



East Cambridgeshire District Council

Meeting: Finance & Assets Committee

Time: 4:30pm

Date: Thursday 23 November 2023

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

Enquiries regarding this agenda: Hannah Walker

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Committee membership

Quorum: 5 members

Conservative members

Cllr Ian Bovingdon (Vice-Chairman)

Cllr Mark Goldsack

Cllr Bill Hunt

Cllr James Lay

Cllr David Miller

Cllr Alan Sharp (Chairman)

Conservative substitutes

Cllr Anna Bailey

Cllr Martin Goodearl

Cllr Julia Huffer

Liberal Democrat members

Cllr Lorna Dupré

Cllr Robert Pitt

Cllr Caroline Shepherd

Cllr John Trapp

Cllr Alison Whelan (Lead Member)

Liberal Democrat substitutes

Cllr Christine Colbert

Cllr Kathrin Holtzmann

Cllr Mark Inskip

Lead Officer: Sally Bonnett, Director Community

AGENDA

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

- 3. Declarations of interests** **[oral]**
To receive declarations of interests from Members for any items on the agenda in accordance with the Members Code of Conduct.
- 4. Minutes**
To confirm as a correct record the minutes of the meeting of the Finance & Assets Committee held on 28 September 2023.
- 5. Chairman's announcements** **[oral]**
- 6. ECTC Business Plan 2023/24 - Half Year Update**
- 7. Service Delivery Plans 2023/24 – Six Month Update**
- 8. Local Plan Climate and Natural Environment Chapter - Scope**
- 9. Annual Infrastructure Funding Statement**
- 10. Treasury Operations Mid-Year Review 2023-24**
- 11. Finance Report**
- 12. Assets Update**
- 13. Witchford Parish Council Victoria Green play area**
- 14. Forward Agenda Plan**

Exclusion of the public including representatives of the press

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

15. ECTC Board Meeting Minutes

To receive the Minutes of the ECTC Board meeting held on 12 September 2023.

16. ECTC Management Accounts 6 Months to Sept 2023

Notes

1. Members of the public are welcome to attend this meeting. If you are visiting The Grange during normal working hours you should report to the main reception desk. If you come to an evening meeting please enter via the door in the glass atrium at the back of the building.

Admittance is on a "first come, first served" basis and public access will be from 30 minutes before the start time of the meeting. Due to room capacity restrictions, members of the public are asked, where possible, to notify Democratic Services (democratic.services@eastcamb.gov.uk or 01353 665555) of their intention to attend a meeting.

The livestream of this meeting will be available on [the committee meeting's webpage \(https://www.eastcambs.gov.uk/meetings/finance-assets-committee-231123\)](https://www.eastcambs.gov.uk/meetings/finance-assets-committee-231123) Please be aware that all attendees, including those in the public gallery, will be visible on the livestream.

2. Public Questions/Statements are welcomed on any topic related to the Committee's functions as long as there is no suspicion that it is improper (for example, offensive, slanderous or might lead to disclosures of Exempt or Confidential information). Up to 15 minutes is allocated for this at the start of the meeting.

[Further details about the Public Question Time scheme](http://www.eastcambs.gov.uk/committees/public-question-time-scheme)

(www.eastcambs.gov.uk/committees/public-question-time-scheme).

3. The Council has adopted a 'Purge on Plastics' strategy and is working towards the removal of all consumer single-use plastics in our workplace. Therefore, we do not provide disposable cups in our building or at our meetings and would ask members of the public to bring their own drink to the meeting if required.
4. Fire instructions for meetings:
 - if the fire alarm sounds, please make your way out of the building by the nearest available exit, which is usually the back staircase or the fire escape in the Chamber and do not attempt to use the lifts
 - the fire assembly point is in the front staff car park by the exit barrier
 - the building has an auto-call system to the fire services so there is no need for anyone to call the fire services

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

5. Reports are attached for each agenda item unless marked "oral".
6. If required, all items on the agenda can be provided in different formats (such as large type, Braille or audio tape, or translated into other languages), on request, by calling main reception on (01353) 665555 or e-mail: translate@eastcambs.gov.uk
7. If the Committee wishes to exclude the public and press from the meeting, a resolution in the following terms will need to be passed:

"That the press and public be excluded during the consideration of the remaining item no(s). X because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item(s) there would be disclosure to them of exempt information of Category X of Part I Schedule 12A to the Local Government Act 1972 (as amended)."



East Cambridgeshire District Council

Minutes of a Meeting of the Finance & Assets Committee Held at The Grange, Nutholt Lane, Ely, CB7 4EE at 4:30pm on Thursday 28th September 2023

Present:

Cllr Ian Bovingdon
Cllr Christine Colbert (substitute for Cllr Lorna Dupré)
Cllr Mark Goldsack
Cllr Bill Hunt
Cllr Mark Inskip (substitute for Cllr Robert Pitt)
Cllr James Lay
Cllr David Miller
Cllr Alan Sharp (Chairman)
Cllr John Trapp
Cllr Alison Whelan

Officers:

Sally Bonnett – Director Community
Maggie Camp – Director Legal Services
Spencer Clark – Open Spaces & Facilities Manager
Tracy Couper – Democratic Services Manager
Emma Grima – Director Commercial
Nicole Pema – HR Manager
Ian Smith – Director Finance
Hannah Walker – Trainee Democratic Services Officer

In attendance:

Paul Remmington - ECTC Chairman
John Hill – ECTC Managing Director
Nigel Ankers – ECTC Finance Manager

Karen Wright – ICT Manager
Melanie Wright – Communications Officer

26. Apologies and substitutions

Apologies for absence were received from Cllrs Dupré, Pitt and Shepherd.

Cllrs Colbert and Inskip were attending as substitutes.

27. Declarations of interest

No declarations of interest were made.

28. Minutes

The Committee received the Minutes of the meeting held on 3rd July 2023.

It was resolved unanimously:

That the Minutes of the Finance & Assets Committee meeting held on 3rd July 2023 be confirmed as a correct record and be signed by the Chairman.

29. Chairman's announcements

The Chairman advised Members that Nigel Ankers, John Hill, and Paul Remmington were in attendance at the meeting to answer any questions regarding ECTC Accounts.

30. East Cambs Trading Company 2022-23 Accounts

The Committee considered a report, Y48 previously circulated, that detailed the ECTC Directors' Report and Financial Statements for 2022-23. The ECTC Finance Manager highlighted that within Appendix 1 of the ECTC Finance Manager's report, pages 1 to 2 of the statutory accounts contained the Directors report which listed their responsibilities and that the accounts should only be approved if they are satisfied that they give a true and fair view of the affairs of the company, having selected appropriate accounting policies and applied them consistently. Pages 3-5 contained the report by the external auditors Price Bailey. Page 6 of the report detailed the profit and loss account for the year ended 31 March 2023, with a net profit of £166,191 which was £52,000 higher than reported at the last committee meeting.

The ECTC Finance Manager referred to paragraph 1.2 on page 11 which referred to concerns of the cost of living, increased interest rates and the Eden Square project. Page 19 referred to the tax changes and page 22 reflected the borrowing of £153,322 to the combined authority as final interest payment on the Haddenham loan, and the £6m loan had a 2–5-year repayment period to ECDC for March 2026 as the formal repayment date.

The Chairman invited Members to ask questions of the ECTC representatives. In response to a Member's question, the ECTC Finance Manager explained current lease liabilities.

Members congratulated the Trading Company on the production of such accounts in the current economic climate.

It was resolved unanimously:

That the ECTC Directors' Report & Financial Statements 2022/23 be noted.

31. Growth and Infrastructure Fund

The Committee considered a report, Y49 previously circulated, detailing the proposal to open the Growth and Infrastructure Fund for a further round of applications. The Director Community explained that the funding allocation awarded to Stretham Community Hub and GP Rooms project was not proceeding at the current time and therefore this could be released for other applications.

Members attention was drawn to a correction to the wording in the recommendation to appoint seven rather than five Members to the Growth and Infrastructure Fund Scoring Panel, which was correctly stated in the Terms of Reference attached at Appendix 2 to the report.

The recommendations in the report were proposed by Cllr Alan Sharp and seconded by Cllr Ian Bovingdon.

A Member stated that it was disappointing that Stretham Parish Council had written to advise that they no longer required the funding.

The Democratic Services Manager advised Members that nominations had been received from the Liberal Democrat Group to appoint Cllrs Dupré, Trapp and Whelan to the Scoring Panel.

A Member asked whether the funding would be available for any eligible applications received, or was any to be offered to any previous applications submitted in the last round that were turned down. The Director Community advised that all applications in the previous round were accepted, with only two turned down as they were ineligible, and therefore the funding would be available for new applications.

It was resolved unanimously:

- i) That the fund be reopened on Monday 9 October 2023 and closed at 5pm on Friday 8 December 2023 and the Council reserves the right to reopen the Fund for further round(s) of applications in the event that it is not fully utilised.
- ii) That the scheme eligibility criteria as set out in Appendix 1 of the Officer's report be approved.
- iii) That the Growth and Infrastructure Fund Scoring Panel Terms of Reference as set out in Appendix 2 of the Officer's report be approved.
- iv) That seven Members be appointed to the Panel, comprising 4 Conservative and 3 Liberal Democrat Councillors, with Councillors Dupré, Trapp and C Whelan being nominated by the Liberal Democrat Group.

32. Community Infrastructure Levy Funding Allocation – Changing Places Facility, Soham

The Committee considered a report, Y50 previously circulated, detailing a request to approve expenditure towards the provision of a changing places toilet in Soham. The Director Community explained that the CIL funding would be matched by a Government grant, and that they were currently assisting with changing places toilets at Littleport and at the Lighthouse Centre in Ely.

A Member praised the recent Council-owned assets tour they were involved with and saw where the changing places toilet would be situated in Soham.

The recommendation in the report was proposed by Cllr Mark Goldsack and seconded by Cllr James Lay.

In response to a question from a Member regarding the matched funding, the Director Community explained the funding arrangements

16:48 Cllr Inskip joined the meeting.

A Member emphasised that the changing places toilet in Soham was greatly needed and commended the plans for it to be delivered.

It was resolved unanimously:

That the expenditure of up to £35,000 on the provision of a Changing Places toilet in Soham be approved.

33. Outside Bodies Update

The Committee considered a report, Y51 previously circulated, that contained outside body nominations for the remaining Internal Drainage Boards (IDBs) vacancies and requesting appointments to the Rural Services Network to be added onto the Council's Outside Bodies list.

The Democratic Services Manager explained the table in paragraph 4.8 of the report summarising the uncontested and contested IDB appointments and conducted the voting process for the contested places on the Haddenham and Littleport and Downham IDBs with Committee Members.

Members then commented on the merits of candidates with a local connection or from the farming community as part of the discussions.

At the conclusion of the voting process, a Member requested that the unsuccessful candidates be formally thanked for taking the effort to submit their application and personal statements and asked that the IDBs be approached to see if there was any alternative mechanism for them to be appointed to the bodies.

It was resolved:

1. That the uncontested nominations as set out in Section 4.8 of the Officer's report to fill the vacancies on the Internal Drainage Boards be appointed.
2. That Cllr Steve Cheetham be appointed to the Haddenham Level IDB and Cllrs Mark Taylor and Andrew Butcher to the Littleport and Downham IDB.
3. That the Rural Services Network be added to the Council's Outside Bodies List, and Cllr Keith Horgan be appointed as the Nominated Member, and Cllr James Lay be appointed as the Nominated Member Backup to the Rural Services Network.

34. Establishment of Independent Remuneration Panel (IRP)

The Committee considered a report, Y52 previously circulated, detailing the proposal to undertake an Independent Remuneration Panel (IRP) review of Members Allowances. The Democratic Services Manager explained that IRP would need to be undertaken in the autumn/winter of 2023 or 2024, and advised Members it would be beneficial to run it concurrently with the Constitutional Review Working Party which was about to commence its review this year.

Members agreed that it would be sensible to run the IRP alongside the Constitutional Review Working Party.

The Democratic Services Manager explained to Members that the panel consisted of four lay members, and a questionnaire would be circulated to Members to feedback into the process of deliberation.

It was resolved unanimously:

That an IRP review of Members Allowances be conducted and reported to Full Council in February 2024.

35. Gender Pay Reporting 2022/23

The Committee received a report, Y53 previously circulated, containing data on gender pay at the Council. The HR Manager explained that as at 31 March 2023, the women's mean hourly rate was £17.22 per hour, 10.1% lower than the males mean hourly rate of £19.16 per hour. In addition, the women's median hourly rate was £15.26 per hour, 10.6% lower than the male's median hourly rate of £17.06 per hour. Table 1 within the Officer's report depicted the percentage of males and females in each quartile as at 31/03/23.

The HR Manager went onto describe the Council's gender pay gap for the previous three years showing the mean and median percentages. For 2022/23 the mean was 10.1% and the median was 10.6%. They added that the Council comprised of 133 females and 59 males.

The HR Manager then explained the actions that the Council took to reduce the gender pay gap, some of these involved ensuring shortlists for recruitment and promotion opportunities included women, using skills-based assessment tasks in recruitment to assess a candidate's suitability for the role and ensure fairness, and using structured interviews for recruitment and promotions to prevent unfair bias from influencing decisions.

A Member question relating to this item had been submitted prior to the meeting and this, along with answer provided by officers, was set out in Appendix 1 to these minutes.

A Member further queried their original questions submitted before the meeting regarding the Cambridgeshire County Council percentage of 29% of women in the upper quartile in table 3 for 2021/22, was not complement to 100, and that table 4 Cambridgeshire County Council had decreased their size in 2022/23 from an organisation size of 5000-19,999 to 1000-4999. The HR manager advised she would contact Cambridgeshire County Council to confirm their gender pay gap figures.

A Member asked for confirmation that both men and women were paid for the same job, the HR manager confirmed that they were.

In response to a question by a Member as to how the Council ensured the elimination of unconscious gender bias in job adverts, etc, the HR Manager reassured Members that the Council had good policies for employee recruitment and selection.

In response to a Member comment on the impact that a small change in the gender of employees at higher salary grades could make, the Director Commercial acknowledged that as the Council was a small organisation with a flat structure, a small change in officers could have a disproportionate statistical effect.

It was resolved:

That the contents of the report be noted.

36. East Cambridgeshire Local Council Tax Reduction Scheme (LCTRS) For 2024/25

The Committee considered a report, Y54 previously circulated, detailing the annual review of the LCTRS scheme for 2024/25 and options for scheme amendments. The report was proposing no changes to the current scheme of an

8.5% minimum contribution and asked the Committee to recommend this to Full Council.

The recommendation was proposed by Cllr Sharp and seconded by Cllr Hunt.

A number of questions relating to this item had been provided prior to the meeting from Members and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

The Chairman invited questions to be asked to the Director Finance. A Member had queried whether the Director Finance knew how many households received Council Tax Benefit (CTB) in East Cambridgeshire. The Director Finance advised that 31,964 households equivalent to Band D properties but had requested more detailed information from Anglia Revenues Partnership (ARP) and would circulate the information to Committee Members once received.

The Chairman then opened the debate. A Member stated that the current discount was substantial and it was important to encourage people back into work, wherever possible. Another Member asked the Director Finance to also find out the number of households that were in Bands A, B, C and D in East Cambridgeshire.

Another Member emphasised that the £24,345.76 cost to the Council, if the minimum contribution was decreased to 0%, could be less than the cost of those households building up arrears on their Council Tax. They also highlighted the increasing problems of residents affording to pay their Council Tax due to the current cost of living crisis.

Councillor Trapp proposed and Councillor Inskip seconded the following amendment:

To adopt option 2 in the report to decrease the minimum contribution to 0%.

As the proposer of the amendment, Councillor Trapp emphasised that without the detail on Council Tax bands, LCTRS breakdown and levels of arrears, they could not make an informed decision to keep the current scheme at 8.5% minimum contribution.

A Member acknowledged the amendment, however, believed in the principle that people should contribute something towards their Council Tax and thought the 8.5% contribution was reasonable, bearing in mind the other support options available for those on low incomes impacted by the cost of living crisis. Other Members concurred with this view.

17:29 Cllr Whelan joined the meeting.

In response to a Member question, the Director Finance explained that the 8.5% contribution stemmed from it previously being a national government scheme, whereby the maximum LCTRS awarded was 91.5%, and this was now the same at local level.

A Member stated that the cost to the Council of £24,345.76 to adopt a minimum contribution of 0% could be less than the cost of irrecoverable debts for Council Tax.

As the seconder of the amendment, Councillor Inskip highlighted the cost-of-living crisis impacting on our lowest earning residents. By lowering the minimum contribution to 0%, this would help the lowest income families.

The Director Commercial advised Members that the information requested from Anglia Revenues Partnership (ARP) would be supplied before the next Full Council meeting.

In response to a Member question, the Director Finance explained that if Members did propose a change to the current scheme, it would have to go out to consultation.

At the request of Cllr Inskip, a recorded vote was taken on the amendment, which was lost with Members voting as follows:

FOR: (4) – Cllrs Colbert, Inskip, Trapp, Whelan.

AGAINST: (6) – Cllrs Bovingdon, Goldsack, Hunt, Lay, Miller, Sharp.

ABSTENTIONS: (0)

A member raised a point of order, to ask whether Cllr Whelan should have taken part in the recorded vote as they turned up part way through the debate on the amendment. The Monitoring Officer confirmed with Cllr Whelan that they had heard enough debate and views from Committee Members to make an informed decision and was allowed to participate in the vote, agreed also by the Chairman.

Upon being put to the vote the motion was carried by 6 votes in favour to 3 against and 1 abstention.

It was resolved to RECOMMEND TO FULL COUNCIL:

That the LCTRS scheme for 2024/25 remain unchanged.

37. Medium Term Financial Strategy Update

The Committee considered a report, Y55 previously circulated, giving an update on the MTFS since approval of the Budget in February 2023. The Director Finance advised Members that the 2024/25 and 2025/26 budget were in balance, and there was uncertainty around the timing of the Fair Funding Review, which he was now forecasting would be delayed for a further year. The MTFS would be kept under review, and a draft budget come to committee in January 2024.

Member questions relating to this item had been submitted prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

In response to a further Member question on the Fair Funding Review, the Director Finance advised that the estimated loss was shown in Appendix 1 to the Officer's report. This showed that on the locally retained Non-domestic rates line the estimate for 2025/26 and the estimate for 2026/27 would be an estimated loss of £1.5m.

A Member queried the assumption in the report regarding the potential timeframe for a new Government to undertake a fair funding review, which was responded to by the Director Finance.

It was resolved:

That the contents of the report be noted, including the revised final outturn position for 2022/23.

38. Finance Report

The Committee considered a report, Y56 previously circulated, detailing budget monitoring information for services under the Finance & Assets Committee and then, as part of its corporate remit, for the Council as a whole. The Director Finance highlighted that there was now a requirement to bring a treasury management update to this Committee on a quarterly basis, although only the mid-year and year-end reports needed to be subsequently reported to full Council. Therefore, the quarter one and three updates would be incorporated into this report in future.

It was resolved:

That the following be noted:

- That the Finance & Assets Committee has a projected yearend underspend of £265,000 when compared to its approved revenue budget of £5,967,312.
- That overall the Council has a projected yearend underspend of £324,000 when compared to its approved revenue budget of £16,856,960.
- That the overall position for the Council on Capital is a projected outturn of £6,938,121, this is an underspend of £862,666 when compared to the revised budget.
- The treasury management activity of the Council in the first three months of the year detailed at Appendix 5 to the officer's report.

39. Assets Update

The Committee considered a report, Y57 previously circulated, containing an update on Council-owned assets and requesting the appointment of an Assets Member Champion.

The Open Spaces & Facilities Manager reported on remedial works for flooding at the men's toilets at The Cloisters, Ely, which had been dealt with quickly. Works also had almost completed at Cemetery Lodge, Ely and Littleport Barn. IT colleagues were working to improve IT equipment at the depot, with a forecast completion for the end of November.

The recommendation was proposed by Cllr Alan Sharp and seconded by Cllr Ian Bovingdon.

Members praised the assets tour they recently participated in and encouraged others to attend the next tour.

In response to a Member's question, it was reported that the pot holes and condition of the Newnham Street car park road was being monitored, and would be addressed after the building works had been completed near the site.

A Member queried the nature of the Member Champion Cllr Hunt's attendance at meetings with the Open Spaces & Facilities Manager. Cllr Hunt described his role as the Member Champion, and stated that he had a close but informal working relationship with the Open Spaces & Facilities Manager.

The Director Commercial clarified to Committee Members that the Member Champion had no decision-making powers.

It was resolved:

1. That the update on Council-owned assets and the Expenditure Tracking Sheet at Appendix 1 to the submitted report, be noted.
2. That Councillor Bill Hunt be appointed as Member Champion for Assets.

40. Bus, Cycle, Walk Working Party Notes

The Committee received the Bus, Cycle, Walk Working Party notes of the meetings held on 25th January 2023 and 27th July 2023.

It was resolved unanimously:

That the Notes of the Bus, Cycle, Walk Working Party meeting held on 25 January and 27 July 2023 be noted.

41. Forward agenda plan

The Committee received the updated Forward Agenda Plan to September 2024.

It was resolved:

That the Forward Agenda Plan be noted.

42. EXCLUSION OF THE PUBLIC INCLUDING REPRESENTATIVES OF THE PRESS

It was resolved unanimously:

That the press and public be excluded during the consideration of the remaining items because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item there would be disclosure to them of exempt information of Categories 1, 2 & 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

43. ECTC Board Meeting Minutes

It was resolved unanimously:

That the Minutes of the meeting held on 15th June 2023 be noted.

44. ECTC Management Accounts April – June 2023

The Committee considered a report, X104 previously circulated, containing the ECTC Management Accounts for the 3 months to June 2023. The ECTC Finance Manager introduced the report and gave an overview of its contents.

It was resolved unanimously:

That the contents of the report be noted.

45. Exempt Minutes

It was resolved unanimously:

That the Exempt Minutes of the meeting held on 3rd July be confirmed as a correct record and signed by the Chairman.

The meeting concluded at 6:07pm.

Chairman.....

Date.....

**FINANCE & ASSETS COMMITTEE
28 SEPTEMBER 2023
QUESTIONS FROM MEMBERS OF COMMITTEE**

Item 11 – Gender Pay Reporting 2022/23

Questioner	Question	Response
Cllr Trapp	Last line in Table 3 shows the proportion of men in each quartile, not women. It should be the complement to 100 of the figure given	The response will be provided verbally

Item 12 – East Cambridgeshire Local Council Tax Reduction Scheme (LCTRS) for 2024/25

Questioner	Question	Response
Cllr Trapp	Section 3.8 end of line 3: is £7.4 per week/month/year?	It is weekly
Cllr Trapp	How many ECDC residents benefit from LCTRS, and how many of those are in arrears?	ARP is compiling this figure. Unfortunately, the information has not been provided in time for the meeting. This will be reported to Members as soon as the information is available.

Item 13 – Medium Term Financial Strategy Update

Questioner	Question	Response
Cllr Trapp	Mention is made of the downside to the Council if the Fair Funding Review goes ahead; which items in the budget would be affected, and is there an estimate of the loss that the Council will encounter?	The budget assumes that the Fair Funding Review will take place in 2026/27, and from appendix 1, it can be seen that the forecast amount of Business Rates retained is significantly reduced. The assumption is that a new Government will want to undertake the review following the General Election, but no confirmation can be given as to the exact timescale.

<p>Cllr Shepherd</p>	<p>I see from the Medium-Term Financial Strategy update paragraph 5.5 (Agenda item 13, on-line page 3) that the council proposes to begin the preparation of a new Local Plan in 2024 and that the costs for this have been included. This is all good as the plan is, of course, now very overdue. How much has been budgeted please and where is this included as I cannot see it in the budget plans presented in this paper.</p>	<p>A provision of £150,000 has been made for 2023/24.</p> <p>The appendix has now been circulated to Members.</p>
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TITLE: ECTC BUSINESS PLAN 2023/24- HALF YEAR UPDATE

Committee: Finance & Assets Committee

Date: 23 November 2023

Author: Director Property & Commercial (ECTC)

Report No: Y95

Contact Officer:

Emma Grima, Director Property & Commercial (ECTC)

Emma.grima@eastcambs.gov.uk

1.0 ISSUE

1.1. To receive a half year progress update on the East Cambs Trading Company (ECTC) Business Plan 2023/24 covering the period 1 April 2023 to 30 September 2023.

2.0 RECOMMENDATION(S)

2.1. Members are requested to note the Half Year Report at Appendix 1.

3.0 BACKGROUND/OPTIONS

3.1. In accordance with the Shareholder Agreement ECTC is required to produce a half year update for noting by the Finance & Assets Committee, acting as the Shareholder Committee. The update includes the Strategic Risk Assessment, progress against the Business Plan 2023/24 and the current financial projections.

3.2. The Half Year Update report is provided at Appendix 1.

4.0 ARGUMENTS/CONCLUSION(S)

4.1. Members are requested to note the ECTC Half Year report.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

5.1. There are no financial implications arising from this report.

5.2. EIA not required.

5.3. CIA not required.

6.0 APPENDICES

Appendix 1- Half Year Report.

Background Documents:

Shareholder Agreement
ECTC Business Plan 2023/24



EAST CAMBRIDGESHIRE
DISTRICT COUNCIL

East Cambs
Trading CO. Ltd

ECTC HALF YEAR UPDATE APPENDIX

1 April 2023 to 30 September 2023

1. INTRODUCTION

The purpose of this report is to provide the Finance & Assets Committee, acting as the Shareholder Committee, with an update in the following areas:

- Strategic Risk Management
- Progress against the Business Plan 2023/24
- Current Financial Position

2. STRATEGIC RISK MANAGEMENT

The approved ECTC Business Plan 2023/24 includes Risk Management. Risks are assessed and reported to every Board meeting. Since March 2023 there has been 1 change to the Risk Register.

Change

The risk relating to the CPCA loan for MOD Phase 1 has been removed (previously risk 7) as the loan was repaid on time on 31 March 2023.

The amended Risk Management Plan is provided in the table below.

Inherent Risk							Residual Risk				Monitoring
Risk No.	Risk Description	Effect	Owner	Likelihood	Impact	Score	Key Controls	Likelihood	Impact	Score	Notes
Legislative/Policy											
1.	Changes in legislation could place restrictions on the Council's power to trade in a commercial manner	Possible restrictions or cessation	MD	1	5	5	<p>Continuous monitoring of changes to legislation and government guidance through liaison with MP's, ebulletins, consultations, LGA Knowledge Hub and other publications.</p> <p>If there are significant changes in legislation this risk should be addressed immediately by the MD and reported to the Board of Directors. An amended Business Plan or Exit Strategy may need to be approved by the Board of Directors and submitted to Council.</p>	1	5	5	This is a medium to long term risk and no significant changes in legislation are anticipated that will affect the company during 2023/24.
2.	Changes in legislation could impact on ECTC's ability to borrow (or conversely ECDC's power to lend) to fund future projects	ECTC would need to borrow externally which requires Council consent	FM	1	5	5	The Council's S151 Officer attends all Board meetings and advises on all relevant financial and governance matters	1	5	5	<p>This is a medium to long term risk and no significant changes in legislation are anticipated that will affect the company during 2023/24.</p> <p>The Company has secured a new loan from ECDC to fund the projects within this Business Plan.</p>
3.	Changes in Planning and Housing Policies could have an	Reduced ability to pay dividends to ECDC or reinvest profits into future projects	DP C	2	2	4	The Levelling up and Regeneration Bill could introduce key changes which will impact on housebuilding.	2	2	4	There is no impact on the projects that have planning permission or going through the

	impact on Property division, for example, Starter Homes, First Homes, Self-Build could impact the profitability of a particular development.						<p>The Council may choose to commence a new Local Plan following changes through the Levelling up and Regeneration Bill.</p> <p>This may impact on projects that have not yet commenced through the planning stage.</p> <p>Changes are to be monitored and assumptions continuously reviewed to ensure that the projects remain profitable with risks incorporated into individual business cases.</p>				<p>planning system in 2023/24.</p> <p>Individual business cases for future projects should consider possible changes in Planning and Housing Policy.</p>
Governance											
4.	Inadequate governance arrangements and lack of clarity on roles of ECDC and ECTC could lead to poor decision making that undermines the operation of ECTC.	Impact on the Commercial operation of ECTC	MD	3	4	1 2	<p>Shareholder Agreement</p> <p>Articles of Association</p> <p>Rights of Observers</p> <p>Service Level Agreements</p> <p>Management Contracts</p>	1	4	4	Governance arrangements are currently fit-for-purpose
5.	ECTC is wholly owned by ECDC and so is subject to the controls and decision-making process for matters that are outside of the Business Plan.	The speed of decision-making process may have an impact on ECTC's ability to operate effectively.	MD	3	4	1 2	Shareholder Agreement	1	4	4	The Shareholder Agreement provides for the ability of extraordinary meetings of the Shareholder Committee to be called to consider urgent business and where necessary make recommendations to Full Council.

Economic											
6.	ECDC has provided a £7.5m loan to ECTC to be drawn down and repaid in accordance with the loan agreement. In the event of an economic slowdown, there may be a risk that the company cannot meet the repayment schedule.	The £7.5m loan provides ECDC with security over all ECTC's unsecured assets. ECDC could call on it's rights to recover the loan.	FM	2	5	1 0	Loan Agreement Debenture Agreement ECTC/ECDC Finance Manager Briefings Board review of business and loan performance Sensitivity analysis for future housebuilding projects	1	5	5	When requesting the loan sensitivity analysis was carried out for future projects. Individual, detailed business cases will be produced for future projects which will review assumptions made when requesting the loan. Former Paradise Pool has now received Full Business Case approval with appropriate sales/cost assumptions, including factoring for a slow build/sales programme.
7.	With the exception of new loans from CPCA, ECTC cannot increase its indebtedness without the consent of the Shareholder Committee (loans can be provided by ECDC and this requires the consent of Council).	ECTC would need to work with the 'market' to secure financing. If borrowing could not be secured from the 'market' then ECTC would need to factor this in future business planning.	FM/ DP C	2	5	1 0	ECTC/ECDC Finance Manager meetings Discussions with Council in advance of need to ensure there is time to consider alternative options	2	5	1 0	ECTC has secured loan financing for the projects in this Business Plan. If opportunities arise in the future financing discussions with the Council will be held as soon as practicable.

	If ECDC's MTFS is not successfully implemented the availability of loan finance to ECTC could be reduced. This may lead to ECTC needing to borrow from the 'market'.										
8.	Changes in taxation, interest rates and build cost inflation.	These factors could have an impact on the viability and profitability of ECTC.	FM/DP C	3	3	9	FM monitors taxation and interest rate. Build cost inflation is a key short to medium term risk to the company; to minimise the impact, wherever possible, build contracts will be let on a fixed price basis with costs defined.	2	3	6	The FM and DPC monitor changes and factor these changes into individual detailed business cases.
9.	Cost of living	The cost of living crisis could impact on the sale ability and/or profitability of a scheme, for example, increased mortgage rates	FM/DP C	4	4	1 6	Future development schemes will include this risk in the Full Business Case Phase with appropriate sensitivity analysis carried out which will include testing a longer sales period and the impact this may have on cashflow and the ability for ECTC to repay its loan.	4	2	8	Continuous review of the homes remaining for sale in the portfolio is ongoing. Regular reports are produced 'Project Status Update' for Board to be kept up to date.
10.	Economic downturn could result in lower profits (or even possible losses) than are anticipated in the Business Plan	Depending on the severity of the situation it may impact on ECTC's ability to meet its financial obligations to its creditors	FM/DP C	3	5	1 5	FM and DPC carry out a full assessment of the market conditions before any development commences. Once projects have commenced, ECTC is at risk from market fluctuations. In the event of a market downturn the DPC will appraise the MD and the Board	3	5	1 5	The impact of change in market behavior is being actively managed. DPC and FM will consider this risk when producing the detailed individual business cases for future projects and this will include

							and make recommendations to mitigate any potential losses.				<p>monitoring this risk if the plans are approved by the Board.</p> <p>Monitor closely and link with the specific cost of living risk.</p> <p>Former Paradise Pool has now received Full Business Case approval with appropriate sales/cost assumptions, including factoring for a slow build/sales programme.</p>
Operational											
11.	Inadequate management of commercial build contracts can lead to delays, overspends and reduced profitability/cash flow for ECTC.	This could impact on ECTC's ability to meet its financial obligations to its creditors	FM/DP C	2	4	8	<p>Qualified project manager</p> <p>Regular review of business case assumptions</p>	1	4	4	The DPC and FM, in the business planning cycle, are aware of these risks and meet fortnightly with the project team to monitor the assumptions made in the individual business cases.
12.	Adequacy of organisational resources to deliver the required business outcomes.	Could lead to not being able to deliver the Business Plan	DP C	1	3	3	<p>Resources identified when recommending the Business Plan for Board and F & A approval.</p> <p>In year changes discussed with the MD</p>	1	3	3	<p>Adequacy of resources is continuously reviewed.</p> <p>There is continued investment in facilities, staff and training to ensure that ECTC has the resources that it needs to deliver the necessary outcomes.</p>

FM- ECTC Finance Manager

MD- ECTC Managing Director

DPC- Director Property & Commercial

PROGRESS AGAINST THE BUSINESS PLAN 2023/24

3.1 Commercial Services

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

The approved business plan stated that the primary focus for Commercial Services for 2023/24 is to continue to develop Ely Markets, focusing on the community as its customer, and Grounds Maintenance Service focusing on new areas of income generation; ensuring that both continue to deliver high quality services that respond to the needs of their customers and seek to maximise opportunities that arise throughout the year.

3.1.1 Ely Markets

The following table provides a summary of the approved budget and the current **forecast** position (as at 30 September 2023) for 2023/24.

Markets	Approved Budget (£)	Current Forecast (£)
Turnover	284,892	290,927
Salaries	190,261	188,255
Premises	22,903	19,645
Transport	2,082	1,471
Supplies & Services	54,400	81,119
Gross Profit	15,247	437

An increased use of consultants over budget is the main cause of the variance on supplies and services. Ely Markets activities have greatly increased over the years and as such it was prudent and appropriate to employ an independent consultant to provide health & safety advice and reassurance to ensure that procedures are in place to manage health & safety with particular attention on the requirements arising from Martins Law.

3.1.2 Grounds Maintenance

The following table provides a summary of the approved budget and the current position (as at 30 September 2023) for 2023/24.

Grounds Maintenance	Approved Budget (£)	Current Forecast (£)
Turnover	1,092,993	1,143,211
Salaries	798,279	811,359
Premises	56,899	69,632
Transport	151,844	161,507
Supplies & Services	72,303	81,913
Gross Profit	13,668	18,800

The increase in salaries reflects increased costs due to additional work carried out. Premises costs have increased due to increased material usage and higher insurance costs. Transport costs are higher due to increased fuel usage.

3.2 Property

Business during the first half of the financial year has progressed largely as projected in the 2023-24 Business Plan.

Cumulative build and sales as at 30 September 2023

West End Gardens, Haddenham	Units				
	Build Complete	Market Sold / Under Offer	Affordable	Market Rent	Available
Business Plan forecast (31/03/2024)	54	35	19	0	0
Mid -year actuals	54	35	19	0	0
Full-year projection at 30/09/23	54	35	19	0	0

MOD Ely (Refurb)	Units				
	Build Complete	Market Sold / Under Offer	Affordable	Market Rent	Available
Business Plan forecast (31/03/2024)	92	77	15	0	0
Mid -year actuals	92	76	15*	1	0
Full-year projection at 30/09/23	92	76	15	1	0

*2 properties exchanged and awaiting completion with East Cambs CLT

Eden Square



Works have commenced at Eden Square. The current estimated completion of building works will be August 2024, with sales scheduled in the 12 months following that. (Due to the nature of the site, it will not be possible to have sales completions until building work has completed).

3. FINANCIAL

The table below details the actual results for 2022/23 and latest forecasts for 2023/24.

	2022/23	2023/24
Turnover		
Commercial	1,317,360	1,434,138
Property	27,054,487	4,244,570
Total	28,371,847	5,678,708
Cost		
Corporate	277,336	256,265
Commercial	1,340,074	1,414,902
Property	25,366,877	4,353,139
Total	26,984,286	6,024,306
EBITDA	1,387,561	(345,599)
Interest cost	1,164,178	423,203
Profit before tax	223,383	(768,802)

Financial Benefits to ECDC

EAST CAMBS TRADING
COMPANY LTD:

STATEMENT OF FINANCIAL BENEFITS FOR EAST CAMBS DISTRICT COUNCIL

	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	CUMULATIVE TO DATE	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	TOTAL
SUMMARY												
FINANCIAL BENEFITS FROM PROPERTY DEVELOPMENT			943,224	109,745	444,171	16,559	16,559	1,530,259	470,655	366,369	26,585	2,393,868
CHARGES INCURRED FROM ECDC	101,299	249,888	383,834	389,627	435,959	365,777	411,939	2,338,322	493,488	484,598	570,668	3,887,077
REDUCTIONS IN PARKS CONTRACTS					100,000	100,000	100,000	300,000				300,000
TOTAL FINANCIAL BENEFIT FROM TRADING COMPANY	101,299	249,888	1,327,058	499,372	980,130	482,336	528,498	4,168,581	964,143	850,967	597,253	6,580,943

TITLE: SERVICE DELIVERY PLANS 2023/24 – SIX MONTH UPDATE

Committee: Finance & Assets Committee

Date: 23 November 2023

Author: Director Community

Report No: Y96

Contact Officer: Sally Bonnett, Director Community

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1.0 ISSUE

1.1. To receive an update on the Service Delivery Plans 2023/24.

2.0 RECOMMENDATION(S)

2.1. Members are requested to note this update report.

3.0 BACKGROUND/OPTIONS

3.1. The Service Delivery Plans for 2023/24 were approved by Finance & Assets Committee on 30 March 2023 (agenda item 7) for the following services:

- Democratic Services
- Economic Development
- Financial Services
- Human Resources
- Infrastructure & Strategic Housing
- Legal Services
- Open spaces & Facilities
- Reprographics
- Strategic Planning

4.0 ARGUMENTS/CONCLUSION(S)

4.1. Service Manager Updates.

4.1.1 Democratic Services

The Democratic Services Manager is reporting that all targets are on track.

4.1.2 Economic Development

The Economic Development Manager is reporting that all targets are on track.

4.1.3 Financial Services

The Director Finance is reporting that all targets are on track.

4.1.4 Human Resources

The Human Resources Manager is reporting the following target variance:

Target	Status
Maintain the low level of short-term sickness absence e.g., number of days lost per full-time equivalent employee (FTE) at 3.4 days per FTE.	At the 6-month review period, the short-term sickness absence is at 2.18 data lost per FTE. The target for the year is 3.4 days per FTE, therefore it seems likely that if sickness absence continues at the current rate, or increases, then we will not meet this target at the end of the year.

All other targets are on track.

4.1.5 Infrastructure & Strategic Housing

The Director Community is reporting the following target variance:

Target	Status
CIL and S106 – monitor development to ensure timely collection of developer contributions, both available and projected to assist the Council to meet its Corporate Priorities.	2.7% (2) of CIL payments are outstanding. The total value is £31,095.89. The CIL Officer is following the procedure set out in the Regulations to recover the outstanding payments.

All other targets are on track.

4.1.6 Legal Services

The Director Legal is reporting the following target variances:

Target	Status
Ensure the recover of outstanding debts owed to the Council.	Due to staff shortages caused by a gap in recruitment, sundry debt recovery has fallen behind. We have now successfully recruited, and work is taking place to improve the recovery process.
Deliver an effective, accurate and transparent FOI/EIR service	The variance is due to late responses received by the Information Officer to FOI/EIR requests.
Deliver a comprehensive Data Protection request service ensuring full legal compliance and accurate responses	Two late responses were received from 3 rd parties.
Proactively assist all services across the Council with issues related to legal requirements	The variance is due to waiting for responses from 3 rd parties.

All other targets are on track.

4.1.7 **Open Space & Facilities**

The Open Spaces & Facilities Manager is reporting that all targets are on track.

4.1.8 **Reprographics**

The Reprographics Manager is reporting that all targets are on track.

4.1.8 **Strategic Planning**

The Strategic Planning Manager is reporting that all targets are on track.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

5.1. There are no additional financial implications arising from this report.

5.2. Equality Impact Assessment (EIA) not required.

5.3. Carbon Impact Assessment (CIA) not required.

6.0 APPENDICES

Appendix 1 – Half Year Report 2023/24:

- i. Democratic Services
- ii. Economic Development
- iii. Financial Services
- iv. Human Resources
- v. Infrastructure & Strategic Housing
- vi. Legal Services
- vii. Open spaces & Facilities
- viii. Reprographics
- ix. Strategic Planning

Background Documents:

Service Delivery Plans 2023/24.

TITLE: Local Plan Climate and Natural Environment Chapter - Scope

Committee: Finance and Assets Committee

Date: 23 November 2023

Author: Richard Kay – Strategic Planning Manager

Report No: Y97

Contact Officer: Richard Kay, Strategic Planning Manager
richard.kay@eastcambs.gov.uk, Room 12, The Grange, Ely

1.0 ISSUE

- 1.1. To agree the skeleton of a new ‘climate change and natural recovery’ chapter for, ultimately, inclusion in the East Cambridgeshire Local Plan, with a complete draft chapter to be prepared thereafter for consideration by Committee in January 2024. Further, to consider whether to progress specific early planning guidance on hedgehog recovery.

2.0 RECOMMENDATIONS

- 2.1. Members are requested to:

- (i) Agree the skeleton outline for a new *Climate Change and Nature Recovery* chapter for the Local Plan as set out at Appendix A, with the intention to agree at the Committee’s next meeting on 25 January 2024 a full draft chapter for subsequent public consultation; and
- (ii) Ask officers to bring to the next meeting of this Committee a draft Hedgehog Recovery Supplementary Planning Document.

3.0 BACKGROUND/OPTIONS

- 3.1. The Council’s latest Environment Plan (June 2023) included a commitment as follows:

*“Action 17: In acknowledgement that climate change is happening, and will continue to accelerate, the Council will establish a climate adaptation and climate risk plan, identifying the greatest risks to the Council and its services, and how it can start to help our communities adapt to a changing climate and biodiversity loss. **To complement this, we will also commence preliminary work and consultation on a new ‘climate’ chapter for the Local Plan, which will look at how new buildings can be both more energy efficient and have the ability to adapt to a changing (warming) climate.**”*

- 3.2. This agenda item relates to the highlighted second half of the above commitment, with the first half being progressed separately. The Council’s Corporate Plan *Corporate Actions July 2023 to July 2024*, as agreed at Full Council in July 2023, similar committed to preparing such a chapter.

- 3.3. The purpose of this agenda item is to present to this Committee the potential skeleton outline for such a chapter, so that, thereafter, officers can progress the content of such a chapter in detail. That detail will be brought back to this Committee for consideration at your next meeting in January 2024 and, if approved, then undergo a period of public consultation.
- 3.4. In addition, this agenda item brings to the attention of Members the outcome of the 'people's vote' as to which animal residents of East Cambridgeshire wanted the Council to most support their conservation of. Whilst all candidate animals received a healthy share of the vote, it was hedgehogs that ultimately received the highest share of the vote. Eleven year old Adara, of Littleport, was the lucky winner to name our mascot hedgehog, choosing the name 'Prickles'. This public vote triggers a long-term programme of direct assistance and awareness raising to support hedgehogs, and it is recommended that one such early action could be the preparation of a supplementary planning document (SPD) to help direct developers to build appropriate hedgehog-friendly gardens and open spaces. Such a document can be introduced quickly, and then, in time, its policy intentions reinforced in an updated Local Plan.
- 3.5. Further details on a potential Hedgehog Recovery SPD are set out later in this report, but first we turn to the potential of a Climate Change and Nature Recovery chapter for inclusion in a future Local Plan update.

Scope of a Local Plan – in general terms

- 3.6. Before discussing the scope of potential chapter on Climate Change and Nature Recovery, it is first worth reminding ourselves what scope a Local Plan has, in more general terms, to set policy.
- 3.7. On the one hand, the scope is incredibly wide. There is no fixed detailed rule book as to what a Local Plan must contain or, for that matter, must not contain. But on the other hand, the content of a Local Plan must be 'sound', and achieving such 'soundness' is incredibly challenging, time consuming and expensive.
- 3.8. Fundamentally, a Local Plan is a land use plan. So, the policies it contains must be about land, and what land should or should not be used for. Whilst a Local Plan is often used for wider ranging reasons (such as setting a vision for an area, and for influencing infrastructure and investment spend), ultimately its primary use is to help determine planning applications received by the Council.
- 3.9. As such, the policies it contains must be written in a way that a decision maker on planning applications can form a decision. In simple terms, policies should be written in the form of *'Development proposals should do A, B and C, and development proposals must not do X, Y or Z'*.
- 3.10. In that sense, therefore, a Local Plan is not the place for including policies on wider corporate aspirations or policies. It is not, for example, the place to set district wide net zero carbon emission targets. However, such wider corporate aspirations can influence or steer what the Local Plan policies say, so that, via new development, those corporate aspirations are more likely to be met.
- 3.11. It is also worth remembering that a Local Plan is independently examined by an Inspector before it can be adopted by a Council. The Inspector is given by

Government the following headline rules to follow, to work out whether a Local Plan is 'sound'. These are known as the 'tests of soundness':

- a) *Positively prepared;*
- b) *Justified;*
- c) *Effective; and*
- d) *Consistent with national policy.*

- 3.12. Finally, as previously reported to Full Council, the national planning system is subject to a lengthy and comprehensive overhaul by Government, starting with the Planning White Paper (August 2020), leading to the very recently agreed Levelling Up and Regeneration Act (October 2023), and thereafter requiring secondary legislation to confirm the detail. The content of this paper is therefore primarily based on the 'current' system of plan making, as there is still very little detail as to how the new plan-making system will work in practice. As preparation of this Climate Change and Nature Recovery chapter evolves, it will likely have to adapt to changing national law and policy.

Scope of a Local Plan – for a Climate Change and Nature Recovery related chapter

- 3.13. Whilst Action 17 in our Environment Plan refers to preparing a 'climate' chapter, it is proposed for the purpose of this agenda item and the emerging chapter that additional emphasis on the natural environment is also included in the new chapter.
- 3.14. Attached at Appendix A is draft skeleton outline of a possible consultation document. In short, Committee is asked to approve that outline, so that over the coming month or so, the details can be fleshed out and brought back to this Committee for approval. By bringing this skeleton outline to Committee now gives Committee the greatest opportunity to steer the broad content of the chapter, rather than just receiving a full draft chapter for approval in one go.
- 3.15. To help explain the content of Appendix A, set out below is further explanation of what is intended in the chapter, and why.
- 3.16. A key element proposed throughout the chapter is to, wherever possible, establish policies which **require** developers to do certain things, rather than just **encourage**. Unfortunately, policies which only encourage certain measures tend to be ignored and are certainly not strong enough as a tool to refuse planning permission.

Design and Layout (Policy Climate&Nature1)

- 3.17. Of course, 'good design' has always been a key function of the planning system, but has typically been considered from an aesthetics point of view or, to put it simply, will the development 'look good' once built. Local Plans will always contain policies addressing these matters.
- 3.18. However, the question for Committee is whether such design and layout policies should also consider climate change and the natural environment from a master-planning, urban landscaping, plot layout and building orientation perspective.
- 3.19. Put another way, should the new chapter for the Local Plan introduce, via policy, additional requirements beyond aesthetics to also consider how well a development will **function** from an environmental perspective. For example, we could require

developments to orientate south for solar gain, but also be designed to stop over-heating in summer. We could also require buildings which are more adaptable to a future changing climate, as well as future changing occupancy. There are lots of other design aspects that we could require developers to demonstrate, as part of their proposals, in terms of the form and function of new buildings and spaces, to help mitigate against, and adapt to, climate change.

- 3.20. On the flip side, if we do require such measures, we need officers to be suitably trained and skilled to understand and appraise such designs (and challenge them where necessary). Simply noting that a building is orientated south does not mean solar gain will be achieved in the right rooms, at the right time of day or in the right seasons. In fact, it could cause considerable over-heating if poorly designed.

Energy Efficiency (Policies Climate&Nature2 and Climate&Nature3)

- 3.21. On the theme of energy efficiency, it is necessary to first consider the legal position in terms of the scope of what a Local Plan can include on this matter. As is often the case in planning matters, this is far from straight forward.
- 3.22. It should be remembered that basic national minimum mandatory build standards, on the matter of energy efficiency, are set out in the Building Regulations. Periodic updates of these Regulations tend to strengthen the requirements, and there are proposals to enhance them further by Government, under what is known as 'Future Homes Standards' and (slightly behind in terms of preparation) a similar standard for other buildings. However, even such standards once introduced are only regarded as creating buildings which are 'net zero ready', by which they are considered capable of being converted in the future to become net zero carbon emitting buildings. They also only cover regulated energy (e.g. heating) not unregulated energy (e.g. plug in appliances). What this means is that such homes, built to modern Building Regulation requirements, will highly likely still require some form of retrofit in order to be truly net zero in the future, potentially extensive and expensive retrofit. That said, a new home built today, under modern Building Regulations, is far superior in terms of energy efficiency than a home built in the past.
- 3.23. In this context, we come to an important question: should the new climate change and natural recovery chapter go beyond Building Regulations, and set far more stringent energy efficiency requirements for new build developments? Legally, this is possible, via the Planning and Energy Act 2008, and a small number of front-runner adopted Local Plans have already done this (Central Lincolnshire Local Plan, 2023, for example).
- 3.24. So, why wouldn't a Council include (or at least attempt to include) such policies? The most likely reason is the cost burden on developers. Evidence indicates that requiring super-energy efficient homes, beyond Building Regulations, could cost £5,000-£10,000 more to construct, and many developers say that is a burden they can't afford and don't want to pay. What developers typically neglect to mention, however, is that such homes have perhaps 80% energy cost reduction for the occupiers, for life, and that mortgage products for super-efficient homes often come at a discount. Such homes are therefore a much-improved product, cheap to run, slightly cheaper to mortgage, require no future retrofitting measures and (something developers rarely mention) can potentially deliver a premium sales price compared with their standard Building Regulations compliant product. The 'we can't afford the

burden' argument, therefore, has perhaps limited traction on a whole cost lifecycle basis, though experience shows that it will inevitably be a repeated argument used by housebuilders against the formulation of such policies.

- 3.25. A further constraint to a Council having such policies is the ability for the Council's planning service to implement and enforce them. It will require upskilling of planning officers to understand technical aspects of energy efficiency and whether a proposal is meeting required policy. Again, this is possible, but we need to be mindful of it.
- 3.26. In the attached, it is recommended that we do consult on policies which intend to require new development to be more energy efficient than standard buildings Regulations, both for residential (Climate&Nature2) and non-residential (Climate&Nature3).

Renewable energy (on site) (Policy Climate&Nature4)

- 3.27. Whilst reducing energy use in the first place (i.e. energy efficiency, via Climate&Nature2 and 3 above) should always be the priority, the next obvious step is to then produce what remaining energy is required in a very low (or zero) carbon way, and produce that energy on-site.
- 3.28. In practical terms, this is most likely, because it is cheap and widely available, to be in the form of individual rooftop PV solar panels, ideally with complementary battery storage.
- 3.29. However, it could be in the form of, for example, a community renewable energy scheme.
- 3.30. Provided homes are built with a very high degree of energy efficiency, it is relatively easy to generate renewable energy on site to help meet remaining energy demand.
- 3.31. Again, developers will no doubt argue any such policy is beyond basic Building Regulations (which is true) and will be a cost burden to them. However, it will be considerably cheaper to install such infrastructure at original build stage than it will be to retrofit such measures by the occupiers in years to come. Also, designing such features from the start will always look more aesthetically pleasing than a retrofit 'patch' added to home or other building in future years.
- 3.32. Cost wise, for a typical home implementing both energy efficiency (Climate&Nature2) and some renewables (Climate&Nature4) will likely be around £7-15k above basic building regulations. This will need testing and demonstrating as the policy progresses, and it is expected to be at the lower-to-mid half of that range.
- 3.33. Thus, Committee is recommended that we do include a policy requiring at least some degree of renewable energy to be provided on site.

Biodiversity Net Gain (Climate&Nature5)

- 3.34. A Local Plan has always contained policies in respect of the natural environment, and especially so in terms of protecting designated sites, protected species or policies in respect of trees and woodlands. Such policies are therefore taken as a 'given' for inclusion in a future update of the East Cambridgeshire Local Plan.

- 3.35. However, one area for Committee to explore is the issue of Biodiversity Net Gain (BNG). This is somewhat a binary choice for Members, in terms of inclusion in the new chapter or not.
- 3.36. The first option is to simply implement BNG as nationally mandated on all relevant development proposals from January 2024 (Major applications) and April 2024 (minor applications). In short, this requires a 10% gain in biodiversity compared with the pre-development situation, albeit the process to demonstrate, approve and enforce it is technical and set out via complex rules and procedures.
- 3.37. Being a legislative requirement, there is virtually no legal scope to ‘tinker’ with any of this new BNG national process, and it would be advisable for any Council not to attempt to do so via its Local Plan. And, as the process is mandatory, there is no need to have a policy on it in a Local Plan.
- 3.38. However, there is one realistic exception to that rule, and it is a very simple one. Namely, should this Council require a higher BNG requirement, rather than the mandatory minimum 10%? For example, should we require developers to achieve a 20% net gain? A number of councils are considering this option, and there appears no legal reason why this should not be possible.
- 3.39. Why wouldn’t we? Again, developers will argue cost. But research elsewhere in the country is identifying that whilst there is, on an average development scheme, a significant cost to achieve the mandatory 10% gain, there is very limited *additional* cost to achieve, say, a 20% net gain, perhaps as little as £50 per dwelling, and no more than around £1,000 per dwelling. The additional cost to achieve 20% rather than 10% is, therefore, a tiny fraction of total build costs.
- 3.40. In East Cambridgeshire, we would have a good case to argue the principle of going beyond 10%, on the simple (unfortunate) fact that East Cambridgeshire, and Cambridgeshire as a whole, is one of the most ‘deprived’ in terms of land set aside for nature in the country. Consequently, there is a strong case that developers in our area should assist rectifying that situation.
- 3.41. No known Local Plan has successfully adopted a greater than 10% BNG requirement yet, but it is likely several test cases will come forward soon.
- 3.42. Committee is recommended to approve, in principle, that we seek a BNG requirement above 10%, subject of course to public consultation and wider testing.
- 3.43. It is worth noting that introducing a high BNG requirement will place very little additional burden on the Council’s planning officers. Our planning officers will have to do all the appraisals and calculations to work out the % gain in any event under the mandatory system. It is largely irrelevant whether the target figure is 10% or 20% from a time resource or skills perspective.

Hedgehog Recovery (Climate&Nature6)

- 3.44. Whilst ordinarily a Local Plan is unlikely to have a bespoke single policy on the theme of a single species, there is no legal or national policy to prevent such a policy being included. In our case, having listened to what the public want us to do (namely, support hedgehog recovery), there is a strong case to introduce such a single species policy and require developers to design their proposals in a hedgehog-friendly way. To do so is simple, effective and virtually cost-free to a developer.

- 3.45. Committee is recommended to pursue such a policy in the new Local Plan Chapter (and, in the shorter term, approve production of a Hedgehog Recovery SPD – see later for further details).

Supporting adaptation of existing buildings to meet the climate and nature challenge (Climate&Nature7)

- 3.46. Earlier, it was stated that it is recommended that a Climate Change and Nature Recovery chapter should be written in a way which *requires* developers to do certain things, rather than just *encourage*.
- 3.47. However, sometimes it is appropriate to introduce encouraging or facilitating policies for those scenarios whereby, as Local Planning Authority, we could not compel something to happen. In the context of this new Chapter, the most obvious example is in relation to existing buildings. The planning system cannot compel an existing property owner to do anything to their property; but we can encourage and support that property owner to do certain things to improve their property.
- 3.48. Thus, it is recommended that we prepare, for consultation, a broad policy which supports and encourages property owner who wish to improve their existing property for the benefit of climate change (mitigation or adaptation) or for nature. For example, it would encourage proposals which make the existing building more energy efficient, install Electric Vehicle charge points, install appropriate renewable energy or be adaptable to a changing climate (such as measures to aid natural cooling). The policy can also encourage more community wide infrastructure investment, such as low-carbon district heating or a community scale renewable energy scheme.

Other Policy Options considered

- 3.49. A few other elements of climate change have been considered for their potential to be included in a Climate Change and Nature Recovery Chapter.
- 3.50. Theoretically, the chapter could attempt to minimise **embodied carbon** arising from the construction industry. Embodied carbon is the greenhouse gas emissions arising from sourcing raw materials, manufacturing items from those raw materials, and transporting such manufactured items to point of use or sale. Thus, to illustrate the point, a typical average new brick built home probably emits around 50 tonnes of CO₂ during its construction phase from all the bricks and other materials used i.e. these emission arise before anyone occupies the home. To help understand what 50 tonnes of CO₂ means, then as a rough guide it is equivalent to driving 250,000 miles in an average petrol car. Or, if you prefer to look at it in reverse, then 50 individual trees would have to planted, thrive and grow for 50 years before all the carbon was recaptured from the emissions arising from building that one single home.
- 3.51. However, whilst information is slowly improving, it is still extremely hard to quantify the embodied carbon of a development scheme, due to the huge number of variables involved and the lack of any labelling system (i.e. if you buy a brick, it doesn't come with a CO₂ label on it). For now, therefore, there are reservations introducing such a policy requirement in a Local Plan which would seek to require developers to reduce embodied carbon.
- 3.52. Separately, the Chapter could look at **commercial scale renewable energy** (i.e. renewable energy not associated directly with a wider development scheme). A

Local Plan could not require such development to take place, but it could theoretically look at facilitating it. Establishing such a policy would be time consuming and costly, primarily because identifying any such suitable sites in the Local Plan would have to take account of a large number of constraints, and especially the plethora of European protected (mostly bird related) habitats and their 'buffer zones' which extend across much of the district. Such a policy is not, therefore, currently proposed.

- 3.53. **Electric Vehicle (EV) charging** infrastructure has also been considered, but recent Building Regulations requirements now mandate minimum EV infrastructure as part of new developments. There appears little additional requirement a Local Plan policy could add. Any such policy could end up confusing, rather than assisting, roll out of EV points as part of new development.
- 3.54. The issue of **waste and recycling** has also been considered, but the Cambridgeshire Minerals and Waste Plan is the most appropriate place for such policy, and its recent updated version (July 2021) is considered comprehensive and up to date on climate and nature related matters.

Draft emerging chapter at Appendix A

- 3.55. Bringing all of the above together, at Appendix A is a recommended skeleton of a chapter for Committee consideration. If approved, it will be fleshed out so as to create a document that is, subject to Committee approval in January 2024, capable of being consulted upon with the public.

Hedgehog Recovery Supplementary Planning Document

- 3.56. Moving away from the Local Plan Climate and Nature Recovery Chapter, this report now turns to a potential Hedgehog Recovery Supplementary Planning Document (SPD).
- 3.57. In the Council's Environment Plan, June 2023, action 7 is as follows:
- Via the 'Green Fair' in August 2023, put to the public vote the launch of a single species recovery programme for East Cambridgeshire, with the long term aim of East Cambridgeshire being recognised as the national hub helping the recovery of that species - East Cambridgeshire: Home of [You Choose the Species!] Recovery. By June 2024, we will have invested at least £5,000 to kick start on-the-ground improvements for the species you vote for.*
- 3.58. In addition to the Green Fair event, we also held additional voting opportunities (alongside general opportunities to engage with residents on nature and climate issues) at all three Youth Fusion events (at Soham, Bottisham and Littleport), as well as a one-off stall in Ely Market Square. The animals voted upon were: bats; barn owls; toads/frogs; otters; hedgehogs; and bees.
- 3.59. Whilst there was a good spread of votes across all the animals, hedgehogs came out on top. This means we now kick off a series of activities, actions and education programmes, focussed on hedgehogs but at all times utilising that 'people's favourite' to help encourage and educate on wider habitat and biodiversity issues.
- 3.60. We are in the early stages of establishing what a comprehensive 'hedgehog recovery' programme will look like. However, an early opportunity could be the

creation of a short supplementary planning document (SPD), setting out guidance for developers to follow, so that new developments are built with hedgehogs in mind.

- 3.61. An SPD does not have the same weight in decision making as a Local Plan policy. In reality, it can only encourage developers to do certain things (whereas a Local Plan can require). Nevertheless, it can be prepared quickly and be used as a negotiating tool when discussing planning applications with developers. The policy measures it will include will be simple, cheap, but effective, such as simple hedgehog sized cut outs in a garden fence to create a 'hedgehog highway'. It is expected that most developers would be willing to implement such SPD expectations. Nevertheless, in the longer term, we can start to mandate such measures, and we can do this by transferring the SPD content into the Local Plan Climate Change and Nature Recovery Chapter.
- 3.62. Committee is asked to approve the principle of preparing such an SPD document; and if so, the intention is to bring a draft of that document to your next meeting so that it, too, can be subject to public consultation before adoption by around the middle of 2024.

4.0 ARGUMENTS/CONCLUSION(S)

- 4.1. The primary purpose of this agenda item is for Committee to give a steer as to what it would like to see in a new Climate Change and Natural Recovery chapter of a future Local Plan. Of course, today is not for making any final decisions, and there will be opportunities as the chapter progresses to refine what is included, taking account of public comments along the way. However, by giving a clear steer now, on matters of principle, will mean that officers can focus on those aspects that Committee would like to see included.
- 4.2. In the opinion of officers, if the aim of Committee is to utilise the planning system as much as it practically and viably can do to mitigate climate change and bolster the local natural environment, then the skeleton of a chapter as outlined at Appendix A is recommended to be taken forward as a starting point.
- 4.3. However, Committee will have to be mindful that if the Council does ultimately achieve a comprehensive chapter envisaged by Appendix A, then it is probable that, elsewhere in a future Local Plan update, we *may* have to seek from developers less of something else. For example, it *may* mean asking for slightly less affordable housing or some other aspect of a planning s106 agreement. This will be a matter for officers to test as we progress the chapter (and, in due course, progress a full Local Plan update), and such findings will be reported to Committee or (in the case of the Local Plan) Full Council, so that Members can make the final decision on policy content.
- 4.4. In addition, Committee is asked to approve the principle of preparing a short SPD on hedgehog recovery.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 5.1. In terms of the Local Plan chapter, directly there are no implications at this stage, because only a steer is being given by Committee rather than a firm decision. However, as the new chapter emerges, this will be tested thoroughly against the

various implications (financial / equality / carbon). These implications will be reported to Committee (and Full Council) as the policies emerge in detail.

- 5.2. In terms of the Hedgehog Recovery Supplementary Planning Document, there will be no financial implications, as the task will only require the use of existing staff time to prepare and consult on such a document. Any wider implications, such as on equalities or carbon emissions, will be considered at the point the document is prepared, but such implications are not likely to be significant.

6.0 APPENDICES

Appendix A: Recommended emerging skeleton Consultation Document, incorporating a Climate Change and Nature Recovery Local Plan Chapter

Background Documents:

None



East Cambridgeshire
District Council

**East Cambridgeshire
Local Plan – a
potential new Climate
Change and Nature
Recovery Chapter**

Stage 1 consultation

[add date]

Contents

Foreword	3
How to make comments	3
1 Why are we doing this?	4
2 Our commitment to the UN Sustainable Development Goals	4
3 What stage are we at?	5
4 Explanatory note for the content of this document	6
5 A draft <i>Climate Change and Nature Recovery</i> Chapter	7
Introduction	7
The Evidence Base	7
Design Principles – Policy Climate&Nature1	8
Reducing Energy Consumption – Policy Climate&Nature2 / Climate&Nature3	8
Renewable Energy Generation – Policy Climate&Nature4	8
Biodiversity Net Gain – Policy Nature Climate&Nature5	8
Hedgehog recovery – Policy Nature Climate&Nature6	8
Supporting adaptation of existing buildings to meet the climate and nature challenge – Policy Climate&Nature7	8
6 Next Steps	9
7 Glossary of Terms	9

Glossary of Terms

At section 7 of this document is a glossary of terms. The Council recognises that it is important everyone has a common understanding of the challenges we face with climate change and nature decline, and the opportunities we have to meet those challenges.

However, the Council also recognises that the language around climate change and nature decline can be confusing. We hope the glossary assists your understanding, but please let us know if there are other words or phrases in this document that you are not fully clear on, and we will add it to the glossary in future documents. Please email climatechange@eastcambs.gov.uk

Foreword and Consultation Arrangements

East Cambridgeshire District Council has committed to strengthening its planning policies relating to climate change and the natural environment.

The Council intends to introduce a new chapter within its Local Plan to address those themes. That new chapter will be introduced alongside a wider update of the Local Plan.

This consultation document forms the starting point of engaging with the public and those involved in the planning system as to what sort of climate change and nature recovery related policies that new chapter could contain.

For the avoidance of doubt, the Council has not commenced a full review of its Local Plan yet. As such, this consultation stage is undertaken informally, so we get a head start for when we do commence a formal review of the Local Plan. Please only respond to the issues raised in this consultation document. Do not, for example, submit suggestions for new site allocations or other wider planning policy changes. Any such comments or suggestions will not be considered at this stage.

How to make comments

This is the first opportunity for you to make comments on an emerging Climate Change and Nature Recovery chapter. Please note that anybody can make comments.

The consultation document can be viewed at: [add link].

To respond, you can e-mail us at planningpolicy@eastcambs.gov.uk or post to:

Strategic Planning Team
East Cambridgeshire District Council
The Grange
Ely
Cambridgeshire
CB7 4EE

This first consultation will be for [xxxx] weeks. The start date for making comments is [date], and the closing date is [date]. Any comments received after this date will not be considered. Additional further rounds of consultation are anticipated, especially when we move the formal full Local Plan review consultation. Eventually, the full Local Plan review, incorporating the new climate change and nature recovery chapter, will proceed to an independent examination by an Inspector. However, this is not likely until at least 2025 or 2026.

Please note that representations received cannot be treated as confidential. If you are responding as an individual, rather than as an organisation, we will not publish your contact details (email/postal address and telephone number) or signatures online, however the original representations will be available for public viewing at our offices by prior appointment. If possible, please do not include any telephone numbers or signatures as we do not require this information.

The Council respects your privacy and is committed to protecting your personal data. Further details on the Privacy Notices is available on our website <https://www.eastcambs.gov.uk/notices/privacy-notice>

Further information can be obtained from the Strategic Planning Team at the above postal address or:

Telephone: 01353 665555

Email: planningpolicy@eastcambs.gov.uk

1 Why are we doing this?

- 1.1 Taking climate change seriously and boosting the local natural environment is a key cornerstone of what East Cambridgeshire District Council is all about.
- 1.2 We have already declared a climate emergency and we have already recognised the global biodiversity crisis we face. We are therefore seeking all opportunities to help tackle those challenges, whether it is the way we operate the Council or manage our parks and open spaces, or how we encourage and support others to take steps, big or small, to support our environment.
- 1.3 We are also looking at all our policies and seeing where they can be amended to deliver gains for nature or help reduce carbon emissions.
- 1.4 The East Cambridgeshire Local Plan is one such policy document than can play a vital role in helping our district reduce its carbon emissions and reverse the decline in nature.
- 1.5 We want to work with you on establishing new planning policies, so that all new development that takes place in the district is seen as a gain for the environment, whether that's low or zero emissions because the new buildings are super energy efficient and generating their own energy needs; or making sure developers secure a clear and meaningful gain for nature after their development has finished, compared with what the land was like before they started.
- 1.6 Please do get involved in shaping a new planning policy framework which has the environment truly at heart.

2 Our commitment to the UN Sustainable Development Goals

- 2.1 In June 2023, the Council formally endorsed the United Nations Sustainable Development Goals, and agreed to seek alignment of the Council's policies and priorities, as and when these are updated, with the overall ambition of the 17 Goals.
- 2.2 The emerging policies and priorities in this document have a significant opportunity to align with several of the Goals. Full details of all 17 Goals are available here: <https://sdgs.un.org/goals>.
- 2.3 Of the 17 Goals, the Council considers the policies and proposals in this document align¹ with the following Goals in particular:
 - Goal 7 Affordable and Clean Energy
 - Goal 8 Decent Work and Economic Growth
 - Goal 9 Industry, Innovation and Infrastructure
 - Goal 11 Sustainable Cities and Communities
 - Goal 13 Climate Action
 - Goal 15 Life on Land



¹ Please note that it is only the Council's opinion that the policies and proposals in this document align with the above Goals. That view has not been independently verified by the United Nations or any other independent party.

3 What stage are we at?

- 3.1 This consultation document forms the starting point for engaging with the public as to what sort of climate change and nature recovery related policies a new chapter in the East Cambridgeshire Local Plan could contain.
- 3.2 It is not a formal stage in updating our East Cambridgeshire Local Plan. It is, instead, an informal consultation document. However, the comments we receive will be incredibly helpful as we move towards the formal stages of preparing a new Local Plan for East Cambridgeshire in due course.
- 3.3 As outlined in the indicative timetable below, a full update of our Local Plan will have a number of formal statutory stages, and these will take place over a number of years. This consultation document is taking place in advance of those formal stages commencing. This is your opportunity to feed into the Local Plan process at a very early informal stage, but, for now, we are only consulting on the topic of climate change and nature recovery.

	Stage	Description	Dates each stage is proposed to take place
Informal	Consult on informal draft climate / nature chapter	An informal public consultation stage, seeking public opinion on the possible content for a climate change and nature recovery related chapter which could be included in a future update of the East Cambridgeshire Local Plan.	This stage [add consultation dates]
Informal	Other	Other informal public consultation stages may take place before the formal steps below are commenced.	TBC
Formal	New Local Plan preparation commences	The Council must formally declare its intention to commence a formal full update of its Local Plan, and set a timetable for its production.	TBC
Formal	Public participation	There will be formal consultation stages on an emerging new Local Plan.	TBC
Formal	Independent Examination	After all the consultation stages have ended, the Local Plan will be independently examined by an Inspector.	TBC
Formal	Adoption	Provided the Inspector agrees, the updated Local Plan can be adopted by the Council and used to make decisions on planning applications.	TBC

Table 1: A summary table of the main stages in preparing a new Local Plan for East Cambridgeshire. Please note that this table does not identify all of the necessary legal steps that must be followed, and therefore should only be used as an indicative guide of the key stages.

4 Explanatory note for the content of this document

- 4.1 Starting on the next page, this document sets out possible new policies for inclusion in a new Climate Change and Nature Recovery Chapter of the Local Plan. It sets out the draft policy, plus some supporting text to explain the rationale for the policy.
- 4.2 Of course, wider policies in a Local Plan will assist sustainable development, and the themes of those policies are set out in the table below. However, **these policies are not included in this document** because they are already commonly found policies in existing Local Plans, and are highly likely to be included in a newly updated East Cambridgeshire Local Plan irrespective of the new climate change and nature recovery chapter. We will be updated all of these policies and consulting you on them in due course. However, we are not seeking comments on them as part of the consultation on this document.

Policy Theme	Example Policy Titles	Current East Cambridgeshire Local Plan 2015 Policy reference (if any)
Sustainable Growth	Location of Growth Across the District (locational strategy) Infrastructure Requirements Community Led development	GROWTH 2 GROWTH 3 GROWTH 6
Housing	Housing Mix Affordable Housing	HOU 1 HOU 3
Environment (wider environment issues)	Landscape / Townscape setting Water Efficiency / Flood Risk Designated Nature Sites (protection of) Pollution Green Belt Heritage issues	ENV 1 ENV 4 / ENV 8 ENV 7 ENV 9 ENV 10 ENV 11 to ENV 16
Community Services and Infrastructure	Community facilities Strategic Green Infrastructure Transport / Parking	COM 3 / COM 4 COM 5 COM 7 / COM 8

Table 2: A summary table of other policies which particularly help contribute to sustainable development, but which are not matters being consulted upon in this document. Such policies will, however, be included in a new Local Plan.

5 A draft *Climate Change and Nature Recovery* Chapter

The text below forms the draft text for what could be included in a new Climate Change and Nature Recovery chapter of our Local Plan. After each policy area, we ask a number of questions which we would be grateful for your comments.

Introduction

- 5.1 East Cambridgeshire District Council has long championed its desire to create a Cleaner, Greener East Cambridgeshire. The Council is committed to reducing its own carbon emissions and helping others reduce their emissions. It is also committed to reversing the decline in nature, by bolstering the natural environment on its own land holdings and encouraging others to take steps to support nature on their land.
- 5.2 Where it has the powers to do so, the Council is committed to putting in place policies which require others to take steps to help our local environment. The Council's Local Plan is one such important policy document, where it can take a stand and make sure new development that takes places in the district is built in a way which minimises carbon emissions and helps boost the local natural environment.
- 5.3 This chapter of the Local Plan has specific policies to achieve that.
- 5.4 This Council continues to support growth and new development in the district. But such growth should not come at a cost to our climate or the natural environment. We warmly welcome all developers and investors to East Cambridgeshire who align with our approach to protecting our environment.
- 5.5 However, to ensure all new development meets our aspirations, the policies in this chapter are purposefully written to *require* developers to do certain things. We could have written the policies in a way which *encouraged* developers to do certain things, but the risk would be that some developers would not rise to the challenge and only build 'basic' homes and other developments which did little to help mitigate climate change or assist nature recovery in our area.
- 5.6 We have put in place policies in this chapter which will result in new developments which are fit for the future, will not require expensive 'retro-fitting' by future occupiers, and which will have delivered substantial gains for nature in our local area.
- 5.7 New development in East Cambridgeshire will, via implementing these policies, be seen as a positive gain for our local environment, rather than a burden for our environment to shoulder.
- 5.8 Whilst this Local Plan cannot do everything (it especially has very limited influence over existing buildings, for example), it can ensure that new development, from the day this Local Plan has been adopted, be fit for a net zero carbon future, contribute to the transition to a net-zero carbon society, and be responsive to a changing climate.
- 5.9 Implementation of the policies in this chapter is new territory for East Cambridgeshire and such policies are not well established elsewhere in the country. As such, the Council is committed to working with all those involved in the planning system, and especially applicants, so that the policies of this Plan can be implemented smoothly and effectively. To help with this, we will publish a series of guidance notes or template forms, which will help applicants provide the right information first time, thus speeding up the process and providing clarity for all.

The Evidence Base

- 5.10 [text to be added].
- 5.11

Design Principles – Policy Climate&Nature1

- 5.12 [this will be an overarching policy requiring developers to demonstrate they have designed their development in a way which considers matters such as; orientation, form and fabric of buildings. It will also include measures to ensure buildings are resilient and adaptable to a changing climate.]
- 5.13 [after this policy, and each of the policies below, will be a series of questions, such as: Do you agree with the principle of having such a policy? Could the policy address additional matters? Is the policy too onerous for developers or not demanding enough?]

Reducing Energy Consumption – Policy Climate&Nature2 / Climate&Nature3

- 5.14 [this will likely be two policies, one for residential and one for all other buildings. In both cases, the policy will require developments to go beyond basic building regulations for energy efficiency. It will set specific figures for ‘space heating demand’ which means the amount of energy required to heat the home will be very low due to the high insulation used. An ‘energy statement’ will be required to be submitted to demonstrate requirements are to be met.]
- 5.15 [Where technical requirements are set, they will be aligned to the building regulations system or other widely available calculations, so applicants will not be considering a brand new or bespoke system just for East Cambridgeshire.]
- 5.16 [Very limited exception clauses might be included. For example, new development associated with a Listed Building might be exempt from certain measures, if it is demonstrated that applying the policy would cause unacceptable harm to the Listed Building]

Renewable Energy Generation – Policy Climate&Nature4

- 5.17 [this policy will set requirements for some energy to be generated by renewable sources on site, and preferably on each plot. Whilst it will not dictate the precise form of renewable energy, it is likely in the vast majority of instances to lead to PV solar panels on the roofs of most buildings. Only very exceptionally will a development be allowed to proceed with nil or very limited on-site renewable energy generation]

Biodiversity Net Gain – Policy Nature Climate&Nature5

- 5.18 [this policy will complement wider nature conservation policies in the Plan, but in this policy it will specifically seek a ‘net gain’ in excess of the mandatory minimum 10% gain arising from the Environment Act. Subject to evidence and consultation, it is likely that the figure will be set at or around a 20% net gain]

Hedgehog recovery – Policy Nature Climate&Nature6

- 5.19 [with East Cambridgeshire’s residents voting for Hedgehogs as their species of choice for recovery, this policy will require developers to have special regard to open space layout and garden design so as to encourage the free movement of hedgehogs (‘hedgehog highways’) and creation of habitats to meet their needs]

Supporting adaptation of existing buildings to meet the climate and nature challenge – Policy Climate&Nature7

- 5.20 [whilst the focus of this chapter, and the rest of a Local Plan, is in relation to new development, it is recognised that many existing homeowners or business will seek to undertake works to their existing property to help adapt to a changing climate, reduce their emissions and fuel bills, and/or help boost the local natural environment. This policy will encourage and support such measures, though of course cannot require such works to take place. Examples include supporting: repair rather than demolition; energy efficiency retro-fit proposals; community based / community supported

decentralised energy networks; circular economy based proposals; and carbon sequestration schemes]

6 Next Steps

- 6.1 Following consideration of your responses to this consultation, the Council will commence preparation of detailed evidence-based material so that the policies we put in place can be fully justified. Importantly, this will include testing the cost of implementing such measures on the overall build costs. This is important because we must ensure that new development will remain viable with the policies we have in place.
- 6.2 In due course, the Council will also formally commence a new Local Plan. As part of that process, it will make sure the policies in the Climate Change and Nature Recovery chapter compliment wider policies and proposals in the Local Plan.

7 Glossary of Terms

[to be added]

DRAFT

TITLE: ANNUAL INFRASTRUCTURE FUNDING STATEMENT

Committee: Finance & Assets Committee

Date: 23 November 2023

Author: Director Community

Report No: Y98

Contact Officer: Sally Bonnett, Director Community

Sally.bonnett@eastcambs.gov.uk, 01353 616451, Room No. 105, The Grange, Ely

1.0 ISSUE

- 1.1. To receive information relating to Community Infrastructure Levy and Section 106 income and expenditure.

2.0 RECOMMENDATION(S)

- 2.1. Members are requested to note the Annual Infrastructure Funding Statement 2022/23 as detailed in Appendix 1, which will be published in December 2023.

3.0 BACKGROUND/OPTIONS

- 3.1. The Infrastructure Funding Statement is an annual report required to be published by December each year, which provides a summary of the financial and non-financial developer contributions relating to Section 106 (S106) and the Community Infrastructure Levy (CIL) within East Cambridgeshire District Council for a given financial year.

4.0 ARGUMENTS/CONCLUSION(S)

- 4.1. The Council will publish, on its website, the Annual Infrastructure Funding Statement for 2022/23 in December 2023. This is provided at Appendix 1. This is to provide clarity and transparency to local communities and developers on the infrastructure and expenditure and in aligning this to planned development, as envisaged in the Local Plan.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 5.1. There are no additional financial implications arising from this report.
- 5.2. Equality Impact Assessment (EIA) not required.
- 5.3. Carbon Impact Assessment (CIA) not required.

6.0 APPENDICES

Appendix 1 – Annual Infrastructure Funding Statement 2022/23.

Background Documents:

None.

**East Cambridgeshire
District Council
Annual Infrastructure
Funding Statement
For
Community Infrastructure Levy and
Section 106**

**Reporting Period:
From 01 April 2022 to 31 March 2023**

Community Infrastructure Levy Matters

**Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121A
Schedule 2 Section 1**

- a) The total value of demand notices issued in the reported period is £2,723,460.40. This value is of demand notices issued within the reported period that have not been suspended or superseded by new demand notices outside of the reported period.

Of total value the amount from Liability Notices (liable floorspace after any relief that has been granted) is £2,717,959.59. The total value is from surcharges imposed due to breaches of the Community Infrastructure Levy Regulations is £5,500.81 and the total value of the late payment interest accrued is £0.00.

- b) The total amount of CIL collected within the reported period totals £5,790,031.64.
- c) The amount of CIL collected prior to the reported period totals £25,646,410.10. Of this total the following amount was collected in Cash and as Land Transactions (including payments in kind and infrastructure payments) and the following amounts remain unallocated:

Type	Received	Unallocated
Cash	£25,646,410.10	£6,682,448.02
Land Payment	£0.00	£0.00

- d) The total amount of CIL collected prior to the reported period allocated in the reported period in relation to cash received is £17,230,490.72 and in relation to land payments (including payments in kind and infrastructure payments) is £0.00.
- e) The total CIL expenditure recorded for the reported period is as follows:

Type	Expenditure
Admin CIL	£150,000
Neighbourhood CIL	£991,505.28
CIL Land Payments	£0.00
Other CIL Cash	£964,362.04
Total Value	£2,440,715.89

- f) The total amount of CIL allocated and not spent during the reported period is as follows, this does not include allocations made within the reported year that have been fully spent:

Type	Allocated	Spent	Remaining
Admin CIL	£150,000	£150,000	£150,000
Neighbourhood CIL	£991,505.28	£991,505.28	£0.00
CIL Land Payments	£0.00	£0.00	£0.00
Other CIL Cash	£741,966.08	£741,966.08	£0.00

- g) i) The items of infrastructure on which CIL (including land payments) has been spent within the reported year, and the amount of CIL spent on each item is as follows:

Infrastructure	Date	Amount	Description
New Littleport Secondary	12 May 2022 to 15 July 2022	£1,034,814.65	*Includes Third Party spending
Gardiner Memorial Hall	08 April 2022 to 13 July 2022	£100,662.64	*Includes Third Party spending
Youth and Community Centre	11 April 2022 to 16 November 2022	£121,733.32	*Includes Third Party spending
District Leisure Centre	31 March 2023	£572,961.34	The Hive
St Marys Church Building Transformation Project	14 June 2022 to 28 December 2022	£192,000.00	*Includes Third Party spending

Of this money spent within the reported year, the number of affordable housing units provisioned via the spend of CIL money is 0.

Of this money spent within the reported year, the following number of education places have been provisioned:

Education Type	Number of school places
N/A	N/A

- ii) The amount of CIL spent on repaying money borrowed, including any interest, and details of the items of infrastructure which that money was used to provide (wholly or in part) is as follows:

Date	Amount Used	Loan/Interest	Infrastructure Funded
N/A	N/A	N/A	N/A

- iii) The amount of CIL collected towards administration expenses is £144,750.791. This was 2.5% of the total CIL receipts collected (£5,790,031.64) in the reported period.

East Cambridgeshire District Council has set a collection percentage of 2.5%. The percentage taken may differ due to Land payments (including payments in kind and infrastructure payments) not being allocated to administration expenses and Surcharges not being split with Neighbourhood Areas.

The amount of CIL spent on administration expenses during the reported year was £150,000.

- h) Regarding CIL collected and allocated within the reported year that has not been spent, summary details of what has been allocated, is remaining to be spent and what it has been allocated towards is as follows:

Infrastructure	Amount Allocated	Amount Unspent	Allocation Dated
N/A	N/A	N/A	N/A

- i) i) The total amount of CIL passed to a neighbourhood zone under Regulation 59A (collected on behalf of the neighbourhood zone in cash), cash collected and allocated towards Neighbourhood CIL, and 59B (cash provided by the Charging Authority to Neighbourhood Zones equivalent to what they would have received on a payment in kind), are as follows:

Zone	Date	Amount Passed
Ashley	07 November 2022	£20,665.97
Burrough Green	07 November 2022	£3,696.85
Burwell	27 May 2022	£16,461.77
Burwell	07 November 2022	£4,235.87
Cheveley	27 May 2022	£10,108.13
Coveney	27 May 2022	£4,263.40
Dullingham	27 May 2022	£5,009.76
Dullingham	07 November 2022	£1,259.79
Ely	27 May 2022	£166,948.62
Ely	07 November 2022	£161,051.18
Fordham	27 May 2022	£90,285.98
Fordham	07 November 2022	£68,091.03
Haddenham	07 November 2022	£13,838.22
Isleham	27 May 2022	£60,890.24
Isleham	07 November 2022	£25,982.26
Kirtling	07 November 2022	£3,904.04
Little Downham	27 May 2022	£542.87
Little Downham	07 November 2022	£3,935.39
Little Thetford	27 May 2022	£3,523.86
Little Thetford	07 November 2022	£3,251.43
Littleport	27 May 2022	£17,177.96
Littleport	07 November 2022	£59,124.49
Lode	27 May 2022	£4,228.93
Mepal	27 May 2022	£6,866.91
Mepal	07 November 2022	£243.40
Soham	27 May 2022	£31,883.62
Soham	07 November 2022	£54,337.35
Stretham	27 May 2022	£3,631.08
Stretham	07 November 2022	£8,050.31
Sutton	27 May 2022	£13,195.64
Westly Waterless	07 November 2022	£750.00
Wicken	27 May 2022	£2,236.11
Wicken	07 November 2022	£4,286.49
Wilburton	27 May 2022	£17,036.82
Wilburton	07 November 2022	£33,004.61
Witcham	27 May 2022	£4,016.54
Witcham	07 November 2022	£4,480.38
Witchford	27 May 2022	£13,714.58
Witchford	07 November 2022	£45,293.40

The following amounts were allocated towards neighbourhood zones under

Regulation 59B, cash provided by the Charging Authority to Neighbourhood Zones equivalent to what they would have received on a payment in kind, during the reported year:

Zone	Amount	Date	Re-allocated from
N/A	N/A	N/A	N/A

ii) The following spends within the reported year have been passed to a third party to spend on the provision, improvement, replacement, operation or maintenance of infrastructure under Regulation 59(4):

Infrastructure	Amount	Date	Spend Description
CIL Meaningful Proportion	£16,461.77	27 May 2022	Transfer
CIL Meaningful Proportion	£10,108.13	27 May 2022	Transfer
CIL Meaningful Proportion	£4,263.40	27 May 2022	Transfer
CIL Meaningful Proportion	£5,009.76	27 May 2022	Transfer
CIL Meaningful Proportion	£166,948.62	27 May 2022	Transfer
CIL Meaningful Proportion	£90,285.98	27 May 2022	Transfer
CIL Meaningful Proportion	£60,890.24	27 May 2022	Transfer
CIL Meaningful Proportion	£542.87	27 May 2022	Transfer
CIL Meaningful Proportion	£3,523.86	27 May 2022	Transfer
CIL Meaningful Proportion	£17,177.96	27 May 2022	Transfer
CIL Meaningful Proportion	£4,228.93	27 May 2022	Transfer
CIL Meaningful Proportion	£6,866.91	27 May 2022	Transfer
CIL Meaningful Proportion	£31,883.62	27 May 2022	Transfer
CIL Meaningful Proportion	£3,631.08	27 May 2022	Transfer
CIL Meaningful Proportion	£13,195.64	27 May 2022	Transfer
CIL Meaningful Proportion	£2,236.11	27 May 2022	Transfer
CIL Meaningful Proportion	£17,036.82	27 May 2022	Transfer
CIL Meaningful Proportion	£4,016.54	27 May 2022	Transfer
CIL Meaningful Proportion	£13,714.58	27 May 2022	Transfer
New Littleport Secondary	£484,848.57	12 May 2022	Littleport Secondary

Infrastructure	Amount	Date	Spend Description
New Littleport Secondary	£549,966.08	15 July 2022	Littleport Secondary
Gardiner Memorial Hall	£66,880.00	08 April 2022	Gardiner Memorial Hall
Youth and Community Centre	£46,693.32	11 April 2022	Littleport Youth Project
Youth and Community Centre	£30,433.33	15 July 2022	Littleport Youth Project
St Marys Church Building Transformation Project	£50,000.00	14 June 2022	St Marys Church
St Marys Church Building Transformation Project	£50,000.00	01 August 2022	St Marys Church
St Marys Church Building Transformation Project	£25,000.00	11 November 2022	St Marys Church
St Marys Church Building Transformation Project	£50,000.00	23 September 2022	St Marys Church
CIL Meaningful Proportion	£20,665.97	07 November 2022	Transfer
CIL Meaningful Proportion	£3,696.85	07 November 2022	Transfer
CIL Meaningful Proportion	£4,235.87	07 November 2022	Transfer
CIL Meaningful Proportion	£1,259.79	07 November 2022	Transfer
CIL Meaningful Proportion	£161,051.18	07 November 2022	Transfer
CIL Meaningful Proportion	£68,091.03	07 November 2022	Transfer
CIL Meaningful Proportion	£13,838.22	07 November 2022	Transfer
CIL Meaningful Proportion	£25,982.26	07 November 2022	Transfer
CIL Meaningful Proportion	£3,904.04	07 November 2022	Transfer
CIL Meaningful Proportion	£3,935.39	07 November 2022	Transfer
CIL Meaningful Proportion	£3,251.43	07 November 2022	Transfer
CIL Meaningful Proportion	£59,124.49	07 November 2022	Transfer
CIL Meaningful Proportion	£243.40	07 November 2022	Transfer

Infrastructure	Amount	Date	Spend Description
CIL Meaningful Proportion	£54,337.35	07 November 2022	Transfer
CIL Meaningful Proportion	£8,050.31	07 November 2022	Transfer
CIL Meaningful Proportion	£750.00	07 November 2022	Transfer
CIL Meaningful Proportion	£4,286.49	07 November 2022	Transfer
CIL Meaningful Proportion	£33,004.61	07 November 2022	Transfer
CIL Meaningful Proportion	£4,480.38	07 November 2022	Transfer
CIL Meaningful Proportion	£45,293.40	07 November 2022	Transfer
St Marys Church Building Transformation Project	£17,000.00	28 December 2022	St Marys Church
Youth and Community Centre	£20,370.01	16 November 2022	Littleport Youth Project
Gardiner Memorial Hall	£33,782.64	13 July 2022	Gardiner Memorial Hall

j) i) The total collected by East Cambridgeshire District Council for the reported year under Regulation 59E (CIL returned to the Charging Authority after 5 years if not spent) was £0.00 and under Regulation 59F, CIL collected and retained by the Charging Authority for areas that are not designated Neighbourhood Zones, was £0.00.

ii) The amount of CIL allocated during the reported year under Regulation 59E, CIL returned to the Charging Authority that had been passed to a Neighbourhood Zone and had not been applied to infrastructure after a 5 year period, during the reported year is as follows:

Infrastructure	Neighbourhood Zone	Amount	Date
N/A	N/A	N/A	N/A

The amount of CIL spent under Regulation 59E during the reported year is as follows:

Infrastructure	Amount	Date	Spend Description
N/A	N/A	N/A	N/A

The amount of CIL allocated during the reported year under Regulation 59F during the reported year is as follows:

Infrastructure	Neighbourhood Zone	Amount	Date
N/A	N/A	N/A	N/A

The amount of CIL spent under Regulation 59F during the reported year is as follows:

Infrastructure	Amount	Date	Spend Description
N/A	N/A	N/A	N/A

- k) i) The amount of CIL requested under Regulation 59E for the reported year is as follows per neighbourhood zone:

Neighbourhood Zone	Amount Requested
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- ii) The amount of CIL still outstanding for recovery under Regulation 59E at the end of the reported year for all years is as follows for each neighbourhood zone:

Neighbourhood Zone	Amount Outstanding
--------------------	--------------------

- l) i) The amount of CIL collected, not assigned for Neighbourhood CIL or CIL Administration, for the reported year and that had not been spent is £0.00.
- ii) The amount of CIL collected, not assigned for Neighbourhood CIL or CIL Administration, from 01 February 2013 to the end of the reported year that had not been spent is £5,771,217.46.
- iii) The amount CIL collected and that had not been spent under Regulations 59E and 59F during the reported year are as follows:

Type	Retained
Regulation 59E	£0.00
Regulation 59F	£0.00

- iv) The amount of CIL collected from 01 February 2013 to the end of the reported year under Regulations 59E and 59F that has not been spent is as follows:

Type	Retained
Regulation 59E	£0.00
Regulation 59F	£0.00

Section 106 Matters

**Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121A
Schedule 2 Section 3**

- a) The total amount of money to be provided under any planning obligations which were entered during the reported year is £289,844.14. This figure does not consider indexation (inflation/deflation) that may be applied when the money becomes due.
- b) The total amount of money received from planning obligations during the reported year was £2,130,249.74.
- c) The total amount of money received prior to the reported year that has not been allocated is £2,733,453.40.
- d) During the reported year the following non-monetary contributions have been agreed under planning obligations:
 - i) The total number of affordable housing units to be provided as on-site provision agreed under planning obligations is 147.

The total number of affordable housing units to be provided by S106 off site funding allocations made within the reported period is 0.

- ii) The following education provisions have been agreed under S106 agreements:

Education Type	Number of school places
N/A	N/A

The following education provisions have been funded by offsite S106 and other funding sources allocated during the reported year:

Education Type	Number of school places
N/A	N/A

Summary details of all non-monetary obligations agreed within the reported year are as follows:

Covenant Type/Service	Deed Signed	Planning Application
Use Restriction/	01/12/2022	21/01404/FUL
Occupation Restriction/	24/01/2023	20/00873/FUL
Affordable Housing Provision/	17/08/2022	21/00908/FUM
Public Open Space Provision/	17/08/2022	21/00908/FUM
SUDS provision/ECDC	17/08/2022	21/00908/FUM
Affordable Housing Provision/	12/04/2022	19/01707/OUM
Self build provision/ECDC	12/04/2022	19/01707/OUM
Public Open Space Provision/	12/04/2022	19/01707/OUM
SUDS provision/ECDC	12/04/2022	19/01707/OUM

Community Facilities/ECDC	12/04/2022	19/01707/OUM
Burial Ground/ECDC	12/04/2022	19/01707/OUM
LEAP Provision/CCC	17/08/2022	21/00908/FUM

e) The total amount of money from planning obligations allocated towards infrastructure during the reported year was £2,117,372.22. Of this amount £18,445.37 was not spent during the reported year.

f) The total amount of money from planning obligations spent during the reported year was £2,199,239.98. Of this amount £0.00 was spent by a third party on behalf of East Cambridgeshire District Council.

g) The following items have had money allocated towards them during the reported year with unspent allocations:

Infrastructure	Allocated	Date Allocated	Unspent
Public Open Space Maintenance	£144,357.55	31 March 2023	£18,445.37

h) In relation to money which was spent by East Cambridgeshire District Council during the reported year:

i) The items of infrastructure that planning obligation money has been spent on and the amount spent are as follows:

Infrastructure	Spent	Date Spent	Spend Description
Local Project Littleport Public Open Space	£29,598.55	01 December 2014 to 31 August 2022	Littleport Paddocks Littleport Paddocks Play Equipment
Local Project Haddenham Community Infrastructure	£7,217.93	01 December 2014 to 09 November 2022	
Local Project Littleport Community Infrastructure	£53,548.47	01 December 2014 to 31 August 2022	Littleport Paddocks Littleport Paddocks Littleport Paddocks Paddocks Paddocks
Country Park	£16,280.63	01 January 2015 to 07 October 2022	Toilets in CP Toilets CP Toilets CP Toilets CP Toilets CP Country Park Toilets Country Park Rubber Matting to play area
Public Open Space Maintenance	£521,904.50	07 January 2015 to 31 March 2023	
Littleport Local TCI	£7,400.00	13 June 2016 to 01 April 2022	Bus Shelters
Littleport Local HL	£4,852.98	13 June 2016 to 31 August 2022	

Infrastructure	Spent	Date Spent	Spend Description
S106 POS	£11,000.00	20 July 2020 to 22 April 2022	Kingsley Walk Play Area Jubilee Gardens Willow Walk Willow Walk Kingsley Walk Kingsley Walk Cherry Hill Newnham Play Area
Transfers	£1,547,436.92	11 August 2022 to 30 March 2023	

ii) The amount of planning obligation money spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide are as follows:

Date	Amount Used	Loan/Interest	Infrastructure Funded
N/A	N/A	N/A	N/A

iii) The amount of planning obligation money spent in respect of administration of planning obligations and monitoring in relation to the delivery of planning obligations during the reported year was £0.00.

i) The total amount of money retained at the end of the reported year is £3,472,856.38. Of this amount retained an amount of £0.00 has been retained for long term maintenance. Please see the below table for a breakdown of the retained maintenance amount.

Description	Amount
Total collected for long term maintenance	£0.00
Total allocated towards maintenance	£0.00
Total spent on maintenance	£0.00

**Section 278 Matters
Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121A
Schedule 2 Section 4**

The following matters are agreements entered into during the reported year in respect to Highways Agreements under Section 278 of the Highways Act 1980. The financial values of these are not included in the matters under **Schedule 2 Section 3** of this report.

Date	Application/Deed/Clause/Covenant	Amount
N/A	N/A N/A N/A	N/A

TITLE: TREASURY OPERATIONS MID-YEAR REVIEW 2023-24

Committee: Finance and Assets Committee

Date: 23 November 2023

Author: Director, Finance

Report No: Y99

Contact Officer:

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1.0 ISSUE

1.1 To provide Members with an update on the Council's 2023/24 Treasury Management Strategy.

2.0 RECOMMENDATION(S)

2.1. Members are asked to recommend to Full Council that the mid-year review of the Council's Treasury Management Strategy for 2023/24, as set out in Appendix 1, be noted.

3.0 BACKGROUND/OPTIONS

3.1 The Chartered Institute of Public Finance and Accountancy (C.I.P.F.A.) Revised Code of Practice on Treasury Management requires councils to adopt the revised Code and fully comply with its requirements.

3.2 This report complies with the requirement for a mid-year review.

3.3 The size of the Council's investment portfolio is relatively small and often short-term meaning that investment decisions are made so liquidity and cash flow requirements are the priority focus, this rather than returns. Despite this position, opportunities for proactive investment decisions are taken where appropriate.

3.4 The loan that the Council has made to East Cambs Trading Company (ECTC) is not technically an investment, but has been included in this covering report for completeness. ECTC is paying a commercial rate of interest on its loan from the Council – this to avoid breaking State-Aid rules.

3.5 The Council's 2023/24 Treasury Management Strategy and budget detailed an expected return on investments of £511,340, with then a further £290,250 of interest on the loan to ECTC.

4.0 RESULTS

4.1 During 2023/24 the Council has operated within its approved treasury limits and Prudential Indicators; no changes have been made to the counterparty values detailed in the Annual Treasury Management Strategy.

- 4.2 Interest rates on offer to the Council from Money Market Investment Deposit Accounts or fixed term deposits have increased during the year, our average interest rate when the budget was built in February 2023 was 3.9% and this has increased to 5.19% as at 30th September 2023. The interest receipts generated on these investments to the end of September 2023 were £784,865 significantly above that forecast in the budget.
- 4.3 As at 30th September 2023, the Council had cash investments of £38.599 million (£37.98 million 2022), details of these investments are included in Appendix 1. With a further £6.0 million (£4.9 million 2022) loan to ECTC.
- 4.4 While the loan to the Company is not specifically an investment, it generated the Council interest receipts, £134,630 up until 30th September 2023.
- 4.5 In total, the combination of interest receipts on both general investments and the loan to ECTC, are forecast to come in around £700,000 above budget at yearend.

5.0 INTEREST PAYMENTS

- 5.1 The Council has remained external debt free during the first six months of the financial year, and with the healthy cash balance at the end of September, it is expected to remain so for the remainder of the year.

6.0 CONCLUSIONS

- 6.1 The Council's Treasury Management Strategy, as approved on 21st February 2023, continues to offer the Council the best approach to Treasury Management and the policies contained within it will continue to be followed for the remainder of the financial year.
- 6.2 It should be noted that the economic and interest rate forecasts detailed in appendix 1 were those in place as at the 30th September 2023.

7.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 7.1 It is now anticipated that the Treasury Management function will provide additional income of £700,000, when compared to the approved budget.
- 7.2 An Equality Impact Assessment (EIA) is not required.
- 7.3 A Carbon Impact Assessment (CIA) is not required.

8.0 APPENDICES

Appendix 1: Mid-year Review report 2023/24

Background Documents:

Treasury Management Strategy as approved by Full Council on the 21st February 2023.

Treasury Management Strategy Statement and Annual Investment Strategy

**Mid-Year Review Report
East Cambridgeshire District Council
2023/24**

Contents

1.	Background	3
2.	Introduction	3
3.	Economics and Interest Rates	4
4.	Treasury Management Strategy Statement and Annual Investment Strategy Update.....	6
5.	The Council’s Capital Position (Prudential Indicators).....	6
6.	Borrowing	8
7.	Compliance with Treasury and Prudential Limits	9
8.	Annual Investment Strategy.....	9

1. Background

1.1 Capital Strategy

In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following: -

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

1.2 Treasury Management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.

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

Accordingly, treasury management is defined as:

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

2. Introduction

This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2021).

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by Full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year. (Quarterly reports are also required for the periods April to June and October to December but may be assigned to a designated committee or panel as deemed appropriate to meet the Treasury Management governance and scrutiny aspects of the Council. These reports are reviewed by the Finance & Assets Committee at East Cambs.)
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Finance & Assets Committee:

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2023/24 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2023/24;
- A review of the Council's borrowing strategy for 2023/24;
- A review of any debt rescheduling undertaken during 2023/24;
- A review of compliance with Treasury and Prudential Limits for 2023/24.

3. Economics and Interest Rates

3.1 Economics Update

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in ten out of the seventeen sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has

fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and, in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

3.2 Interest Rate Forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 25th September sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement (TMSS), for 2023/24 was approved by this Council on 21st February 2023.

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

Prudential Indicator 2023/24	Original £000	Revised Prudential Indicator £000
Authorised Limit	10,000	10,000
Operational Boundary for External Debt	0	0
Capital Financing Requirement	15,160	12,933

5. The Council’s Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council’s capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital Expenditure by Service	2023/24 Original Estimate £000	Current Position £000	2023/24 Revised Estimate £000
Operational Services	4,687	436	3,748
Finance and Assets	1,882	187	2,163
Total capital expenditure	6,569	623	5,911

Capital expenditure in year, is now forecast to come in lower than originally budgeted, as Waste vehicle costs are currently forecast to be lower than originally forecast and it is now not expected that new Waste bins to replace the black sacks will be purchased this year.

5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plan (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
Total capital expenditure	6,569	5,911
Financed by:		
Capital receipts	304	879
Capital grants	608	1,007
Section 106 / CIL	140	900
Revenue – from reserve	42	0
Total financing	1,094	2,786
Borrowing requirement	5,475	3,125

5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

We are on target to achieve the original forecast Capital Financing Requirement.

Prudential Indicator – the Operational Boundary for external debt

	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
CFR – Brought Forward	10,013	10,127
CFR – New Borrowing	5,475	3,125
CFR – Minimum Revenue Provision	(328)	(319)
Total CFR	15,160	12,933
Net movement in CFR	5,147	2,806
External Borrowing	0	0
Internal Borrowing	15,160	12,933
Total debt (year end position)	15,160	12,933

5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. **Gross external borrowing** should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
External Borrowing	0	0
Total External Debt	0	0
CFR (year end position)	15,160	12,933

A further prudential indicator controls the overall level of borrowing. This is **the Authorised Limit** which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2023/24 Original Indicator £000	2023/24 Revised Indicator £000
Borrowing	10,000	10,000
Other long-term liabilities	0	0
Total	10,000	10,000

6. Borrowing

The Council’s capital financing requirement (CFR) for 2023/24 is £12.933 million. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 5.4 shows the Council has no external borrowing and has utilised £12.933 million of cash flow funds in lieu of

borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring if further upside risk to gilt yields prevails.

The capital programme is being kept under regular review due to the effects of inflationary pressures, shortages of materials and labour. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the long-term.

It is anticipated that further no external borrowing will be undertaken during this financial year.

7. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30th September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. The Director, Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

8. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual Investment Strategy, was approved by the Council on 21st February 2023. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to twelve months with high credit quality financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Creditworthiness.

Following the Government's fiscal event on 23rd September 2022, both S&P and Fitch placed the UK sovereign debt rating on Negative Outlook, reflecting a downside bias to the current ratings in light of expectations of weaker finances and a challenging economic outlook. Nothing further has evolved in the first half of 2023/24.

Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

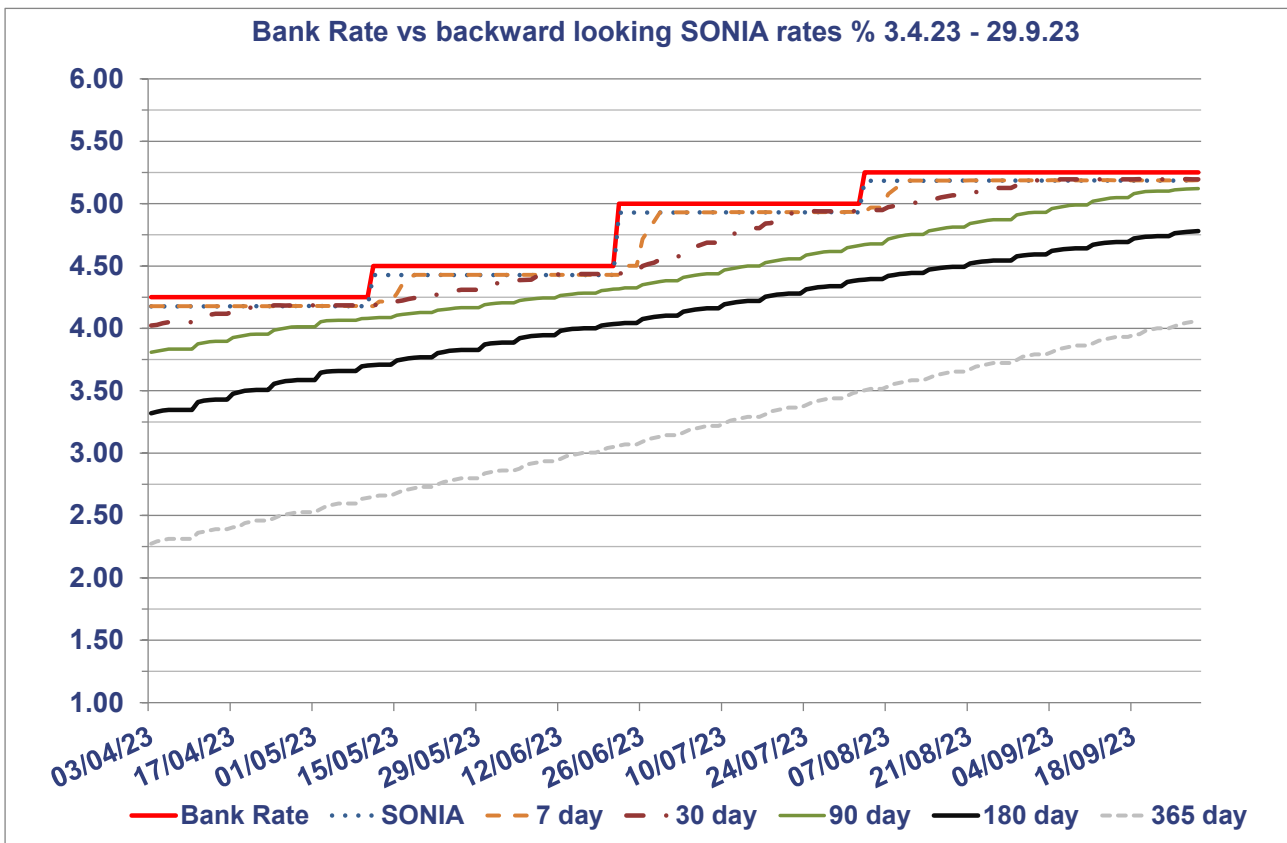
CDS prices

It is noted that sentiment in the current economic climate can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment balances

The average level of funds available for investment purposes during the first half of the financial year was **£32.231 million**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

Investment performance year to date as of 29th September 2023



	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.19	5.19	5.20	5.12	4.78	4.06
High Date	03/08/2023	29/09/2023	04/09/2023	27/09/2023	29/09/2023	29/09/2023	29/09/2023
Low	4.25	4.18	4.18	4.02	3.81	3.32	2.27
Low Date	03/04/2023	04/04/2023	11/04/2023	03/04/2023	03/04/2023	03/04/2023	03/04/2023
Average	4.81	4.74	4.71	4.64	4.44	4.10	3.16
Spread	1.00	1.01	1.01	1.17	1.31	1.46	1.79

The table above covers the first half of 2023/24.

Investment performance year to date as of 30th September 2023

The Council's Annual Investment Strategy details that we will benchmark against the 7-day SONIA (Sterling Overnight Index Average) Compound Rate. As per the table above, the average 7-day rate at the 30th September 2023 was 4.71%. Our calculated average interest rate received in the year to-date was 4.87%.

The Council's budgeted investment return for 2023/24 is £511,340 and income received for the year to date (to the 30th September 2023) is already £784,865, significantly above budget. While, clearly the Finance Team continue to look for opportunities to increase investment returns, within the criteria detailed in the Annual Investment Strategy, the majority of this increase is the result of national circumstances, as interest rates continue to rise, as opposed to actions made by the Team.

Fund investments

Investments	Amount	Interest Rate
MMF Aberdeen	£5,000,000	5.291
MMF Blackrock	£3,400,000	5.226
MMF Goldman Sachs	£5,000,000	5.217
MMF Insight	£3,000,000	5.249
Standard Chartered	£6,000,000	5.890
Lloyds Bank	£5,000,000	5.780
Santander	£5,000,000	4.750
SMBC	£5,000,000	5.220
NatWest (RFB)	£1,198,745	0.010
Total	£38,598,745	

Approved limits

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the period ended 30th September 2023.

TITLE: FINANCE REPORT

Committee: Finance & Assets Committee

Date: 23 November 2023

Author: Director, Finance

Report No: Y100

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1.0 ISSUE

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

2.0 RECOMMENDATION(S)

2.1 Members are requested to note:

- this Committee has a projected yearend underspend of £910,000 when compared to its approved revenue budget of £5,967,312.
- that overall the Council has a projected yearend underspend of £ 757,000 when compared to its approved revenue budget of £16,856,960.
- that the overall position for the Council on Capital is a projected outturn of £5,910,615, which is an underspend of £1,890,172 when compared to the revised budget.

3.0 BUDGET MONITORING

3.1 Under Financial Regulations, each policy committee is required to consider projections of financial performance against both its revenue and capital budget on a quarterly basis, with this Committee further considering the overall Council position.

3.2 This is the second report for the 2023/24 financial year and details actual expenditure incurred and income received as at 30th September 2023 and projections as to the yearend position at this time.

Revenue

3.3 Appendix 1 details the overall revenue position for both this Committee and the Council overall. In appendix 1 the budgets under the stewardship of this Committee are shown in detail, with then the position for the Operational Services Committee and the funding lines shown in summary.

3.4 The detailed revenue position for the Operational Services Committee is shown in appendix 2. There are six forecast yearend variations being reported at this

time, with the net position being that the Committee is forecast to come in £407,000 overspent at yearend when compared to its net budget. The main factor leading to this is a £400,000 overspend on Planning where income levels are falling behind the level anticipated when the budget was built. Further detail is included in the Budget Monitoring Report presented to Operational Services Committee on the 13th November 2023.

3.5 With regard to the Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of September 2023, where no variance is forecast for yearend, are detailed below:

Service	Variance £	Explanation
Asset Management	(25,666)	This additional income relates to an easement granted for a property in Soham.
Corporate Management	(323,972)	Accruals remain unpaid in relation to external audit costs for 2021/22 and 2022/23
Cost of other Elections	(37,515)	Rollover of income from external elections in previous years, will be refunded or put in reserve during 2023/24.
Council Tax Collection costs	(£16,113)	County Council contribution to Cambridgeshire Fraud Hub, this will be paid across to ARP shortly.
Housing Strategic	155,360	Funding from the Cambridgeshire and Peterborough Combined Authority for Market Town projects has been claimed, but not yet received.
Land Charges Admin	(39,175)	Grant income from Government received in 2022/23 has been rolled forward to be matched against expenditure to be incurred in 2023/24.
Local Plans	(88,508)	Income from DLUHC in relation to Neighbourhood Plans was rolled forward and will be spent in 2023/24.
Parks & Gardens	£30,295	Expenditure will be funded from Section 106 grant at the end of the year.
Registration of Electors	(29,872)	Rollover of grant income from 2022/23 will be used to fund work in the current year.
Sport & Recreation	(45,653)	Roll forward of external grant income received in 2022/23.

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

Service	Variance £	Explanation
Economic Development	(50,000)	Occupancy rates at the e-Space Centres in the first two quarters of the year were in advance of the level projected in the budget.
General Gang	(22,000)	This results from a staff vacancy in first half of the year.
Housing Benefits	(30,000)	Because of timing issues, the 2023/24 budget for housing benefits reflects 2022/23 expenditure. 2023/24 spend information has now been calculated and the updated figures used to determine the forecast yearend position.
Housing Strategic	(90,000)	This reflects staff savings in the first six months of the year
Interest & Financial Transactions	(700,000)	With the interest rates continuing to rise, the Council is benefiting from improved returns on its treasury deposits leading to higher interest receipts than budgeted.
Legal	(£25,000)	Vacancies in the legal team have contributed to a salary saving in the this first half of the year. The role will be advertised again shortly.
Member & Committee Support	(35,000)	This reflects vacancies within the department during the first half of the year.
Office Accommodation	(35,000)	Transitional Business Rate relief has been received for the Grange resulting in this underspend.
Parking of Vehicles	£20,000	Car parking income collected is slowly getting back towards pre-covid levels but is still lower than had been forecast for the year to date.
Reprographics	(£8,000)	Income has increased over the first six months of the year.
Additional Staff Costs	£65,000	This reflects the additional cost which would result from the pay offer that has currently been offered by the National

		Employers, but not accepted by the unions. The figure is the difference between the 4% budgeted and the offer of £1,925 per FTE. Until an offer is accepted, this figure is subject to change. Once agreed and the uplift paid to staff, this cost will appear on individual service lines.
Internal Drainage Board	(£104,000)	Additional Government support grant provided in 2023/24.
Business Rates	(£150,000)	We have two new solar farms in the district. The District Council retains 100% of Business Rates on Renewable Energy facilities resulting in this income being in advance of budget.

Capital

- 3.7 The Council's revised capital budget stands at £7,800,787; including £1,237,281 of slippage brought forward from 2022/23 and a reduction of £5,793 on Disability Facilities grant spend, where the capital element of the grant received from the County Council is lower than predicted in the budget.
- 3.8 The outturn position is forecast to be £5,910,615, an underspend of £1,890,172. The current underspends relate to projects under Operational Services Committee and are in relation to:
- The purchase of Waste vehicles where the price agreed for the ten refuse collection vehicles is lower than that originally expected. See report to Operational Services Committee on the 27th March 2023. While this underspend is reported at this point, there remains the potential that some of it may be utilised following a review of small fleet requirements within ECSS.
 - The contingency budget set up for the purchase of new Waste bins, will not now be spent in 2023/24.

4.0 ARGUMENTS/CONCLUSION(S)

- 4.1 The projected net revenue expenditure for the Council is forecast to be a £757,000 underspend compared to the Council's approved budget. This will be moved to the Surplus Savings Reserve at yearend.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 5.1 There is a revenue underspend compared to this Council's approved budget, therefore all things being equal, this will be transferred to the Surplus Savings Reserve at year-end.

5.2 Equality Impact Assessment (EIA) is not required.

5.3 Carbon Impact Assessment (CIA) is not required.

6.0 APPENDICES

Appendix 1 – Summary Budget Monitoring Report – 30th September 2023

Appendix 2 – Operational Services Budget Monitoring Report – 30th September 2023

Appendix 3 – Capital Budget Monitoring Report – 30th ~September 2023

Appendix 4 – Reserve Balances – 30th September 2023

Background Documents:

Council Budget approved by Full Council on the 21st February 2023

FINANCE & ASSETS COMMITTEE BUDGET MONITORING REPORT - 30th September 2023

Revenue	Total Budget 2023-24	Profiled Budget to 30 September 2023	Actual to 30 September 2023	Variance	Forecast Outturn	Variance between Total Budget & Projected Outturn	Variance between Total Budget & Projected Outturn June 2023
	£	£	£	£	£	£	£
Asset Management	150,433	--	(25,666)	(25,666)	150,433		
Award Ditches	9,833	4,917	5,770	853	9,833		
Civic Relations	23,692	11,853	8,525	(3,328)	23,692		
Closed Churchyards	32,391	16,196	17,452	1,256	32,391		
Community Safety	--	--	--	--	--		
Community Transport	15,000	--	--	--	15,000		
Corporate Management	383,053	184,833	(139,139)	(323,972)	383,053		
Cost of Other Elections	--	--	(37,515)	(37,515)	--		
Council Tax Accounting	538,783	276,254	260,141	(16,113)	538,783		
Crematorium		--	--	--	--		
Data Management	110,822	55,415	54,365	(1,050)	110,822		
Depot Services	(71,008)	(35,504)	(35,504)	--	(71,008)		
Economic Development	107,877	58,892	(10,332)	(69,224)	57,877	(50,000)	(15,000)
Financial Services	295,597	134,716	126,063	(8,653)	295,597		
General Gang	99,271	50,238	21,490	(28,748)	77,271	(22,000)	(15,000)
Health & Safety (Work)	26,696	--	47	47	26,696		
Housing Benefits	410,147	171,216	171,809	593	380,147	(30,000)	(85,000)
Housing Strategic	192,954	164,960	320,320	155,360	102,954	(90,000)	(40,000)
Human Resources	242,675	163,808	128,520	(35,288)	242,675		
Interest & Financial Transactions	(660,452)	(257,663)	(692,307)	(434,644)	(1,360,452)	(700,000)	(160,000)
Internal Audit	80,038	40,019	36,939	(3,080)	80,038		
Land Charges Admin	(52,356)	(24,928)	(64,103)	(39,175)	(52,356)		
Legal	165,269	82,634	57,242	(25,392)	140,269	(25,000)	
Local Elections	22,500	86,059	99,445	13,386	22,500		
Local Plans	145,111	47,556	(40,952)	(88,508)	145,111		
Management Team	771,860	382,461	388,567	6,106	771,860		
Member & Committee Support	629,577	315,352	264,512	(50,840)	594,577	(35,000)	(10,000)
Miscellaneous Properties	(46,649)	(23,325)	(5,138)	18,187	(46,649)		
Miscellaneous Finance	722,713	439,103	433,703	(5,400)	722,713		
Museums - Old Gaol House	--	--	(1,419)	(1,419)	--		
NNDR Collection Costs	47,266	75,844	69,552	(6,292)	47,266		
Office Accommodation	566,749	404,748	406,493	1,745	531,749	(35,000)	(35,000)
Oliver Cromwell House	--	--	--	--	--		
Out Of Hours call out Service	14,000	7,000	2,662	(4,338)	14,000		
Parking Of Vehicles	76,766	98,694	141,601	42,907	96,766	20,000	30,000
Parks And Gardens Team	357,589	372,547	402,842	30,295	357,589		
Payroll	92,770	40,970	59,694	18,724	92,770		
Public Conveniences	185,776	91,241	98,338	7,097	185,776		
Refuse Collection	--	--	--	--	--		
Registration of Electors	45,091	24,357	(5,515)	(29,872)	45,091		
Reprographics	156,130	83,585	65,721	(17,864)	148,130	(8,000)	
Sport & Recreation	79,348	35,630	(10,023)	(45,653)	79,348		
Additional Staff Costs			--	--	65,000	65,000	65,000
Finance & Assets Committee Total	5,967,312	3,579,678	2,574,200	(1,005,478)	5,057,312	(910,000)	(265,000)
Operational Services Committee	6,968,362	3,514,702	(636,193)	(4,150,895)	7,375,362	407,000	195,000
Other Spend							
Parish Precepts	3,000,653	3,000,653	3,000,653	--	3,000,653	--	--
Internal Drainage Boards	632,991	316,496	233,698	(82,798)	528,991	(104,000)	(104,000)
Movement in Corporate Reserves	287,642	--	--	--	287,642		
Revenue Budget Total	16,856,960	10,411,529	5,172,358	(5,239,171)	16,249,960	(607,000)	(174,000)
Funding							
Council Tax	(7,580,954)	--	--	--	(7,580,954)	--	--
Revenue Support Grant	(102,089)	(51,044)	(53,086)	(2,042)	(102,089)	--	--
Business Rates	(5,717,544)	--	(164,615)	(164,615)	(5,867,544)	(150,000)	(150,000)
Other Government Grants (NHB / RSG etc.)	(1,480,794)	(740,397)	(835,450)	(95,053)	(1,480,794)	--	--
Budgeted draw from Surplus Savings Reserve	(1,975,579)	--	--	--	(1,975,579)	--	--
	(16,856,960)	(791,441)	(1,053,151)	(261,710)	(17,006,960)	(150,000)	(150,000)
Revenue Total	--	9,620,088	4,119,207	(5,500,881)	(757,000)	(757,000)	(324,000)

OPERATIONAL SERVICES COMMITTEE BUDGET MONITORING REPORT - SEPTEMBER 2023

Revenue	Total Budget 2023-24	Profiled Budget to 30 September 2023	Actual to 30 September 2023	Variance	Forecast Outturn	Variance between Total Budget & Projected Outturn Sept 2023	Variance between Total Budget & Projected Outturn June 2023
	£	£	£	£	£	£	
Building Regulations	36,736	(28,309)	653	28,962	51,736	15,000	
CIL	--	9,500	(2,802,313)	(2,811,813)	--		
Civic Amenities Act	--	--	--	--	--		
Climate Change	100,000	50,000	45,133	(4,867)	100,000		
Community Projects & Grants	193,482	75,147	87,859	12,712	193,482		
Community Safety	62,133	55,151	55,531	380	62,133		
Cons.Area & Listed Buildings	69,861	34,931	34,009	(922)	69,861		
Customer Services	543,885	282,816	262,382	(20,434)	538,885	(5,000)	(5,000)
Dog Warden Scheme	43,226	21,745	21,798	53	43,226		
Ely Markets	--	--	--	--	--		
Emergency Planning	30,024	829	8,679	7,850	30,024		
Environmental Issues	147,961	81,601	104,641	23,040	179,961	32,000	
Health - Admin. & Misc.	529,805	251,492	64,535	(186,957)	529,805		
Homelessness	247,158	(77,080)	(1,624,782)	(1,547,702)	197,158	(50,000)	
IT	1,011,782	684,495	772,353	87,858	1,011,782		
Leisure Centre	(301,550)	6,890	7,913	1,023	(301,550)		
Licencing	19,067	9,184	(89,288)	(98,472)	19,067		
Marketing & Grants	42,192	16,096	(6,548)	(22,644)	42,192		
Neighbourhood Panels	1,500	750	--	(750)	1,500		
Nuisance Investigation	103,673	51,837	50,198	(1,639)	103,673		
Pest Control	11,033	5,516	4,658	(858)	11,033		
Planning	253,594	94,721	423,342	328,621	653,594	400,000	200,000
Public Relations	109,883	54,941	54,801	(140)	109,883		
Refuse Recycling	1,276,987	638,494	638,494	--	1,276,987		
Refuse Collection	1,497,443	748,722	748,722	--	1,497,443		
Street Cleansing	876,471	438,236	438,236	--	876,471		
Street Naming & Numbering	16,704	8,352	396	(7,956)	16,704		
Travellers Sites	(18,159)	(33,090)	12,628	45,718	(3,159)	15,000	
Tree Preservation	63,471	31,735	49,777	18,042	63,471		
Revenue Total	6,968,362	3,514,702	(636,193)	(4,150,895)	7,375,362	407,000	195,000

CAPITAL BUDGET MONITORING 2023/24

Capital	Published Budget 2023-24 £	Slippage from 2022-23 £	Approved Additions £	Revised Budget 2023-24 £	Actual at 30th September 2023 £	Forecast Outturn £	Variance between Revised Budget & Forecast £
OPERATIONAL SERVICES							
Conservation Area Schemes - 2nd round		27,506		27,506		0	(27,506)
Refuse & Cleansing Vehicles	2,775,000			2,775,000	4,194	1,912,334	(862,666)
Waste - Wheeled Bins	1,040,000			1,040,000	17,202	40,000	(1,000,000)
Mandatory Disabled Facilities Grants	697,299	928,801	(5,793)	1,620,307	325,158	1,620,307	0
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	75,000			75,000	37,380	75,000	0
Vehicle Etc. Replacements	100,000			100,000	70,006	100,000	0
Leisure Centre				0	(18,038)	0	0
Operational Services Total	4,687,299	956,307	(5,793)	5,637,813	435,902	3,747,641	(1,890,172)
FINANCE & ASSETS							
Solar Panels on Council Buildings	100,000	50,000		150,000	49,900	150,000	0
Depot		636,624		636,624	137,580	636,624	0
A14 Contribution	82,000	(82,000)		0		0	0
Loan to EC CLT		76,350		76,350		76,350	0
New Loan Agreement with ECTC	1,700,000	(400,000)		1,300,000		1,300,000	0
Finance & Assets Total	1,882,000	280,974	0	2,162,974	187,480	2,162,974	0
Total	6,569,299	1,237,281	(5,793)	7,800,787	623,382	5,910,615	(1,890,172)

SOURCES OF FINANCING	Published Budget 2023-24 £	Slippage from 2022-23 £	Approved Additions £	Revised Budget 2023-24 £	Variations £	Forecast Outturn £
Operational Services						
Grants / Contributions (DFG)	608,471	404,111	(5,793)	1,006,789		1,006,789
Capital Receipts	203,828	552,196		756,024	(27,506)	728,518
Borrowing	3,775,000	0		3,775,000	(2,662,666)	1,112,334
Section 106 / CIL	100,000	0		100,000	800,000	900,000
Operational Services Total	4,687,299	956,307	(5,793)	5,637,813	(1,890,172)	3,747,641
Finance & Assets						
Revenue Contributions	42,000	(42,000)		0		0
Capital Receipts	100,000	50,000		150,000		150,000
Section 106 / CIL	40,000	(40,000)		0		0
Borrowing	1,700,000	312,974	0	2,012,974	0	2,012,974
Finance & Assets Total	1,882,000	280,974	0	2,162,974	0	2,162,974
Capital Funding Total	6,569,299	1,237,281	(5,793)	7,800,787	(1,890,172)	5,910,615

Capital Resources Forecast	Published Budget 2023-24 £	Slippage from 2022-23 £	Approved Additions £	Revised Budget 2023-24 £	Variations £	Outturn £
Balance Brought Forward	1,396,717	84,085		1,480,802		1,480,802
Add receipts from Sales of Assets	50,000			50,000	362,894	412,894
Less Capital Receipts Applied	(303,828)	(602,196)		(906,024)	27,506	(878,518)
Capital Reserves Carried Forward	1,142,889	(518,111)	0	624,778	390,400	1,015,178

Borrowing	Published Budget 2023-24 £	Slippage from 2022-23 £	Approved Additions £	Revised Budget 2023-24 £	Variations £	Outturn £
Balance Brought Forward	10,012,611	114,065		10,126,676		10,126,676
Less MRP Applied	(327,765)			(327,765)	8,384	(319,381)
Repayment from ECTC				0		0
Add additional Borrowing Applied	5,475,000	312,974	0	5,787,974	(2,662,666)	3,125,308
Borrowing Carried Forward	15,159,846	427,039	0	15,586,885	(2,654,282)	12,932,603

Reserve Accounts

Agenda Item 11 Appendix 4

Description	2023/24			
	Opening Balance 1 April £	Transfers to Reserve £	Contributions from Reserve £	Forecast Balance 31 March £
District Elections	161,932		(85,117)	76,815
Historic Buildings Grants	6,190			6,190
Housing Conditions Survey	25,000	5,000		30,000
Change Management	231,558		(174,257)	57,301
Major Project Development	100,000		(30,000)	70,000
Surplus Savings Reserve	8,554,452	757,000	(1,975,579)	7,335,873
Vehicle Replacements	74,240			74,240
Sports Facilities Funding Reserve	288,000		(218,600)	69,400
IT	160,000	40,000	(100,000)	100,000
CIL Admin	217,069	70,000	(100,000)	187,069
Asset Management	12,679			12,679
Care and Repair	45,000			45,000
Community Fund Reserves	30,884			30,884
Housing	79,547			79,547
Affordable Housing	221,800		(7,545)	214,255
General Fund Balance	1,063,294	174,257		1,237,551
Commercial Invest to Save	20,000			20,000
CLT Grant Applications	20,000			20,000
Travellers' Sites	0	56,959		56,959
Enterprise Zone NNDR	738,418	287,642	(22,341)	1,003,719
Cambridgeshire Horizons - General	431,119			431,119
Growth and Infrastructure Fund	2,307,216		(1,100,000)	1,207,216
Exceptional Hardship Fund	2,637			2,637
Climate Change	70,999			70,999
Other				
CIL	10,435,509	1,400,000	(1,000,000)	10,835,509
Section 106 Agreements	3,467,395		(500,000)	2,967,395
Internal Borrowing	(10,126,676)	(3,125,308)	319,381	(12,932,603)
Total Reserves	18,638,263	(334,450)	(4,994,058)	13,309,755

TITLE: ASSETS UPDATE
Committee: Finance & Assets Committee
Date: 23 November 2023
Author: Open Spaces & Facilities Manager
Report No: Y101

Contact Officer:
Spencer Clark, Open Spaces & Facilities Manager
Spencer.clark@eastcambs.gov.uk, 01354 665555

1.0 ISSUE

1.1. To receive an update on Council owned assets.

2.0 RECOMMENDATION(S)

- 2.1. Members are requested to:
- i) Note the update on Council owned assets, and
 - ii) Note the expenditure tracking sheet at Appendix 1.

3.0 BACKGROUND

- 3.1. On 30 March 2023 Finance & Assets Committee received a report detailing Council owned assets which provided a summary of each asset. This report provides an update to assets contained within that report.
- 3.2. The Asset Management budget expenditure tracking sheet at Appendix 1 identifies areas of planned spend and provides an update on actual spend to date. Members will continue to receive the expenditure tracking sheet as part of the Asset Update.

4.0 COUNCIL ASSETS UPDATE

- 4.1. Depot Improvement Project- The existing office area works are nearing completion. The male and female changing rooms are now under construction.
- 4.2. The CCTV upgrade works in the Council owned car parks at Angel Drove, The Dock and The Hive are now complete.
- 4.3. St Marys Car Park- Works are due to commence to repair the gullies in the car park. On further investigation of the works that need to be done, it has been identified that more works are required and this relates to the drains. The work will be carried out at the same time as the repair to the gullies. During the period of works efforts will be made to ensure that disruption to the operation of the car park is reduced.
- 4.4. The Barn, Littleport- Brick work repair to the gable end is now complete.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 5.1. Financial information is provided in Appendix 1.
- 5.2. Equality Impact Assessment (EIA) not required.
- 5.3. Carbon Impact Assessment (CIA) not required.

6.0 APPENDICES

Appendix 1- Asset Spend Tracker.

Background Documents:

Finance & Assets Committee- 30 March 2023- Assets Update and Assets Management Plan

Asset	Budgeted Expenditure	Nature of Work	Actual Expenditure	Notes
Public Car Parks				
	4,000.00	White Lining after resurfacing	54,750.00	Works completed
	42,500.00	Forehill Car Park surface repairs		
	1,500.00	St Marys wall repair	8,540.00	Completed
	7,500.00	St Marys renewal / repair of aco drains		Enquiry made
	15,000.00	Replacement Drainage Gullies Newnham Street		Not commenced
Total Public Car Parks	70,500.00		63,290.00	
Closed Churchyards				
	£4,000.00	Burwell Church Lower section Limewash		Not commenced
	500.00	Burwell Wall repair - missing clunch	135.00	Completed
	42,000.00	Cheveley Closed Churchyard wall repairs b/fwd		Commencing Oct/Nov 23
		Littleport Church - repair damaged wall	780.00	Completd
		Swaffham Prior replacement post and rail fencing	3,867.60	Completed
Total Closed Churchyards	46,000.00		915.00	
Littleport Depot				
	295,500.00	Depot Improvement Plan		Ongoing
Total Littleport Depot	295,500.00		0.00	
Play Areas				
			1,840.00	Replacement flag pole Country Park
Total Play Areas	0.00		1,840.00	
Public Conveniences				
	6,000.00	Annual Deep Cleaning of all Public Toilets	5,721.60	Completed
	5,000.00	Refurbishment as identified		Not commenced
Total Public Conveniences	11,000.00		5,721.60	
Public Footpaths/Open Spaces				
	10,000.00	Streetlight stability testing		Not commenced
Total Public Footpaths/Open Space	10,000.00		0.00	
The Grange				
	1,500.00	Gutter clearing		commenced
		Exit Barrier works - replacement motor	3,068.78	Completed
		Leaking roof repairs	7,693.61	Completed
Total The Grange	1,500.00		10,762.39	
Travellers Sites				
Total Travellers Site	0.00			

Unit 6 St Thomas Place				
Total Unit 6 St Thomas Place	0.00		0.00	
Unit 8 St Thomas Place				
Total Unit 8 St Thomas Place	0.00		0.00	
70 Market Street, Ely				
	7,000.00	Installtion of secondary double glazing		Quotations being sought
Total 70 Market Street, Ely	7,000.00		0.00	
72 Market Street, Ely				
	9,000.00	Installation of secondary double glazing		Quotations being sought
	5,000.00	Decoration and minor alterations if required for new tenant		
Total 72 Market Street, Ely	14,000.00		0.00	
74 Market Street, Ely				
	8,500.00	Installation of secondary double glazing		Quotations being sought
	10,000.00	Decoration and repairs to external windows	5,285.49	Completed
			2,389.70	Electrical works & Gas boiler service
Total 74 Market Street, Ely (Registry Office)	18,500.00		7,675.19	

Cemetery Lodge				
	12,505.00	External decoration (+Scaffold Hire)	14,290.00	Completed
	5,000.00	Minor roof repairs	8,326.37	Completed
Total Cemetery Lodge	17,505.00		22,616.37	
Ely Museum				
	1,000	Annual Gutter Cleaning	733.75	Completed
	200.00	EPC		
Total Ely Museum	1,200.00		733.75	
St Johns Road Garages				
	10,000.00	Replacement garage door programme ongoing		Not commenced
		Site visit and report on potential subsidence	1,853.40	Completed
Total St Johns Road Garages	10,000.00		1,853.40	
The Old Barn, Littleport				
			7,450.00	Gable end reapiers
	200.00	EPC		
Total The Old Barn, Littleport	200.00		7,450.00	
Mepal Outdoor Centre				
	11,471.40	Site security cameras		Paid Monthly installment
Total Mepal Outdoor Centre	11,471.40		0.00	
Other				
	11,000.00	The Sluice refurbishment, update all electronics & video content	13,568.05	Completed
		Instalaltion of two sets of safety ladders & top rails	2,900.00	Completed
		White lining of Riverside edge	600.00	Completed
Total Other	11,000.00		600.00	
Periodic Inspections, Surveys, Valuations & Misc. Projects				
Total Misc. Projects	0.00		0.00	
Valuation of Assets (end of year financial accounts)				
Total Valuation of Assets	0.00		0.00	

Total Budgeted Expenditure	525,376.40	Spend to Date	123,457.70
Asset Management Budget	170,194.00		
Depot Reserve	295,000.00		
Asset Budget Remaining	60,182.40		

TITLE: WITCHFORD PARISH COUNCIL – VICTORIA GREEN PLAY AREA

Committee: Finance & Assets Committee

Date: 23 November 2023

Author: Director Legal & Monitoring Officer

Report No: Y102

Contact Officer: Maggie Camp, Director Legal & Monitoring Officer
maggie.camp@eastcambs.gov.uk
01353 665555, Room No 112, The Grange, Ely

1.0 ISSUE

1.1. Members are requested to consider and approve the transfer of the play area and adjacent surfaced ball games area at Victoria Green, Witchford to Witchford Parish Council.

2.0 RECOMMENDATION(S)

2.1. Members are requested to:

- (i) Agree the transfer of the play area and adjacent surfaced ball games area to Witchford Parish Council on the terms set out in paragraph 4.1 of this report; and
- (ii) Authorise the Director Legal & Monitoring Officer to proceed accordingly.

3.0 BACKGROUND/OPTIONS

3.1. The District Council acquired the public open space at Victoria Green, Witchford from the developers in 2007 and the Council have maintained it as public open space and play area. The District Council has been responsible for maintenance, insurance, repairs and regular inspections of the play area by RoSPA (Royal Society for the Prevention of Accidents).

3.2. Witchford Parish Council initially contacted the Council in March 2023 and correspondence has ensued to clarify the areas the Parish Council wish to acquire and the terms on which the District Council would consider such a transfer. The Parish Council have confirmed that they would wish to acquire both the play area and adjacent surfaced ball games.

4.0 ARGUMENTS/CONCLUSION(S)

4.1. The Council has received previous requests for the transfer of play areas in Little Thetford and Stretham to their Parish Councils which have been granted. If Members agree the transfer of the play area and ball games area to the Parish Council, it is recommended that the transfer would be on the same terms as transfers to Stretham and Little Thetford Parish Council and would therefore include the following terms:

- a) For the consideration of £5 (Five Pounds);

- b) That the Parish Council will, at its own expense, maintain the land as a children's play area and surfaced ball game area;
 - c) A restrictive covenant is placed on the Transfer that the land can only be used for the purposes of a children's public play area and surfaced ball game area;
 - d) The Parish Council will, at its own expense, keep the land in a clean and tidy condition and will maintain any play equipment/recreative structures in a good and safe condition;
 - e) The Parish Council will, at its own expense, erect (if necessary) and maintain child proof fencing along all boundaries of the land;
 - f) The Parish Council will not construct or erect or allow to be constructed or erected any building or other structure on the land apart from any play equipment/recreative structures; and
 - g) Each party will be liable for their own legal costs.
- 4.2. If the play area and adjacent ball games area were transferred to the Parish Council, the District Council would be free of any further obligation in relation to both areas and would not be responsible for maintenance, insurance, repairs and inspections by RoSPA.
- 4.3. If the areas are retained, the District Council would continue to be responsible for maintenance, insurance, repairs and regular inspections of the play area by RoSPA.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 5.1. There are no additional financial implications arising from this report. The District Council currently owns and maintains this area and if Members agree the transfer the land as requested, the Parish Council will be liable for future upkeep and maintenance.
- 5.2. Equality Impact Assessment (EIA) not required.
- 5.3. Carbon Impact Assessment (CIA) not required.

6.0 APPENDICES

Letter from Witchford Parish Council and attachments dated 23rd May 2023 with plan and example draft Transfer document.

Background Documents:

Email correspondence - Director Legal and Witchford Parish Council and letter dated 23rd May 2023 from Witchford Parish Council, with attachments.



23rd May 2023

Ms Maggie Camp
Head of Legal Services
East Cambridgeshire District Council

Dear Ms Camp,

Transfer of land – Victoria Green Play Area Witchford

On behalf of Witchford Parish Council, I am writing to request the transfer of land at Victoria Green Play Area Witchford, as shown on the attached image, from East Cambridgeshire District Council to Witchford Parish Council. This is to include both the fenced-off children's play area and the adjacent surfaced ball-games area.

This has been raised with you by the Parish Council in an exchange of emails with the Parish Clerk between 2nd March – 17th April 2023. The relevant Parish Council resolution is at Minute 22/304 dated 1st March 2023.

The Parish Council accepts the terms of the draft transfer agreement TR1 which you provided as an example by email on 6th March 2023 (copy attached), and wishes to proceed on that basis.

I would be grateful if you could take this forward with the District Council as soon as possible and keep the Parish Council informed of progress via the Clerk.

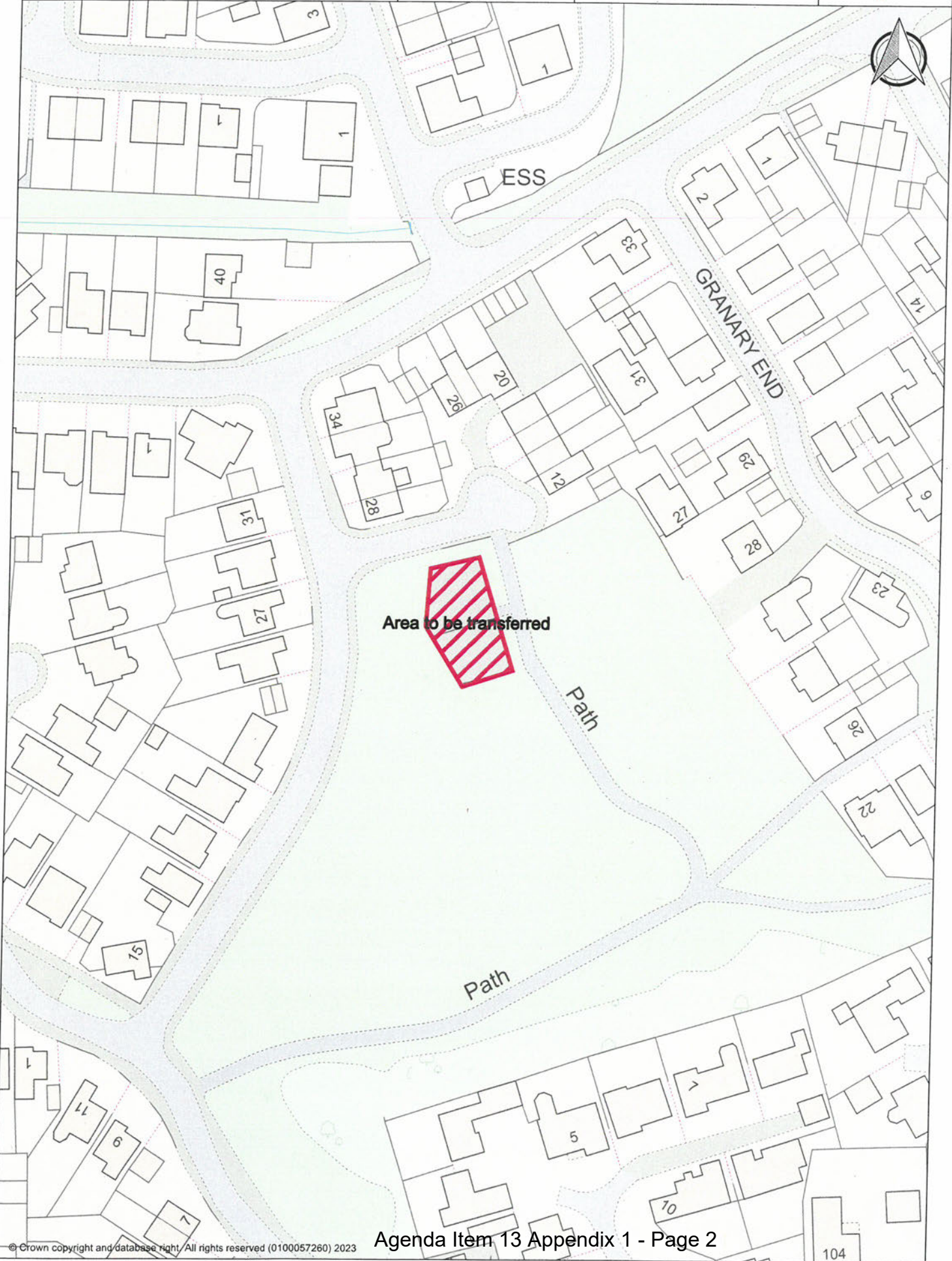
Yours sincerely,

Mrs R Lacey
Chairman of Witchford Parish Council



Parish Clerk: Mrs A Hodges
88 West Fen Road Ely Cambs CB6 3AA
01353 664427
witchfordparishcouncil@eastcambs.gov.uk
witchfordpc.org

Transfer of Victoria Green play area Witchford		Witchford
Play area to be transferred from East Cambs District Council to Witchford Parish Council	Author:	ParishOnline
Scale: 1:1000	Date:	25/05/2023



HM Land Registry

Transfer of whole of registered title(s)

TR1

Any parts of the form that are not typed should be completed in black ink and in block capitals.

If you need more room than is provided for in a panel, and your software allows, you can expand any panel in the form. Alternatively use continuation sheet CS and attach it to this form.

For information on how HM Land Registry processes your personal information, see our [Personal Information Charter](#).

Leave blank if not yet registered.

Insert address including postcode (if any) or other description of the property, for example 'land adjoining 2 Acacia Avenue'.

Remember to date this deed with the day of completion, but not before it has been signed and witnessed.

Give full name(s) of all the persons transferring the property.

Complete as appropriate where the transferor is a company.

Give full name(s) of all the persons to be shown as registered proprietors.

Complete as appropriate where the transferee is a company. Also, for an overseas company, unless an arrangement with HM Land Registry exists, lodge either a certificate in Form 7 in Schedule 3 to the Land Registration Rules 2003 or a certified copy of the constitution in English or Welsh, or other evidence permitted by rule 183 of the Land Registration Rules 2003.

Each transferee may give up to three addresses for service, one of which must be a postal address whether or not in the UK (including the postcode, if any). The others can be any combination of a postal address, a UK DX box number or an electronic address.

1	Title number(s) of the property:
2	Property:
3	Date:
4	<p>Transferor: EAST CAMBRIDGESHIRE DISTRICT COUNCIL</p> <p><u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix:</p> <p><u>For overseas companies</u> (a) Territory of incorporation:</p> <p>(b) Registered number in the United Kingdom including any prefix:</p>
5	<p>Transferee for entry in the register:</p> <p><u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix:</p> <p><u>For overseas companies</u> (a) Territory of incorporation:</p> <p>(b) Registered number in the United Kingdom including any prefix:</p>
6	Transferee's intended address(es) for service for entry in the register:
7	The transferor transfers the property to the transferee

Place 'X' in the appropriate box. State the currency unit if other than sterling. If none of the boxes apply, insert an appropriate memorandum in panel 11.

Place 'X' in any box that applies.

Add any modifications.

Where the transferee is more than one person, place 'X' in the appropriate box.

Complete as necessary.

The registrar will enter a Form A restriction in the register *unless*:

- an 'X' is placed:
 - in the first box, or
 - in the third box and the details of the trust or of the trust instrument show that the transferees are to hold the property on trust for themselves alone as joint tenants, *or*
- it is clear from completion of a form JO lodged with this application that the transferees are to hold the property on trust for themselves alone as joint tenants.

Please refer to [Joint property ownership](#) and [practice guide 24: private trusts of land](#) for further guidance. These are both available on the GOV.UK website.

Insert here any required or permitted statement, certificate or application and any agreed covenants, declarations and so on.

8	<p>Consideration</p> <p><input checked="" type="checkbox"/> The transferor has received from the transferee for the property the following sum (in words and figures):</p> <p style="padding-left: 20px;">£5.00 (FIVE POUNDS)</p> <p><input type="checkbox"/> The transfer is not for money or anything that has a monetary value</p> <p><input type="checkbox"/> Insert other receipt as appropriate:</p>
9	<p>The transferor transfers with</p> <p><input checked="" type="checkbox"/> full title guarantee</p> <p><input type="checkbox"/> limited title guarantee</p>
10	<p>Declaration of trust. The transferee is more than one person and</p> <p><input type="checkbox"/> they are to hold the property on trust for themselves as joint tenants</p> <p><input type="checkbox"/> they are to hold the property on trust for themselves as tenants in common in equal shares</p> <p><input type="checkbox"/> they are to hold the property on trust:</p>
11	<p>Additional provisions</p> <p>11.1 This Transfer is made pursuant to s7 and s9 of the Open Spaces Act 1906, s111 of the Local Government Act 1972 and s33 of the Local Government (Miscellaneous Provisions) Act 1982 and the Transferor hereby transfers with full title guarantee to the Transferee ALL THAT land shown on the plan attached hereto and edged red at XXXXXXXXXXXXXXXX Cambridgeshire ("the Property")</p> <p>11.2 With the object of affording the Transferor a full and sufficient indemnity but not further or otherwise the Transferee hereby covenants with the Transferor that it will at all times hereinafter observe and perform such of the restrictive covenants (if any) referred to in the Charges Register of the said Title Numbers as relate to the Property hereby transferred and will keep the Transferor full indemnified in respect of any future breach thereof.</p> <p>The Transferee hereby covenants with the Transferor with</p>

- 11.3 the intention of binding the Property and each and every part of it:-
- i. At its own expense to maintain the Property as a children's public play area and not to use the Property other than for the purposes of a children's public play area (which expression shall be deemed to mean a play area for the recreation and enjoyment of the public at large);
 - ii. At its own expense to keep the Property in a clean and tidy condition and to maintain any play equipment/recreative structures placed on the Property in good and safe condition;
 - iii. At its own expense to maintain child proof fencing along all boundaries of the Property;
 - iv. Not to construct or erect or allow or suffer to be constructed or erected any building or other structure on the Property save for recreative structures; and
 - v. To indemnify and keep indemnified the Transferor against all actions proceedings costs claims and demands in respect of any future non-observance or non-performance thereof.

The transferor must execute this transfer as a deed using the space opposite. If there is more than one transferor, all must execute. Forms of execution are given in Schedule 9 to the Land Registration Rules 2003. If the transfer contains transferee's covenants or declarations or contains an application by the transferee (such as for a restriction), it must also be executed by the transferee.

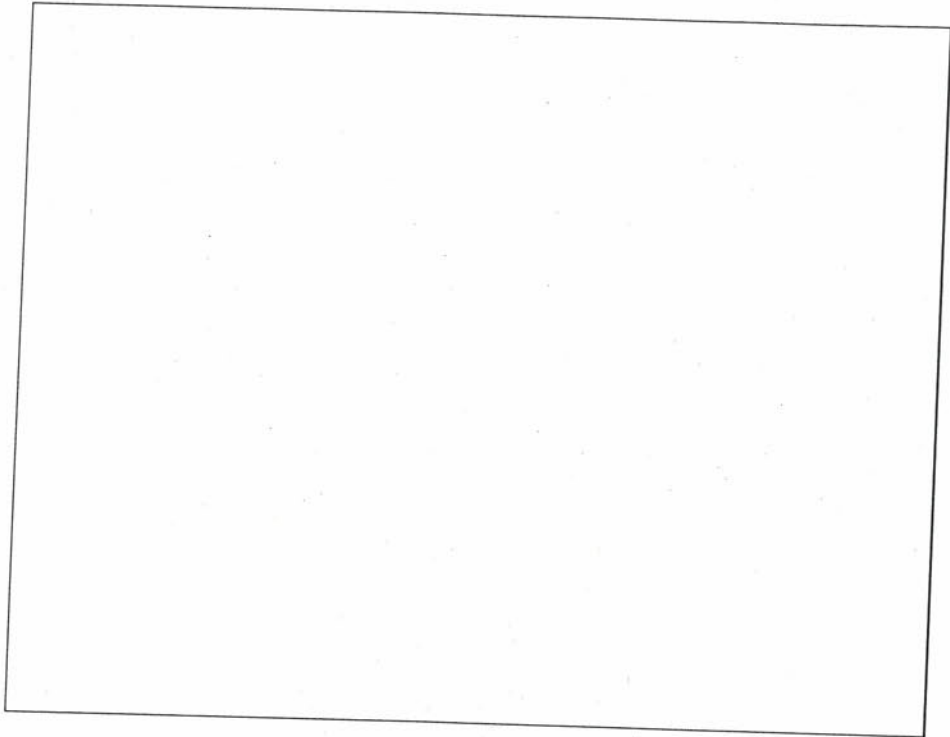
If there is more than one transferee and panel 10 has been completed, each transferee must also execute this transfer to comply with the requirements in section 53(1)(b) of the Law of Property Act 1925 relating to the declaration of a trust of land. Please refer to [Joint property ownership](#) and [practice guide 24: private trusts of land](#) for further guidance.

Remember to date this deed in panel 3.

12 Execution

The Common Seal of **EAST CAMBRIDGESHIRE DISTRICT COUNCIL** was hereunto affixed in the presence of:-

Director Legal/Chief Executive



WARNING

If you dishonestly enter information or make a statement that you know is, or might be, untrue or misleading, and intend by doing so to make a gain for yourself or another person, or to cause loss or the risk of loss to another person, you may commit the offence of fraud under section 1 of the Fraud Act 2006, the maximum penalty for which is 10 years' imprisonment or an unlimited fine, or both.

Failure to complete this form with proper care may result in a loss of protection under the Land Registration Act 2002 if, as a result, a mistake is made in the register.

Under section 66 of the Land Registration Act 2002 most documents (including this form) kept by the registrar relating to an application to the registrar or referred to in the register are open to public inspection and copying. If you believe a document contains prejudicial information, you may apply for that part of the document to be made exempt using Form EX1, under rule 136 of the Land Registration Rules 2003.

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**FINANCE & ASSETS COMMITTEE
FORWARD AGENDA PLAN**

LEAD OFFICER: Sally Bonnett, Director Community

AGENDA ITEM NO 14

DEMOCRATIC SERVICES OFFICER: Hannah Walker

Thurs 23 Nov 2023 4:30pm		Thurs 25 Jan 2024 4:30pm		Thurs 28 March 2024 4:30pm	
Report deadline	4pm Thurs 9 Nov	Report deadline	4pm Thurs 11 Jan	Report deadline	4pm Thurs 14 Mar
Agenda despatch	Mon 13 Nov 2023	Agenda despatch	Mon 15 Jan 2024	Agenda despatch	Mon 18 March 2024
Chairman's Announcements	Chairman	Chairman's Announcements	Chairman	Chairman's Announcements	Chairman
<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO	<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO	<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO
Forward Agenda Plan	DSO	Forward Agenda Plan	DSO	Forward Agenda Plan	DSO
<i>Write off of unrecoverable debt (if any)</i>	Director Finance & S151 Officer	<i>Write off of unrecoverable debt (if any)</i>	Director Finance & S151 Officer	<i>Write off of unrecoverable debt (if any)</i>	Director Finance & S151 Officer
Assets Update	Open Spaces & Facilities Mgr	Assets Update	Open Spaces & Facilities Mgr	Assets Update	Open Spaces & Facilities Mgr
Treasury Management Update	Director Finance & S151 Officer	<i>Appointments, Transfers, Resignations [EXEMPT]</i>	HR Manager	ECTC Board Meeting Minutes 8 Feb 2024 [EXEMPT]	DSO
<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO	2024/25 Annual Treasury Mgt Strategy MRP & AIS	Director Finance & S151 Officer	Asset Management Plan 2024/25	Open Spaces & Facilities Mgr
Annual Infrastructure Funding Statement	Dir. Community	Finance Report	Director Finance & S151 Officer	Service Delivery Plans 2024/25	Service Leads
Finance Report	Director Finance & S151 Officer	Revenue Budget 2024/25	Director Finance & S151 Officer	ECTC Annual Business Plan 2024/25	ECTC Finance Manager
ECTC Management Accounts (July-Sept 2023) [EXEMPT]	ECTC Finance Manager	ECTC Board Meeting Minutes 9 Nov 2023 [EXEMPT]	DSO	ECTC Management Accounts Oct-Dec 2023	ECTC Finance Manager
ECTC Board Meeting Minutes 12 Sept 2023 [EXEMPT]	DSO	<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO	<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO
ECTC Half Yearly Report	Dir. Commercial	<i>Crematorium Full Business Case (potential)</i>	<i>Dir. Operations</i>	Annual Review of RIPA policies	Director Legal
Service Delivery Plans – 6 Month Performance Monitoring	Service Leads	Growth and Infrastructure Fund Scoring Panel Recommendations	Director Community		
Environment Chapter for the new Local Plan Scoping Report	Strategic Planning Manager	Whistle Blowing Policy	Director Legal		
Witchford Parish Council Victoria Green play area	Dir Legal				

Notes:

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

**FINANCE & ASSETS COMMITTEE
FORWARD AGENDA PLAN**

LEAD OFFICER: Sally Bonnett, Director Community

AGENDA ITEM NO 14

DEMOCRATIC SERVICES OFFICER: Hannah Walker

July 2024		September 2024		November 2024	
Report deadline	4:30pm	Report deadline	tbc	Report deadline	tbc
Agenda despatch	tbc	Agenda despatch	tbc	Agenda despatch	tbc
Chairman's Announcements	Chairman	Chairman's Announcements	Chairman	Chairman's Announcements	Chairman
<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO	<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO	<i>Actions taken by the Chief Executive on the grounds of urgency (if any)</i>	DSO
Forward Agenda Plan	DSO	Forward Agenda Plan	DSO	Forward Agenda Plan	DSO
<i>Write off of unrecoverable debt (if any)</i>	Director Finance & S151 Officer	<i>Write off of unrecoverable debt (if any)</i>	Director Finance & S151 Officer	<i>Write off of unrecoverable debt (if any)</i>	Director Finance & S151 Officer
Assets Update	Open Spaces & Facilities Mgr	Assets Update	Open Spaces & Facilities Mgr	Assets Update	Open Spaces & Facilities Mgr
<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO	<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO	Treasury Management Update	Director Finance & S151 Officer
ECTC Board Meeting Minutes 7 Mar 2024 [EXEMPT]	DSO	<i>ECTC Board Meeting Minutes [EXEMPT] (if any)</i>	DSO	<i>Bus, Cycle, Walk WP notes (if any)</i>	DSO
Appointments, Transfers, Resignations [EXEMPT]	HR Manager	ECTC Annual Accounts	ECTC Finance Manager	Annual Infrastructure Funding Statement	Dir. Community
ECTC Management Accounts (Jan-March 2024) [EXEMPT]	ECTC Finance Manager	Local Council Tax Reduction Scheme Policy Review	Director Finance & S151 Officer	Finance Report	Director Finance & S151 Officer
Annual Reports of Representatives on Outside Bodies	DSO	MTFS Update	Director Finance & S151 Officer	ECTC Management Accounts (July-Sept 2024) [EXEMPT]	ECTC Finance Manager
Financial Outturn Report 2023/24	Director Finance & S151 Officer	Gender Pay Report	HR Manager	ECTC Half Yearly Report	Dir. Commercial
Treasury Operations Annual Performance Review	Director Finance & S151 Officer	ECTC Management Accounts (Apr-July 2024) [EXEMPT]	ECTC Finance Manager	Service Delivery Plans – 6 Month Performance Monitoring	Service Leads
Health and Safety Annual Report	Health & Safety Manager				

Notes:

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2. Agenda items in italics are provisional items / possible items for future meetings.