



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

AGENDA ITEM 4

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

PRESENT

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

OFFICERS

Emma Grima – Director Commercial
Ian Smith – Finance Manager
Sally Bonnett – Corporate Unit Manager
Maggie Camp – Legal Services Manager
Nicole Pema – HR Manager
Tracy Couper – Democratic Services Manager
Emily Howard – CLT Advisor
Marta Lotysz-Veiga – Reprographics Manager
Angela Tyrrell – Senior Legal Assistant

IN ATTENDANCE

Nigel Ankers – ECTC Finance Manager

94. PUBLIC QUESTION TIME

No questions were submitted by members of the public.

95. APOLOGIES AND SUBSTITUTIONS

Apologies for absence were received from Councillors Simon Harries and Julia Huffer and Councillors Gareth Wilson and David Ambrose-Smith were acting as Substitute Members.

96. DECLARATIONS OF INTEREST

Cllr Anna Bailey declared an Interest in relation to Agenda Item 9 on CLT Pre-Development Grant Scheme as a Trustee of East Cambs CLT.

97. MINUTES

The Committee received the Minutes of the meeting held on 24 January 2022.

It was resolved:

That the Minutes of the Finance and Assets Committee meeting held on 24 January 2022 be confirmed as a correct record and be signed by the Chairman.

98. CHAIRMAN'S ANNOUNCEMENTS

The Chairman informed Members that, in order to aid discussions, he had invited Nigel Ankers (Finance Manager, East Cambs Trading Company) to attend the meeting.

99. SERVICE DELIVERY PLANS 2022/23

The Committee considered a report (W163, previously circulated) containing the Service Delivery Plans (SDPs) for Services within the remit of this Committee.

Councillor Sue Austen arrived at the meeting at 4.35pm

Questions/comments were raised in relation to the individual Service Delivery Plans and responses given as follows:

Financial Services

A Member raised a question regarding the Council Tax rebate which was responded to by the Finance Manager. The Finance Manager confirmed that ARP would be leading the process for the Council and that the vast majority of the mandatory £150 payments for band A – D properties would be a payment direct into the bank account from where the Council Tax direct debit is paid. For residents who do not pay by direct debit, an application process will be required.

Democratic Services

A Member raised a question regarding resourcing by Councils for the proposal in the Elections Bill for the introduction of Voter Identification. The Democratic Services Manager referred to a recent questionnaire received from Central Government requesting information from Councils regarding the potential costs of them of providing Voter ID for those electors without the prescribed documents. Discussions also would take place as to whether such a role would be most effectively undertaken by Electoral Services or Customer Services staff.

Strategic Planning

A Member highlighted that the SDP did not include work on a revision of the Local Plan. Full Council had agreed a limited refresh, but this was before the

recent loss of the Soham appeal and any possible future proposals by Central Government on Strategic Planning. In response, it was reported that absence of inclusion in the SDP did not mean that this could not be considered in the light of new circumstances and the Service Level Agreement with Peterborough City Council enabled this Council to adjust resourcing levels accordingly. A further report was to be submitted to the April Council meeting.

On the Service Delivery Plans in general, a Member commended the return and quality of the Plans and highlighted that, on the particular issue of the Local Plan, our Plan was relatively new compared to other Councils and yet other work still was taking place such as the single-issue review on Policy GROWTH 1 and local Neighbourhood Plans.

It was resolved (unanimously):

That the following Service Delivery Plans attached at Appendix 1 to the submitted report be approved:

- i. Democratic Services
- ii. Financial Services
- iii. Human Resources
- iv. Infrastructure & Strategic Housing
- v. Legal Services
- vi. Open Spaces & Facilities
- vii. Reographics
- viii. Strategic Planning

100. ASSETS UPDATE & ASSET MANAGEMENT PLAN 2022/23

The Committee received a report (W164, previously circulated) containing the Asset Management Plan and spending for 2022/23.

A Member request relating to this item had been submitted in advance of the meeting, asking for a corrected version of Appendix A to Appendix 1 to the report, and a revised Appendix had been circulated to Members of the Committee.

A Member stated that they had requested Officers to ensure that the 'peppercorn rent' on certain properties let by the Council were collected to reinforce the contractual obligations with tenants. The Member also highlighted the improving position on car parking income following the ending of Covid restrictions.

In response to a question by a Member, the Open Spaces and Facilities Manager had clarified the Council's role and responsibilities regarding Closed Churchyards.

It was resolved (unanimously):

- i) That the Corporate Asset Management Plan, as detailed in the revised Appendix 1 to the submitted report, be noted.
- ii) That the Asset Management spend for 2022/23, as detailed in Appendix 2 to the submitted report, be approved.
- iii) That the Asset Management 2021/22 spend to date, as detailed in Appendix 3 to the submitted report, be noted.
- iv) That the carry forward of the 2021/22 underspend, as detailed in paragraph 3.1 of the submitted report, be approved.

101. PORTLEY HILL DEPOT IMPROVEMENTS

The Committee received a report (W165, previously circulated) detailing proposed improvement works to Portley Hill Depot, Littleport.

Members commended the proposals which included security and staff welfare improvements.

It was resolved (unanimously):

- i) That spending of up to £543,400 for the purposes outlined in Table 1 at 3.8 of the submitted report, be approved.
- ii) That approval be given to retain £282,550 (plus any unspent contingency) in reserve for the purposes identified in 3.9 of the submitted report.

102. CLT PRE-DEVELOPMENT GRANT SCHEME

The Committee received a report (W166, previously circulated) containing draft criteria and application process for the CLT Pre-Development Grant Scheme, following approval by full Council on 22 February 2022 of a Budget allocation of £100,000 for this purpose. The Chairman highlighted that applications would be submitted to this Committee for approval.

The Chairman proposed the recommendation in the submitted report to approve the criteria for the CLT Pre-Development Grant Scheme as set out in Appendix 1 and this was seconded by Councillor Goldsack.

The following amendment, circulated to Members of the Committee, then was proposed by Councillor Dupré and seconded by Councillor Alison Whelan:

Members are requested approve the criteria for the CLT Pre-Development Grant Scheme as set out in the revised Appendix 1 (attached as an Appendix to these Minutes).

Speaking on her amendment, Councillor Dupré stated that its intention was to ensure that there was widespread and genuine community support for any CLT and that any project was properly evidenced.

Some Members stated that the amendment was inappropriate, as the grant funding was aimed at bridging the gap between the establishment of a CLT and developing a project. The threshold of 4% membership of a CLT proposed in the amendment was considered to be too high for larger parishes and to be unduly onerous, bearing in mind that evidencing of community engagement/support would be a requirement of the Planning process. CLTs needed to be able to determine what housing/infrastructure provision was required for their local area, without any restrictions/impositions by the District Council. Whilst some CLTs may have undertaken feasibility/viability studies and drafted an allocations policy, others may need funding/support to do so, therefore the removal of the wording 'if available' could be restrictive and unhelpful.

Other Members argued that the changes in the amendment were reasonable to ensure the appropriate allocation of public funding to schemes with clear local support and properly evidenced projects. Documents such as an allocations policy could be drafted without requiring funding, by utilising examples readily available from elsewhere. Effective CLTs should be able to demonstrate a high-level of buy-in from the local community.

Members also expressed differing views on the level of provision of affordable/social housing in CLT projects.

Upon being put to the vote, the amendment was declared to be lost by 4 votes in favour to 7 votes against.

Speaking on the Motion, a Member referred to the fact that some CLTs comprised and were driven by a small number of people and had generated strong local opposition, therefore they did not fulfil the requirement for community-led development. This was why a proper definition and evidence of community support was required in the grant criteria. They also considered that a higher than policy level of affordable housing provision should be a key objective for any Housing CLT.

Another Member referred to the differing views of the two main political groups on the Council with regard to affordable Housing and CLTs and gave examples of excellent CLTs operating within the District, with a high level of community support. Some CLTs may choose to produce an allocations policy at an early or later stage, but CLTs should be able to make their own decisions on all matters without interference, and this should not preclude them from accessing needed grant funding.

Other Members again highlighted the need for evidence of community support as a requirement for public grant funding. In that connection, the Chairman reminded Members that this Committee would consider all applications for grant funding.

Upon being put to the vote, the motion was declared to be carried by 7 votes in favour to 4 votes against.

It was resolved:

That approval be given to the criteria for the CLT Pre-Development Grant Scheme, as set out in Appendix 1 to the submitted report.

103. FORWARD AGENDA PLAN

The Committee received the revised Forward Agenda Plan.

It was resolved:

That the Forward Agenda Plan be noted.

104. 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, 2 & 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

105. ECTC MANAGEMENT ACCOUNTS

The Committee considered a report, previously circulated, containing the ECTC Management Accounts for the nine months to December 2021. The ECTC Finance Manager introduced the report and gave an overview of its contents.

A Member had submitted a question in advance of the meeting and a response was provided and circulated at the meeting.

It was resolved:

That the contents of the report be noted.

106. ECTC BOARD MEETING MINUTES

The Committee received the Minutes from the Board Meeting of the East Cambs Trading Company held on 13 October 2021.

It was resolved:

That the Minutes of the ECTC Board meeting held on 13 October 2021 be noted.

107. ASSET MANAGEMENT MATTER 1 IN PARISH OF ELY

The Committee considered a report regarding proposals for a Council-owned asset in the Parish of Ely.

It was resolved:

That the recommendations detailed in the submitted report be approved.

108. ASSET MANAGEMENT MATTER 2 IN PARISH OF ELY

The Committee considered a report detailing options for a Council-owned asset in the Parish of Ely.

It was resolved:

That the recommendations detailed in the submitted report be approved.

The meeting concluded at 6:05pm.

Chairman:.....

Date:

MINUTE 102 – LIBERAL DEMOCRAT AMENDMENT

APPENDIX 1 (Revised)

**East Cambridgeshire District Council
CLT Pre-Development Grant Scheme
DRAFT**

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Introduction

The Objectives

The objectives of East Cambridgeshire District Council's CLT Pre-Development Grant Scheme are to:

- Facilitate a support package to assist CLTs with pre-development finance support across East Cambridgeshire
- Increase delivery of genuinely affordable housing for people living and working in East Cambridgeshire, with housing and assets owned and managed by the community in perpetuity

Fund Principles

East Cambridgeshire District Council (ECDC) has made £100,000 available under its CLT Pre-Development Grant Scheme. The Grant is intended to provide established Community Land Trusts (CLTs) with funding to support pre-development revenue costs. This may include (not exhaustive):

- Feasibility studies
- Site/property investigation costs
- Project-specific professional fees
- Legal fees
- Registration fees charged by the Regulator of Social Housing
- Project management costs
- Pre-application and planning application fees
- Community consultation
- Loan arrangement fees

The Scheme is not suitable for groups who are just forming and need start-up support, ECDC operates a different fund that may be suitable for groups at this stage.

The grant cannot be used to fund activity that has happened in the past, or prior to the grant being awarded. Groups must not start spending any money until the grant has been approved by way of issuing a formal grant agreement.

Making an Application

Eligibility Criteria

To be considered for a pre-development grant the CLT will need to meet the following key criteria:

1. The applicant group/organisation must be established as a not-for-profit legal incorporated entity
2. The applicant group/organisation must be community-controlled and community-owned, with an open democratic membership structure
3. The applicant group/organisation must have a membership of ~~five or more members who are not related and who are all living at different dwellings, including three committee members who are not related and who are all living at different dwellings, including three committee members who are not related and who are all living at different dwellings~~ **at least four percent of the adult population of the area covered by the CLT**
4. The applicant group/organisation must be based in East Cambridgeshire
5. The applicant group/organisation must have a suitable bank account to receive the funds
6. The applicant group/organisation must be clear about the community that it has been established to serve and have a clear description of the proposed project and expected outcomes
7. The proposed project must contain an element of affordable housing to meet local housing needs and this should be permanently affordable for local people on local wages. **An element of open market housing will only be acceptable where it is demonstrated through a financial appraisal that the open market housing is essential to enable delivery of additional affordable housing above policy level, and does not significantly increase the land value above that which would be achieved if sufficient grant were available to provide the additional affordable housing.**
8. Any benefits to the local area and/or specified community of interest must be clearly defined and legally protected in perpetuity
9. The applicant group/organisation should, as a minimum, be able to provide evidence, of early stage interaction and opinion gathering from the community and that the proposed project has general community support **which must not be confined to the Parish Council**

Application Process

All applications will need to be on an ECDC CLT Pre-Development Grant Scheme application form (Appendix 1). This can be downloaded from the Council's website. *[the link will be added here once the scheme is published]* Interested applicants should first contact the Community Led Development Advisor at East Cambridgeshire District Council who will review the project information and carry out the necessary due diligence to ensure the project is eligible to apply. The completed application will then be submitted, with a recommendation from the Community Led Development Advisor, to the appropriate Committee for consideration.

The decision of the Committee will be final.

Evidence Requirements

As part of the grant application, applicants will need to submit the following documents to support their application:

1. Copy of Rules/Governing document
2. An outline of their plans for developing community-led housing. This should cover the following items:
 - a. A summary of the proposed development, including the expected number of homes and tenure, facilities, features, etc.
 - b. Whether a proposed development site has already been identified
 - c. If so, whether the land has been secured or details of what the proposals are for securing it
 - d. The current planning status of the site
 - e. An outline of how the community will benefit from the proposed scheme, including details of who is expected to buy/rent the homes to be developed and any supporting evidence that forms the basis of these assumptions
 - f. Details of community engagement already carried out or proposed
3. Copy of any feasibility or viability work carried out **—if available**
4. Draft allocations policy **—if available**
5. Details of the grant being requested including:
 - a. The total amount of grant sought
 - b. Total costs for the associated works/activity
 - c. A summary of the activity for which the grant is being sought
 - d. An explanation of how the budget lines were developed including copies of any supporting quotes
 - e. A timetable for when works to be funded by the grant will be completed

Subsidy Control

There is a legal requirement to consider whether the grant could be a subsidy under the UK-EU Trade and Cooperation Agreement (“the TCA”), and therefore unlawful. Funding can constitute a subsidy if:

- a. assistance arises from the state or resources of the state;
- b. it is given to an economic actor;
- c. it confers an economic advantage on one or more economic actors and is specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services;
- d. and it has, or could have, an effect on trade or investment between the UK and EU.

There is currently a minimal financial assistance threshold (previously known as a de minimis exemption) of circa. £350,000 calculated over a rolling three-year period. This means that an individual economic actor can lawfully receive up to a maximum of £350,000 in grants over three years without it constituting a subsidy. It is important to note that the £350,000 maximum is per recipient and must account for all grants received, over the three years whether from this fund or from other funds for different projects. Applicants should seek and rely on their own legal advice regarding subsidy control compliance matters.

Applicants will be responsible for ensuring that if they are successful in receiving this grant it would not constitute unlawful subsidy by exceeding the Subsidy Allowance Limits.

Grant Acceptance and Payment

If a grant is approved then a grant offer letter will be issued within 14 days of the decision. Funds will be released to the applicant once any grant offer conditions have been met and the applicant has signed and returned the offer letter.

Prior to payment of the grant, ECDC will conduct a due diligence check. For this check applicants will be asked to provide bank account details for their group/organisation, details of at least two independent authorised signatories on the account and a bank statement dated within the last three months for the bank account receiving the grant. Payment will be made in one lump sum payment.

Reporting

It will be a condition of the grant that applicants report regularly on project performance at least quarterly according to the pre-agreed timetable. Such reporting will include evidence of expenditure and outcomes achieved as a result of the grant funding as well as an update against the approved works timetable.

Where the spend is different from that approved in the grant offer letter the organisation will need to seek approval from ECDC to agree if it would be possible to 'reprofile' the approved grant. Such reprofiling must always be in accordance with the purpose of the CLT Pre-Development Grant Scheme.

Variations without approval by ECDC will be deemed as ineligible expenditure and may be subject to clawback provisions. Any unspent funds will also need to be returned to ECDC and full details of reporting requirements and how to pay back any unspent funding will be provided with the terms and conditions of the grant offer.

Appendix 1 – Application Form
East Cambridgeshire District Council CLT Pre-Development Grant Scheme

Group/Organisation details	
Group/Organisation name	
Registered office address	
	Postcode:
Website address	
Name of lead contact	
Job title/Position	
Correspondence address <i>(if different to registered address)</i>	
	Postcode:
Telephone	
Email address	
What is the current legal status of your organisation? -Company Limited by Guarantee -Company Limited by Shares -Community Interest Company (CIC) Limited by Guarantee -Community Interest Company (CIC) Limited by Shares -Charitable Incorporated Organisation (CIO) -Co-operative Society (IPS) -Community Benefit Society -Trust -Other (please specify - 20 words max)	
Company/society registration number	
Date of registration	
Copy of governing documents/rules attached	Yes/No

Please briefly describe the number of members in your group, how people can become members and how the group is accountable to its members and the local community

Does your organisation have a bank account?

Yes/No

Scheme details

Project description: Please provide a brief outline of the proposed community led housing project, including the types of housing, any community facilities, unique features, etc.

Total number of homes

What definition of affordable housing are you using for any affordable units?
For example, will rents be based on a percentage of the market rates, percentage of household income, median local incomes, related to local social rents, or based on other factors.

Community benefit: Please outline how the community will benefit from the proposed scheme, including details of who is expected to buy/rent the homes to be developed. What work has been carried out to determine there is a need for this?
Please attach any supporting evidence to this application.

Community support: Please outline the community support you have developed for your project to date and what further community engagement is proposed
Please attach any supporting evidence to this application.

Has a proposed development site already been identified?

Yes/No
(If no, please go to the next section – Grant Details)

Please provide details of the site including location, current planning status of the site and proposals for securing the site

Grant details	
Total amount of grant being requested	
Please provide a breakdown of what you intend to spend grant monies on and the expected outcomes	
Please explain, with evidence, how costs have been calculated <i>Please attach any supporting evidence or quotes to this application.</i>	
Please provide an estimated timetable for when works funded by the grant will be completed	

Subsidy control declaration

There is a legal requirement to consider whether the grant could be a subsidy under the UK-EU Trade and Cooperation Agreement (“the TCA”), and therefore unlawful. Funding can constitute a subsidy if:

- a. assistance arises from the state or resources of the state;
- b. it is given to an economic actor;
- c. it confers an economic advantage on one or more economic actors and is specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services;
- d. and it has, or could have, an effect on trade or investment between the UK and EU.

There is currently a minimal financial assistance threshold (previously known as a de minimis exemption) of circa. £350,000 calculated over a rolling three-year period. This means that an individual economic actor can lawfully receive up to a maximum of £350,000 in grants over three years without it constituting a subsidy. It is important to note that the £350,000 maximum is per recipient and must account for all grants received, over the three years whether from this fund or from other funds for different projects.

Applicants should seek and rely on their own legal advice regarding subsidy control compliance matters.

Please confirm that the organisation will not exceed Subsidy Allowance Limits by accepting this grant.

No, the group/organisation would not exceed the Subsidy Allowance limits by accepting the grant

Yes, the group/organisation would exceed the Subsidy Allowance limits by accepting the grant

Supporting documents checklist

Copy of Rules/Governing document	Yes/No
Evidence to demonstrate housing need	Yes/No
Evidence of community engagement work carried out	Yes/No
Copy of any feasibility or viability work already carried out	Yes/No
Draft allocation policy	Yes/No
Supporting quotes for planned expenditure items	Yes/No
Other – Please specify	