a consequence of the additional capital expenditure planned for 2020/21 and the reducing level of reserves, it is expected that external borrowing will be required to fund capital commitments in that year. External borrowing will only be taken when required, but the current plan anticipates this to peak in the region of £1 million during the 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 2018/19 Report (also
on this agenda)

Room 104
The Grange
Ely

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Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

East Cambridgeshire District Council
2020/21

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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.”

This authority has not engaged in any commercial investments and has no non-treasury investments other than the loan to East Cambridgeshire Trading Company.

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 that 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 2020/21

The strategy for 2020/21 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, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 Training

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

The training needs of treasury management officers are reviewed periodically.

1.5 Treasury management consultants

The Council uses Link Asset Services, 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 taken 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 2020/21 – 2022/23

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

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	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Operational Services		1,457	3,429	801	801
Finance & Assets		2,216	163	0	0
Total	3,479	3,673	3,592	801	801

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

Financing of capital expenditure £000	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Capital receipts	114	948	246	246	246
Capital grants	940	527	526	526	526
Section 106 / CIL	1,354	457	192	29	29
Revenue	9	89			
Net financing need for the year	1,062	1,652	2,628	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 it's 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 assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has no of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£000	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Capital Financing Requirement					
CFR Brought Forward	13,524	14,487	13,146	11,655	10,913
Movement in CFR	963	-1,341	-1,491	-742	-742
Total CFR	14,487	13,146	11,655	10,913	10,171

Movement in CFR represented by					
Net financing need for the year (above)	1,062	1,652	2,628	0	0
Repayment of Loan by ECTC	0	-2,500	-3,620	0	0
Less MRP and other financing movements	-99	-493	-499	-742	-742
Movement in CFR	963	-1,341	-1,491	-742	-742

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 £000	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Fund balances / reserves	9,358	8,161	7,083	3,583	3,000
Capital receipts	1,362	463	2,491	2,295	2,100
Provisions	1,102	1,102	1,102	1,102	1,102
CIL / Section 106	4,083	3,676	3,576	3,475	3,475
Total core funds	15,905	13,402	14,252	10,455	9,677
Working capital*	4,772	4,772	4,772	4,772	4,772
Internal borrowing	-14,486	-13,146	-10,655	-8,913	-6,171
Expected investments	6,191	5,028	8,369	6,314	8,278

*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).

MHCLG 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:

The Council has no outstanding borrowing from prior to 1 April 2008.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be on the **Asset life method** – MRP will be based on the

estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

Asset life's used in MRP Calculations are:

Waste Fleet	9 years
Leisure Centre	25 years
Depot	25 years
ECTC Loan	No MRP provision is made on the loan to the Company as this will be repaid by the Company in instalments, but in advance of the March 2021 deadline, (five years from the loan agreement) with the cash being used by the Council to reduce the Capital Financing Requirement at the time of the repayments.

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

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 31 March 2019 was that the Council held £6,190,745 of cash in Money Market overnight Funds and its bank account. It was external debt free.

MMF – Blackrock	£5,000,000
MMF – Aberdeen Standard Investments	£930,000
NatWest Bank	£260,745

The up-dated position at 31st December 2019 was that the Council remained external debt free, with £14,484,435 invested at various institutions as detailed below:

Lloyds Bank of Scotland	£3,000,000
MMF – Blackrock	£5,000,000
MMF – Aberdeen Standard Investments	£4,725,000
MMF – Goldman Sachs	£1,700,000
NatWest Bank	£59,435

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 indeed one Council Tax collection date and two precept payment dates in the final quarter of the year. However, with the delay of some capital projects and the early repayment of some of the loan to the Trading Company, the expected external debt at the end of the year is now forecast as zero, rather than the £2,000,000 reported previously.

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.

£000	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
External Debt					
Debt at 1 April	0	0	0	1,000	2,000
Expected change in Debt	0	0	1,000	1,000	2,000
Other long-term liabilities (OLTL)	0	0	0	0	0
Actual gross debt at 31 March	0	0	1,000	2,000	4,000
The Capital Financing Requirement	14,487	13,146	11,655	10,913	9,429
Under / (over) borrowing	14,487	13,146	10,655	8,913	5,549

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 2020/21 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 internal borrowing by other cash resources.

Operational boundary £000	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
External Debt	0	1,000	2,000	4,000
Other long term liabilities	0	0	0	0
Total	0	1,000	2,000	4,000

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 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	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
External Debt	5,000	10,000	10,000	10,000
Other long term liabilities	0	0	0	0
Total	5,000	10,000	10,000	10,000

3.3 Prospects for interest rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal within the short time to December 2020, as the prime minister has pledged.

It was little surprise that the Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% throughout 2019 due to the ongoing uncertainty over Brexit and the outcome of the general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then the MPC were likely to cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a “gradual pace and to a limited extent”. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year.

The end of January saw the publication of several pieces of UK economic data (GDP, inflation, retail sales), all of which pointed to the prospect of an early Bank Rate cut by the MPC. Given that at least five members of the MPC have also voiced a view that points towards a potential easing of monetary policy, as the UK economy is still likely to only grow weakly in 2020 due to the continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020, if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is felt unlikely that the MPC would raise Bank Rate.

Bond yields / PWLB rates. There has been much speculation during 2019 that the bond market has gone into a bubble, as evidenced by high bond prices and remarkably low yields. However, given the context that there have been heightened expectations that the US was heading for a recession in 2020, and a general background of a downturn in world economic growth, together with inflation generally at low levels in most countries and expected to remain subdued, conditions are ripe for low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of

interest rates and bond yields in financial markets over the last thirty years. We have therefore seen over the last year, many bond yields up to ten years in the Eurozone actually turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby ten-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated, as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities. However, stock markets are also currently at high levels as some investors have focused on chasing returns in the context of dismal ultra-low interest rates on cash deposits.

During the first half of 2019-20 to 30 September, gilt yields plunged and caused a near halving of longer term PWLB rates to completely unprecedented historic low levels. *(See paragraph 3.7 for comments on the increase in the PWLB rates margin over gilt yields of 100bps introduced on 9.10.19.)* There is though, an expectation that financial markets have gone too far in their fears about the degree of the downturn in US and world growth. If, as expected, the US only suffers a mild downturn in growth, bond markets in the US are likely to sell off and that would be expected to put upward pressure on bond yields, not only in the US, but also in the UK due to a correlation between US treasuries and UK gilts; at various times this correlation has been strong but at other times weak. However, forecasting the timing of this, and how strong the correlation is likely to be, is very difficult to forecast with any degree of confidence. Changes in UK Bank Rate will also impact on gilt yields.

One potential danger that may be lurking in investor minds is that Japan has become mired in a twenty-year bog of failing to get economic growth and inflation up off the floor, despite a combination of massive monetary and fiscal stimulus by both the central bank and government. Investors could be fretting that this condition might become contagious to other western economies.

Another danger is that unconventional monetary policy post 2008, (ultra-low interest rates plus quantitative easing), may end up doing more harm than good through prolonged use. Low interest rates have encouraged a debt-fuelled boom that now makes it harder for central banks to raise interest rates. Negative interest rates could damage the profitability of commercial banks and so impair their ability to lend and / or push them into riskier lending. Banks could also end up holding large amounts of their government's bonds and so create a potential doom loop. (A doom loop would occur where the credit rating of the debt of a nation was downgraded which would cause bond prices to fall, causing losses on debt portfolios held by banks and insurers, so reducing their capital and forcing them to sell bonds – which, in turn, would cause further falls in their prices etc.). In addition, the financial viability of pension funds could be damaged by low yields on holdings of bonds.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

In addition, PWLB rates are subject to ad hoc decisions by **H.M. Treasury** to change the margin over gilt yields charged in PWLB rates: such changes could be up or down. It is not clear that if gilt yields were to rise back up again by over 100bps within the next

year or so, whether H M Treasury would remove the extra 100 bps margin implemented on 9.10.19.

Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and PWLB rates. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Investment and borrowing rates

- Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if major progress was made with an agreed Brexit, then there is upside potential for earnings.
- Borrowing interest rates were on a major falling trend during the first half of 2019-20 but then jumped up by 100 bps on 9th October 2019. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the past few years. However, the unexpected increase of 100 bps in PWLB rates requires a major rethink of local authority treasury management strategy and risk management. Now that the gap between longer term borrowing rates and investment rates has materially widened, and in the long term Bank Rate is not expected to rise above 2.5%, it is unlikely that this authority will do any longer term borrowing for the next three years, or until such time as the extra 100 bps margin is removed.
- While this authority will not be able to avoid borrowing to finance new capital expenditure and to replace internal borrowing as reserves reduce, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new short or medium-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

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 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 2020/21 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, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), 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

Following the decision by the PWLB on 9th October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans lent to local authorities, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)
- Municipal Bonds Agency (no issuance at present but there is potential)

The degree that any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing but our advisors will keep us informed.

3.7 Approved Sources of Long and Short term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

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

- MHCLG'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 above guidance from the MHCLG and CIPFA place 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 5.4 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.
 - **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. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18-month deposit would still be non-specified even if it has only 11 months left until maturity.

5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being £1 million of the total investment portfolio, (see paragraph 4.3).
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table 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 the amount of its investments that 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 2019/20 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 Ministry of Housing, Communities and Local Government, [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 commencing from 1st April 2018.)

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 Link Asset Services. 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 likely 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 100 days
- No colour not to be used

The Link Asset Services' 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 Asset Services' 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 Asset Services. 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

Please note: the yellow colour category is for UK Government debt, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt –see appendix 5.4.

The following counterparty limits were agreed in the 2016/17 Treasury Management Strategy, the same limits will be applied in 2020/21.

- £6 million with counterparties rated 6 months to 1 year (Orange) duration limit
- £5 million with Money Market Funds

- £4 million with counterparties rated 3 months (Green) duration limit on the approved weekly list

UK banks – ring fencing

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

4.3 Country limits

Due care will be taken to consider the exposure of the Council’s total investment portfolio to countries, groups and sectors.

- a) **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.
- b) **Other limits.** In addition:
 - no more than 40% 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.

On the assumption that the UK and EU agree a Brexit deal including the terms of trade by the end of 2020 or soon after, then Bank Rate is forecast to increase only slowly over the next few years to reach 1.00% by quarter 1 2023. Bank Rate forecasts for financial year ends (March) are:

- Q1 2021 0.75%
- Q1 2022 1.00%
- Q1 2023 1.00%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

2019/20	0.75%
2020/21	0.75%
2021/22	1.00%
2022/23	1.25%
2023/24	1.50%
2024/25	1.75%
Later years	2.25%

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal is agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

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	2020/21	2021/22	2022/23
Principal sums invested for longer than 365 days	2,000	2,000	2,000

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

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 December 2019 our calculated Historic Risk of Default was 0.0% as our cash was in either MMF, a deposit with Lloyds Bank of Scotland and a liquid call account with NatWest. As this situation is not expected to change in 2019-20, 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 – The Council will use the 7-day LIBID compounded rate as an investment benchmark to assess the investment performance of its investment portfolio during 2019/20.

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

(These can be appended to the report or omitted as required)

1. Prudential and treasury indicators
2. Economic background
3. Treasury management practice – credit and counterparty risk management
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 2020/21 – 2022/23

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:

a. 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.

%	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Annual Change	1.018	3.847	-0.025	2.461	0.259

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

While the above table is a statutory requirement for the Strategy document, when considering the increases in the cost of capital as a proportion of the revenue budget, it should be remembered that none of these costs has a direct impact of the Council's bottom line budget.

- Borrowing in relation to the Leisure Centre is being funded initially from the use of reserves, but from 2020/21 from the management fee to be paid to the Council by the operator of the centre (including repaying the amount originally taken from reserve);
- The capital cost of the waste fleet and depot improvements will be charged to East Cambs Street Scene;
- The loan to East Cambs Trading Company is generating an income to the Council as interest is being charged on this loan at a commercial rate of 5.22%.

5.1.2 Maturity structure of borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%
Maturity structure of variable interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

5.2 ECONOMIC BACKGROUND

UK. Brexit. 2019 has been a year of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on 31 October 2019, with or without a deal. However, MPs blocked leaving on that date and the EU agreed an extension to 31 January 2020. In late October, MPs approved an outline of a Brexit deal to enable the UK to leave the EU on 31 January. Now that the Conservative Government has gained a large overall majority in the **general election** on 12 December, this outline deal will be passed by Parliament by that date. However, there will still be much uncertainty as the detail of a trade deal will need to be negotiated by the current end of the transition period in December 2020, which the Prime Minister has pledged he will not extend. This could prove to be an unrealistically short timetable for such major negotiations that leaves open two possibilities; one, the need for an extension of negotiations, probably two years, or, a no deal Brexit in December 2020.

GDP growth has taken a hit from Brexit uncertainty during 2019; quarter three 2019 surprised on the upside by coming in at +0.4% q/q, +1.1% y/y. However, the peak of Brexit uncertainty during the final quarter appears to have suppressed quarterly growth to probably around zero. The economy is likely to tread water in 2020, with tepid growth around about 1% until there is more certainty after the trade deal deadline is passed.

While the Bank of England went through the routine of producing another **quarterly Inflation Report**, (now renamed the Monetary Policy Report), on 7 November, it is very questionable how much all the writing and numbers were worth when faced with the uncertainties of where the UK will be after the general election. The Bank made a change in their Brexit assumptions to include a deal being eventually passed. Possibly the biggest message that was worth taking note of from the Monetary Policy Report, was an increase in concerns among MPC members around weak global economic growth and the potential for Brexit uncertainties to become entrenched and so delay UK economic recovery. Consequently, the MPC voted 7-2 to maintain Bank Rate at 0.75% but two members were sufficiently concerned to vote for an immediate Bank Rate cut to 0.5%. The MPC warned that if global growth does not pick up or Brexit uncertainties intensify, then a rate cut was now more likely. Conversely, if risks do recede, then a more rapid recovery of growth will require gradual and limited rate rises. The speed of recovery will depend on the extent to which uncertainty dissipates over the final terms for trade between the UK and EU and by how much global growth rates pick up. The Bank revised its inflation forecasts down – to 1.25% in 2019, 1.5% in 2020, and 2.0% in 2021; hence, the MPC views inflation as causing little concern in the near future.

The **MPC meeting of 19 December** repeated the previous month's vote of 7-2 to keep Bank Rate on hold. Their key view was that there was currently 'no evidence about the extent to which policy uncertainties among companies and households had declined' i.e. they were going to sit on their hands and see how the economy goes in the next few months. The two members who voted for a cut were concerned that the labour market was faltering. On the other hand, there was a clear warning in the minutes that the MPC were concerned that "domestic unit labour costs have continued to grow at rates above those consistent with meeting the inflation target in the medium term".

If economic growth were to weaken considerably, the MPC has relatively little room to make a big impact with Bank Rate still only at 0.75%. It would therefore, probably suggest that it would be up to the Chancellor to provide help to support growth by way of a **fiscal boost** by e.g. tax cuts, increases in the annual expenditure budgets of

government departments and services and expenditure on infrastructure projects, to boost the economy. The Government has already made moves in this direction and it made significant promises in its election manifesto to increase government spending by up to £20bn p.a., (this would add about 1% to GDP growth rates), by investing primarily in infrastructure. This is likely to be announced in the next Budget, in March 2020. The Chancellor has also amended the fiscal rules in November to allow for an increase in government expenditure.

As for **inflation** itself, CPI has been hovering around the Bank of England's target of 2% during 2019, but fell again in both October and November to a three-year low of 1.5%. It is likely to remain close to or under 2% over the next two years and so, it does not pose any immediate concern to the MPC at the current time. However, if there was a hard or no deal Brexit, inflation could rise towards 4%, primarily because of imported inflation on the back of a weakening pound.

With regard to the **labour market**, growth in numbers employed has been quite resilient through 2019 until the three months to September where it fell by 58,000. However, there was an encouraging pick up again in the three months to October to growth of 24,000, which showed that the labour market was not about to head into a major downturn. The unemployment rate held steady at a 44-year low of 3.8% on the Independent Labour Organisation measure in October. Wage inflation has been steadily falling from a high point of 3.9% in July to 3.5% in October (3-month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.0%. As the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. The other message from the fall in wage growth is that employers are beginning to find it easier to hire suitable staff, indicating that supply pressure in the labour market is easing.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of growth to a robust 2.9% y/y. **Growth** in 2019 has been falling after a strong start in quarter 1 at 3.1%, (annualised rate), to 2.0% in quarter 2 and then 2.1% in quarter 3. The economy looks likely to have maintained a growth rate similar to quarter 3 into quarter 4; fears of a recession have largely dissipated. The strong growth in employment numbers during 2018 has weakened during 2019, indicating that the economy had been cooling, while inflationary pressures were also weakening. However, CPI inflation rose from 1.8% to 2.1% in November, a one year high, but this was singularly caused by a rise in gasoline prices.

The Fed finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not intended to be seen as the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August, (reducing its holdings of treasuries etc.). It then cut rates by 0.25% again in September and by another 0.25% in its October meeting to 1.50 – 1.75%.. At its September meeting it also said it was going to **start buying Treasuries again**, although this was not to be seen as a resumption of quantitative easing but rather an exercise to relieve liquidity pressures in the repo market. Despite those protestations, this still means that the Fed is again expanding its balance sheet holdings of government debt. In the first month, it will buy \$60bn, whereas it had been reducing its balance sheet by \$50bn per month during 2019. As it will be buying only short-term (under 12 months) Treasury bills, it is technically correct that this is not quantitative easing (which is purchase of long-term debt). The Fed left rates unchanged in December. However, the accompanying

statement was more optimistic about the future course of the economy so this would indicate that further cuts are unlikely.

Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This **trade war** is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China. However, in November / December, progress has been made on agreeing a phase one deal between the US and China to roll back some of the tariffs; this gives some hope of resolving this dispute.

EUROZONE. Growth has been slowing from +1.8 % during 2018 to around half of that in 2019. Growth was +0.4% q/q (+1.2% y/y) in quarter 1, +0.2% q/q (+1.2% y/y) in quarter 2 and then +0.2% q/q, +1.1% in quarter 3; there appears to be little upside potential in the near future. German GDP growth has been struggling to stay in positive territory in 2019 and fell by -0.1% in quarter 2; industrial production was down 4% y/y in June with car production down 10% y/y. Germany would be particularly vulnerable to a no deal Brexit depressing exports further and if President Trump imposes tariffs on EU produced cars.

The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which then meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by quantitative easing purchases of debt. However, the downturn in EZ growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March meeting, it said that it expected to leave interest rates at their present levels “at least through the end of 2019”, but that was of little help to boosting growth in the near term. Consequently, it announced a **third round of TLTROs**; this provides banks with cheap borrowing every three months from September 2019 until March 2021 that means that, although they will have only a two-year maturity, the Bank was making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank’s eligible loans. However, since then, the downturn in EZ and world growth has gathered momentum; at its meeting on 12 September it cut its deposit rate further into negative territory, from -0.4% to -0.5%, and announced a **resumption of quantitative easing purchases of debt for an unlimited period**. At its October meeting it said these purchases would start in November at €20bn per month - a relatively small amount compared to the previous buying programme. It also increased the maturity of the third round of TLTROs from two to three years. However, it is doubtful whether this loosening of monetary policy will have much impact on growth and, unsurprisingly, the ECB stated that governments would need to help stimulate growth by ‘growth friendly’ fiscal policy.

There were no policy changes in the December meeting, which was chaired for the first time by the new President of the ECB, Christine Lagarde. However, the outlook continued to be down beat about the economy; this makes it likely there will be further monetary policy stimulus to come in 2020. She did also announce a thorough review of how the ECB conducts monetary policy, including the price stability target. This review is likely to take all of 2020.

On the political front, Austria, Spain and Italy have been in the throes of **forming coalition governments** with some unlikely combinations of parties i.e. this raises questions around their likely endurance. The latest results of German state elections has put further pressure on the frail German CDU/SDP coalition government and on the current leadership of the CDU. The results of the Spanish general election in November have not helped the prospects of forming a stable coalition.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and shadow banking systems. In addition, there still needs to be a greater switch from investment in industrial capacity, property construction and infrastructure to consumer goods production.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH. Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation. **Central banks are, therefore, likely to come under more pressure to support growth by looser monetary policy measures and this will militate against central banks increasing interest rates.**

The trade war between the US and China is a major concern to **financial markets** due to the synchronised general weakening of growth in the major economies of the world, compounded by fears that there could even be a recession looming up in the US, though this is probably overblown. These concerns resulted in **government bond yields** in the developed world falling significantly during 2019. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US). There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks and the use of negative central bank rates in some EU countries. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been predicting a downturn in growth;

this confirms investor sentiment that the outlook for growth during the year ahead is weak.

INTEREST RATE FORECASTS

The interest rate forecasts provided by Link Asset Services in paragraph 3.3 are **predicated on an assumption of an agreement being reached on Brexit between the UK and the EU**. On this basis, while GDP growth is likely to be subdued in 2019 and 2020 due to all the uncertainties around Brexit depressing consumer and business confidence, an agreement on the detailed terms of a trade deal is likely to lead to a boost to the rate of growth in subsequent years. This could, in turn, increase inflationary pressures in the economy and so cause the Bank of England to resume a series of gentle increases in Bank Rate. Just how fast, and how far, those increases will occur and rise to, will be data dependent. The forecasts in this report assume a modest recovery in the rate and timing of stronger growth and in the corresponding response by the Bank in raising rates.

- In the event of an **orderly non-agreement exit in December 2020**, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.
- If there were a **disorderly Brexit**, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. Quantitative easing could also be restarted by the Bank of England. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably even, but dependent on a successful outcome of negotiations on a trade deal.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal was agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England** takes action 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.
- A resurgence of the **Eurozone sovereign debt crisis**. In 2018, Italy was a major concern due to having a populist coalition government which made a lot of anti-austerity and anti-EU noise. However, in September 2019 there was a

major change in the coalition governing Italy which has brought to power a much more EU friendly government; this has eased the pressure on Italian bonds. Only time will tell whether this new coalition based on an unlikely alliance of two very different parties will endure.

- Weak capitalisation of some **European banks**, particularly Italian banks.
- **German minority government.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in recent state elections but the SPD has done particularly badly and this has raised a major question mark over continuing to support the CDU. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until 2021.
- **Other minority EU governments.** Austria, Finland, Sweden, Spain, Portugal, Netherlands and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.
- In October 2019, the IMF issued a report on the World Economic Outlook which flagged up a synchronised slowdown in world growth. However, it also flagged up that there was **potential for a rerun of the 2008 financial crisis**, but this time centred on the huge debt binge accumulated by corporations during the decade of low interest rates. This now means that there are corporates who would be unable to cover basic interest costs on **some \$19trn of corporate debt in major western economies**, if world growth was to dip further than just a minor cooling. This debt is mainly held by the shadow banking sector i.e. pension funds, insurers, hedge funds, asset managers etc., who, when there is \$15trn of corporate and government debt now yielding negative interest rates, have been searching for higher returns in riskier assets. Much of this debt is only marginally above investment grade so any rating downgrade could force some holders into a fire sale, which would then depress prices further and so set off a spiral down. The IMF's answer is to suggest imposing higher capital charges on lending to corporates and for central banks to regulate the investment operations of the shadow banking sector. In October 2019, the deputy Governor of the Bank of England also flagged up the dangers of banks and the shadow banking sector lending to corporates, especially highly leveraged corporates, which had risen back up to near pre-2008 levels.
- **Geopolitical risks**, for example in North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

5.3 TREASURY MANAGEMENT PRACTICE – CREDIT AND COUNTERPARTY RISK MANAGEMENT

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.

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

It should be noted that any funding provided to East Cambridgeshire Trading Company is given as a loan and treated as capital expenditure. It is **not** an investment, although clearly the Council does receive a return on the amount borrowed.

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	** Max % of total investments / £ 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	12 months
Term deposits with banks and building societies (including part nationalised banks)	Blue Orange Red Green No Colour	£6 million £6 million £6 million £4 million Nil	12 months 12 months 6 months 100 days Not for use

* DMO – is the Debt Management Office of H.M. Treasury

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

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 Asset Services credit worthiness service.

Based on lowest available rating

AAA

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

AA+

- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Hong Kong
- France
- U.K.

AA-

- Belgium
- Qatar

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 responsibility for treasury scrutiny)

- 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, and treasury management,
- ensuring that the capital strategy is 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 on-going 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,
- creation of Treasury Management Practices that specifically deal with how non-treasury investments will be carried out and managed.

SCHEDULE OF ITEMS RECOMMENDED FROM COMMITTEES AND OTHER MEMBER BODIES

Committee: Council

Date: 20 February 2020

Author: Tracy Couper, Democratic Services Manager

[U184]

Member Body	Report No.
<p>1. FINANCE AND ASSETS COMMITTEE – 28 NOVEMBER 2019</p> <p>(a) <u>Local Council Tax Reduction Scheme 2019-20 Review</u></p> <p>The Committee received a report which reviewed the Council’s Local Council Tax Reduction Support Scheme (LCTRS).</p> <p>The Finance Manager (ECDC) reminded the Committee that they had a report in June asking for approval to go out to consultation on recommended changes. The responses from this were now recorded in this report. As there were no significant objections to the suggestions the proposals were recommended to Council for approval.</p> <p>It was acknowledged by the Committee that the ideas were good and should go ahead. As a Member had not seen the consultation it was suggested that all Members be copied in to all future consultations.</p> <p>It was resolved to RECOMMEND TO FULL COUNCIL:</p> <ul style="list-style-type: none"> (i) That the Council retain the 8.5% benefit scheme, i.e. the maximum benefit to working age claimants to be 91.5%; (ii) That enhancements to the treatment of Universal Credit income be introduced as detailed in the report. 	<p>Report U121 (attached at Appendix A)</p>

(b) Treasury Operations Mid-Year Report

The Committee received a report which provided an update on the Council's 2019/20 Treasury Management Strategy Statement.

The Finance Manager advised the Committee that the report stated the position as at the end of September and so prior to the forthcoming election being announced. The Council remained external debt-free. The interest received from East Cambs Trading Company was lower than anticipated, due to less funding being drawn, but was compensated for by additional general interest receipts due to the Council's healthy cash position throughout the year.

It was resolved to RECOMMEND TO FULL COUNCIL:

That the mid-year review of the Council's Treasury Management Strategy for 2019/20, as set out in Appendix 1, be noted.

2. FINANCE AND ASSETS COMMITTEE – 6 FEBRUARY 2020

2020/21 Annual Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy Statement and Annual Investment Strategy (AIS)

The Committee considered a report containing the 2020/21 Treasury Management Strategy, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement.

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

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

**Report U122
(attached at
Appendix B)**

**Report U171
(attached at
Appendix C)**

that year. It would only be taken when required and was expected to be minimal.

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

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

It was resolved to RECOMMEND TO COUNCIL:

That Council approve:

- **The 2020/21 Treasury Management Strategy;**
- **The Annual Investment Strategy;**
- **The Minimum Revenue Provision Policy Statement;**
- **The Prudential and Treasury Indicators; set out in Appendix 1 to the submitted report.**