

## BUSINESS PLAN

Emma Grima Director



EAST CAMBRIDGESHIRE  
DISTRICT COUNCIL

**East Cambs  
Trading CO. Ltd**

2019/20

## **MISSION STATEMENT**

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

## **VISION**

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

## **VALUES**

### Strategic Objectives

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

### Our Services will be:

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

## 1. EXECUTIVE SUMMARY

### 1.1 Purpose

This Business Plan is designed to provide an overview and detail of the:

- Governance structure of ECTC
- Financial overview of ECTC
- Commercial Services & Property and Community Housing Divisions Business Plan for 2019/20,
- Board and management structures, and
- Risk Management Plan

East Cambs Trading Company Ltd is a private company limited by shares that is wholly owned by East Cambridgeshire District Council. ECTC operates at 'arm's length' from the Council with an independent board for operational decision making.

### 1.2 Drivers

Working with ECDC the following drivers were established:

- Balance the Budget
- Improve Services
- Build New Homes
- Maximise Devolution Opportunities
- Promote Open for Business and 'Can Do' Attitude

### 1.3 Income and Expenditure of ECTC

The table below provides a summary of turnover and cost up to 2020/21

	2018/19	2019/20	2020/21
<b>Turnover</b>			
Commercial	1,061,857	1,069,531	1,080,126
Property	6,620,483	8,649,774	40,304,832
<b>Total</b>	<b>7,682,340</b>	<b>9,719,305</b>	<b>41,384,958</b>
<b>Cost</b>			
Corporate	168,387	165,601	168,913
Commercial	889,400	992,823	1,012,680
Property	5,653,212	8,791,882	37,170,623
<b>Total</b>	<b>6,710,999</b>	<b>9,950,306</b>	<b>38,352,216</b>
<b>EBITDA</b>	<b>971,341</b>	<b>(231,001)</b>	<b>3,032,742</b>

## 2. INTRODUCTION

### 2.1 Background

ECTC was established as a 'tool' to enable ECDC to do more than it already does. Whilst ECTC is a legal entity in its own right, and should be free to operate commercially to generate the maximum returns, it is important to remember that it is a company that is wholly owned by ECDC.

As the sole shareholder ECDC has an interest to ensure, wherever practicably possible, that ECTC is profitable. Profit for ECTC will ultimately benefit the Council as sole shareholder as the only body capable of receiving a dividend. Profit will either be reinvested in ECTC to achieve greater profits or will be paid to ECDC, as a dividend, to enable it to achieve the aims of the MTFs and the Corporate Plan 2017-2019.

### 2.2 Key Business Areas

**2.2.1** ECTC has two key business areas; the first is the Commercial Services Division which currently delivers Ely Markets and Grounds Maintenance Services. The second is the Property and Community Housing Division. Both areas of the business carry out business on behalf of the Council as well as other customers.

### 2.3 Commercial Services

#### 2.3.1 Ely Markets

ECTC manages and operates Ely Markets on behalf of ECDC. This has been secured by a ten year operations and management contract.

The main objectives of the service are:

- Run a profitable Market; Thursday, Saturday, Farmers and Additional
- Provide a focal point for the community
- Increase the vibrancy of the city centre
- Promote employment
- Provide a choice for the community
- Be a stepping stone for small businesses

The following table provides a summary of the budget to 2020/21.

<b>Markets</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Salaries	122,879	126,559	129,090
Premises	30,049	44,871	45,768
Transport	2,192	2,550	2,601
Supplies & Services	23,973	21,600	22,032
Turnover	220,216	215,000	217,050
<b>EBITDA</b>	<b>41,123</b>	<b>19,420</b>	<b>17,559</b>

Please note that the Markets Service is maintaining the profitability levels that it has achieved in previous years. The service has been able to maintain previous profitability levels and make investments in improving the service, i.e. the electrical improvement works on the Market Place. The shows that the Markets service is a self-sustaining element of the business that relies on its own income to keep improving.

### 2.3.2 Grounds Maintenance

ECTC manages and operates Grounds Maintenance Services on behalf of ECDC. This has been secured by a ten year operations and management contract. In addition to the contract with the Council, ECTC delivers grounds maintenance services to a number of different clients, such as Parish Council's, Schools and private clients.

The main objectives of the service are:

- Income generation
- Maintain a quality environment, and
- Enhance the reputation of the Council

The following table provides a summary of the budget to 2020/21.

<b>Grounds Maintenance</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Salaries	498,076	583,950	595,629
Premises	89,833	55,253	56,358
Transport	59,084	86,710	88,444
Supplies & Services	63,314	71,330	72,757
Turnover	841,641	854,531	863,076
<b>EBITDA</b>	<b>131,334</b>	<b>57,288</b>	<b>49,888</b>

Please note that the salaries budget for 2019/20 and 2020/21 is not an increase in budget. The 2018/19 is the most up-to-date cost projection for the year; it is lower due to vacancies in 2018/19.

### 2.3.3 Cumulative Commercial Services Budget

The following table provides a cumulative budget to 2020/21.

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>Turnover</b>	1,061,857	1,069,531	1,080,126
<b>Cost</b>	889,400	992,823	1,012,680
<b>EBITDA</b>	<b>172,457</b>	<b>76,708</b>	<b>67,446</b>

The business plan for the Commercial Services Division is provided at Appendix 1.

## 2.4 Property and Community Housing Division

The Property and Community Housing Division of ECTC is a local developer with a difference, established by East Cambridgeshire District Council to help address the shortage of new housing across the district. We fund and deliver design-led developments and high-quality homes of all tenures, and reinvest the profits that we make back into the Council, helping to fund new infrastructure projects and support local services that benefit residents and businesses in the district.

The following table provides a summary of the budget to 2020/21.

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>Turnover</b>	6,620,483	8,649,774	40,304,832
<b>Cost</b>	5,653,212	8,791,882	37,170,623
<b>EBITDA</b>	<b>967,271</b>	<b>(142,108)</b>	<b>3,134,209</b>

The business plan for the Property and Community Housing Division is provided at Appendix 2.

## 2.5 Other opportunities

ECTC will continually look for new opportunities to enter new markets or expand in existing markets.

Where necessary individual business plans will be developed for approval by the board.

## 3. PROCESS

ECTC will continue to provide support services to ECTC through Service Level Agreements (SLA). ECTC will negotiate individual SLAs with each ECDC support service to reflect the needs of ECTC as a whole and each division of ECDC. Each SLA will include measurable performance indicators, break clauses and remedies for non-performance.

There will be an annual review process whereby SLAs are refined to more accurately reflect the support required by ECTC.

Support Services from ECDC for 2019/20 include:

- HR Support, including recruitment and training,
- Payroll
- Customer Services- Phone answering service and taking telephone payments,
- Insurance provision (building, vehicles, employers and public liability),
- Legal Support- as and when required
- IT

### 3.1 Property and Assets

The Head Office of ECTC is The Grange, Nutholt Lane, Ely, Cambridgeshire, CB7 4EE. Wherever possible, the company seeks to operate from premises within the ECDC Estate.

### **3.1.1 Commercial Services Division**

Ely Markets currently occupy The Grange, Ely and will continue to do so until such time ECDC and ECTC agree otherwise.

Grounds Maintenance occupy The Grange, Ely and The Depot at Portley Hill, Littleport and will continue to do so until such time ECDC and ECTC agree otherwise.

### **3.1.2 Property Division**

The Property Division occupy 5 Fordham House Court, Newmarket Road, Fordham, Cambridgeshire. A formal review of the office requirements of the Property Division will be carried out prior to Dec 2020.

## **3.2 Policies and Procedures**

ECTC continue to use all relevant ECDC policies and procedures.

## **3.3 Data Protection**

ECTC comply with the relevant legislation and guidance concerning Data Protection.

## **3.4 Freedom of Information**

ECTC is subject to requests for the disclosure of information under the Freedom of Information Act 2000 in its own right. As such, ECTC maintain a record management system that complies with the relevant guidance concerning the maintenance and management of records.

ECTC will liaise with ECDC as appropriate to ensure consistency in answering FOI requests and provide such information to ECDC as it may require to answer requests it has received.

## **4. GOVERNANCE AND MANAGEMENT**

This Business Plan will be delivered in full compliance with the governance arrangements set out by ECDC. ECTC will seek to maintain and enhance ECDC's reputation and brand for high standards.

ECTC continues to maintain an effective service and will deliver financial performance management reporting systems to the Board and ECDC Shareholder Committee.

The financial reporting information is currently being improved to suit the requirement of both the Board of Directors and the Shareholder Committee.

This Business Plan provides for sufficient support and leadership from Executive and Non-Executive Directors, a Managing Director and an Independent Chairman.

### **4.1 Structure**

#### **4.1.1 Board of Directors**

Overall ECTC Business Plan – page 7

The Board of Directors comprises:

- The Independent Chairman
- 2 ECDC Elected Members; the Leader of Council and the Deputy Leader of Council, and
- 2 ECDC Senior Officers; the Chief Executive and the Director, Commercial

The quorum for board meetings shall be three and one of the three must be either the Leader or Deputy Leader of the Council.

At board meeting each director shall have one vote.

Board meetings shall be held at least quarterly on such dates as they may agree (where there is failure to reach an agreement a decision will be made by the Chairman).

An agenda for the meeting will be prepared and distributed not less than 5 business days prior to the meeting.

Except where the information is commercially sensitive, minutes of Board meetings will be provided to the Shareholder Committee for noting.

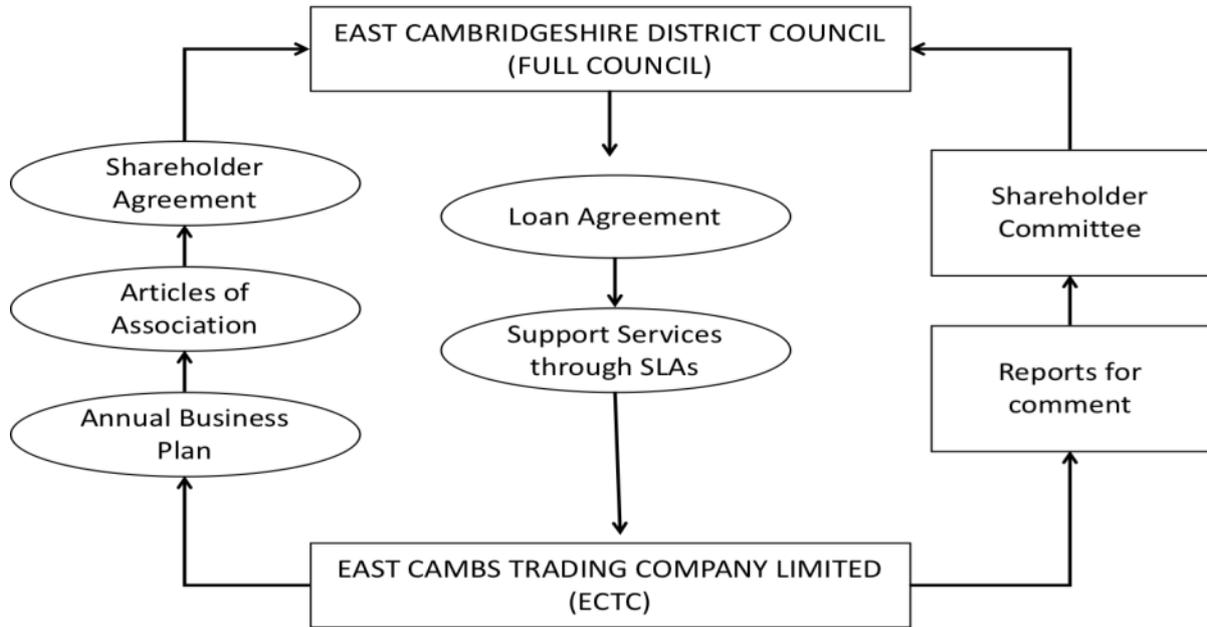
#### **4.1.2 Managing Director and Company Secretary**

The Managing Director of ECTC is the Chief Executive of ECDC. The Managing Director acts as the key conduit between ECTC and ECDC and has overall responsibility for ensuring compliance with the Shareholder Agreement.

The Company Secretary of ECTC is ECDC's Director Commercial.

#### **4.2 ECTC's relationship with ECDC**

**STRUCTURE AND CONTROL FUNCTIONS**



**ROLES AND RESPONSIBILITIES**

<b>ECTC</b>	<b>SHAREHOLDER COMMITTEE</b>	<b>FULL COUNCIL</b>
<p><b>Annual Business Plan</b></p> <ul style="list-style-type: none"> <li>• Produced for comment to Shareholder Committee</li> <li>• Consider comments from Shareholder Committee and amend if appropriate</li> <li>• Produce for approval by Full Council</li> </ul> <p><b>Quarterly Update</b></p> <p>To Shareholder Committee for information a report that provides the following:</p> <ul style="list-style-type: none"> <li>• Services provided by ECTC</li> <li>• Progress against the business plan &amp; financial projections</li> <li>• Key financial metrics</li> <li>• Review of future service development &amp; opportunities</li> <li>• Information and assessment of any additional ad hoc requests</li> </ul>	<p>The role is not operational and does not have powers to make decisions on behalf of the Council or ECTC</p> <p><b>Annual Business Plan</b></p> <p>Receive and comment on draft Annual Business Plan</p> <p><b>Quarterly Update</b></p> <p>Receive quarterly update for noting</p> <p><b>ECTC Chairman</b></p> <p>Recommend to Full Council, where relevant, the appointment of the Chairman of the Board</p> <p><b>ECTC Board</b></p> <p>Recommend to Full Council, where relevant, the constitution of the Board of Directors</p> <p><b>Shares</b></p> <p>Make recommendations to Full Council on how it should exercise the functions flowing from its ownership of shares</p>	<p>Decisions reserved for Full Council:</p> <ul style="list-style-type: none"> <li>• Matters relating to the control of shares</li> <li>• Amendments to Articles of Association</li> <li>• Matters relating to the payment of a dividend</li> <li>• Matters relating to company structure</li> <li>• Matters relating to the cessation of ECTC</li> <li>• Matters relating to the business that is not considered ancillary or incidental to the approved business</li> <li>• Appointment/removal of directors</li> <li>• Remuneration of any director</li> <li>• entering into a service contract, terms of appointment or other agreement with a director</li> <li>• Remuneration of any ECTC employee exceeding £100,000</li> <li>• Establishing or amending any profit-sharing, share option, bonus or other incentives of any nature for directors and employees</li> <li>• Making bonus payments to any director or key employee</li> <li>• borrowing any monies (other than normal trade credit)</li> <li>• Changing the name or registered office</li> <li>• Approval of the Annual Business Plan</li> </ul>

## 5. RISK MANAGEMENT PLAN

<b>Legislative/Policy</b>				
<b>Identified Risk</b>	<b>Management of Risk</b>	<b>Risk Score</b>		<b>Risk Owner</b>
<p>Changes in legislation which could place restrictions on the Council's powers to trade in a commercial manner.</p> <p>Changes in legislation could impact on ECTC's ability to borrow (or conversely ECDC's power to lend) to fund future projects</p>	<p>This is outside the control of ECTC.</p> <p>Continuous monitoring of changes to legislation and government guidance through liaison with MP's, ebuletins, consultations, LGA KnowledgeHub and other publications.</p> <p>Any significant changes in legislation which realise this risk should be addressed immediately by the Managing Director to the Board of Directors.</p> <p>An amended Business Plan or Exit Strategy will need to be approved by the Board of Directors and submitted to the Council.</p> <p>The Council's S151 Officer attends all Board Meetings and advises on all relevant financial and governance matters.</p> <hr/> <p><b>Monitoring</b></p> <p>There have been no significant changes in legislation. This risk is continually reviewed through publications and regular liaison with Grant Thornton.</p>	<p>Likelihood</p> <p>Impact</p> <p>Risk</p>	<p>1</p> <p>5</p> <p>5</p>	<p>Managing Director</p>
<p>The June 2016 Referendum result for the United Kingdom to leave the European Union could have a financial and/or operational impact on ECTC.</p> <p>The extent of the impact is unknown, this will be kept under</p>	<p>The Board of Directors shall continuously monitor the perceptions and actual impacts on market conditions and inform the Council of any changes/decisions that need to be made.</p> <p>Advice will be sought from the relevant professional body when appropriate.</p> <hr/> <p><b>Monitoring</b></p>	<p>Likelihood</p> <p>Impact</p> <p>Risk</p>	<p>3</p> <p>4</p> <p>12</p>	<p>Board of Directors</p> <p>Section 151 Officer &amp; Director Commercial (ECDC)</p>

<p>continuous review now that Article 50 has been triggered.</p>	<p>At present there are still many unknown implications that could arise from BREXIT.</p> <p>The key risks identified so far relate to inflationary pressures on construction products and material prices, potential for skills shortages within the construction industry, and constraints on market for new homes due to political and economic uncertainty</p> <p>ECTC seek to manage these risks through it's tendering process and ensures that as much flexibility as possible is retained when entering into land agreements.</p> <p>The Head of Development has addressed the key risks in the 2019/20 Business Plan.</p>			
<p>Local Government Reform</p>	<p>The Cambridgeshire and Peterborough Combined Authority Mayor has announced a review for local government reform. Details and scope of the review are not defined at present, such a review is capable of having both a positive and a negative impact on ECTC, depending on the outcomes of the review.</p> <p>It is unlikely that there will be negative impact for ECTC in 2019/20 as the review is likely to take a significant amount of time to conclude.</p> <p>The Director Commercial shall monitor the proposals as they progress.</p> <p>The Director Commercial shall inform the Board as soon as is practicably possible of any opportunities and threats that arise.</p>	<p>Likelihood Impact Risk</p>	<p>2 2 4</p>	
<p>Changes in Planning and Housing Policies could have an impact of the Property Division, for example, changes to Affordable Housing,</p>	<p>The Government has published revised National Planning Policy Framework (July 2018). The revised definition of affordable rented housing restricts delivery to registered providers. This will restrict CLTs</p>	<p>Likelihood Impact Risk</p>	<p>3 2 6</p>	<p>Director Commercial</p>

<p>Starter Homes, and Self-build could impact the profitability of a particular development.</p>	<p>ability to deliver affordable rented housing unless they become, or work with, a registered provider.</p> <hr/> <p><b>Monitoring</b></p> <p>The ECDC Director Commercial has sought consent from Council to progress to Stage 1 of the application process to become a registered provider.</p> <p>The Head of Property shall continue to monitor progress.</p>			<p>Head of Property Development</p>
<p>The Council cannot demonstrate a five year land supply.</p> <p>This has a potential to undermine the ability to deliver CLT development in East Cambridgeshire.</p>	<p><b>Monitoring</b></p> <p>The Gladmans appeal judgement has exposed the Council's lack of a five year land supply. This provides a presumption for growth irrespective of local plan boundaries and settlement status (although still subject to sustainability test).</p> <p>This situation provides landowners the potential of an additional option outside the development envelope other than CLT's or rural exception sites. This could undermine the negotiating ability of local CLT's.</p> <hr/> <p><b>Monitoring</b></p> <p>ECTC has not experienced a negative impact from the Council's lack of five year land supply. The Head of Development shall continue to monitor the situation closely in 2019/20.</p>	<p>Likelihood Impact Risk</p>	<p>2 4 8</p>	<p>Director, Commercial Services</p> <p>Head of Property Development</p>
<p><b>Governance</b></p>				
<p>Inadequate governance arrangements and lack of clarity on roles of the Council and ECTC could lead to poor decision making</p>	<p>In 2017/18, both the Shareholder Committee and ECTC Board had reservations about the operation of the Shareholder Agreement. This resulted to changes in the Shareholder Agreement.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Managing Director</p>

<p>which could undermine the operation of ECTC</p>	<p>The Council and ECTC will continue to monitor the practicalities of the Shareholder Agreement to ensure that it is fit-for-purpose. Any necessary changes will be brought to the attention of the Council.</p> <p>Any changes to the Shareholder Agreement will need to be approved by the Council. The Managing Director will provide a report to the Council detailing any proposed changes and why these changes would be necessary.</p>			
<p>As ECTC is wholly owned by ECDC, ECTC is subjected to the controls and decision making process for matters that lay outside of the Business Plan.</p> <p>The speed of the decision making process may have an impact on ECTC's ability to operate effectively.</p>	<p>The Shareholder Agreement sets out the decision making abilities of the ECTC and ECDC. The Shareholder Agreement provides for the ability of extraordinary meetings of the Shareholder Committee to be called to consider urgent business and make recommendations to Full Council.</p> <p>In accordance with the Council's Constitution a Full Council meeting can be convened to deal with any urgent business.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Managing Director</p>
<p><b>Economic</b></p>				
<p>ECDC has provided a loan to ECTC of £5,000,000, to be drawn down in accordance with the loan agreement.</p>	<p>ECTC is required to repay in full at March 2021 any loan outstanding from the £5m facility agreed by Council at the inception of the company.</p> <p>The ability of ECTC to repay any outstanding loan to ECDC is dependent on commercial activities of ECTC particularly with reference to property development.</p> <p>The repayment schedule is on track but is significantly dependent on £2m receipt from the Kennett development, most probably facilitated with the sale of the site to a special delivery vehicle wholly owned by ECTC or joint venture with third party funder. This is of course, dependent on the availability of finance.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Finance Manager</p>

<p>If the Council's MTFS is not successfully implemented this will reduce the availability of loan finance to ECTC, thus undermining the cash flow and profitability.</p>	<p><b>Monitoring</b></p> <p>The £2m assured receipt or a substantial part of this figure will be required to meet ECTC obligations to the Council.</p> <p>An award of funding from the Combined Authority should enable the transfer of the site to a special delivery vehicle and retain the development rights for ECDC and any JV partners (if applicable).</p> <p>The Section 151 Officer will ensure the Council can make the advances to ECTC in accordance with the loan agreement, in the event that advances cannot be made the Section 151 Officer shall notify the Managing Director as soon as is practicably possible.</p>			<p>S151 Officer</p>
<p>ECTC cannot increase its indebtedness without the consent of the Council; it is likely that loans will be provided by the Council (subject to Full Council approval of the Business Case for the loan).</p> <p>If the Council's MTFS is not successfully implemented this will reduce availability of loan finance to ECTC. This means ECTC would need to borrow from the 'market' and as such will undermine ECTC's profitability and cash flow as the ECTC would not be able to benefit</p>	<p>This matter concerns the future of ECTC, however, effective business planning requires continuous consideration of financing in order to realise its success.</p> <p>In considering an application for a loan from the Council ECTC shall engage with the Section 151 Officer as early as practicably possible to enable the Council time to assess its financial position and make a decision as to whether such a loan could be provided.</p> <p>The Council shall make a decision on whether to provide ECTC with a loan as early as practicably possible; if it is not possible this will enable ECTC to consider alternative options for financing.</p> <p>All parties shall have regard to the Council's decision making processes.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Section 151 Officer</p> <p>Managing Director</p> <p>Head of Property Development</p> <p>Director, Commercial (ECTC)</p>

<p>from the same terms and conditions of a loan agreement if it went to the market for such a loan.</p>	<p>ECTC shall, wherever possible, adhere to the deadline requirements of the Council's Committee and Council meetings.</p> <hr/> <p><b>Monitoring</b></p> <p>ECTC has not experienced any issues with accessing the £5,000,000 loan facility that has been agreed with the Council.</p> <p>ECTC and the Council's S151 Officer continue to keep this matter under review, firstly to ensure that the Council can continue to make this facility available and secondly to ensure ECTC continue to be in a position to make the repayments.</p> <hr/> <p>The current loan facility from ECDC is inadequate to fund all of the development activities that ECTC plans to undertake in this business plan</p> <p>The future growth of ECTC is dependent on the availability of affordable loan capital over and above that provided by the shareholder.</p> <p>Its immediate funding requirements are in relation to West End, Haddenham (circa £6.5m), Kennett (after planning circa £14m and MOD Ely (circa £25m).</p> <hr/> <p><b>Monitoring</b></p> <p>ECTC has secured project loans from the Combined Authority (Haddenham £6.5m and MOD Ely (£23.5m) and from ECDC (£1.5m MOD Ely).</p>			
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<p>Changes in taxation, interest rates and build cost inflation could have an impact on the viability and profitability ECTC.</p>	<p>At present changes in taxation is not a known risk, however, ECTC should have regard to the impact of any such changes.</p> <p>Building cost inflation is a key risk; to minimise the impact of this contracts will be let on a fixed price basis with costs defined.</p> <p>The Finance Team, and where relevant the Head of Property Development will monitor changes and factor any changes in the business planning process.</p>	<p>Likelihood Impact Risk</p>	<p>1 3 3</p>	<p>Section 151 Officer/Finance Manager</p> <p>Head of Property Development</p> <p>Director, Commercial Services (ECTC)</p>
<p>Economic downturn could result in less than anticipated (or even losses) assumed in the Business Plan</p>	<p>A full assessment of the market conditions will be carried out prior to any development commencing. In the event that an economic downturn occurs once a development has commenced the Head of Property Development will appraise the Managing Director of the situation and propose a solution to mitigate any potential losses.</p> <p>The Managing Director shall inform the Council as soon as is practicably possible of any significant changes that may impact on the repayment of any of the company's loans.</p> <p>Where relevant the Managing Director shall present to the Council an amendment to the Business Plan or, if necessary, present an Exit Strategy, for approval.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Head of Property Development</p> <p>Managing Director</p>
<p>In order to prosper in a commercial environment, cash flow for the ECTC will be essential.</p> <p>Insufficient cash flow will result in ECTC being constrained in realising the objectives of the Business Plan.</p>	<p>The cash flow of ECTC is dependent on the loan facilities from ECDC/Combined Authority, commercial returns from non-property based activities, receipts from property sales and project cash flow.</p> <hr/> <p><b>Monitoring</b></p> <p>ECTC continues to monitor its cash flow to ensure it meets its creditor obligations to staff and contractors.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Managing Director</p> <p>Head of Development</p> <p>Director Commerical</p>

	Should opportunities arise that are outside of the scope of the Business Plan ECTC shall liaise with the Council and prepare a revised Business Plan, at the earliest opportunity, which will include identifying loan funding (to be approved by Council) that would enable commercial opportunities to be realised.			Finance Manager
<b>Operational</b>				
Inadequate cost controls on commercial build contracts can lead to delays, overspends and reduced profitability/cash flow for the company.  This has the potential to undermine the ability to repay loans to the Council.	The Head of Property Development, in the business planning cycle, shall have regard to market conditions, build cost inflation and put in place a robust project management and cost control plan.  The Head of Development shall monitor the impacts of Brexit and report any implications to the Board of Directors.	Likelihood Impact Risk	2 3 6	Managing Director  Head of Property Development
Lack of community appetite for CLT development may undermine the targets set out in the Business Plan	ECTC is enhancing the Community Housing element of the business who continue to deliver support to Community Land Trusts.	Likelihood Impact Risk	2 4 8	Head of Property Development  Director, Commercial (ECDC)
Adequacy of resources to deal with change and upheaval.	The realisation of ECTC ambitions to build 1850 homes (including Kennett) requires investment into ECTC particularly on the development side to ensure that the company has the human resources it needs to deliver the necessary outcomes.  <hr/> <b>Monitoring</b>  In 2018/19 the Managing Director approved a phased increase in the company's human resources specifically in the areas of strategic	Likelihood Impact Risk	1 3 3	Managing Director  Head of Property

	projects, land and development, finance and administration. Recruitment to these posts is on track and is in accordance with the phased approval.			
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