



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Minutes of a meeting of the Finance & Assets Committee held at 4:30pm on Thursday 22nd July 2021 in the Council Chamber at The Grange, Nutholt Lane, Ely, CB7 4EE

PRESENT

Cllr Christine Ambrose Smith (Substitute for Cllr Julia Huffer)
Cllr David Ambrose Smith
Cllr Sue Austen
Cllr Anna Bailey
Cllr Ian Bovingdon (Vice-Chairman in the Chair)
Cllr Charlotte Cane
Cllr Simon Harries
Cllr Bill Hunt
Cllr John Trapp
Cllr Jo Webber (Substitute for Cllr David Brown)
Cllr Gareth Wilson (Substitute for Cllr Alison Whelan)

OFFICERS

Emma Grima – Director Commercial
Ian Smith – Finance Manager
Sally Bonnett – Infrastructure & Strategy Manager
Maggie Camp – Legal Services Manager
Tracy Couper – Democratic Services Manager
Caroline Evans – Democratic Services Officer
Angela Tyrrell – Senior Legal Assistant
Russel Wignall – Legal Assistant

IN ATTENDANCE

Nigel Ankers – Finance Manager, ECTC

24. PUBLIC QUESTION TIME

No questions were submitted by members of the public.

25. APOLOGIES AND SUBSTITUTIONS

Apologies for absence were received from Cllrs David Brown, Julia Huffer and Alison Whelan.

Cllrs Christine Ambrose Smith, Jo Webber and Gareth Wilson were attending as substitutes.

Due to Cllr Brown's absence, Vice Chairman Cllr Ian Bovingdon Chaired the meeting.

26. DECLARATIONS OF INTEREST

No declarations of interest were made.

27. MINUTES

The Committee received the Minutes of the meeting held on 7th June 2021 and the Chairman noted that the word “remote” would be removed from the title on page 1.

A Member asked if the amendment to Minute 122, as detailed in Minute 9i, had been completed; the Democratic Services Manager explained that revisions had been drafted and approval requested from the Chairman prior to publication in accordance with the Minute.

Regarding Minute 12, a Member asked for an update on various aspects of the Soham High Street Renewal Capital Grant Fund Scheme. The Chairman reminded Members that the agenda item was purely to consider the accuracy of the Minutes, and suggested that the Member could contact the appropriate Officer outside of the meeting.

It was resolved unanimously:

That, subject to the removal of the word “remote” from the title on page 1, the Minutes of the meeting held on 7th June 2021 be confirmed as a correct record.

28. 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.

29. 2020/21 TREASURY OPERATIONS ANNUAL PERFORMANCE REVIEW

The Committee considered a report (W42, previously circulated) reviewing the Treasury Management activity during the financial year 2020/21 and reporting on the prudential indicators as required by CIPFA’s Treasury Management Code of Practice.

The Finance Manager introduced the report and explained that the significant increase in the Council’s cash holdings was mainly related to COVID-19; receipt of various Government funds, both for the Council’s use and for the Council to distribute, and the overall revenue underspend linked to the pandemic.

Cllr Bovingdon proposed the recommendations in the report, seconded by Cllr D Ambrose Smith.

In response to a Member’s questions, the Finance Manager and S151 Officer provided further information as follows:

- The exact amount of additional interest that had been earned due to COVID-related Government funding being in the Council’s bank account was not known, although calculations could be made, if needed. Members were reminded that interest rates were generally poor.
- Regarding COVID-related funds received from the Government, significant extra Business Rates funding had been provided and was expected to need to be repaid in December. There was also a period of time between the Council receiving funds to be used for supporting local businesses, and those funds being paid out to the recipients.

- Regarding the loan repayment from East Cambs Trading Company (ECTC) to the Council and the new loans paid to ECTC from the Council, both transactions had taken place on 31st March 2021. The new loans of £4.9m, as agreed by Council on 16th July 2020, had been paid to ECTC a short while before the original loan repayment was received. In response to a further question from a Member it was confirmed that for a very short period between the two transactions, there was more money outstanding to the Council from ECTC than the £4.9m that had been approved.
- The S151 Officer remained confident that ECTC was able to repay its loan, and was in the process of arranging a meeting with the ECTC Finance Manager to assess the detailed financial position.
- None of the approved loan to the East Cambs CLT had yet been transferred.

A Member commended the Officer for the internally-managed funds which had demonstrated an average rate of return that was higher than the benchmark 7-day London Inter-bank Bid Rate.

Several Members spoke positively of their personal experiences of receiving COVID-related grants administered by the Council for business or voluntary organisations. They thanked the Infrastructure & Strategy Manager, and other Officers, for their swift and proactive handling of the grants and related queries. Due diligence had been undertaken for all applications, as was important when managing taxpayers' money in order to avoid fraudulent claims. A Member stated that it would be useful to receive an update from Officers regarding the speed of allocation of grants, and how that compared with other Councils.

It was unanimously resolved to RECOMMEND TO COUNCIL:

That the report on the Council's Treasury operations during 2020/21, including the prudential and treasury indicators as set out in Appendix 1, be approved.

30. EAST CAMBRIDGESHIRE £100K HOMES ALLOCATION POLICY AND GUIDANCE

The Committee considered a report (W43, previously circulated) recommending approval of a £100k Homes Allocation Policy and Guidance for East Cambridgeshire. The Director Commercial explained that, although it was unlikely that the £100k Homes programme would be continued by the Combined Authority, East Cambridgeshire had two sites in the District that had been secured for the delivery of £100k Homes and therefore a process for their allocation would be needed. Appendix 1 of the report detailed the four eligibility criteria for the scheme and the subsequent point-scoring process for prioritising eligible applicants. If all else was equal, then the order of receipt of applications would be the determining factor. In response to a question posed in advance of the meeting, she did not consider that the scheme would be discriminatory since there were points available for employment and for connectivity.

Cllr Anna Bailey proposed the recommendation in the report, seconded by Cllr David Ambrose Smith.

A Member questioned why the scheme should continue since it had been a policy of the previous Mayor and was opposed by the current Mayor. Shared ownership

was an effective and established route to help people on to the housing ladder, whereas the £100k Homes scheme was unique to Cambridgeshire and therefore it could be hard for people to get a mortgage since it would be unfamiliar to lenders. The Haddenham Community Land Trust (CLT) was cited as an example of shared ownership that had worked well, and where a maximum of 80% of each property could be owned. Another Member explained that the majority of shared ownership properties were controlled by Housing Associations (as opposed to CLTs) and generally enabled owners to staircase to 100% ownership, at which point the property would be lost from affordable housing stock. Additionally, from the owner's perspective, a disadvantage of shared ownership was that they would always be exposed to the uncertainty of the rental element.

The Director Commercial clarified that the £100k Homes would be wholly owned by the purchasers and therefore, although both provided affordable housing, the scheme differed markedly from the shared ownership model. The percentage discount from the market price would be permanently tied to the property so that when the owner came to sell it would again be sold at a discount from the market price, and in that way remained as affordable housing in perpetuity. The First Homes scheme recently launched by the Government was also discounted market sale housing, similar to the £100k Homes scheme, and therefore lenders would soon be more familiar with the concept. Sales of the £100k Homes in Fordham were in progress. When the £100k Homes were first devised there had been discussions with lenders and solicitors and it was considered that mortgages would be provided because, in the event of defaulting, the lender would take ownership of the property without the market discount. Upon further questioning about this, she clarified that the lender could only recover their losses and would be required to pay the Council an overage. Therefore, although the original property would have been lost from local affordable housing stock under these circumstances, the overage could be reinvested in local affordable housing. The Director Commercial was not aware of the situation regarding overage payments on shared ownership properties in an equivalent position.

Upon hearing this, a Member addressed the S151 Officer, stating that when the loan to the East Cambs CLT had been discussed in a different meeting it had been stated that the loan would be secure due to the ownership of the properties, but the situation in event of a default had not been clarified. Another Member raised a Point of Order that this was unrelated to the agenda item; the Chairman concurred that debate should focus solely on the £100k Homes scheme.

Several Members questioned whether, when the purchaser had outgrown their home, the percentage discount tied to the home would prevent them being able to move up the housing ladder since the increase in value would not be fully reflected in their equity. The restrictions on who the property could be sold to could also affect both its value and the ease of resale.

A Member expressed concern at the lack of an Equality Impact Assessment (EIA) on the grounds that any scheme to provide affordable housing would need an EIA. An example was given of a disabled person whose disability prevented them from working, and with no local family, who needed to be in the area to be close to their support network. In those circumstances they would receive a low points score. The Director Commercial replied that an EIA had already been considered by several panels before an allocation policy was adopted by the Combined Authority. Points could be scored on a variety of grounds and also reflected other schemes,

such as CLT policies. Another Member raised several issues regarding the point scoring; the relative allocations for employment vs connectivity, lack of clarity regarding armed forces, and the various different categories regarding where the applicant currently or previously lived.

The Chairman commented that lots of points had been raised but there were a limited number of houses and any allocations policy could never cater for every eventuality.

A Member commended the scheme as an excellent way to help local, often young, people to get on to the property ladder. Shared ownership represented an alternative system of providing affordable housing for a slightly different section of the market.

Speaking as the proposer of the Motion, Cllr Bailey reminded Members that the updated Corporate Plan had been approved by Full Council the previous week and had included support of the £100k Homes scheme, it was therefore the policy of this Authority. There were many young people in East Cambs who were struggling to buy homes and were having to move further away for affordability reasons. For earlier generations, home ownership had been comparatively more affordable than it was now, and market discount schemes such as £100k Homes were one way to address this along with others such as shared ownership, affordable rent and social rent. The Government's new First Homes policy would require developers on large sites to deliver a very similar product, the key difference being that it did not apply solely to one-bedroom properties, with 25% of their affordable housing being First Homes. Shared ownership did not suit everybody and the affordability of a £100k Home benefitted from there being no rent due, therefore the owner would be better able to save for their next step on the housing ladder. She thanked Hill Homes for their delivery of the Fordham site and stated that, despite assertions to the contrary on social media, the homes had been delivered without cost to the taxpayer as part of Hill Homes' affordable housing.

A Member offered general support to Hill Construction for their excellent work in offering innovative solutions for homeless people.

Speaking as the seconder of the Motion, Cllr D Ambrose Smith expressed his support for the proposal and explained that all of the criteria and processes were discussed in detail when developed by the Combined Authority and had been shaped with the input of many representatives. He asked when the Member Seminar mentioned in paragraph 3.11 would take place and the Director Commercial replied that dates would be circulated imminently.

It was resolved:

That the £100k Homes Allocation Policy and Guidance, as detailed in Appendix 1 of the report, be approved.

31. RECOMMENDATIONS FROM THE EAST CAMBRIDGESHIRE BUS, CYCLE, WALK WORKING PARTY

The Committee considered a report (W44, previously circulated) containing recommendations and Minutes from meetings of the East Cambs Bus, Cycle, Walk Working Party. The Infrastructure & Strategy Manager explained that the Working

Party had identified five priority cycling/walking routes in the District and had obtained quotes from Sustrans for the provision of feasibility studies to give a better understanding of factors to be considered in their delivery, as well as estimates of their costs. The Committee was asked to approve the commissioning of the studies, to be financed from the Cambridgeshire Horizons funding. Approval was also sought for a change to the Working Party's Terms of Reference to include mention of the Combined Authority's Local Transport Plan Refresh.

Cllr D Ambrose Smith proposed the recommendations in the report, seconded by Cllr Cane.

The Chairman thanked the Leader of Council for the work to obtain the Cambridgeshire Horizons funding.

Several Members spoke in support of the proposals and thanked the Infrastructure & Strategy Manager and the Working Party Members for all of their work. A Member commented on the demonstrable value of Working Parties and other Members highlighted that, although the District Council did not have responsibility for cycleways or footpaths, the feasibility studies would lay the foundations to support the delivery of schemes to give the District an excellent cycling and walking network. One Member commended the mention of discussion of mixed modes of transport in the Minutes of the Working Party.

It was resolved unanimously:

i) that the recommendation made by the East Cambridgeshire Bus, Cycle, Walk Working Party to commission the five route feasibility studies set out in paragraph 4.1 of the report and refresh the Wicken to Soham route costs at a total cost of £103,165, as set out in paragraph 4.4 of the report, be approved.

ii) that the amendment to the Terms of Reference for the East Cambridgeshire Bus, Cycle, Walk Working Party, as detailed in paragraph 4.5 and Appendix 1 of the report, be approved.

iii) that the Minutes of the East Cambridgeshire Bus, Cycle, Walk Working Party meeting held on 10th March 2021, and the draft Minutes of the meeting held on 24th June 2021, be noted.

32. APPOINTMENT TO CAWDLE FEN INTERNAL DRAINAGE BOARD

The Committee received a report (W45, previously circulated) seeking approval for the appointment of a City of Ely Councillor to fill one of three vacancies on the Cawdle Fen Internal Drainage Board. The Democratic Services Officer (Committees) explained the process for seeking nominations and drew Members' attention to the statement that had been provided by Cllr Ian Lindsay in support of his nomination.

Cllr Bailey proposed the recommendation in the report, seconded by Cllr Bovingdon.

One Member commented that a different vacancy had recently been discussed at a meeting of Littleport Parish Council and there had been enthusiastic support.

Another Member stated how important the Internal Drainage Boards were and how essential it was to be involved with, and supportive of, their work.

It was resolved unanimously:

That City of Ely Parish Councillor Ian Lindsay be appointed to fill one of the vacancies on the Cawdle Fen Internal Drainage Board.

33. FINANCE REPORT

The Committee received a report (W46, previously circulated) providing Members with budget monitoring information for services under the Finance & Assets Committee and, as part of its corporate remit, for the Council as a whole. The Finance Manager highlighted that both the Committee and the Council had a yearend underspend. The Council's underspend had been transferred to the Surplus Savings Reserve which now had a balance of £7.837m and would be used in future years to smooth the budget.

Cllr Bovingdon proposed that the recommendations in the report be noted, and Cllr Bailey seconded the Motion.

A Member questioned how the £218k costs for the proposed Mepal Crematorium had been authorised and the Finance Manager replied that additional consultancy costs related to ecology and access had already been explained at previous meetings.

In response to a Member's question about the £30k underspend on the registration of electors, the Democratic Services Manager explained that the greater use of electronic means of receiving information rather than traditional 'door knocking' canvassing methods had reduced costs. The COVID-19 pandemic had postponed the planned canvass redesign process, which now would be undertaken in the forthcoming year in conjunction with Central Government Canvass Reform, and was expected to further reduce costs.

The Director Commercial explained that the pandemic had also resulted in reduced demand on existing commuter car parking and therefore no increase in provision was currently needed, hence the underspend in relation to car parking capital spend as detailed in paragraph 3.7 of the report.

Following a Member's question, the Finance Manager corrected a typographical error on page 2 of the report - the explanation for the Housing Strategic table entry should refer to "vacancies" rather than "vacancy" – and explained that there had also been savings on consultancy fees in that area.

Regarding the £846,526 figure entitled "COVID-19", a Member asked for a more detailed breakdown. The Finance Manager explained that the Government grant received was un-ringfenced and could be used for any COVID-related expenditure. Following another Member's question about the funding provided to East Cambs Street Scene (ECSS) and the Leisure Centre, the Finance Manager explained that ECSS had received ~£77k (initially ~£91k but some had been refunded) and an agreement had not yet been reached with GLL for the Leisure Centre but an allowance had been made in the accounts. The GLL management fee fell within

the Government's compensation scheme for sales, fees and charges, and so the Council would be receiving ~70% of the budgeted fee from the Government.

It was resolved unanimously:

That the following be noted:

- The Finance and Assets Committee has a projected yearend underspend of £1,075,641 when compared to its approved revenue budget of £4,754,985.
- That overall the Council has a projected yearend underspend of £2,165,572 when compared to its approved revenue budget of £13,644,206.
- That this Committee has an expected underspend of £1,603,846 when compared with its revised capital budget of £8,048,680.
- That the overall position for the Council on Capital is a projected outturn of £7,159,257, which is an underspend of £4,711,753 when compared to its revised budget of £11,871,010.

34. ASSETS UPDATE

The Committee received a report (W47, previously circulated) providing an update on Council-owned assets. The Director Commercial explained that there were no items to report to Members since the last meeting (7th June 2021, Agenda Item 9) so this report had concentrated on explaining how asset updates would be provided in the future. A standard report template was shown in Appendix 1 to indicate the level of detail that Members could expect to receive at future meetings.

The recommendations in the report were proposed by Cllr Hunt and seconded by Cllr Webber.

Members spoke positively about the clarity and detail that the new reports would provide, as well as the benefits of consistency. A Member commented that it would be useful to receive updates on the asset matters that had been discussed in exempt session at recent meetings.

It was resolved unanimously:

That the update on Council-owned assets, be noted.

35. ACTION TAKEN BY THE CHIEF EXECUTIVE ON THE GROUNDS OF URGENCY

The Committee received a report (W48, previously circulated) detailing the action taken by the Chief Executive on the grounds of urgency to enable the appointment of substitutes to the Finance and Assets (Ethical Governance) Sub-Committee.

It was resolved unanimously:

That the action taken by the Chief Executive on the grounds of urgency, be noted.

36. FORWARD AGENDA PLAN

The Committee received the updated Forward Agenda Plan for the following 12 months.

In response to a Member's question, the Director Commercial confirmed that the Health and Safety Annual Report would be added to the agenda plan for September.

Members also requested that consideration of the ECTC accounts be moved from November to September, that the ECTC budget consideration in March should instead be in January, and that an update be provided on the Mepal Outdoor Centre. The Director Commercial stated that the dates for the ECTC items would be reviewed, and the Chairman committed to discussing the Mepal update with Officers.

It was resolved unanimously:

That the Forward Agenda Plan be noted and the Health & Safety Annual Report be added to the Agenda Plan for the September 2021 meeting.

37. EXCLUSION OF THE PUBLIC INCLUDING REPRESENTATIVES OF THE PRESS

It was resolved unanimously:

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

38. ECTC MANAGEMENT ACCOUNTS (APRIL – JUNE 2021)

The Committee considered a report, previously circulated, containing the ECTC Management Accounts for the three months to June 2021.

It was resolved unanimously:

That the contents of the report be noted.

39. WRITE OFF OF UNRECOVERABLE DEBT

The Committee considered a report (W49, previously circulated) concerning the write-off of unrecoverable debt.

It was resolved:

i) That the recommendation in the report be approved.

ii) That the contents of paragraph 4.2 be noted.

40. EXEMPT MINUTES

The Committee received the Exempt Minutes from the meeting of the Finance & Assets Committee held on 7th June 2021.

It was resolved unanimously:

That the Exempt Minutes of the meeting held on 7th June 2021 be confirmed as a correct record.

The meeting concluded at 6:48pm.