

East Cambs Trading co. Ltd

HALF YEAR REPORT

EMMA GRIMA
COMMERCIAL DIRECTOR

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1. PURPOSE

The purpose of this report is to receive an update on East Cambs Trading Company for the period commencing on 1 April 2017 to 30 September 2017.

2. RECOMMENDATIONS

Members are requested to note the contents of this report.

3 HALF YEAR REPORT

East Cambs Trading Company Limited (ECTC) has been operational since 1 April 2016. The vision for ECTC is set out in the Overall Business Plan (December 2015); We believe in improving the quality of life of the taxpayer of East Cambridgeshire and we believe in the Council's objectives that are set out in the Corporate Plan 2015-2019. ECTC will support the Council in achieving these objectives.

In order to achieve this vision ECTC has adopted the following strategic objectives:

- To maximise on every commercial opportunity available,
- To trade in a manner that, wherever possible, acts in the best interest of the Council,
- To establish ECTC as a successful local developer with a reputation for delivering high quality, well-designed residential property,
- To optimise the financial return from Council owned land and property,
- To make a positive contribution to the delivery of more housing across the District to meet housing need in all segments of the market,
- To recycle surplus funds generated from these projects to support the Corporate Objectives of East Cambridgeshire District Council and enhance its reputation and financial viability, and
- To stimulate growth of Community Land Trusts in East Cambridgeshire and open up a large enough market for ECTC to thrive.

Our services will be:

- Flexible- innovative and tailor made options to meet the needs of the individual customer,
- Local- wherever possible (and relevant), ECTC will utilise local suppliers, and
- Trusted- reliable services delivered by skilled staff.

In 2016/17 ECTC and ECDC worked together to create a 'Shared Vision'. This shared vision will enable both organisations to achieve their strategic objectives and is a key component of the ECTC Annual Business Plan 2017/18.

The Shared Vision

- **Balance the budget**

ECDC has a balanced budget until 2018/19. ECTC will, wherever possible, work with ECDC to assist in the delivery of a balanced budget beyond 2018/19.

ECTC can assist ECDC in working towards a balanced budget in two key areas; delivering the Council's commercial services and generating enough profits to pay a dividend to ECDC.

- **Improve services**

ECDC has a challenge to continue to deliver services to the community with reduced public funding. Despite reduced public funding the community expectations continue to grow and the Council must find a balance to manage this delivery and expectation.

In order to overcome this ECDC must look at the services that it offers (for example, waste services & open spaces).

ECTC can assist ECDC to achieve this balance by finding new opportunities for services that generate income and can provide opportunities to do more.

- **Build new homes**

ECTC will harness community experience and local knowledge to deliver successful well-designed property developments which bring significant community benefit, are right for their place and respond to the needs of the local market.

- **Maximise devolution opportunities**

ECTC will work with ECDC to maximise every available opportunity that may arise from being a member of the Combined Authority. For example, CLT consultancy services and CLT development opportunities.

- **Be 'Open for Business' and 'Can do'**

ECDC and ECTC have a shared vision of being positive and proactive in responding to the needs of the community of East Cambridgeshire and beyond.

ECTC COMMITMENT

- **Offering consultancy services to others**

ECDC has a very talented and knowledgeable work force. Through ECTC this talent and knowledge can be capitalised by creating a package that can be sold to both the public and private sector.

ECTC will work with ECDC to maximise opportunities through devolution, particularly on CLT consultancy services which could lead to other development opportunities. ECTC are in a unique position where they have the knowledge and expertise to deliver a service to other local authorities both on a consultancy basis and on a delivery basis.

ECTC can expand the geographical footprint of the CLT East Cambridgeshire CLT so that other CLTs within the Combined Authority area can be part of the delivery programme.

- **Bid and win external contracts**

ECTC is able to bid for contracts outside of ECDC's administrative boundary and generate a profitable return. ECTC will continue to focus on developing this area of the business.

- **Make our services more profitable**

ECTC is able to generate a profit for the services that it provides. ECTC has the flexibility that it needs to ensure that a quality service is provided at a cost that will generate a profitable return. Services delivered through ECTC can be provided in areas outside of ECDC's administrative boundary and can achieve a profit.

- **Build our reputation**

ECTC is a new company and needs time to build a good reputation; to date ECTC has a good reputation and this is mainly accredited to the dedication of the existing staff that work hard to promote ECTC as a company to do business with.

ECTC is currently benefiting from being a company that is wholly owned by ECDC; this is a trusted brand. In partnership with ECDC, ECTC will continue to build this brand and ensure that both organisations are seen as a true partnership with a shared goal of providing quality services to the communities they serve.

- **Make a case to operate Council Services**

ECTC will develop individual business cases which will set out the benefits of ECTC managing and operating Council services. ECTC has already proven, through the Markets Service, that transferring a service can generate more profit, empower staff to be more commercial and increase the offer to the community. ECTC will take this model and apply it to other Council services.

Each business case will assess the risks and rewards of ECTC managing the individual service. The fundamental reason for running services on behalf of the Council will be because it will enable ECTC to do more once a service is transferred to it. For example, the Open Space Service will provide ECDC with the economies of scale needed to deliver a meaningful service and maximise profit return from the very beginning.

During the implementation stage of setting up ECTC, statements were made that ECTC would only consider ECDC services that were making a profit. This is no longer the case so long as a case can be made whereby ECTC can demonstrate that running the service on behalf of the Council meets one or more of the objectives set out in this strategy.

- **Build more homes**

ECTC, through its trading brand Palace Green Homes (PGH), will build out quality new homes for all sectors of the market.

PGH will have a focus on delivering Community Led Housing Schemes and will maximise opportunities that arise through devolution.

ECTC has two divisions; Commercial Services and Property Development.

3.1 GOVERNANCE

- The registered address is The Grange, Nutholt Lane, Ely, Cambridgeshire, CB7 4EE.
- The sole shareholder is East Cambridgeshire District Council (ECDC). ECDC provides share capital of £1 and a loan of £5,000,000 to enable ECTC to achieve the objectives of the Business Plan. The loan has been provided by ECDC on an “arms-length” basis. The prevailing interest rate for the loan is 2% above PWLB, which at the time of first transfer of funds was 5.22%. The loan agreement requires that the full loan amount is repaid within 5 years.
- The financial year runs from 1 April to 31 March of each year.
- NATWEST is the company’s bankers. A current account has been created and a credit card has been obtained; use has been restricted to Board Directors with a maximum spend limit of £2,500.
- The VAT registration number is 237 9735 65.
- Insurance cover has been arranged with ZMI and the cover extends to professional indemnity, public liability, employers liability and professional negligence.
- A pension scheme has been established with Royal London for employees to enrol with.
- Ernst and Young have been appointed as the external auditors.
- Registered with the Information Commissioners Office.
- Adopted all ECDC policies and procedures and will review this position as the company develops.

The Board of Directors

The Board of Directors is comprised of the Leader of Council, the Deputy Leader of Council, the Chief Executive of the Council, the Director, Commercial of the Council and an Independent Chairman. The Company Secretary is the Director, Commercial of the Council.

All members of the Board of Directors are required to disclose any interest which might be considered to conflict with the company, particularly any potential conflicts with contracts for the company.

Board Meetings and Reports

The Board of Directors meets formally once a quarter and informally once a month (except where there is a formal board meeting). The Board of Directors receives the following reports at its formal meeting:

- Report from the Company Secretary
- Report from the Director, Commercial Services
- Report from the Head of Development
- Action taken by the Managing Director (for information)

3.2 RISK MANAGEMENT PLAN

Legislative/Policy				
Identified Risk	Management of Risk	Risk Score		Risk Owner
<p>Changes in legislation which could place restrictions on the Council's powers to trade in a commercial manner.</p> <p>Changes in legislation could impact on ECTC's ability to borrow (or conversely ECDC's power to lend) to fund future projects</p>	<p>This is outside the control of ECTC.</p> <p>Continuous monitoring of changes to legislation through liaison with MP's, ebulletins, consultations, LGA KnowledgeHub and other publications.</p> <p>Any significant changes in legislation which realise this risk should be addressed immediately by the Managing Director to the Board of Directors.</p> <p>An amended Business Plan or Exit Strategy will need to be approved by the Board of Directors and submitted to the Council.</p> <p>The Company Secretary (also ECDC's S151 Officer) attends all Board Meetings and advises on all relevant financial and governance matters.</p> <hr/> <p>Monitoring</p> <p>There have been no significant changes in legislation. This risk is continually reviewed through publications and regular liaison with Grant Thornton.</p>	<p>Likelihood</p> <p>Impact</p> <p>Risk</p>	<p>1</p> <p>5</p> <p>5</p>	<p>Managing Director</p>
<p>The June 2016 Referendum result for the United Kingdom to leave the European Union could have a financial and/or operational impact on ECTC.</p> <p>The extent of the impact is unknown, this will be kept under continuous review now that Article</p>	<p>The Board of Directors shall continuously monitor the perceptions and actual impacts on market conditions and inform the Council of any changes/decisions that need to be made.</p> <p>Advice will be sought from the relevant professional body when appropriate.</p> <hr/> <p>Monitoring</p>	<p>Likelihood</p> <p>Impact</p> <p>Risk</p>	<p>3</p> <p>4</p> <p>12</p>	<p>Board of Directors</p> <p>Section 151 Officer & Director Commercial (ECDC)</p>

50 has been triggered.	<p>At present there are still many unknown implications that could arise from BREXIT.</p> <p>The impacts so far relate to skills and materials shortage in the construction industry which has led to cost pressures.</p> <p>ECTC manage this through the tender process and ensure that flexibility is retained when entering into land agreements.</p>			
Local Government Reform	<p>The Cambridgeshire and Peterborough Combined Authority Mayor has announced a review for local government reform. Details and scope of the review are not defined at present, such a review is capable of having both a positive and a negative impact on ECTC, depending on the outcomes of the review.</p> <p>It is unlikely that there will be negative impact for ECTC in 2017/18 and possibly 2018/19 as the review is likely to take a significant amount of time to conclude.</p> <p>The Director Commercial shall monitor the proposals as they progress.</p> <p>The Director Commercial shall inform the Board as soon as is practicably possible of any opportunities and threats that arise.</p>	Likelihood Impact Risk	2 2 4	
Changes in Planning and Housing Policies could have an impact of the Property Division, for example, changes to Affordable Housing, Starter Homes, and Self-build could impact the profitability of a particular development.	<p>Officers are aware of changes to the Housing and Planning policies that are proposed in 2017. The Government White Paper is being carefully considered. These changes will not impact on the site at Barton Road and as such does not undermine this development.</p> <p>The Head of Property Development will have regard to emerging changes to national planning policy, local planning policy and changes to legislation/regulation during the development appraisal process. These matters will be addressed through business planning.</p> <hr/> <p>Monitoring</p>	Likelihood Impact Risk	3 2 6	Head of Property Development

	<p>There are further changes emerging from the Autumn budget which propose a consultation on planning matters that could have an impact (in parts positive impact) on ECTC.</p> <p>The Head of Development and Director Commercial will review the consultation that is proposed and make appropriate representation. The Head of Development will have regard to the proposals and manage the risks accordingly for each individual project.</p>			
<p>The Council cannot demonstrate a five year land supply.</p> <p>This has a potential to undermine the ability to deliver CLT development in East Cambridgeshire.</p>	<p>Monitoring</p> <p>The Council has approved the draft local plan to be submitted to the Inspectorate in 2018.</p> <p>The Council has a five year land supply.</p>	<p>Likelihood Impact Risk</p>	<p>2 4 8</p>	<p>Director, Commercial Services</p> <p>Head of Property Development</p>
Governance				
<p>Inadequate governance arrangements and lack of clarity on roles of the Council and ECTC could lead to poor decision making which could undermine the operation of ECTC</p>	<p>The Shareholder Agreement sets out the role of the Council and the role of ECTC (in particular matters reserved only for Council) and provides for governance of ECTC and the scrutiny arrangements through the Shareholder Committee.</p> <p>The Council and ECTC will monitor the practicalities of the Shareholder Agreement to ensure that it is fit-for-purpose. Any necessary changes will be brought to the attention of the Council.</p> <p>Any changes to the Shareholder Agreement will need to be approved by the Council. The Managing Director will provide a report to the Council detailing any proposed changes and why these changes would be necessary.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Managing Director</p> <p>Director, Operations, ECDC</p>
<p>As ECTC is wholly owned by ECDC, ECTC is subjected to the controls and decision making</p>	<p>The Shareholder Agreement sets out the decision making abilities of the ECTC and ECDC. The Shareholder Agreement provides for the ability of extraordinary meetings of the Shareholder Committee to be called to</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Managing Director</p>

<p>process for matters that lay outside of the Business Plan.</p> <p>The speed of the decision making process may have an impact on ECTC's ability to operate effectively.</p>	<p>consider urgent business and make recommendations to Full Council.</p> <p>In accordance with the Council's Constitution a Full Council meeting can be convened to deal with any urgent business.</p>			
Economic				
<p>ECDC has provided a loan to ECTC of £5,000,000, to be drawn down in accordance with the loan agreement.</p> <p>If the Council's MTFS is not successfully implemented this will reduce the availability of loan finance to ECTC, thus undermining the cash flow and profitability.</p>	<p>The Section 151 Officer continuously monitors the MTFS to ensure the Council can 'make good' on its commitments. The MTFS takes into consideration Revenue Support Grant, the Treasury Management Strategy, ongoing efficiency savings and income generating services.</p> <p>The Section 151 Officer continues to monitor the performance of the MTFS.</p> <p>The Section 151 Officer will ensure the Council can make the advances to ECTC in accordance with the loan agreement, in the event that advances cannot be made the Section 151 Officer shall notify the Managing Director as soon as is practicably possible.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Section 151 Officer</p>
<p>ECTC cannot increase its indebtedness without the consent of the Council; it is likely that loans will be provided by the Council (subject to Full Council approval of the Business Case for the loan).</p> <p>If the Council's MTFS is not successfully implemented this will reduce availability of loan finance to ECTC. This means ECTC would need to borrow from the 'market' and as such will undermine ECTC's</p>	<p>This matter concerns the future of ECTC, however, effective business planning requires continuous consideration of financing in order to realise its success.</p> <p>In considering an application for a loan from the Council ECTC shall engage with the Section 151 Officer as early as practicably possible to enable the Council time to assess its financial position and make a decision as to whether such a loan could be provided.</p> <p>The Council shall make a decision on whether to provide ECTC with a loan as early as practicably possible; if it is not possible this will enable ECTC to consider alternative options for financing.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Section 151 Officer</p> <p>Managing Director</p> <p>Head of Property Development</p> <p>Director, Commercial (ECTC)</p>

<p>profitability and cash flow as the ECTC would not be able to benefit from the same terms and conditions of a loan agreement if it went to the market for such a loan.</p>	<p>All parties shall have regard to the Council's decision making processes.</p> <p>ECTC shall, wherever possible, adhere to the deadline requirements of the Council's Committee and Council meetings.</p> <hr/> <p>Monitoring</p> <p>ECTC has not experienced any issues with accessing the £5,000,000 loan facility that has been agreed with the Council.</p> <p>ECTC and the Council's S151 Officer continue to keep this matter under review, firstly to ensure that the Council can continue to make this facility available and secondly to ensure ECTC continue to be in a position to make the repayments.</p>			
<p>Changes in taxation, interest rates and build cost inflation could have an impact on the viability and profitability ECTC.</p>	<p>At present changes in taxation is not a known risk, however, ECTC should have regard to the impact of any such changes.</p> <p>Building cost inflation is the key risk; to minimise the impact of this contracts will be let with costs defined.</p> <p>The Finance Team (E CDC), and where relevant the Head of Property Development will monitor changes and factor any changes in the business planning process.</p>	<p>Likelihood Impact Risk</p>	<p>1 3 3</p>	<p>Section 151 Officer</p> <p>Head of Property Development</p> <p>Director, Commercial Services (ECTC)</p>
<p>Economic downturn could result in less than anticipated (or even losses) assumed in the Business Plan</p>	<p>A full assessment of the market conditions will be carried out prior to any development commencing. In the event that an economic downturn occurs once a development has commenced the Head of Property Development will appraise the Managing Director of the situation.</p> <p>The Managing Director shall inform the Council as soon as is practicably possible of any significant changes that may impact on the repayment of the loan.</p> <p>Where relevant the Managing Director shall present to the Council an</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Head of Property Development</p> <p>Managing Director</p>

	amendment to the Business Plan or, if necessary, present an Exit Strategy, for approval.			
In order to prosper in a commercial environment, cash flow for the ECTC will be essential. Insufficient cash flow will result in ECTC being constrained in realising the objectives of the Business Plan.	ECTC shall through the annual review of the Business Plan ensure that sufficient provision is made to provide cash flow to achieve the aims of the Business Plan. Should opportunities arise that are outside of the scope of the Business Plan ECTC shall liaise with the Council and prepare a revised Business Plan, at the earliest opportunity, which will include identifying loan funding (to be approved by Council) that would enable commercial opportunities to be realised.	Likelihood Impact Risk	3 4 12	Managing Director Section 151 Officer
Operational				
ECTC will benefit from the Teckal Exemption so long as the 80/20 balance is maintained. Not keeping this balance will mean that services cannot be freely transferred to ECTC and will undermine the activities of the Commercial Services Division and will constrain the cash flow.	When bidding new contracts the Director, Commercial Services shall have regard to the control and function test of the Teckal Exemption. The balance of Teckal shall be reviewed and reported to the Shareholder Committee. In any event the balance of Teckal shall be reviewed prior to entering into any contract for Commercial Services that falls outside of the Council's administrative area. Urgent action must be taken in 2017/18 to address the Teckal Balance. A business plan will be produced by the Commercial Director as soon as is practicable in 2017/18. <hr/> Update In January 2018 Council will be asked to set up a new local authority trading company to address Teckal.	Likelihood Impact Risk	2 2 4	Director, Commercial Services (ECTC)
Inadequate cost controls on	The Head of Property Development, in the business planning cycle,	Likelihood	2	Managing

<p>commercial build contracts can lead to delays, overspends and reduced profitability/cash flow for the company.</p> <p>This has the potential to undermine the ability to repay loans to the Council.</p>	<p>shall have regard to market conditions, build cost inflation and put in place a robust project management and cost control plan.</p>	<p>Impact Risk</p>	<p>3 6</p>	<p>Director Head of Property Development</p>
<p>Lack of community appetite for CLT development may undermine the targets set out in the Business Plan</p>	<p>The Council has approved the draft local plan for submission to the Planning Inspectorate. The policies within the local plan that relate to CLT development have been refined to encourage the delivery of CLT development.</p> <p>The Council has produced a draft Supplementary Planning Document which seeks to accelerate the delivery of Community-led Development.</p> <p>The Council and ECTC shall promote CLT development in a manner that complements CLT development in the District through policy and case study promotion.</p> <p>ECTC has employed experts in CLTs to assist communities in delivering CLT developments.</p>	<p>Likelihood Impact Risk</p>	<p>2 4 8</p>	<p>Head of Property Development Director, Commercial (ECDC)</p>
<p>Change and upheaval can, if not managed properly, impact on the quality of service delivery during a period of transition and post-change establishment.</p>	<p>The level of resources required is identified in the Business Plan.</p> <p>The Council provides sufficient resources (costs of which are recoverable) to support.</p>	<p>Likelihood Impact Risk</p>	<p>1 3 3</p>	<p>Managing Director Director, Commercial (ECDC)</p>
<p>Not maintaining the services currently offered by the Council could lead to reputational damage for the Council.</p>	<p>ECTC has entered into an Operations Management Agreement with the Council for the delivery of Market Services and Grounds Maintenance Service. East Agreement sets out requirements for service delivery.</p> <p>The Director, Commercial (ECDC) shall oversee the performance of this</p>	<p>Likelihood Impact Risk</p>	<p>1 3 3</p>	<p>Director, Commercial Services</p>

	agreement and report, where necessary, concerns to the Shareholder Committee and make recommendations as to the course of action that is required.			
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3.3 TECKAL COMPLIANCE

The Shareholder Agreement requires ECTC to maintain compliance with the Teckal exemption.

In order to maintain compliance ECTC must carry out an essential part (80%) of its activities for the Council. Where 20% or more of the activities conducted in delivering contracts with bodies other than the Council, ECTC will no longer satisfy the Teckal exemption.

The calculation of the percentage of activities is determined by reference to ECTC's turnover for the 3 years preceding contract award, or business projections for turnover for the following 3 years if that data is not yet available.

ECTC's turnover for 2016/17 was £294,126 (Commercial Services: £235,726 and £58,400 Property).

As a 30 September 2017 92.06% of the turnover is compliant and as such ECTC is maintaining the requirement of the Shareholder Agreement.

Teckal compliance is identified as a corporate risk; non-compliance with Teckal will constrain the future opportunities of the company.

Future projections show that compliant turnover in the future equates to 25.70%.

Proposals are being put to Council to address this.

3.4 FINANCIAL INFORMATION

Key financials	2017	2018	2019	2020	2021
Consolidated					
Turnover	294,126	2,444,303	12,328,833	12,100,625	9,885,123
Gross profit	(257,813)	(3,318,211)	1,407,581	2,219,903	4,252,813
EBITDA	(381,824)	(3,479,331)	1,201,581	2,013,903	4,046,813
<i>Gross margin</i>	-	-	11.42%	18.35%	43.02%
<i>EBITDA margin</i>	-	-	9.75%	16.64%	40.94%
Housing developments					
Turnover	58,400	1,558,227	8,565,508	8,337,300	6,121,798
Gross profit	(295,105)	(3,490,119)	1,258,516	2,070,838	4,103,748
EBITDA	(394,314)	(3,619,014)	1,093,716	1,906,038	3,938,948
<i>Gross margin</i>	-	-	14.69%	24.84%	67.04%
<i>EBITDA margin</i>	-	-	12.77%	22.86%	64.34%
Markets					
Turnover	185,745	183,823	195,000	195,000	195,000
Gross profit	22,121	(3,780)	17,355	17,355	17,355
EBITDA	9,720	(19,892)	(3,245)	(3,245)	(3,245)
<i>Gross margin</i>	11.91%	-	8.90%	8.90%	8.90%
<i>EBITDA margin</i>	5.23%	-	-	-	-
Parks and open spaces					
Turnover	49,981	702,253	785,428	785,428	785,428
Gross profit	15,171	175,687	57,900	57,900	57,900
EBITDA	2,770	159,575	37,300	37,300	37,300
<i>Gross margin</i>	30.35%	25.02%	7.37%	7.37%	7.37%
<i>EBITDA margin</i>	5.54%	22.72%	4.75%	4.75%	4.75%
Waste					
Turnover	-	-	2,782,897	2,782,897	2,782,897
Gross profit	-	-	73,810	73,810	73,810
EBITDA	-	-	73,810	73,810	73,810
<i>Gross margin</i>	n/a	n/a	2.65%	2.65%	2.65%
<i>EBITDA margin</i>	n/a	n/a	2.65%	2.65%	2.65%
Balance sheet summary					
Inventory	1,340,832	1,340,832	1,340,832	1,340,832	1,340,832
Net working capital	(684,117)	(383,183)	(269,278)	141,452	(265,429)
Cash	(17,524)	-	859,658	2,201,831	6,394,526
ECDC Loan	(1,045,000)	(4,967,160)	(5,000,000)	(5,000,000)	(5,000,000)
Other loans	-	-	-	-	-
Net debt	(1,062,524)	(4,967,160)	(4,140,342)	(2,798,169)	1,394,526
Net assets	(405,809)	(4,009,511)	(3,068,788)	(1,315,884)	2,469,928

3.4.1 Update

The budget for Palace Green Homes was amended in August 2017 to reflect the delays in procuring materials to build the properties on Barton Road. At this point, the revised budget forecast was that ECTC would need to borrow the full £5m by the end of this financial year.

Since the budget was revised, the build costs on Barton Road and Soham have been recalculated to reflect revised build schedules and these have resulted in a reduced cash requirement in this financial year.

There is a projected overspend on Corporate costs of £33,700, this is mainly due to the loan value being higher than originally anticipated and therefore the amount of interest payable on this also being higher.

The amount of loan draw down as at 30 September 2017 is £1.945m.

The projected yearend loan position is £4.9m which is under the loan limit of £5m.

3.5 COMMERCIAL SERVICES

3.5.1 Ely Markets

ECTC operates Ely Markets on behalf of ECDC. This has been secured by way of a ten year Operations Management Contract.

What has been achieved since 1 April 2017?

In addition to the various regular markets that are held the Markets Team have hosted:

- Two Flavours of the World Markets,
- A Vegan & Vintage Fair,
- A Vegan Fair, and
- Two summer late events.

All of these additional events have been very well received by the community and have provided additional income to ECTC.

In addition to the various regular markets the Markets Team will be hosting:

- 6 December 2017- Festive Late (4pm-8:30pm)
- 13 December 2017- Festive Late (4pm-8:30pm)
- 18 December 2017- Mini Market (10am-3.30pm)
- 19 December 2017- Mini Market (10am-3.30pm)
- 20 December 2017- Mini Market (10am-3.30pm)
- 20 December 2017- Festive Late (4pm-8:30pm)
- 22 December 2017- Christmas Market (8:30am-3.30pm)

The Markets Team are also developing initiatives for more events in the new year.

3.5.2 Grounds Maintenance

In addition to its own business with various schools and Parish Councils, ECTC operates Grounds Maintenance Services on behalf of ECDC. This has been secured by way of a ten year Operations Management Contract.

What has happened since the 1 April 2017?

- Secured a ten year contract to deliver ECDC Grounds Maintenance Services
- Carried out one off works for various individual schools, Parish Councils and businesses
- Secured contracts to carry out Grounds Maintenance Works for Soham Academy

The Grounds Maintenance Team are currently awaiting the outcome of a tender for three new school contracts which combined have a total value of £72,000 per annum for an initial three period with an option to extend for two years.

The Grounds Maintenance Team continue to develop the SUDS maintenance schedule and are currently in negotiations with two developers to deliver this service on two housing developments in the District.

3.5.3 Waste Services

On 23 February 2017 (Agenda Item 9 (Exempt)) the Council approved the award of the Council's Waste Service contract to ECTC to commence on 1 April 2018. The Council's Regulatory Services Committee received a progress update report at its meeting on 6 November 2017 (Agenda Item 10).

Another item on the agenda sets out a proposal for setting up a separate Local Authority Trading Company to overcome the Teckal issue that has been identified.

Below are the key decision dates:

Report	Date	Meeting
Establishing LATC	4 January 2018	Council
Business Case and Memorandum of Agreement	22 January 2018	Regulatory Services Committee
Business Case and Memorandum of Agreement	1 February 2018	Board Meeting
Business Case and Memorandum of Agreement	22 February 2018	Council

3.6 Property

Property

CLT East

CLT East provides specialist support services for community-led development to ECDC, other local authorities within the region and local community-led housing groups within the District and further afield.

What has happened in the first six months of the year (1 April – 30 Sep 2017)?

- Consultancy contracts for CLT East's 'Kickstart' Community-led Housing programme have been secured with:
 - o South Cambs DC and Cambridge City Council,
 - o East Suffolk DC,
 - o Great Yarmouth BC and
 - o Tendring DC.

- New CLTs have been established in Swaffham Bulbeck and Soham;
- Ongoing support continues for local CLTs in Kennett, Haddenham, Fordham, Swaffham Bulbeck, Soham, Witchford, Stretham and Wilburton and Swaffham Prior
- East Cambs CLT has been established;
- Public meetings and community engagement exhibitions, workshops and planning weekend events held in Swaffham Bulbeck, Haddenham, Soham, Witchford, Fordham and Kennett;
- A submission has been made to the Combined Authority to deliver a programme of CLT support across the County;
- Additional staff appointments have been made to resource the new contracts;
- Work has commenced on the establishment of new products and services for CLTs (e.g. Housing and Estate Management service for local CLTs);
- Working with the National CLT Network and DCLG to use Community Housing Fund money to improve CLT East's infrastructure and coverage across the East of England

Palace Green Homes

Palace Green Homes (PGH) provides asset management and development services to ECDC, and acts as a developer of high quality residential property across all tenures, with an emphasis on working in collaboration with local CLTs.

What has happened in the first six months of the year (1 April – 30 Sep 2017)?

- A building contractor has been appointed for the 11 new homes at Barton Road, Ely and construction is underway;
- A building contractor has been appointed for the 13 new homes at The Shade, Soham and construction is underway;
- A building contractor has been appointed for the new car park at The Dock, Ely and construction is underway¹;
- A preferred building contractor has been identified for the car park extension at Littleport Station²
- Combined Authority grant funding has been secured for the project at The Shade;
- Planning application submitted for a 54 home CLT scheme in Haddenham;
- Progress continues on the preparation of a planning application for a major mixed use 500 home development at Kennett;
- Continuing support to ECDC Asset Development Committee;
- Continuing development of other early-stage projects to supplement the development pipeline

¹ The project has now completed within budget and according to programme and the car park is open for business

² The contractor has now been appointed and the project is underway