



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Agenda Item 4

Minutes of a remote meeting of the Finance & Assets Committee facilitated via the Zoom Video Conferencing System on Thursday, 24th September 2020, at 4.30pm.

PRESENT

Cllr David Brown (Chairman)
Cllr Ian Bovingdon
Cllr Charlotte Cane
Cllr Simon Harries
Cllr Bill Hunt
Cllr Josh Schumann (Substitute for Cllr David Ambrose Smith)
Cllr Alan Sharp
Cllr John Trapp
Cllr Gareth Wilson (Substitute for Cllr Alison Whelan)

OFFICERS

Emma Grima – Director Commercial
Maggie Camp – Legal Services Manager
Spencer Clark – Open Spaces & Facilities Manager
Richard Kay – Strategic Planning Manager
Janis Murfet – Democratic Services Officer (Committees)
Nicole Pema – HR Manager
Ian Smith – Finance Manager, ECDC

IN ATTENDANCE

Nigel Ankers – Finance Manager, ECTC
Rachel Ashley-Caunt – Head of Internal Audit
John Hill, Managing Director, ECTC
Paul Remington – Chairman, ECTC
Phil Rose – Head of Development, Palace Green Homes

43. **PUBLIC QUESTION TIME**

There were no public questions.

44. **APOLOGIES AND SUBSTITUTIONS**

Apologies for absence were received from Councillors David Ambrose Smith and Alison Whelan.

It was noted that Councillor Josh Schumann would substitute for Councillor Ambrose Smith, and Councillor Wilson for Councillor Whelan, for the duration of the meeting.

45. **DECLARATIONS OF INTEREST**

Further to Agenda Item No.12 (Custom & Self-Build Housing Supplementary Planning Document), Councillor Trapp queried whether he needed to declare an interest, saying that he might be putting forward a self-build proposal. However, his questions on this item were generic and not specific to himself. The Legal Services Manager advised that at best, Councillor Trapp's interest would be personal, but he could stay in the meeting and vote on the item.

Further to Agenda Item No.13 (Natural Environment Supplementary Planning Document) Councillor Cane wished to explain why she would not be declaring an interest. She had previously declared an interest in the ECDC Environment & Climate Change Strategy & Action Plan, but having taken advice on when to declare an interest, she was now satisfied that she did not need to do so.

46. **MINUTES**

Further to Minute No.31 (ECDC Environment & Climate Change Strategy & Action Plan – Consideration of Resources Required), Councillor Cane asked that the record of the meeting be amended to show that she had left the meeting prior to the consideration of, and voting on this item.

Further to Minute No.32 (Equality, Diversity & Inclusion Policy 2020 – 2023), Councillor Cane said that the video footage was shown on YouTube rather than on television.

It was resolved:

That subject to an amendment to reflect that Councillor Cane had left the meeting prior to consideration of the ECDC Environment & Climate Change Strategy & Action Plan, the Minutes of the meeting held on 23rd July 2020 be confirmed as a correct record and signed by the Chairman.

47. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made the following announcements:

- During the last meeting of the Committee several concerns were raised relating to the Council decision to provide a payment to ECSS and to agree a new loan with ECTC. Following the meeting external legal advice was sought which was extensive and concluded that the Council has acted lawfully and in accordance with its Financial Procedure Rules and State Aid Regulations. All Members were provided with a briefing and a copy of the advice was also provided.
- To aid discussions he had invited Paul Remington, Chairman, John Hill, Managing Director, Phil Rose, Head of Development and Nigel Ankers, Finance

Manager at East Cambs Trading Company to this meeting and to contribute to relevant items.

- A meeting of the Bus Review Working Party has been arranged, a report from that meeting will come to a future meeting of this Committee.
- Members can raise items for future meetings at Item 16 – Forward Agenda Plan.
- This was the final meeting of the Finance and Assets Committee for Janis Murfet who was retiring after many years of sterling service to the Council. On behalf of all members of the Committee the Chairman thanked her for all her work and wished her a long, happy and healthy retirement.

48. **DRAFT ANNUAL GOVERNANCE STATEMENT**

The Committee received a report (reference V61, previously circulated) containing the Annual Report on the work of Internal Audit during the financial year 2019/20.

Rachel Ashley-Caunt, Head of Internal Audit, reminded Members that consideration of the Statement had been deferred at the meeting on 23rd July 2020, to allow for issues that had been raised to be addressed. Having taken on board Members' comments, senior management had been asked to consider those issues and clarification was now provided regarding the governance of both trading companies

A Member said they had been given to believe that the MoA with ECSS had been amended and wished to see it, but they could only see the old version. The Director Commercial replied that the MoA had not been amended; the Council had agreed to make a payment of £91k which was an in-year adjustment. This was in line with legal advice received. The Member continued, saying it was their understanding that it was within the contract, because the contract was amended. The Director Commercial said she had answered the question.

The Member asked for it to be recorded that they were not satisfied with the Director Commercial's answer, and then asked the Finance Manager what his recommendations were in the light of making an additional payment that was not contractually required. He stated that his recommendation had been to make the payment, Council had agreed the additional payment and the legal advice received was clear that they could do this.

Another Member asked the Director Commercial if there was any reason why this matter could not have been brought up between publication of the agenda and prior to this meeting. She reminded them that any Member could ask a question at Committee. A further Member commented that Committee was the right place for questions; the legal advice regarding the payment was contingent on the Agreement being updated and as this had not been done, the advice was irrelevant.

A further Member remarked that senior officers had confirmed that they were content that the actions and decisions taken were in line with the legal advice provided, and the Auditors had given the Council a clean bill of health.

Members raised a number of other points:

- Page 5 of the Annual Governance Statement made no reference to East Cambs CLT Ltd. As the Council was a custodian member, they would have expected to see something in there. The Director Commercial replied that there was no governance requirement for the CLT, unless it changed its constitution, and the Council would have to be informed of this. As such, there was no ongoing oversight of the CLT. The Member responded, saying that as the Council had the right to appoint trustees, it had a role to play and should be kept informed as to how the CLT was performing.

The Chairman asked the Democratic Services Officer to have East Cambs CLT Ltd added to the Council's list of outside bodies. The Director Commercial reiterated that the CLT was an independent body and there was no significant control function by the Council. It was suggested that the CLT be requested to submit an annual report for Members;

- They noted that on page 11, the document stated that the Director Commercial stood down as Lead Officer for the Finance & Assets Committee when matters relating to the Trading Company were discussed. However, there was no mention of the Director Operations doing the same and standing down as Lead Officer for the Operational Services Committee. The Director Commercial explained that James Khan, Head of Street Scene, usually presented the reports and took any questions; the Director Operations represented the Council;
- The review of the effectiveness of the Governance Framework had provided a satisfactory level of assurance, but a Member felt it conflicted with the statement in Section 8 of the AGS, which stated that the Council had 'strong governance arrangements' in place;
- Referring to Business Continuity on page 13, a Member asked whether decisions were being made by the Business Continuity Covid-19 Group together, or individually and who was making those decisions. Mr Hill, speaking as Chief Executive, provided an explanation; the Group brought together intelligence and decisions then were taken within the individual organisations. A decision log was created after decisions had been made to record issues and to inform staff.

The Member replied that they felt the AGS was not one that the Council could sign up to, as it lacked clarity; it was not a good Statement and should be improved.

It was resolved:

That the draft Annual Governance Statement for the financial year 2019/20, as detailed in Appendix 1 to the report, be noted.

49. **INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report (reference V62, previously circulated) which advised Members of the work of Internal Audit completed during the period April 2020 to August 2020, and the progress made against the Internal Audit Plan.

Rachel Ashley-Caunt, Head of Internal Audit LGSS, highlighted the key areas of progress and responded to comments and questions from Members.

A Member noted that compliance in respect of Disabled Facilities Grants was found to be good but there were some areas where controls could be improved to demonstrate the rotation of contractors invited to submit quotations for works. Ms Ashley-Caunt advised the Committee that further procurement advice was being sought with a view to revising the procedures.

Another Member, referring to Table 3 on page 8 of the document, asked why there was a need to consult with Unison for the audit trail. Ms Ashley-Caunt replied that the Recruitment Handbook was to be revised and the starting salary form had not been applied consistently. The Absence Management Policy had yet to be reviewed and the control depended on this. The audit trail around new appointments would be subject to a wider review.

Further Members thanked Ms Ashley-Caunt for a well written report and her in-depth explanation. It was agreed that there was a necessity to review contracts and it was suggested that perhaps the Chairman could be involved; this would be taken up outside of the meeting.

Referring back to their query about the Absence Management update, the Member asked whether the delay was due to consultation with Unison, or the need to prioritise other matters. The Director Commercial said there had been a need to focus on the Inclusion Policy, and things were then further delayed due to the Covid-19 pandemic. Officers were now consulting with Unison for a date to continue the consultation process.

It was resolved unanimously:

That the progress made by Internal Audit in the delivery of the Internal Audit Plan and the key findings be noted.

50. **CORPORATE RISK MANAGEMENT – POLICY AND UPDATE**

The Committee considered a report (reference V63, previously circulated) which sought approval of the updated Risk Management Policy and to provide Members with a copy of the latest Corporate Risk Register and framework.

Ms Ashley-Caunt reminded Members that updates on the Corporate Risk Register were provided on a six monthly basis, and the Committee had last received

an update in February 2020. The updates to the Register were facilitated by Internal Audit but remained the responsibility of senior management. The Corporate Risk Register had been updated to reflect the latest risks for the Council, including those posed by the Covid-19 pandemic.

It had been three years since the policy had been adopted and a review had therefore been undertaken by senior management, with guidance from Internal Audit to ensure that it remained fit for purpose.

A Member asked when formal management training had last been carried out. Ms Ashley-Caunt said she would have to check this and would confirm with Members.

Another Member believed the document was a really good blend in that it was inclusive in capturing risks but also struck a good balance. This was echoed by a further Member who thought it was a very powerful document; it highlighted the risks and mitigated them. In particular, the score and RAG for Risk No. A4 (Homelessness in the District) was coded green and they considered that this was due to the fantastic work carried out by the Council; it was a reflection of where the Council found itself.

A Member said they could not find risk appetite in the Policy and believed that a definition should be included. The Policy was too two dimensional and officers were being asked to manage a high level of risk.

A Member contended that a number of the scores should be red rather than green, and with reference to A4, queried why the term 'genuine' affordable housing had been used. There was a cumulative effect with one of the Trading Companies posing a financial risk. They felt that there was a flaw in the way that the Register had been put together and this needed to be addressed.

Another Member made the point that with the pandemic likely to last another six months, people were being encouraged to work from home. As Council staff were already doing so, there must surely be an additional risk from them using their own equipment, and there did not seem to be a specific risk description to address this.

With regard to B3 (Failure to plan for and accommodate the impact of Brexit), a Member said they had been told by senior people in the equine industry that there was a quite detailed plan for post-December.

A further Member considered B1 (Inability to balance the Council's budget) to be understated and they could not see how it was under control. The Medium Term Financial Strategy (MTFS) said there was a high risk and they queried why it had been coded amber. The Finance Manager replied that there was a balanced budget for 2021/22 and there was time to find savings for 2022/23.

The Member continued, highlighting their concerns regarding Risks C2, C4, C6 and D8 and said they would be interested to know what was being done to bring them more into the green score. Ms Ashley-Caunt said the General Data Protection Regulation (GDPR) was an area of concern; she had an action to check progress and would report back to the Committee. With regard to contracts, she wanted consistent advice, but there was not a fundamental concern about contracts.

In connection with affordable housing, a Member made the point that it was governed by the National Planning Policy Framework (NPPF). Whilst the Council would like to see 30 or 40% deliverability, viability had to be a consideration. It was not just affordable housing that was struggling to be built, but also private housing.

A Member responded, saying that the Policy was 30% affordable housing in Ely and 40% in the south of the District. This was not being delivered and there needed to be work to mitigate this. The Register had to be honest and actions must be taken to do this.

It was resolved:

- (i) **To recommend to Full Council that the updated Risk Management Policy, as set out in Appendix 3 of the report, be approved.**
- (ii) That the Corporate Risk Register, as set out in Appendix 2 of the report, be noted.

51. **EAST CAMBS TRADING COMPANY ACCOUNTS 2019/20**

The Committee received a report (reference V64, previously circulated) which detailed the East Cambs Trading Company (ECTC) accounts 2019/20.

The Finance Manager, ECTC said that Price Bailey had issued an unqualified opinion on the statements, and confirmed that they gave a true and fair view of the state of ECTC's affairs as at 31st March 2020. They also confirmed that they had been prepared in accordance with the relevant laws and regulations.

The Auditors had pointed out that these were unprecedented times for everyone and there was still large uncertainty over the economy as a whole. At this stage nobody could predict the full effects with any certainty, therefore Price Bailey had included a paragraph titled 'Material uncertainty relating to going concern', to point this out to shareholders.

The last sentence stressed that the audit opinion was not modified in respect of this matter; that it was still valid to produce the accounts on a going concern basis. This was because the forecasts produced by ECTC showed that the additional time to complete the projects in the plans would enable the business to become profitable and repay the loans when they fell due.

With regard to the Statement of Comprehensive Income on page 6, the comparison column for 2019 was headed 'restated'. This was due to a change in accounting for leases under IFRS16, which was adopted by the Company in April 2019. ECTC had two leases, the office at Fordham and the Market Square, Ely, that fell under IFRS16 and were classed as 'right to use assets'. Note 23 (on pages 27 – 29) detailed the adjustments made in respect of IFRS16 in 2019.

It was noted that a loss of £513k had been posted for 2019/20.

It had been expected that the year would show a profit as the original Business Plan had revenues of £10.4 million from the Palace Green Homes (PGH) side of the business, including a revenue receipt for the project at Kennett and the sale of 24 homes. However, the Kennett receipt did not occur in 2019/20 and only 5 homes were sold. As a result, revenues were only £2.27 million for PGH and this reduction in revenue was the major factor behind the loss that was posted for the year.

Right to use assets were valued at £263k at the end of March 2020, which represented the value left in the leases at Fordham and the Market Square, Ely.

Inventories included MoD Ely at £25.4 million, Haddenham at £3.3 million, and Note 13 on page 21 detailed the financial liabilities. The loans to ECDC were categorised as current (due within one year). A new loan had been agreed in principle with ECDC to repay this loan so it was still due at the end of March 2021 and thus fell under the current category.

For the CPCA loans, a principle of substance over form had been used to take account of the fact that although formal deeds of variation for the loans were still in the process of being drawn up, it had been agreed in principle to extend the repayment dates. It was the extended dates that were being used in these accounts. The split of the loans was based on the latest estimate of when properties would be sold rather than saying it was all due for repayment at the end of March 2023.

This left ECTC with a net liability of £572k at the end of March 2020. Although it was a large net deficit, it was not unexpected given the delay in property sales. The deficit would return to a net asset position once the projects were all completed and the profits realised.

The statement of changes in equity (page 9 refers) effectively confirmed that there were no other movements in earnings apart from those discussed in the Profit & Loss page. Cash flow (on page 10) reconciled the opening balance of £1.4 million at 1st April 2019 to the closing £89k at the end of March 2020.

The notes to the accounts were set out on pages 11 – 29 and provided additional detail to aid understanding. Note 3 on page 18 related to employees and Directors; the increase in wages and salaries paid reflected an increase in the number of people employed directly by the Company rather than seconded from ECDC in Markets and Parks & Open Spaces.

Credit risk was minimal as property only transferred when the Company had the funds; most grounds maintenance customers were local authorities and Markets comprised a lot of smaller debtors, many of whom had a long history with ECTC and ECDC prior to that.

Note 22 on page 26 detailed post balance sheet events, including Covid-19 and confirming the changes to the loans.

A Member, having noted that the accounts showed that payments due were more than the total of cash held and outstanding debtors, asked the Directors of the Company to comment on Note 15 and also wished to know how the S151 Officer

viewed the Company's finances. They expressed surprise at the large impact that Covid-19 had on the accounts and queried why there had been such a major change in the forecast in such a short time.

The Finance Manager ECTC replied that at the point the accounts were drawn, there was still loan capacity to draw down sufficient to pay liabilities. With the new loan, the forecast showed how those liabilities would be repaid. In respect of the drop in margin, there was a much higher margin in 2019/20 on the developments at Barton Road and Soham, and this would continue to drop away in percentage as the Ely MoD project had lower margins. The predicted revenue receipt at Kennett for 2019/20 did not happen because the market slowed.

The net position currently was a very similar deficit, but there was plenty of head room on the loans. The Finance Manager added that the Company had the ability to access cash; he did not have the exact information to hand on the current deficit but would provide Members with the details.

Until it was absolutely certain that projects would go ahead, development costs had been written off into Profit & Loss. The difference in the auditor's remuneration was due to the audit and additional tax work carried out in the year.

Another Member reminded the Committee that Price Bailey were very creditable auditors. The Business Plan had been remodelled to take into account the change in the market and the Company only drew down when necessary; it was managed well and prudently.

It was resolved unanimously:

That the East Cambs Trading Company accounts 2019/20 be noted.

52. **ECTC BUSINESS PLAN 2020/21 (REVISED)**

The Committee considered a report (reference V65, previously circulated) from which Members were asked to consider the ECTC Business Plan 2020/21 (Revised).

Members were reminded that Appendix 1A was exempt and the meeting would have to go into closed session if they wished to discuss it.

The Director Commercial said she was speaking in her capacity as a Director of ECTC. The Business Plan had been revised to deal with the impact of Covid-19 and she would just deal with the key changes.

The profile for Markets had been changed to reflect that they had closed in March and did not reopen until 11th June 2020. Although it was thought that the Markets Service would be posting a loss for 2020/21, a profit was now projected, based on prudent assumptions.

Premises costs were substantially lower as there would not be a business rates liability for the Market Square offset by a £5k budget for improvements on the Square.

There was nothing to report from the original Plan in respect of Grounds Maintenance, and the team had continued to operate throughout the pandemic as their client base still needed work to be done.

Phil Rose, Head of Development PGH, spoke of the key changes in respect of the Plan relating to property.

The table set out on page 24, paragraph 8.6 (Revised build & sale completion forecasts at Ely and Haddenham), had been extended to 2022/23. This was a deliberately cautious approach as Covid-19 restrictions on day to day business would continue to impede and slow normal estate agency, mortgage and conveyancing processes. However, if the economic outlook improved, the Company would be able to respond positively to meet additional demands.

Risk management had been revisited, the overview at paragraph 8.2 had been updated and Company targets had been revised to reflect the latest position. The financial information had been updated to reflect revised project forecasts and loan arrangements.

A Member asked if the loss was as a result of rephasing, or underachievement in sales and if the Company was looking to recoup it in future years. The Finance Manager replied that it was not lost as it would be realised in future periods.

Another Member asked about the percentage of affordable housing for Stretham Community Land Trust (CLT) and was advised by the Head of Development PGH that he believed it met the policy requirement of 30%. The Member then asked about the requirements for Haddenham and Ely, and was told it was 30% for the former; the new build at Ely was at least 30% but the Company was seeking to enhance this.

A further Member expressed their genuine gratitude to the ECTC staff for the way in which all aspects of their work had been managed during the pandemic. The Managing Director said that this would be passed on to all concerned. The Member then went on to raise the following points:

- They thought it odd that there were no financial implications in the covering report;
- When would the review of the PGH offices be coming back to Committee?
- The contractual commitment to the MoD;
- It was important that the members of Finance & Assets Committee received the minutes of the ECTC Board meetings so they could understand what was going on;
- In connection with the loss in 2019/20, did the level of profit justify the risks

- Why engage in property development if the returns were so marginal?
- They were surprised at the number of times an officer was shown as the owner of a risk. They expected the Company to manage its own risks. Was the Business Plan deliverable, or did it need to be revised again in short order?

Officers provided the following responses:

- They were satisfied with conservative assumptions in respect of the level of profit;
- The term 'commercialism with community' was used;
- The Business Plan was reviewed and considered deliverable within caveats and the current difficult position;
- Approved minutes of the ECTC Board meetings were provided to members of the Finance & Assets Committee wherever possible, but there were times when commercial sensitivities had to be respected;
- A commitment had been made to Committee that the PGH offices would be reviewed by December 2020. This was just starting and a date had been chosen that would allow PGH to alter the terms of the lease or step out of it;
- The contractual commitment to the MoD obliged the Company to seek to achieve further residential development. There were discussions before every business case;
- The Business Plan was deliverable and kept constantly under review. The Company was cautious in its expectations, but able to respond quickly;
- Because of the nature of the risks, some were in the Company's control, but it was about who would help maintain the risk on the other side as Shareholder. The S151 Officer might point out something that needed to be brought to the attention of the Company, so it was about recognising who owned that risk.

A Member wished to make it clear that when issues were raised, Members did so as 'critical friends', it was coaching, not criticism. It was for the greater good of the District and the Trading Companies and there was a balance to be struck. They had a number of concerns:

- More information was requested about the MoD contract, for without it how could Members judge it – clarity was needed;
- The Risk Register had a large number of extremely important issues that would justify a whole meeting and killer risk issues that could prove fatal for the Company. There was a balance to be struck between implementing the policies of the Council, doing the right thing for the community and trying to make money along the way;

- They did not like the way the section on Kennett was mentioned. At the last meeting of the Planning Committee they, along with other Members spoke about the need to have public consultation about highly contentious developments. The Chairman of Planning Committee had said that the Sunnica proposal might have an impact on Kennett. The Council's PR should therefore stop writing 'gushing copy' about something that was causing hurt, pain and upset to the people of the village.

Another Member raised the following points:

- The top graphic on page 1 referred to delivering 'quality' and this should be qualified;
- Estate agents were talking of unprecedented sales, so why was the Company experiencing delays in completing housing?
- Referring to the table on page 17, the management fee might have been reduced, but the £100k would not bridge the gap between EBITDA in subsequent years;
- Why were S106 payments, CIL and Council Tax shown as a profit on page 22?

Officers provided the following responses:

- The turnover shown on page 17 reflected the position for 2019/20 and 2020/21. Turnover was reduced mostly because of the markets being closed;
- The Head of Development PGH did not recognise the reference to any delays in sales. Building had continued since June and progress was very good; the figures demonstrated that the Company had now secured a number of properties under offer. When taking reservations on a property, completions were normally within 3 months, but in the current situation with Covid-19 restrictions being in place, conveyancing was taking longer;
- With regard to financial benefits, there had been discussions in previous Committee meetings as to why these items had been included. Projects had been taken on and financial benefits were accruing. It was a statement of fact and a consistent approach was being taken.

A Member noted that a previous speaker had questioned whether lower margins were worth the risk. The Company was delivering affordable homes and ploughing the money earned into delivering more homes or saving costs. As private developers were not bringing forward affordable housing or were trying to circumvent having to bring it forward, they believed the risk was worth taking.

It was resolved:

That the ECTC Business Plan 2020/21 (Revised), as set out in Appendix 1 to the report, be approved.

There followed a comfort break between 7.06pm and 7.20pm

53. **EQUALITY, DIVERSITY & INCLUSION POLICY 2020 - 2023**

The Committee considered a report (reference V66, previously circulated) from which Members were asked to consider the Council's draft Equality, Diversity & Inclusion Policy 2020 – 2023 for consultation.

Members were reminded that the first draft of the Policy was brought to Committee on 23rd July, where a number of changes were requested. The comments made by Members had been reflected in the amended draft attached as Appendix 1 to the report.

The Chairman wished Members to know that 23rd September was a very important day for the Council's web team; it was deadline day for public sector organisations to make their existing websites accessible. Accessibility was not just about disability, it was also about inclusivity, meaning that content and design should be clear while supporting those who may need help.

In February 2020 the Council was rated 'poor' with a score of only 40%, but yesterday the rating was 'excellent', with a score of 95%. This was a remarkable achievement in such a short time and the team had worked very hard. On behalf of the Committee, the Chairman asked that 'huge congratulations' be passed on to the team.

A Member agreed that it was a spectacular achievement and also congratulated the team. They recalled being very rude to the HR Manager at the last meeting and offered a sincere apology, adding that the amended document was much better. They suggested that the protected characteristics might be cut and pasted from the Equalities Act, and that it would be a good thing if, as well as anti-Semitism, Black Lives Matter could be included in the document. Another Member thanked other members of the Committee for their collaborative approach to what they now believed was an excellent document. Anti-Semitism had been included because it defined what it meant, and was a bit different to Black Lives Matter. However, they were sure that it would be supported by all members.

The Chairman said he would be happy to work with the HR Manager regarding the protected characteristics.

Another Member considered the document to now be fit for purpose and wished to know what plans were there to encourage wide consultation, and what the Council's plans were for supporting Black History Month. The HR Manager replied that she was happy to take Members' suggestions about the means of consultation, but she was thinking of a Survey Monkey Questionnaire and then contacting voluntary groups to who else should be included. The Chairman asked that she did not delay doing this,

but once everything was put together, it also be sent to Members, as had been done by the Covid-19 Working Party in respect of arts and leisure.

The Director Commercial said that Members would be contacted very shortly regarding Black History Month.

A Member, referring to page 21, paragraph 3.2 (Ensure that the Council's policies and practices are non-discriminatory and compliant with Equalities legislation), stressed the importance of assessing candidates' potential rather than just what they had attained. A Member concurred adding that his was an active document to be monitored and reviewed.

One Member wished to endorse all that had been said, saying the document was an excellent piece of work. They had a real hope that the declaration signed by the Chief Executive and the Leader of the Council was an indication of the Council was, and hoped to be, and it filled them with joy.

Members noted that the week commencing 28th October 2020 was National Inclusion Week. It was suggested that there be a press release to support it, and it could also draw attention to the forthcoming consultation.

It was resolved unanimously:

- i. To approve the draft Equality, Diversity & Inclusion Policy 2020 – 2023, as set out in Appendix 1 of the report, for consultation in accordance with paragraphs 3.6 and 3.7 of the submitted report; and
- ii. Delegate authority to the HR Manager, in consultation with the Chairman of the Finance & Assets Committee, to make minor amendments prior to consultation.

54. **CUSTOM & SELF-BUILD HOUSING SUPPLEMENTARY PLANNING DOCUMENT**

The Committee received a report (reference V67, previously circulated) from which Members were asked to adopt the Custom & Self-Build Housing Supplementary Planning Document (SPD), which would then become a material consideration in making planning decisions.

Members noted that this was a new SPD, prepared in order to help local residents that had a desire to build their own home. It would also provide guidance to large scale developers that were obliged to meet the Local Plan policy to provide self-build plots; Community Land Trusts that were interested in providing self-build plots and parishes that were interested in including such plots in their Neighbourhood Plans.

The Strategic Planning Manager reminded Members of the basic steps towards producing an SPD and reiterated that SPD's could not supersede any policy in the Local Plan; the Local Plan remained the starting point. (This would also apply to Agenda Items 13 and 14.)

He continued saying that the consultation for this SPD had been carried out and a number of issues were raised in the representations received; these were summarised in paragraph 3.12 of his report. The Consultation Report responded to

the issues in more detail, but the changes to the SPD, which were very limited in nature, were set out in the next paragraph.

During the course of discussion, Members expressed their support for the document, finding it to be extremely easy to follow with a very clear process.

One Member asked how many people were on the East Cambs Self-Build Register. They were concerned that developers might come forward with a percentage of self-build, find there was no demand because of the low numbers of people on the Register, and then convert to market value homes; this abuse should not be allowed. The Chairman responded, referring to a plot on Newmarket Road, Burwell saying he was aware of there being far more people on the Register than plots available and he was sure this was the same elsewhere in the District.

A Member said they found the table of comments and Council's responses to be extremely illuminating, but had concerns that there might be some issues going forward arising from these disagreements. Councillors were being made aware of groups and a particular developer who were very active in fostering self-build through associations. The Member wanted to be sure that this was on the Strategic Planning Manager's radar and would welcome his thoughts on his first point.

A further Member said it would be useful to know the number of people on the Register and believed that once planning permission had been granted for a development with self-build plots, those plots should be marketed straight away.

Councillor Wilson left the meeting at 7.45pm.

The Vice Chairman stated that having been involved in self-build, there were rules and regulations regarding what could or could not be done and timescales. At present the demand was greater than the supply and he believed there would be no problem in satisfying the policy of 5% self-build homes on developments of over 100 dwellings.

The Strategic Planning Manager informed the Committee that the numbers of people on the Register was updated and published every year in the Annual Monitoring Report and he would circulate the link to Members. With regard to the point about developers trying to abuse the system, the policy had a reasonable fall-back position, but it was accepted that there were times when a developer had tried but had failed to sell self-build plots.

In connection with a Member's remark about disagreements, the Strategic Planning Manager said he was used to receiving hard edged comments. It was not unusual, but one had to be very careful when writing policies and wording responses and he was very mindful of the legalities. On another point, he advised the Committee that self-build homes did not attract CIL payments; however, it was set in legislation that the property had to be the person's primary home and they had to live in it for a minimum of 3 years. Developers could advertise when they wanted and the policy made sure that they did sufficient marketing.

It was resolved:

That the Custom & Self-Build Housing SPD be adopted as a formal Supplementary Planning Document.

55. **NATURAL ENVIRONMENT SUPPLEMENTARY PLANNING DOCUMENT**

The Committee received a report (reference V68, previously circulated), from which Members were asked to adopt the Natural Environment Supplementary Planning Document (SPD), which would then become a material consideration in making planning decisions.

It was noted that this SPD had been prepared to provide advice on policy requirements relating to the natural environment and it had been a specific comment (amongst others) in the 'Climate Change' Motion passed by Full Council in October 2019.

Following Committee approval of a draft on 6th February, consultation was carried out between 18th February and 30th March 2020. All the comments received were carefully considered and where it was appropriate, changes were proposed to be made to the SPD. As part of the process, a Consultation Statement report was produced, including all comments received and the Council's responses. It would be published on the Council's website alongside the adopted version of the SPD.

The Strategic Planning Manager said a number of issues had been raised in the representations received. The main issues raised (in the order of the document) and the changes made were summarised in paragraph 3.15 of his report.

The SPD would endeavour to reverse the decline in biodiversity and instead promote a 'net gain'. It was expected that Government would introduce mandatory biodiversity 'net gain' via the Environment Bill, but this was not certain in terms of scope and timing. In the meantime, the SPD provided guidance how all development could contribute to achieving a net gain, but it contained a clause saying that the applicable SPD policy would not be applied if an Environment Act established a net gain mechanism in law.

A Member stated that they worked for the Bedfordshire, Cambridgeshire & Northamptonshire Wildlife Trusts, who were consultees, but did not consider themselves to have a pecuniary interest in this item. They wished to thank everyone who responded to the consultation and accepted that there were some things that could not be done, or had to be reined back. However, they would keep the consultation document to hand so that when the next Local Plan was being prepared, they could have a stronger environmental section. They made the point that as much of East Cambridgeshire was chalk, it would be important to ensure that the right trees were planted in the right places. They concluded by expressing their wholehearted support for the SPD.

Other Members expressed their support, one saying it was a pleasure to vote for something that did the Council credit. Another Member thought it encouraging that

the response to the consultation had been so good, concurring with the comment about trees being planted in the right place.

It was resolved:

That the Natural Environment SPD be adopted as a formal Supplementary Planning Document.

56. **CLIMATE CHANGE SUPPLEMENTARY PLANNING DOCUMENT (SPD) – CONSULTATION DRAFT.**

The Committee received a report (reference V69, previously circulated) from which Members were asked to determine whether to approve the Climate Change SPD for public consultation.

The Strategic Planning Manager informed Members that this new SPD aimed to help the planning system achieve development which had a lower impact on the climate and a commitment to the preparation of the document was in the Council's recent Environment Plan (June 2020).

The Council already had a good framework in place to seek development that had a lower impact on the environment and climate, but there was scope via this new SPD to provide further guidance and encouragement on the issue. However, there was a legal framework, including planning policy and Building Regulations preventing the Council from going too far. The Strategic Planning Manager believed that this SPD would be a positive step forward and subject to consultation, should make a difference.

A Member declared themselves to be slightly confused about some of the detail in CC3, especially adaptability and interior design, as they were not sure it was the issue of the moment. Builders needed no encouragement to build with stud walls, and they were surprised there was not more about insulation because we were trying to encourage a move towards something like a Passivhaus standard.

Another Member remarked that Reach Parish Council had already discussed renewable energy and there was concern in the village about the cumulative impact of renewable energy applications. They wondered if there was any way to include something in the SPD about how cumulative impacts would be considered.

The Chairman said he had raised this at the last Planning Committee meeting as they were centred around Burwell, and the Planning Team Leader had replied that they were almost at the tipping point of cumulative impact. The Vice Chairman added that he had received an interesting document from the Chartered Institute of Housing which said that the housing associations were taking a lead on the issue; he would circulate the document to Members.

A further Member found the reference to current SPDs very useful; whilst they appreciated that it was not possible to be more onerous than what was in the Local Plan, they thought that things should be pushed as far as we could. This was supported

by a Member who believed that much more should be mandatory. The need for solar farms should be reduced and dwellings to be Carbon Zero by 2050.

The Strategic Planning Manager replied that he would like to push things as far as possible, but he had to be mindful of current legislation which set the parameters; the SPD must not make developments unviable. Building Regulations set minimum standards and today's new build homes were quite energy efficient. The Regulations had not yet been amended, but standards would go up. The issue of cumulative impact was very tricky but it was taken into consideration by the planners and the tipping points could be quite high. Andrew Phillips, Planning Team Leader, could help on this.

It was resolved:

That the draft Climate Change SPD be approved for the purpose of public consultation (with any minor editorial or presentation improvements delegated to officers, in consultation with the Chairman, prior to publication), with public consultation anticipated to be for 6 weeks over the period mid-October to end of November.

57. **RECOMMENDATION FROM COVID-19 WORKING PARTY**

The Committee received a report (reference V70, previously circulated) from which Members were asked to consider a recommendation from the COVID-19 Working Party.

The Director Commercial reminded Members that the COVID-19 Working Party had expressed a desire for the Council to make available a capital grant of up to £3k per business, to any business in the District that employed 5 people or less. The purpose of the grant would be for the purchase of making the business COVID-19 Safe; paragraph 3.2 of the report gave examples of such purchases.

The grant would only be available to businesses that were not currently open; it would not be available to businesses that had currently received a grant from the various grants that had been available during the pandemic period.

It was noted that the Council had now launched a survey that could be completed by any business in the District, and it was due to close on 16th October 2020. The purpose of the survey was to gather data on the impact of the pandemic to date and to provide the Council with an insight as to what measures could further support business to recover from this current climate.

There was currently no budget for this potential grant being made available and without detailed analysis of how many businesses could potentially benefit from this grant, it was not possible to try and create a total fund amount that could be made available.

It was therefore recommended that the Council awaited the results of the business survey and then take the feedback from the business community back to the COVID-19 Working Party for consideration. The Council could then work in partnership with other organisations to assess what interventions were available.

One Member thought that if help was not required, that would be great, but if it was, then this could be looked at and Members of the Working Party should be encouraged to come forward with suggestions.

Another Member said things had moved on and they had a problem with the recommendation as it stood. The paper highlighted that there was no budget or a mechanism for how to spend a budget. They wished officers to bring a paper to the November meeting of Committee to say where funds would be found and how to deliver them speedily and in good governance. The comment was also made that it should be recognised what the Combined Authority had in its coffers.

A further Member felt that funds should not be raised without a specific reason. However, they agreed with the recommendation to await the results of the business survey.

Speaking in his capacity as Chairman of the COVID-19 Working Party, Councillor Bovingdon thanked its Members and the Director Operations for all the work they had done. The Council awaits the results of the survey and he looked forward to seeing them in October. In the meantime, the Working Party's next meeting was on 30th September and the comments made at this Committee would be kept in mind.

It was resolved unanimously:

- (i) That the recommendation made by the COVID-19 Working Party, as set out in paragraph 3.2 of the report, be noted; and
- (ii) That the course of action, as set out in paragraph 4.3 of the report, be approved.

Councillor Wilson returned to the meeting at 8.32pm.

58. **MEDIUM TERM FINANCIAL STRATEGY UPDATE**

The Committee considered a report (reference V71, previously circulated) which provided Members with an update on the Medium Term Financial Strategy (MTFS) since the 2020/21 budget was approved in February 2020.

In summarising his report, the Finance Manager ECDC said the long term implications of the COVID-19 pandemic were far from clear, especially for local government and the impact on local taxation in the years to come. Section 5 set out the assumptions made in arriving at the figures presented.

The Council ended the 2019/20 financial year with an under spend of £1,690,450; this had been added to the Surplus Savings Reserve and was available to support the MTFS in future years.

Government had announced a further delay to the Fair Funding Review because of the pandemic, and this had the potential to provide the Council with some upside in 2021/22. However, with Business Rates receipts likely to be lower overall due to COVID-19, some of that benefit might be lost.

The Government's Comprehensive Spending Review was still planned to go ahead in the autumn and this would determine the overall resources made available to all of the Departments of Government, including local government.

Members were reminded that at the last meeting of Committee, the Finance Report suggested that the Council would overspend by £496k in 2020/21, mainly as a consequence of the pandemic. This was now considered a high estimate as the Council had received a third tranche of un-ringfenced Government funding and would be able to recover some of the income lost via a Government compensation scheme.

A Member thanked the Finance Manager and his team for trying to keep up with everything that was going on. They asked what was being done to meet the MTFS in future years and how much would be brought in if there was to be a 1% increase in Council Tax. They thought there should be an update given at every Committee meeting, with Members being emailed in between. They also suggested that it would be useful for the Budget 2020/21 to have a revised forecast column.

The Finance Manager understood there would be a Comprehensive Spending Review. His assumption regarding inflation was a 2% increase in pay in April 2021 and the same for major contracts. He would look at this in the light of revised forecasts and another budget monitoring report would come to the November meeting. The current assumption was that the Council would break even due to Government funding and the Authority was very fortunate to be in such a robust position. A 1% increase in Council Tax would bring in about £50k.

Another Member found it interesting that when looking at the budget gap, the first question was about Council Tax. They hoped an increase would not be necessary as the Council had always taken the strategy of looking for savings. They offered their thanks to the Finance Team and senior officers, believing it was due to good management rather than good fortune that the Council had a balanced budget. They could not remember many times when the Authority did not have challenges in the future, and it would be down to Members to meet them again.

One Member asked if the draw from the Surplus Savings Reserve would be needed if the Council broke even in 2020/21; the Finance Manager confirmed it would still be required.

A Member commented that when they looked ahead at the way in which finances were being managed, they had no problem in endorsing good people doing good work. However, there was still a high level of risk and big problems were coming up. Members should not be overly optimistic as there would come a time when the reserves would be gone and the housing projects would not deliver a pot of gold every year.

A Member wished to know what work was being done to balance the budget, when this would come back to Committee and how consultation was to be carried out with local residents about finding the budget deficit of £4.4 million. They were concerned that services would be reduced or Council Tax increased and did not believe a balanced budget would be achieved through efficiencies; there should be

proper consultation. The Chairman replied, reiterating that there was an obligation to consult.

A further Member said the pandemic was not going away anytime soon; people were losing their jobs and businesses were going bust. In view of this, it would be important to think about long term problems very carefully.

When put to the vote, the motion was declared carried, with one Member stating that they noted the report with concern.

It was resolved:

That the contents of the report be noted.

59. **HEALTH & SAFETY ANNUAL REPORT 2019/20**

The Committee considered a report (reference V72, previously circulated) which provided Members with the Corporate Health & Safety Annual Report for 2019/20.

The Open Spaces & Facilities Manager introduced his report by reminding Members that as well as providing a summary of the Council's health and safety performance for 2019/20, it also set out the commitments for 2020/21. Dealing with the COVID-19 pandemic was proving to be challenging, but the Council was managing quite well. Although this was not his field of expertise, he oversaw health and safety and would answer questions where possible.

A Member wished it to be minuted that although health and safety was not the Council's business, in some respects it was part of its business. He considered that to get such a fine 'clean bill of health' was an absolute testament to the Open Spaces & Facilities Manager and his team for going over and above what was expected of them.

Another Member raised the following points:

- It was really pleasing that incidents were very low, as this did not come without much work behind it;
- It was disappointing that Section 5 (Health & Safety Actions for 20/21) did not mention COVID-19;
- They would like reassurance that there was a system in place to ensure a First Aider was in the building when staff were present;
- Had equipment been updated to take account of Covid-19?
- Were there health & safety checks for people working from home?

- In view of the Government's change of guidance regarding people being asked to go back to working from home rather than going into the office, were appropriate structures in place to facilitate people working from home?

Other Members offered their congratulations on the low accident rates, saying the figures were 'spectacular' when one considered what activities the Open Spaces & Facilities Manager and the Head of Street Scene oversaw between them.

The Chairman reminded the Committee that they were looking at the figures for 2019/20. However, he was sure everyone shared the concerns raised and an interest in what was happening to the staff. He recalled something being circulated fairly recently, but in the light of rapidly changing Government guidance, he asked the Director Commercial to send a briefing note to all Members of Council. She confirmed that she would do this and also speak to the Health & Safety Officer to provide extra assurance.

It was resolved unanimously:

That the Health & Safety Annual report for 2019/20 be noted.

60. **BREXIT GRANT UPDATE**

The Committee considered a report (reference V73, previously circulated) which updated Members on the Brexit Grant.

The Director Commercial informed Members that the Council received £34,968, paid in two equal instalments, and the purpose of the Grant was to assist the Council in its Brexit preparations.

It was noted that information, including the relevant links to government websites were provided on the Enterprise East Cambs website.

In addition to ensuring that the relevant information was available to businesses, the Council hosted two themed workshops in February 2020: Import and Export, and EU Settlement. The workshops were funded by the CPCA Business Board. Paragraphs 3.5 and 3.6 of the report set out the topics covered.

The Council would continue to engage with businesses in the District and ensure that they had access to as much information as possible. The Economic Development Team and Communications Team were currently working on a communications strategy and a briefing note would be provided to Members once it had been formalised. It would be kept up to date to ensure that key messages and information was available to businesses.

If there were additional resources required by the Council, it would be able to utilise the grant funding that had been provided by Government.

A Member wished to know if the money would go back to the Government if it was not spent, and the Finance Manager ECDC advised that as it was an un-ring fenced grant, it would go into the Council's balances.

When put to the vote, the motion was declared carried, there being 7 votes for and 2 abstentions. Whereupon,

It was resolved:

That the update provided be noted.

61. **ASSETS UPDATE**

The Committee considered a report (reference V74, previously circulated) which provided Members with an update on Council owned assets.

The Director Commercial informed Members that she had written to the City of Ely Council as instructed, and a response had been now been received. They would undertake the work set out in the instruction and a further survey would be carried out. It was anticipated that a paper would come to the next meeting of Committee.

70 Market Street, Ely, was being actively marketed but the response rate was low. It was expected that a recommendation would come to Finance & Assets Committee in November.

The Council had now completed all of the risk assessments and changes that were needed to ensure that the buildings were COVID-19 compliant and all measures were in place.

The Kingsley Walk, Ely playground had undergone a complete refurbishment, the costs totalling £34,070.72. In Jubilee Gardens, Ely the multi-play units had been refurbished at a cost of £8,745.17. The cost of both the projects was met by Section 106 contributions.

The ticket machines at the Angel Drove Commuter Car Park, Ely were now contactless.

A Member recalled that at the last meeting, it had been raised that the environmental sustainability of 70 Market Street was only just adequate and the Committee was told that consideration would be given as to what could be done to improve it. They wished to know what had come from the consideration, and what did 'interest was low' mean. They wondered if interest was low because the building's environmental sustainability was so low.

With regard to the Council's operational buildings, the Member asked what had been done about sustainable ventilation in connection with COVI-19 safety measures.

The Director Commercial replied that in respect of energy efficiency, it would be really important to identify who the user of 70 Market Street might be so that energy inefficiency could be overcome. However, she wished Members to be aware that the building had generated no income for a significant period of time. It might be for the Committee to consider who the tenant was (if any), and what work needed to be done once the building was occupied.

The Open Spaces & Facilities Manager responded to the question about ventilation, saying that procedures were ongoing. One of the first things to be put in place was the use of air conditioning in the building being stopped. This had been monitored as it happened during the summer and the caretakers used to go round the building opening windows every day. When offices became too warm, users were being advised to open windows and use fans.

There was about to be an audit of the building's efficiency and provision for Covid-19 safety measures would be added into the Plan.

Another Member asked about playgrounds and whether there were safety notices displayed and if hand sanitiser was provided. The Open Spaces & Facilities Manager said the playgrounds had been closed at the start of the pandemic and authorities were later invited to re-open them. Risk assessments were carried out prior to re-opening and there was now signage regarding safe usage of the playgrounds across the District. Hand sanitiser was not provided by the Council; people would be expected to bring their own. The same advice had been sent out to the Parish Councils.

A Member said they had not yet been given an answer regarding the 'low interest' in 70 Market Street, Ely. The Director Commercial replied that there had been one formal offer and two viewings.

Another Member commented that the work of officers should never be underplayed, but East Cambridgeshire was in one of the most rural areas of the country. Whilst the low rate of Covid-19 was a good thing, nobody should be complacent.

It was resolved unanimously:

That the update on Council owned assets be noted.

62. **COVID-19 WORKING PARTY MINUTES**

The Committee received the minutes of the meetings of the Covid-19 Working Party held on 9th July and 29th July 2020.

A Member said they had received some feedback from a local business about the staff going out to advise them about Covid-19 safety and the latest guidelines. In this case, it was about the 'Rule of 6' and a Wake that they had taken a booking for. They found the staff to have been extremely helpful and clear in their advice and extremely prompt in calling to see them.

The Member wished her thanks to be passed on to those involved.

It was resolved:

That the Minutes of the meetings of the COVID-19 Working Party held on 9th & 29th July 2020, be noted.

63. **FORWARD AGENDA PLAN**

The Committee received the Forward Agenda Plan.

A Member made the following points:

- They noted that the Minutes of the Bus Services Review Working Party and the Covid-19 Working Party were not listed on the Plan. It was important to receive the Minutes so that Members could be satisfied that the Working Parties were doing what was expected of them;
- They felt a report on the feedback from the Bus & Cycling consultation should come to the next meeting;
- The ECTC management accounts should come to the meeting on 25th March 2021, and include a forecast to 31st March 2022, so that Members could assure themselves that the business was robust before making any loans to it.

Another Member thought there were too many items on this agenda and that too few Committee meetings had been scheduled. It was not sensible to have such long meetings and asked that consideration be given to how to do things in a more sensible way.

It was resolved:

That the Forward Agenda Plan and the comments made thereon, be noted.

64. **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).

65. **ECTC BUSINESS PLAN 2020/21 (REVISED) – EXEMPT APPENDIX 1A**

The Committee considered the exempt appendix to the East Cambs Trading Company Business Plan for 2020/21 (Revised).

It was resolved:

That the exempt appendix to Report No. U65 be noted.

66. **ECTC MANAGEMENT ACCOUNTS – 4 MONTHS TO JULY 2020**

The Committee considered an exempt report from which Members were asked to note the ECTC Management Accounts for the period April – July 2020.

The Finance Manager ECTC summarised the key points of the report and officers responded to Members' comments and questions.

It was resolved:

That the ECTC Management Accounts (April – July 2020) be noted.

67. **WRITE OFF OF UNRECOVERABLE DEBT**

The Committee considered an exempt report regarding the write off of a Business Rates debt owed by a company referred to in the submitted report.

Members were also asked to note the other Business Rates debts and general debts that had been written off using delegated powers.

It was resolved:

- 1) That the write off of £33,143.31 owed by the company referred to in the submitted report, be approved; and
- 2) That the other Business Rates debts and general debts that had been written off using delegated powers, be noted.

68. **ASSET MANAGEMENT MATTER IN THE PARISH OF BURROUGH GREEN**

The Committee considered an exempt report from which Members were asked to consider the proposed course of action as set out in the submitted report.

The Open Spaces & Facilities Manager summarised the key points of the report and advised Members of the proposed course of action.

It was resolved:

That subject to the agreed amendment to the recommendation, to approve the proposed course of action, as set out in the submitted report.

69. **EXEMPT MINUTES**

The Committee received the Exempt Minutes of the meeting of the Finance & Assets Committee held on 23rd July 2020.

It was resolved:

That the Exempt Minutes of the meeting of the Finance & Assets Committee held on 23rd July 2020 be confirmed as a correct record and signed by the Chairman.

The meeting closed at 10.28pm.

Chairman:.....

26 November 2020