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 21 FEBRUARY 2019** 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.

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 – 18 DECEMBER 2018

To confirm as a correct record.

5. CHAIRMAN’S ANNOUNCEMENTS **[oral]**

6. TO RECEIVE PETITIONS (IF ANY) **[oral]**

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

HIGHWAYS ENGLAND APPLICATION TO RECLASSIFY THE A14 AS A MOTORWAY

This Council notes:

- That in 2016 the Secretary of State for Transport granted a development consent order for the A14 Cambridge to Huntingdon Improvement Scheme;
- That in 2018 the Roads Minister asked Highways England to reclassify the new A14 between Girton and the new Ellington junctions, and the A1 between Alconbury and Brampton, as a motorway; and
- That Highways England have now applied to the Planning Inspectorate for a change to the scheme’s development consent order to allow the roads to become motorways.

The consultation period for this application closes on 28 February 2019.

If approved, motorway status will mean that certain categories of vehicle, including slow-moving farm vehicles, will not be permitted to use the upgraded A14. It is not clear from the consultation documents what traffic modelling has been carried out to test the impact this change will have on traffic through the villages of East Cambridgeshire.

The Council instructs the Director Commercial to respond to the consultation to ascertain what modelling has been carried out to assess the impact that the proposed new motorway status for the A14 will have on villages in East Cambridgeshire, and — if this is deemed by the council to be insufficient — to request that sufficient traffic modelling be done and the results shared with the district council before the change of status is approved.

Proposer: Cllr Lorna Dupré
Seconder: Cllr Christine Whelan

8. TO ANSWER QUESTIONS FROM MEMBERS [oral]

9. SCHEDULE OF ITEMS RECOMMENDED FROM COMMITTEES AND OTHER MEMBER BODIES:

- **Annual Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy Statement and Annual Investment Strategy (AIS)**
- **Review of Constitution - Financial Regulations and Finance Procedure Rules**
- **East Cambs Street Scene Ltd Business Plan**

10. COMMUNITY INFRASTRUCTURE LEVY: AMENDMENTS TO REGULATION 123 LIST

11. REVENUE BUDGET, CAPITAL STRATEGY AND COUNCIL TAX 2019/20

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. RESTRUCTURING OF COMMITTEES

13. PAY POLICY STATEMENT 2019/20

14. LOCAL PLAN – PROPOSED SUBMISSION VERSION

15. COMBINED AUTHORITY UPDATE REPORTS:

a. January 2019

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. 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 – 18 DECEMBER 2018

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@eastcambs.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)."

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

AGENDA ITEM NO. 4

Minutes of the Meeting of East Cambridgeshire District Council held in the Council Chamber, The Grange, Nutholt Lane, Ely on Tuesday 18 December 2018 at 6.00pm

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P R E S E N T

Councillor Allen Alderson
Councillor Christine Ambrose-Smith
Councillor David Ambrose-Smith
Councillor Anna Bailey
Councillor Derrick Beckett
Councillor Mike Bradley
Councillor David Brown
Councillor David Chaplin
Councillor Steve Cheetham
Councillor Paul Cox
Councillor Peter Cresswell (Chairman)
Councillor Lorna Dupré
Councillor Lavinia Edwards
Councillor Lis Every
Councillor Mark Goldsack
Councillor Richard Hobbs
Councillor Julia Huffer
Councillor Mark Hugo
Councillor Bill Hunt
Councillor Chris Morris
Councillor Charles Roberts
Councillor Hamish Ross
Councillor Mike Rouse
Councillor Joshua Schumann
Councillor Carol Sennitt
Councillor Alan Sharp
Councillor Mathew Shuter
Councillor Stuart Smith
Councillor Lisa Stubbs
Councillor Christine Whelan

47. **PUBLIC QUESTION TIME**

There were no questions from members of the public.

48. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs Allan, Austen, Green, Griffin-Singh, Pearson, Daniel Schumann and Webber.

49. **DECLARATIONS OF INTEREST**

Declarations of Interests were made by the following Councillors as detailed in respect of Agenda Items:

13 & 14 – Councillors Bailey and Roberts Prejudicial Interest as Directors of ECTC.

50. **MINUTES**

It was resolved:

That the Minutes of the meeting held on 18 October 2018 be confirmed as a correct record and signed by the Chairman.

51. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made the following announcements.

During this season of goodwill, I am particularly pleased to have the opportunity to announce three items of good news:

First and foremost, my warmest congratulations to Ely Markets on achieving national recognition and being crowned '2018 Market Team of the Year'. The award was recently presented by the National Association of British Market Authorities. The Team were complimented on providing a diverse and quality market, with strong links to the local community.

Congratulations also to Palace Green Homes who won the Innovation Award at this year's Cambridge News and Media Property Awards, for their project at The Fledglings in Soham. The competition judges said: 'This is an innovative, locally focused, community driven scheme that delivers homes and re-invests profits for the future'.

Also congratulations and thanks to our Communications Team who entered 'Michael Recycle' into an 'Education Campaign of the Year' award at the Chartered Institute of Public Relations awards. Michael won gold in the award, against some very strong competition and came away with a certificate, which is now taking pride of place here at The Grange.

As you are aware, I always take the opportunity to give you the dates of forthcoming events:

Our next business visits will be to Corkers Crisps on Friday 18 January 2019 and on Friday 1 March I have organised a tour of the Dojima Sake Brewery in Fordham.

I am also pleased to give you advance notice that next year's Chairman's Reception will be taking place on Friday 22 March 2019 in the Lady Chapel, Ely Cathedral.

Full details of all these events will be sent to you in the New Year.

Finally these past few weeks have been particularly busy, as you will have seen from the list of engagements at the front of this evening's Council Agenda. It serves to highlight, whoever the Chairman is, the importance of the office, in acting as an ambassador for the Council. I am aware that there has been scepticism by some as to whether the role should continue. I take this opportunity to place on public record, the importance to the Council of public relations. This afternoon I welcomed to the District visitors from America, Canada and France, as well as other parts of the United Kingdom. The value to the local economy of the office should not be underestimated.

In conclusion, may I take the opportunity to offer our colleague Councillor Mathew Shuter many happy returns of the day, as it is his birthday today.

52. **PETITIONS**

No Petitions had been received.

53. **MOTIONS**

No motions were received.

54. **QUESTIONS FROM MEMBERS**

The following questions were received from Councillors and responded to as detailed:

Questions from Councillor Lorna Dupré

(1) In September 2015, the Commercial Director of East Cambridgeshire District Council advised Cambridgeshire County Council that 'any slippage to this completion date [November 2017] will result in the district council withdrawing this £1million commitment [to the Ely bypass]. The district council will not be releasing any of the £1million commitment until after the bypass is complete and will only release money if the bypass is complete by November 2017'. The bypass was opened on 31 October 2018. How much of the £1million commitment has the district council released, and on what dates?

Response from Director Commercial:

The requirement for the bypass to be completed by November 2017 as a condition for releasing our £1m contribution was withdrawn by the Commercial Director in October 2015.

This action was taken in recognition that the business case required evidence of partner contributions, including the commitment from ECDC.

The Council has released £714,442.82 of CIL contributions to date; £343,453.77 paid in May 2017 and £370,989.05 paid in May 2018.

£106,003.96 will be paid to the County Council in January 2019.

(2) Why is the Council still using HDPE envelopes?

Response from Director Commercial:

The Council continues to use HDPE envelopes to post out agenda packs. This is because they are more durable than paper envelopes. These envelopes are also re-usable: in most cases the envelopes are returned to Democratic Services or Reprographics for re-use.

Question from Councillor Christine Whelan

(3) Where does the Council expect to provide the third affordable dwelling arising from the Barton Road, Ely development and when?

Response from Director Commercial:

The Section 106 Agreement required the provision of two affordable housing units on-site and a contribution in lieu of the third affordable housing unit. The two affordable housing units have been provided on-site and a contribution of £72,142.61 was paid on 18 September 2018.

The Council has not yet committed the contribution to a particular scheme and will look at all opportunities available, including the MOD Site (if approved) to deliver an affordable housing unit with the funds available.

55. **SCHEDULE OF ITEMS RECOMMENDED FROM COMMITTEES AND OTHER MEMBER BODIES**

Council considered a report, T163 previously circulated, detailing recommendations from Resources and Finance Committee:

Resources and Finance Committee – 29 November 2018

(a) Local Council Tax Reduction Scheme (LCTRS) & Business Rates Discretionary Policies 2019/20

It was resolved:

1. That the Local Council Tax Reduction Scheme (LCTRS) for 2019-20 remains unchanged from the current scheme.

2. That Council's policies with regard to discretionary Business Rate reliefs also remain unchanged.

(b) Treasury Operations Mid-Year Review

The Chairman commended the level of return on investments achieved.

It was resolved:

1. That the mid-year review of the Council's Treasury Management for 2018/19, as set out at Appendix 1 of the submitted report, be noted.

2. That the use of Money Market Funds (LVNAV) funds be authorised, as detailed in paragraph 4.2 of the submitted report.

56. ESTABLISHMENT OF NOT FOR PROFIT REGISTERED PROVIDER

Council considered a report, T164 previously circulated, detailing proposals for the establishment of a Not For Profit Registered Provider (NFPRP) of affordable housing and the making of an application to the Social Housing Regulator for Stage One Consent.

The Director Commercial explained the benefits of the preferred option of a NFPRP and the two stage process for registering to become a body of this nature.

Councillor Dupré expressed her support for the proposals on the basis that this was an explorative process and the detail would be submitted to a future Council meeting. She stated that the rent setting policies of the NFPRP would be very important to ensure that truly affordable houses were available in the local economy. Councillor Dupré requested that all options be clearly set out in any future reports, to give clear comparisons on which Members could make an informed decision.

Councillor Beckett stated that he also broadly supported the proposals, but queried how the Council aimed to acquire houses for the NFPRP. The Director Commercial explained that this would be set out in the financial modelling that would be part of stage 2 of the process.

In response to a question by Councillor Alderson regarding the payment of Directors, the Director Commercial stated that this also would be part of stage 2 of the process. However, there was no intention to remunerate existing ECDC officers who became Directors, in accordance with current practices for the existing Trading Companies.

The Leader of the Council, Councillor Roberts, commented that this was another example of the Council keeping ahead of the game.

It was resolved:

1. To establish a Company Limited by Guarantee; East Cambridgeshire Housing Association.

2. To authorise the Chief Executive, Director Commercial and Legal Services Manager to complete the necessary legal documentation to implement 2.1.1 above.

3. To authorise the Director Commercial to submit a Stage One (preliminary) application to Social Housing Regulator for East Cambridgeshire Housing Association to be registered as a not-for-profit registered provider.

57. **<u>FORDHAM NEIGHBOURHOOD PLAN ADOPTION</u>**

Council considered a report, T165 previously circulated, requesting the formal adoption of the Fordham Neighbourhood Plan following the successful referendum on 8 November 2018.

Members congratulated Fordham on being the first Parish in the District to complete a Neighbourhood Plan.

The Chairman of Planning Committee and a local Ward Member for Fordham, Councillor Joshua Schumann, stated that this would be a welcome document for the people of Fordham and was a good indication of how a village could pull together to produce a plan that would shape future development within that village. He highlighted the slogan on the front page of the Plan 'The building blocks for the future of Fordham' which demonstrated that it was not intended to stop development and growth but to shape it. Councillor Schumann commended the Plan as '47 pages of absolute brilliance' and thanked all of those who had worked to complete the Plan.

Councillor Beckett also commended Councillor Schumann for his work in relation to the Plan and stated that it was a positive move forward for Fordham. However, he referred to a reference that if the Council's Local Plan failed, the Neighbourhood Plan also would fall. The Director Commercial agreed to provide Members with a written response on this issue. In that connection, Councillor Schumann stated that he had undertaken some research on this issue and believed that if the Council could demonstrate a 3 year land supply and had delivered 50% of the required number of houses for that 3 year period, the Neighbourhood Plan still would be valid.

Councillor Dupré congratulated Fordham on being the first village in the District to have a Neighbourhood Plan adopted, particularly since it had started its work after other villages. As a member of the

Sutton Steering Group, she understood the amount of work required to achieve this.

It was resolved (unanimously):

1. That Fordham Parish Council be congratulated on its preparation of a Neighbourhood Plan and a successful referendum outcome, becoming the first Parish Council to do so in East Cambridgeshire.

2. That the Fordham Neighbourhood Plan (as attached at Appendix 1 to the submitted report) be formally made part of the Development Plan for East Cambridgeshire with immediate effect.

58. **COMBINED AUTHORITY UPDATE REPORTS:**
a. October 2018
b. November 2018

Council received reports on the activities of the Combined Authority from the Council's appointees.

The following question was asked by Councillor Lorna Dupré and responded to as detailed in relation to the report of the Combined Authority Audit & Governance Committee on 30 November 2018:

In view of the dismissal of the fourth Combined Authority Chief Finance Officer in 2 years, how confident is the Authority that the fifth Chief Finance Officer will last?

Response from Councillor Charles Roberts:

The previous post holder was appointed on an interim basis, but the Combined Authority is confident that it will be able to make a permanent and lasting appointment to the role.

It was resolved:

That the reports on the activities of the Combined Authority from the Council's appointees be noted.

59. **ACQUISITION OF FORMER MOD SITE, ELY**

Councillors Bailey and Roberts left the meeting for the duration of this item and the following Exempt item.

Council considered a report, T166 previously circulated, detailing proposals for the acquisition of the former MOD site at North Ely. The Chairman drew Members' attention to the revised version of the report with amended financial implications circulated following the despatch of the agenda, copies of which also had been tabled this evening.

The Chief Executive highlighted paragraph 3 of the report detailing the proposals and opportunities of the site.

Councillor Hunt commended the proposal as residents of Ely had been critical of the MOD leaving the properties empty for such a long period. These were sound and solidly built homes greatly needed in the local community. They should not be allowed to deteriorate further.

Councillor Rouse concurred with this view and also highlighted the removal of the play area at the site which had been missed by both local children and those further afield in Ely. In addition, the purchase of the site was vital to facilitate the opportunity for the regeneration the Princess of Wales Hospital. Councillor Rouse thanked the Combined Authority for the loan to enable the purchase for the benefit of the City of Ely.

Councillor Whelan also referred to the loss of the play area and expressed the hope that this would be replaced as part of the development of the site, as it had been well used by children throughout Ely and access to open spaces was very important for children.

Councillor Hobbs endorsed the above views and congratulated officers on their work to provide the Council with this opportunity. He believed that this needed to be progressed quickly to prevent the houses deteriorating further. Councillor Bradley specifically thanked the Mayor the Combined Authority, Chief Executive and officers at ECDC and stated that this was an excellent example of how officers from different bodies can work together to progress pioneering projects.

Councillor Dupré welcomed the bringing back of the properties into use, but queried the low level of affordable housing. She expressed the hope that the opportunity would be taken in phase 2 of the development for a higher proportion than the required 30% of the 62 houses to be developed as affordable houses. Councillor Dupré also queried the security of the additional £1.5M loan to the Trading Company. The Strategic Land Advisor, Phil Rose, stated that the additionality of affordable housing provision could be explored. The Finance Manager and S151 Officer, Ian Smith, reported that the Combined Authority would be the first charge on the loan, so this Council would be providing an unsecured loan. However, the financial Business Case had been reviewed by both the Finance Team at the Council and at the Combined Authority and the view was that the project had limited risk.

Councillor Every commented that this was a long awaited project and there was a real desire among local residents to see something happen with regard to the site and the Princess of Wales Hospital. She also had been approached regarding the play area and had discussed the issue with officers.

Councillor Beckett agreed that this was an excellent opportunity for the Council, but commented that the original loan facility to the Trading Company now was being increased from £5M to £6.5M. Therefore, the Council should not lose track of the level of borrowing. In response to a question from Councillor Beckett about the projected profit from the project, the Strategic Land Advisor reported that this was anticipated to be £1.5M.

In the context of the discussions, Councillor Schumann stated that in light of a likely Planning application for the site, he wanted to place on record his support for the principle of the purchase, but would be keeping an open mind regarding the future consideration of any Planning application. In response to a question from Councillor Schumann regarding the interest rate payable for the unsecured loan, the Finance Manager reported that this was a commercial rate of 5.22%.

Councillor Alderson was supportive of the scheme, but expressed concerns regarding the level of affordable housing proposed here and on other sites within the District, due to the high level of demand locally from people with young families.

Councillor Brown commented that he had been a District Councillor for 11 years and the future of these houses had been raised at the first meeting he attended. If the Council had been aware of their availability for disposal when the original loan had been made to the Trading Company, he believed that the Council would have agreed to it being £6.5M.

In summing up, Councillor Hunt stated that these houses needed to be acquired to bring the area concerned back to life in the interests of local families and the future development of the Princess of Wales Hospital, so the project was a 'happy marriage'. He also recognised that none of this would be possible without the partnership with the Combined Authority and hoped that this would continue with future schemes. He acknowledged that the Trading Company would have to work with Planning Officers on the design of the development and that it would be subject to the submission of a Planning application. With regard to the loan, the Council had money on deposit gaining interest of far less than 5%, so the Council was making a reasonably secure investment that was achieving a good return. Therefore, Councillor Hunt urged Members to support the recommendations in order to continue a sustainable process of providing affordable houses and then re-using the funding generated to build more.

It was resolved (unanimously):

1. To approve the purchase of the former MOD site, Ely and the concurrent transfer to East Cambs Trading Company (ECTC).

2. To approve an extension of the loan facility on a drawdown basis by an additional £1.5m for the purposes of the purchase and development of the site as detailed in paragraph 5.0 of the submitted report.

3. To authorise the Section 151 Officer and Legal Services Manager to complete the necessary legal and financial documentation required to implement 1 and 2 above.

60. **<u>EXCLUSION OF THE PRESS AND PUBLIC</u>**

It was resolved:

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

61. **<u>ASSET MANAGEMENT MATTER – PARISH OF ELY</u>**

Council considered a report regarding an asset management matter relating to the Parish of Ely.

Following detailed consideration and debate on the issues,

It was resolved (unanimously):

1. That approval be given to the land acquisition and transfer to East Cambs Trading Company (ECTC) as detailed in the submitted report.
2. That the Chief Executive and Legal Services Manager be authorised to complete the necessary legal documentation to implement the land acquisition and transfer.

The meeting concluded at 7.17pm.

Chairman…………………………………………

Date 21 February 2019

AGENDA ITEM NO 9

SCHEDULE OF ITEMS RECOMMENDED FROM COMMITTEES AND OTHER MEMBER BODIES

Committee: Council

Date: 21 February 2019

Author: Tracy Couper, Democratic Services Manager

[T203]

Member Body	Report No.
1. RESOURCES AND FINANCE COMMITTEE – 28 JANUARY 2019 2019/20 Annual Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy Statement and Annual Investment Strategy (AIS) The Committee considered a report containing the 2019/20 Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy Statement and Annual Investment Strategy (AIS). The Finance Manager and Section 151 Officer, Ian Smith, explained the background and rationale to the strategies. Mr Smith confirmed that external borrowing probably would be required in the current year and definitely in the forthcoming year and also highlighted receipt of an updated Brexit timetable from Link Asset Services, asking Committee's approval to include the most up to date version in the paper to go onto full Council. **It was resolved to RECOMMEND TO COUNCIL:** **That Council approve:** • **The 2019/20 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, as amended to include an updated Brexit Timetable and Process.**	**Report T188 (attached at Appendix A) Appendices amended to reflect comments/ recommendations from Resources & Finance Committee**

Financial Regulations and Financial Procedure Rules The Committee considered a report containing draft Financial Regulations and Financial Procedure Rules for inclusion in the Council's Constitution. The Finance Manager and Section 151 Officer reported that there was reference in the Constitution to detailed Financial Procedures being produced and these documents were to meet that requirement and codified current corporate practice. The draft Financial Regulations and Financial Procedure Rules had been endorsed by Corporate Management Team and Internal Audit. In response to a question by Councillor Dupré, the Finance Manager confirmed that there were no other outstanding documents for inclusion in the Constitution. The Chairman suggested that the Financial Regulations and Financial Procedure Rules should refer to the 'relevant Committee', in view of the number of changes to the name of this Committee in recent years. **It was resolved to RECOMMEND TO COUNCIL:** **That Council approve the adoption of the new Financial Regulations and Financial Procedure Rules attached to the submitted report for inclusion within the Constitution, subject to amendment throughout of reference to 'the relevant Committee' to avoid the requirement to change the Constitution each time the name of that Committee changes.**	**Report T190 (attached at Appendix B)**
2. SHAREHOLDER COMMITTEE – 11 FEBRUARY 2019 **Draft Minute:** East Cambs Street Scene Business Plan The Committee considered a report, reference T202, previously circulated, that detailed the East Cambs Street Scene (ECSS) Annual Business Plan. The Director Operations reminded the Committee that ECSS had only been in operation for 10 months since last April. During its first year it had concentrated on improving performance with special emphasis on clearing fly tips and graffiti. There had been significant improvements made including clearing 40 tons of fly tips, customer service	**T202 (attached at Appendix C)**

processes enhanced and a focus on ‘first time fixes’. The Company had worked closely with Environmental Health to prosecute or fine offenders and a lot of publicity had been undertaken. Although the service was not at 100% yet what had been achieved was very pleasing. All the work had been within set budgets and the conditions and training for the workers had improved. Street cleansing was being undertaken on a 6 week process throughout the district and it was hoped this could be reduced as things improved.

The Company was now looking at the future to consider what it should do next. This could include generating income, for example by commencing trade waste collections. Any future work would be risk assessed and a Red Amber Green risk rating would be applied as required.

Councillor Mike Bradley acknowledged the good job that had been done and how the waste team had responded. Bringing the waste service in-house had proved beneficial and had saved the Council money. It was now a good efficient service and had delivered more than had been expected. If more money was needed to further enhance the service then the Company should look to the Council to provide it.

Councillor Steve Cheetham was very pleased with the outcome from this massive project. He would have liked to see the previous year’s figures to give a comparison of how things had been previously.

Councillor Richard Hobbs disclosed that the public now rated the service as good and the staff improvements were welcomed. Although the service in the towns was good he thought that the situation between them needed to be looked at.

Councillor David Chaplin considered it a remarkable performance and would also liked to have seen a comparison. He was delighted with the training and development programme for the staff. He queried the depot costs which were impacted by the refurbishment costs.

The Director Operations explained that the Company had wanted to share the risks with the Council, so the Council had responsibility for the vehicles and depot whilst the Company dealt with the staff. Money had been put aside for the depot, as it had not had any maintenance for many years. Another company was working to resolve the issues, including the outside area which was not compliant at the moment. The Council would be passing on the costs to the Company.

Councillor David Chaplin then asked to what extent a claim for dilapidation from the previous contractor could be made. This important work had to be completed for safety reasons.

Councillor Alan Sharp considered it a superb service, particularly its bulky waste collections. However, it would be a challenge to meet its budget and it was hoped that the collection round changes would help.

The Director Operations agreed that the collections rounds would be looked at. This had not been done initially as the first year was about stabilising the service. Consideration would be given to whether the number of rounds for green waste collections were needed during the winter months. The future service was about being more efficient, making savings and generating income. If extra funding would be needed to achieve this then the Company would make a bid for more money. This might be required to meet the latest regulations issuing from the Government with regards recycling or for maintenance of the fleet.

Councillor Lorna Dupre asked whether the Company was thinking about reducing the use of single-use plastics. The risk register did not indicate that the Company was anticipating legislation or Government changes about plastics but would it be proactive in tackling that issue? How much recyclable plastic collected had actually been recycled?

Councillor Richard Hobbs left the meeting at this point.

The Director Operations had not got exact figures for recycled plastics, but would obtain them from the Recycling in Cambridgeshire and Peterborough Partnership at the end of the year. The Company was very mindful of plastics and the black sacks used had less plastic in them. The new Government strategy was to get consistency when recycling plastics and money was attached to help improve recycling rates and this could be used to re-configure the collection vehicles. Provision of a third bin had been considered previously but the finances did not stack up. However a bid could be made for funding to provide these. The Company

had encouraged more recycling through its markets initiative, to use no plastics, and the Michael Recycle programme. Although recycling rates were not much different to the previous year, the Council still had one of the highest recycling rates in the county. **It was resolved to RECOMMEND TO COUNCIL:** **That Council approve the ECSS Annual Business Plan 2019/20.**	

APPENDIX A

2019/20 ANNUAL TREASURY MANAGEMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY

Committee: Resources and Finance Committee

Date: 28th January 2019

Author: Finance Manager

[T188]

1.0 ISSUE

1.1 To consider the 2019/20 Treasury Management Strategy, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement.

2.0 RECOMMENDATIONS

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

- The 2019/20 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, 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 Resources and Finance 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 Resources and Finance 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 2019) 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, reserve levels will reduce in the remainder of this financial year and then further in 2019/20 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 then 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 to the Council by / during March 2021.

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 in 2019/20 and the reducing level of reserves, 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 be in the region of £8 million by the end of March 2020.

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

RESTRUCTURING OF COMMITTEES 2019/20

Committee: Council

Date: 21 February 2019

Author: Chief Executive and Democratic Services Manager (Deputy Monitoring Officer)

[T209]

1.0 ISSUE

1.1 Proposals to restructure Committees from 2019/20.

2.0 RECOMMENDATIONS

2.1 Members are requested to:

(i) approve the revised Committee structure as detailed in Appendix 2 for implementation from municipal year 2019/20;

(ii) revise the role of Service Delivery Champions and make provision for member champions for key services and projects (when and if appropriate);

(iii) authorise the Chief Executive and Monitoring Officer to make the necessary consequential amendments to the constitution and shareholder agreement to implement the above recommendations;

(iv) authorise the Democratic Services Manager (Deputy Monitoring Officer) to consult with the existing Independent Remuneration Panel (IRP) to consider the implications of the new responsibilities and job profiles for Leader and Deputy Leader as detailed in Appendix 3.

3.0 BACKGROUND

3.1 The current Committee structure was agreed by Council on 11 April 2017 (ref: Agenda Item No. 10). The current Committee structure is detailed in Appendix 1.

3.2 There are a number of reasons to review the Committee structure for the new Council in 2019/20, specifically:-

- the reduction in elected members from 39 to 28 for the new Council in 2019/20;
- the current and varied workload of individual Committees.

3.3 Based on the 63 Policy, Statutory and Shareholder Committee places, each member has an average of 1.62 places. Based on the reduction of members from 39 to 28, the overage places for each new member based on the current structure would be 2.25 places.

3.4 To maintain the current ratio of Committee places to members, the number of places available would need to be 45 (ie a reduction of 18 places). If Council were minded to retain the current structure, this would be the equivalent of reducing the membership of Community Services/Regulatory Services/Resources & Finance from 9 to 7, Shareholder/Asset Development from 7 to 5 and Planning/Licensing from 11 to 7. Whether these reductions are acceptable or otherwise, it does not address the varied workload between individual Committees.

3.5 It's also worth noting that with reduced members serving larger wards, with more constituents and Parish Councils, it will be more difficult to maintain the status quo.

3.6 There are two other issues worthy of consideration whilst undertaking the review, specifically:-

- the continuing role of Service Delivery Champions;

- the changing role of Leader and Deputy Leader of Council.

These issues are dealt with in paragraphs 4.3 and 4.4.

4.0 PROPOSALS

4.1 The proposals outlined below reflect on the analysis detailed in paragraph 3.2 and conclude that reducing the number of Committees is the preferred option. The proposals also reflect that the existing Regulatory Services and Resources and Finance have significantly heavier workloads than the other Policy Committees.

Revised Structure

Council
28

Operational Services	Finance & Assets	Planning	Licensing
9	9	11	10

The average number of Committee places would be 1.39 (1.4 if Leader does not sit on Committees).

4.2 Under these arrangements, the functions of the existing Asset Development Committee would be transferred to Finance and Assets and Community Services Committee to Operational Services Committee.

4.3 Although the proposals delete the current Shareholder Committee, the all Member Shareholder meeting will increase from one to two per annum and will include all Members of the Council. The functions of the existing Shareholder Committee would be transferred to Finance and Assets.

4.4 Service Delivery Champions were initially set up to support new managers following the restructuring of the Council, in the development and presentation of Service Delivery Plans. Given that the new structure is now fully embedded, the ‘raison d’etre’ for these permanent roles are no longer valid. Nevertheless, Service Delivery Champions can make a useful contribution to services and specific project delivery (when and where required).

4.5 Since the inception of the Combined Authority and the establishment of ECTC and ECSS, the role of Leader and Deputy Leader of the Council have changed considerably. There is a necessity to revaluate the roles and refer to the existing members of the IRP, in order to inform this work, a revised role and responsibilities profile is attached for members’ consideration as Appendix 3.

5.0 FINANCIAL IMPLICATIONS

5.1 The detailed financial implications of these proposals will be known following consideration by the IRP in relation to the Leader and Deputy Leader of Council. Nevertheless, there is very likely to be savings in the 2019/20 budget given the reduction in Special Responsibility Allowances, in addition to the overall reduction in total members.

6.0 APPENDICES

6.1 Appendix 1 - Current Committee Structure
Appendix 2 - Proposed Committee Structure
Appendix 3 - Draft Job Profiles - Leader and Deputy Leader of Council

Background Documents	**Location**	**Contact Officer**
Council, 11 April 2017	Room 103	John Hill
Agenda Item No. 10	The Grange	Chief Executive
	Ely	(01353) 616271
		E-mail: john.hill@eastcambs.gov.uk

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

East Cambridgeshire District Council
2019/20

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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.

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

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."*

Revised reporting is required for the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is being reported separately as part of the Budget Report.

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

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

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

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show where applicable:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), on-going costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

From an East Cambridgeshire perspective, it is important that the Capital Strategy is proportionate to the Council's objectives in this area. The Council has no long term capital objectives at this time, with the medium term capital programme focusing on the achievement of the Council's Corporate Plan objectives aimed at improving the service and quality of life for residents of the District. The Capital Strategy is therefore incorporated into the Revenue Budget, Capital Strategy and Council Tax paper also being considered by Members at this meeting.

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 Full Council. This role is undertaken by the Resources and Finance Committee.

1.3 Treasury Management Strategy for 2019/20

The strategy for 2019/20 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 current planning of the member induction programme following the May 2019 elections will include training to members on the treasury management function.

The training needs of treasury management officers are periodically reviewed.

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 undertaken with regards to all available information, including, but not solely, our treasury advisers.

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

2 THE CAPITAL PRUDENTIAL INDICATORS 2019/20 – 2021/22

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	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Regulatory Services	1,991	1,585	1,621	2,654	772
Community Services	3,143	1,643	2,315	29	29
Leisure Centre	11,012	794	0	0	0
Resources and Finance	86	303	6,330	0	0
Total	**16,232**	**4,325**	**10,266**	**2,683**	**801**

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

Financing of capital expenditure £000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital Receipts	1,524	842	261	261	261
Capital Grants	1,741	873	6,842	511	511
CIL / Section 106	1,676	549	435	29	29
Revenue	215	99	0	0	0
Net financing need for the year	**11,076**	**1,962**	**2,728**	**1,882**	**0**

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

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

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

The Council is asked to approve the CFR projections below:

£000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital Financing Requirement					
CFR brought forward	2,448	13,524	15,386	17,487	12,204
Movement in CFR	11,076	1,863	2,101	-5,283	-874
Total CFR	**13,524**	**15,386**	**17,487**	**12,204**	**11,330**

Movement in CFR represented by					
Net financing need for the year (above)	11,076	1,962	2,728	1,882	0
Less MRP/VRP and other financing movements	0	-99	-627	-665	-874
Repayment of loan by ECTC	0	0	0	-6,500	0
Movement in CFR	**11,076**	**1,863**	**2,101**	**-5,283**	**-874**

2.3 Core funds and expected investment balances

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

Year End Resources £m	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Fund balances / reserves	11,804	10,464	9,050	6,606	7,509
Capital Receipts	773	721	510	299	88
Section 106	2,565	1,965	1,365	765	165
Total core funds	**15,142**	**13,150**	**10,925**	**7,670**	**7,762**
Working capital*	2,932	2,932	2,932	2,932	2,932
Internal Borrowing	-13,524	-13,387	-9,488	-7,205	-6,331
Expected investments	**4,550**	**2,695**	**4,369**	**3,397**	**4,363**

*Working capital balances shown are estimated year-end and are based on those at the end of 2017/18.

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:

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be*:*

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	20 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 as a bullet payment in March 2021, with the cash being used by the Council to reduce the Capital Financing Requirement at this point.

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 treasury management portfolio as at 31 March 2018 was that the Council held £4,550,000 of cash in Money Market overnight Funds and was external debt free.

The up-dated position at 31st December 2018 was that the Council remained external debt free, with the amount invested in Money Market Funds having increased to £9,550,000. 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 the expected external debt at the end of the year is now forecast as £2,000,000, rather than the £5,000,000 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	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
External Debt					
Debt at 1st April	0	0	2,000	8,000	5,000
Expected change in Debt	0	2,000	6,000	-3,000	0
Other long-term liabilities (OLTL)	0	0	0	0	0
Actual gross debt at 31 March	**0**	**2,000**	**8,000**	**5,000**	**5,000**
The Capital Financing Requirement	**13,524**	**15,387**	**17,488**	**12,205**	**11,331**
Under borrowing	**13,524**	**13,387**	**9,488**	**7,205**	**6,331**

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 2019/20 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

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

3.2 Treasury Indicators: limits to borrowing activity

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

Operational boundary £000	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	15,387	17,488	12,205	11,331
Other long term liabilities	0	0	0	0
Total	**15,387**	**17,488**	**12,205**	**11,331**

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

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

Authorised limit £000	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	10,000	15,000	15,000	10,000
Other long term liabilities	0	0	0	0
Total	**10,000**	**15,000**	**15,000**	**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	Mar-19	Jun-19	Sep-19	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%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

The flow of generally positive economic statistics after the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. Growth became increasingly strong during 2018 until slowing significantly during the last quarter. At their November quarterly Inflation Report meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. On a major assumption that Parliament and the EU agree a Brexit deal in the first quarter of 2019, then the next increase in Bank Rate is forecast to be in May 2019, followed by increases in February and November 2020, before ending up at 2.0% in February 2022.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. However, over about the last 25 years, we have been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, we saw the start of a reversal of this trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth. That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the Fed has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the Fed rate to reach 2.25 – 2.50% in December 2018. It has also continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing, when they mature. We therefore saw US 10 year bond Treasury yields rise above 3.2% during October 2018 and also investors causing a sharp fall in equity prices as they sold out of holding riskier assets. However, by early January 2019, US 10 year bond yields had fallen back considerably on fears that the Fed was being too aggressive in raising interest rates and was going to cause a recession. Equity prices have been very volatile on alternating good and bad news during this period.

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.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. 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 2019/20 but to be on a gently rising trend over the next few years.

- Borrowing interest rates have been volatile so far in 2018-19 and while they were on a rising trend during the first half of the year, they have backtracked since then until early January. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;

- There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-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 2019/20 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 long and short term rates,* (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- *if it was felt that there was a significant risk of a much sharper RISE in long and short term 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 Resources and Finance 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.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Municipal Bond Agency

It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. The Agency hopes that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Authority may make use of this new source of borrowing as and when appropriate.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, if appropriate, would be covered in the Capital Strategy (a separate report), although this Council has none of these at this time.

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 banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix 5.3 under the categories of 'specified' and 'non-specified' investments.

    - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
    - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified 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 which are invested for **longer than 365 days**, (see paragraph 4.4).

9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).

10. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

11. All investments will be denominated in **sterling**.

    As a result of the change in accounting standards for 2018/19 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 1.4.18.)

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 changed 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:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to 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, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product 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 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, 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 2019/20.

- £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 £25 billion 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 £25 billion 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 non-specified investments, countries, groups and sectors.

a) **Non-specified investment 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.

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

c) **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.
Bank Rate is forecast to increase steadily but slowly over the next few years to reach 2.00% by quarter 1 2022. Bank Rate forecasts for financial year ends (March) are:

- 2018/19 0.75%
- 2019/20 1.25%
- 2020/21 1.50%
- 2021/22 2.00%

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:

	Now
2018/19	0.75%
2019/20	1.00%
2020/21	1.50%
2021/22	1.75%
2022/23	1.75%
2023/24	2.00%
Later years	2.50%

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

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	**2019/20**	**2020/21**	**2021/22**
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, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

4.5 Investment 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 2018 our calculated Historic Risk of Default was 0.00% as all of our cash was in MMF and a liquid call account. 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 and MRP statement
2. Economic background
3. Treasury management practice 1 – credit and counterparty risk management (option 1)
4. Approved countries for investments
5. Treasury management scheme of delegation
6. The treasury management role of the Section 151 officer

5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2019/20 – 2021/22 AND MRP STATEMENT

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

5.1.1 Affordability prudential indicators

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

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

%	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Annual Charge	0.919	1.381	6.009	1.412	0.799

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.
- 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 2019/20		
	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 50 years	0%	100%

Maturity structure of variable interest rate borrowing 2019/20		
	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 50 years	0%	100%

5.2 ECONOMIC BACKGROUND

GLOBAL OUTLOOK. World growth has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China and the Eurozone, overall world growth is likely to weaken.

Inflation has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to an acceleration of wage inflation. The US Fed has therefore increased rates nine times and the Bank of England twice. However, the ECB is unlikely to start raising rates until late in 2019 at the earliest.

KEY RISKS - central bank monetary policy measures
Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as quantitative easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that period of stimulating economic recovery and warding off the threat of deflation, is coming towards its close. A new period is well advanced in the US, and started more recently in the UK, of reversing those measures i.e. by raising central rates and, (for the US), reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of a reduction in spare capacity in the economy and of unemployment falling to such low levels, that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this also encouraged investors into a search for yield and into investing in riskier assets such as equities. Consequently, prices in both bond and equity markets rose to historically high valuation levels simultaneously. This meant that both asset categories were exposed to the risk of a sharp downward correction and we did, indeed, see a sharp fall in equity values in the last quarter of 2018. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery, by taking too rapid and too strong action, or, conversely, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.** At the time of writing, (early January 2019), financial markets are very concerned that the Fed is being too aggressive with its policy for raising interest rates and is likely to cause a recession in the US economy.

The world economy also needs to adjust to a sharp change in **liquidity creation** over the last five years where the US has moved from boosting liquidity by QE purchases, to reducing its holdings of debt (currently about $50 billion per month). In addition, the European Central Bank ended its QE purchases in December 2018.

UK. The flow of positive economic statistics since the end of the first quarter of 2018 has shown that pessimism was overdone about the poor growth in quarter 1 when adverse weather caused a temporary downward blip. Quarter 1 at 0.1% growth in

GDP was followed by a return to 0.4% in quarter 2 and by a strong performance in quarter 3 of +0.6%. However, growth in quarter 4 is expected to weaken significantly.

At their November quarterly Inflation Report meeting, the MPC repeated their well-worn phrase that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary of contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time, but declined to give a medium term forecast. However, with so much uncertainty around Brexit, they warned that the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, they warned they could also *raise* Bank Rate in the same scenario if there was a boost to inflation from a devaluation of sterling, increases in import prices and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could potentially provide fiscal stimulus to support economic growth, though at the cost of increasing the budget deficit above currently projected levels.

It is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. Getting parliamentary approval for a Brexit agreement on both sides of the Channel will take well into spring 2019. However, in view of the hawkish stance of the MPC at their November meeting, the next increase in Bank Rate is now forecast to be in May 2019, (on the assumption that a Brexit deal is agreed by both the UK and the EU). The following increases are then forecast to be in February and November 2020 before ending up at 2.0% in February 2022.

Inflation. The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.1% in December 2018. In the November Bank of England quarterly Inflation Report, inflation was forecast to still be marginally above its 2% inflation target two years ahead, (at about 2.1%), given a scenario of minimal increases in Bank Rate.

The **labour market** figures in November were particularly strong with an emphatic increase in total employment of 141,000 over the previous three months, unemployment at 4.0% at a 43 year low on the Independent Labour Organisation measure, and job vacancies hitting an all-time high, indicating that employers are having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation continued at its high point of 3.3%, (3 month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates less CPI inflation), earnings are currently growing by about 1.2%, the highest level since 2009. This 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. This tends to confirm that the MPC was right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

In the **political arena**, the Brexit deal put forward by the Conservative minority government was defeated on 15 January. It is unclear at the time of writing, how this situation will move forward. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to reaching an orderly Brexit though the risks are increasing that it may not be possible to get full agreement by the UK and EU before 29 March 2019, in which case this withdrawal date is likely to be pushed back to a new date. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary and fiscal policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2% (annualised rate) in quarter 1 to 4.2% in quarter 2 and 3.5%, (3.0% y/y), in quarter 3, but also an upturn in inflationary pressures. The strong growth in employment numbers and the reduction in the unemployment rate to 3.9%, near to a recent 49 year low, has fed through to an upturn in wage inflation which hit 3.2% in November. However, CPI inflation overall fell to 2.2% in November and looks to be on a falling trend to drop below the Fed's target of 2% during 2019. The Fed has continued on its series of increases in interest rates with another 0.25% increase in December to between 2.25% and 2.50%, this being the fifth increase in 2018 and the ninth in this cycle. However, they did also reduce their forecast for further increases from three to two. This latest increase compounded investor fears that the Fed is over doing the speed and level of increases in rates and that it is going to cause a US recession as a result. There is also much evidence in previous monetary policy cycles of the Fed's series of increases doing exactly that. Consequently, we have seen stock markets around the world falling under the weight of fears around the Fed's actions, the trade war between the US and China and an expectation that world growth will slow.

The tariff war between the US and China has been generating a lot of heat during 2018; it has the potential to significantly damage world growth if an agreement is not reached during the current three month truce declared by President Trump to hold off from any further tariff increases.

Eurozone. Growth was 0.4% in quarters 1 and 2 but fell back to 0.2% in quarter 3, though this was probably just a temporary dip. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of its manufacturing exports e.g. cars. Current forward indicators for economic growth and inflation have now been on a downward trend for a significant period, which will make it difficult for the ECB to make any start on increasing rates until 2020 at the earliest. Indeed, the issue now is rather whether the ECB will have to resort to new measures to boost liquidity in the economy in order to support growth. Having halved its quantitative easing purchases of debt in October 2018 to €15 billion per month, the European Central Bank ended all further purchases in December 2018. In its January 2019 meeting, it made a point of underlining that it will be fully reinvesting all maturing debt for an extended period of time past the date at which it starts raising the key ECB interest rates.

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 has been made in reducing the rate of credit creation, particularly from the shadow banking sector, which is feeding through into lower economic growth. There are concerns that official economic statistics are inflating the published rate of growth.

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. It is likely that loose monetary policy will endure for some years yet to try to stimulate growth and modest inflation.

Emerging countries. Argentina and Turkey are currently experiencing major headwinds and are facing challenges in external financing requirements well in excess of their reserves of foreign exchange. However, these countries are small in terms of the overall world economy, (around 1% each), so the fallout from the expected recessions in these countries will be minimal.

INTEREST RATE FORECASTS

The interest rate forecasts provided by Link Asset Services in paragraph 3.2 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 due to all the uncertainties around Brexit depressing consumer and business confidence, an agreement is likely to lead to a boost to the rate of growth in 2020 which 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**, 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 was 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. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

However, there would appear to be a majority consensus in the Commons against any form of non-agreement exit so the chance of this occurring has now substantially diminished.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

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 for ten 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 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 monetary policy** 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**, possibly in **Italy**, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. The EU rejected the initial proposed Italian budget and demanded cuts in government spending which the Italian government initially refused. However, a fudge was subsequently agreed, but only by *delaying* the planned increases in expenditure to a later year. This can has therefore only been kicked down the road to a later time. The rating

agencies have started on downgrading Italian debt to one notch above junk level. If Italian debt were to fall below investment grade, many investors would be unable to hold it. Unsurprisingly, investors are becoming increasingly concerned by the words and actions of the Italian government and consequently, Italian bond yields have risen – at a time when the government faces having to refinance large amounts of debt maturing in 2019.

- Weak capitalisation of some **European banks**. Italian banks are particularly vulnerable; one factor is that they hold a high level of Italian government debt - debt which is falling in value. This is therefore undermining their capital ratios and raises the question of whether they will need to raise fresh capital to plug the gap.
- **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 is reviewing whether it can 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, (a new party leader has now been elected). However, this makes little practical difference as she is still expected to aim to continue for now as the Chancellor. However, there are five more state elections coming up in 2019 and EU parliamentary elections in May/June; these could result in a further loss of electoral support for both the CDU and SPD which could also undermine her leadership.
- **Other minority Eurozone governments.** Spain, Portugal, Ireland, the Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile. Sweden is also struggling to form a government due to the anti-immigration party holding the balance of power, and which no other party is willing to form a coalition with. The Belgian coalition collapsed in December 2018 but a minority caretaker government has been appointed until the May EU wide general elections.
- **Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU while **Italy,** in 2018, also elected a strongly anti-immigration government. Elections to the EU parliament are due in May/June 2019.
- Further increases in interest rates in the US could spark a **sudden flight of investment funds** from more risky assets e.g. shares, into bonds yielding a much improved yield. Throughout the last quarter of 2018, we saw sharp falls in equity markets interspersed with occasional partial rallies. Emerging countries which have borrowed heavily in dollar denominated debt, could be particularly exposed to this risk of an investor flight to safe havens e.g. UK gilts.
- 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 now 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,** especially 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 both sides were to agree by 29 March a compromise that quickly removed all threats of economic and political disruption and so led to an early boost to UK economic growth.
- **The Fed causing a sudden shock in financial markets** through misjudging the pace and strength of increases in its Fed Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflation 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.

Brexit timetable and process

- March 2017: UK government notified the European Council of its intention to leave under the Treaty on European Union Article 50 on 29 March 2019.
- 25.11.18 EU27 leaders endorsed the withdrawal agreement
- Dec 2018 vote in the UK Parliament on the agreement was postponed
- 21.12.18 – 8.01.19 UK parliamentary recess
- 15.01.19 Brexit deal defeated in the Commons vote by a large margin
- 28.01.19 Second vote on a slightly amended deal
- By 29.03.19 another vote (?) in UK parliament
- By 29.03.19 if the UK Parliament approves a deal, then ratification by the EU Parliament requires a simple majority
- By 29.03.19 if the UK and EU parliaments agree the deal, the EU Council needs to approve the deal; 20 countries representing 65% of the EU population must agree
- 29.03.19 Either the UK leaves the EU, or asks the EU for agreement to an extension of the Article 50 period if the UK Parliament has been unable to agree on a Brexit deal.
- 29.03.19: if an agreement is reached with the EU on the terms of Brexit, then this will be followed by a proposed **transitional period ending around December 2020.**
- UK continues as a full EU member until March 2019 with access to the single market and tariff free trade between the EU and UK. Different sectors of the UK economy may leave the single market and tariff free trade at different times during the transitional period.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.

- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK could also exit without any such agreements in the event of a breakdown of negotiations.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On full exit from the EU: the UK parliament would repeal the 1972 European Communities Act.

5.3 TREASURY MANAGEMENT PRACTICE (TMP) – 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. A maximum of £1 million will be held in aggregate in non-specified investment.

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

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

	Minimum credit criteria / colour band	**£ limit per institution**	**Max. maturity period**
DMADF – UK Government	N/A	unlimited	6 months
Bonds issued by multilateral development banks	AAA (or state your criteria if different)	£5 million	6 months
Money Market Funds CNAV	AAA	£5 million	Liquid
Money Market Funds LNVAV	AAA	£5 million	Liquid
Money Market Funds LVNAV	AAA	£5 million	Liquid
Money Market Funds VNAV	AAA	£5 million	Liquid
Local authorities	N/A	£5 million	12 months
Term deposits with banks and building societies	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
Term deposits with UK part nationalised banks	See above		

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.

NON-SPECIFIED INVESTMENTS: A maximum of £1 million will be held in aggregate in non-specified investment

1. Maturities of ANY period

	*** Minimum Credit Criteria**	**Use**	**Maximum investment**	**Max. maturity period**
Fixed term deposits with variable rate and variable maturities: - Structured deposits	Orange	In-house	£1 million	1 Year

2. Maturities in excess of 1 year

	*** Minimum Credit Criteria**	**Use**	**Maximum investment**	**Max. maturity period**
Term deposits – local authorities	--	In-house	£1 million	Unlimited
Term deposits – banks and building societies	Purple	In-house	£1 million	2 Years

5.4 APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, 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)
- France
- Hong Kong
- 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) Resources and Finance 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 Section 151 Officer (as the person with 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, non-financial investments and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices that specifically deal with how non-treasury investments will be carried out and managed.

APPENDIX B

FINANCIAL REGULATIONS AND FINANCIAL PROCEDURE RULES

Committee: Resources and Finance Committee

Date: 28th January 2019

Author: Finance Manager

[T190]

1. ISSUE

In the Council's Constitution it states within Finance Procedure Rules (page 4(25)) that that detailed Finance Procedures will follow. These until now have not been available.

2. RECOMMENDATION (S)

2.1 Members are asked to recommend to Full Council the adoption of the new Financial Regulations and Financial Procedure Rules.

3. BACKGROUND/OPTIONS

3.1 As part of the Constitution, Finance Procedure Rules need to be approved for adoption by Full Council. However, it is felt appropriate to bring these to this Committee first to ensure that a full review takes place of the new content before being presented to Council.

3.2 In drafting the new detailed Financial Procedure Rules, it is important that these work in partnership with the Financial Procedure Rules currently in the Constitution, so I have amended these at the same time.

4. ARGUMENTS/CONCLUSIONS

4.1 The current Financial Procedure Rules have been renamed Financial Regulations to remove any confusion between the two documents.

4.2 The new Financial Procedure Rules, are not changing any of the practices operated by the Council, but simply documenting these for future reference and a guide to assess future practice against.

4.3 Internal Audit have reviewed the documents and are comfortable that they both mirror current processes and provide a best practice approach to financial management moving forward.

4.4 Management Team have also reviewed the documents and are comfortable with the responsibilities that these documents place on them and their teams.

5 APPENDICIES

5.1 Draft Financial Regulations
5.2 Draft Financial Procedure Rules

Background Documents	Location	Contact Officer
	Room 206 The Grange Ely	Ian Smith Finance Manager Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk

3. BUDGET AND POLICY FRAMEWORK PROCEDURES

3.1 **The framework for decision making**

The Council will be responsible for the adoption of its budget and policy framework as set out in Article 4. Once a budget or a policy framework is in place, it will be the responsibility of the Policy Committees to implement it.

3.2 **Process for developing the framework**

(a) The Council will produce annually a programme for establishing the budget and policy framework for the following year.

(b) The policy and budget framework presented to Council will be available for public consultation. As part of this public consultation, the Council will consult with local businesses.

(c) In approving the policy and budgetary framework, the Council will also specify the extent of virement within the budget and degree of in-year changes to the policy framework, which may be undertaken by Policy Committees, in accordance with its Financial Regulations. Any other changes to the policy and budgetary framework are reserved to the Council.

4. FINANCIAL REGULATIONS

1.0 INTRODUCTION

1.1 The purpose of the Council's Financial Regulations is to provide the framework for managing the Council's financial affairs. They apply to every Member and officer of the Council and anyone acting on its behalf.

1.2 Every officer has a responsibility to read and be familiar with these Regulations. Non-compliance may be considered to be a disciplinary offence and will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

1.3 It is the responsibility of the Chief Executive or Directors (to ensure that all staff under their control are aware of the Council's Financial Regulations and other internal regulatory documents and that they comply with them. They shall also ensure that an adequate number of copies are available for reference within their departments.

1.4 The Financial Regulations identify the financial responsibilities of the Council, the Resources & Finance Committee, the Chief Executive as Head of Paid Service, the Monitoring Officer, the Chief Finance Officer, Directors and Service Leads. The Council shall maintain a written record where decision-making has been delegated to members of staff, including seconded staff.

1.5 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

1.6 The Chief Finance Officer shall maintain a continuous review of the Financial Regulations and submit any additions or changes necessary to the Council for approval. The Chief Finance Officer shall also report, where appropriate, breaches of the Financial Regulations to the Council.

1.7 Detailed Financial Procedure Rules setting out how the Financial Regulations will be implemented/applied are contained as an appendix to these Regulations.

1.8 The Chief Finance Officer will also issue advice, guidance and procedures to underpin the Financial Regulations that Members, officers and others acting on behalf of the Council are required to follow.

2.0 FINANCIAL MANAGEMENT

2.1 Introduction

2.2 Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

3.0 THE COUNCIL

3.1 The Council is responsible for adopting and approving the budget within which the Council operates. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control.

4.0 THE STATUTORY OFFICERS

4.1 Head of Paid Service

The Council's Head of Paid Service for the purposes of Section 4 of the Local Government and Housing Act 1989 is the Chief Executive.

4.2 Monitoring Officer

The Monitoring Officer, together with the Chief Finance Officer is also responsible for advising the Council whether a decision is likely to be considered contrary to or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

(i) initiating a new policy
(ii) committing expenditure above the budget level
(iii) incurring interdepartmental transfers above virement limits
(iv) causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

4.3 The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the authority. This is a statutory responsibility and cannot be overridden. The statutory duties arise from:

(i) Section 151 of the Local Government Act 1972
(ii) The Local Government Finance Act 1988
(iii) The Local Government and Housing Act 1989
(iv) The Accounts and Audit Regulations 2003 (SI 2003/533)

4.4 The Chief Finance Officer is responsible for:

(i) the proper administration of the authority's financial affairs
(ii) setting and monitoring compliance with financial management standards
(iii) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
(iv) providing financial information
(v) preparing the revenue budget and capital programme
(vi) treasury management.

4.5 In accordance with Section 114 of the Local Government Finance Act 1988 the Chief Finance Officer shall report to the Council and the external auditor if the Authority or one of its officers:

(i) has made, or is about to make, a decision which involves incurring unlawful expenditure
(ii) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
(iii) is about to make an unlawful entry in the authority's accounts.

4.6 The Chief Finance Officer shall in accordance with Section 114 of the 1988 Act nominate a properly qualified member of staff (if available) to deputise should he or she be unable to perform the duties under Section 114 personally.

4.7 The Chief Finance Officer shall report to Council where insufficient staff, accommodation or other resources, including legal advice where necessary, are provided for him to properly carry out his duties under Section 114.

4.8 The Chief Executive and the Services Lead shall ensure that members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer

4.9 These officers shall consult with the Chief Finance Officer and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.

5.0 OTHER FINANCIAL ACCOUNTABILITIES

5.1 The Council may agree procedures for virement of expenditure between budget headings.

5.2 There is to be a presumption against additions to the budget being made other than through the annual budget round as described below at 6.1. In the normal course of events, the only such supplementary estimates that would be approved would be to meet the costs arising from unforeseen and/or unavoidable eventualities that cannot be accommodated by the normal virement process. The approval by Resources & Finance Committee of such supplementary estimates would be conditional on the formulation of an appropriate recovery plan to protect the overall financial position of the Council.

5.3 Without the prior approval of Resources & Finance Committee:

(a) In the normal course of events it is recognised that spending commitments may be entered into that cause a budget to become overspent due to a necessary response to emergencies, statutory requirements, statutory entitlements, or other imperatives of the service. Such variances, however, must be reported to the Chairman and Group Spokespersons of the relevant Policy Committee and Resources & Finance Committee at the earliest opportunity and brought to the next relevant Policy Committee meeting and subsequent Resources & Finance Committee meeting for confirmation of the corrective action proposed.

(b) Any savings arising from the late or delayed start of new projects or initiatives are to be returned to the central contingency fund.

(c) Unforeseen savings against budget (through unexpected reductions in cost or non-volume driven increases in income) are to be returned to the central contingency fund.

5.4 With Resources & Finance Committee's prior approval, 50% of planned, or engineered, savings against budget can be used to support non-recurring budgets elsewhere within a Policy Committee's remit; the balance shall be returned to the central contingency fund.

5.5 Service development proposals exceeding £25,000, including improvement and change options arising from service plans, must be accompanied by a detailed financial appraisal setting out any external funding streams and the long-term financial implications for the Council.

5.6 Policy Committees shall receive quarterly budget monitoring reports with a requirement to consider outturn projections including virements approved under the mechanisms set out above.

5.7 Resources & Finance Committee shall be responsible for the management of the liabilities and duties arising under Section 106 agreements. Regular reports will be submitted to the Committee detailing those commitments and the relevant available funds.

5.8 Accounting Policies

The Chief Finance Officer shall select appropriate accounting policies and ensure that they are applied consistently.

5.9 Accounting Records and Returns

The Chief Finance Officer shall determine the accounting procedures and records for the authority.

5.10 The Annual Statement of Accounts

The Chief Finance Officer shall ensure that the annual Statement of Accounts is prepared in accordance with relevant legislation and the Codes of Practice. The Resources & Finance Committee shall approve the annual Statement of Accounts.

6.0 FINANCIAL PLANNING

6.1 Preparation of the Revenue Budget

The Resources & Finance Committee will set the parameters for each Committee's budget including:

(a) provision for increases in cost for inflation
(b) provision to cover specific volume changes in services caused directly by population changes
(c) efficiency cost reduction targets
(d) variations in budget to be delivered through service adjustments
(e) funding of service development proposals arising from the Service Plan process.

The December meeting of the Resources and Finance Committee will consider any changes required to policies on the collection of Council Tax or Business Rates, such as rules on discounts and reductions.

The January meeting of Committee will consider the overall budget, with the budget report detailing:

- Government Funding,

- Budget Assumptions
  - provision for increases in cost for inflation and volume changes
  - variations in budget to be delivered through service adjustments, including the funding of service development proposals,
- Collection of Council Tax and Business Rate, including the Council Tax base,
- Council Reserves,
- Fees and charges,
- Capital Programme,
- Risk and Sensitivity,
- Medium Term Financial Strategy,

- And then in a separate, but linked report, the Council's Treasury Management Strategy.

6.2 **Guidelines**

Guidelines on budget preparation shall be issued to Members and officers by the Chief Finance Officer following agreement with the Resources & Finance Committee.

The guidelines shall take account, as appropriate, of:

(i) available resources
(ii) legal requirements
(iii) medium-term financial planning prospects
(iv) the corporate plan
(v) spending pressures
(vi) best value and other relevant government guidelines
(vii) other internal policy documents
(viii) cross-cutting issues.

6.3 **Preparation of the Capital Programme**

The Chief Finance Officer shall ensure that a capital programme is prepared on an annual basis for consideration by Resources & Finance Committee at its January meeting before submission to the Council.

6.4 **Budget Monitoring and Control**

It is the responsibility of the Chief Executive, Directors and Service Leads to control income and expenditure within their area and monitor performance, taking account of financial information provided by the Chief Finance Officer. They shall report on material variances within their own areas. They shall also take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer to any problems.

The Chief Finance Officer shall provide appropriate financial information to enable both revenue and capital budgets to be monitored effectively. The Chief Finance Officer shall also monitor and control expenditure against budget allocations and report to Resources & Finance Committee on the overall position on a quarterly basis.

6.5 **Maintenance of Reserves**

The Chief Finance Officer shall advise the Resources & Finance Committee and the Council on prudent levels of reserves for the Council.

7.0 RISK MANAGEMENT AND CONTROL OF RESOURCES

Introduction

7.1 The Council will develop and maintain robust, integrated systems for identifying and evaluating all significant operational risks to the Council. This will include the proactive participation of all those associated with planning and delivering services.

Risk Management

7.2 The Resources & Finance Committee is responsible for approving the Council's Risk Management Policy and for reviewing the effectiveness of risk management. The Chief Finance Officer shall ensure that the Council has proper arrangements for insurance.

7.3 The Chief Executive shall prepare the Council's Risk Management Policy and promote it throughout the organisation.

Internal Control

7.4 The Chief Finance Officer shall advise on effective systems of internal control. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

7.5 The Chief Executive, Directors and Service Leads shall establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

Audit Requirements

7.6 The Accounts and Audit Regulations 2015 issued by the Secretary of State for the Environment require every local authority to maintain an adequate and effective internal audit. The Council has designated responsibility for this function to the Chief Finance Officer.

7.7 The Head of Internal Audit, in consultation with the Chief Finance Officer shall maintain a two year Strategic Plan from which an Annual Audit Plan will be prepared detailing the areas of audit coverage for the following year.

7.8 The Council is responsible for appointing its external auditors. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.

7.9 The authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

Preventing Fraud and Corruption

7.10 The Chief Finance Officer, in consultation with Head of Internal Audit, shall develop and maintain an anti-fraud and anti-corruption strategy.

Assets

7.11 The Chief Executive or Directors or Service Lead shall ensure that records and assets are properly maintained and securely held. They shall also ensure that contingency plans are in place for the security of assets and continuity of service in the event of disaster or system failure.

Treasury Management

7.12 The Council shall adopt the key recommendations contained in CIPFA's Treasury Management in Public Services: Code of Practice 2001.

7.13 To ensure effective treasury management the Council shall maintain:

(i) a Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities

(ii) treasury management practices, setting out the manner in which the Council will seek to achieve the policies and objectives and how it will control activities

7.14 Full Council shall receive reports on the Council's Treasury Management and Annual Investment Strategy policies, practices and activities including, as a minimum, an annual strategy plan, in advance of the year, a mid-year position statement and an annual report after its close in the form prescribed in the Treasury Management Practices.

7.15 The Chief Finance Officer shall have delegated responsibility for the execution and administration of treasury management decisions in accordance with the Policy Statement, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

8.0 SYSTEMS AND PROCEDURES

Introduction

8.1 Sound systems and procedures are essential to an effective framework of accountability and control.

General

8.2 The Chief Finance Officer is responsible for the operation of the Authority's accounting systems, the form of accounts and the supporting financial records. No changes may be made by the Chief Executive or Directors or Service Leads to existing financial systems or new systems established without the approval of the Chief Finance Officer. The Chief Executive or Directors or Service Lead are responsible for the proper operation of financial processes within their areas of responsibility.

8.3 The Chief Executive or Directors or Service Leads shall ensure that their staff receive relevant financial training as may be approved from time to time by the Chief Finance Officer.

Income and Expenditure

8.4 The Chief Executive or Directors or Service Lead shall ensure that a proper scheme of delegation has been established within their areas of responsibility and that it is operating effectively. The internal schemes of delegation shall identify members of staff authorised to act on behalf of the Chief Executive or Directors or Service Leads, or on behalf of the Council, in respect of payments, income collection and placing orders, together with the limits of their authority. The Resources & Finance Committee is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

Payments to Employees and Members

8.5 The Chief Executive or Directors or Service Leads shall approve all payments relating to salaries, wages, travelling expenses etc. of their staff in accordance with the approved list of authorised signatories.

8.6 The Chief Finance Officer is responsible for all payments of salaries, wages, travelling expenses etc. to staff, and payments of allowances to members, this via the outsourced contract with Midlands HR.

Taxation

8.7 The Chief Finance Officer shall advise the Chief Executive or Directors or Service Lead in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues which may affect the Council.

8.8 The Chief Finance Officer shall maintain the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Trading Accounts

8.9 The Chief Finance Officer shall give advice on the operation of existing trading accounts. No changes may be made to existing trading accounts without the approval of the Chief Finance Officer.

8.10 No new trading accounts may be established by the Chief Executive or Directors or Service Lead without the approval of the Chief Finance Officer.

9.0 EXTERNAL ARRANGEMENTS

Partnerships

9.1 The Chief Executive or Directors or Service Lead shall not enter into any partnerships or joint ventures without first consulting the Chief Finance Officer.

9.2 The Chief Finance Officer shall ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. The Chief Finance Officer shall also consider the overall corporate arrangements and legal issues when arranging contracts with external bodies, and shall ensure that the risks have been fully appraised before agreements are entered into with external bodies.

9.3 The Chief Executive or Directors or Service Leads shall ensure that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

External Funding

9.4 The Chief Finance Officer shall ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.

10.0 FINANCIAL PROCEDURE RULES

10.1 Financial Procedures Rules set out in detail the requirements of the Council's financial processes and are intended to support these Financial Regulations.

10.2 The Financial Procedure Rules are working documents and therefore they will develop/change as good practice determines. The Chief Finance Officer shall periodically issue an updated copy of the procedures.

10.3 The Chief Executive or Directors or Service Lead are required to ensure that all staff adhere to the Financial Regulations and finance procedure rules, and are responsible for ensuring that staff are adequately trained in their application. A current version shall also be placed on the Council's intranet site.

10.4 The Financial Procedure Rules cover guidance in the following areas:

General guidance
Statutory requirements

FINANCIAL MANAGEMENT

FINANCIAL SYSTEMS

Accounting Systems
All Financial Systems

REVENUE BUDGETS

Setting a Budget
Incurring Expenditure and Virements
Controlling Expenditure and Income
Reserves
Monitoring Expenditure
Reporting the Outturn

CAPITAL BUDGET

Setting a Budget
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Incurring Expenditure

EAST CAMBS FINANCIAL PROCEDURE RULES

CONTENTS

EAST CAMBS FINANCIAL PROCEDURE RULES

1. INTRODUCTION AND STATUTORY REQUIREMENTS

General guidance

1.1 Financial Procedure Rules (FPRs) exist to regulate the way in which the Council manages its financial affairs. This is a necessary discipline in any organisation and particularly in the public sector where there are expectations for the proper use and management of public money and where there is legislation which determines the purposes for which the Council can incur expenditure.

1.2 Under Section 151 of the 1972 Local Government Act, the Council has a specific statutory responsibility, through the Chief Finance Officer (CFO), for the "…..proper administration of its financial affairs". At East Cambs, the Finance Manager is the designated CFO, or Chief Finance Officer.

1.3 Essentially these rules set out the framework of responsibilities and requirements across the whole range of the Council's financial affairs and in doing so their content inevitably covers a range of Council employees.

1.4 All employees, at whatever level in the Council, should be aware of these FPRs, and Directors and Service Leads in particular should have a good knowledge of the detail.

1.5 The rules cover a number of areas and these are listed in the contents. In the event that circumstances are not covered in these rules, the Chief Finance Officer and Monitoring Officer will advise as to the appropriate course of action.

1.6 These Financial Procedure Rules must be adhered to at all times. All Directors are accountable to the Chief Finance Officer for compliance with these Rules. The Chief Finance Officer is, in turn, accountable to the Council. All Officers with delegated responsibility for undertaking financial duties are accountable to their Director for compliance with these Rules.

1.7 Should a material unauthorised breach of these Rules come to light then it must be reported immediately to the Chief Finance Officer.

1.8 These Rules assign responsibilities to Directors and to the Chief Finance Officer, and generally do not assign responsibilities to individual nominated post holders (except, occasionally, where it is helpful to do so). The Chief Finance Officer and Directors may delegate responsibilities assigned to them under these Rules. In particular, the Chief Finance Officer may delegate responsibilities to other Finance staff.

Statutory requirements

<u>Section 114 Local Government Finance Act 1988</u>

1.9 Section 114 of the Local Government Finance Act 1988 imposes certain duties on the Chief Finance Officer. The Chief Finance Officer shall make a report under this Section if the Council, Members or officers or a Joint Committee on which the Council is represented:

a) has made or is about to make a decision which involves or which would involve the Council incurring expenditure which is unlawful;

b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Council; or

c) is about to enter an item of account, the entry of which is unlawful.

1.10 The Chief Finance Officer shall make a report under this Section if it appears that the expenditure the Council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

1.11 In making a report under this Section, the Chief Finance Officer shall consult, as far as is practicable, with the Head of Paid Service and the Monitoring Officer.

1.11.1 Where the Chief Finance Officer makes a report under Section 114 it shall be sent to:

a) the external auditor;

b) each member of the Council.

1.12 The Council shall consider the report within 21 days of issue and is prohibited from taking the course of action which is the subject of the report prior to that meeting taking place. The external auditor shall be informed of the date of the meeting and of any decisions made at the meeting.

Section 27 Accounts and Audit Regulations 2011

1.13 The Council's Committee with responsibility for Audit shall receive and consider the external auditor's annual audit letter on the completion of the Council's accounts. It shall be the responsibility of this Committee to ensure that any audit recommendations in the report are followed up and that the annual audit letter is published.

2. FINANCIAL MANAGEMENT

2.1 The Council is responsible for setting the overall financial framework and approving the Financial Procedure Rules which govern how the Council operates and appointing an appropriately qualified Chief Finance Officer to oversee the Council's financial administration.

2.2 The Council has nominated a Committee to be responsible for overseeing matters relating to the Council's financial (capital and revenue) resources. The

Committee's duties include recommending to Council policies on the overall control, monitoring, planning and allocation of its financial resources.

2.3 The Finance Manager as the Council's financial adviser shall:

a) report to Committee and Council on resource availability, generation and allocation, financial policies and keep Committee informed with respect to the Council's finances and financial performance;

b) advise Committee and Council on maintaining adequate levels of reserves;

c) advise Committee on the financial implications of proposals submitted to them;

d) approve all accounting procedures, records and systems of the Council and its officers; and

e) report the facts immediately to Committee where it appears likely during the year that a material variation in a service's expenditure or income is likely to occur.

2.4 Directors are responsible for:

a) the financial administration of their Services, in compliance with these Financial Procedure Rules and ensuring that records and systems are properly maintained;

b) the monitoring and control of expenditure and income against their capital and revenue budgets;

c) taking necessary action to avoid exceeding their budget allocation and promptly notifying the Finance Manager of any significant forecast variations.

2.5 Directors shall:

a) provide all information required by the Finance Manager and allow the Finance Manager access to all information, records and documents that he requires, before submitting them for approval to Members;

b) allow the Finance Manager adequate opportunity to provide written comments for inclusion in any report which has financial implications;

c) inform the Finance Manager when officers intend to meet representatives of Government Departments or outside bodies on matters which may involve current or future financial or economic proposals and be given the opportunity of being represented or advised of the outcome of the proposals as the Finance Manager considers necessary;

d) consult the Finance Manager on any matter which is likely to affect the finances or financial systems of the Council before any commitment is incurred or before a report is submitted to Council or to a policy committee;

e) inform the Finance Manager of service developments or amendments to existing services which involve additional expenditure or loss of income and prepare a report for the relevant Committee for approval if applicable. This report to include a statement of the financial implications prepared in conjunction with and approved by the Finance Manager;

f) be responsible for accountability and the efficient use of all resources within their Services.

2.6 Budget Holders shall be responsible for:

a) monitoring and control of expenditure and income against their capital and revenue budgets and complying with corporate monitoring and reporting timetables;

b) taking necessary action to avoid exceeding their budget allocation;

c) authorising/certifying financial transactions relevant to their level of responsibility;

d) promptly notifying the relevant Director and the Finance Manager of any significant forecast variations.

3. FINANCIAL SYSTEMS

Accounting Systems

3.1 The Finance Manager is responsible for the provision of a corporate financial system, where the Council's accounts are maintained, including the details of the Council's budget, and the monitoring of expenditure and income against this. The Council's current Financial System is Agresso.

3.2 Directors and Service Leads are responsible for ensuring Agresso accurately records the financial transactions of their functions, and for complying with any guidance issued by the Finance Manager.

3.3 Directors and Service Leads shall ensure that transactions are recorded in a manner which complies with proper accounting practices, enables returns to be made to taxation authorities, and complies with other legal requirements. The Finance Manager shall give whatever guidance is necessary to ensure that this obligation can be fulfilled.

3.4 All officers shall use Agresso as the prime means of monitoring expenditure and income in their services and for comparing spending against budget. Officers may keep such subsidiary information and records as they feel necessary to effectively monitor expenditure, income and commitments, and to support returns made to the taxation authorities, but these must be regularly reconciled to the main Agresso system.

3.5 The following principles shall be observed in the allocation of accounting duties:

a) the duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;

b) officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

c) the Finance Manager shall make such recommendations to the relevant Committee regarding the accounting system and financial operation of any Directorate as deemed necessary.

All Financial Systems

3.6 Officers may not make changes to financial systems without the agreement of the Finance Manager.

3.7 Proposals for changes in staffing and organisational arrangements relating to the operation of financial systems (e.g. introduction of a new payment mechanism for supplies) shall also be agreed with the Finance Manager prior to implementation. The Finance Manager may waive these requirements for consultation in circumstances where he or she is satisfied that change will not prejudice the proper administration of the Council’s financial affairs.

3.8 Each Director shall be responsible for the effective operation of financial systems to the extent that they are operated or controlled within their services and shall ensure proper security and confidentiality including adherence to the requirements of Data Protection and other information legislation.

3.9 Each Director shall monitor the effectiveness of financial systems in his or her services and shall in particular ensure that financial systems discharge the Finance Manager’s duty to ensure that there is proper administration of the Council’s financial affairs. Where Directors believe that systems are ineffective, they shall report the matter to the Finance Manager who will report the findings to the relevant Committee (that which acts as the Council’s Audit Committee) at the earliest opportunity.

4. REVENUE BUDGETS

Setting a Budget

4.1 The Council shall set the Council Tax level and approve a budget each year by the end of February. The relevant Committee will recommend a budget to

Council. The recommended budget from Committee to Council shall, as a minimum, contain:

a) the proposed Council Tax requirement;
b) the proposed use of reserves and appropriate level for the General Fund reserve;
c) the proposed band D Council Tax;
d) spending plans for directorates;
e) a view of the medium term financial position;
f) an analysis of financial risks that might impact on the budget; and
g) the results of consultation.

For the purposes of these rules, the budget includes spending plans for each Directorate, corporate financing costs and the resources available by means of General Fund and earmarked reserves.

4.2 Budget proposals shall be submitted to Members, accompanied by a report from the Finance Manager. This report shall:

a) identify proposed developments and any savings;

b) report to the relevant Committee on resource availability, generation and allocation, financial policies and keep the Committee informed with respect to the Council's finances and financial performance;

c) advise the relevant Committee and Council on maintaining adequate levels of reserves.

4.3 The Finance Manager shall present, for consideration not later than 31st January in each year, to the relevant Committee a draft budget for the following financial year. The Chief Finance Officer shall then further reflect the views of Committee when presenting the final budget report for approval by the Council not later than 28th February in each year.

4.4 The Chief Finance Officer shall ensure that a detailed budget is correctly recorded on Agresso, as soon as practicable after the budget is approved by the Council.

Incurring Expenditure and Virements

4.5 Officers are responsible for working within their service budget set by Council. Directors are authorised to incur expenditure on services for which there is approved budget provision i.e. there is capacity within their functional budget ceiling. Financial and Contract Procedure Rules must be complied with when expenditure is incurred.

4.6 Directors are authorised to vire sums of money within functional budgets without limit, providing such virement does not give rise to a change of Council policy. This means for example that a stationery budget may be converted to a travel budget within the same function.

4.7 Directors are authorised to vire money between any two functional budgets within their directorate budgets to a maximum limit of £25,000, provided such virement does not give rise to a change of Council policy or the overall Directorate budget is not overspent as a whole.

4.8 The Chief Executive and Chief Finance officer are authorised, at the request of Directors, to vire up to £50,000 between any two functional budgets (e.g. leisure services to housing services) within a directorate or across directorates provided that the virement does not give rise to a change in Council policy and the overall Directorate budget (or both if it is a transfer) is not overspent as a whole. In approving such transfers, officers will have regard to the overall budget position of the Council. Virements may not be approved if the achievement of under spends in some functions is integral to meeting overspends in other areas.

4.9 Virements between functional budgets undertaken by Directors or approved by the Chief Executive / Chief Finance Officer must be reported to the relevant Committee with the next quarterly monitoring report.

4.10 Where the Council receives ring-fenced grant income, other than that identified in the approved budget, an additional budget will be created and Directors be allowed to incur expenditure in line with the conditions of the grant. The relevant Committee or Council approval is not required as the Council has no discretion how funds are used.

4.11 Where Directors wish to increase a functional budget by over £50,000 they must seek approval in advance from the relevant Committee for the virement to cover any increase. The request must include:

a) the reason for the request
b) the amount requested
c) the implications of the request being refused
d) the particular source of funding being requested if applicable
e) a description of attempts made to identify savings to offset the request for extra funds

4.12 The relevant Committee can approve virements in any functional budget of up to £150,000 in any one year. Changes above £150,000 must be approved by Council on a recommendation from the relevant Committee. In approving requests, Committee or Council may agree the use of earmarked reserves or make virements between directorates.

4.13 The relevant Committee or Council will decide whether functional budgets can be increased. Requests may be:

a) agreed unconditionally
b) agreed with conditions – for example that the overall Directorate must remain underspent or savings must be found elsewhere;
c) refused – outright or subject to further work

4.14 At the end of any quarter or earlier if appropriate, Officers may identify (given the Council's statutory requirements to deliver certain services and to respond at short notice to demand increases) that their Directorate budget is forecast to be overspent OR a particular functional budget is forecast to be overspent by £50,000. In either case, the budget monitoring report to the relevant Committee and the relevant policy committee where relevant (or Council if the overspend is in excess of £500,000) must include full details including:

a) the reason for the overspend in each function where budgets are £50k over OR the reason for the Directorate overspend where no functional budget is £50,000 overspent
b) steps being taken to address the overspend and restore the Directorate expenditure plans to be within budget
c) the particular source of additional funding being requested if applicable
d) a description of attempts made to identify savings to offset the request for extra funds

4.15 Where Officers have reported on issues in one quarter, e.g. a Directorate or functional budget is overspent, then an update should be provided in subsequent quarters.

4.16 Officers are responsible, in consultation with their Director and if necessary the Chief Executive, for determining whether a proposed virement would give rise to a change of Council policy. If this is deemed to be the case then the Monitoring Officer will advise as to whether the relevant Committee or Council approval is required.

4.17 Movement of money between functional budget ceilings is not virement to the extent that it reflects changes in management responsibility for the delivery of services. E.g. transfer of services from one directorate to another.

4.18 The Chief Finance Officer may also vire money between functional budget ceilings where such movements represent changes in accounting policy, or other changes which do not affect the amounts available for service provision.

4.19 Where budgeted expenditure is to be met by grant income, Officers are responsible for complying with the conditions of grant. This includes making arrangements for the appropriate retention of documents, including clear working papers, for audit purposes

Controlling Expenditure and Income

4.20 Each Director is responsible for:

a) managing the cost of each of the services within their Directorate budget within its cash limit;
b) ensuring, as far as possible, that their Directorate budget is not overspent in total;
c) taking action to control expenditure.

4.21 Each Director is responsible for ensuring that there is a nominated budget manager responsible for controlling each cost centre budget and each functional budget within their departmental budget.

4.22 When nominating budget managers, Directors shall align budgetary accountability with managerial responsibility for use of resources as closely as possible.

4.23 Budget managers are responsible for ensuring that the budget for which they are responsible is not overspent (or under-recovered) and are accountable to their Director (through normal line management arrangements) in this regard.

Reserves

4.24 The Council's budget management framework allows for the creation of earmarked reserves to meet specific purposes.

4.25 Earmarked reserves may be created or dissolved by Council. In creating a reserve, the purpose of the reserve must be clear and a maximum limit for the reserve must be set.

4.26 The Chief Finance Officer is authorised to approve transfers from earmarked reserves without limits on the basis that use of the reserve is consistent with its original purpose.

4.27 The Chief Finance Officer can determine whether any additions/reductions should be made to earmarked reserves as long as the maximum limit in any one reserve is not exceeded.

4.28 The Council shall have a budget carry forward reserve, known as the Surplus Savings Reserve, where any under spent resources shall be transferred to be carried forward to assist in the funding of services in future years. Details of this reserve (both the balance and planned use) will be provided to the relevant Committee and Full Council when approving the budget each year.

Monitoring Expenditure

4.29 Each Officer shall report progress on the implementation of his/her budget to the Chief Finance Officer, in such manner and to such timescales specified for the purposes of financial monitoring.

4.30 The Chief Finance Officer shall report quarterly on progress of the achievement of the budget to policy committees and the relevant Committee.

4.31 The relevant Committee will review the Council's financial performance at quarterly intervals, or more frequently if required, and will give clear direction on actions to be taken in relation to any forecast variations from the approved budget. The relevant Committee and policy committees shall hold Directors to account for their management and use of resources and may seek explanatory information from Directors as required.

Reporting the Outturn

4.32 The Chief Finance Officer shall report the revenue outturn to the relevant Committee by the end of June following the end of the financial year.

4.33 Each Director shall supply such information and explanations to the Chief Finance Officer as is requested for the purpose of this report.

4.34 The relevant Committee shall hold Directors to account for their management and use of resources during the course of the year and may seek further information from directors as it sees fit.

5. CAPITAL BUDGET

Setting a budget

5.1 The Chief Finance Officer is responsible for recommending a capital programme to the relevant Committee each year.

5.2 Each scheme within the capital programme shall be appraised by the Chief Finance Officer and approval sought from the relevant Committee as part of the overall capital programme or through separate reports submitted in year.

5.3 Details of each scheme within the approved capital programme shall be appraised by Directors or any other group set up for this purpose prior to being submitted to the relevant Committee for approval before any expenditure is incurred. The appraisal and report to Committee shall include:

a) the purpose and objective of the project;

b) alternative methods of achieving the outcome, if possible;

c) whether approval is sought for design, and/or land acquisition or construction;

d) the estimated capital cost (including fees) at outturn prices and projected phasing of expenditure;

e) scheme specific project officers;

f) initial and on-going revenue implications;

g) key dates;

h) external finance e.g. capital grant, developer's contribution, borrowing; and

i) potential for the generation of capital resources through receipts etc.

5.4 The capital programme may consist of:

a) appraised schemes for which specific sums of money are provided based on cost estimates;

b) provisional funding for schemes yet to be developed or approved by the relevant Committee; or

c) a combination of the two.

5.5 The relevant Committee shall recommend a capital programme to Council prior to the beginning of each year. The programme will cover the budget year and three subsequent years. The Council shall approve the capital programme.

5.6 When submitting a capital programme to Committee, the Chief Finance Officer (or Directors as the case may be) shall identify the following:

a) details of approved projects and their basis of funding;

b) details of funding available for unapproved projects;

c) the revenue consequences of any borrowing;

d) the revenue consequences of any schemes apart from the cost of borrowing;

e) the extent to which borrowing is affordable, sustainable and prudent with reference to such indicators as the Chief Finance Officer believes appropriate;

f) the extent of any pre-commitment of capital resources in years beyond the plan;

Additions and Amendments to Capital Programme

5.7 Any proposal to amend the capital programme by including a new project, increasing the project budget or deleting an approved project shall require the formal approval of the relevant Committee.

Incurring expenditure

5.8 The approved capital programme shall specify the authority given to Officers to commit expenditure.

5.9 No expenditure may be incurred on a scheme funded by grant or third party contributions without confirmation of these resources.

Controlling expenditure

5.10 Once officers have been authorised to incur expenditure, they are responsible for ensuring that each scheme is completed on time, in accordance with its objectives and within the approved capital programme provision.

5.11 Where the original estimate appears, at any stage of the project, likely to be exceeded by 5% where the project cost is greater than £500,000, or by 10% in other cases (but subject to a de minimis level of £30,000), or where any avoidable variations or discretionary charges are to be incurred, the Chief Finance Officer shall report the facts immediately to the relevant Committee.

Capital Monitoring

5.12 Officers are responsible for ensuring that there are proper arrangements within their service areas for monitoring physical and financial progress of capital schemes.

5.13 The Chief Finance Officer shall report quarterly progress on the capital programme and the outturn position to the relevant Committee. Officers shall supply such information as may be required for the preparation of this report.

5.14 Upon completion of all major capital schemes, the Chief Finance Officer shall report to the relevant Committee on the outcome of the scheme in the quarterly financial monitoring reports unless Committee request a specific report. Such a report could include:

a) whether the purpose and objective of the project were achieved;

b) whether the scheme was completed in accordance with the original timetable;

c) the final capital cost (including fees) compared to the original estimate;

d) the funding of the project compared to the original estimate;

e) the on-going revenue implications.

Carry forward of resources

5.15 Any resources unspent at the end of the financial year on approved capital schemes will be carried forward to future years unless the relevant Committee determines otherwise, after consideration of the outturn position.

Capital receipts

5.16 The Chief Finance Officer shall report the capital receipts received and forecast in the year to the relevant Committee as part of the quarterly monitoring reports and the yearend report.

5.17 The Chief Finance Officer is responsible for the allocation of these resources, to ensure that the Council's capital programme is funded in the best interests of the Council.

6. GRANTS AND OTHER EXTERNAL FUNDING

6.1 The Council may be asked to bid for external funding or be informed that funding is being made available to it subject to conditions. This section governs the approval process in each case recognising the expediency with which decisions have to be made.

6.2 Any expression of interest for funding (which does not commit the Council to formally bid for funding) can be made by any Director in consultation with the relevant Committee Chair.

6.3 Any applications for grant funding or other external funding above £50,000 must be approved by the Chief Finance Officer and then the relevant Committee unless the timetable for bidding will not allow. In these cases the Chair of the relevant Committee and Chief Finance Officer must approve any bids. The report to Committee shall set out:

a) the purpose and objective of the project;

b) how the project fits in with the Council's objectives;

c) details of funding / grant being sought;

d) any financial contribution required from the Council either in terms of match funding or other costs;

e) any ongoing revenue or capital implications;

f) any known conditions of funding;

g) key dates and milestones.

6.4 All applications for grant income / external funding below £50,000 must be signed by a Director / Officer and the Chief Finance Officer.

6.5 The certification of expenditure in support of a grant claim may only be authorised by the Chief Finance Officer or his/her nominee. Officers should maintain adequate records to demonstrate use of the grant/funding and to be able to demonstrate adherence to any grant conditions.

6.6 If the Council receives grant funding from Government or other sources, then acceptance of the terms of conditions is the responsibility of respective policy committee unless, in the cases of emergency/short notice, the Council would be at risk of losing funding. In these cases, the Committee chair, Director and Chief Finance Officer may agree to the acceptance of terms and conditions but must report back to Committee at the next available opportunity.

7. ACCOUNTS

7.1 The Chief Finance Officer shall be responsible for the accounts of the Council and all accounting records and systems shall be subject to his or her approval and control. All changes to financial and accounting systems must be approved by the Chief Finance Officer.

7.2 Accounting procedures will reflect recommended professional practices and follow accounting principles as determined by the Chief Finance Officer. Accounting procedures shall be reviewed as necessary by the Chief Finance Officer in consultation with the relevant Director to ensure they provide the information required by both without duplication of records.

7.3 The Chief Finance Officer shall annually prepare and publish in an appropriate format, in accordance with CIPFA guidance and relevant legislation, a draft Statement of Accounts (SoA) by 31st May following the end of the financial year and make these available to the public.

7.4 The relevant Committee shall approve the SoA by 31st July each year.

7.5 Financial records shall not be disposed of other than in accordance with arrangements approved by the Chief Finance Officer.

7.6 Directors shall provide all relevant information deemed necessary to compile the Council's final accounts in accordance with guidance issued by the Chief Finance Officer.

8. FINANCIAL ADMINISTRATION – EXPENDITURE AND INCOME

In the following section, references are made to the use of Agresso. Where Agresso is not used, alternative arrangements must be approved by the Chief Finance Officer.

Authorised Officers

8.1 Directors shall authorise appropriate officers to undertake the following duties;

a) raise purchase requisitions, on Agresso unless approved otherwise by the Chief Finance Officer, for works, supplies or services to the extent that contractual arrangements already exist, as described below;

b) approve purchase requisitions, on Agresso unless approved otherwise by the Chief Finance Officer, or other orders, both those for work procured by approved procuring officers, where the person authorising will need to ensure that the order complies with Contract Procedure Rules, and those that relate to existing contractual arrangements;

c) approve personnel variations, time sheets, officer expense claims, petty cash, imprest accounts, change floats, cash advance forms, debtors accounts, internal recharges and end of year stock certificates; and

d) certification for cheques, BACs authorisation, CHAPs authorisation and grant claims.

8.2 Only officers authorised to procure under arrangements contained within Contract Procedure Rules are entitled to test the market or purchase from select lists. No other officer is entitled to obtain quotations or run a tendering exercise.

8.3 Directors shall ensure that approved officers have appropriate seniority and expertise to ensure that they are able to discharge the functions assigned to them for the purposes of these rules. Authorised officers are accountable to their Directors for the exercise of these functions. Authorised limits for different officers are set out below. The authorisation levels apply only to cost centres for which Authorised Officers have been given access.

Amount	**Authorised officer**
< £10,000	Budget Manager
£10,000.01p - £50,000	Service Lead
£50,000.01p - unlimited	Director

8.4 Finance will hold a regularly up-dated list of officers and their signatures, to aid the identification of them when processing payment vouchers or petty cash.

8.5 Directors shall ensure that arrangements are made for effective separation of duties when designating approved officers as enforced through Agresso, in order to provide adequate internal check over all transactions, and comply with any guidance given by the Chief Finance Officer.

8.6 Directors shall ensure that the arrangements for approved officers are consistent with the budgetary control framework for their area and that in particular budget managers' ability to manage their budgets is safeguarded.

8.7 Directors shall ensure in conjunction with the Chief Finance Officer that the list of authorised officers and approval levels on Agresso remains accurate.

8.8 References to **Authorised Officers** in the rest of this section of Financial Procedure Rules shall be read in the context of the above.

Orders for Works, Supplies and Services

8.9 The Chief Finance Officer is responsible for providing a corporate system for raising purchase requisitions and creating official orders (Agresso).

8.10 This system shall be used for all official orders, except in emergencies, or in accordance with other arrangements specifically approved by the Chief Finance Officer. In giving such approval, the Chief Finance Officer shall ensure that alternative arrangements provide for effective financial control, and shall have regard to the continuing viability of the corporate arrangements.

8.11 Official orders shall be issued for all purchases, excluding the following items:

a) purchases through petty cash and imprest accounts;

b) recurring charges such as gas, electricity and telephone charges and other charges for which a payments register or other method of recording/monitoring payments is more appropriate than an order.

8.12 Purchase requisitions shall only be raised and approved by authorised officers. This approval process shall be used to create an official order. Budget provision must exist for all requisitions and orders.

8.13 In order to ensure segregation of duties, wherever practicable, requisitions should be raised by an officer and then approved by their line manager (either their Service Lead or Director). In exceptional circumstances it may be necessary for a Service Lead to both raise a requisition and then to approve this, but this should be kept to an absolute minimum.

8.14 In those exceptional circumstances in which the corporate system is not used, Directors shall only obtain official order forms in accordance with arrangements approved by the Chief Finance Officer and shall be responsible for their control and use.

8.15 Where urgent orders are given orally, they shall be confirmed immediately by an official order.

8.16 Official orders should be specific, e.g. they should state quantity, weight, size, grade, quality, and where practicable, price. Where supplies are ordered under contract, it is particularly important that the order and contract have the same specification of supplies required.

8.17 Orders shall be raised with approved suppliers only. Officers shall notify the Finance Team of new suppliers using a form specified by the Chief Finance Officer. The Finance Team will maintain supplier accounts including processing changes of supplier details on receipt of authorised information received from suppliers. The Finance Team will undertake checks on supplier information as specified by the Chief Finance Officer.

Payments for Works, Supplies and Services

8.18 Payment for works, supplies and services may only be made:

a) on receipt of an invoice or contract certificate which satisfies VAT regulations;

b) where liability for payment by the Council is clearly established; and

c) to approved suppliers.

8.19 No payment for works, supplies or services shall be made unless the works, supplies or services have been certified as received by an authorised officer. This certification will be done using Agresso.

8.20 The Chief Finance Officer is responsible for providing a corporate system for the payment of accounts (Agresso). Officers shall use this system for all payments except in accordance with other arrangements specifically approved by the Chief Finance Officer. In giving such approval, the Chief Finance Officer shall ensure that the alternative arrangements provide for effective financial control, and shall have regard to the continuing viability of the corporate arrangements.

8.21 Authorised officers shall ensure that payments for works, supplies or services are not made unless:

a) works, supplies or services have been supplied in accordance with an official order, and the amount invoiced is correctly payable. The official order number should be quoted on the invoice.

b) payment is in respect of a service regularly supplied (e.g. gas, electricity and rates), and the amount invoiced is properly payable; or

c) payment is made for works, supplies or services under contract, and the amount is properly payable under the terms of that contract.

BACS Payments

8.21 The Chief Finance Officer through his Finance Team is responsible for matching invoices received to correctly authorised and goods receipted orders.

8.22 The Finance Team can also, in exceptional circumstances, input invoice details direct onto the Agresso system, but these must be approved by the appropriate budget manager / Service Lead before they are progressed to payment.

8.23 The Finance Team will prepare a weekly BACS run, paying all correctly processed invoices received during the previous week. While noting the limitations in the size of the Finance Team, every effort will be made to ensure that there is segregation of duties within the Team in the approval of this cumulative BACS payment.

Salaries and other payments to employees and Members

8.24 The Chief Finance Officer is responsible for approving a corporate payroll system for recording payroll data and for generating payments to employees. The Chief Finance Officer is also responsible for ensuring that National Insurance, Income Tax and any other such liabilities are properly determined and that deductions due are made and properly accounted for.

8.25 Directors shall use the corporate payroll system for all payments to employees.

8.26 Where payments are made for services in which the relevant taxation authorities deem that a contractor is “employed” by the Council, Officers are responsible for ensuring that National Insurance, Income Tax and any other such liabilities are properly determined and deductions due are made and properly accounted for.

8.27 Except where employees are responsible for providing data directly themselves, Directors are responsible for ensuring that all information affecting an employee’s entitlement to pay, or rate of pay, and all other information required for the smooth operation of the corporate payroll, shall be notified to Human Resources (HR) and/or Payroll.

8.28 This shall be done by means of direct input to the corporate payroll system or by means of a form, in either case following procedures approved by the Chief Finance Officer. In either case, Directors shall make arrangements for data supplied to be verified and authorised by an authorised officer. In particular the following shall be notified:

a) appointments, resignations, dismissals, suspensions, secondments and transfers;

b) changes to standing data held on the payroll system;

c) absences from duty for sickness or other reason, apart from approved leave;

d) changes in remuneration, other than normal increments, pay awards and any agreements generally reached, and notified separately to the Chief Finance Officer; and

e) information necessary to maintain records of service for superannuation, Income Tax, National Insurance and related purposes.

8.29 All time-records or other paper documents affecting entitlement to salaries and wages on any specific occasion shall be in a form approved by the Chief

Finance Officer and shall be processed in accordance with procedures specified by the Chief Finance Officer.

8.30 These documents shall be signed by the employee and certified as correct by an authorised officer.

8.31 All claims for payment of travelling and subsistence allowances, removal expenses and the like shall be submitted directly onto i-trent for payment and be certified as correct by the employee's line manager / authorised officer.

8.32 All claims for the payment of Councillors' allowances and expenses shall be submitted directly onto i-trent or in a form specified by the Chief Finance Officer which complies with statutory requirements, and certified as correct by an authorised officer within Member Services.

8.33 Where expenses include a VAT element or for mileage claims, a valid (time relevant) VAT invoice must be attached to the claim on the i-trent system. This should be actioned by the officer / Member submitting the claim and reviewed by the line manager when authorising. Failure to attach such a receipt will prevent the Council recovering this money.

8.34 Any other benefits provided to employees, in particular benefits in kind rather than in cash, but also including such things as payments received by staff for elections, may/will also be taxable and/or liable to National Insurance contributions, and may also be subject to a deduction from pay. The responsibility for identifying any liabilities in this respect is with each Director who should seek advice from the Chief Finance Officer where appropriate.

8.35 Whilst it is the Council's responsibility to ensure that salaries are correctly paid and that any deductions are appropriate, staff members have a responsibility to check that the salary they receive is correct and to report back any errors or queries. If it is identified that any under or over payments have been made, the Council will seek to make good any under payments or recover overpayments irrespective of whether these have been authorised. In the event that overpayments have been made, staff members may be subject to disciplinary action if it is identified that overpayments should have been identified.

Income

8.36 The Chief Finance Officer is responsible for the general control, supervision and collection of all money due to the Council and shall maintain adequate arrangements for the proper recording and accounting of all sums due to the Council. In this section income means all cash, cheques, or other forms of payment including credit/debit cards.

8.37 The method of collection and form of records relating to income maintained by each Directorate shall be agreed in advance with the Chief Finance Officer.

8.38 The Council aims to ensure that all monies due to the Council are recovered economically, efficiently and effectively. Wherever possible, officers should try to obtain payment in advance or at the time that goods or service are received by the customer as this helps to minimise the uncertainty of payment and the need for officer time to be spent recovering overdue payments.

8.39 Where it is not possible for payments to be made in advance of the goods or services being provided, invoices will be raised. **Sundry debtor invoices should only be raised where payment in advance for a service is inappropriate**. When a service is provided, goods delivered or other debts to the Council identified, an invoice will be produced via the Council's financial management system.

8.40 The Council then has a duty to actively pursue the recovery of debt that has not been paid. The effective management and collection of such debts is essential and to assist in this the Council requires an effective policy to support the maximisation of debt collection in an efficient, consistent and sensitive manner. The following paragraphs set out the general principles.

8.41 The Council will not raise invoices for values of less than £10. In these cases the Council will require payment in advance except in the case of peppercorn rents, legal charges for access rights or where there is an obligation to make a token payment.

8.42 Scales of charges for services, except where fixed by statute, must be reviewed annually, or more frequently if required, by the relevant Director and agreed with the Chief Finance Officer before being submitted to the relevant Committee and Council for approval as part of the annual budget. Directors must ensure that the review of fees charges is undertaken with regard to any legislation and that the basis of any charge, e.g. cost recovery, is set out in any report.

Credit Income

8.43 The Chief Finance Officer is responsible for approving a corporate invoicing system (Agresso). Directors shall use this system for all credit income except in accordance with other arrangements specifically approved by the Chief Finance Officer. In giving such approval, the Chief Finance Officer shall ensure that the alternative arrangements provide for effective financial control, meet with the requirements of the appropriate taxation authorities.

8.44 The Council will treat all debtors in a consistent manner which is fair, sympathetic, firm and cost-effective whilst ensuring that it distinguishes between those who cannot pay and those who will not pay. At all times the action taken to recover debts will take account of, and comply with, other relevant Council policies.

8.45 This section excludes the following types of debt which are subject to their own arrangements:-

- Council Tax
- Business Rates

- Overpayment of Council Tax Reduction/Discount
- Housing Benefit overpayment recovery
- Homelessness Rent Deposit Scheme
- Care and repair

8.46 The Council will ensure that it issues accurate and timely invoices, has in place recovery procedures that are efficient and cost effective and that irrecoverable debts are written off in accordance with financial procedure rules.

8.47 The Chief Finance Officer is responsible for collecting all income invoiced via the corporate finance system.

8.48 Where an invoice is for the provision of a “one-off” service, departments will raise an Invoice Request form. The Finance Department will issue an invoice within 5 working days of receiving the request.

8.49 Where an invoice needs to be raised on a regular basis and requires no changes to the narrative or amount, these will be set up as a periodic income record. When the invoice is due it will be automatically issued when the periodic process is run.

8.50 It is the Council’s intention to send out customer invoices by the most cost-effective means, using e-mail wherever possible, unless contrary to regulation or other statutory or legal requirements.

8.51 If customers disagree with the invoice or have difficulty in making payment on time then they should contact the originating council department. Full contact details are included on all invoices.

8.52 Where an invoice has been raised in error, a credit note will be raised so that the cost is charged back to the service. Credit notes will only be used when an invoice is raised either incorrectly or the service is cancelled and must not be used to write off a sundry debt as there are other procedures in place where write off is necessary. Request for credit notes must be authorised by the appropriate Director or Service Lead.

8.53 Directors shall advise the Chief Finance Officer of any new sources of income which are exempt from VAT, and of material change to existing sources of income which are exempt from VAT.

Cash and cheques

8.54 Officers responsible for the collection of income shall ensure that money collected is recorded and banked without undue delay.

8.55 Subject to the following rules, all receipt forms, tickets and other types of controlled stationery by which income is acknowledged shall be ordered and supplied by the Chief Finance Officer; and Directors shall be responsible for the safe custody of such documents.

8.56 Receipts and other forms of controlled stationery which are specific to a particular function may be ordered and controlled by the appropriate officer, in accordance with arrangements approved by the Chief Finance Officer.

8.57 All cash received must be acknowledged at once by the issue of an official receipt or ticket. No officer or agent of the Council shall give a receipt for cash received on behalf of the Council in any form other than an official receipt. No acknowledgement need be given for payment by cheque, however, unless requested by the debtor.

8.58 All money received must be accounted for and paid into the Council's approved bank account, either directly, or via Finance on the day of the receipt, or as soon as practicable thereafter, dependent on the values involved and arrangements for the safe custody of cash (i.e. ensuring insurance value limits are not exceeded).

8.59 An officer may on no account borrow any money temporarily for their own use, nor should they, except in the case of expenses they incur whilst travelling on Council business, make payments on behalf of the Council from their own pocket.

8.60 An officer is responsible for the safe custody of any money she or he has received until it has been balanced and banked or handed over to another officer for banking. If the money is handed over to another officer, a receipt should be obtained from the officer receiving it. If the money is in a sealed container, the officer should obtain a receipt for the container.

8.61 Whilst money is in their custody, officers should, at no time, leave it unattended unless it is locked in a safe place, to which the officer alone has access, and which fulfils insurance requirements.

8.62 All officers who pay money into any of the Council's bank accounts shall list the amount of every cheque on the paying-in slip and the counterfoil or duplicate, together with some reference, such as an account number, which will connect the payment with the debt; or failing this, the name and address of the debtor.

8.63 Cash received by officers on behalf of the Council shall not be used to cash postal orders, personal or other cheques.

8.64 The Chief Finance Officer is responsible for approving all systems for the processing of payments by debit, credit and top up payment cards.

Recovery of Debt

8.65 The Council will endeavour to recover all debts owed by customers. The reminder process is run weekly and produces final notices for all unpaid invoices that are over 33 days old. These are sent to the customer.

8.66 A second reminder is produced 21 days after the first reminder, which is sent to the officer / Service Lead who raised the original invoice. Officers are then expected to make contact with the customer and provide Finance with an update on the position of the debt. 14 days after the second reminder, Agresso produces a memo to Legal Services for invoices that are still unpaid for further recovery action.

8.67 Recovery action through Legal Services will be commensurate with the amount of the debt and/or the particular circumstances of each case. There are a range of options open to the Council once an outstanding debts has been referred to Legal Services. Where the Council incurs additional costs as a result of non-payments, for example court costs, these will be added to the outstanding debt and recovered where allowed under statute.

8.68 Special, alternative debt recovery arrangements have been put in place for Markets, E-space and Homelessness.

- For Markets, market officers are contacted prior to the first reminder being sent on the 21st day, so that they can contact the customer prior to any formal action being taken.
- For E-space, a further 20 days is given between the second reminder and the case being put in the hands of Legal, this to allow the E-space manager to discuss the situation with the tenant.
- For Homelessness, where most debts are subject to payment plans, reminders are sent out after two weeks, if a client gets behind with payment, a second reminder is sent two weeks later, with a third letter warning that debt recovery action will be taken in seven days, a further two weeks after that. Debts are handed over to ARP debt recovery at the end of the seven days.

Write-Off of Debts

8.69 No debt properly due to the Council shall be discharged otherwise than by payment in full, credit note (in the case of error or where a service order has not been fulfilled) or write-off.

8.70 The Council will make every effort to pursue outstanding debts however it is recognised that in some circumstances debts may not be recoverable. Where it is found that a debt is irrecoverable it will be considered for write off in accordance with the limits set out below.

8.71 Subject to conditions set out below, all debts which a Director or the Chief Finance Officer has been unable to recover at reasonable effort and expense and for which normal recovery processes have been exhausted, shall be referred to Legal Services.

8.72 Debts may be written off as follows:

a) By the Chief Finance Officer, in conjunction with the Legal Services Manager, for debts up to £1,000; and

b) By the relevant Committee for debts above £1,000.

However, if either the individual amount or the total of (several) amounts for the same debtor is greater than £1,000, the relevant Committee's approval for write off is required. In these circumstances, the Committee shall be advised at the earliest available opportunity when such a debt level is reached. Debts shall not be written off at different times in order to circumvent the need for Committee approval.

8.73 In the event that there is reason to believe that the cause of any debt being irrecoverable is attributable to fraud, theft, irregularity or the negligence of an employee, the Chief Finance Officer shall refer the matter to the Head of Internal Audit (HoIA).

8.74 The debt shall not be written off until any necessary investigative or other action has been agreed by the Chief Finance Officer and the HoIA.

VAT

8.75 All officers are responsible for the correct allocation of VAT on invoices, both those being raised by the Council and those received by the Council.

8.76 VAT advice, especially in relation to its treatment on invoices being raised by the Council can be obtained from the Senior Accountancy Assistant in the Finance Team.

8.77 The Chief Finance Officer is responsible for the monitoring of VAT and the completion of statutory returns to HMRC.

Banking Arrangements

8.78 In this section, the Council's **main bank accounts** are all bank accounts maintained by the Council other than those operated solely for specific establishments or purposes.

8.79 The Chief Finance Officer is responsible for operating the Council's main bank accounts but may delegate day-to-day operation to other officers within the Finance Team.

8.80 No bank accounts other than those classed as the Council's main bank accounts and operated by the Finance Team will be held by the Council.

8.81 All cheques (except imprest account cheques) for the Council's main bank accounts shall be produced directly from Agresso in a format approved by the Chief Finance Officer, who shall make proper arrangements for the preparation and despatch of the cheques, and for the custody of blank cheques.

8.82 Imprest cheques shall be ordered and controlled by the Chief Finance Officer who shall make proper arrangements for the safe custody of blank cheques and the preparation, signing and despatch of the cheques.

8.83 All cheques drawn on the Council's main bank accounts or imprest cheques, will be signed by the Chief Finance Officer or a signatory authorised by him or her.

8.84 The Chief Finance Officer is responsible for ensuring that all payments made from the main bank accounts by way of Clearing House Automated Payments (CHAPs) and Bankers Automated Credits (BACs) transactions are properly controlled and suitably authorised.

Bank Reconciliation

8.85 The Chief Finance Officer is responsible for ensuring that monthly reconciliations are carried out on the Council's consolidated bank account. This ensures that all transactions detailed on all of the Council's bank accounts and "swept" into the Council's consolidated account are correctly recorded on the Council's ledger (Agresso).

Council Purchase Cards

8.86 The Chief Finance Officer is responsible for sanctioning the issue of Corporate Purchase Cards to staff and for reconciling expenditure incurred to the main bank account. Directors are responsible for ensuring that staff use the cards in accordance with procedures issued, including the provision of valid receipts to support the expenditure incurred. Where Corporate Purchase Cards are not used in accordance with stipulated procedures then the Chief Finance Officer may withdraw the arrangement.

Stock

8.87 Officers may hold stocks of consumable items; materials; and equipment for use in the maintenance of assets under their control and the provision of services. They are responsible for the receipt, custody and issue of stock items for their functions and for maintaining suitable records.

8.88 Officers shall ensure that stock items are effectively safeguarded from loss, theft or damage.

8.89 Officers shall arrange for regular stock-takes to be undertaken for any stock held in excess of £1,000, independently of the employees responsible for the custody of those stocks, such that the existence and value of all items are checked at least once a year.

8.90 The value of stocks held at 31st March each year shall be certified by an authorised officer and supplied to the Chief Finance Officer in such form and at such time as may be decided by the Chief Finance Officer. This for inclusion in the Statement of Accounts.

8.91 Surplus and obsolete stocks must be disposed of by officers on the best terms possible.

8.92 Where such items are not disposed of and or sold to a company under contractual terms, they may, when judged best, and, subject to independent check, be offered for sale to staff, provided that permission to proceed is first obtained from the Chief Finance Officer and that subject to that permission, the sale is advertised to as many staff as possible (e.g. using the intranet) for a reasonable length of time (i.e. no less than 4 weeks).

8.93 All devices that could contain data (e.g. PCs, laptops, mobile phones, hand held communication devices, memory sticks etc.) **must** be disposed of through ICT.

8.94 Any disposals shall be recorded by officers concerned and records maintained.

Petty Cash Floats and Imprest Accounts

8.95 The Chief Finance Officer may provide petty cash floats / imprest accounts of such amounts as are considered necessary by officers for the purpose of meeting minor expenses.

8.96 Officers are responsible for making arrangements for the safe keeping and proper use of all petty cash / imprest accounts.

8.97 Each petty cash float / imprest account must be in the sole charge of a single petty cash float / imprest account holder, who is responsible for the proper use and safety of the sums held. Directors shall ensure that petty cash float / imprest account holders sign a document to confirm receipt when first acquiring a petty cash float / imprest account. The maximum amount that can be retained is £200.

8.98 The petty cash float / imprest account holder may use the account to make payments in respect of expenditure legitimately incurred for Council purposes, and must record payments made in the appropriate digital form provided by Finance. The petty cash float /imprest account holder shall obtain cash vouchers for all payments made, and such cash vouchers shall adequately record any VAT incurred and have VAT receipts attached. The person receiving the cash sum shall sign the voucher.

8.99 When a petty cash float /imprest account needs replenishing, the petty cash float /imprest account holder shall summarise payments detailed on the digital form. The record must be certified as correct by an authorised officer, who must check the petty/imprest digital form, the cash vouchers and any cash held. The completed record, and such other documentation as the Chief Finance Officer shall require, shall be presented to the Chief Finance Officer for reimbursement.

8.100 Each petty cash float /imprest account must be kept in a lockable box. The box shall be kept securely, for example in a lockable cupboard or safe, in accordance with arrangements specified by the Chief Finance Officer (Specific requirements for Insurance cover must be met).

8.101 On ceasing to hold a petty cash float /imprest account, the petty cash /imprest account holder must produce the petty/imprest digital form, vouchers and any unspent balance to an authorised officer for checking and retention. The advance will then be handed over to a successor nominated by the Director, or returned to the Chief Finance Officer.

8.102 Petty cash float /imprest account should only be used for small transactions where it is quicker and more efficient to buy the goods locally rather than by official order.

8.103 Travelling, subsistence and post-entry training expenses should be claimed on i-trent and paid with the employees' salary, and not from petty cash float /imprest account. Travel warrants are also available to employees who require travelling costs to be met by the Council in advance and these should be requested from the Finance Team.

8.104 No income should be paid into a petty cash float/imprest account.

8.105 For the purposes of closure of the Council's accounts each financial year end, the Chief Finance Officer will require a certificate from each petty cash float /imprest account holder, which should be countersigned by an authorised officer, providing such details as the Chief Finance Officer shall specify.

8.106 Officers shall keep up-to-date records of petty cash float /imprest account holders.

8.107 At the end of the financial year, the holder of each petty cash float/imprest will confirm, when requested by Finance, the amount of the cash float held.

9. ASSET REGISTER

9.1 The Chief Finance Officer shall have access to all inventories and other records maintained by officers across the Council for the purpose of compiling and maintaining an asset register in accordance with the relevant accounting regulations.

9.2 Officers will maintain inventories and other records to support the asset register in a format agreed by the Chief Finance Officer. Any individual items of plant, machinery, equipment and other assets that are capitalised will be included in the asset register.

9.3 The Chief Finance Officer will also specify what other inventories and records need to be maintained by officers in order to help safeguard the items recorded in it from loss, theft or damage. Officers shall be responsible for carrying out an annual check of all items on all inventories and other records of equipment maintained. Based on original cost, the write-off of deficiencies may be authorised as follows:

a) By the relevant Director for amounts not exceeding £2,000.

b) By the Chief Finance Officer for amounts exceeding £2,000.

9.4 Any significant variations should be investigated and reported to the Chief Finance Officer for insurance purposes, with consideration given to reporting the matter to the Chief Finance Officer as a suspected irregularity.

9.5 With the exception of portable IT and communication devices issued to individual officers to assist them in undertaking their duties, assets in the custody of the Council shall not be removed from Council premises, other than in accordance with the ordinary course of the Council's business, or used otherwise than for the Council's purposes, except where specifically authorised by the appropriate Director.

9.6 Surplus or obsolete items should initially be offered for use elsewhere in the Council, and where not required, disposed of by officers on the best possible terms. Where items are to be disposed of for a sum which is less than current value, by an amount which exceeds £2,000, then this shall be authorised by the Chief Finance Officer. Where such items are not disposed of and or sold to a company under contractual terms, they may, when judged best, and, subject to independent check, be offered for sale to staff, provided that permission to proceed is first obtained from the Chief Finance Officer and that subject to that permission, the sale is advertised to as many staff as possible (e.g. using the intranet) for a reasonable length of time (i.e. not less than 2 weeks).

9.7 All devices that could contain data (e.g. PCs, laptops, mobile phones, hand held communication devices, memory sticks etc.) **must** be disposed of through ICT.

9.8 Any disposals shall be recorded by the officer concerned and records maintained.

9.9 Officers shall advise the Chief Finance Officer of the disposal of items for which an adjustment is required to an asset register.

Buildings, Land and Other assets

9.10 Any acquisition, disposal, appropriation or exchange of property or other fixed assets shall be in accordance with the capital programme approved by the Council or through a separate approval.

9.11 For any acquisition, disposal, appropriation or exchange of property or other fixed assets in excess of £10,000 a report shall be made by the relevant Director, in consultation with the Chief Finance Officer, to the relevant Committee for approval.

9.12 Any disposal, appropriation or exchange of property or other fixed assets shall ensure that the Council obtains value for money from the transaction. Terms of disposal should not be finalised without the benefit of a current valuation undertaken a suitable firm of valuers appointed under arrangements approved by that Director. The terms of disposal must also take account of the taxation implications to the Council of the disposal.

10. RISK MANAGEMENT AND INSURANCE

10.1 The Chief Finance Officer is responsible for ensuring that the Council's risks are adequately assessed, and for arranging external insurance cover or making alternative arrangements to provide for potential future liabilities and losses.

10.2 Directors shall advise the Chief Finance Officer of all risks, and changes to risks, in accordance with procedures specified by the Chief Finance Officer. Directors are not authorised to arrange insurance cover except via the Chief Finance Officer.

10.3 Formal identification of key risks which could threaten identified service or Council objectives must be carried out using a risk management process approved by the Chief Finance Officer.

10.4 Identified risks and any remediable actions are to be agreed as part of the process which will include costs and timescales for action.

10.5 Service Leads shall maintain risk registers and ensure that they are kept up to date and monitored on a quarterly basis. The information from these will be consolidated with significant risk / projects reported to the relevant Committee twice a year.

10.6 Any damage, loss or other event which may lead to an insurance claim shall be notified immediately to the Chief Finance Officer and insurance officer by email at insurance@eastcambs.gov.uk. No action should be undertaking by any officer which would prejudice the Council's position in making an insurance claim.

10.7 Failure to inform the Chief Finance Officer of any changed circumstances could affect the validity of the insurance cover.

10.8 Directors are responsible for ensuring compliance with the terms of any relevant insurance policy and for implementing any other advice given by the Chief Finance Officer on the management of insured and uninsured risks.

11. TREASURY MANAGEMENT

11.1 This section sets out the Authority's policy concerning all of its funding or borrowing from external sources and the lending or investment of surplus balances.

11.2 It further sets out how compliance with the Local Government Act 2003 (which requires certain fundamental items of financial policy to be determined by the Authority annually) will be achieved and the scheme adopted by the Authority for the delegation of its powers in relation to treasury management.

11.3 It meets the recommendations set out in the Code for Treasury Management in Local Authorities issued by The Chartered Institute of Public Finance and Accountancy. The Code and this Policy Statement have been adopted by the Authority as part of its Financial Regulations.

Approved Activities

11.4 This Council defines its Treasury Management activities as:

11.5 The management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

11.6 The Authority may be both a borrower and a lender, for example if it has a temporary cash surplus but is a net borrower over the medium or long term.

11.7 All treasury management activities involve risk and potential reward. This 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 organisation.

11.8 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 best value in treasury management, and to employing suitable performance management techniques, within the context of effective risk management.

11.9 The policy of the Authority in the case of lending is to achieve a satisfactory return while minimising risk; the overriding principle is to avoid risk rather than to maximise return. In the case of borrowing, the objective is to minimise cost consistent with ensuring the stability of the Authority's financial position by sound debt management techniques.

11.10 The Authority and, subject to the delegated authorities set out below, its committees and officers are authorised subject to the provisions of this Policy Statement to deposit the surplus funds of the Authority with and purchase Certificates of Deposit issued with institutions in accordance with the Annual Treasury Management Strategy and Annual Investment Strategy adopted by the Council each year, and to borrow monies within the limits established annually by the Authority for its borrowing.

11.11 The Authority will not undertake currency risk and accordingly will not borrow or deposit funds denominated in foreign currencies.

Formulation of Strategy

11.12 The Authority's strategy for the application of its treasury policy as set out in this statement is the Annual Treasury Management Strategy and Annual Investment Strategy prepared by the Chief Finance Officer and approved by Full Council.

11.13 The Chief Finance Officer prepares for the approval of Full Council, annual forecasts of surplus funds and borrowings for the ensuing financial year. He also prepares for the approval of the Resources & Finance Committee a strategy for funding the Authority's borrowing requirements or lending surplus cash for the period covered by the forecast. In preparing the strategy he has regard to the maintenance of the stable financial position of the Authority, ensuring that the Authority has sufficient and appropriate facilities available to it to meet both its long-term borrowing requirements and its planned short-term borrowing requirements, and funding needs arising from uncertainties inherent in the planning process in the timing and amount of cash flows. The Chief Finance Officer also has regard to the current levels of short term and long term interest rates and to forecasts of future changes in interest rates and prepares a recommendation for consideration by the Resources & Finance Committee and approved by Full Council of the total and short term borrowing limits and the maximum proportion of interest on borrowing which is subject to variable rates of interest. More detailed guidance on the matters to be included in the Annual Treasury Management Strategy and Annual Investment Strategy include:

a) Treasury limits in force which will limit the treasury risk and activities of the Council;
b) Prudential Indicators;
c) The current treasury position;
d) The borrowing requirement;
e) Prospects for interest rates;
f) The borrowing strategy;
g) Debt rescheduling;
h) The investment strategy; and
i) Any extraordinary treasury issue.

11.14 Matters to be considered in determining the strategy for interest rate exposure are considered further below.

11.15 In preparing the Annual Treasury Management Strategy and Annual Investment Strategy the Chief Finance Officer will consider in the aggregate all of the funds, borrowings and accounts operated by the Authority.

11.16 The Chief Finance Officer has delegated powers to carry out the Authority's strategy for borrowing, depositing surplus funds and managing the cash flow of the Authority. In exercising these powers he has regard to the perceived credit risk associated with the approved institutions with which funds may be deposited or invested; to the effect of possible changes in interest rates on the cost of borrowing and the return from investing and the need to maintain adequate liquid funds to meet the Authority's obligations.

Approved Methods of Raising Capital Finance

11.17 The Chief Finance Officer undertakes on its behalf the borrowing activities of the Authority. He is authorised by the Authority to undertake borrowings of the following types:

a) by overdraft or short term from authorised banks;
b) from the Public Works Loan Board;
c) by means of loan instruments;
d) by other means as approved by the Secretary of State for the Department of Housing, Communities and Local Government (DHCLG) or departments replacing the same.

11.18 No borrowing may be undertaken of a type which is not included in the above list.

Investing and Depositing of Surplus Funds

11.19 The overriding principle guiding the investing of surplus cash balances is the preservation of the capital value of the Authority's resources. The Chief Finance Officer has delegated authority to invest the surplus funds of the Authority in accordance with the Annual Treasury Management Strategy and Annual Investment Strategy and in accordance with the terms of this Statement. He is authorised to deposit or invest funds only with the institutions and subject to the limits set out in the agreed Annual Treasury Management Strategy and Annual Investment Strategy approved annually by full Council. The Chief Finance Officer is responsible for monitoring the creditworthiness of approved deposit takers using appropriate external sources of information including credit agency reports and then limiting exposure to equal to or below the approved limits for each institution.

Interest Rate Exposure

11.20 The Chief Finance Officer is responsible for monitoring the Authority's interest rate exposure and for determining the interest rate exposure strategy within the limits set by this statement and by the Annual Treasury Management Strategy and Annual Investment Strategy.

11.21 The principal factor governing the exposure of surplus funds to interest rate movements is the Authority's liquidity forecast. Where surplus funds are required to meet possible cash outflows in the near future they will necessarily be deposited short term for periods which will ensure that funds are available when required. Where surplus funds are expected to be available for investment for longer periods the Annual Treasury Management Strategy and Annual Investment Strategy will give guidance on interest rate exposure policy. Where surplus funds are to be used to repay borrowings on maturity the maturity for which the funds are deposited should match as closely as possible the maturity of the related borrowings.

11.22 Matters to be considered in establishing interest rate movement exposure policy include:

a) The current level and structure of interest rates

b) Current interest rates compared with the historical trend

c) Estimates of future movements in the level and structure of interest rates

d) The extent to which estimated movements in interest rates would affect the revenue account and the effect of estimated future movements in interest rates on the revenue account if all borrowings were to be converted to variable rates.

e) The sensitivity of the revenue account to fluctuations in future interest rates compared with estimate.

Legal Issues

11.23 Prior to entering into any borrowing or investment transaction it is the responsibility of the Chief Finance Officer to satisfy himself by reference to the Monitoring Officer, the Authority's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Authority's Financial Regulations.

Delegation

11.24 The Authority has drawn up and approved a Scheme of Delegation for Treasury Policy delegated power, in summary this details the following delegations:

Approval and amendment of Annual Treasury Management Strategy and Annual Investment Strategy	Full Council
Amendment of list of approved institutions	Chief Finance Officer
Approval of Treasury Management Policy Statement & Practices	Chief Finance Officer
Application of approved strategy	Chief Finance Officer
Treasury dealing with counterparties	Senior Accountant
Authorisation of cash transfers	Chief Finance Officer

Borrowing and lending documentation & provision of guarantees to external bodies	Chief Finance Officer
Bank and dealing mandates	Chief Finance Officer under authority of Full Council
Recommend & approving selection of external service Providers & agreeing terms of appointment	Chief Finance Officer under authority of Full Council
Approval of segregation of responsibilities	Chief Finance Officer
Reviewing external audit reports and making recommendations to the relevant Committee	Chief Finance Officer

Review and Reporting

11.25 The Chief Finance Officer reports half-yearly to the relevant Committee and Full Council on treasury activities. An indication of matters to be included in the reports include:

Annual Report to the Council):
Treasury operations for the year

In relation to the previous financial year:
a) strategy
b) economy
c) borrowing and investment rates
d) compliance with treasury limits and Prudential Indicators
e) investment outturn and
f) up-date on current year.

11.26 Matters for determination for next financial year under Local Government Act 2003, including, amongst other things

a) Prudential indicators

b) Proposed amendments to the Treasury Policy Statement

11.27 Management Information Reports from the Chief Finance Officer

a) Analysis of currently outstanding borrowings, deposits and investments by instrument, counterparty, and maturity date

b) Cash flow and revenue outturn compared with budget and commentary on variances

c) Revisions to rolling 12 month cash flow forecast and to estimates of future interest rates; effect on revenue budget

d) Proposed amendments to list of approved counterparties and to limits

e) Proposed amendments to Treasury Management Policy Statement and Treasury Management Practices.

f) Matters in respect of which the Treasury Policy Statement, the Annual Treasury Management Strategy and Annual Investment Strategy or the Treasury Management Policy Statement & Practices have not been complied with.

g) Other matters are drawn to the attention of the Council or the Resources & Finance Committee as appropriate.

Systems and Procedures

11.28 The Chief Finance Officer maintains the Treasury Management Practices Schedules which sets out the detailed systems and procedures which are in place to ensure delivery of the approved policy.

12. INTERNAL AUDIT

General

12.1 The primary role of the Internal Audit Service is to objectively examine, evaluate and report on the adequacy of the Council's internal control environment as a contribution to the proper, economic, efficient and effective use of resources and the management of risk. Internal Audit also advises on, carries out and directly supports investigations into suspicions of fraud or financial irregularity.

12.2 In accordance with Section 6 of the Accounts and Audit Regulations 2011, the Chief Finance Officer and the Chief Executive shall be responsible for maintaining an adequate and effective internal audit of the Council's accounting records, control systems and financial transactions including any operations affecting the financial arrangements or the finances of the Council. The Internal Audit Section shall comply with the current Public Sector Internal Audit Standards, in undertaking its functions.

Audit Planning and Reporting

12.3 The Head of Internal Audit shall prepare and agree with the Chief Finance Officer an Annual Audit Plan which will set out the intended work of Internal

Audit over the coming year. The plan shall be based on an objective assessment of need arising from an analysis of risk and shall be approved and directed, by the relevant Committee. Irrespective of its means of delivery, every process, service and activity falling within the Council's responsibility shall be subject to the Council's system of internal audit.

12.4 The views of Directors shall be sought about which activities are to be included in the plan as being in need of audit.

12.5 Work outside of the plan may also be specially commissioned at the request of the Chief Finance Officer who shall report such requests to the relevant Committee for approval. Any such reviews shall be risk-assessed by Internal Audit and only undertaken if the risks involved justify the audit work necessary and subject to the agreement of any additional cost with the Chief Finance Officer.

12.6 Internal Audit shall at all times conduct its work in accordance with relevant Internal Audit standards and any other protocols agreed with the Chief Finance Officer.

12.7 For the purposes of carrying out an audit or investigation, Internal Auditors and the Chief Finance Officer are authorised to:

a) have access at all times to any Council premises and property;

b) have access to all data, records, documents and correspondence relating to any financial or any other activity of the Council;

c) have access to any assets of the Council;

d) require from any member, employee, agent, partner, contractor or other person engaged in Council business any necessary information and explanation.

12.8 These rights of access include access to relevant records (whether electronic or otherwise) held by service providers. They apply to Council services provided under contracts and partnership arrangements of all kinds including joint and pooled arrangements.

12.9 This right of access shall be incorporated within all relevant contract or service agreement documents involving Council services provided other than internally. It applies to all internal auditors legitimately engaged on Council Internal Audit business, whether they are employees of Internal Audit or are provided under an authorised agency or other contract or partnership.

12.10 Internal Audit shall remain at all times free from undue influence or other pressure affecting its actions and reporting.

12.11 Internal Audit shall report in its own name to the Chief Finance Officer. The Council's Head of Internal Audit shall have direct access and the right of report to the Chief Executive, Directors, the Monitoring Officer, the External Auditor and the relevant Committee, where appropriate if, in his/her opinion, there are matters of concern that could place the Council in a position where the risks it faces are unacceptable.

12.12 The Head of Internal Audit shall report to the relevant Committee quarterly on progress made in delivering the Internal Audit Annual Plan.

12.13 Implementation of the recommendations made in internal and external audit reports shall be monitored by the relevant Committee. Directors are accountable to this Committee for ensuring that appropriate action is taken in accordance with those recommendations.

12.14 The Chief Finance Officer shall report annually to the relevant Committee on the review of the effectiveness of the Council's system of internal audit.

Directors' and employees responsibilities in respect of financial control and irregularities

12.15 All officers shall maintain proper financial controls in financial systems operated within their area of responsibility (see section 2 of these rules) and shall be responsible for the prevention, detection and resolution of fraud and irregularities.

12.16 All employees are under a duty to report to their senior officer any instance where financial irregularity is suspected. (Guidelines to staff on this matter are contained in the Council's whistle-blowing procedures).

12.17 Officers shall cooperate fully at all times with Internal Audit and ensure that Internal Audit can properly fulfil its role. Any disputes or non-cooperation may be referred to the Chief Finance Officer and ultimately the relevant Committee for resolution.

12.18 Immediately any actual or potential financial irregularity affecting the Council is known or suspected, the appropriate Director shall inform the Head of Internal Audit and Chief Finance Officer to make proposals in respect of any further investigation that may be required (and the extent of any support required from Internal Audit) and make proposals in respect of other action to be taken.

12.19 If the proposals are acceptable to the Chief Finance Officer, Directors shall carry out the proposed actions. Otherwise, alternative proposals shall be made.

12.20 Directors are responsible for taking appropriate action on receipt of recommendations from Internal Audit, either as a consequence of a planned or specially commissioned review or an investigation into a suspected fraud or financial irregularity.

Investigations

12.21 The Chief Finance Officer shall ensure that every case where there are grounds for suspicion of fraud or financial irregularity is considered, and that proposals for action (where appropriate) are made by Directors. The Chief Finance Officer reserves the right to investigate any suspected fraud or irregularity via the Internal Audit Service.

12.22 All action taken shall comply with the Council's Anti-Fraud and Corruption Policy Statement as adopted and approved by the relevant Committee.

12.23 In respect of investigations into suspected Housing and Council Tax benefits fraud, the Chief Finance Officer, or another person authorised by the Chief Finance Officer for this purpose (ARP), shall have full discretion to determine the appropriate course of action, including referral to Legal Services or the Police for consideration of prosecution.

12.24 In all other cases, referral to the Police shall only be made after full consultation with the appropriate Director and the Monitoring Officer

13. EXTERNAL AUDIT

13.1 Public Sector Audit Appointments appoint the Council's External Auditors for the audit of the main accounts. The Council is required to make its own arrangements for the procurement of Audit services for the audit of the Housing Benefit Grant Claim. Once appointed the auditors carry out their statutory and other responsibilities and exercise their professional judgement independently of any external sources.

13.2 The statutory responsibilities of appointed auditors are set out in the Audit Commission Act 1998 and the Local Government Act 2000, but their principal duties are:

a) the audit of the Council's annual statement of accounts;

b) the audit of the Council's use of resources; and

c) the audit of grant claims.

13.3 In discharging these specific responsibilities and powers, auditors are required to carry out their work in accordance with the Audit Code of Audit Practice.

EAST CAMBS FINANCIAL PROCEDURE RULES

GLOSSARY

Financial System	Any system (computerised or otherwise) and associated procedures for making or recording any financial transaction of the Council.
Council Tax requirement	The amount required by the Council from council taxpayers in any given year to meet its budgeted expenditure.
Directorate budget	The sum of all individual service budgets for which a single director is responsible.
Functional budget	The functional budget allocated by Council to a particular function or area. The budget represents the maximum spending allowed.
Virement	A virement is a reallocation of funds and their purpose from one budget heading / service to another.
Earmarked reserve	A reserve created for a specific purpose.
Surplus Savings reserve	A reserve created for the purpose of holding underspends created by making savings ahead of need, that will be used to assist with balancing the budget in future years.
Additional budget	A new or additional budget to that approved by Council in February, this would mostly relate to a new capital scheme.
Capital Programme	Is the Council's planned level of spending on all capital schemes, including the funding for each scheme from capital resources or borrowing.
Purchase Requisition	A priced and itemised request, created on Agresso by an authorised officer, for an official order to be raised.
Official Order	An order for works, supplies or services, created on Agresso following the approval of a purchase requisition by an authorised officer.
Petty Cash Float / Imprest account	An amount of money provided for the purpose of funding small cash payments incurred on behalf of the Council.
Petty Cash / Imprest digital form	A record of cash payments made from a petty cash/imprest account.

Cash Voucher	A receipt or other document evidencing the making of a payment from petty cash float/imprest account, supplied by the vendor.
Asset Register	A register of all significant assets owned by the Council, which is maintained by the Chief Finance Officer for statutory accounting purposes.
Inventory	A record of all plant, machinery, vehicles, equipment and other assets under the custody of Directors and officers, including assets the Council does not own outright. It should aid effective control of such assets and can support the management of risk of loss or damage.

APPENDIX C

EAST CAMBS STREET SCENE ANNUAL BUSINESS PLAN

Committee: Shareholder Committee

Date: 11 February 2019

Author: Director Operations

[T202]

1.0 ISSUE

1.1 To consider the East Cambs Street Scene Annual Business Plan.

2.0 RECOMMENDATION(S)

2.1 Members are requested to recommend approval of the ECSS Annual Business Plan 2019/20 to Full Council.

3.0 BACKGROUND/OPTIONS

3.1 In accordance with the Shareholder Agreement ECSS is required to produce an Annual Business Plan for approval by Council.

4.0 ARGUMENTS/CONCLUSIONS

4.1 ECSS has produced the Business Plan 2019/20 (Appendix 1).

4.2 The Board of Directors approved the Business Plan 2019/20 on 31 January 2019.

4.3 The ECSS Business Plan 2019/20 has been produced in compliance with the Shareholder Agreement and sets out the key business that will be conducted by ECSS in the year 2019/20.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

5.1 There are no additional financial implications arising to the Council from the ECSS Business Plan 2019/20.

5.2 Equality Impact Assessment (INRA) not required.

6.0 APPENDICES

6.1 ECSS Business Plan 2019/20.

Background Documents	**Location**	**Contact Officer**
None	The Grange, Ely	Jo Brooks Director Operations (01353) 665555 E-mail: jo.brooks@eastcambs.gov.uk

East Cambs Street Scene Ltd

Business Plan – 2019/20

MISSION STATEMENT

We believe that by continuing to develop the services that we offer we will be able to deliver services that are profitable, sustainable, and flexible and focused on meeting the needs of local people and businesses in East Cambridgeshire.

VISION

We believe in improving the quality of life of the taxpayer of East Cambridgeshire and we believe in the Council's objectives that are set out in the Corporate Plan 2017-2019. East Cambs Street Scene Limited will continue to support the Council in achieving these objectives.

VALUES

Strategic Objectives

- To deliver a high quality waste and street cleansing service for the people of East Cambridgeshire,
- To maximise on every commercial opportunity available, and
- To trade in a manner that, wherever possible, acts in the best interest of the Council.

Our Services will be:

- Flexible- Innovative and tailor made options to meet the needs of the customer,
- Local- Wherever possible (and relevant) utilise local suppliers, and
- Trusted- reliable services delivered by skilled staff.

Introduction

ECSS is a trading company set up by ECDC to provide waste and street cleansing services to the residents of East Cambridgeshire. This consists of:

- Household waste collections
- Recycling waste collections
- Garden waste collections
- Food waste collections
- Litter picking
- Street sweeping
- Fly tip removal
- Bulky waste collections
- Graffiti removal
- Chewing gum removal
- Litter and dog poo bin collections
- Bin deliveries

ECSS has made a commitment to explore all areas of income generation that will enable it to continue to deliver good quality services to its residents, visitors and businesses.

The primary focus of ECSS shall be to continue to develop the waste and street cleansing services; ensuring that both continue to deliver high quality services that respond to the needs of the community and seek to maximise on opportunities that arise throughout the year.

Where opportunities arise that are outside the scope of this business plan, individual business plans will be produced and submitted to the ECSS Board of Directors for approval.

This business plan seeks to provide:

- A brief overview of 2018/19 for ECSS and the years ahead

Section 1:

Strategic Vision and Work Programme

Under the requirements of the Memorandum of Agreement (MOA) East Cambs Street Scene Ltd (ECSS) committed to a four phase plan for the development of the waste and street cleansing services building on the consolidation of the service as currently configured and implementation of the new regimes for street cleansing, to include the following:

- **2019/20**: Full integration of the management teams in the Council's current Waste team and ECSS's Management team. Consolidate the reduced collection arrangements for the garden waste service over winter months and planning and introduction of a trade waste service. Planning of reconfiguration proposals for the 'As Is' domestic waste and recycling collection services to deliver the efficiencies required by this business case.

- **2020/21:** Implementation of the reconfiguration plans for the 'As Is' domestic waste and recycling collection services to deliver the efficiencies required by this business case. Planning further reconfiguration of domestic waste and recycling collection services in response to the emerging Government Strategy for Waste.

- **2021/22:** Working with the regional waste partnership to implement revised waste and recycling collections services and processing of recyclates against the finalised Government Waste Strategy to meet the set targets and to reduce the Council's current exposure to variances in the income derived from recyclates.

- **2022/23:** Consolidation of the revised collection arrangements and re-setting of stretch targets for the next 5 year period for waste and street cleansing services.

The rationale for the phased development plan is to tie in with the stretch targets contained in Schedule 1 of the MOA. The details of each of these phases are outlined in the diagram overleaf along with the key deliverables for each phase.

Key Developments			
2019/20	**2020/21**	**2021/22**	**2022/23**
• Improve operational performance and customer experience.	• Improve operational performance and customer experience.	• Improve operational performance and customer experience.	• Improve operational performance and customer experience.
• Consolidate the reduced collection arrangements for the garden waste service over winter months to deliver efficiencies required by this business case.	• Further consolidate the reduced collection arrangements for the garden waste service over winter months to deliver efficiencies required by this business case.	• Plan further reconfiguration of garden waste collection service in response to the emerging Government Strategy for Waste.	• Work with the regional waste partnership to implement a revised garden waste collection services and processing of arrangements against the finalised Government Waste Strategy
• Complete the pre party work for the reconfiguration of the 'As Is' domestic waste and recyclates collection rounds.	• Implement the reconfiguration of the 'As Is' domestic waste and recycling collection rounds to deliver efficiencies.	• Plan further reconfiguration of domestic waste and recycling collection services in response to the emerging Government Strategy for Waste.	• Work with the regional waste partnership to implement revised waste and recycling collections services and processing of arrangements against the finalised Government Waste Strategy
• Develop the business case for the introduction of a trade waste service and then introduce the service.	• 10% growth in the rate of return from the trade waste service.	• Further 10% growth in the rate of return from the trade waste service.	• Further 5% growth in the rate of return from the trade waste service.
• Review and refine as required street cleansing regimes.	• Refinement of street cleansing regimes.	• Develop and implement an awareness campaign and enforcement programme for environmental crime.	• Review street cleansing regimes.
• Meeting the income target for recyclates.	• Meeting the income target for recyclates.	• Meeting the income target for recyclates.	• Meeting the income target for recyclates.

Key Developments			
2019/20	**2020/21**	**2021/22**	**2022/23**
• Maintain the performance management framework for the waste collection services and street cleansing.	• Refine and maintain the performance management framework for the waste collection services and street cleansing.	• Review the performance management framework against requirements of the emerging Government Strategy for Waste.	• Implement a revised performance management framework consistent with the finalised requirements of the Government Strategy for Waste.
• Meet the annual stretch targets.	• Meet the annual stretch targets.	• Meet the annual stretch targets.	• Reset the stretch targets for the next 5 years and then meet the annual stretch targets.
• Plan the Integration systems and deliver IT systems and solutions.	• Continue the Integration systems and further develop IT systems and solutions as required.	• Review systems and IT infrastructure against requirements of the emerging Government Strategy for Waste.	• Implement the reconfiguration of systems and IT infrastructure against the finalised requirements of the Government Strategy for Waste.
• Progress the planned vehicle replacements included in this business plan.	• Progress the planned vehicle replacements included in this business plan.	• Review future vehicle requirements against requirements of the emerging Government Strategy for Waste.	• Implement the reconfiguration of the vehicle fleet against the finalised requirements of the Government Strategy for Waste.
• Review and introduce a revised sickness absence policy after full consultation with ECSS staff to support the annual review of individual performance to underpin pay awards for the year.	• Complete the annual review of individual performance to underpin pay awards for the year.	• Review the human resources implications of the requirements of the emerging Government Strategy for Waste.	• Implement any amendments the human resources policies and procedures required by the Government Strategy for Waste.

ECSS shall operate within the Council's Partnership Protocol for the Delivery of the Waste and Street Cleansing Services, Schedule 5 of the MOA. In delivering this strategic vision, ECSS shall meet the Council's requirements for the Services set out in Schedules 2 and 3, Service Specifications of the MOA.

ECSS shall, in agreement with the Council, implement the following;

(a) **Domestic Waste:** ECSS shall increase productivity to allow the current round configuration to accommodate the increased number of households from 40,000 up to 44,000. ECSS shall continually examine and re-evaluate the rounds to ensure that the most efficient collection methodology is deployed to meet community and waste minimisation targets.

(b) **Dry Recyclable Waste:** ECSS shall improve the efficiency of this service through the development and implementation of an Annual Communications Strategy to increase participation to ensure that efficient and effective use of resources is achieved.

(c) **Garden Waste:** ECSS shall allow for reduced volumes of waste in winter by reducing deployed collections crews and therefore increasing productivity of the remaining rounds.

(d) **Clinical Waste Collections:** ECSS shall deliver a service through the RECAP clinical waste collections contract.

(e) **Bulky Collections and Neighbourhood Recycling Sites:** ECSS shall extend the availability of the service.

(f) **Trade Waste:** ECSS shall aim to introduce in 2019/20 a dedicated trade waste service based on a business case approved by the Board of ECSS. Thereafter ECSS shall build up an enhanced client base through increased marketing and then introduce a second collection round once the customer base is established.

Section 2:

Looking back

The priority for ECSS in 2018/19 was to improve the waste and street cleansing service to our residents and achieve the targets set within the MOA.

We were also able to:

a) Undertake the pre-party work for the reconfiguration of recyclates and garden waste collection services.
b) Carry out a pay review for the frontline staff.
c) Implement of the new regimes for street cleansing.

Table 1 below highlights the significate improvement achieved since the 1st of April 2018 when the waste and street services were brought back in house under ECSS. With the implementation of new and improved working schedules we were able to consistently increase the level of service delivery and in some cases, achieve the target level set within the MOA.

Table 1: ECSS Performance in Relation to the Management and Resolution of Service Requests within the Time Specified Resolution (as a %) for April to December 2018

Service	**April**	**May**			**June**		
	Month	Month	Cum	Trend	Month	Cum	Trend
Refuse	46	63	54	▲	68	58	▲
Recycling	53	44	48	▼	40	45	▼
Garden	49	61	57	▲	50	55	▼
Bulk & Clinical	79	74	76	▼	74	75	▼
Street Cleansing	17	13	15	▼	16	15	▼

Service	**July**			**Aug**			**September**		
	Month	Cum	Trend	Month	Cum	Trend	Month	Cum	Trend
Refuse	87	66	▲	82	69	▲	85	73	▲
Recycling	75	53	▲	82	58	▲	85	62	▲
Garden	74	58	▲	81	62	▲	88	66	▲
Bulk & Clinical	82	77	▲	84	79	▲	92	81	▲
Street Cleansing	42	23	▲	33	25	-	55	30	▲

Service	**October**			**November**			**December**		
	Month	Cum	Trend	Month	Cum	Trend	Month	Cum	Trend
Refuse	92	76	▲	98	77	▲	95	78	▲
Recycling	87	65	▲	98	69	▲	93	70	▲
Green	91	69	▲	97	72	▲	97	73	▲
Bulk & Clinical	92	82	▲	83	83	▲	89	83	▲
Street Cleansing	59	33	▲	72	37	▲	79	39	▲

Note: The RAG rating relates to the month on month cumulative performance trend.

The substantial improvements made in the services being delivered reflects the hard work of ECSS's Management Team and the Council Waste Team under the direction of the Waste Minimisation and Fleet Manager.

Looking forward

Over the next 12 months ECSS intends to continue to improve service delivery and will focus on achieving the 80% performance target set for all the services it delivers. It will then aim to sustain these high levels of service delivery while continuing to develop its existing services as well as seeking new and exciting business opportunities.

Section 3:

Staffing Structure and Responsibilities

3.1 In 2019/20 ECSS will deploy the following staffing structure to deliver this business plan:

Number	Job Title	Employment Status
1	Street Scene Manager	(ECSS employee)
2	Assistant Managers	(ECSS employee)
2	Administration Assistants (ECSS employee).	(ECSS employee)
9	Refuse Collection Service - HGV Drivers/Team Leaders	(ECSS employee)
10	Refuse Collection Service - Loaders	(ECSS employee)
4	Recyclates Collection Service - HGV Drivers/Team Leaders	(ECSS employee)
9	Recyclates Collection Service - Loaders	(ECSS employee)
5	Garden Waste Collection Service - HGV Drivers/Team Leaders	(ECSS employee)
9	Garden Waste Collection Service - Loaders	(ECSS employee)
3	Street Cleansing - HGV Drivers	(ECSS employee)
6	Street Cleansing – Driver/Operatives	(ECSS employee)
4	Street Cleansing - Operatives	(ECSS employee)
Total		
64	24 Driver/Team Leaders have to ensure day to day delivery of service standards.	

3.2 At an operational level, the workforce shall be multi-skilled ensuring staff are flexible in their work enabling the management team to deploy staff to meet service needs. This increased flexibility shall improve performance and reduce the impact of staff absenteeism.

Section 4:

Arrangements to Underpin Service Delivery

4.1 **Deployment of Staff:** ECSS shall deliver the Services using the workforce detailed in section 3 above. ECSS shall introduce a robust monitoring system to ensure that sickness levels are monitored closely to ensure the effective and efficient deployment of resources.

4.2 **Staff Training and Development:** ECSS shall train and develop the core workforce against its' adopted Skills Matrix.

4.3 **Line of Business System and In-cab Technology:** ECSS shall develop a bespoke computer system to support business and internal requirements linked to an In-cab system. This shall consist of a suite of applications to support every area of the business, tailored to the requirements of the Council.

4.4 **Core Employment Requirements:** ECSS shall comply with its' core employment requirements as determined by its adopted HR policies and procedures.

4.5 **Trade Union Engagement:** ECSS shall operate an open-door policy with trade unions and look to develop a constructive working relationship based upon its adopted Union Facilities Agreement.

4.6 **Quality Assurance:** ECSS will develop a performance management culture that will drive delivery improvements from within the service.

4.7 **Independent Auditing:** The Development Officer will act as the independent auditor to conduct totally independent unannounced audits on all work.

4.8 **Day to Day Communications:** Day-to-day users of the services will be able to contact ECSS via the Customer Services function of the Council. All vehicles, equipment and literature relevant to the services provided by ECSS will carry the contact details of the Council's Customer Services. Operational staff, who are likely to meet members of the public as they complete their rounds or cleansing duties, will be encouraged to channel all enquiries and complaints through Customer Services.

4.9 **Out of Hours Communications:** An out of hours communication process will be in operation to ensure that customer requests are responded too, in line with the service request targets set out in the MOA.

4.10 **Arrangements for Health and Safety:** ECSS shall maintain an up to date health and safety policy and codes of practice to ensure that the Company delivers a consistent approach to safety, maintaining standards and minimising risk to all stakeholders. The following arrangements for health and safety are in place to support this approach:

4.12 **Management of Risks:** ECSS will continue to manage risks in accordance with its Risk Register that is contained in Appendix 1 of this business plan.

Section 5:

Marketing of the Services

5.1 The Council and the Company will lead the development and delivery of an annual Communications Plan for the Regulatory Services Committee to approve; and have the following specific responsibilities included:

5.2 The marketing activities undertaken by ECSS shall be in accordance with the annual Communications Plan produced by the Council. The Action Plan within the Communications Plan shall specifically set out the marketing and promotional actions to be undertaken by ECSS and progress against these actions shall be reported to the Regulatory Services Committee.

5.3 ECDC and ECSS shall work with the Parish Councils and other local groups to establish an agreed view of how best to identify and address local concerns about service quality. The prime objective shall be to work in partnership with these bodies to help improve. This will include the marketing (research, development, promotion and review) of integrated services within East Cambridgeshire.

5.4 ECDC and ECSS shall also work with WRAP, ENCAMS, RECAP and other nationally and regionally recognised bodies to better understand public attitudes to key issues such as waste minimisation and recycling.


The glass we recycle in the UK each year saves enough energy to launch 10 space shuttle missions
MR
RECYCLE


Glass is 100% recyclable and can be used again and again
MR
RECYCLE

Section 6:

Customer Care

6.1 ECSS shall continue to fully comply with the following policy statement for customer service to ensure high quality services are provided to customers.

Policy Statement for the Waste and Street Cleansing Services: Measures to Ensure Excellent Customer Service
1. **Purpose of the Policy Statement:** To ensure a high level of customer service is consistently delivered to the standards of a high performing local authority by proactively and consistently responding to service requests and complaints from customers to ensure the performance stretch targets for the services and are at least met if not exceeded.
2. **Treating Customer Service Requests as Genuine:** The starting point for delivering a high level of customer service is that a resident as our customer is contacting the Waste and Street Cleansing Service because they have a genuine issue and that they are not being difficult or seeking to mislead the service. Even if there is doubt about their service request it shall be treated as genuine and dealt with accordingly. A service request shall not be progressed only when the service has gathered evidence of inappropriate behaviour by the resident to then be able to detail to the resident why their service request shall not be resolved.
3. **First Time Fixes:** Top performing services operate on first time fixes by directly empowering management teams within the services. This approach shall be fully adopted by ECSS to improve and then sustain a high quality and consistency of the service activities being delivered. Unless they are policy related, all service requests and complaints shall go directly to the management team within ECSS for resolution within the set timeframes. This being consistent with the need for empowerment of the management team and to ensure their full accountability for service delivery.
4. **The Design of Workflows:** Design shall be from the customer's perspective to ensure they are robust and fit for purpose. This is to ensure that service requests and complaints from customers are effectively and consistently addressed at the point they are made to Customer Services, through to the action required by ECSS and to the point of closure within the CRM system within the timeframes set for each activity.
5. **Annual Targets for Completion of Service Requests:** The service management team shall have a set annual targets for completion of all categories of service requests to set timeframes. To support the achievement of the annual targets the service management team shall receive a prompt if they have failed to close off a service request or if there is a call back from the resident about the service request being outstanding; and the management team must then prioritise the service request being closed off. If the service request is still outstanding it shall be referred to a designated senior manager for direction to be given to the management team about the action to be taken. The monthly monitoring of performance against the stretch targets for service response times shall be by a monthly performance report that confirms actual performance of the service activities against the set timeframes and the levels of service request not resolved within the set timeframes, (as a percentage of the total number of service requests received for the month).

6. **Compliance with Adopted Policies and Procedures:** All staff in both Customer Services and ECSS shall fully comply with all adopted policies and procedures of the Council that cover the provision of waste and street cleansing activities. This is to ensure consistency and transparency in the delivery of the waste and street cleansing services. Any variances from adopted policies and procedures must be agreed by a senior manager.

Section 7:

Scope of Services to be provided in 2019/20 to Meet Council Core Requirements

CORE SERVICES	COUNCIL REQUIREMENTS	ECSS'S PROPOSAL
Education and Communications	• To provide support to the Development Team (Environmental Services) of ECDC for an education function for Schools and more widely to communicate to the public key environmental policies. • To influence waste minimisation, participation rates and on meeting recycling targets.	• To be managed by ECDC by the development and implementation of the Annual Communication Strategy with support from ECSS. • Set as a KPI as part of the Annual Service Development Plan to confirm the impact of the Annual Communications Strategy.
Domestic Waste Collection Service:	• Weekly collection service. • Service utilising sack collections. • Workforce directly employed by ECSS. • Service managed by ECSS. • Disposal by Cambridgeshire County Council.	• No change. • No change: 1,917,760 sack collections per annum, with 43,524 assisted collections per annum, including the provision of 1,917,760 refuse sacks to residents per annum. • Workforce directly employed by ECSS. • Management structure and project team identified • ECSS to manage the interface with Cambridgeshire County Council.
Garden Waste Collection Service:	• Fortnightly collection service. • Service utilising wheeled bins. • Workforce directly employed by ECSS. • Service managed by ECSS. • Disposal by Cambridgeshire County Council.	• No change. • No change: 924,534 wheeled bins and 34,346 sack collections per annum, with 34,346 assisted collections, including the provision of 400 replacement bins per annum and provision of 137,384 garden waste sacks to residents. • Workforce directly employed by ECSS. • Management structure and project team identified

CORE SERVICES	COUNCIL REQUIREMENTS	ECSS'S PROPOSAL
		• ECSS to manage the interface with Cambridgeshire County Council.
Dry Recyclable Waste Collection Service:	• Fortnightly collection service. • Service utilising wheeled bins. • Workforce directly employed by ECSS. • Service managed by ECSS. • Disposal by the current RECAP MURF contract.	• No change. • No change: 924,534 wheeled bins and 34,346 sack collections per annum, with 34,346 assisted collections, including the provision of 400 replacement bins per annum and provision of 68,692 garden waste sacks to residents. • Workforce directly employed by ECSS. • Management structure and project team identified • ECSS to manage the interface with RECAP MRF Contractor.
Trade Waste Collection Service:	• Service to be managed by ECSS. • Provision of a service to other Council services • Disposal by Cambridgeshire County Council.	• Management structure and project team identified • ECSS to produce a business case for the introduction of a sustainable service. • ECSS to establish optimum commercial solution for the disposal of Trade Waste.
Clinical Waste Collection Service:	• Weekly or ad hoc collection service determined by the clinical needs of the customer. • Collections from the properties of the customers. • Service managed by ECSS. • Current contractual arrangements for disposal.	• To provide and manage a clinical waste collection service through the RECAP clinical waste collection contract. • Current contractual arrangements for disposal to be used.
Bulky Household Waste Collection Service and White Goods Collection Service:	• Bookable service. • Service managed by ECSS. • Workforce directly employed by ECSS. • Current contractual arrangements for disposal.	• Capacity provides for a minimum of 1,100 collections per annum. • Management structure and project team identified. • Workforce directly employed by ECSS.

CORE SERVICES	COUNCIL REQUIREMENTS	ECSS'S PROPOSAL
		• ECSS to establish optimum commercial solution for the disposal of Bulky Household Waste and White Goods.
Bring Sites:	• 5 Bring Sites to be serviced with paper/cardboard recycling bins, glass recycling bins, plastic recycling bins and 10 textile recycling bins. • Service managed by ECSS. • Workforce directly employed by ECSS. • Disposal through the RECAP MRF contract.	• No change: 5 Bring Sites to be services with paper/cardboard recycling bins, glass recycling bins, plastic recycling bins and 10 textile recycling bins. • Workforce directly employed by ECSS or by a retained subcontractor. • ECSS to undertake commercial review to establish optimum commercial position for the Council.
Disposal Arrangements	• Existing contractual arrangements to be managed by ECSS	• ECSS to manage.

Section 8:

ECSS's Service Delivery Plans for 2019/20

<table>
<tr><th>Council Core Requirement</th><th>ECSS's Service Delivery Plan</th></tr>
<tr><td>Domestic Waste Collection Service:</td><td>ECSS's Domestic Waste Collection Service shall be based on 5 rounds with one driver and two loaders operating weekly, excluding Bank Holidays and a close-down at Christmas agreed with the Council. The service shall cover a total of up to 40,000 dwellings. ECSS shall collect the following receptacles:

• Sack collections – 1,917,760 per annum.

ECSS shall incorporate the Assisted sack collections – 43,525 per annum.

ECSS shall replace sacks on domestic collections as follows:

• 60 litre sacks – 1,917,760 per annum.</td></tr>
<tr><td>Garden Waste Collection Service:</td><td>ECSS shall deliver a fortnightly Garden Waste Collection Service based on a maximum of 5 rounds, excluding Bank Holidays and a close-down at Christmas agreed with the Council. The service shall cover a total of up to 40,000 dwellings with following flexible staff deployment:

• Driver and two loaders in the summer months, (April to October);
• Driver and 1 loader in the winter months, (November to March).

ECSS shall collect the following receptacles:

• Wheeled Bins – 924,534 per annum.
• Sack Collection – 34,384 per annum.

ECSS shall incorporate the Assisted wheeled bin collections – 21,762 per annum.</td></tr>
</table>

Council Core Requirement	ECSS's Service Delivery Plan
	ECSS shall replace sacks and wheeled bins on garden collections as follows: • Wheel bins – 400 per annum. • 60 litre sacks – 137,384 per annum.
Dry Recyclates Collection Service:	ECSS's fortnightly Dry Recyclates Collection Service shall be based on a maximum of 5 rounds with one driver and two loaders operating excluding Bank Holidays and a close-down at Christmas agreed with the Council. The service shall cover a total of up to 40,000 dwelling. ECSS shall collect the following receptacles: • Wheeled Bins – 924,534 per annum. • Sack Collection – 34,346 per annum. ECSS shall incorporate the Assisted wheeled bin collections – 21,762 per annum. ECSS shall replace sacks on dry recycling collections as follows: • Wheeled bins – 400 per annum. • 60 litre sacks – 68,692 per annum.
Trade Waste Collection Service:	ECSS shall develop and operate a dedicated trade waste collection round using a driver and one loader as a commercial operation to enable the Council to discharge its function as a Waste Disposal Council. The Council shall not be entitled to any revenues collected from ECSS's commercial waste activities. ECSS shall actively promote the service to increase market share within East Cambridgeshire.

Council Core Requirement	ECSS's Service Delivery Plan
Clinical Waste Collection Service:	To provide a clinical waste collection through a 3rd party contractor in accordance with the contract procured through RECAP.
Neighbourhood Recycling Sites:	ECSS shall directly empty the 5 Neighbourhood Recycling Sites and subcontract the collection of textile banks across the district.
Bulky Household Waste Collection Service and White Goods Collection Service:	ECSS shall operate a Bulky Household Waste Collection Service and White Goods Collection Service for a minimum of 1,100 customers with the existing resources from within ECSS to achieve: ECSS shall aim to develop an electronic solution to scheduling and rounding and introduce a day collection service together with a zone-based appointment system.

Section 9:

ECSS Base Case 2019/20

9.1 **Introduction:** Detailed below is base case projections for the delivery of the waste and street cleansing service over 2019/20. The Council will be required to increase the base costs each year by the revenue estimate increases applied to the Council's own budgets in accordance with the Memorandum of Agreement. The outcome of the Pay Review carried out in 2018/19 by Huntingdonshire District Council on behalf of ECSS is included in the financial projections

9.2 **Allocation of Financial Risks:** ECDC shall have the risk of funding the management fee each year based on the financial projections contained in its business case. Once the management fee has been fixed for a financial year ECSS shall then have the financial risk of delivering the specified services within the fixed management fee including realising the efficiencies included in the business plan. If funding of the management fee is not possible within ECDC's Medium Term Financial Strategy, then ECDC and ECSS shall have meaningful discussions in December before the next financial year to re-specify services to achieve an affordable waste and street cleansing service.

9.3 Detailed below are explanatory notes in respect to financial projections included in this business plan:

a) The known increases in the employer's contributions for the People's Pension have been factored in but any further increases in these costs would have to be a pass through cost to the ECDC if they cannot be absorbed within these financial projections.

b) The introduction of the new grades resulting from the Pay Review can be introduced and the first annual pay awards made within existing resources. The proposed pay award contained in the financial projections would make ECSS fully compliant with Minimum Wage requirements. Future annual pay awards will then be tied to performance, specifically the achievement of ECSS stretch targets and the delivery of round reconfiguration to achieve further efficiencies to help sustain the service and to fund the pay awards going forward.

Table 9.1: Base Case Summary 2019/20

	Refuse Service	Recycling Service	Garden Waste Service	Street Cleansing Service	Total
Income:					
Management Fee	1,154,854	315,711	579,176	675,950	2,725,691
Bulky Collections	22,606	-	-	-	22,606
Recycling Credits	-	359,119	-	-	359,119
Garden Waste Collections	-	-	23,000	-	23,000
Total Income	**1,177,460**	**674,830**	**602,176**	**675,950**	**3,130,416**
Expenditure:					
Total Staffing Costs	455,775	304,082	330,166	321,203	1,411,226
Total Vehicle Costs (Inc. Debt Costs)	317,524	110,826	110,826	150,263	689,439
Total Supplies & Equipment Costs	101,383	15,210	15,610	59,276	191,479
Fuel Costs	120,000	75,000	75,000	30,000	300,000
MRF Processing Costs	0	99,670	0	0	99,670
Apportionment of Management & Administration Costs	80,675	40,337	40,337	40,337	201,686
Apportionment of Depot Costs	26,496	13,248	13,248	13,248	66,240
Apportionment of Other Direct Overheads (Inc. Director Costs & WM Team Costs)	74,658	37,329	37,329	37,329	186,645
Apportionment of Indirect Overheads - ECDC recharges for Support Services	21,000	10,500	10,500	10,500	52,500
Profit @ 2%	23,950	12,131	12,656	13,794	62,531
Total Expenditure	**1,221,461**	**718,333**	**645,672**	**675,950**	**3,261,416**
Delivery of Programmed Efficiencies	44,001	43,503	43,496	-	131,000
Surplus/Deficit	**0**	**0**	**0**	**0**	**0**

Note: The programmed efficiencies relate to savings to be made from the reconfiguration of collection rounds approved by the ECSS Board in September 2018 as part of the detailed business case for 2018/19 to 2021/22.

9.4 Summarised below in Table 9.2 is an explanation of the projected growth in costs:

Table 9.2: Projected Annual Growth in Costs

2019/20 Projected Growth in Costs:	• Staffing Costs - £84,459: The projected impact of the full year pay award costs for 2018/19 and the full year costs of the pay award for 2019/20. • Transport Costs - £47,528: The impact of debt repayment being included for the two replacement road sweepers. • Management & Administration Costs - £4,157: The impact of the additional costs for the management restructure proposed for late 2018/19. • Depot Costs - £41,240: The impact of dept. repayment costs being included for the depot refurbishment project. • Profit - £4,556: Profit is based on 2% of expenditure so if expenditure increases profit increases.

9.5 **Funding the Growth in Projected Costs:** Funding of the growth in the projected costs in part or full will be through the following development projects included in the Business Case for ECSS but these projects will need to be driven through:

- The reconfiguration of the refuse collection rounds realising a saving of £94,200 if the service can be reduced by one round on a permanent basis.

- The reconfiguration of the garden waste collection rounds realising a saving of £42,300 per annum through reducing down to three rounds for four winter months or by £94,200 if the service can be reduced by one round on a permanent basis.

- The reconfiguration of the recyclates collection rounds realising a saving of £94,200 if the service can be reduced by one round on a permanent basis. This may be the most difficult of the round reconfiguration work streams if there is a further drive to increase recycling rates.

- The reconfiguration project would be based on the current number of properties in the District plus a 10% allowance for future housing growth. Housing growth above this level and the additional refuse and recycling collection requirements would have to be funded by ECDC.

9.6 Achievement of the planned efficiencies from round reconfiguration by ECSS would deliver an affordable waste and street cleansing services for the period of this business plans. Detailed in Table 9.3 below is a summary of the savings that ECSS will be required to deliver to ensure the services are affordable within the Council's MTFS.

'Biggest and most shocking' case of fly-tipping to date says East Cambs Council

PUBLISHED: 11:47 14 May 2018 | John Elworthy

Eighty tonnes of waste cleared, 500 individual graffiti wipes used and chewing gum scraped off pavements... all in two weeks' work for East Cambs Street Scene team

PUBLISHED: 13:20 04 January 2019 | UPDATED: 15:38 04 January 2019 | Ben Jolley

Appendix 1: East Cambs Street Scene Ltd - Strategic Risk Assessment Update

Risk Reference:
A: Legislative Changes
A1. Changes in health and safety legislation that places additional service delivery requirements and costs on ECSS, (passing through to the Council).
A2. Changes in employment legislation that places additional service delivery requirements and costs on ECSS, (passing through to the Council).
A3. Changes in legislation could impact on ECSS's powers to trade in a commercial manner, e.g. to deliver a trade waste service and cleansing services to third parties.
B: Governance
B1. Inadequate governance arrangements and lack of clarity on roles of the Council and ECSS for the delivery of the waste and street cleansing services could lead to poor decision making which could undermine the delivery and future development of the services.
B2. Lack of key skills amongst operational management team of ECSS to operate the services in full compliance with the Council's requirements and for ECSS to maximise on commercial opportunities.
C: Finance
C1. A failure of ECSS to align costs for service delivery to market rates by not achieving productivity levels required to deliver the market rates.
C2. A failure of ECSS to deliver the waste and street cleansing services within the budget envelope set by the Final Business Case.
C3. Economic downturn negatively impacting on recyclates income resulting in increased gate fees at the MRF.
C4. Economic downturn impacting on the capacity of ECSS to grow a trade waste service because of a failure of SME's to continue to trade.
D: Operational
D1. ECSS failing to manage sickness absence in accordance with adopted policies and procedures to ensure attendance targets are being achieved
D2. ECSS failing to consistently deliver the availability and performance standards set out in the new service specifications leading to reputational damage for the Council.
D3. ECSS failing to fully comply with the requirements of ECDC's Fleet Operator's Licence leading to the licence being revoked resulting in ECSS unable to operate heavy goods vehicles on public roads and therefore unable to fulfil the requirements of the MOA with the Council.
D4. ECSS failing to have in place sustainable sub-contractor arrangements (e.g. vehicle maintenance, agency staffing etc.) to sustain the delivery of the waste and street cleansing services.
D5. The Council and ECSS failing to progress within budget and to the set time frame the depot refurbishment project in order to upgrade depot facilities to ensure compliance with environmental and health and safety legislation and to provide capacity to deliver extended services from the depot.

A: Legislative Changes		
Risk Reference	**Management of Risk**	**Action**
A1. Changes in health and safety legislation that places additional service delivery requirements and costs on the ECSS, (passing through to the Council).	This is outside the control of the Council and ECSS. Going forward this will need to be monitored. Continuous monitoring of changes to legislation through liaison with H&SE, ebulletins, consultations, LGA KnowledgeHub and other publications. Any significant changes in legislation which realise this risk will be addressed immediately by the Director to Full Council. With an amended Business Plan for the delivery of the waste and street cleansing services being prepared for approval by ECSS's Board and then Full Council.	Director, ECSS to monitor, supported by the ECDC Health & Safety Adviser
A2. Changes in employment legislation that places additional service delivery requirements and costs on ECSS, (passing through to the Council).	This is outside the control of the Council and ECSS. Going forward this will need to be monitored. Continuous monitoring of changes to legislation through liaison with the Chartered Institute of Personnel Management (CIPM), ebulletins, consultations, LGA KnowledgeHub and other publications. Any significant changes in legislation which realise this risk will be addressed immediately by the Managing Director to Full Council. With an amended Business Plan for the waste and street cleansing services being prepared for approval by ECSS's Board and then Full Council.	Director, ECSS to monitor, supported by the ECDC Human Resources Manager
A3. Changes in legislation could impact on the Council's powers to trade in a commercial manner, e.g. to deliver a trade waste service and cleansing services to third parties.	This is outside the control of the Council and ECSS. Going forward this will need to be monitored. Continuous monitoring of changes to legislation through liaison with MP's, ebulletins, consultations, LGA KnowledgeHub and other publications. Any significant changes in legislation which realise this risk should be addressed immediately by the Director to ECSS's Board and to Full Council. An amended Business Plan or Exit Strategy will need to be approved by ECSS's Board and Full Council.	Director, ECSS to monitor, supported by the ECDC Head of Finance

B: Governance		
Risk Reference	**Management of Risk**	**Action**
B1. Inadequate governance arrangements and lack of clarity on roles of the Council and ECSS for the delivery of the waste and street cleansing services could lead to poor decision making which could undermine the delivery and future development of the services.	Compliance with the Memorandum of Understanding that sets out the roles and responsibilities of the Council and ECSS (matters reserved only for Council) for the delivery of the waste and street cleansing services. Compliance with the service specifications for waste and street cleansing that set out clear availability criteria and performance standards to be met by ECSS in the delivery of the services. After year one of trading, ECSS will produce an annual service improvement plan in a format determined by the Council to drive the continued development and improvement of the services. This will include any capital investment proposals for the Council to endorse. The Performance Review Board is conducting monthly performance review meetings with ECSS submitting a standard performance report to confirm performance against set performance targets and to agree revised priorities and operating procedures when required. Based on this activity a Quarter 1 report was then then submitted to the Regulatory Services Committee. Any changes to the Memorandum of Understanding will need to be approved by Full Council. The Managing Director will provide a report to ECSS's Board and then Full Council detailing the proposed changes and why these changes would be necessary.	Managing Director of ECSS and Director of ECSS to monitor
B2. Lack of key skills amongst operational management team of ECSS to operate the services in full compliance with the Council's requirements and for ECSS to maximise on commercial opportunities.	The Council and ECSS have developed and implemented shared proposals for the restructure of management resources within the Council and ECSS to optimise the future development of management resources and to ensure the right people are in the right roles. These structural arrangements are to be reviewed and further refined in October 2018 to reflect the first 6 months of the delivery of the services and lessons learnt.	Director of ECSS to review and refine current structural arrangements in October 2018.

C. Financial		
Risk Reference	**Management of Risk**	**Action**
C1. A failure of ECSS to align costs for service delivery to market rates by not achieving productivity levels required to deliver the market rates.	Over the first 12 months of delivering the waste and street cleansing services ECSS will benchmark all costs against market rates and refine the Final Business Case to identify potential further efficiencies for re-investment in the services. New productivity and attendance targets have been set by ECSS for the waste and street cleansing service with monthly performance reports being produced to confirm performance against these targets.	Director of ECSS supported by the ECSS's Operations Manager.
C2. A failure of ECSS to deliver the waste and street cleansing services within the budget envelope set by the Final Business Case.	Monthly Profit and Loss Statements has been developed and introduced for the waste and street cleansing services and reported upon monthly within ECSS; with a quarterly high level financial report to ECSS's Board and Council on performance. A three year schedule of proposed efficiencies has been developed for approval by ECSS's Board to help deliver financially sustainable services going forward.	Director of ECSS supported by ECDC's Head of Finance and ECSS's Operations Manager.
C3. Economic downturn negatively impacting on recyclates income resulting in increased gate fees at the MRF.	The Council and ECSS are closely monitoring recyclates income and gate fee charges under the current County Council contractual arrangements, with formal quarterly reviews to confirm if any additional costs for waste processing need to pass through from ECSS to the Council.	Director of ECSS supported by ECDC's Waste Minimisation & Fleet Manager
C4. Economic downturn impacting on the capacity of ECSS to grow a trade waste service because of a failure of SME's to continue to trade.	ECSS to grow the trade waste service incrementally out of the domestic and recyclates collection services till it has reached a scale that supports a separate collection service. The service to include bulky collections as an additional income stream. The full commercial risk for the trade waste service to be with ECSS. The trade waste service to be operated by ECSS as a separate Profit and Loss account to ensure profitability of the service. With the annual benchmarking of fees and charges against the market place.	Director of ECSS supported by ECDC's Waste Minimisation & Fleet Manager and the Waste Consultant to produce a business case by March 2019 for the proposed trade waste service

D: Operational		
Risk Reference	**Management of Risk**	**Action**
D1. ECSS failing to manage sickness absence in accordance with adopted policies and procedures to ensure attendance targets are being achieved	The operational management team of ECSS have been taken through refresher training in respect of the policies and procedures and their specific roles and responsibilities in respect to the effective management of sickness absence. The monthly performance report produced by ECSS includes full reporting of sickness absence against the set attendance targets.	ECSS's Operations Manager supported by ECDC's Human Resources Manager to effectively manage sickness absence to ensure set attendance targets are being achieved. Director, ECSS to monitor.
D2. ECSS failing to consistently deliver the availability and performance standards set out in the new service specifications leading to reputational damage for the Council.	ECSS have fundamentally reviewed and amended all work processes and procedures, and resource deployment against the new availability criteria and service standards. ECSS have introduced a new performance framework for the management of the services to work within, within monthly performance reports being produced. The monthly performance report produced by ECSS includes full reporting on performance against the set performance targets.	ECSS's Operations Manager supported by ECDC's Waste Minimisation & Fleet Manager to effectively manage performance to ensure set performance targets are being achieved. Director, ECSS to monitor.
D3. ECSS failing to fully comply with the requirements of ECDC's Fleet Operator's Licence.	ECDC has put in place the necessary procedures and processes to effectively manage the fleet, including the requirements for ECSS to ensure compliance with their O'Licence.	Waste Minimisation & Fleet Manager to ensure compliance with the O'Licence requirements as the designated Transport Manager. Director, ECSS to monitor

Operational		
Risk Reference	**Risk Reference**	**Risk Reference**
D4. ECSS failing to have in place sustainable sub-contractor arrangements (e.g. vehicle maintenance, agency staffing etc.) to sustain the delivery of the waste and street cleansing services.	ECSS has put in place sub-contractor arrangements as required for vehicle maintenance, agency staffing, etc.	ECSS's Operations Manager and ECDC's Waste Minimisation & Fleet Manager to effectively manage all the sub-contractor arrangements in place and to tender for any additional requirements as they arise. Director, ECSS to monitor
D5. The Council and ECSS failing to progress within budget and to the set time frame the depot refurbishment project in order to upgrade depot facilities to ensure compliance with environmental and health and safety legislation and to provide capacity to deliver extended services from the depot.	A set of project documents and governance arrangements are in place for the delivery of the project. The capital funding for the project has been agreed. Atkins Ltd have been retained for the detailed design, tendering and implementation of the programme of improvement works.	Director, ECSS, supported by the Facilities Management Team and Waste Consultant to manage the project to the required conclusion.

Section 10:

Communication and Education

ECSS has formed a close relationship with East Cambs District Council in support of their communication and education campaigns. Our recycling hero is Michael Recycle. Follow him on Twitter @MikeLRecycle where you can also find his two friends, Taylor the Swift and Hester the Hedgehog. Michael also has a new blog, giving advice and handy tips on how and what to recycle. His blogs can be found at eastcambs.gov.uk. Michael visits schools to talk to children on why recycling matters and why we should ditch the plastic and has recently won a gold award in the education category from The Pride Awards, Anglia, Thames and Chiltern Region.

SWOT ANALYSIS

Strengths	Weaknesses
• Strong industry knowledge and experience • Established team with skills and expertise • Diverse offer of skills • Drive and Determination	• Lack of experience in tendering for contracts • Limited experience in a commercial environment
Opportunities	Threats
• Economies of scale increase potential new business • Expand the teams skill base, i.e. investment in training • Increase reputation • Develop new business areas; e.g. Trade waste collections • New commercial contracts for goods and services; e.g. waste and street services for private businesses • Responsible for collection activities on behalf of neighbouring authorities generating additional revenue.	• Competition from other service deliverers • Contracts ending and not being renewed • Weather • Employment of skilled workers

COMMUNITY INFRASTRUCTURE LEVY: AMENDMENTS TO THE REGULATION 123 LIST

Committee: Council

Date: 21 February 2019

Author: Director Commercial

[T204]

1.0 ISSUE

1.1 To consider amendments to the Community Infrastructure Levy (CIL) Regulation 123 list (R123 list), namely; the inclusion of A142/Witchford Road roundabout.

2.0 RECOMMENDATION(S)

2.1 Members are requested to approve the draft R123 list at Appendix 1.

3.0 BACKGROUND

3.1 East Cambridgeshire District Council introduced CIL on 1 February 2013. CIL is a levy that is charged on most new development in the District. The contributions raised through this levy are used to fund, in whole or in part, the necessary infrastructure required to support growth and development in the District.

3.2 As part of the CIL Regulations 2010 (as amended), the Council is required to produce a list of infrastructure projects that could potentially benefit from CIL funding; this is known as the R123 list.

3.3 CIL income is currently split into four categories; Administration, Meaningful Proportion, Strategic and Major. This report focused on the strategic category.

3.3 **Strategic Projects**

3.3.1 The Council currently has 5 strategic projects list; District Leisure Centre, Soham Railway Station, Littleport Schools, Ely Southern Bypass and Health Facilities serving the North Ely Development.

3.3.2 At present 3 of the 5 projects have allocated funding.

Strategic Project	Allocated	Spent	Holding
District Leisure Centre	£2,733,380.51	£1,577,918.91	£1,155,461.60
Ely Southern Bypass	£907,331.79	£714,442.83	£192,888.96
Littleport Schools	£927,331.79	£734,442.82	£192,888.96
Other*	£362,932.71	£0	£362,932.71

* Not allocated to a specific strategic project

3.4 **A142/Witchford Road Roundabout**

3.4.1 The Council has been working with Grovemere Properties, Cambridgeshire County Council and the Combined Authority to alleviate the current traffic issues around the A10/Witchford Road (BP roundabout) and the A142/Witchford Road (Lancaster Way). Grovemere Properties has secured funding, which must be spent by March 2021, to bring about a solution to the BP roundabout and all parties are progressing a solution to alleviate traffic issues in the area.

3.4.2 It is agreed by all parties that the BP roundabout cannot be considered in isolation and that there needs to be improvement to the Lancaster Way roundabout to ensure that traffic flows appropriately. Cambridgeshire County Council and the Combined Authority are exploring funding opportunities for the study that needs to be completed to bring about improvement to the Lancaster Way roundabout. Once the study is complete there is no immediately identifiable funding stream to make the necessary improvement works. A contribution, through CIL, could be used as part of the funding package.

3.4.3 The Council recognises and supports the need for these improvements, not just to unlock future growth in the area but also to alleviate the traffic issues that are currently being experienced.

3.4.4 The purpose of the strategic allocation is to deal with burden that growth places on infrastructure and seeks to assist with providing the infrastructure needed to lessen the burden.

3.4.5 Adding the A142/Witchford Road roundabout to the R123 list could provide another funding source to bring about a solution to this congested area and facilitate growth.

4.0 <u>CONCLUSION</u>

4.1 Improving infrastructure is a priority in the Corporate Plan 2017-19 and as such, for the reasons set out above, Members are recommended to approve the inclusion of the A142/Witchford Road roundabout on the R123 list.

5.0 <u>FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT</u>

5.1 There are no financial implications arising from this report. There is no guarantee that a project on the R123 list will benefit from CIL funding. The decision for release of funds, and the amount of funds, will be considered by the relevant committee at the relevant time.

5.2 An Equality Impact Assessment (INRA) is not required.

6.0 APPENDICES

6.1 Appendix 1- Draft Regulation 123 List

Background Documents	Location	Contact Officer
CIL Regulation 123 list (website)	The Grange, Ely	Emma Grima Director Commercial (01353) 616960 E-mail: emma.grima@eastcambs.gov.uk

Appendix 1

East Cambridgeshire District Council
Community Infrastructure Levy: Regulation 123 List

Introduction

The Community Infrastructure Levy ('CIL') Regulation 123 provides for a CIL charging authority to publish a list of infrastructure likely to be funded from CIL on its website.
CIL can be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the charging authority's area.
The CIL Regulation 123, however, restricts the use of Section 106 Planning Obligations for infrastructure that will be funded in whole or in part by the CIL. This is to ensure no duplication or 'double funding' between the two types of developer contributions towards the same project.
The Regulation 123 list can be reviewed and updated regularly. The inclusion of a project or type of infrastructure does not signify a commitment from the Council to fund the project (either in whole or in part).

East Cambridgeshire Regulation 123 List

The East Cambridgeshire CIL Regulation 123 list is set out in the table below. The table is in no particular order and no priorities have been identified.
East Cambridgeshire CIL Regulation 123 List

Category	**Project**
Strategic	Littleport Schools
	District Leisure Centre
	Soham Railway Station
	Ely Southern Bypass
	Health Facilities Serving North Ely Development
	A142/Witchford Road Roundabout
Major	Childrens Centre Serving North Ely Development
	North Ely Country Park
	Staploe Medical Centre
	Ely Commuter Car Park
	Wicken-Soham-Ely Cycle Path
	Witchford Household Recycling Centre
	Burwell Parish Council Recreation Ground Improvement Project
	Ely Museum Redevelopment
	The Mill Project- Soham
	Sutton GP Surgery Extension
	Stretham GP Surgery

AGENDA ITEM NO. 11

TITLE:	**REVENUE BUDGET, CAPITAL STRATEGY AND COUNCIL TAX 2019/20**
Committee:	Council
Date:	21st February 2019
Author:	Finance Manager

[T205]

1 ISSUE

1.1 This report sets out the Council's proposed revenue budget, capital strategy, and the required level of Council Tax in 2019/20. 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.
- The draft 2019/20 revenue budget as set out in Appendix 2, including a proposed Council Tax freeze.
- The Statement of Reserves as set out in Appendix 3.
- The 2019/20 Fees and Charges as set out in Appendix 4.
- The capital programme and financing as set out in Appendix 5.
- The awarding of discretionary Business Rate relief to certain retail business premises with a rateable value below £51,000 as set out in paragraphs 5.2 to 5.4.

3 BACKGROUND / OPTIONS

3.1 At the Full Council meeting on 22nd February 2018, members approved a net budget for 2018/19 of £8,215,274 and a frozen Council Tax. The budget had a planned draw of £1,893,096 from the Surplus Savings Reserve. The Medium Term Financial Strategy at that time showed a balanced budget in 2019/20 (using further resources from the Surplus Savings Reserve), but then a budget deficit in 2020/21 with then a significant budget deficit in 2021/22.

3.2 The outturn position for 2017/18 was initially reported to the Resources and Finance Committee on the 18th June 2018, with then a post audit up-date position provided on the 26th July 2018. This showed that due to the proactive actions taken by management to reduce the Council's cost base prior to and during 2017/18, the

Council underspent in 2017/18 by £1,192,883. This was transferred into the Surplus Savings Reserve.

3.3 The Council also benefitted in 2017/18 and the two previous years, from additional Business Rate income from being part of the Cambridgeshire Business Rate Deal which was in place for three years up until March 2018. This generated additional income to the Council of £1,317,939. Some of this has already been allocated for use by the Economic Development Team, but it is recommended that the balance be 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 2018/19 is £433,500, this too will be transferred to the Surplus Savings Reserve at yearend and has been reflected in the figures in this report.

4 GRANT SETTLEMENT

4.1 The Provisional Settlement was announced on Thursday 13th December 2018, with then the Final Local Government Finance Settlement being announced via a written statement on the 29th January 2019.

4.2 The Settlement confirmed the final year of the four year funding deal previously offered by Government, this allowing local government greater certainty on the level of grants it was to receive from Government over (what was at the time) the length of the parliament. This Council resolved to be involved in the four year deal process and submitted the necessary efficiency plan in line with the requirements.

4.3 The Revenue Support Grant figure is therefore the same as was used in preparing the MTFS this time last year. The past two years and the figure for 2019/20 are detailed below and highlight the significant reduction in this funding stream over the period of this deal.

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

4.4 Following consultation over the summer, the Settlement made no further changes to the criteria for awarding New Homes Bonus grant. However the changes made in the 2017/18 Settlement remain, which mean that the timeframe over which New Homes Bonus is payable will be four years in 2019/20 (it had been six years in 2016/17). Further the baseline for housing growth, set at 0.4% of the Council Tax base, below which no Bonus allocation is received, also remains in place. This criteria was also put in place in 2017/18 which means the grant calculation for 2018/19 has three years using this new baseline, where the 2018/19 grant only had two years. Consequently the provisional allocation for this Council in 2019/20 is £572,681. This compares unfavourably with the actual in 2018/19 of £716,357.

4.5 The future of New Homes Bonus through the Spending Review process remains far from clear, although the "Government remains fully committed to incentivising housing growth" [Final Settlement written statement]. Therefore in building the MTFS, the figures for 2020/21 and future years only contain the legacy payments of grant already awarded, i.e. as grant on each house built is paid for four years, where houses have already been recognised, we assume that grant will be paid for the full four years.

4.6 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 2019/20 (this is the same value as in 2018/19); Housing Benefit administration grant of £171,429 (a reduction of £18,752 compared to 2018/19) and Council Tax administration grant £70,250 (an increase of £996 compared to 2018/19).

4.7 The Settlement further identified the local authorities who will be involved in the new 75% Business Rates Retention pilot scheme in 2019/20, unfortunately Cambridgeshire was not amongst those councils selected.

4.8 The Settlement makes provision for shire districts to increase Council Tax by up to 3% or £5, whichever is the greater, in 2019/20 without the need for a referendum. To put a value on this, if we were to increase Council Tax by £5 in 2019/20, this would generate additional income of £148,600 in that year. The budget currently assumes, and the Council's Corporate Plan promises, that Council Tax will remain frozen for 2019/20 at £142.14.

4.9 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.

4.10 At the same time as the Provisional Settlement, the Government launched two consultations. The first is "A review of local authorities' relative needs and resources". The Government is undertaking a major spending review in 2019, which will impact from April 2020. The funding review, comes in two parts, firstly Government will determine how much funding each of its Departments will have in 2020/21 and future years. Once this is determined, a further process will be undertaken to determine how the amount allocated to local government will be allocated across the sector.

4.11 As Government no longer plan to provide funding via Revenue Support Grant in 2020/21, the requirement for each local authority will be allocated via the Business Rates Retention Scheme. The consultation above provides some clues as to the potential methodology that will be used by Government to determine this. This will be done by giving a score to different measurable criteria, which when added together determine the relative need of each council. Government then ensures that each authority receives an amount in line with its relative need in the first year by applying tariffs and top-ups to the amount collected in Business Rates and allocated to the different tiers of local government.

4.12 The second consultation is on the Business Rate Retention Scheme. As highlighted earlier, Government are piloting 75% local retention of Business Rates in 2019/20 and this is expected to come into place for all authorities in 2020/21. The process for this, however still remains far from clear, with uncertainty about which grants will be withdrawn to make the scheme fiscally neutral. Revenue Support Grant, public health grant and Rural Services Delivery grant have already been highlighted, but it remains possible that others may be added. A further uncertainty at this point, is the split between tiers of local government and this is one of the reasons for the current pilots to determine which percentages provide the best results.

4.13 While the tier split has little impact in the initial year, as the amount of money retained by each authority will match that determined by Government via the use of tariffs and top-ups, it has a significant impact in future years, when the percentages will influence the amount of growth that each authority will retain.

4.14 Possibly the greatest concern for this Council however, is that the consultation suggests a full baseline reset in 2020/21 should be actioned. 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 figure our baseline is £2.4 million, where we actually budget for £3.3 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 other consultation as detailed in 4.10 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.

5 AUTUMN BUDGET 2018

5.1 The autumn budget announced on the 29th October 2018 also contained a number of announcements that will affect Business Rates.

5.2 Retail Relief – The Government have proposed the introduction of extra Business Rate relief for certain retail business premises with a rateable value below £51,000. Under the new scheme, eligible ratepayers will receive a one third discount of their daily chargeable amount. The Government have issued guidelines on the operation of this relief which they intend should have effect for 2019/20 and 2020/21. State aid rules will apply to the retail relief in the usual way.

5.3 Local Authorities are expected to use their discretionary relief powers (Section 47 of the Local Government Act 1988, as amended) to grant this new relief in line with the relevant eligibility criteria set out in the guidelines.

5.4 This new relief will be funded by Government via Section 31 grant and will not therefore reduce the NNDR available to the Council. Members are asked to approve the award of this relief.

5.5 Public Toilets – The Government is minded to bring forward primary legislation to allow for 100% relief on standalone public toilets from 2020/21. (As the full details of this are not yet known and as detailed, it will require primary legislation to put in place, the possible consequences of this change are not included in the figures in this report.)

5.6 The provisional Business Rate multiplier for 2019/20 was confirmed. The small business non-domestic multiplier will increase from 48.8 pence to 49.1 pence and the multiplier for larger businesses (rateable values greater than £51,000) will be 50.4 pence. The multiplier is up-dated using the September CPI which was 2.4%.

6 THE 2018/19 BUDGET

6.1 Due to the proactive actions taken by management to reduce costs and generate new sources of funding in recent years, the revenue budgets for 2019/20 and 2020/21 are currently fully funded; but there are significant budget deficits remaining in subsequent years which will need to be addressed.

6.2 The draft budget for 2019/20 is set out in Appendix 2 to this report.

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

- The national employers previously made a two year pay offer to staff covering both the 1st April 2018 and 1st April 2019, this offered a general 2% increase in each year with higher increases at the bottom end of the scale. The budget as presented accounts for both of these increases and indeed an expectation of 2% becoming the norm each year through the MTFS period;
- Following the Pension Fund revaluation as at 31st March 2016 the fund manager requested that the contribution rate be increased from 17% to 17.2%, this increase is reflected in all years of the MTFS, with in addition, the lump sum contribution being increased by £50,000 to £485,000 in 2019/20;
- 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;
- The Housing Benefit budget reflects the latest information from Anglia Revenues Partnership (ARP);
- The budgetary implications of the new Leisure Centre have been incorporated into the budget. However, as the funding strategy for the Leisure Centre was that it should be revenue cost neutral, there is no impact on the funding requirement for Council Tax purposes. (See paragraph 10.9);
- £91,000 is made available for the on-going review of the Local Plan; this reflects a reduction in budget provision from the £330,000 made available in 2018/19 when the majority of the work (including the examination in public) was undertaken.

7 COLLECTION FUND AND COUNCIL TAXBASE

7.1 The MTFS assumed that the Collection Fund for Council Tax would be in balance as at 31st March 2019. However, an increased number of houses being built in the District give a forecast surplus as at 31st March 2019, of which £82,574 will come as income to this Council.

7.2 The taxbase for 2019/20 estimated in last year's budget was an equivalent of 29,575.0 Band D properties. However, the real growth in housing between October 2017 and October 2018 and an estimation of future growth in 2019/20 means that the current forecast for 2019/20 is 29,719.4 Band D properties.

7.3 The NNDR 1 return for 2019/20 was produced at the end of January in line with statutory requirements. Figures from this have been included in the draft budget as now presented, these are different to those presented to Resources and Finance Committee and show an increase in the expected income from this source. The main area of change relates to Renewable Energy receipts, which the District Council keeps 100% of. In 2018/19 budgeted receipts in this area were forecast at £331,937. The Resources and Finance report increased this to £586,094 for 2019/20, but the NNDR1 figure is £748,591 which is repeated throughout the MTFS period.

7.4 As highlighted elsewhere in this report, forecasts for retained Business Rates beyond 2019/20 are almost impossible at this time, but the figures presented take a prudent view, showing a significant reduction on those expected in 2019/20.

7.5 The MTFS assumed that the Collection Fund for Business Rates would be in balance as at 31st March 2019, however the now completed NNDR1 is showing that the Fund will be in surplus at this point and that £246,771 of additional income will be available to this Council in 2019/20.

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 £1,010,837. 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 around 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 2019/20 is £10,456,856. Using the 10% figure, this would therefore require an unearmarked reserve of £1,045,686. It is therefore recommended that an additional £34,849 be put into the General Fund, this being a transfer from the Change Management Reserve, rather than a draw form Council Tax.

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 approved for 2019/20 at the point of drafting this report. Regulatory Services Committee, at their meeting on the 21st

January 2019, agreed in principle to the introduction of new fees for housing offences, including civil penalties for rogue landlords for some specific offences. These are now subject to a further consultation period of eight weeks before implementation. These will be added to the Fees and Charges schedule at this point.

9.3 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 requires for 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, with a number of additional projects in line with the Council's Corporate Plan objectives aimed at improving service provision and the quality of life for residents of the district. The total value of the programme in 2019/20 is £10,266,369.

10.3 With the Council's Waste Service now being provided by East Cambs Street Scenes (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. Only a small amount of fleet will be purchased in 2019/20, but members attention is drawn to the proposed spend in 2020/21 when the 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.

10.4 Expenditure in relation Soham Eastern Gateway, which will be funded from Housing Infrastructure Fund Grant, has been delayed and is now anticipated in 2019/20. This is not a District Council scheme, but instead a County scheme. The grant allocation process required the lower tier authority to appear on the grant application and as such, it needs to go through our books. We will only pay onto the County Council funding that we have already received from Government, so there is very little risk to this Council in this.

10.5 Similarly, the project to refurbish the depot has also been deferred into 2019/20, 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 At the Full Council meeting on the 18th December 2018, Council agreed the extension of the loan facility to East Cambs Trading Company, specifically for the purchase of Ministry of Defence houses in Ely in conjunction with the Combined Authority. These houses have been unoccupied for some time and it is anticipated that the Council's input, through ECTC, will bring these back into use by December 2020, including the provision of additional affordable housing. Sale proceeds from this project will allow this additional loan of £1,500,000 to be repaid to the Council in March 2021, at the same time as the original loan, and as such the Council will not need to make MRP for it.

10.7 Additional capital provision, £400,000 is also built into the budget for purchasing further land to increase the capacity of the commuter car park in Angel Drove in Ely. This purchase will be funded from CIL contributions.

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 and the loan to the Company. The current expectation is that external borrowing will be required in 2018/19, 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 MRP costs associated with the Leisure Centre project are being met from a combination of New Homes Bonus (currently held in reserve) in the early years and the management fee to be paid to the Council by the operator in future years. The Leisure Centre is therefore cash neutral to the Council, with any additional management fee received over that needed to cover debt costs being put into a "repair fund" to ensure that money is available for future maintenance of the Centre.

10.10 The original loan arrangement with ECTC is that the loan must be repaid within five years (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 loan. 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 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 on doubt, the Council would be expected to make provision for any expected shortfall in the year that this became known.

10.11 The other area of capital spend in the capital programme is 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 2019/20 is £772,299, with £511,299 being funded by grant, with the remainder (£261,000) being funded by the Council by the use of previously obtained capital receipts.

10.12 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; the loan 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 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 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 £4,224,316 divided by the taxbase of 29,719.4 properties.

11.2 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.

11.3 All parish precepts have also been notified to the Council. These are reflected, along with the precepts set out in paragraphs 10.1 and 10.2, 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 2019/20, but there is very limited information to put forward a MTFS based on confident assumptions on future Government funding looking further ahead. The risks from 2020/21 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 2020/21 - 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 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.

12.5 The Section 151 Officer is also required to report on the adequacy of reserves. The projected levels of reserves, specifically the General Fund Reserve and Surplus Savings Reserve, and their use in 2019/20 are **prudent** and show how these will sustain the functions of the Council in that year.

12.6 However, the budget for 2020/21 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 2019/20 will hopefully lead to a reduced draw from the Surplus Savings Reserve in that and later years through the MTFS period.

12.7 To further emphasise this, the recent Audit Planning report from EY states in its value for money conclusion "We have identified a significant risk in respect of the financial resilience of the Council and its ability to close the budget gaps it has identified for 2020/21 and 2021/22 in its medium term financial plan." While this budget now shows that the 2020/21 budget gap has now been addressed (in part as a result of the one-off benefit of the Cambridge Business Rates Deal which has now finished), the gaps in future years are significantly higher than in last year's budget (as detailed in paragraph 13.6), so attention is needed to address this as a matter of some urgency.

12.8 The 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.

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 As detailed earlier in this report, the Government is currently undertaking a considerable piece of work to develop a new Business Rate retention scheme to come into effect from 2020/21. This creates 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.

13.3 The MTFS covers the period 2019/20 to 2022/23. 2019/20 is the final year of the current government core grant scheme and so the figures for this year are robust. However, as highlighted, it is extremely difficult to develop a robust MTFS to cover the period 2020/21 and beyond while the uncertainties around future funding levels remain. This report has attempted to do this using the limited information 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 ends in 2019/20, as per the Provisional Settlement;
- New Homes Bonus reduces to levels projected in the Settlement, but remains part of the overall funding package from Government (this is not certain, but there is nothing in any of the recent consultations to suggest that we should differ from this view);
- 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 Council external borrowing, 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 business 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 2019/20 and 2020/21 are fully funded based on those assumptions. 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 2020/21 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 last year's 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 £2,584,904
2021/22 – MTFS year 3	Savings to find £3,323,910

2019/20 Budget	
2019/20 – budget year	Balanced
2020/21 – MTFS year 1	Balanced
2021/22 – MTFS year 2	Savings to find £3,183,519
2022/23 – MTFS year 3	Savings to find £4,045,024

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 for the first two years of the MTFS period, it is strongly recommended that early consideration is made of 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 2018/19, 2019/20 or 2020/21 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 2019/20 and 2020/21 (based on known information). The budget for 2019/20 therefore has minimal risks attached to it, although the Medium Term Financial Strategy and the new funding regime post 2020/21 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 control now, which will bridge some part of the funding gap currently forecast.

15 FINANCIAL IMPLICATIONS

15.1 The proposed net operating budget of £10,456,856 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
Appendix 2 - Draft Budget 2019/20
Appendix 3 - Statement of Reserves
Appendix 4 - Schedule of Fees and Charges
Appendix 5 - Capital Programme

Background Documents	Location	Contact Officer
	Room 104 The Grange Ely	Ian Smith Finance Manager (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk

Appendix 1

East Cambridgeshire District Council, hereinafter referred to as "the Council" in this resolution, RESOLVES for the financial year 2019/20 to:

1. Set the Council Tax Requirement for the Council at £6,479,540 calculated as follows:

		£
a)	Net expenditure on Council services	4,224,316
b)	City, Parish and Town Council precepts	2,255,224
c)	Council Tax Requirement	6,479,540

2. Calculate that the Council Tax requirement for the Council's own purposes for 2018/19 (excluding Parish precepts) is £4,224,316.

3. Note that, arising from decisions taken by City, Parish and Town Councils by 11th February 2019, the amount of Special Expenses included in the budget requirement set out above is £2,255,224.

4. Note that in accordance with regulations made under section 31(B) of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011, the Council's Section 151 Officer has calculated the following amounts:

   (a) 29,719.4 being the Council Tax Base (in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

   (b) The sums shown in Schedule A column (2): being the amounts of Council Tax Base for dwellings in those parts of the area set out in column (1) of the schedule to which special expenses relate.

5. Note that Cambridgeshire County Council, the Cambridgeshire and Peterborough Fire Authority and the Police and Crime Commissioner for Cambridgeshire, in accordance with section 40 of the Local Government Finance Act 1992, have stated the following amounts of precepts issued to the Council.

Band	**County Council £**	**Police Commissioner £**	**Fire Authority £**
A	874.74	148.44	47.16
B	1,020.53	173.18	55.02
C	1,166.32	197.92	62.88
D	1,312.11	222.66	70.74
E	1,603.69	272.14	86.46
F	1,895.27	321.62	102.18
G	2,186.85	371.10	117.90
H	2,624.22	445.32	141.48

6. Set the following amounts in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011 and The Local Government Finance Act 2012:

	Description	Amount	Notes
		£	
a)	Gross Expenditure	37,235,341	
b)	Gross Income	30,755,801	
c)	Council Tax Requirement	6,479,540	
d)	Basic Amount of Council Tax	218.02	Item (c) divided by tax base
e)	Total of Special Items	2,255,224	Parish Precepts
f)	Basic amount of Council Tax for dwellings in parts of the area to which no special items relate	142.14	Item (c) - (e) divided by tax base
g)	Basic Amount of Council Tax for dwellings in parts of the area to which one or more special items relate	Sums in column (6) of Schedule A	Item (f) plus column 4 of Schedule A (excludes Fire, Police and County Council)
h)	Basic Amount of Council Tax as in (g) for each Council Tax band	Sums shown in Schedule B	(excludes Fire, Police and County Council)

7. *The Referendums Relating to Council Tax Increases (Principles) (England) Report* 2019/20 sets out the principles, which the Secretary of state has determined will apply to local authorities in England for 2019/20. The Council is required to determine whether its basic amount of Council Tax is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended by section 5 of the Localism Act 2011.

8. This Council hereby determines that its relevant basic amount of Council Tax for 2019/20 is not excessive in accordance with the legislation set out in the preceding paragraph.

9. Set, as a result of items 5 and 6(h) above, the amounts of Council Tax shown in Schedule C, in accordance the Local Government Finance Act 1992, for each of the categories of dwellings shown in the schedule.

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

COUNCIL TAX FOR BAND D PROPERTIES 2019/20

PARISH	COUNCIL TAX BASE Band D Eq	PRECEPT £	BAND D COUNCIL TAX Parish £	ECDC £	Sub-Total £	CCC £	CFA	PCCforC £	Total £
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Ashley	222.3	18,250.00	82.08	142.14	224.22	1,312.11	70.74	222.66	1,829.73
Bottisham	861.3	47,500.00	55.17	142.14	197.31	1,312.11	70.74	222.66	1,802.82
Brinkley	153.2	8,804.00	57.51	142.14	199.65	1,312.11	70.74	222.66	1,805.16
Burrough Green	150.9	9,393.00	62.28	142.14	204.42	1,312.11	70.74	222.66	1,809.93
Burwell	2,355.3	145,295.00	61.65	142.14	203.79	1,312.11	70.74	222.66	1,809.30
Cheveley	907.1	80,000.00	88.20	142.14	230.34	1,312.11	70.74	222.66	1,835.85
Chippenham	215.4	8,765.00	40.68	142.14	182.82	1,312.11	70.74	222.66	1,788.33
Coveney	155.2	10,500.00	67.68	142.14	209.82	1,312.11	70.74	222.66	1,815.33
Dullingham	321.1	18,768.96	58.41	142.14	200.55	1,312.11	70.74	222.66	1,806.06
Ely, City of	6,940.4	575,000.00	82.89	142.14	225.03	1,312.11	70.74	222.66	1,830.54
Fordham	947.3	40,100.00	42.30	142.14	184.44	1,312.11	70.74	222.66	1,789.95
Haddenham	1,226.4	98,768.00	80.55	142.14	222.69	1,312.11	70.74	222.66	1,828.20
Isleham	790.7	101,939.00	128.88	142.14	271.02	1,312.11	70.74	222.66	1,876.53
Kennett	134.9	9,095.00	67.41	142.14	209.55	1,312.11	70.74	222.66	1,815.06
Kirtling and Upend	160.2	6,987.50	43.65	142.14	185.79	1,312.11	70.74	222.66	1,791.30
Little Downham	893.7	81,102.00	90.72	142.14	232.86	1,312.11	70.74	222.66	1,838.37
Little Thetford	248.1	17,250.00	69.57	142.14	211.71	1,312.11	70.74	222.66	1,817.22
Littleport	2,769.5	162,466.12	58.68	142.14	200.82	1,312.11	70.74	222.66	1,806.33
Lode	358.3	15,150.00	42.30	142.14	184.44	1,312.11	70.74	222.66	1,789.95
Mepal	345.5	32,425.00	93.87	142.14	236.01	1,312.11	70.74	222.66	1,841.52
Reach	136.6	8,965.00	65.61	142.14	207.75	1,312.11	70.74	222.66	1,813.26
Snailwell	78.1	4,915.20	62.91	142.14	205.05	1,312.11	70.74	222.66	1,810.56
Soham	3,656.4	322,500.00	88.20	142.14	230.34	1,312.11	70.74	222.66	1,835.85
Stetchworth	274.3	15,000.00	54.72	142.14	196.86	1,312.11	70.74	222.66	1,802.37
Stretham	658.1	65,000.00	98.73	142.14	240.87	1,312.11	70.74	222.66	1,846.38
Sutton	1,355.8	136,054.00	100.35	142.14	242.49	1,312.11	70.74	222.66	1,848.00
Swaffham Bulbeck	333.4	27,500.00	82.44	142.14	224.58	1,312.11	70.74	222.66	1,830.09
Swaffham Prior	363.0	14,500.00	39.96	142.14	182.10	1,312.11	70.74	222.66	1,787.61
Wentworth	74.1	6,000.00	81.00	142.14	223.14	1,312.11	70.74	222.66	1,828.65
Westley Waterless	64.3	100.00	1.53	142.14	143.67	1,312.11	70.74	222.66	1,749.18
Wicken	327.3	23,000.00	70.29	142.14	212.43	1,312.11	70.74	222.66	1,817.94
Wilburton	472.2	54,400.00	115.20	142.14	257.34	1,312.11	70.74	222.66	1,862.85
Witcham	163.1	14,400.00	88.29	142.14	230.43	1,312.11	70.74	222.66	1,835.94
Witchford	830.6	58,081.00	69.93	142.14	212.07	1,312.11	70.74	222.66	1,817.58
Woodditton	775.3	17,250.00	22.23	142.14	164.37	1,312.11	70.74	222.66	1,769.88
Whole Area/Average Tax Charge	29,719.4	2,255,223.78	75.88	142.14	218.02	1,312.11	70.74	222.66	1,823.53

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

DISTRICT AND PARISH COUNCIL TAX 2019/20

(Note: excluding County, Fire and Police)

PARISH	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Ashley	149.48	174.39	199.31	224.22	274.05	323.87	373.70	448.44
Bottisham	131.54	153.46	175.39	197.31	241.16	285.00	328.85	394.62
Brinkley	133.10	155.28	177.47	199.65	244.02	288.38	332.75	399.30
Burrough Green	136.28	158.99	181.71	204.42	249.85	295.27	340.70	408.84
Burwell	135.86	158.50	181.15	203.79	249.08	294.36	339.65	407.58
Cheveley	153.56	179.15	204.75	230.34	281.53	332.71	383.90	460.68
Chippenham	121.88	142.19	162.51	182.82	223.45	264.07	304.70	365.64
Coveney	139.88	163.19	186.51	209.82	256.45	303.07	349.70	419.64
Dullingham	133.70	155.98	178.27	200.55	245.12	289.68	334.25	401.10
Ely, City of	150.02	175.02	200.03	225.03	275.04	325.04	375.05	450.06
Fordham	122.96	143.45	163.95	184.44	225.43	266.41	307.40	368.88
Haddenham	148.46	173.20	197.95	222.69	272.18	321.66	371.15	445.38
Isleham	180.68	210.79	240.91	271.02	331.25	391.47	451.70	542.04
Kennett	139.70	162.98	186.27	209.55	256.12	302.68	349.25	419.10
Kirtling and Upend	123.86	144.50	165.15	185.79	227.08	268.36	309.65	371.58
Little Downham	155.24	181.11	206.99	232.86	284.61	336.35	388.10	465.72
Little Thetford	141.14	164.66	188.19	211.71	258.76	305.80	352.85	423.42
Littleport	133.88	156.19	178.51	200.82	245.45	290.07	334.70	401.64
Lode	122.96	143.45	163.95	184.44	225.43	266.41	307.40	368.88
Mepal	157.34	183.56	209.79	236.01	288.46	340.90	393.35	472.02
Reach	138.50	161.58	184.67	207.75	253.92	300.08	346.25	415.50
Snailwell	136.70	159.48	182.27	205.05	250.62	296.18	341.75	410.10
Soham	153.56	179.15	204.75	230.34	281.53	332.71	383.90	460.68
Stetchworth	131.24	153.11	174.99	196.86	240.61	284.35	328.10	393.72
Stretham	160.58	187.34	214.11	240.87	294.40	347.92	401.45	481.74
Sutton	161.66	188.60	215.55	242.49	296.38	350.26	404.15	484.98
Swaffham Bulbeck	149.72	174.67	199.63	224.58	274.49	324.39	374.30	449.16
Swaffham Prior	121.40	141.63	161.87	182.10	222.57	263.03	303.50	364.20
Wentworth	148.76	173.55	198.35	223.14	272.73	322.31	371.90	446.28
Westley Waterless	95.78	111.74	127.71	143.67	175.60	207.52	239.45	287.34
Wicken	141.62	165.22	188.83	212.43	259.64	306.84	354.05	424.86
Wilburton	171.56	200.15	228.75	257.34	314.53	371.71	428.90	514.68
Witcham	153.62	179.22	204.83	230.43	281.64	332.84	384.05	460.86
Witchford	141.38	164.94	188.51	212.07	259.20	306.32	353.45	424.14
Woodditton	109.58	127.84	146.11	164.37	200.90	237.42	273.95	328.74
Average Tax Charge	145.35	169.57	193.80	218.02	266.47	314.92	363.37	436.04
Proportion to Band D (Ninths)	6	7	8	9	11	13	15	18

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

TOTAL COUNCIL TAX 2019/20

PARISH	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Ashley	1,219.82	1,423.12	1,626.43	1,829.73	2,236.34	2,642.94	3,049.55	3,659.46
Bottisham	1,201.88	1,402.19	1,602.51	1,802.82	2,203.45	2,604.07	3,004.70	3,605.64
Brinkley	1,203.44	1,404.01	1,604.59	1,805.16	2,206.31	2,607.45	3,008.60	3,610.32
Burrough Green	1,206.62	1,407.72	1,608.83	1,809.93	2,212.14	2,614.34	3,016.55	3,619.86
Burwell	1,206.20	1,407.23	1,608.27	1,809.30	2,211.37	2,613.43	3,015.50	3,618.60
Cheveley	1,223.90	1,427.88	1,631.87	1,835.85	2,243.82	2,651.78	3,059.75	3,671.70
Chippenham	1,192.22	1,390.92	1,589.63	1,788.33	2,185.74	2,583.14	2,980.55	3,576.66
Coveney	1,210.22	1,411.92	1,613.63	1,815.33	2,218.74	2,622.14	3,025.55	3,630.66
Dullingham	1,204.04	1,404.71	1,605.39	1,806.06	2,207.41	2,608.75	3,010.10	3,612.12
Ely, City of	1,220.36	1,423.75	1,627.15	1,830.54	2,237.33	2,644.11	3,050.90	3,661.08
Fordham	1,193.30	1,392.18	1,591.07	1,789.95	2,187.72	2,585.48	2,983.25	3,579.90
Haddenham	1,218.80	1,421.93	1,625.07	1,828.20	2,234.47	2,640.73	3,047.00	3,656.40
Isleham	1,251.02	1,459.52	1,668.03	1,876.53	2,293.54	2,710.54	3,127.55	3,753.06
Kennett	1,210.04	1,411.71	1,613.39	1,815.06	2,218.41	2,621.75	3,025.10	3,630.12
Kirtling and Upend	1,194.20	1,393.23	1,592.27	1,791.30	2,189.37	2,587.43	2,985.50	3,582.60
Little Downham	1,225.58	1,429.84	1,634.11	1,838.37	2,246.90	2,655.42	3,063.95	3,676.74
Little Thetford	1,211.48	1,413.39	1,615.31	1,817.22	2,221.05	2,624.87	3,028.70	3,634.44
Littleport	1,204.22	1,404.92	1,605.63	1,806.33	2,207.74	2,609.14	3,010.55	3,612.66
Lode	1,193.30	1,392.18	1,591.07	1,789.95	2,187.72	2,585.48	2,983.25	3,579.90
Mepal	1,227.68	1,432.29	1,636.91	1,841.52	2,250.75	2,659.97	3,069.20	3,683.04
Reach	1,208.84	1,410.31	1,611.79	1,813.26	2,216.21	2,619.15	3,022.10	3,626.52
Snailwell	1,207.04	1,408.21	1,609.39	1,810.56	2,212.91	2,615.25	3,017.60	3,621.12
Soham	1,223.90	1,427.88	1,631.87	1,835.85	2,243.82	2,651.78	3,059.75	3,671.70
Stetchworth	1,201.58	1,401.84	1,602.11	1,802.37	2,202.90	2,603.42	3,003.95	3,604.74
Stretham	1,230.92	1,436.07	1,641.23	1,846.38	2,256.69	2,666.99	3,077.30	3,692.76
Sutton	1,232.00	1,437.33	1,642.67	1,848.00	2,258.67	2,669.33	3,080.00	3,696.00
Swaffham Bulbeck	1,220.06	1,423.40	1,626.75	1,830.09	2,236.78	2,643.46	3,050.15	3,660.18
Swaffham Prior	1,191.74	1,390.36	1,588.99	1,787.61	2,184.86	2,582.10	2,979.35	3,575.22
Wentworth	1,219.10	1,422.28	1,625.47	1,828.65	2,235.02	2,641.38	3,047.75	3,657.30
Westley Waterless	1,166.12	1,360.47	1,554.83	1,749.18	2,137.89	2,526.59	2,915.30	3,498.36
Wicken	1,211.96	1,413.95	1,615.95	1,817.94	2,221.93	2,625.91	3,029.90	3,635.88
Wilburton	1,241.90	1,448.88	1,655.87	1,862.85	2,276.82	2,690.78	3,104.75	3,725.70
Witcham	1,223.96	1,427.95	1,631.95	1,835.94	2,243.93	2,651.91	3,059.90	3,671.88
Witchford	1,211.72	1,413.67	1,615.63	1,817.58	2,221.49	2,625.39	3,029.30	3,635.16
Woodditton	1,179.92	1,376.57	1,573.23	1,769.88	2,163.19	2,556.49	2,949.80	3,539.76
Average Tax Charge	1,215.69	1,418.30	1,620.92	1,823.53	2,228.76	2,633.99	3,039.22	3,647.06
Proportion to Band D (Ninths)	6	7	8	9	11	13	15	18

Appendix 2

DRAFT BUDGET 2019/20

	Estimate 2018-2019 £	**Estimate 2019-2020 £**	Estimate 2020-2021 £	Estimate 2021-2022 £	Estimate 2022-2023 £
Committees:					
Regulatory Services	3,536,687	**3,754,175**	3,901,553	4,285,348	4,372,627
Community Services	1,623,211	**891,586**	713,116	731,087	749,345
Resources & Finance	5,345,901	**6,111,248**	6,230,622	6,345,402	6,443,345
Net District Spending	10,505,799	**10,757,009**	10,845,291	11,361,837	11,565,317
New Homes Bonus Grant	-716,357	**-572,681**	-302,515	-241,365	-179,636
Rural Services Grant	-161,606	**-161,606**	0	0	0
Internal Drainage Board Levies	482,259	**492,140**	501,983	512,023	522,263
Contributions to / from Corporate Reserves	-1,725	**-58,006**	88,522	86,282	74,242
Net Operating Expenditure	10,108,370	**10,456,856**	11,133,281	11,718,777	11,982,186
Contribution from Surplus Savings Reserve	-1,893,096	**-1,539,364**	-3,428,255	-712,791	0
Savings to be identified	0	**0**	0	-3,183,519	-4,045,024
ECDC Budget Requirement	8,215,274	**8,917,492**	7,705,026	7,822,466	7,937,162
Parish Council Precepts	2,113,445	**2,255,224**	2,290,047	2,324,870	2,359,693
DISTRICT BUDGET REQUIREMENT	10,328,719	**11,172,716**	9,995,073	10,147,336	10,296,855
Financed by:					
Council's share of Collection Funds Surplus	-224,365	**-329,345**	0	0	0
Revenue Support Grant	-353,703	**-11,576**	0	0	0
Locally retained Non-Domestic Rates	-3,146,182	**-3,349,219**	-2,666,891	-2,719,103	-2,768,571
Plus: NNDR from Renewable Energy	-331,937	**-1,003,036**	-748,591	-748,591	-748,591
COUNCIL TAX REQUIREMENT	6,272,532	**6,479,540**	6,579,591	6,679,642	6,779,693

Unallocated Surplus Savings Reserve	Estimate 2018-2019 £	**Estimate 2019-2020 £**	Estimate 2020-2021 £	Estimate 2021-2022 £	Estimate 2021-2022 £
In hand at 1st April	5,952,785	**5,680,410**	4,141,046	712,791	0
Movement in year	-272,375	**-1,539,364**	-3,428,255	-712,791	0
In hand at 31st March	5,680,410	**4,141,046**	712,791	0	0

IMPLIED BAND 'D' COUNCIL TAX					
(District only i.e. excluding parish levies)					
Demand on Collection Fund as above	6,272,532	**6,479,540**	6,579,591	6,679,642	6,779,693
Less Parish Precepts as above	2,113,445	**2,255,224**	2,290,047	2,324,870	2,359,693
	4,159,087	**4,224,316**	4,289,544	4,354,772	4,420,000
Council Tax Base	29,260.5	**29,719.4**	30,178.3	30,637.2	31,096.1
District Council Tax - Band D	142.14	**142.14**	142.14	142.14	142.14

Description	Budget 2017/18	**Estimate 2018/19**	Estimate 2019/20	Estimate 2020/21
Regulatory Services				
Building Regulations	18,929	**17,568**	20,011	22,531
Civic Amenities	10,024	**10,481**	10,626	10,773
Cons. Area & Listed Buildings	57,407	**58,754**	59,679	60,622
Dog Warden Scheme	30,855	**39,408**	39,861	40,322
Environmental	141,662	**112,301**	114,275	116,287
Environmental Health	339,631	**339,346**	345,658	352,097
Health & Safety (Work)	6,305	**28,713**	29,000	29,290
Homelessness	386,430	**383,641**	426,452	436,779
Land Charges Admin	-50,915	**-44,212**	-43,254	-42,277
Licencing - Env Services	17,772	**-10,902**	-18,805	-27,530
Nuisances	55,875	**58,001**	59,085	60,190
Pest Control	14,166	**9,098**	9,271	9,447
Planning	-42,510	**-114,002**	-108,814	-103,427
Recycling	770,302	**774,335**	799,893	823,157
Refuse Collection	1,079,499	**1,174,270**	1,378,390	1,405,809
Renovation Grants	34,367	**31,227**	31,826	32,437
Street Cleansing	632,730	**586,158**	597,471	609,011
Street Naming & Numbering	15,100	**3,371**	3,597	3,828
Travellers Sites	-20,000	**-20,000**	-20,000	-20,000
Tree Preservation / Landscaping	98,163	**99,131**	100,889	102,681
	3,595,792	**3,536,687**	3,835,111	3,922,027
Community Services				
Award Ditches	8,486	**8,656**	8,743	8,830
Closed Churchyards	28,224	**28,516**	28,801	29,089
Community Projects & Grants	195,709	**224,093**	225,276	226,483
Community Safety	48,620	**48,197**	48,842	49,500
Community Transport	15,000	**15,000**	15,000	15,000
Emergency Planning	15,389	**47,522**	42,809	43,099
General Gang	103,757	**70,440**	71,644	72,872
Leisure Centre	0	**43,165**	-196,528	-372,989
Local Plans	0	**330,000**	91,000	95,000
Markets	0	**0**	0	0
Marketing & Grants	46,153	**155,793**	61,219	61,219
Oliver Cromwell House	52,047	**0**	0	0
Paradise Pool	173,041	**27,977**	0	0
Parish Forums	2,000	**2,000**	2,000	2,000
Parking of Vehicles	-9,325	**-70,150**	-66,261	-62,295
Parks and Open Spaces	371,944	**451,487**	454,164	461,005
Public Conveniences	155,192	**146,837**	149,361	151,933
Sport & Recreation Admin	116,029	**93,678**	89,008	90,150
The Old Gaol House	7,803	**0**	0	0
	1,330,069	**1,623,211**	1,025,078	870,897
Resources & Finance				
Asset Management	141,918	**205,000**	141,918	141,918
Civic Relations	12,663	**13,184**	13,292	13,402
Corp. Man. Policy Research / Review	166,417	**135,687**	135,887	136,089
Council Tax Collection Costs	321,291	**374,750**	382,793	392,022

Description	Budget 2017/18	**Estimate 2018/19**	Estimate 2019/20	Estimate 2020/21
Customer Services	354,092	**376,631**	384,310	392,143
Data Management	85,611	**87,240**	88,291	89,363
Economic Development	41,867	**55,781**	60,836	65,006
Finance	287,899	**315,550**	321,366	327,300
Housing Benefits	310,287	**324,394**	333,240	343,743
Housing Strategy	253,685	**189,573**	235,061	240,659
Human Resources	117,493	**118,650**	120,552	122,495
Information Technology	656,592	**862,142**	812,609	823,363
Interest & Financial Transactions	-47,859	**-241,641**	-280,215	-280,067
Internal Audit	70,583	**69,821**	71,542	73,306
Legal Services	162,612	**176,523**	179,419	182,373
Local Elections	22,500	**22,500**	22,500	22,500
Management Team	460,519	**412,736**	421,192	429,822
Member & Committee Support	496,670	**487,614**	444,822	446,515
Misc. Financial Services	524,640	**626,640**	1,115,629	1,133,629
Miscellanous Properties	-13,823	**-44,605**	-44,605	-44,605
NNDR Collection Costs	19,337	**24,633**	27,020	29,455
Out Of Hours Service	18,500	**20,000**	20,400	20,808
Payroll	59,303	**46,600**	46,903	47,212
Performance Management	49,607	**57,513**	58,463	59,432
Public Relations	52,666	**73,705**	74,435	75,172
Registration of Electors	54,469	**56,657**	56,657	56,657
Reprographics	98,883	**110,383**	111,755	113,155
Office Accommodation	333,714	**328,093**	334,103	340,232
Training	60,147	**60,147**	60,147	60,147
	5,172,283	**5,345,901**	5,750,322	5,853,246
Total	10,098,144	**10,505,799**	10,610,510	10,646,169

Appendix 3

Reserve Accounts

Description	2018/19 Opening Balance 1 April £	2018/19 Transfers to Reserve £	2018/19 Contributions from Reserve £	2018/19 Forecast Balance 31 March £	2019/20 Opening Balance 1 April £	2019/20 Transfers to Reserve £	2019/20 Contributions from Reserve £	2019/20 Forecast Balance 31 March £
District Elections	71,645	22,500		94,145	94,145		(85,117)	9,028
Historic Buildings Grants	6,190			6,190	6,190			6,190
Housing Conditions Survey	30,000	5,000		35,000	35,000	5,000		40,000
Building Control	23,155			23,155	23,155			23,155
Change Management	294,852		(110,837)	184,015	184,015		(34,849)	149,166
Crematorium Feasibility Study	0	100,000	(40,000)	60,000	60,000		(60,000)	0
Asset Management	26,690		(26,690)	0	0			0
Leisure	70,190		(70,190)	0	0			0
Surplus Savings Reserve	5,952,785	1,620,721	(1,893,096)	5,680,410	5,680,410		(1,539,364)	4,141,046
Vehicle Replacements	60,187	29,000		89,187	89,187			89,187
Leisure Centre - operating costs	577,682		(37,730)	539,952	539,952		(159,408)	380,544
Insurance	16,343			16,343	16,343			16,343
IT	0			0	0	40,000		40,000
CIL	1,362,918	2,500,000	(1,800,000)	2,062,918	2,062,918	1,400,000	(700,000)	2,762,918
CIL Admin	163,689	125,000	(108,000)	180,689	180,689	70,000	(68,000)	182,689
Care and Repair	45,000			45,000	45,000			45,000
Wheeled Bins Reserve	0	10,000	(10,000)	0	0			0
Community Fund Reserves	14,884			14,884	14,884			14,884
Housing	115,841			115,841	115,841			115,841
Affordable Housing	252,630	41,440		294,070	294,070	52,080		346,150
General Fund Balance	1,000,000	10,837		1,010,837	1,010,837	34,849		1,045,686
MTFS Reserve	618		(618)	0	0			0
Commercial Invest to Save	20,000			20,000	20,000			20,000
External Elections	88,065		(88,065)	0	0			0
CLT Grant Applications	19,000			19,000	19,000			19,000
Weekly Waste Collection Grant	225,278		(225,278)	0	0			0
Travellers' Sites	0			0	0	23,283		23,283
Enterprise Zone NNDR	42,036	22,968	(12,611)	52,393	52,393	49,322		101,715
Business Rates Retention Pilot	1,324,376		(1,324,376)	0	0			0
Other								
Section 106 Agreements	2,564,934		(600,000)	1,964,934	1,964,934		(600,000)	1,364,934
Internal Borrowing	(13,523,635)	2,099,113	(1,961,770)	(13,386,292)	(13,386,292)	6,627,470	(2,728,400)	(9,487,222)
Total Reserves	845,354	6,586,579	(8,309,261)	(877,328)	(877,328)	8,302,004	(5,975,138)	1,449,538

Reserve Accounts

Description	2020/21 Opening Balance 1 April £	2020/21 Transfers to Reserve £	2020/21 Contributions from Reserve £	2020/21 Forecast Balance 31 March £	2021/22 Opening Balance 1 April £	2021/22 Transfers to Reserve £	2021/22 Contributions from Reserve £	2021/22 Forecast Balance 31 March £
District Elections	9,028	22,500		31,528	31,528	22,500		54,028
Historic Buildings Grants	6,190			6,190	6,190			6,190
Housing Conditions Survey	40,000	5,000		45,000	45,000	5,000		50,000
Building Control	23,155			23,155	23,155			23,155
Change Management	149,166		(67,642)	81,524	81,524		(58,550)	22,974
Crematorium Feasibility Study	0			0	0			0
Asset Management	0			0	0			0
Leisure	0			0	0			0
Surplus Savings Reserve	4,141,046		(3,428,255)	712,791	712,791		(712,791)	(0)
Vehicle Replacements	89,187			89,187	89,187			89,187
Leisure Centre - operating costs	380,544	101,464		482,008	482,008	158,838		640,846
Insurance	16,343			16,343	16,343			16,343
IT	40,000	40,000		80,000	80,000	40,000		120,000
CIL	2,762,918	1,400,000	(800,000)	3,362,918	3,362,918	1,400,000	(800,000)	3,962,918
CIL Admin	182,689	70,000	(68,000)	184,689	184,689	70,000	(68,000)	186,689
Care and Repair	45,000			45,000	45,000			45,000
Wheeled Bins Reserve	0			0	0			0
Community Fund Reserves	14,884			14,884	14,884			14,884
Housing	115,841			115,841	115,841			115,841
Affordable Housing	346,150	39,200		385,350	385,350	36,960		422,310
General Fund Balance	1,045,686	67,642		1,113,328	1,113,328	58,550		1,171,878
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	23,283	29,727		53,010	53,010	36,740		89,750
Enterprise Zone NNDR	101,715	49,322		151,037	151,037	49,322		200,359
Business Rates Retention Pilot	0			0	0			0
Other								
Section 106 Agreements	1,364,934		(600,000)	764,934	764,934		(600,000)	164,934
Internal Borrowing	(9,487,222)	7,165,136	(4,882,077)	(7,204,163)	(7,204,163)	874,167		(6,329,996)
Total Reserves	1,449,538	8,989,991	(9,845,974)	593,555	593,555	2,752,077	(2,239,341)	1,106,291

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

FEES AND CHARGES SCHEDULE 2019-20

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
<u>COMMUNITY SERVICES</u>				
BUSINESS PARKING PERMIT SCHEME				
First permit	SR	Discretionary	£50.00	£50.00
Second permit	SR	Discretionary	£55.00	£55.00
Third permit	SR	Discretionary	£60.00	£60.00
Fourth permit	SR	Discretionary	£70.00	£70.00
Market Traders	SR	Discretionary	£20.00	£20.00
CAR PARKING – ANGEL DROVE, ELY				
Cost per day (except Saturdays & Bank Holidays)	SR	Discretionary	£3.00	£3.00
Season Ticket – Weekly (6 days)	SR	Discretionary	£12.00	£12.00
Season Ticket – Quarterly	SR	Discretionary	£145.00	£145.00
Season Ticket – Annual	SR	Discretionary	£506.00	£506.00
CAR PARKING – THE DOCK, ELY				
Cost per day (except Saturdays & Bank Holidays)	SR	Discretionary	£3.00	£3.00
Season Ticket – Weekly (6 days)	SR	Discretionary	£12.00	£12.00
Season Ticket – Quarterly	SR	Discretionary	£145.00	£145.00
Season Ticket – Annual	SR	Discretionary	£506.00	£506.00
CAR PARKING – LITTLEPORT STATION				
<u>On-peak</u>				
Daily	SR	Discretionary	£1.80	£1.80
Weekly	SR	Discretionary	£5.70	£5.70
Quarterly	SR	Discretionary	£57.00	£57.00
Annual	SR	Discretionary	£205.00	£205.00
<u>Off-peak</u>				
Daily	SR	Discretionary	£0.50	£0.50
FIXED PENALTY PARKING FINES				
Excess Charge if paid within 14 days	OS	Discretionary	£50.00	£50.00
Excess Charge if paid after 14 days	OS	Discretionary	£60.00	£60.00
ELY RIVERSIDE				
Mooring Overstay Charge Notice - First 48 hours are free, with a charge applying after this period	SR	Discretionary	£100.00 (reduced to £70 if paid within 14 days)	£100.00 (reduced to £70 if paid within 14 days)
<u>DEVELOPMENT SERVICES</u>				
PLANNING PRE APPLICATION ADVICE				
Householder Schemes – Extension or works to a dwelling - General Advice on issues is FREE but comment on a particular scheme would attract a fee - Written advice only	SR	Discretionary	£40.00	£40.00
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	£40.00

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
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	£80.00
Householder Schemes – Building Control Advice - Written advice only	SR	Discretionary	£22.00	£22.00
Householder Schemes – Building Control Advice - Meeting and written advice	SR	Discretionary	£43.00	£43.00
Householder Schemes – Heritage Advice – Written advice only	SR	Discretionary	£10.00	£10.00
Householder Schemes – Heritage Advice– Meeting only	SR	Discretionary	£10.00	£10.00
Householder Schemes – Heritage Advice– Meeting and written advice	SR	Discretionary	£20.00	£20.00
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	£144.00
Small Scale Minor Development – Residential schemes 1-2 dwellings. Other buildings up to 999sqm. Meeting only	SR	Discretionary	£240.00	£240.00
Small Scale Minor Development – Residential schemes 1-2 dwellings. Other buildings up to 999sqm. Meeting and Written Advice	SR	Discretionary	£384.00	£384.00
Small Scale Minor Development – Subsequent Advice on Amended Schemes. Written Advice	SR	Discretionary	£72.00	£72.00
Small Scale Minor Development – Subsequent Advice on Amended Schemes. Meeting only	SR	Discretionary	£120.00	£120.00
Small Scale Minor Development – Subsequent Advice on Amended Schemes. Meeting and Written Advice	SR	Discretionary	£192.00	£192.00
Small Scale Minor Development – Building Control Advice. Written Advice	SR	Discretionary	£55.00	£55.00
Small Scale Minor Development – Building Control Advice. Meeting and Written Advice	SR	Discretionary	£115.00	£115.00
Small Scale Minor Development – Heritage Advice. Written Advice	SR	Discretionary	£30.00	£30.00
Small Scale Minor Development – Heritage Advice. Meeting only	SR	Discretionary	£30.00	£30.00
Small Scale Minor Development – Heritage Advice. Meeting and Written Advice	SR	Discretionary	£60.00	£60.00
Minor Residential Schemes 3-9 dwellings – Written Advice only	SR	Discretionary	£240.00	£240.00
Minor Residential Schemes 3-9 dwellings – Meeting only	SR	Discretionary	£336.00	£336.00
Minor Residential Schemes 3-9 dwellings – Meeting and Written Advice	SR	Discretionary	£576.00	£576.00
Minor Residential Schemes 3-9 dwellings – Subsequent Advice on Amended Schemes - Written Advice only	SR	Discretionary	£120.00	£120.00
Minor Residential Schemes 3-9 dwellings – Subsequent Advice on Amended Schemes - Meeting only	SR	Discretionary	£168.00	£168.00
Minor Residential Schemes 3-9 dwellings – Subsequent Advice on Amended Schemes - Meeting and Written Advice	SR	Discretionary	£288.00	£288.00
Minor Residential Schemes 3-9 dwellings – Building Control Advice - Written Advice only	SR	Discretionary	£100.00	£100.00
Minor Residential Schemes 3-9 dwellings – Building Control Advice - Meeting and Written Advice	SR	Discretionary	£170.00	£170.00
Minor Residential Schemes 3-9 dwellings – Heritage Advice - Written Advice only	SR	Discretionary	£60.00	£60.00

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
Minor Residential Schemes 3-9 dwellings – Heritage Advice - Meeting only	SR	Discretionary	£60.00	£60.00
Minor Residential Schemes 3-9 dwellings – Heritage Advice - Meeting and Written Advice	SR	Discretionary	£120.00	£120.00
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	£384.00
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	£432.00
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	£816.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Unaccompanied site visit –Advice on Amended Schemes - Written advice only	SR	Discretionary	£192.00	£192.00
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	£216.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Unaccompanied site visit – Advice on Amended Schemes - Meeting and Written advice	SR	Discretionary	£408.00	£408.00
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	£170.00
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	£280.00
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	£75.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Unaccompanied site visit – Heritage Advice -Meeting only	SR	Discretionary	£75.00	£75.00
Small Scale Major Development – 10 up to 40 dwellings. Site area up to 0.5ha. 1000sqm - 4999sqm floor-space. Heritage Advice - Meeting and Written advice	SR	Discretionary	£150.00	£150.00
Large Scale Major Development – 41-99 Dwellings - Site are over 0.5ha. 5000sqm plus floor spaces - Meeting Only.	SR	Discretionary	£528.00	£528.00
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	£1,104.00
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	£264.00
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	£552.00

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
Large Scale Major Residential Development – 41-99 Dwellings - Building Control Advice - Written Advice	SR	Discretionary	£280.00	£280.00
Large Scale Major Residential Development – 41-99 Dwellings - Building Control Advice - Meeting and Written Advice	SR	Discretionary	£395.00	£395.00
Large Scale Major Residential Development – 41-99 Dwellings - Heritage Advice - Meeting Only	SR	Discretionary	£150.00	£150.00
Large Scale Major Residential Development – 41-99 Dwellings - Heritage Advice - Meeting and Written Advice	SR	Discretionary	£150.00	£150.00
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	£1,728.00
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	£864.00
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	£344.00
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	£150.00
High Hedge Complaint	SR	Discretionary	£450.00	£450.00
Admin Charge if we return application because information requested for validation is not provided within timescale - Householder	SR	Discretionary	£25.00	£25.00
Admin Charge if we return application because information requested for validation is not provided within timescale - Minor & Other Applications	SR	Discretionary	£50.00	£50.00
Admin Charge if we return application because information requested for validation is not provided within timescale - Major Applications	SR	Discretionary	£150.00	£150.00
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	£150.00
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	£96.00
Registration and annual fee to be included on the register under the Self Build and Custom Housing Building Act 2015	OS	Discretionary	£20.00	£20.00

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
PLANNING APPLICATIONS				
See separate document for scale of fee for planning applications, determinations, certificates of lawful use or development and advertising consents				
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	£50.00
Naming of new streets	OS	Discretionary	£150.00	£150.00
Numbering of new properties				
1 property	OS	Discretionary	£50.00	£50.00
2 – 5 properties	OS	Discretionary	£75.00	£75.00
6 – 10 properties	OS	Discretionary	£100.00	£100.00
11 – 25 properties	OS	Discretionary	£150.00	£150.00
26 – 50 properties	OS	Discretionary	£250.00	£250.00
51 – 100 properties	OS	Discretionary	£400.00	£400.00
101 + properties	OS	Discretionary	£500.00	£500.00
			Plus £10 per property over 101	Plus £10 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	£25.00
Renumbering of scheme following development replan (after notification of numbering scheme issued)	OS	Discretionary	£100.00 + £10 per property	£100.00 + £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	£50.00 per property
1st set of nameplates erected for each new street if one nameplate required	OS	Discretionary	£225.00	£225.00
1st set of nameplates erected for each new street if two nameplates required	OS	Discretionary	£325.00	£325.00
For each additional nameplate that is required to be erected at other junctions and entrances onto the new street	OS	Discretionary	£100.00	£100.00
Challenges/requests/revisions to existing street naming and numbering schemes	OS	Discretionary	Price on Application	Price on Application
E-SPACE BUSINESS CENTRES				
Ely – Annual rental charge per square foot (effective for new leases and on renewals)	SR	Discretionary	£29.30	£29.30
Littleport – Annual rental charge per square foot (effective on new leases and on renewals)	SR	Discretionary	£19.20	£19.20

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
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	£1.00 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	£10.00
ENVIRONMENTAL SERVICES				
Safer Food Better Business Mentoring Scheme	SR	Discretionary	£50.00 per hour	£50.00 per hour
Re-rating inspection fee for food business	OS	Discretionary	£130.00	£130.00
ANIMAL BOARDING ESTABLISHMENT LICENCE (up until 30th September 2018)				
New establishment (excl. VET fees)	OS	Discretionary	£389.00	£0.00
Renewal applications	OS	Discretionary	£389.00	£0.00
Theft, loss etc. of a licence	OS	Discretionary	£10.50	£0.00
Change of name on licence	OS	Discretionary	£10.50	£0.00
Change of licence details	OS	Discretionary	£10.50	£0.00
ANIMAL HOME BOARDING LICENCE (up until 30th September 2018)				
New establishment (excl. VET fees)	OS	Discretionary	£273.00	£0.00
Renewal applications	OS	Discretionary	£273.00	£0.00
Theft, loss etc. of a licence	OS	Discretionary	£10.50	£0.00
Change of name on licence	OS	Discretionary	£10.50	£0.00
Change of licence details	OS	Discretionary	£10.50	£0.00
DOG BREEDING (up until 30th September 2018)				
New establishment (excl. VET fees)	OS	Discretionary	£259.00	£0.00
Renewal applications	OS	Discretionary	£259.00	£0.00
Theft, loss etc. of a licence	OS	Discretionary	£10.50	£0.00
Change of name on licence	OS	Discretionary	£10.50	£0.00
Change of licence details	OS	Discretionary	£10.50	£0.00
HYPNOTISM				
Daily permit to stage a show	OS	Discretionary	£93.00	£93.00
DANGEROUS WILD ANIMALS (2 YR LICENCE)				
New establishment (excl. VET fees)	OS	Discretionary	£588.00	£648.00
Renewal applications (excl. VET fees)	OS	Discretionary	£588.00	£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

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
GAMBLING ACT 2005				
Casino Premises Licence - Regional				
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£8,000.00	£8,000.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£15,000.00	£15,000.00
Annual fee	OS	Statutory	£15,000.00	£15,000.00
Fee for application to vary licence	OS	Statutory	£7,500.00	£7,500.00
Fee for application to transfer licence	OS	Statutory	£6,500.00	£6,500.00
Fee for application for reinstatement of a licence	OS	Statutory	£6,500.00	£6,500.00
Fee for application for provisional statement	OS	Statutory	£15,000.00	£15,000.00
Casino Premises Licence - Large				
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£5,000.00	£5,000.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£10,000.00	£10,000.00
Annual fee	OS	Statutory	£10,000.00	£10,000.00
Fee for application to vary licence	OS	Statutory	£5,000.00	£5,000.00
Fee for application to transfer licence	OS	Statutory	£2,150.00	£2,150.00
Fee for application for reinstatement of a licence	OS	Statutory	£2,150.00	£2,150.00
Fee for application for provisional statement	OS	Statutory	£10,000.00	£10,000.00
Casino Premises Licence - Small				
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£3,000.00	£3,000.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£8,000.00	£8,000.00
Annual fee	OS	Statutory	£5,000.00	£5,000.00
Fee for application to vary licence	OS	Statutory	£4,000.00	£4,000.00
Fee for application to transfer licence	OS	Statutory	£1,800.00	£1,800.00
Fee for application for reinstatement of a licence	OS	Statutory	£1,800.00	£1,800.00
Fee for application for provisional statement	OS	Statutory	£8,000.00	£8,000.00
Casino Premises Licence - Converted				
Maximum conversion application fee for non fast track application	OS	Statutory	£2,000.00	£2,000.00
Annual fee	OS	Statutory	£3,000.00	£3,000.00
Fee for application to vary licence	OS	Statutory	£2,000.00	£2,000.00
Fee for application to transfer licence	OS	Statutory	£1,350.00	£1,350.00
Fee for application for reinstatement of a licence	OS	Statutory	£1,350.00	£1,350.00
Bingo Premises Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,750.00	£1,750.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£1,200.00	£1,200.00
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

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
Adult Gaming Premises Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,000.00	£1,000.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£1,200.00	£1,200.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£2,000.00	£2,000.00
Annual fee	OS	Statutory	£1,000.00	£1,000.00
Fee for application to vary licence	OS	Statutory	£1,000.00	£1,000.00
Fee for application to transfer licence	OS	Statutory	£1,200.00	£1,200.00
Fee for application for reinstatement of a licence	OS	Statutory	£1,200.00	£1,200.00
Fee for application for provisional statement	OS	Statutory	£2,000.00	£2,000.00
Betting Premises (Track) Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,250.00	£1,250.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£950.00	£950.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£2,500.00	£2,500.00
Annual fee	OS	Statutory	£1,000.00	£1,000.00
Fee for application to vary licence	OS	Statutory	£1,250.00	£1,250.00
Fee for application to transfer licence	OS	Statutory	£950.00	£950.00
Fee for application for reinstatement of a licence	OS	Statutory	£950.00	£950.00
Fee for application for provisional statement	OS	Statutory	£2,500.00	£2,500.00
Family Entertainment Centre Premises Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,000.00	£1,000.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£950.00	£950.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£2,000.00	£2,000.00
Annual fee	OS	Statutory	£750.00	£750.00
Fee for application to vary licence	OS	Statutory	£1,000.00	£1,000.00
Fee for application to transfer licence	OS	Statutory	£950.00	£950.00
Fee for application for reinstatement of a licence	OS	Statutory	£950.00	£950.00
Fee for application for provisional statement	OS	Statutory	£2,000.00	£2,000.00
Betting Premises (Other) Licence				
Maximum conversion application fee for non fast track application	OS	Statutory	£1,500.00	£1,500.00
Maximum non conversion application fee in respect of provisional statement premises	OS	Statutory	£1,200.00	£1,200.00
Maximum non conversion application fee in respect of other premises	OS	Statutory	£3,000.00	£3,000.00
Annual fee	OS	Statutory	£600.00	£600.00
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				

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
Change of circumstances fee	OS	Statutory	£50.00	£50.00
Fee for a copy licence	OS	Statutory	£25.00	£25.00
GAMBLING ACT 2005 PERMITS				
Family Entertainment Centre Gaming Machine Permit				
Application fee	OS	Statutory	£300.00	£300.00
Renewal	OS	Statutory	£300.00	£300.00
Change of name	OS	Statutory	£25.00	£25.00
Copy of permit	OS	Statutory	£15.00	£15.00
Club Gaming Permits				
Application fee - holder of club premises certificate or holder of existing Pt 2 or 3 registration under Gaming Act 1968	OS	Statutory	£100.00	£100.00
Application fee – non club premises certificate holder	OS	Statutory	£200.00	£200.00
Renewal after 10 years	OS	Statutory	£200.00	£200.00
Copy of permit	OS	Statutory	£15.00	£15.00
Variation	OS	Statutory	£100.00	£100.00
Club Machine Permits				
Application fee - holder of club premises certificate or holder of existing Pt 2 or 3 registration under Gaming Act 1968	OS	Statutory	£100.00	£100.00
Application fee – non club premises certificate holder	OS	Statutory	£200.00	£200.00
Renewal after 10 years	OS	Statutory	£200.00	£200.00
Copy of permit	OS	Statutory	£15.00	£15.00
Variation	OS	Statutory	£100.00	£100.00
Alcohol Licensed Premises – 2 or less machines				
Notification fee	OS	Statutory	£50.00	£50.00
Alcohol Licensed Premises – more than 2 machines				
Application fee	OS	Statutory	£150.00	£150.00
Annual fee	OS	Statutory	£50.00	£50.00
Change of name	OS	Statutory	£25.00	£25.00
Copy of permit	OS	Statutory	£15.00	£15.00
Variation	OS	Statutory	£100.00	£100.00
Transfer	OS	Statutory	£25.00	£25.00
Prize Gaming Permits (pubs)				
Application fee	OS	Statutory	£300.00	£300.00
Renewal	OS	Statutory	£300.00	£300.00
Change of name	OS	Statutory	£25.00	£25.00
Copy of permit	OS	Statutory	£15.00	£15.00
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	£192.00	£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	£150.00	£175.00

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
New Driver Licence Application for 36 months				
Joint Hackney Carriage and Private Hire (incl. 1st knowledge test)	OS	Discretionary	£537.00	£612.00
Renewal of Driver Licence Application for 36 months				
Joint Hackney Carriage and Private Hire	OS	Discretionary	£495.00	£570.00
General driver fees				
Three yearly Criminal Records Bureau disclosure		Discretionary	£49.00	£49.00
DVLA check		Discretionary	£5.00	£5.00
New Vehicle (Plate) Licence Application				
Private Hire Vehicle Licence – 1 year	OS	Discretionary	£250.00	£250.00
Hackney Carriage Vehicle Licence – 1 year	OS	Discretionary	£250.00	£250.00
Renewal Vehicle (Plate) Licence Application				
Private Hire Vehicle Licence – 1 year	OS	Discretionary	£250.00	£250.00
Hackney Carriage Vehicle Licence – 1 year	OS	Discretionary	£250.00	£250.00
Transfer of Vehicle Plate/licence				
Private Hire	OS	Discretionary	£35.00	£35.00
Hackney Carriage	OS	Discretionary	£25.00	£25.00
Variation of Vehicle Plate/licence				
Private Hire	OS	Discretionary	£35.00	£35.00
Hackney Carriage	OS	Discretionary	£35.00	£25.00
Private Hire Operator's Licence				
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	£5.00
Knowledge test re-sit fee	OS	Discretionary	£20.00	£20.00
DBS enhanced check (where no DBS update service option available)	OS	Discretionary	£49.00	£49.00
DVLA licence check	OS	Discretionary	£5.00	£5.00
PARK HOMES / CARAVAN SITES / MOBILE HOMES				
Costs of New Applications				
1-5 pitches	OS	Discretionary	£208.00	£208.00

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
6-10 pitches	OS	Discretionary	£227.00	£227.00
11-20 pitches	OS	Discretionary	£227.00	£227.00
21-50 pitches	OS	Discretionary	£246.00	£246.00
51-100 pitches	OS	Discretionary	£265.00	£265.00
Greater than 100 pitches	OS	Discretionary	£265.00	£265.00
Annual Inspection Fees				
1-5 pitches	OS	Discretionary	nil	nil
6-10 pitches	OS	Discretionary	£225.00	£225.00
11-20 pitches	OS	Discretionary	£225.00	£225.00
21-50 pitches	OS	Discretionary	£225.00	£225.00
51-100 pitches	OS	Discretionary	£263.00	£263.00
Greater than 100 pitches	OS	Discretionary	£263.00	£263.00
Cost of Laying Site Rules	OS	Discretionary	£27.00	£27.00
Cost of Variation / Transfer	OS	Discretionary	£100.00	£100.00
PET SHOP LICENCE (up until 30th September 2018)				
New establishments (excl. VET fees)	OS	Discretionary	£288.00	£0.00
Renewal applications	OS	Discretionary	£288.00	£0.00
Theft, loss etc. of a licence	OS	Discretionary	£10.50	£0.00
Change of name on licence	OS	Discretionary	£10.50	£0.00
Change of licence details	OS	Discretionary	£10.50	£0.00
RIDING ESTABLISHMENT LICENCE (up until 30th September 2018)				
New establishment (excl. VET fees)	OS	Discretionary	£299.00	£0.00
Renewal applications (excl. VET fees)	OS	Discretionary	£299.00	£0.00
Theft, loss etc. of a licence	OS	Discretionary	£10.50	£0.00
Change of name on licence	OS	Discretionary	£10.50	£0.00
Change of licence details	OS	Discretionary	£10.50	£0.00
ZOO LICENCE				
New establishment (excl. VET fees)	OS	Discretionary	£2,415.00	£2,415.00
Renewal (excl. VET fees)	OS	Discretionary	£2,070.00	£2,070.00
Theft, loss etc. of a licence	OS	Discretionary	£10.50	£10.50
Change of name on licence	OS	Discretionary	£10.50	£10.50
Change of licence details	OS	Discretionary	£10.50	£10.50
ANIMAL WELFARE LICENCE (from 1st October 2018)				
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
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

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
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	£100.00
LICENSING OF HOUSES IN MULTIPLE OCCUPATION				
Mandatory licence for 5 years	OS	Discretionary	£300.00	£300.00
SKIN PIERCING (ACUPUNCTURE,TATTOING, PERMANENET AND SEMI PERMANENT SKIN COLOURING)				
Premises	OS	Discretionary	£182.00	£182.00
Per Individual	OS	Discretionary	£182.00	£182.00
Amendment of Export health or skin piercing certificate				£10.50
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	£85.00
Earith Bridge – Water & Waste Charge per week	EX	Discretionary	£10.00	£10.00
Wentworth – Site Rent per week	EX	Discretionary	£85.00	£85.00
Wentworth – Water & Waste Charge per week	EX	Discretionary	£10.00	£10.00
STREET TRADING				
Street Trading - Consent - Annual	OS	Discretionary	£520.00 - £1040.00	£520.00 - £1040.00
Street Trading– Consent - Daily Permit	OS	Discretionary	£15.00 - £30.00	£15.00 - £30.00
Street Trading - Consent - Transfer	OS	Discretionary	£48.00	£48.00
Street Trading Consent - Event	OS	Discretionary	£20.00 - £500.00	£20.00 - £500.00

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
THE POLLUTION PREVENTION & CONTROL ACT 1990				
ENVIRONMENTAL PERMITTING REGULATIONS 2010				
See link for nationally set figures		Statutory		
http://www.defra.gov.uk/industrial-emissions/files/List-				
LICENSING ACT 2003				
Personal Licence				
Application for a grant of a personal licence	OS	Statutory	£37.00	£37.00
Theft, loss etc. of a personal licence	OS	Statutory	£10.50	£10.50
Temporary Event Notices				
Temporary & Late Temporary Event Notices	OS	Statutory	£21.00	£21.00
Theft, loss etc. of Temporary Event Notice	OS	Statutory	£10.50	£10.50
Premises Licence				
Application for transfer of a premises licence	OS	Statutory	£23.00	£23.00
Theft, loss etc. of premises licence	OS	Statutory	£10.50	£10.50
Loss of premises summary	OS	Statutory	£10.50	£10.50
Application to vary licence to specify individual as designated premises supervisor (DPS)	OS	Statutory	£23.00	£23.00
Application to dis-apply designated premises supervisor (DPS) on community premises	OS	Statutory	£23.00	£23.00
Club Premises				
Change of relevant registered address of club	OS	Statutory	£10.50	£10.50
Notification of change of name or alteration of club rules	OS	Statutory	£10.50	£10.50
Theft, loss etc. of club certificate	OS	Statutory	£10.50	£10.50
General				
Minor variation to a premises licence or club premises certificate	OS	Statutory	£89.00	£89.00
Notification of change of name or address	OS	Statutory	£10.50	£10.50
Duty to notify change of name or address	OS	Statutory	£10.50	£10.50
Application fee for a provisional statement where premises being built	OS	Statutory	£315.00	£315.00
Interim authority notice following death etc. of licence holder	OS	Statutory	£23.00	£23.00
Right of freeholder etc. to be notified of licensing matters	OS	Statutory	£21.00	£21.00
New Premises Licence Applications And Variations For Premises And Club Premises Licences				
Band A	OS	Statutory	£100.00	£100.00
Band B	OS	Statutory	£190.00	£190.00
Band C	OS	Statutory	£315.00	£315.00
Band D	OS	Statutory	£450.00	£450.00
Band D when primary business Alcohol Sales x 2	OS	Statutory	£900.00	£900.00
Band E	OS	Statutory	£635.00	£635.00
Band E when primary business Alcohol Sales x 3	OS	Statutory	£1,905.00	£1,905.00

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
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	£492.00	£662.00
Site Licence Renewal	OS	Discretionary	£280.00	£450.00
Initial Collectors Licence Fee	OS	Discretionary	£320.00	£490.00
Collectors Licence renewal.	OS	Discretionary	£224.00	£394.00
Variation for both licences.	OS	Discretionary	£80.00	£120.00
Theft, loss etc. of a licence	OS	Discretionary	£10.50	£10.50
BULKY WASTE				
Up to three household items	OS	Discretionary	£25.00	£25.00
Fridge or freezer	OS	Discretionary	£25.00	£25.00
Initial cost of bins for new residential properties (this is for each bin provided)	OS	Discretionary	£25.00	£25.00
Annual Garden Waste Wheeled Bin Licence - this is for an additional bin	OS	Discretionary	£48.00	£48.00
Delivery and Administration Charge for additional blue bin (one off charge)	OS	Discretionary	£25.00	£25.00
ENVIRONMENTAL PROTECTION ACT PERMIT	OS	Statutory	Variable	Variable
EXPORT CERTIFICATE OF HEALTH	OS	Discretionary	£95.00	£95.00
<u>FACILITIES MANAGEMENT</u>				
GARAGE RENTS – ST JOHNS ROAD, ELY				
Monthly charge	SR	Discretionary	£28.27 (including VAT)	£28.27 + April 2019 RPI

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
LEGAL SERVICES				
LLC1 ONLY	OS	Discretionary	£21.48	£21.48
CON29(R) ONLY	SR	Discretionary	£127.98	£127.98
STANDARD SEARCH - LLC1 AND CON29(R)	SR/OS	Discretionary	£149.46	£149.46
CON29 OPTIONAL ENQUIRIES				
Q4. Road proposal by private bodies	SR	Discretionary	£10.32	£10.32
Q5. Advertisements	SR	Discretionary	£10.32	£10.32
Q6. Completion Notices	SR	Discretionary	£13.44	£13.44
Q7. Parks and Countryside	SR	Discretionary	£10.32	£10.32
Q8. Pipelines	SR	Discretionary	£3.24	£3.24
Q9. Houses in Multiple Occupation	SR	Discretionary	£3.24	£3.24
Q10. Noise Abatement	SR	Discretionary	£2.88	£2.88
Q11. Urban Development Areas	SR	Discretionary	£10.20	£10.20
Q12. Enterprise Zones, Local Development Orders and BIDS	SR	Discretionary	£3.24	£3.24
Q13. Inner Urban Improvement Areas	SR	Discretionary	£3.24	£3.24
Q14. Simplified Planning Zones	SR	Discretionary	£10.32	£10.32
Q15. Land Maintenance Notices	SR	Discretionary	£10.32	£10.32
Q16. Mineral Consultation and Safeguarding Areas	SR	Discretionary	£4.80	£4.80
Q17. Hazardous Substance Consents	SR	Discretionary	£10.32	£10.32
Q18. Environmental and Pollution Notices	SR	Discretionary	£3.24	£3.24
Q19. Food Safety Notices	SR	Discretionary	£7.68	£7.68
Q20. Hedgerow Notices	SR	Discretionary	£3.24	£3.24
Q21. Flood Defence and Land Drainage Consents	SR	Discretionary	£4.98	£4.98
Q22. Common Land and Town or Village Green	SR	Discretionary	£9.96	£9.96
CON29 ENQUIRIES				
1.1a-i Planning and Building Decisions and Pending			Total £9.50	Total £9.50
1.1 j-l Planning and Building Decisions and Pending			Total £3.85	Total £3.85
1.2 Planning designations and proposals			Total £0.84	Total £0.84
2.1 to 2.5 Roadways and footpaths			HIGHWAYS	HIGHWAYS
3.1 Other Matters - Is the property included in land required for public purposes	SR	Discretionary	Total £3.60	Total £3.60
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 £2.70
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 £6.14
3.8 Contravention of Building Regulations			Total £2.52	Total £2.52
3.9 Notices, Orders, Direction and Proceedings under			Total £4.58	Total £4.58
3.10 Community Infrastructure Levy (CIL)			Total £7.56	Total £7.56
3.11 Conservation Area			Total £3.96	Total £3.96
3.12 Compulsory Purchase			Total £3.96	Total £3.96
3.13 Contaminated Land			Total £0.86	Total £0.86
3.14 Radon Gas			Total £1.68	Total £1.68
3.15 Assets of Community Value			Total £5.04	Total £5.04

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
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	£20.00, plus £1.50
Printed Form per 1000 electors or part of	OS	Statutory	£10.00, plus £5.00	£10.00, plus £5.00
List of Overseas Electors				
Data Form per 1000 electors or part of	OS	Statutory	£20.00 plus £1.50	£20.00 plus £1.50
Printed Form per 1000 electors or part of	OS	Statutory	£10.00 plus £5.00	£10.00 plus £5.00
Other Fees				
Residents Confirmation Letter:	OS	Discretionary		
1 Year			£20.00	£0.00
2 Years			£25.00	£0.00
LEGAL WORK				
Section 106 Agreements & Variations				
Hourly rates * **				
Legal Services Manager / Planning Solicitor	OS	Discretionary	£150.00	£150.00
Legal Assistant	OS	Discretionary	£120.00	£120.00
Senior Legal Assistant	OS	Discretionary	£130.00	£130.00
Land Charges & Paralegal / Paralegal	OS	Discretionary	£50.00	£50.00
Information Officer	OS	Discretionary	£55.00	£55.00
Simple S106 - Standard Charge	OS	Discretionary	£737.50	£1,050.00
Easements (e.g. Car parking verges etc.)				
Simple	OS	Discretionary	£590.00	£675.00
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	£590.00	£675.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***
Release of restrictive covenant				
Simple	OS	Discretionary	£590.00	£675.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***
Miscellaneous Deeds				
Simple	OS	Discretionary	£590.00	£675.00
Complex	OS	Discretionary	See hourly rates above***	See hourly rates above***
Prosecutions				
Car Parking	OS	Discretionary	£90 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	£110.50
All prosecutions			See hourly rates above***	See hourly rates above***
Miscellaneous removal of charge from property	OS	Discretionary	£110.50	£110.50

Description	VAT code	Discretionary or Statutory	Charge for 2018-19	Proposed Charge for 2019-20
Mortgages				
Redemptions	OS	Discretionary	£220.00	£220.00
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***
WASTE				
Fly Tipping Fee	OS	Discretionary	£400.00	£400.00
Extra Blue Bin	SR	Discretionary	£25.00	£25.00

Capital Programme 2018/19 to 2022/23

CAPITAL BUDGET	Total Capital Scheme £	Projected Spend 2018/19 £	Proposed Budget 2019/20 £	Proposed Budget 2020/21 £	Proposed Budget 2021/22 £	Proposed Budget 2022/23 £
Regulatory Services						
Recycling and Organics Collection		10,000				
Refuse Vehicles		153,981	**52,450**	1,882,077		
Cleansing Vehicles		340,000				
Depot		50,000	**795,950**			
Conservation Area Schemes - 2nd round		27,506				
Mandatory Disabled Facilities Grants (DFG)		891,582	**697,299**	697,299	697,299	697,299
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.		111,780	**75,000**	75,000	75,000	75,000
Regulatory Services Total		**1,584,849**	**1,620,699**	**2,654,376**	**772,299**	**772,299**
Community Services						
Ely Country Park	100,000	46,665	**6,670**			
Vehicle Etc Replacements		89,187	**29,000**	29,000	29,000	29,000
Commuter Car Park - Ely		13,931				
Commuter Car Park - Ely (additional)			**400,000**			
Commuter Car Park - Littleport		8,606				
Community Services Total		**158,389**	**435,670**	**29,000**	**29,000**	**29,000**
Leisure Centre						
Leisure Centre - Construction and Preliminaries	12,346,807	656,109				
Leisure Centre - Project Costs	890,500					
Leisure Centre - Associated Costs and Contingency	831,500					
Leisure Centre - Equipment Fit Out	497,745	137,779				
Leisure Centre Total	**14,566,552**	**793,888**	**0**	**0**	**0**	**0**
Resources and Finance						
Intranet / HR / Payroll System Improvements		5,918				
IT Provision at the Depot		7,026				
Asset Management		289,500				
East Cambs Trading Company	6,500,000	1,485,000	**1,880,000**			
Soham Eastern Gateway			**6,330,000**			
		1,787,444	**8,210,000**	**0**	**0**	**0**
Capital Programme Total		**4,324,570**	**10,266,369**	**2,683,376**	**801,299**	**801,299**

Recycling & Organics Collection Service

With the Council collecting recycling and organic waste in wheeled bins, new bins are required as new houses and businesses are built and homeoweners chose to have a second bin. This budget is to buy new wheeled bins for these properties.

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.

Cleansing Vehicles

The Council will be replacing much of the street cleansing equipment transferred from Veolia to ensure that service standards are maintained and improved. This equipment will be used by the Council's Trading Company to undertake the street cleansing contract for the Council.

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.

Ely Country Park
This scheme is for work at Ely Country Park which includes improvements to the play area, new picnic table, cycle park and rain shelter. This work is funded from S106 / CIL.

Vehicle Replacements
Vehicle replacement mostly for the Parks and Gardens Team. The majority of this is funded from CIL contributions.

Commuter Car Park - Ely - 2 schemes
Extension of Angel Drove commuter car park. Mostly funded from CIL funding.

Commuter Car Park - Littleport
Extension of Littleport Station commuter car park. Mostly funded from CIL funding.

Leisure Centre - Construction and Preliminaries
This budget originally covered costs prior to the commencement of the building of the Leisure Centre e.g. design of culvert, pool structures, car park, entrance. However, it now also reflects payments to the main contractor building the Centre covering the structure, external and internal, plant, all external works, up until the handover to the operator. Payments will be in accordance with the agreed contract.

Leisure Centre - Project Costs
This is the costs of funding Project managers - MACE - through to completion. This was agreed as a separate contract by Full Council.

Leisure Centre - Associated Costs and Contingency
This was held and managed by the Council - for issues which present outside of the main build costs; an example being the cost of the archaeological dig that was required prior to construction.

Leisure Centre - Equipment Fit Out
This was for fitting out of the new Leisure Centre e.g. fitness equipment, CCTV, entrance turnstiles and will be recovered from the Centre's operator via the management charge.

Intranet / HR / Payroll System Improvements
Procurement and up-grade of a new HR and Finance systems and refreshing the intranet.

IT Provision at the Depot
This was to provide the necessary IT infrastructure at the depot, prior to the Council's Trading Company taking over the Waste contract from the 1st April 2018

Asset Management
Purchase of Riverside Moorings from the Environment Agency

East Cambs Trading Company
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. The Company is expected to repay this loan in full in (or before) March 2021.

Soham Eastern Gateway
Housing Infrastructure Fund funding is only available to lower tier authorities and so East Cambridgeshire has needed to be the accountable body, although this will simply be passported to the County Council who are managing the scheme.

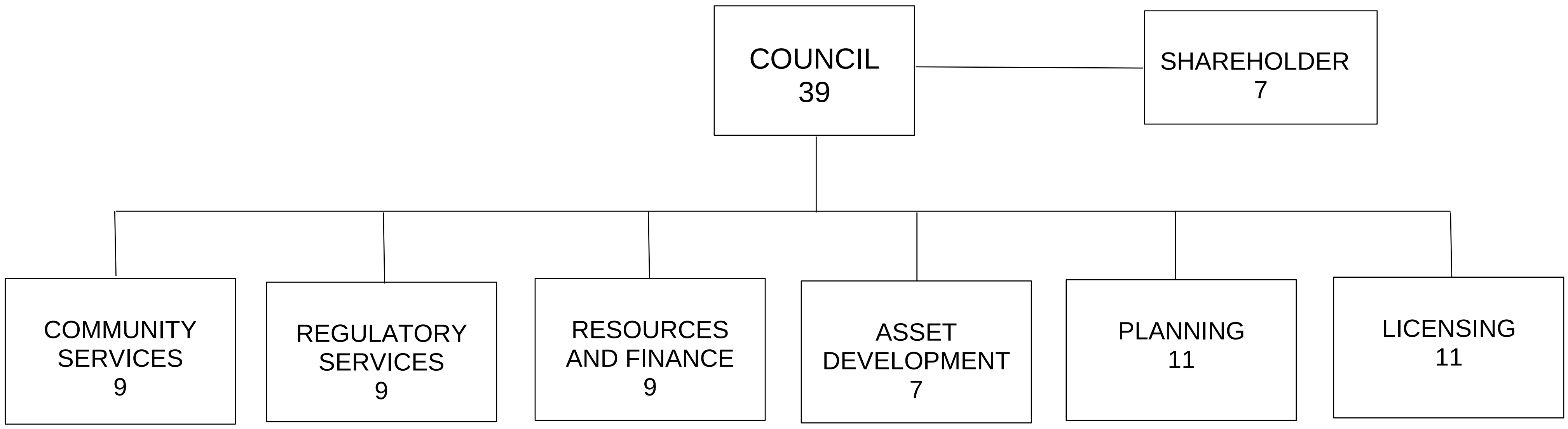
SOURCES OF FINANCING	Total Capital Funding £	Expected 2018/19 £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £
Regulatory & Support Services						
Revenue Contribution		10,000				
Grants (Disability Facilities Grant)		511,299	511,299	511,299	511,299	511,299
Capital Reserves		519,569	261,000	261,000	261,000	261,000
Borrowing Waste / Parks and Gardens		543,981	848,400	1,882,077		
Regulatory Services Total		**1,584,849**	**1,620,699**	**2,654,376**	**772,299**	**772,299**
Commercial Services						
Revenue Contribution		89,187				
Section 106 / CIL		49,072	435,670	29,000	29,000	29,000
Capital Reserves		20,130				
Community Services Total		**158,389**	**435,670**	**29,000**	**29,000**	**29,000**
Leisure Centre						
Capital Reserves	0					
CIL & Section 106	0	500,000				
Sport England	0	361,099				
Borrowing Leisure	0	(67,211)				
Leisure Centre Total	**0**	**793,888**	**0**	**0**	**0**	**0**
Resources and Finance						
Capital Reserves		302,444				
Borrowing Company	6,500,000	1,485,000	1,880,000			
Grants (Housing Infrastructure Fund)			6,330,000			
		1,787,444	**8,210,000**	**0**	**0**	**0**
Capital Funding Total		**4,324,570**	**10,266,369**	**2,683,376**	**801,299**	**801,299**

Capital Reserves Forecast	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Balance Brought Forward	772,930	720,787	509,787	298,787	87,787
Add receipts from Sales of Assets	790,000	50,000	50,000	50,000	50,000
Less Capital Receipts Applied	(842,143)	(261,000)	(261,000)	(261,000)	(261,000)
Capital Reserves Carried Forward	**720,787**	**509,787**	**298,787**	**87,787**	**(123,213)**

Borrowing Forecast	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Balance Brought Forward	13,523,635	15,386,292	17,487,222	12,204,163	11,329,907
Add Borrowing in Year	1,961,770	2,728,400	1,882,077	0	0
Repayment from ECTC	0	0	(6,500,000)	0	0
Less Minimum Revenue Provision (MRP)	(99,113)	(627,470)	(665,136)	(874,256)	(874,256)
Total Borrowing Carried Forward	**15,386,292**	**17,487,222**	**12,204,163**	**11,329,907**	**10,455,651**
Internal Borrowing	13,386,292	9,487,222	7,204,163	6,329,907	5,455,651
External Borrowing	2,000,000	8,000,000	5,000,000	5,000,000	5,000,000

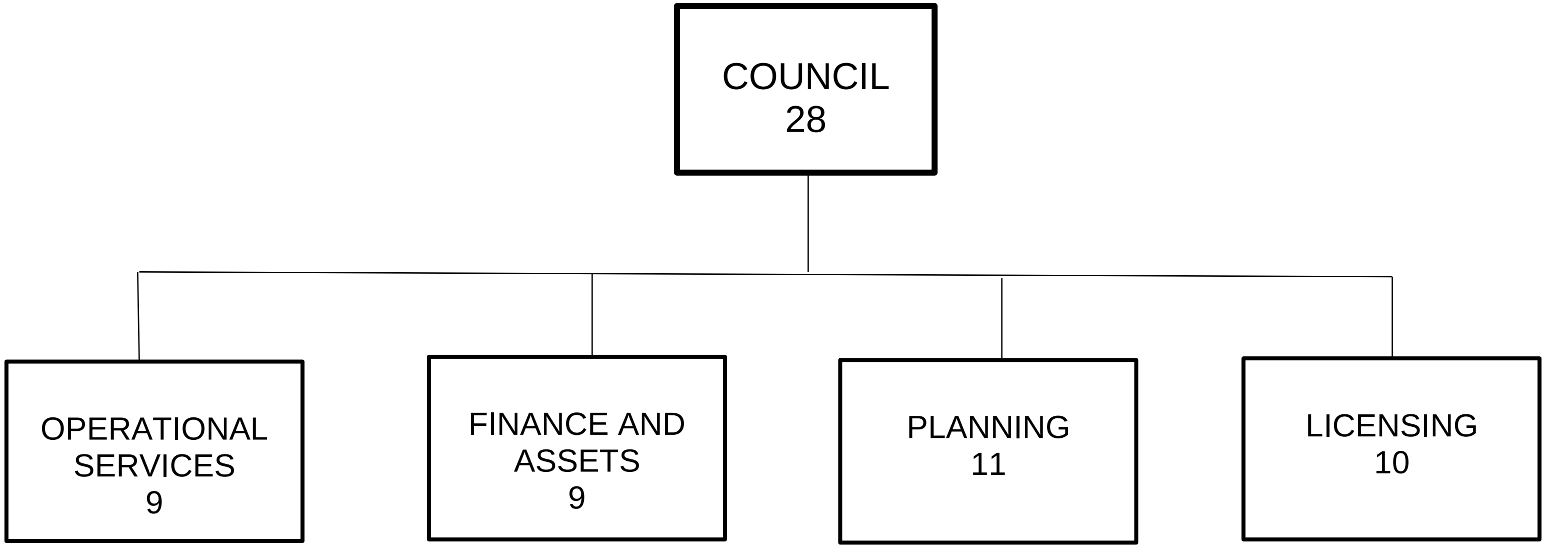
Appendix 5

APPENDIX 1 - CURRENT COMMITTEE STRUCTURE



In addition, there is a Licensing Sub Committee (5) from the membership of the Licensing Committee.

APPENDIX 2 - PROPOSED COMMITTEE STRUCTURE



In addition, there is a Licensing Sub Committee (5) from the membership of the Licensing Committee.

APPENDIX 3

LEADER OF COUNCIL

NOTIFICATION/APPOINTMENT

The Council Leader is chosen by the Group that has the majority number of seats on the Council, and is notified to full Council every year at its Annual Meeting. The Council Leader is the leader of a Council Group. The manner of the appointment of a Group Leader is up to each group. If there is no majority Group then the Council can elect from any of its Group Leaders. (ref: East Cambridgeshire District Council Constitution Part 2 (Page 5).

THE KEY RESPONSIBILITY OF THE LEADER OF COUNCIL

The postholder leads the Council in the achievement of its strategic priorities for the benefit of all residents, specifically:-

- deliver a financially sound and well managed Council;
- fantastic place to live, work and play
- genuinely affordable housing;
- new jobs and funding;
- improving infrastructure and local transport

THE ROLE OF THE LEADER OF THE COUNCIL

(i) High public profile - the 'public face' of the Council by representing it locally, regionally, nationally and internationally. This complements the Council Chairman acting within his/her civic role.

(ii) High political profile - taking the lead in the direction of development of new policy and programmes.

(iii) Responsibility for the presentation and delivery of key corporate policies and programme, specifically:-

  - the Council's Corporate Plan (including overall vision of the Council)
  - the Council's Medium Term Financial Strategy;
  - the Local Plan;
  - other key strategic Council's strategies and plans.

(iv) Levering investment and funding into the District to deliver the Council's strategic priorities through effective representation, advocacy and negotiation.

(v) Representing the Council on the Cambridgeshire and Peterborough Combined Authority as Board member and other CPCA roles (if and when appointed by the Mayor).

(vi) Acting as Director of the Council’s commercial trading companies to deliver the Council’s strategic objectives.

(vii) There is a formal consultative role whereby the Chief Executive, Directors and Service Managers are required to consult on matters of emergency and urgency, government consultation responses and other matters directed by the Constitution.

(viii) Establishing positive and professional relationships with the Council’s Corporate Management Team specifically including the performance assessment of the Chief Executive, chairing Leaders Briefings and leading the recruitment and assessment of the Chief Executive and other senior directors (as specified in legislation).

DEPUTY LEADER OF COUNCIL

NOTIFICATION/APPOINTMENT

The Deputy Leader is chosen by the Group that has the majority number of seats on the Council, and notified to full Council every year at its Annual Meeting. The Deputy Leader is the deputy leader of a Council Group. The manner of the appointment of a Deputy Leader is up to each group. If there is no majority Group then the Council can elect from any of its Group Leaders. (ref: East Cambridgeshire District Council Constitution Part 2 (Page 5).

THE KEY RESPONSIBILITY OF THE DEPUTY LEADER OF COUNCIL

The post holder deputises for the Leader of the Council (assuming the role of Leader) to lead the Council in the achievement of its strategic priorities for the benefit of all residents, specifically:-

- deliver a financially sound and well managed Council;
- fantastic place to live, work and play
- genuinely affordable housing;
- new jobs and funding;
- improving infrastructure and local transport

THE ROLE OF THE DEPUTY LEADER OF THE COUNCIL

In addition to deputising for the Leader of Council in meeting his role as specified earlier in Appendix 3, there are a number of distinct roles for the Deputy Leader, specifically:-

(i) Given the time commitment and strategic importance of the Leader's role on the CPCA, the Deputy Leader's focus is on ensuring the Council meets its strategic priorities specifically in relation to delivering a financially sound and well managed Council and delivering effective statutory and non statutory operational services to our community.

(ii) Ensure effective partnership between elected members and the management and staff of the organisation and its trading companies.

(iii) Ensure effective representation of the interests of all elected members and their input into the governance of the Council

East Cambridgeshire District Council
Calendar of Meetings
June 2019 to May 2020

June 2019				July 2019				August 2019				September 2019			
Sat 1		Sat 15		Mon 1		Tue 16		Thu 1		Fri 16		Sun 1		Sun 15	
Sun 2		Sun 16		Tue 2	***LGA Conf***	Wed 17		Fri 2		Sat 17		Mon 2		Mon 16	
Mon 3		Mon 17	Operational Services	Wed 3	Planning ***LGA Conf***	Thu 18	ECTC/ECSS Board (Informal) Council	Sat 3		Sun 18		Tue 3		Tue 17	
Tue 4		Tue 18		Thu 4	*Member Seminar* ***LGA Conf***	Fri 19		Sun 4		Mon 19		Wed 4	***School Starts*** Planning	Wed 18	
Wed 5		Wed 19		Fri 5		Sat 20		Mon 5		Tue 20		Thu 5	*Member Seminar*	Thu 19	ECTC/ECSS Board
Thu 6		Thu 20	ECTC/ECSS Board	Sat 6		Sun 21		Tue 6		Wed 21		Fri 6		Fri 20	
Fri 7		Fri 21		Sun 7		Mon 22		Wed 7	Planning	Thu 22		Sat 7		Sat 21	
Sat 8		Sat 22		Mon 8		Tue 23		Thu 8		Fri 23		Sun 8		Sun 22	
Sun 9		Sun 23		Tue 9		Wed 24	***School Ends***	Fri 9		Sat 24		Mon 9	Operational Services	Mon 23	
Mon 10		Mon 24		Wed 10		Thu 25	Finance & Assets	Sat 10		Sun 25		Tue 10		Tue 24	
Tue 11		Tue 25		Thu 11		Fri 26		Sun 11		Mon 26	***Bank Holiday***	Wed 11	Licensing	Wed 25	
Wed 12	Planning	Wed 26	Licensing	Fri 12		Sat 27		Mon 12		Tue 27		Thu 12		Thu 26	Finance & Assets
Thu 13		Thu 27	Finance & Assets	Sat 13		Sun 28		Tue 13		Wed 28		Fri 13		Fri 27	
Fri 14		Fri 28		Sun 14		Mon 29		Wed 14		Thu 29		Sat 14	***Lib Dem Conf*** **(14-17 Sept)**	Sat 28	
		Sat 29		Mon 15	Operational Services	Tue 30		Thu 15		Fri 30				Sun 29	***Conservative Party Conf (29 Sept - 2 Oct)***
		Sun 30				Wed 31	Licensing			Sat 31				Mon 30	

East Cambridgeshire District Council
Calendar of Meetings
June 2019 to May 2020

October 2019				November 2019				December 2019				January 2020			
Tue 1		Wed 16		Fri 1		Fri 15		Sun 1		Mon 16		Wed 1	***Bank Holiday***	Thu 16	Council (provisional)
Wed 2	Planning	Thu 17	Council	Sat 2		Sat 16		Mon 2		Tue 17		Thu 2		Fri 17	
Thu 3	ECTC/ECSS Board (Informal)	Fri 18		Sun 3		Sun 17		Tue 3		Wed 18	***School Term Ends***	Fri 3		Sat 18	
Fri 4		Sat 19		Mon 4		Mon 18	Operational Services	Wed 4	Planning	Thu 19		Sat 4		Sun 19	
Sat 5		Sun 20		Tue 5		Tue 19		Thu 5		Fri 20		Sun 5		Mon 20	Operational Services
Sun 6		Mon 21	Operational Services	Wed 6	Planning	Wed 20		Fri 6		Sat 21		Mon 6	***School Term Starts***	Tue 21	
Mon 7		Tue 22		Thu 7		Thu 21	*Member Seminar*	Sat 7		Sun 22		Tue 7		Wed 22	
Tue 8		Wed 23		Fri 8		Fri 22		Sun 8		Mon 23		Wed 8	Planning	Thu 23	*Budget Seminar*
Wed 9	Licensing	Thu 24	*Member Seminar*	Sat 9		Sat 23		Mon 9		Tue 24		Thu 9		Fri 24	
Thu 10	Shareholder Meeting	Fri 25		Sun 10		Sun 24		Tue 10		Wed 25	***Bank Holiday***	Fri 10		Sat 25	
Fri 11		Sat 26		Mon 11		Mon 25		Wed 11	Licensing	Thu 26	***Bank Holiday***	Sat 11		Sun 26	
Sat 12		Sun 27		Tue 12		Tue 26		Thu 12	ECTC/ECSS Board (Informal)	Fri 27		Sun 12		Mon 27	Finance & Assets
Sun 13		Mon 28	***Half Term Week***	Wed 13	Licensing	Wed 27		Fri 13		Sat 28		Mon 13		Tue 28	
Mon 14		Tue 29		Thu 14	ECTC/ECSS Board	Thu 28	Finance & Assets	Sat 14		Sun 29		Tue 14		Wed 29	
Tue 15		Wed 30				Fri 29		Sun 15		Mon 30		Wed 15	Licensing	Thu 30	ECTC/ECSS Board
		Thu 31				Sat 30				Tue 31				Fri 31	

East Cambridgeshire District Council
Calendar of Meetings
June 2019 to May 2020

February 2020				**March 2020**				**April 2020**				**May 2020**			
Sat 1		Sat 15		Sun 1		Mon 16		Wed 1	Planning	Wed 15		Fri 1		Sat 16	
Sun 2		Sun 16		Mon 2		Tue 17		Thu 2	ECTC/ECSS Board (Informal) ***School Term Ends***	Thu 16	Council	Sat 2		Sun 17	
Mon 3		Mon 17	***Half Term Week***	Tue 3		Wed 18		Fri 3		Fri 17		Sun 3		Mon 18	
Tue 4		Tue 18		Wed 4	Planning	Thu 19	*Member Seminar*	Sat 4		Sat 18		Mon 4	***Bank Holiday***	Tue 19	
Wed 5	Planning	Wed 19		Thu 5		Fri 20		Sun 5		Sun 19		Tue 5		Wed 20	
Thu 6		Thu 20	Council	Fri 6		Sat 21		Mon 6		Mon 20	***School Term Starts***	Wed 6	Planning	Thu 21	Annual Council
Fri 7		Fri 21		Sat 7		Sun 22		Tue 7		Tue 21		Thu 7	PCC Elections	Fri 22	
Sat 8		Sat 22		Sun 8		Mon 23		Wed 8		Wed 22		Fri 8		Sat 23	
Sun 9		Sun 23		Mon 9		Tue 24		Thu 9		Thu 23		Sat 9		Sun 24	
Mon 10		Mon 24	*Member Seminar*	Tue 10		Wed 25		Fri 10	***Bank Holiday***	Fri 24		Sun 10		Mon 25	***Bank Holiday Half Term Week***
Tue 11		Tue 25		Wed 11	Licensing	Thu 26	Finance & Assets	Sat 11		Sat 25		Mon 11		Tue 26	
Wed 12	Licensing	Wed 26		Thu 12		Fri 27		Sun 12		Sun 26		Tue 12		Wed 27	
Thu 13		Thu 27	ECTC/ECSS Board	Fri 13		Sat 28		Mon 13	***Bank Holiday***	Mon 27	Operational Services	Wed 13	Shareholder Meeting	Thu 28	ECTC/ECSS Board
Fri 14		Fri 28		Sat 14		Sun 29		Tue 14		Tue 28		Thu 14		Fri 29	
		Sat 29		Sun 15		Mon 30	Operational Services			Wed 29		Fri 15		Sat 30	
						Tue 31				Thu 30				Sun 31	

East Cambridgeshire District Council
Calendar of Meetings
June 2019 to May 2020

Explanatory Notes/Assumptions

- Start times for meetings of Committees set as previously, but can be discussed with relevant Chairman/Committee.
- Council dates scheduled for a Thursday to avoid clashes with full County Council dates. Council date provisionally included in Calendar for 16 January 2020 to be used, if necessary, to make any decisions required in the light of Local Government Finance settlement, etc.
- Dates of 2 Policy Committees timetabled to fit with Budget setting and monitoring framework and Service Delivery Plan approval and monitoring framework.
- ECTC/ECSS Boards not a Committee of the Council and subject to Company Law Procedure Rules, but included on this version of Calendar of Meetings for sake of completeness and to show how fit with Council/Committee meeting dates.
- Biannual Shareholder Meetings for East Cambs Trading Companies open to all Councillors to attend.

East Cambridgeshire District Council
Calendar of Meetings
June 2019 to May 2020

June 2019				July 2019				August 2019				September 2019			
Sat 1		Sat 15		Mon 1		Tue 16		Thu 1		Fri 16		Sun 1		Sun 15	
Sun 2		Sun 16		Tue 2	***LGA Conf***	Wed 17		Fri 2		Sat 17		Mon 2		Mon 16	
Mon 3		Mon 17	Operational Services	Wed 3	Planning ***LGA Conf***	Thu 18	ECTC/ECSS Board (Informal) Council	Sat 3		Sun 18		Tue 3		Tue 17	
Tue 4		Tue 18		Thu 4	*Member Seminar* ***LGA Conf***	Fri 19		Sun 4		Mon 19		Wed 4	***School Starts*** Planning	Wed 18	
Wed 5		Wed 19		Fri 5		Sat 20		Mon 5		Tue 20		Thu 5	*Member Seminar*	Thu 19	ECTC/ECSS Board
Thu 6		Thu 20	ECTC/ECSS Board	Sat 6		Sun 21		Tue 6		Wed 21		Fri 6		Fri 20	
Fri 7		Fri 21		Sun 7		Mon 22		Wed 7	Planning	Thu 22		Sat 7		Sat 21	
Sat 8		Sat 22		Mon 8		Tue 23		Thu 8		Fri 23		Sun 8		Sun 22	
Sun 9		Sun 23		Tue 9		Wed 24	***School Ends***	Fri 9		Sat 24		Mon 9	Operational Services	Mon 23	
Mon 10		Mon 24		Wed 10		Thu 25	Finance & Assets	Sat 10		Sun 25		Tue 10		Tue 24	
Tue 11		Tue 25		Thu 11		Fri 26		Sun 11		Mon 26	***Bank Holiday***	Wed 11	Licensing	Wed 25	
Wed 12	Planning	Wed 26	Licensing	Fri 12		Sat 27		Mon 12		Tue 27		Thu 12		Thu 26	Finance & Assets
Thu 13		Thu 27	Finance & Assets	Sat 13		Sun 28		Tue 13		Wed 28		Fri 13		Fri 27	
Fri 14		Fri 28		Sun 14		Mon 29		Wed 14		Thu 29		Sat 14	***Lib Dem Conf*** **(14-17 Sept)**	Sat 28	
		Sat 29		Mon 15	Operational Services	Tue 30		Thu 15		Fri 30				Sun 29	***Conservative Party Conf (29 Sept - 2 Oct)***
		Sun 30				Wed 31	Licensing			Sat 31				Mon 30	

East Cambridgeshire District Council
Calendar of Meetings
June 2019 to May 2020

October 2019				November 2019				December 2019				January 2020			
Tue 1		Wed 16		Fri 1		Fri 15		Sun 1		Mon 16		Wed 1	***Bank Holiday***	Thu 16	Council (provisional)
Wed 2	Planning	Thu 17	Council	Sat 2		Sat 16		Mon 2		Tue 17		Thu 2		Fri 17	
Thu 3	ECTC/ECSS Board (Informal)	Fri 18		Sun 3		Sun 17		Tue 3		Wed 18	***School Term Ends***	Fri 3		Sat 18	
Fri 4		Sat 19		Mon 4		Mon 18	Operational Services	Wed 4	Planning	Thu 19		Sat 4		Sun 19	
Sat 5		Sun 20		Tue 5		Tue 19		Thu 5		Fri 20		Sun 5		Mon 20	Operational Services
Sun 6		Mon 21	Operational Services	Wed 6	Planning	Wed 20		Fri 6		Sat 21		Mon 6	***School Term Starts***	Tue 21	
Mon 7		Tue 22		Thu 7		Thu 21	*Member Seminar*	Sat 7		Sun 22		Tue 7		Wed 22	
Tue 8		Wed 23		Fri 8		Fri 22		Sun 8		Mon 23		Wed 8	Planning	Thu 23	*Budget Seminar*
Wed 9	Licensing	Thu 24	*Member Seminar*	Sat 9		Sat 23		Mon 9		Tue 24		Thu 9		Fri 24	
Thu 10	Shareholder Meeting	Fri 25		Sun 10		Sun 24		Tue 10		Wed 25	***Bank Holiday***	Fri 10		Sat 25	
Fri 11		Sat 26		Mon 11		Mon 25		Wed 11	Licensing	Thu 26	***Bank Holiday***	Sat 11		Sun 26	
Sat 12		Sun 27		Tue 12		Tue 26		Thu 12	ECTC/ECSS Board (Informal)	Fri 27		Sun 12		Mon 27	Finance & Assets
Sun 13		Mon 28	***Half Term Week***	Wed 13	Licensing	Wed 27		Fri 13		Sat 28		Mon 13		Tue 28	
Mon 14		Tue 29		Thu 14	ECTC/ECSS Board	Thu 28	Finance & Assets	Sat 14		Sun 29		Tue 14		Wed 29	
Tue 15		Wed 30				Fri 29		Sun 15		Mon 30		Wed 15	Licensing	Thu 30	ECTC/ECSS Board
		Thu 31				Sat 30				Tue 31				Fri 31	

East Cambridgeshire District Council
Calendar of Meetings
June 2019 to May 2020

February 2020				March 2020				April 2020				May 2020			
Sat 1		Sat 15		Sun 1		Mon 16		Wed 1	Planning	Wed 15		Fri 1		Sat 16	
Sun 2		Sun 16		Mon 2		Tue 17		Thu 2	ECTC/ECSS Board (Informal) ***School Term Ends***	Thu 16	Council	Sat 2		Sun 17	
Mon 3		Mon 17	***Half Term Week***	Tue 3		Wed 18		Fri 3		Fri 17		Sun 3		Mon 18	
Tue 4		Tue 18		Wed 4	Planning	Thu 19	*Member Seminar*	Sat 4		Sat 18		Mon 4	***Bank Holiday***	Tue 19	
Wed 5	Planning	Wed 19		Thu 5		Fri 20		Sun 5		Sun 19		Tue 5		Wed 20	
Thu 6		Thu 20	Council	Fri 6		Sat 21		Mon 6		Mon 20	***School Term Starts***	Wed 6	Planning	Thu 21	Annual Council
Fri 7		Fri 21		Sat 7		Sun 22		Tue 7		Tue 21		Thu 7	PCC Elections	Fri 22	
Sat 8		Sat 22		Sun 8		Mon 23		Wed 8		Wed 22		Fri 8		Sat 23	
Sun 9		Sun 23		Mon 9		Tue 24		Thu 9		Thu 23		Sat 9		Sun 24	
Mon 10		Mon 24	*Member Seminar*	Tue 10		Wed 25		Fri 10	***Bank Holiday***	Fri 24		Sun 10		Mon 25	***Bank Holiday Half Term Week***
Tue 11		Tue 25		Wed 11	Licensing	Thu 26	Finance & Assets	Sat 11		Sat 25		Mon 11		Tue 26	
Wed 12	Licensing	Wed 26		Thu 12		Fri 27		Sun 12		Sun 26		Tue 12		Wed 27	
Thu 13		Thu 27	ECTC/ECSS Board	Fri 13		Sat 28		Mon 13	***Bank Holiday***	Mon 27	Operational Services	Wed 13	Shareholder Meeting	Thu 28	ECTC/ECSS Board
Fri 14		Fri 28		Sat 14		Sun 29		Tue 14		Tue 28		Thu 14		Fri 29	
		Sat 29		Sun 15		Mon 30	Operational Services			Wed 29		Fri 15		Sat 30	
						Tue 31				Thu 30				Sun 31	

East Cambridgeshire District Council
Calendar of Meetings
June 2019 to May 2020

Explanatory Notes/Assumptions

- Start times for meetings of Committees set as previously, but can be discussed with relevant Chairman/Committee.
- Council dates scheduled for a Thursday to avoid clashes with full County Council dates. Council date provisionally included in Calendar for 16 January 2020 to be used, if necessary, to make any decisions required in the light of Local Government Finance settlement, etc.
- Dates of 2 Policy Committees timetabled to fit with Budget setting and monitoring framework and Service Delivery Plan approval and monitoring framework.
- ECTC/ECSS Boards not a Committee of the Council and subject to Company Law Procedure Rules, but included on this version of Calendar of Meetings for sake of completeness and to show how fit with Council/Committee meeting dates.
- Biannual Shareholder Meetings for East Cambs Trading Companies open to all Councillors to attend.

PAY POLICY STATEMENT 2019/20

Committee: Full Council

Date: 21 February 2019

Author: Nicole Pema, HR Manager

[T207]

1.0 ISSUE

1.1 To present the Council's Pay Policy Statement 2019/20, a requirement under the Localism Act 2011.

2.0 RECOMMENDATION

2.1 It is recommended that Members approve and adopt the 2019/20 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 2019/20 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 2.3 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 2019/20

Background Documents	**Location**	**Contact Officer**
Local Government and Housing Act 1989 The Local Government Transparency Code (Feb 2015) Openness and Accountability in Local Pay: Guidance under the Localism Act 2011	Room 118 The Grange Ely	Nicole Pema HR Manager (01353) 616325 E-mail: nicole.pema@eastcambs.gov.uk

Appendix 1

EAST CAMBRIDGESHIRE DISTRICT COUNCIL
PAY POLICY STATEMENT 2019/20

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	121,663	124,702	127,744	130,787	133,827
Director (Operations)	78,269	82,181	86,965	90,604	95,662
Director (Commercial)	78,269	82,181	86,965	90,604	95,662
Legal Services Manager (Monitoring Officer)	56,562	59,388	62,845	65,476	69,130
Finance Manager (S151 Officer)	56,562	59,388	62,845	65,476	69,130

* Figures as at 1st January 2019.

3.3 The salaries shown include the 2018/19 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) 6 and ends at SCP 57. The pay spine currently in use is divided into 13 pay scales, which contain various incremental points. Scale 1 is the lowest scale and Scale 13 is the highest of these pay scales. Posts are allocated to a scale through a job evaluation process. The values of the SCPs are increased by the pay award notified from time to time 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 6 and the top is SCP 11. At 1st April 2018 (following the implementation of the pay award), the full-time equivalent (FTE) annual values of these two SCPs were £16,394 (SCP 6) and £17,007 (SCP 11).

4.4 The Council will continue to meet or exceed the National Living Wage which will increase to £8.21 per hour from 1st April 2019. The lowest point on the Council's pay scale (SCP 6) currently equates to £8.50 per hour and this will increase with the April 2019 pay award to £9.00 per hour.

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 two Directors are 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 (including the remaining posts set out in 2.4) 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 and Selection Policy and Handbook 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 £2,409 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 £6,292 per annum. This scheme is now closed to staff.
c) BUPA membership at a cost to the authority of £810 per annum. This scheme is now closed to staff.

8.3 The Director (Operations) receives:

a) An Additional Responsibility Allowance of £797 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 £3,553 per annum for being an emergency pager holder.

8.4 The Director (Commercial) receives:

a) An Acting-up Allowance of £725 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 (nationally determined) 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 2018/19 are shown below.

Contribution table 2018/19			
Band	**Actual pensionable pay for an employment**	**Contribution rate for that employment**	
		Main section	50/50 section
1	**Up to £14,100**	**5.5%**	**2.75%**
2	**£14,101 to £22,000**	**5.8%**	**2.9%**
3	**£22,001 to £35,700**	**6.5%**	**3.25%**
4	**£35,701 to £45,200**	**6.8%**	**3.4%**
5	**£45,201 to £63,100**	**8.5%**	**4.25%**
6	**£63,101 to £89,400**	**9.9%**	**4.95%**
7	**£89,401 to £105,200**	**10.5%**	**5.25%**
8	**£105,201 to £157,800**	**11.4%**	**5.7%**
9	**£157,801 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 2019 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 £16,394 - £17,007 per annum. The highest paid post is that of Chief Executive with a pay scale of £121,663 - £133,827 per annum.

11.2 The ratio between the highest grade and lowest grade at the scale minimum pay point is 1:7.4 and at the scale maximum pay point is 1:7.9. Ratios are based on base 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.

AGENDA ITEM NO. 14

TITLE:	**LOCAL PLAN – PROPOSED SUBMISSION VERSION**
Committee:	Full Council
Date:	21 February 2019
Author:	Richard Kay – Strategic Planning Manager

[T208]

1.0 ISSUE

1.1 To seek an agreed way forward for the emerging Local Plan.

2.0 RECOMMENDATION(S)

2.1 That Council:

I. Withdraws the Submitted Local Plan from its independent examination, and in doing so the status of that emerging plan is reduced to zero for the purpose of making decision on planning matters.

II. Notes the consequences of withdrawing the emerging Plan from its examination, including on 'five year land supply' matters.

3.0 BACKGROUND/OPTIONS

Introduction

3.1 The preparation of a new East Cambridgeshire Local Plan made good progress over 2016 and 2017, culminating in Full Council approving, on 5 October 2017, that the Plan be subject to a final round of consultation and subsequently 'submitted' to the Secretary of State for the purpose of undergoing independent examination.

3.2 That consultation duly took place, and the Plan was formally 'submitted' on 16 February 2018.

3.3 Immediately thereafter, an Inspector was appointed to examine the plan, namely Inspector Louise Nurser BA (Hons) Dip UP MRTPI. The Inspector's task, as set by legislation, is to determine whether the Local Plan is 'sound' and legally compliant. The Local Plan cannot be adopted until the Inspector agrees it can be done so, with or without modifications.

3.4 If Members would like to understand a detailed overview of the Inspector's role, and the wider examination process, then the Planning Inspectorate's own 'procedural guide' is a useful starting point:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672662/Procedural_Practice_in_the_Examination_of_Local_Plans_-_final.2.pdf

3.5 In simple terms, the role of an Inspector involves:

- focussing only on fundamental matters of concern;
- working closely with a local council, aiming to reach a consensus on what modifications are necessary to make a Plan ‘sound’;
- undertaking timely and efficient examinations; and
- avoiding unnecessary detailed matters or attempts to ‘improve’ the Plan.

3.6 Government explains in the NPPF (para 182, 2012 version, this version being the one upon which the plan is examined) what is meant be ‘sound’, namely that the plan is:

- ***Positively prepared****;*
- ***Justified****;*
- ***Effective****; and*
- ***Consistent with national policy***

3.7 In addition to legislation and published guidance, a council also signs a ‘service level agreement’ (SLA) between the council and the Planning Inspectorate, prior to an examination commencing. Such an SLA sets out the ground-rules as to what the Council agrees to do, and what the Planning Inspectorates (or in practice, the appointed Inspector) commits to doing.

The examination of the East Cambridgeshire Local Plan

3.8 For no specific reasons as explained to the Council, the examination has proceeded considerably slower than the guidance suggests it ought. The first hearing session did not commence until mid-June (contrary to the deadline set in the SLA). The Inspector also split the hearings into two sessions – June and September, further delaying matters. No explanation was given for this split.

3.9 Normally, and in line with the procedural guide, officers work collaboratively with an Inspector so that common ground is reached on what modifications are likely necessary to a Plan. In practice, around 98-100% of modifications are normally ‘agreed’, either in principle or in precise detail, as part of the hearing sessions themselves i.e. they are debated and ‘agreed’ in the public forum, even for those matters which a Council might not ideally want the modification, but accepts the need for it for a Plan to be found sound. To put it another way, an Inspector rarely springs surprises on a council, post hearing sessions. If that happens, it is usually for a very small number of modifications, on matters where it was clear that agreement could not be reached on the day, and the Inspector would therefore have to make a ‘final call’.

3.10 Our Inspector did not undertake the examination in this way.

3.11 After most hearing sitting days, participants (including the Council) were left wondering what the Inspector was going to do about matters debated that day. Agreements were often not reached, or a suggested way forward not given by the Inspector. The Inspector catch phrase became ‘I have a lot of thinking to do on that matter’.

3.12 As such, officers:

- struggled to know what modifications might be necessary;
- for many policy areas, had no opportunity to discuss with the Inspector whether such modifications were indeed necessary, or what form of wording they should take.

This is highly unusual, and, whilst not unlawful, not in accordance with the procedural guide.

3.13 Thus, throughout the process, officers were frustrated by both the slow speed of the examination and the considerable uncertainty as to where matters were heading, and what modifications might be necessary.

3.14 At the close of the Hearing sessions (end of September 2018 in our case), it is normal practice for the full set of modifications to be known, perhaps subject to some detailed refinement of wording to be agreed with the Inspector on a small number of matters. Consultation on such modifications then normally takes place within 2-3 weeks of the hearings closing. In our case, that would mean an October-November 2018 consultation.

3.15 Unfortunately, our examination did not follow this normal procedure.

3.16 First, officers were left wondering what modifications might be necessary. Second, we did not hear from the Inspector, in any meaningful way, until December, approaching 3 months after hearings closed.

3.17 In December, the Council then received the 'good news' letter of 5th December 2018, which confirmed that, subject to (then unspecified) modifications, the Plan was capable of being made sound i.e. it was suitable for adoption, provided her modifications were accepted by the Council. That letter meant that the Plan had been prepared in a lawful manner i.e. it had been prepared in accordance with all applicable legislation, consulted upon appropriately and met the Duty to Cooperate provisions. However, we still did not know the extent of what the modifications might be.

3.18 Finally, on 19th December 2019, the Council received a letter from the Inspector, nearly 3 months after the Hearings closed, setting out what modifications were, subject to consultation, necessary to make the plan sound. That letter is attached at appendix A.

3.19 The content of the letter raised considerable concerns, for five prime reasons:

(i) the sheer scale of modifications the Inspector feels necessary;
(ii) the lack of explanation or reasoning for the modifications (especially those which the Council was previously unaware of);
(iii) the consequence of the modifications, which go to the heart of (or rather take away the heart of) the Plan prepared by the Council;

(iv) the lack of ability for the Council to attempt to reach a consensual agreement to the potential modifications necessary (as would normally be the case); and

(v) the questionable basis of whether many of the modifications are truly necessary (and whether the Inspector is, instead, trying to 'improve' the plan, rather than focussing entirely on soundness matters which go to the heart of the plan).

3.20 Thus, for our Plan, the 5th December letter confirmed that the Plan was capable of being sound, whilst the 19th December letter set out the minimum requirements (subject to consultation and final Inspector decision) to make it sound. To put it another way, what the Inspector is stating is that if any of her modifications, as set out in the 19th December letter, are not made to the Plan, then the plan is so fundamentally unsound as to be incapable of being (or unlawful to be) adopted.

3.21 The Council can only but guess what the rationale is for a large number of the modifications (the 19th December letter gives very limited explanation), but, that aside, the implications are considerable. Should the Council accept them all, it would mean the Plan would no longer be a Plan prepared by the Council, supporting corporate objectives of the Council, for residents of the district. It would be one which is perhaps better described as an Inspector-led Plan. In short, with the modifications, the Plan would become largely unrecognisable from the Plan submitted for examination.

3.22 The following summarises some of the more fundamental 'modifications' required by the Inspector, together with some brief officer comments.

- All reference to community-led / CLT development be removed from the Plan – both 'in principle' supporting policy, and sites allocated for such forms of development. No reasons are given by the Inspector as to why such policies are 'unsound' (nor, for that matter, why her decision contradicts the previous Inspector examining our 2015 Local Plan, who found the principles of such policies to be sound).

- The redistribution of housing across the Cambridge sub-region (as agreed by all Councils of the sub-region) be removed, resulting in 1,500 homes increase to East Cambridgeshire. Inspectors concluding other Cambridgeshire plans in 2018 (Cambridge and South Cambs) and the almost finalised plan in 2019 (Huntingdonshire), all accept the redistribution and cooperation associated with it to be sound. Our 2015 Local Plan Inspector also found it sound.

- The modifications will make maintaining a five year land supply position post adoption for any meaningful time doubly harder by (a) increasing the annual need by 75 homes (around 15%) and (b) removing a policy ('the Liverpool method') which spread the requirement over the plan period to concentrate it in the first five years. No reasons are given, nor acknowledgement of the implications.

- Policy (LP3) be halved, this policy being the one which explains where development is to be directed. Instead, the Council is asked to be ‘more positive’ on development in the countryside (without explaining how or why).

- The policy which sought new homes to be built with good standards of accessibility be removed, with the consequence that all homes will only be built to ‘basic’ standards. The needs of the elderly and disabled appear to have been ignored, though with a lack of explanation it is not known why the policy needs deleting.

- A new policy be inserted to ‘provide for those of a nomadic lifestyle’. It is unclear what such a policy could be, or why it is needed. No representors sought this.

- Guidance be removed that parking should be on plot, and deleted text which states that developers should ‘avoid tandem end-to-end parking’.

- A new policy be included on ‘heritage sites at risk’. It is unknown what this policy should say or achieve, or why it is needed to make the plan sound. When asked, even Historic England could not come up with any wording.

- The first policy for *every* village be deleted – i.e. the one which sets out the specific characteristics and character for that settlement, and specific expectations for any development in that settlement. No reasons are given. These policies have been prepared with local village representatives, were supported by representors (with no objections in principle to them). It remains unclear why the policies are, in their entirety, ‘unsound’ and incapable of being made sound.

- A large number of modifications be made to the indicative site capacity of sites, mostly to increase them. The vast majority of these were not sought by representors, were not discussed at any hearing sessions, and no written material submitted. They appear somewhat ‘made up’ by the Inspector (though we do not know her reasoning, as none is given). Officers believe the vast majority are so wholly unjustified as to not be defendable at a future five year land supply inquiry i.e. rather than making the plan ‘sound’, they would actually make the plan ‘unsound’ by having over ambitious dwelling targets for sites, impacting on our supply and deliver of units.

- Another effect of the increase in numbers of specific sites, is to significantly increase total growth in Littleport, Soham and Sutton.

- The Kennett site of 500 community-led dwellings be deleted. No reasons given.

- Local Green Spaces as backed by the local community in Reach and Witchford be deleted, the latter (Horsefield) being the one most supported by the parish council for allocation as LGS. No reasons for deletion given.

The options for the Council

3.23 At this stage in the process, there are two realistic options available to the Council:

(i) To proceed as requested by the Inspector, finalising and then consulting on the modifications. This implies the Council's acceptance of them, and will highly likely form the final conclusions of the Inspector in her Inspector's Report published post consultation. Such findings become final and non-negotiable, and must be accepted in *full* if the plan is to be adopted. This option is the 'normal' process.

(ii) To withdraw the plan.

Withdrawing a Plan

3.24 Whilst not common, there are plenty of Local Plans which have been 'withdrawn' from their examination. S22 of the 2004 Act states "*A local planning authority may at any time before a local development document is adopted under section 23 withdraw the document*". (Note: a Local Plan is, legally speaking, a 'local development document').

3.25 Most instances of withdrawal are whereby an Inspector has reached preliminary conclusions that a submitted plan is so flawed that it is incapable of being modified to be made sound. As a result, withdrawing the plan becomes the only sensible option for a council (the alternative being to let the examination continue and, consequently, the Inspector formally preparing a report which says the plan must not be adopted). In short, in most instances, withdrawing a plan simply speeds up the inevitable.

3.26 This scenario does not apply in our case.

3.27 In our case, the Inspector has made it clear that our plan *is* capable of being found sound, subject to her modifications. However, a plan can be withdrawn at any time, for any reason, by a Council. This could include, for example, because a Council does not accept the modifications being made by an Inspector, which means the only course open to a Council is to withdraw (i.e. not adopt) the plan.

Important Consideration - Five Year Land Supply

3.28 Council should be mindful of an important implication which will arise, if the recommendations attached are agreed.

3.29 As a reminder, the Council has struggled since June 2015 to be able to demonstrate a 'five year land supply' as required by national policy, with two appeal decisions (in 2015 and again in 2018) going against the Council. The overriding reason why the Council has been unable to demonstrate a five year land supply is not due to a lack of permissions given by this Council or a lack of allocations in our Local Plan (we have approximately 9 years' worth of immediately available supply on that count), but due to the lack of delivery of homes on the ground. Where homes are not built, national policy requires the ‘backlog numbers’ to be added to the next five years. As each year passes, the backlog increases, to the point whereby it becomes virtually impossible to regain a five year land supply (for example, we would need to be building approximately 1,200 homes per year, for the next few years, to ever ‘catch up’, a 400% increase on current build rates).

3.30 If the Council decides to proceed with the current emerging plan (i.e. it accepts the Inspector’s modifications and does not withdraw the plan), it is possible that the Local Plan can be adopted by Autumn 2019 (having taken into account the next procedural steps required). At that point (but not before), we would have a Five Year Land Supply. However, as highlighted in this report, there would be a considerable risk of that position being lost again in the not too distant future, because the Inspector has: (a) increased the overall housing numbers; (b) removed our policy to spread any backlog over the whole plan (and instead made it, in effect, compulsory to make it up in the first five years); and (c) has unrealistically increased housing numbers on allocation sites. Policy within the NPPF will probably mean our five year land supply will be secure, post adoption, until 31st October 2020 (i.e. for about a year after adoption), but realistically the Inspector modifications are likely to make it very hard to sustain a five year land supply beyond that date.

3.31 Thus, in simple terms, proceeding to adopt the Plan will likely mean a five year land supply position is secured from Autumn 2019 to October 2020, but unlikely beyond that date.

3.32 If the Plan is withdrawn, we obviously would continue to have no Five Year Land Supply for the present time.

3.33 However, under the ‘withdraw’ option, and perhaps surprisingly, when we reach April 2020 we almost certainly will, under current national policy, regain our five year land supply position. This is because new (autumn 2018) national policy states that, when a Local Plan is 5 years old (which ours will be, come April 2020), any ‘backlog’ of development not built gets wiped clean (the precise reference for this policy being NPPG Paragraph ID: 2a 017 20180913).

3.34 Thus, in areas where delivery of homes is below need/requirement (which certainly is the case in East Cambridgeshire), it is ‘easier’ to pass the five year land supply test with an ‘old’ (over 5 years) Local Plan than a more up to date one. In simple terms, this Council will only need to demonstrate a genuine five or six year supply of land come April 2020, rather than nine or ten years prior to April 2020.

3.35 That said, in the longer term under a withdrawal option, clearly the 2015 Local Plan will progressively become out of date for wider reasons, and therefore progressively prone to challenge on matters much wider than Five Year Land Supply.

Beyond Withdrawal

3.36 Should the Council withdraw the Plan, then officers will consider the various options available in terms of the Council's future approach to planning policy. This will take account matters such as: national legislation and policy on planning policy matters; the direction of travel the Combined Authority is taking in terms of it establishing policy or guidance on the future growth of the area; and the financial costs of preparing policy. Full Council will be advised on such options available in due course.

4.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

4.1 Withdrawing the Plan would mean costs preparing the Plan would cease. The only remaining costs not yet paid (but budgeted for) would be the costs of the Inspector's time. The Council will enter discussions with the Planning Inspectorate on this matter, pointing out what the Council sees as failings in the Inspector to work in accordance with the agreed SLA.

4.2 An Equality Impact Assessment (INRA) was completed for the Proposed Submission Plan, and was considered by Full Council in October 2017 (when the Plan was being considered). See Appendix B. Obviously if the Plan is withdrawn, the 'impacts' (positive / negative) of the Plan would not materialise. If the Plan is not withdrawn, and proceeds to future adoption, a refreshed Assessment will be made and put to Full Council alongside a Local Plan to be adopted.

5.0 APPENDICES

Appendix A – Inspector Letter 19th December (and associated schedule of modifications required)

Appendix B – Equality Impact Assessment (as considered by Full Council, October 2017)

Background Documents	**Location**	**Contact Officer**
None	Room12A The Grange Ely	Richard Kay Strategic Planning Manager (01353) 616245 E-mail: richard.kay@eastcambs.gov.uk

East Cambridgeshire Local Plan Examination

Inspector: Louise Nurser BA (Hons) Dip UP MRTPI

Programme Officer: Hannah Charlish

19th December 2018

Dear Mr Kay

Examination of East Cambridgeshire Local Plan

Main Modifications and Related Matters

As you are aware I wrote to you on the 5th of December, stating that I considered that the Plan as submitted was unsound, but could be found sound following a number of main modifications.

During the hearing sessions a number of potential main modifications were discussed. I am now in a position to request that the Council prepare a schedule of potential main modifications and I have attached a list of where I consider potential main modifications should be made. Where I have referred to the Council's Schedule of Suggested Modifications this relates to document (ED057). This is available on the Examination page of the Council's website.

In preparing the schedule of potential main modifications for consultation the Council should liaise with me, via the Programme Officer, to refine the detailed wording. Once I am happy with the wording, the potential main modifications will then be the subject of formal public consultation. The schedule should take the form of a numbered list of main modifications with changes shown by means of strikethrough to show deleted text and new text shown in bold or underlined (or both).

The Council should be aware that the Sustainability Appraisal will also require updating. It should also consider whether any further Habitats Regulation Assessment will be required. Again, I will need to see and agree any drafts before they are consulted upon.

To avoid any doubt, I am not inviting comments about the contents of this letter. There will be the opportunity for those who wish to make representations on the potential main modifications at the formal consultation stage.

I can confirm that I will take into account the responses to the consultation before reaching my final conclusions on the main modifications that are required in order that I can find the Plan sound. However, the general expectation is that issues

Email: Programme.Officer@eastcambs.gov.uk
Tel: 07920 160203
Miss Hannah Charlish, Local Plan Programme Officer,
C/o East Cambridgeshire District Council
The Grange, Nutholt Lane Ely, CB7 4EE
Website: www.eastcambs.gov.uk/localplanexamination

raised, following the consultation of the draft Main Modifications, will be considered through the written representations process. Further hearing sessions will only be scheduled exceptionally.

My reasoning will be set out in my report to the Council which will accompany the schedule of main modifications.

If you have any queries, please contact me via the Programme Officer.

Yours Sincerely

Louise Nurser

Inspector

Examination of the submission of the East Cambridgeshire Local Plan

Note from Inspector

Outline of potential main modifications needed for soundness.

General advice

- Main modifications. Please group main modification and any other consequential modifications under one parent reference.

- Policies Map: The Council must maintain an adopted policies map which geographically illustrates the application of the policies in the adopted development plan. When submitting a local plan for examination, the Council is required to provide a submission policies map showing the changes to the adopted policies map that would result from the proposals in the submitted local plan. The policies map is not defined in statute as a development plan document and so I do not have the power to recommend main modifications to it. However, there are some instances where the geographic illustration of policies on the submission policies map is not justified and changes to the policies map are needed to ensure that the relevant policies are effective.

  In the interests of fairness, these further changes to the policies map should be published for consultation alongside the MMs as a separate document.

SSM: East Cambridgeshire Local Plan, Schedule of ECDC Suggested Modifications, Version 3 Draft as at 6.11.18 (ED057).

Provide Main Modifications as set out below	
Throughout plan	Alter plan period to end at 2034. Remove all references to 2036.
LP1	Delete policy and all associated supporting text. Remove all references to the policy throughout the submitted plan.
Level of Growth Housing	Delete all references throughout the submitted Plan to the Memorandum of Co-operation. Delete reference to redistribution of need within the wider Cambridge and Peterborough Housing Market Areas: Alter housing requirement to take this into account. Amend housing requirement to be consistent with reduced plan period to 2034. Delete references to Community Land Trust allowance Make consequential amendments to the supporting text and to the tables on page 13 and page 73, and individual policies.
	Delete reference to Liverpool method from 3.3.11

LP2	Amend housing figure to '*minimum of 10,764 new dwellings*', alter plan period to 2034 for both housing and employment figures. Delete last paragraph of policy.
	Remove reference to the Liverpool method of calculating the five year land supply. Make consequential amendments to supporting text.
Level of growth:	Set out allowance to be made for the contribution of communal housing to the housing supply
3.8.2	Delete
LP3	Delete the four paragraphs after the bullet points which set out the hierarchy. Delete reference to Policy LP1. Replace '*village*' with '*settlement*'. Rephrase, '*will be restricted*' with positive wording. Delete criteria a) and b). Include exception criteria set out in LP6.
LP4	Keep first sentence of policy. Delete rest.
LP5	Delete policy and supporting text.
LP6 4.3.6	Delete reference to higher access standards.
4.3.10	Amend text to refer to contribution of communal housing to 5 year housing land supply
4.3.14	Set out obligation to cater for all peoples of a nomadic lifestyle
LP6 policy	First paragraph. Expand list to include those resorting in caravans, houseboats and the build to rent sector.
	Second paragraph refer to specific housing needs. Delete reference to Cambridge Sub- Region housing market. Refer to latest evidence. Insert text in supporting text to commit Council to keeping the evidence up to date.
Affordable housing	As per SSM
Dwellings with Higher Access Standards	Delete
Self-build homes	Amend as per SSM
Homes for Older People	As per SSM. Include, '*and any subsequent strategy*' to criterion d)
	Delete last paragraph on page 23 ending with, '*will not be supported.*'
Residential Care	Delete tier 1 or 2, replace with Main Settlement, or Large Village. Include '*appropriate*' before '*range*'. Add '*proven local*' before '*need*'.
	Add text as per SSM re contribution of such housing to 5 year housing land supply.
Homes for Permanent Caravan Dwellers/Park Homes	Make explicit that the caravan need not be of the mobile home/ park home variety.

New Policy	Require criteria based policy to provide for those of a nomadic lifestyle whose needs would not be provided for by Policy LP7
LP7	Rephrase paragraph 4.4.3 to be consistent with evidence base, in particular para 7.8 of PE9.
LP8	As per SSM
Other land in employment use	Insert, *'or was last used'* after, *'but is currently'.*
Criterion a)	Amend to be consistent with last paragraph of LP12 to ensure it is clear what specific measures applicants will be required to demonstrate.
LP10	Make reference to horse racing industry outside of district. Refer to cumulative impact of developments.
LP11	As per SSM
LP12	As per SSM
LP13	As per SSM
LP14	As per SSM
LP16	As per SSM. Make reference to infrastructure requirements outside of district. Make explicit reference to CIL Regulations.
	Add additional paragraph to ST referring to infrastructure requirements identified in the Policies for Places Chapter. Make reference to the role of the County Council and the ESFA vis a vis the provision of education.
LP17	As per SSM. Include *'Transport'* between *'Travel and Assessment.'*
	Replace 5.3.3 with the following, '*Where new development is expected to generate significant movements it will be necessary to prepare a Transport Assessment. This should set out the impacts of the development, including the cumulative impact of committed developments in East Cambridgeshire and neighbouring local planning authorities, how the volume of trips generated will be accommodated and how accessibility to the site will be achieved. Mitigation measures providing opportunities for use of sustainable transport modes should be included. In many cases a Travel Plan will also be required to set out what mitigation measures will be implemented and how, together with targets for modal shift."*
LP18	Delete criterion e) to g) inclusive. Include reference to cycle standards as additional criterion. Delete, *'as appropriate'.*
LP19	Criterion h) delete, *'where applicable'.* Criterion m) amend to ensure that the developer is not responsible for future governance arrangements or a business plan. Make clear that consistent with the CIL Regulations.
LP20	Include text to refer to neighbouring authorities. Require reference to be consistent with the CIL Regulations.
LP21	As SSM.
LP22	Make reference to being consistent with CIL Regulations.
	Ensure references to all SPDs are removed to the supporting text.

	Criterion d) replace '*new buildings'* with *'the development'.*
	Criterion l) Make amendments to Appendix B. Single garage to internally measure as a minimum 3.2 m by 5.5 m. Delete 2nd and 4th paragraphs. 5th paragraph to refer to 2.4 m x 5.5 m, add 0.5 m where bounded by wall, fence etc Amend last paragraph as per SSM.
	Amenity considerations, include additional text to make clear development proposals include open space etc.
LP24	As per SSM.
LP25	As per SSM.
LP26	Reword penultimate paragraph to set out in a positive manner.
	Delete last sentence beginning, *'Mechanical ventilation of homes…'* replace with, *'Mechanical ventilation of homes should only be considered once other design and layout options have been considered and when it is demonstrated that the accommodation would provide good standards of acoustics, ventilation and thermal comfort without unduly compromising other aspects of the living environment'.*
LP27	As per SSM
	Require additional policy on heritage sites at risk.
LP28	As per SSM. Delete last sentence of penultimate paragraph.
6.10.4	As per SSM
LP29	Delete last sentence.
LP30	As per SSMs
L31	Delete first paragraph and remove reference to community led development. Amend A (ii) delete 'well related to*'* replace with *'adjacent'.* Delete, *'there is good…'* Replace with , *'there is safe and convenient access by foot/cycle or public transport to provide for day to day needs.'*
Part B	v) reword to make sense
Part F	Delete criterion ii)
Part H	As per SSM
LP32	As per SSM
	Criterion a) as per SSM but insert *'around'* before 200 m. Delete criteria d) and g).
LP33	As per SSM but delete criterion f)
Policies for Places	
7.0.6	In the absence of a density policy require text to set out that indicative figure for dwelling numbers is not prescriptive. It should **not** be considered to be a ceiling. However, it may be a useful proxy for the amount of development that may be suitable on the site. Nonetheless, the important issue is whether the scale and density of the proposed development satisfies the policies of the plan, including any site specific policy requirements. Therefore, the final dwelling figure which is

	realised will be dependent on site specific and development control matters.
	Text from 7.0.08 to 7.0.20 will require updating and revising in light of changes to housing requirement and plan period, the contribution from Community Land Trusts, together with my conclusions relating to individual site allocations and the housing trajectory (see below).
	Will require amended housing trajectory.
Applicable to all settlement policies	
Para 7.1.1 repeat for each subsequent settlement	Set out the classification of the settlement within the hierarchy. Then describe it.
Policy Aldreth1 repeat for each subsequent settlement.	Delete paragraph 7.1.2 and subsequent policy. Within the Supporting Text describe the character of the settlement and isolate aspects of particular significance consistent with paragraph 6.2.2 of the submitted Plan.
Para.7.1.3 repeat for each subsequent settlement	Add word *'potential'* before infrastructure. Insert additional sentence, *'However the list below should not be considered as being exhaustive*.'
Policy Aldreth 2repeat for each subsequent settlement	Add reference to consistency with CIL Regulations.
Applicable to all sites	Where all of site benefits from a live planning permission, development has commenced and is under construction, or has been completed delete from site allocation policy tables
Applicable to all sites	Delete any reference to previously approved applications from Site Specific Requirement column
Applicable to all sites	Where there is an extant planning permission but construction on the site has yet to begin, indicative no of dwellings is to be rounded up or down to a factor of 10. Do not use a specific figure which relates to a specific planning application. Make consequential amendment to any tables within the Plan. (For example, Policy LIT.H1 where indicative capacity is 50 but resolution to grant pp for 39 dwellings.)
Applicable to all sites	Delete any reference to '*maxima*', or '*approximately'* from policy text, or any other text that places a ceiling on the levels of housing to be constructed on the site. Replace with, '*around*'.
Applicable to all sites	Remove reference to discussions with Parish Council from within policy text.
	Make following amendments to specific sites re housing numbers
	Ely H1 increase by 1 Add 1 dwelling to 5yhls Ely M2 increase by 40 Ely M3 increase by 15

	Ely M4 increase by 50 Ely M6 increase by 3 NB Ely M1 will reduce contribution due to reduction in plan period.
	LIT. H5 increase by 80 LIT.M1 increase by 150 LIT.M2 reduce figure of 600 to 450, to reflect reduced plan period. Keep capacity of site at 1,200 dwellings LIT.H4 reduce by 3 Reduce 5yhls by 3
	SOH.H5 increase by 30 Increase 5yhls by 30 SOH.H9 increase by 60 SOH.H10 increase by 75 SOH.M1 increase by 50 SOH.M3 reduce 5yhls by 50
	FRD.M1 increase 5yhls by50 FRD.M2 increase by 1 FRD.H3 increase by 3
	ISL.H4 increase by 15
	SUT.H1 increase by 150 Increase by 50 SUT.H2 increase by 25 Increase 5yhls by 25
	MEP.H1 Increase 5 yhls by 17
	WFD.H1 increase by 42 Increase 5 yhls by 42 WFD.H3 increase by 4
	SWB.H1 increase by 2 Increase 5 yhls by 2 SWB.H2 increase by 2 Increase 5 yhls by 2 SWB.H3 increase by 10
	KEN.M1 delete site. Decrease housing figure by 500 Delete contribution from 5 yhls
	SWP.H1 delete site Delete contribution from 5 yhls
	Make consequential amendment to trajectory and to housing figures within supporting text
Bottisham 2	Delete criterion a)
BOT.E1	Amend wording to ensure that the adjoining public right of way is not adversely affected by the development.
Bottisham4	As per draft SSM
Burwell3	As per draft SSM re BUR.H1 and BUR.E1
Cheveley3	As per draft SSM
Dullingham3	As per draft SSM except second bullet point. Delete, *'where possible',* and '*preserved'.* Add '*integrated into the landscaping* '.
Ely2	As per draft SSM
Ely3	As per draft SSM (1)
Ely3	As per draft SSM (2)
Ely4	As per draft SSM and delete '*possibly'* from criterion a)
Ely5	As per draft SSM
Ely6	As per draft SSM
Ely7	As per draft SSM p50
Ely7 Criterion e	Delete '*limit'* and replace with '*mitigate'.* Delete *'significant'* replace with *'appropriate'.* Delete, *'open'.*

Fordham3	FRD.H4 delete site specific requirement. Replace with, *'Be of a design which is sensitive to the scale and massing of the immediate area.'*
Fordham3	As per draft SSM
Fordham4	Criterion h) should be reworded to be consistent with revised criterion d) of Ely7.
Fordham6	Criterion a) add full stop after uses. Delete rest of sentence.
Fordham6	As per SSM.
Haddenham3	As per SSM
Haddenham4	Delete reference to Community Led Development Scheme. Amend settlement envelope to include allocation
Haddenham4	As per SSM
Isleham2	As per SSM
Isleham3	As per SSM
Isleham4	As per SSM
Isleham4	Amend criterion a) to delete reference of land being gifted to the Parish Council. Delete criterion f).
Kennett3	Delete
Kennett4	Delete
Little Thetford4	As per SSM
Littleport3	As per SSM
Littleport4	As per SSM
Littleport4	As per SSM
Littleport4	Insert, *'safe, direct and attractive'* into criterion c).
Littleport5	Delete criteria b) and c).
Littleport5	Insert, *'safe, direct and attractive'* into criterion d). Delete last sentence of criterion d) Remove reference to '*housing and employment elements'*.
Littleport5	Add additional text to criterion e) to avoid conflict with the safe operation of the neighbouring school.
Littleport5	Include additional criterion g) as per SSM
Littleport5	Include additional criterion h) as per SSM
Littleport6	Criteria f) and g) as per SSM
Littleport6	Criterion i) as per SSM
Littleport6	New criterion j) as per SSM
Littleport6	New criterion k) as per SSM
LIttleport7	New criterion f) as per SSM
Littleport7	New criterion g) as per SSM
Mepal4	As per SSM. Extend site to include adjacent landscape buffer. Requires consequential amendment to Policies Map
REA.LGS1	Delete allocation as LGS. Make consequential amendment to Policies Map
Soham2	As per SSM
Soham3	SOH.H10 delete text in left hand column. Refer to site specific policy. Produce site specific policy. Include additional policy consistent with Policies 16 and 17. Do not require sole access from Kingfisher Drive. Masterplan to set out how

	the allocation could be developed. This should include vehicular, pedestrian and cycle access off Kingfisher Drive. Masterplan should include all of the allocation which should be extended to boundary with Soham Water Recycling Centre. Amend SSM to refer to both *'occupiers and visitors'*. Be explicit as to what the potential harm would be, and how the operation of the WRC could be compromised.
Soham3	As per SSM re SOH.12, 13 and 14.
Soham4	Include reference to housing figure
Soham4	As per SSM re criteria b) and d)
Soham4	As per SSM re criterion d)
Soham 5- 9 and 11	Where a site falls to be considered by Policy CS42 of the Cambridgeshire and Peterborough Minerals and Waste Core Strategy make explicit the need to consider this within the policy text.
Soham5	Delete penultimate bullet point. Replace with, *'An appropriate buffer zone to address any potential air quality, noise and vibration matters, in accordance with LP26;'*
Soham7	As per SSM
Soham7	Delete criterion d)
Soham9	As per SSM
Soham10	As per SSM
Soham11	As per SSM
Soham13	As per SSM
Sutton4	As per SSM. Insert, *'of the development'* after, *'impact'.*
Sutton5	Extend allocation to south to reflect proposed low density development. Make consequential amendment to Policies Map.
SwaffhamBulbeck3	As per SSM
SwaffhamBulbeck4	As per SSM
SwaffhamBulbeck5	As per SSM
SwaffhamBulbeck6	As per SSM
SwaffhamPrior3 and Swaffham Prior5	Delete allocation SWP.H1.
Wilburton3	As per SSM
Wilburton4	As per SSM.
Wilburton4	Delete criterion b)
Witcham3	As per SSM
Witchford3	Delete LGS7. Make consequential amendment to Policies Map.
Witchford3	As per SSM
Witchford4	Delete para 7.47.8 Delete criterion e) Make consequential amendment to Policies Map
Witchford5	As per SSM
Witchford5	Insert, *'safe, direct and attractive'* into criterion d).
Witchford6	Delete policy
Monitoring and Review	Add additional text committing Council to keeping plan under review. Cross refer to AMR.

Appendix B – Copy of EIA as considered by Full Council in October 2017

EQUALITY IMPACT ASSESSMENT – INITIAL SCREENING TEMPLATE (IST)

Initial screening needs to take place for all new/revised Council policies. 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. This stage must be completed at the earliest opportunity to determine whether it is necessary to undertake an EIA for this activity.

Name of Policy:	Proposed Submission Local Plan
Lead Officer (responsible for assessment):	Richard Kay
Department:	Strategic Planning
Others Involved in the Assessment (i.e. peer review, external challenge):	Nil
Date Initial Screening Completed:	31.8.17

(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?

This is the third stage in a lengthy process of producing a new Local Plan. This Proposed Submission Local Plan will be subject to a final round of consultation and then submission to the Secretary of State for the purpose of independent examination.

The Proposed Submission Local Plan has been prepared following a review of the existing Local Plan 2015, and following consideration of comments received on both the Preliminary Draft Local Plan, Feb 2016 and the Further Draft Local Plan, Jan 2017. The Proposed Submission Local Plan includes 33 policies, addressing a wide range of planning matters and (once the plan is adopted) will be used to determine planning applications. It also contains further policies and allocations for individual settlements.

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

Once the Local Plan is adopted, its policies will apply across East Cambridgeshire. The policies will be used by the Council to determine planning applications, and sets the framework for growth across the district. Therefore, all residents and business of, and visitors to, the district will be affected by the proposals, to a lesser or greater degree.

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

The Proposed Submission Local Plan has been informed by the current adopted Local Plan 2015, a comprehensive evidence base and widespread consultation which has (and will continue to) take place as it progresses, including three separate stages of consultation. Everyone is permitted (and encouraged) to get involved in the consultation.

(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	Yes	**Age**	Yes
Gender	No	**Religion or Belief**	No
Disability	Yes	**Sexual Orientation**	No
Gender Reassignment	No	**Marriage & Civil Partnership**	No
Pregnancy & Maternity	No	**Caring Responsibilities**	No

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?

Policy LP6: 'Meeting local housing needs' is proposing to require developers of large sites to make provision for housing which meets the needs of specific groups, thereby having positive impacts on such groups. For example, the policy requires new development to provide a proportion of affordable housing on site. Certain groups such as some ethnic minority groups, disabled people and older people may be more likely to require affordable housing than the remainder of the population and therefore are positively impacted by the policy. The policy also requires housing to be adaptable to meet changing needs over time and a proportion of new housing to achieve higher dwelling access standards. These measures positively address issues related to age and disability.

Policy LP7 proposes to enable appropriate sites and pitches to come forward for Gypsies, Travellers and Travelling Showpeople. These groups may include those with protected characteristics, namely ethnicity.

(e) Does the policy affect service users or the wider community?	***/NO/***
(f) Does the policy have a significant effect on how services are delivered?	***/NO/***
(g) Will it have a significant effect on how other organisations operate?	***/NO/***
(h) Does it involve a significant commitment of resources?	***/NO/***
(i) Does it relate to an area where there are known inequalities, e.g. disabled people's access to public transport etc?	***/NO/***

If you have answered **YES** to any of the questions above, then it is necessary to proceed with a full equality impact assessment (EIA). If the answer is **NO**, then this judgement and your response to the above questions will need to be countersigned by your Head of Service and then referred to the Council's Equal Opportunities Working Group (EOWG) for scrutiny and verification. Please forward completed and signed forms to the Principal HR Officer.

Signatures:

Completing Officer:	***Richard Kay***	***Date:***	***31/8/17***
Head of Service:	***Emma Grima***	***Date:***	***8/9/17***

AGENDA ITEM NO. 15

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Cambridgeshire & Peterborough Combined Authority

Reports from Constituent Council Representatives on the Combined Authority

Member representatives

Meeting	Dates of Meeting	Representative
Overview and Scrutiny	**28 January 2019**	**Councillors Mike Bradley and Alan Sharp Substitutes: Councillors Julia Huffer and Chris Morris**
Combined Authority Board	**30 January 2019**	**Councillor Charles Roberts Substitute: Councillor Anna Bailey**

The above meetings have taken place in January 2019

Overview and Scrutiny Committee- Monday 28 January 2019

The Overview and Scrutiny Committee met on 28 January 2019 and the decision summary is attached at **Appendix 1**

Combined Authority Board meeting – Wednesday 30 January 2019

The Combined Authority Board met on 30 January 2019 and the decision summary is attached at **Appendix 2.**

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

Appendix 1

OVERVIEW AND SCRUTINY COMMIITTEE-Decision Statement	
Meeting:	28th January 2019
Minutes:	**Overview and Scrutiny Decision Statement**

Chair: Councillor Lucy Nethsingha

Summary of decisions taken at this meeting.

Item	Topic	Decision *[None of the decisions below are key decisions]*
1.	Apologies	Apologies received from: Cllr Mike Bradley and Cllr Grenville Chamberlain, substituted by Cllr Peter Topping.
2.	Declaration of Interests	There were no declarations of interest.
3.	Minutes	The minutes of the meeting held on the 26th November 2018 were agreed as a correct record subject to the following addition:- Under item 6 the Affordable Housing Update, Cllr Murphy requested that his point about the issue that only London Authorities and Homes England could finance affordable housing under current legislation be added.

		Under paragraph 5.2, 4th bullet point Cllr Allen raised an issue around some information that had been released under a Freedom of Information Act about the work carried out by consultants Arup in regard to the location of the route for the CAM. The information released under the FOI request suggested that there was little evidence provided for a route change and that officers had been advised to 'pad out' the report. The Committee agreed to express their concern at the Board meeting regarding this report done by Arup and whether there had been sufficient work carried out to warrant the Mayor's decision taken regarding the route options for the CAM.
4.	Public Questions	There were no public questions received.
5.	Budget Report 2019/20 to 2022/23	The Committee received the report from the Portfolio Holder for Finance, Cllr Count and from the Interim Chief Finance Officer. The following points were raised during the discussion:- •Members were advised that only the salaries within the budget were subject to inflation pressure. •The new staffing structure would be taken to an Employment Committee soon; the figures in the budget are the most accurate figures that can be provided at this time. •There was a recruitment process being carried out currently to get in more permanent staff. •The Mayoral Capacity Fund was given to the Combined Authority to help with set up costs during the first two years of operation; there was no requirement to specify to government what the money was spent on and the plan was to spend the money in the third year of operation.

		• In response to a question regarding the use of the Transforming Cities Fund being used for Soham Station the Committee were advised that the Transforming Cities Fund had as its overarching concept the provision of infrastructure and services to help alleviate congestion in cities. Central government recognises that the Combined Authority is best placed to make a judgement on how best to spend this funding in its own area and has provided a letter confirming this. •In response to a question on borrowing; the members were advised that decisions around borrowing would depend on each individual scheme as each scheme would have different funding streams available to it. Best use of borrowing would be determined within each project brought forward. •There would be monthly monitoring reports against this budget that would be brought to each Board meeting in the future. •Members advised that it would be helpful if the LEP costs were shown separately to enable a comparison of the costs for the Combined Authority now as opposed to what it was before. However, the Interim Chief Finance Officer advised that one of the advantages of joining with the LEP had been that staffing and administrative costs could be shared and therefore it was difficult to now separate these out. •Members requested some clarity around the housing loan that was identified within the report as it appeared to compare expenditure with cash flow, officers agreed to look at this. •The Committee were advised that the CPIER report was being heavily relied upon to inform the decision making at the Combined Authority as it had helped to identify measures for refocusing the ideas on economic growth. •In regard to CAM the officers and Portfolio Holder advised that the whole plan needed to be considered in stages and that while tunneling through the city would be

		an integral part of the project there would be a huge amount of work done outside of Cambridge City as well. As the project was progressed each part would be considered and signed off by the Board. •The funding amount for the CAM project was subject to what each stage of the project required; currently the money outlined was for the stages that were in place. •In response to a question on the transport levy the committee were informed that the levy had been determined after consultation and in agreement with Cambridgeshire County Council and Peterborough City Council; the figures were based upon the two budgets of these councils. The Committee agreed to ask the following questions to the Board in reference to the budget items being discussed:- <u>Item 2.1 Budget Monitor Update</u> 1) The Committee wanted to raise their concerns around the monitoring report as they did not feel that it was a helpful document; the committee would be considering the monitoring report at their April meeting. 2) The Committee wanted to express their concern around the Arup report regarding the CAM and ask for more detail on the brief that was given to Arup to discern whether there had been sufficient work done on that report to justify the change in decision from the Mayor regarding the route options? <u>Item 2.2 19/20 Budget and Medium Term Financial Plan 2019-2023</u> 1) The Committee were pleased with the positive nature of the budget but felt that there was still some way to go and raised some concerns around the way cash flow and spending was outlined in the report.

		2) The Committee expressed some concern around the passporting of funds and asked for there to be greater clarity around this. 3) The Committee expressed concern around the lack of prioritisation of the schemes. <u>Item 2.4 Budget 2019/20 (Mayors Budget)</u> 1) The Committee wanted to understand the reasons for retaining the Mayor's office in Ely? Why wasn't the office based in Alconbury where the Combined Authroity operates from?
6.	Strategic Bus Review	The Committee received the report from the Interim Transport Director which outlined the updated bus review which would be considered by the Combined Authority Board at the meeting due to be held on Wednesday 30th January 2019. The following points were discussed:- •This report was a technical review which would build into the bus strategy; the recommendations ask for the Board to instruct that a bus reform task force be set up to consider the issues raised within the report and come up with a bus strategy. The task force would be made up of officers from Cambridgeshire County Council and Peterborough City Council. •The report was a summary of a much larger, more extensive document that was the first step for determining the future strategy, the new task force would consider all the recommendations and would determine the best way forward. •In terms of timings, some smaller projects that could make improvements could start immediately and work alongside the work being done by the task force.

		•Developing a business case would take until 2021; two years to develop a brief and a business case was an ambitious timeline. While there was a wish for this to be done quickly it also needed to be robust as this would put the authority in a good position with their partners. •Members raised concerns around some of the recommendations as they didn't take into account people travelling to work at different times of day; workplace parking levies would act as a tax on those who could not use public transport and that there was no linkage between housing growth areas. Officers responded to say that these were all issues that would make up the remit of the task force. •Transportation links for new housing projects would need to be discussed with the relevant planning departments at the local authorities. •As the task force moved forward with proposals, factors such as reliability, attractiveness of the service to the public and the need to concentrate on rural areas would be work that would be undertaken. •Of the £150k that had been allocated for the bus review there was approximately £30k left. •In response to a question regarding concessionary fares the officer advised that part of the work being undertaken was gaining a greater understanding around costs and this would include having conversations with central government on concessionary fares and their implications. The Committee requested that there be member involvement on the task force for the bus strategy and officers advised this would be considered. The Committee agreed to ask the following questions to the Board in reference to the Strategic Bus Review items being discussed:-

		1) The Committee welcomed the report and were pleased that the Combined Authority were taking bus services seriously; the members hoped that the report would be approved by the Board to show a commitment to provide a better bus services for the area. 2) The Committee had serious concerns around the lack of detail around the availability of bus services for people getting to and from work; and also, around the cost of high bus fares in the area. 3) To ensure a decent rural bus service there would be a need for the service to operate with a subsidy and the committee would want further clarity on where this would come from. 4) The Committee expressed their concern at the proposed pace for the bus strategy and wanted to highlight to the Board that although it may take a while to get a full business case developed some discussions and work especially with bus operators could start sooner to ensure the services were improved. 5) The Committee requested that the task force being set up to develop the bus strategy had member involvement.
7.	Review of the Combined Authority Board Agenda	The Committee reviewed the agenda due to come to the Board on Wednesday 30th January 2019. The following points were discussed:- <u>Audit and Governance Committee Recommendations</u> The Committee raised some concerns around whether the HR processes had been dealt with since original concerns had been raised around this issue earlier in the year.

		The Chair advised that this was an issue that the Audit and Governance Committee were considering and that she would discuss with the Audit and Governance Chairman any feedback they received. <u>Budget Monitor Update</u> Cllr Allen raised the issue of the Mayor's Ball which had recently been in the local media and the Monitoring Officer advised that he was not aware of any propriety issues around this but would check and provide a written response to members on this. The Committee raised a concern around the standard of the monitoring report and agreed they would review this as part of their future work programme. <u>Transport Delivery – Appointment of Inner Circle</u> Concerns were raised by the members around the cost and use of interim consultants. The Committee agreed to raise the following questions to the Board on Wednesday: <u>Item 2.1 Budget Monitor Update</u> 1) The Committee wanted to raise their concerns around the monitoring report as they did not feel that it was a helpful document; the committee would be considering the monitoring report at their April meeting. 2) The Committee wanted to express their concern around the Arup report regarding the CAM and ask for more detail on the brief that was given to Arup to discern whether there had been sufficient work done on that report to justify the change in decision from the Mayor regarding the route options?

		Item 2.2 19/20 Budget and Medium Term Financial Plan 2019-2023 1) The Committee were pleased with the positive nature of the budget but felt that there was still some way to go and raised some concerns around the way cash flow and spending was outlined in the report. 2) The Committee expressed some concern around the passporting of funds and asked for there to be greater clarity around this. 3) The Committee expressed concern around the lack of prioritisation of the schemes. Item 2.4 Budget 2019/20 (Mayors Budget) 1) The Committee wanted to understand the reasons for retaining the Mayor’s office in Ely? Why wasn’t the office based in Alconbury where the Combined Authroity operates from? Item 3.1 Strategic Bus Review 1) The Committee welcomed the report and were pleased that the Combined Authority were taking bus services seriously; the members hoped that the report would be approved by the Board to show a commitment to provide a better bus services for the area. 2) The Committee had serious concerns around the lack of detail around the availability of bus services for people getting to and from work; and also around the cost of high bus fares in the area. 3) To ensure a decent rural bus service there would be a need for the service to operate with a subsidy and the committee would want further clarity on where this would come from.

		4) The Committee expressed their concern at the proposed pace for the bus strategy and wanted to highlight to the Board that although it may take a while to get a full business case developed some discussions and work especially with bus operators could start sooner to ensure the services were improved. 5) The Committee requested that the task force being set up to develop the bus strategy had member involvement. <u>Item 3.2 Transport Delivery – Appointment of Inner Circle</u> 1) The Committee wanted to express their concern around the use and subsequent costs of consultants being used by the Combined Authority and suggested that this should be managed differently in future.
8.	Member Update on Activity of Combined Authority	Cllr Sargeant the Chair for the Task and Finish Group on the CAM Project advised that the report from CFPS was completed and that they had suggested a range of questions and early engagement with the Director for Transport. The report would come to the O&S meeting in February.
9.	Combined Authority Forward Plan	The Committee received and considered the Combined Authority Forward Plan and had no comments or suggestions at this time.
10.	Overview and Scrutiny Work Programme Report	The Committee received the report which outlined the work programme for the committee for the municipal year 2018/19. The Committee requested that a briefing on transport arrangements between local authorities and the combined authority be provided at their next meeting. The Committee requested that the Monitoring budget report be considered at their April meeting.

		The Committee requested that the Chair for the Business Board be invited to attend the O&S March meeting to provide an update on how the Business Board was operating.
11.	Date of Next Meeting	The Committee agreed that the next meeting would be held at South Cambs District Council with a start time of 11am and a pre-meeting starting at 10:15am on the 25th February 2019.

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Appendix 2

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY **Decision Statement**
Meeting: 30th January 2019 **Minutes:** Cambridgeshire & Peterborough Combined Authority Decision Statement

Summary of decisions taken at this meeting.

Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Announcements, Apologies and Declarations of Interest	Apologies were received from Councillor S Count (Substituted by Councillor I Bates), Councillor C Roberts, Jason Ablewhite and Jess Bawden.
1.2	Minutes- 28 November 2018	It was resolved to: Approve the minutes of the meeting of 28th November 2018 as a correct record.
1.3	Petitions	None received.

1.4	Public Questions	Three questions were received. A summary of the questions and responses is published at the following link - Combined Authority: Public Questions
1.5	Forward Plan	It was resolved to: Note the Forward Plan.
1.6	Housing and Communities Committee: Change of Membership	The Combined Authority Board was asked to approve a change in membership of the Housing and Communities Committee. It was resolved to: Approve the change of Member on the Housing and Communities Committee for Fenland District Council from Councillor Seaton to Councillor Denise Laws.
1.7	Appointment of Interim Chief Finance Officer (s73 Officer)	The Combined Authority Board was asked to appoint Noel O'Neill as interim s73 Chief Finance Officer. It was resolved to: Appoint Noel O'Neill as interim s73 Chief Finance Officer to the Combined Authority

1.8	Audit and Governance Committee - Recommendations	Following the Audit and Governance Committee meeting on the 30th November. The Committee members agreed that they would like to recommend to the Combined Authority that a review be undertaken on the procedures in place for the termination of the employment of senior officers. It was resolved to: Instruct the Chief Executive to carry out a review of procedures for termination of the employment of senior officers and report the outcome of that review to the Audit and Governance Committee
	PART 2- Finance	
2.1	Budget Monitor Update	The Combined Authority Board considered a report providing an update of income and expenditure for the year to the end of November 2018 against the forecast for the year as approved by the Board on 28 November 2018. It was resolved to: Note the financial position of the Combined Authority for the year to date
2.2	2019/20 Budget and Medium Term Financial Plan 2019-2023	The Combined Authority Board considered a report outlining the 2019/20 Budget and Medium Term Financial Plan 2019 to 2023. The Board were asked to approve the revenue and capital budgets. It was resolved to: a) Approve the revenue budget for 2019/20 and Medium Term Financial Plan 2019 to 2023 b) Approve the capital programme 2019 to 2022

2.3	Combined Authority Business Plan 2019/20	The Combined Authority Board was asked to adopt a recommended 2019-20 Business Plan. It was resolved to: Adopt the 2019-20 Business Plan
2.4	Budget 2019/20 (Mayor's Budget)	The Combined Authority Board was asked to approve the Mayor's draft budget for 2019/20. It was resolved to: Approve the Mayor's draft budget for 2019/20
2.5	11&12 Wisbech High Street	At the last meeting, the Combined Authority delegated authority to the interim Section 73 Officer and the interim Chief Executive to formalise the potential arrangements to support Fenland District Council in the event that step in is required. The Combined Authority Board was asked to approve this potential support to Fenland District Council. It was resolved to: Approve the arrangements to support Fenland District Council if required to see successful conclusion of the project.

	PART 3- Combined Authority Matters	
3.1	Strategic Bus Review	In November 2017 the Combined Authority commissioned a strategic review of the regional bus network. This report presents the outcomes of that review and proposes recommendations for consideration. It was resolved to: a) Note the recommendations of the Strategic Bus Review b) Approve to develop and deliver a Business case assessment of the benefits of operational models open to the Combined Authoirty including Enhanced Partnerships and franchising opportunities in line with DfT Guidelines and as set out in the Bus Service Act. The business case will be completed in Q1 2021 c) Approve the establishment of a cross-organisational group “Bus Reform Group” to build up the implementation strategy based on the recommendations of the Strategic Bus Review for short and medium term improvements.

3.2	Transport Delivery- Appointment of Inner Circle	The Combined Authority Board considered a report providing a briefing relating to the appointment of Inner Circle LTD as transport consultants to the Authority under delegated powers. It was resolved to: a) Note the arrangement with Inner Circle to date b) Authorise the Chief Executive, in consultation with the Chair of the Transport Committee, to take whatever steps are necessary to secure appropriate consultancy arrangements after the end of March 2019 and until the appointment of the permanent transport team.
	PART 4- Business Board Recommendations to Combined Authority	
All of the following Business Board recommendations are conditional pending confirmation from Government that local growth funds have been released for allocation by the Business Board.		
4.1	Growth Deal Projects Proposals January 2019	The Business Board was responsible for allocating the Growth Fund subject to ratification by the Combined Authority (CA) Board with the objective of creating new jobs and boosting productivity. The Combined Authority Board was asked to approve the recommendations set out in the report. It was resolved to approve upon the recommendation of the Business Board: ~~a) Consider the reports by external assessors of projects submitted for Growth Deal Funds~~ ~~b) Recommend those schemes which are suitable to the Combined Authority Board for approval~~

		~~c) Note the summary of Small Grants approved under delegated powers.~~ **a) Bid A** **b) Bid B subject to there being recognition of the source of the funds from the Business Board by the recipient and that the following conditions precedent are satisfied before any funds are released.** **i) Confirmation that 50% of the £30m follow up funding had been secured** **ii) There be a professional assessment of the 3.5% equity figure in terms of risk**
4.2	Draft Annual Delivery Plan for Business and Skills	On the 28th January 2019, the Business Board considered a report bringing forward the first draft of the Business and Skills Annual Delivery Plan. The Combined Authority Board was asked to approve the recommendations set out in the report. It was resolved to: a) Consider the content of the draft Annual Delivery Plan b) Identify any areas for further development by officers c) Note the draft Annual Delivery Plan for Business and Skills

4.3	Rural Community Energy Fund-Management and Administration	The Cambridgeshire and Peterborough Combined Authority (CPCA) was the Accountable Body for the Greater South East Energy Hub that covers fifteen counties and Greater London. The Energy Hub had been set up to unlock current restrictions and blockages relating to local energy infrastructure. By aligning the Rural Community Energy Fund (RCEF) with the Energy Hub it enabled greater connectivity and maximises the resultant opportunities to create, initiate and deliver projects locally. The Combined Authority Board was asked to approve the recommendations set out in the report. It was resolved to: Agree that the Greater South East Energy Hub assumes the RCEF management role, administers the fund and employs the Community Energy Advisor.
4.4	Growth Programme Update (from November 2018 Business Board)	The Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGP LEP) negotiated three successive Growth Deals with Government between 2014 and 2017, securing £146.7m to deliver new homes, jobs and skills across the LEP area. In addition to the Growth Deal, GCGP secured £16.1m from the Growing Places Fund to establish a recyclable pot of grants and loans for projects delivering economic benefit across the region. The Combined Authority Board was asked to approve the recommendation set out in the report. It was resolved to: a) Note the accumulative and in-year programme position to 31 October 2019 for Growth Deal and Growing Places Fund b) Note and agree the submission of the Growth Deal monitoring report to Government to end Q2 2018/19; and c) Approve an extension to the funding period for the Lancaster Way Phase 2 (grant). See section 3.8 to 3.11)

	Part 5- Date of next meeting	
5.1	10.30am Wednesday 27 February 2019, Council Chamber, South Cambridgeshire District Council, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge CB23 6EA	