



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

SHAREHOLDER COMMITTEE

Minutes of the meeting of the Shareholder Committee held in the Council Chamber, The Grange, Nutholt Lane, Ely on 3rd December 2018 commencing at 4:00pm.

P R E S E N T

Councillor Mike Bradley (Chairman)
Councillor David Brown
Councillor David Chaplin
Councillor Steve Cheetham
Councillor Lorna Dupre
Councillor Richard Hobbs
Councillor Alan Sharp

ALSO PRESENT

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| Nigel Ankers | - Finance Manager, Palace Green Homes |
| Maggie Camp | - Legal Services Manager and Monitoring Officer |
| Adrian Scaites-Stokes | - Democratic Services Officer |
| Ian Smith | - Finance Manager |
| Emma Grima | - Commercial Director & Company Secretary, East Cambs Trading Company |
| Phil Rose | - Head of Property & Development, East Cambs Trading Company |

20. **PUBLIC QUESTION TIME**

There were no public questions.

21. **APOLOGIES AND SUBSTITUTIONS**

There were no apologies.

22. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

23. **MINUTES**

Councillor Lorna Dupre queried the references to Councillor Charles Roberts in the minutes, because this did not distinguish him from the Members of the Committee, as he was in attendance due to his role with the Trading Companies' Boards. These references further blurred the potential conflicts of interest between the Council and the Companies. It was agreed to amend the minutes to differentiate between Committee and non-Committee Members.

It was resolved:

That the minutes of the Shareholder Committee meeting held on 1st October 2018, as amended, be confirmed as a correct record and be signed by the Chairman.

24. **CHAIRMAN'S ANNOUNCEMENTS**

There were no announcements.

25. **POST-COMPLETION PROJECT REVIEW**

The Committee considered a report, reference T1564, previously circulated, that review the completed project at Fledglings, The Shade, Soham.

The Head of Property & Development introduced the Finance Manager, Palace Green Homes, who had been appointed as the new Finance Manager for the Company within the last month. The Committee was reminded that this was the first review, so any feedback on its contents or layout would be welcomed, for future reference.

The Review set out what had been involved with the project, the number of dwellings produced and how many of them were affordable. The development had been constructed on land that had gone unused by the Council. It had also provided help to the Shade Primary School by producing a new, safer access route to the school.

A Section 106 grant, produced via another development, had been used to achieve 65% affordable housing on the site, a much higher figure than usual developments. The tender process had included local contractors and had resulted in contractors selected for their quality and price. The development had been delivered on time, within budget and with a good quality finish.

There had been a number of issues with the project and lessons had been learned for the future. The completion had been held up due to the apartment building being freehold but with some leasehold properties within it. So there was a delay from the Community Land Trust (CLT), which had to wait for the freehold to be completed. The aim was to avoid such circumstances in the future. There had also been an issue with the bank, as the person dealing with the project had been away, causing a further delay to transferring the properties over. This process could have been streamlined.

This work was new to the CLT, so working with them had been an education on both sides. All the housing was now occupied and owned by the CLT with some shared ownership. The scheme had worked out well with the financial appraisal showing a slightly higher profit margin than anticipated. This scheme had been submitted to the Cambridge Property Awards, unsuccessfully, but the Company had gained the Innovation Award instead.

Councillor Mike Bradley noted the high 65% mix of affordable housing and queried if the value of the one property still to be sold had been included in the accounts. The Committee was informed that the figures in the accounts were

based on what had been achieved and the potential market value of that property, so the figures were still provisional.

Councillor David Brown offered his congratulations for the Award. He was concerned about the references to the £400K, as it had to be made clear where that money had come from and what it would be used for, as it was not a grant. Clarity was needed so the public could understand this.

Councillor David Chaplin was happy to see the appointment of the Finance Manager, as this would strengthen management reporting. The accomplishment of this project was a testament to the success of the Council's housing policy. This gave local control to local people and helped alleviate the issues over the social housing provided in the district not performing.

Councillor Lorna Dupre questioned the apportioning of staff costs to projects, as it appeared elsewhere this was not happening. It would be difficult to apply these retrospectively.

The Finance Manager, Palace Green Homes disclosed that the costs had been absorbed within the overheads, so staff costs had been included. The Board was discussing how these costs should be allocated, as currently they were based on overall sales but a more accurate way could be to record people's time working on the projects. The Head of Property & Development explained that it had been decided to stick with this method, as the Barton Road and Soham projects were coming to completion within this financial year.

Councillor Alan Sharp queried whether the revenue figures included the grants. As 65% affordable housing had been achieved, would the transfer value to the CLT be at the lower value. The Head of Property & Development confirmed this as correct. Councillor Sharp continued and reminded the Committee that the Company could do things the Council could not but this was to help provide services for the public.

Councillor David Chaplin asked why the Company had applied for the grant and not the CLT. The Commercial Director stated that there was nothing to exclude the CLT from applying. Councillor Mike Bradley noted that the figures may be the same but not how it would be perceived. Therefore clarity on what was being delivered was needed.

The Head of Property & Development highlighted one further issue, relating to the Combined Authority. That Authority would not have given a loan to the CLT, but it could go to the developers who would work in partnership with the CLT.

26. **FORWARD AGENDA PLAN**

The Committee received its forward agenda plan.

27. **EXCLUSION OF THE PUBLIC INCLUDING REPRESENTATIVES OF THE PRESS**

It was resolved:

That the press and public be excluded during the consideration of item 9 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(s) there would be disclosure to them of exempt information of Categories 1, 2 and 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

28. **EXEMPT MINUTES**

The Committee received copies of the Exempt minutes of the East Cambridgeshire Trading Company Ltd Board meeting of 12th September 2018 and the Exempt minutes of the East Cambs Street Scene Ltd Board meeting of 12th September 2018.

The Committee discussed matters including the risk register, the Companies' business plans, future plans, financial matters, development projects and procedural issues.

The meeting concluded at 4:48pm.