



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

AGENDA ITEM NO 4

Minutes of a meeting of the Finance & Assets Committee held at 4:30pm on Thursday 24th January 2022 in the Council Chamber at The Grange, Nutholt Lane, Ely, CB7 4EE

PRESENT

Councillor David Brown (Chairman)
Councillor Sue Austen
Councillor Anna Bailey
Councillor Ian Bovingdon (Vice-Chairman)
Councillor Lorna Dupré
Councillor Mark Goldsack
Councillor Simon Harries
Councillor Julia Huffer
Councillor Bill Hunt
Councillor John Trapp
Councillor Alison Whelan

OFFICERS

Emma Grima – Director Commercial
Ian Smith – Finance Manager
Sally Bonnett – Infrastructure & Strategy Manager
Maggie Camp – Legal Services Manager
Nicole Pema – HR Manager
Tracy Couper – Democratic Services Manager
Angela Tyrrell – Senior Legal Assistant
Russell Wignall – Legal Assistant

IN ATTENDANCE

Lorraine King – Anglia Revenues Partnership (ARP)

78. PUBLIC QUESTION TIME

No questions were submitted by members of the public.

79. APOLOGIES AND SUBSTITUTIONS

No apologies were received.

80. DECLARATIONS OF INTEREST

Cllr Alison Whelan declared a Prejudicial Interest in relation to Agenda Item 9 on CIL funding requests, due to having written a letter of support in relation to one of the applications and stated that she would leave the room for the duration of this item.

81. MINUTES

The Committee received the Minutes of the meeting held on 25th November 2021. The following typographical errors were highlighted:

Minute 66 Draft Cycling & Walking Strategy page 4 first line – amendment to read ‘and’

Minute 70. Assets Update page 6 paragraph 9 amendment of figure to read around ‘£1,000’ per month

Minute 71. – Amendment of title to read Annual Infrastructure ‘Funding’ Statement

A Member queried the inclusion of the Exempt items in the public version of the Minutes and the Democratic Services Manager explained the process for the production of both public versions and Exempt versions of Minutes.

It was resolved:

That the Minutes of the Finance and Assets Committee meeting held on 25th November 2021 be confirmed as a correct record and be signed by the Chairman, subject to the above typographical corrections.

82. CHAIRMAN’S ANNOUNCEMENTS

The Chairman had no announcements to make.

83. LOCAL COUNCIL TAX REDUCTION SCHEME (LCTRS) 2022/23

The Committee considered a report (W134, previously circulated) reviewing the 2021/22 scheme and considering options for the Local Council Tax Reduction Scheme (LCTRS) for 2022/23.

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

It was resolved to RECOMMEND TO COUNCIL:

That the changes detailed in the submitted report be approved and thus the East Cambridgeshire District Council’s Local Council Tax Reduction Scheme 2022/23 be amended by:

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

84. 2022/23 ANNUAL TREASURY MANAGEMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT & ANNUAL INVESTMENT STRATEGY

The Committee considered a report (W135, previously circulated) containing the 2022/23 Treasury Management Strategy, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement.

The Finance Manager reported that the Council was holding significant cash balances at this time and, as such, it was forecast that no external borrowing would be required during the MTFS period. The Council would continue with its current strategy of funding Capital Expenditure via internal borrowing and then investing surplus cash taking into account in this order, security, liquidity and yield.

It was resolved to RECOMMEND TO COUNCIL:

That Council approve:

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

85. REVENUE BUDGET, CAPITAL STRATEGY & COUNCIL TAX 2022/23

The Committee considered a report (W136, previously circulated) setting out the Council's proposed budget, capital strategy, and the required level of Council Tax in 2022/23.

Ian Smith, Finance Manager, introduced the report by summarising that the Budget had been prepared using the latest information available. The position of the Council had improved since the MTFS report to this Committee in October, mostly in relation to significant additional grant funding from the Government announced in the provisional Local Government Settlement. This settlement remained provisional and final figures for Business Rates for 2022/23 still were awaited. These would be updated in the report submitted to full Council.

The Chairman then moved the recommendations in the report as follows, which was seconded by the Vice-Chairman:

2.1 To recommend to Full Council to approve:

- The draft revenue budget for 2022/23 and MTFS for 2023/24 to 2025/26 as set out in Appendix 1
- The Statement of Reserves as set out in Appendix 2.
- The 2022/23 Fees and Charges as set out in Appendix 3.
- The Capital Strategy and financing as set out in Appendix 4.
- To approve the Business Rate relief for businesses in the retail, hospitality and leisure sectors as detailed in Section 6.5 of this report.

2.2 To approve, that as we are still awaiting final Settlement figures and the completion of the NNDR1, should the numbers change between Finance and Assets Committee and Full Council, that the Finance Manager, in conjunction with the Chairman of Committee, adjust the

use of the Surplus Savings Reserve in 2022/23 (as necessary) so that the net budget and Council Tax for that year remain unchanged.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes. A Member highlighted the large number of errors and corrections in the report, which made understanding the Budget very difficult.

Another Member referred to an apparent anomaly in the figures for the CLT Affordable Housing Reserve Account Balance in paragraph 8.5 of the report and in the Budget itself, which the Finance Manager explained.

A Member queried the reasons for the inverted commas around the word “fair” in the phrase Local Government Fair Funding Review throughout the report and the Finance Manager explained that it was due to different terminology being used for the review, but that he would remove the inverted commas for the report to full Council.

A Member asked for further explanation of the answer to Member question 20 relating to Travellers’ sites, which was given by the Finance Manager.

The following amendment then was moved by Councillor Bailey and seconded by Councillor Hunt:

Revised Recommendation:

Delete 2.1, delete 2.2 and replace with:

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

A Member challenged the Constitutional procedural basis for the amendment, which was explained by the Democratic Services Manager.

Speaking in support of the amendment, Councillor Bailey stated that the Central Government Grant Settlement figures were still provisional, making it appropriate to refer the Budget to full Council for decision when the final figures would be available. The current administration hoped to be able to freeze the Council Tax and would only utilise the facility for a £5 increase in Council Tax as a last resort, but the final settlement figures were required before a decision could be reached. Councillor Bailey placed on record her thanks to the Finance Manager and Council Officers for their work in keeping the Council in a strong financial position, despite the challenges faced during the course of the year.

A Member commented that she did not believe that ‘delete everything’ was a proper amendment and expressed disappointment that this Committee would be making no recommendation to full Council on the Budget. The Member highlighted the two apparently contradictory positions in the Motion proposed by the Chairman proposing the officer recommendations containing a £5 increase and the above speech by the Leader of the Council indicating that she was minded to propose a further Council Tax freeze. Councillor Bailey

confirmed her statement above that, if nothing changed significantly, she would be minded to propose a Council Tax freeze. The Member then stated that with no recommendation to Council, there was no indication of where the funding would come from to make up any shortfall from say the funding settlement or anything else that may change between this Committee and full Council. She queried why the report had been presented in its current format and commented that this raised wider governance issues. The Member also commented on the inappropriate nature of the statement in 3.2 of the report regarding 'the financial benefit that Covid-19 had brought to the Council in additional Government grants', which did not recognise the hardships faced by people both locally and nationally.

Other Members concurred with the view that it was bad practice that this Committee was not getting the opportunity to scrutinise and review the Budget in detail before it was submitted to full Council. They considered this an error in process for a Budget that was full of errors itself. They queried whether this was due to officers within the Council being under pressure due to staffing shortages or HR policies to generate savings.

The Chairman highlighted the fact that this meeting afforded Members of the Committee the opportunity to scrutinise and raise questions on the Budget prior to full Council. However, the Member responded by stating that it would be ineffective to scrutinise the Budget at this stage, if Members did not know all of the assumptions underpinning it.

Another Member referred to the 20+ questions submitted in relation to this Budget item and already responded to by the Finance Manager. Therefore, Members had received ample opportunity to raise points and questions.

In response to comments from some Members regarding 'playing politics', other Members commented that the Budget and Council Tax were political issues and it was the role of this Committee to scrutinise the financial plans of this Council. However, it would be a different Budget that would be submitted to full Council, so it would not be worth asking questions at this stage if it was subject to change.

The seconder of the amendment, speaking in support, acknowledged that there were two Groups on the Council with different political priorities. He expressed pride in the fact that, despite the pandemic, the Council continued to provide good quality and value services to the residents of the District, there had been a policy of no Council Tax rise in the past, and he hoped that this could be continued in the light of the hardships faced by people due to the pandemic, inflation and impending heating costs escalation. This was why he believed it was correct for the wider debate on the Budget to take place at full Council.

A vote on the amendment and substantive motion was taken and was carried.

It was resolved:

That the Revenue Budget, Capital Strategy and Council Tax 2022/23 BE REFERRED TO FULL COUNCIL on 22 February 2022 for decision.

86. COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING REQUESTS

Councillor Alison Whelan left the meeting for the duration of this item.

The Committee received a report (W137, previously circulated) that provided information relating to requests for a Community Infrastructure Levy (CIL) allocation to the Littleport Youth and Community Centre and the St Mary's, Ely Building Transformation projects. The Infrastructure and Strategy Manager referred to the Carbon Impact Assessment summary which now had been circulated to Members in relation to the St Mary's, Ely, Building Transformation Project.

Members commended the significant work of both the Littleport and Ely Ward Councillors to bring these projects to implementation. A Soham Ward Member stated that he looked with envy at the community projects taking place in Littleport and hoped this would spur on other areas, including his own, to produce such excellent business cases for projects in their areas.

It was resolved (unanimously):

That approval be given to:

- i) the allocation of up to £121,733.32 to the Littleport Youth and Community Centre project;
- ii) the allocation of up to £192,000 to the St Mary's, Ely, Building Transformation Project.

87. ASSETS UPDATE

The Committee received a report (W138, previously circulated) that provided an update on Council owned assets.

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

It was resolved:

That the update on Council-owned assets and Expenditure Tracking Sheet at Appendix 1 to the report, be noted.

88. BUS, CYCLE, WALK WORKING PARTY NOTES

It was resolved:

That the Minutes of the East Cambridgeshire Bus, Cycle, Walk Working Party meeting held on 10th November 2021 be noted.

89. FINANCE REPORT

The Committee received a report (W139, previously circulated) that provided budget monitoring information for services under the remit of this Committee and as part of its corporate remit for the Council as a whole.

The Finance Manager advised the Committee that there was a projected year end underspend on both its and the Council's revenue and capital budgets. The revenue underspend would be moved to the Surplus Saving Reserve at year end and was included in the figures in the Budget report discussed in Minute 85 above. The capital underspend was due to the slippage of schemes.

It was resolved:

That the following be noted:

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

90. FORWARD AGENDA PLAN

The Committee received the revised Forward Agenda Plan.

It was resolved:

That the Forward Agenda Plan be noted.

91. EXCLUSION OF THE PUBLIC INCLUDING REPRESENTATIVES OF THE PRESS

It was resolved:

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

92. APPOINTMENTS, TRANSFERS, RESIGNATIONS

The Committee considered an exempt report detailing staff appointments, transfers and resignations for the period 1st June to 31st December 2021, together with a summary of Exit Questionnaire responses.

Members commented on the low level of Exit Questionnaire responses completed and the importance of these to an organisation to understand the reasons for people leaving. It was suggested that these should be carried out by an independent person, rather than a direct manager/supervisor, to encourage more honest and open responses. The HR Manager explained that HR staff previously had undertaken Exit Interviews, but there had been a similar low level of response as to the completion of the Exit Questionnaire. She stated that the HR Team would review the process to consider how to encourage a higher level of response rate.

A Member also asked if comparative figures could be provided, to show trends between periods and years.

It was resolved:

That the contents of the report be noted.

93. EXEMPT MINUTES

The Committee received the Exempt Minutes from the meeting of the Finance & Assets Committee held on 25th November 2021. The Democratic Services Manager highlighted an anomaly in the numbering of the Exempt Minutes which had been corrected.

It was resolved:

That the Minutes be confirmed as a correct record.

The meeting concluded at 5:39pm.

Chairman:.....

Date:

**FINANCE & ASSETS COMMITTEE
24 JANUARY 2022
QUESTIONS FROM MEMBERS OF COMMITTEE**

Item 6 – Local Council Tax Reduction Scheme (LCTRS) for 2022/23

Questions from Councillor A Whelan

1	2.1 ‘fixed rate reduction of £7.40’—per what? per week? per month? per annum? It’s not made clear anywhere. No wonder the consultees were confused.	This is per week.
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Item 8– Revenue Budget, Capital Strategy and Council Tax 2022/23

Questions from Councillor A Whelan

2	2.2 – Please clarify wording Conjunction: <i>the situation in which events or conditions combine or happen together</i> 3.2 and 3.4 – please clarify why there are different figures for underspend/underspent both for 2021/22?	This is a typo and will be corrected for the version to Full Council. The figure in 3.2 relates to 2020/21.
3	3.2 – what is the value of the “financial benefit that Covid-19 had brought to the Council”	In 2020-21 there was underspend, on the non-ringfenced grant provided to us by Government, of £846,526, this was reported to F&A Committee in the yearend Finance Report on the 22 nd July.
4	5.2 – what is the impact of the extension of the previous year’s funding	In the 2021/22 budget, the expectation for Government Grant in 2022/23 was £179,636, we are now forecasting £1,562,839.
5	7.3 bp4 – What is the justification for a 2 per cent inflationary increase to be awarded to the Council’s own companies if it is not being added to other budgets?	All contracts are inflated.
6	7.3 bp2 – why model inflation of 20% for electricity? Wholesale electricity prices rose by 124% between March 21 and November 21?	Noted, however it is impossible to know what inflation will be in the coming months, and whether prices will drop back to previous levels. The 20% acknowledges that we expect it to be far higher than in previous years, and we will need to

		monitor any variation from this during the year.
7	7.3 bp5 – What is meant by ‘Other budgets’	Grants to outside bodies, office costs etc.
8	Why have other budgets not been increased by inflation? What will be cut to achieve this?	Regarding office costs, the expectation is that efficiencies will be made to absorb and additional inflationary costs.
9	7.3 bp9 – why are there no increases for additional services for additional residents? What will be cut to achieve this?	Many of the services provided by the Council do not have a direct correlation with the number of residents, but where this is the case, it is expected that efficiencies will ensure that service levels are maintained.
10	8.4 – What are the “alternative options” that have been explored? What is the extent of this exploration and please can we see the business cases that support these assertions?	<p>The alternative options are identified in the report as either CIL (planning gain) contributions or management fee negotiations.</p> <p>Fuller consideration as to which option to pursue will be carried out closer to the end of the current contract.</p>
11	8.4 – Should ‘replace’ be ‘renovate’ or ‘refurbish’?	It could include renovate/refurbish.
12	8.5 – what is the rationale for not working with Homes England as is being done by the Combined Authority?	<p>Historically Registered Providers have engaged with Homes England directly.</p> <p>The Council can work with Homes England in the same way that the Combined Authority are proposing.</p>
13	8.5 – figures here do not agree with the line ‘Affordable Housing’ in the Reserve Accounts.	The figures have been reviewed and they are accurate.
14	8.5 – penultimate paragraph: which two CLTs in East Cambs were successful. It would be useful to have a table showing for each CLT how much funding has been given, whether they are or seeking registered provider status, whether they have sought independent advice on rent policies, etc.	<p>Kennett CLT and Swaffham Bulbeck CLT.</p> <p>The Council does not hold this information.</p> <p>If approved, a CLT will be able to make an application to the Council and will need to set out the purpose of their funding request.</p>
15	Appendix 1(b) Change in: <ul style="list-style-type: none"> • Public Relations • Planning – 	The Public Relations Service has been brought back in house.

	<ul style="list-style-type: none"> • Tree Preservation / Landscaping – 	For Planning, Tree Preservation/Landscaping there are changes from a team restructure.
16	Appendix 2 Surplus Savings Reserve – is this correct in 2024/25?	This is a typo, and will be corrected for Full Council. There is no impact on any of the other figures in the report.
17	Appendix 4 Vehicle Replacements from CIL to independent legal entity? What is basis for this?	It should not say CIL, it should read Section 106 contributions (secured for maintaining public open spaces).

Questions on other items

Questions from Councillor A Whelan

18	It would be helpful to have a column for the Reserve Accounts to identify which are ring-fenced.	Apart from the general fund, all accounts are earmarked, with their use detailed.
19	Won't there be DC elections in 2023, so should not there be a deduction of funds in 2023/24?	Noted, this will be changed for the version going to Full Council.
20	OS accounts show income from Travellers' sites to be approx. £20,000 pa. Reserve accounts show Transfers to reserves of £40,000 pa or more; is this from central government funding? On what will this be spent? Need for more travellers' sites in EC, given the damage to Burwell and Swaffham Bulbeck in the past few years caused by travellers.	Any underspend on travellers', once corporate overheads are allocated, are moved into a reserve account for any future major maintenance at the sites.
21	Many reserve accounts seem to have no spending. Just seem to be increasing or staying level.	Yes, some reserves are created, but then not used for a number of years. Finance do continue to monitor reserves and challenge budget holders, where expenditure is not occurring.

Item 10- Assets Update

Questions from Councillor A Whelan

22	3.4.2 Does the Combined Authority's emerging accommodation strategy include continued use of 72 and 74 Market Street?	The Combined Authority has not made a decision of whether to use 72 and 74 Market Street, Ely beyond 31 December 2022.
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		<p>The current update on the Accommodation Strategy does not indicate whether it will or will not be used.</p> <p>Officers will continue to engage on this matter as we progress through the year.</p>
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Exempt Items

Item 14- Appointments, Transfers and Resignations

Questions from Councillor A Whelan

1	<p>Number of Exit Questionnaires completed is very small compared to number of leavers. Are you using exit interviews? Can this data not be obtained through a sensitive exit interview?</p>	<p>In the past the Council used exit interviews. However, the response rate was low.</p> <p>The Council introduced a new process which is a short survey that can be completed online. Again, the response rate is low.</p>
2	<p>When will an appointment be made to the vacant Waste post?</p>	<p>The post has been successfully recruited to and the new starter commences in the coming weeks.</p>