



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Minutes of the meeting of the Finance & Assets Committee held in the Council Chamber, The Grange, Nutholt Lane, Ely at 4.30pm on Thursday, 6th February 2020.

PRESENT

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

OFFICERS

Sally Bonnett – Infrastructure & Strategy Manager
Emma Grima – Director Commercial
Harj Kumar – Senior Planning Officer
Janis Murfet – Democratic Services Officer
Nicole Pema – HR Manager
Rebecca Saunt – Planning Manager
Ian Smith – Finance Manager
Karen Wright – ICT Manager

IN ATTENDANCE

Nigel Ankers – Finance Manager, East Cambs Trading Company
Rachel Ashley-Caunt – Head of Internal Audit
John Hill – Managing Director, East Cambs Trading Company
Suresh Patel – Associate Partner, External Audit, Ernst & Young
Paul Remington – Chairman, East Cambs Trading Company
Phil Rose – Head of Development, Palace Green Homes

88. PUBLIC QUESTION TIME

No questions were submitted by members of the public.

89. APOLOGIES AND SUBSTITUTIONS

An apology for absence was received from Councillor John Trapp.

It was noted that Councillor Gareth Wilson would substitute for Councillor Trapp for the duration of the meeting.

It was further noted that Councillor Sharp was on his way to the meeting and would arrive shortly.

90. DECLARATIONS OF INTEREST

Councillor Cane declared an interest in Agenda Item No.11 (Supplementary Planning Document: Natural Environment – Draft for Consultation), in that she worked for the Wildlife Trust for Bedfordshire, Cambridgeshire & Northamptonshire. She said she would not vote on the item.

Councillor Wilson also declared an interest in Agenda Item No.11, being a member of the Haddenham Community Land Trust.

91. MINUTES

Further to Minute No.77 (East Cambs Trading Company Accounts 2018/19), Councillor Cane requested and it was agreed that the following amendments be made:

- Page 5, 4th paragraph – *Concern was also voiced ... in note 1.4 on page 10 of the accounts ... The note ... accurate, as it had been confirmed in a written answer at Full Council that the Council had not agreed to 'give financial support for the foreseeable future.'*
- Page 6, 2nd paragraph – Insert after first sentence '*The accounts stated that there was a member of staff with a defined benefit pension scheme yet there was no note showing the liabilities arising from the defined benefit scheme, as required by law.*'

It was resolved:

That subject to the agreed amendments, the Minutes of the meeting of the Committee held on 28th November 2019, be confirmed as a correct record and signed by the Chairman.

92. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcements:

- Councillor David Ambrose Smith had taken over from Councillor Christine Ambrose Smith as a full time Member of the Finance & Assets Committee;
- He and Councillor Bovingdon, Vice Chairman, would be attending a meeting with Ernst Young and Public Sector Audit Appointments Ltd on 26th March 2020 to discuss the issues with the accounts and how to go forward.

93. EXTERNAL AUDIT – AUDIT RESULTS REPORT

Suresh Patel, Associate Partner, for the Council's External Auditors, Ernst & Young, presented the Audit Results Report.

This Report updated the Initial Report that was presented to the Finance & Assets Committee meeting on 28th November 2019. The audit for East Cambridgeshire District Council for 2018/19 was now complete. External Audit would be issuing an unqualified audit opinion on the financial statements of the Council. Whilst there were no matters to include in the auditor's report regarding arrangements to secure economy, efficiency and effectiveness in the use of resources, some areas for improvement had been identified and recommendations included. The following points were highlighted:

- On completion of the audit procedures, it was found that there had been misclassification between cash and creditors of £145k;
- The MTFs remained a challenge and it was suggested that the Council could be more transparent in its planning around the areas it had identified to help bridge funding gaps. The Council should consider increasing the frequency that it considered and updated its MTFs and the underlying assumptions;
- Correspondence had been received from the Liberal Democrat Group highlighting a number of concerns over the relationship and governance arrangements between the Council and its wholly owned subsidiary company, East Cambs Trading Company (ECTC). The audit responses were set out on pages 28 – 30 of the Report and were made more in terms of transparency and documentation.

The Chairman said that an update on the MTFs would in future come to Committee in September; he was happy to see the unqualified audit opinion and offered his congratulations to the Finance Manager and his team.

A number of questions were asked of Mr Patel and the Finance Manager:

- Why a substantial approach was taken to the Audit Results Report rather than a controlled one? Mr Patel replied that this was the way it was done, and it was the most efficient approach to take;
- How had the inter-company transaction error come about when controls had been put in place? The Finance Manager said that it was a matter of human error and lessons had been learned from the process;
- What was the explanation for the double entry in respect of the Paradise Pool? The Finance Manager explained that this duplication was down to human error;
- How had the misclassification occurred? Mr Patel said there had been a full bank reconciliation, and the Finance Manager added that he would get back to Members on this point;
- What controls were in place to get cut-off right this year and was there a process to capture all accruals and pre-payments? The Finance Manager said that consideration was being given to the point at which the ledger was closed as there was a timing difference between what was on the ledger and when it happened. There was a manual process in place to capture accruals/pre-payments.

The question was next asked how Members could be reassured that the year-end procedures were robust and being followed. The Finance Manager assured her that they were robust and Mr Patel said that if he thought there were any deficiencies in control, he would report them to the Committee. With regard to the ECSS Accounts in the Group Accounts, the Finance Manager stated that the correct version was used for consolidation and again, Mr Patel said he would report any concerns to the Committee.

Referring to the recommendation on page 26 of the Report, the comment was made that it would be useful to have a paper on the MTFs and the underlying assumptions at the next Committee meeting. The Chairman responded, saying that Members would receive a paper in September 2020.

Councillor Sharp joined the meeting at 4.55pm.

A Member then focused her questions on the Trading Company. She asked Mr Patel what he thought about there being a requirement for only two Board members to be present at Board meetings, without the Chairman. He replied that the Chairman provided an element of safeguard, and if he was not present, there was no safeguard.

She next asked if Mr Patel was aware of any conflicts of interest by the directors; he said he was not sure he could answer but he was not aware of any information to suggest a conflict. The Director Commercial confirmed that legal advice would be sought on this matter as per the recommendation from the auditor.

Turning to Section 8 of the Report (Independence), the Member expressed disappointment that Members had not been provided with a report documenting the financial performance of ECTC, and said she would like to see it made a standing item on the agenda. The Chairman replied that the Finance Manager had reported the position at every meeting as part of the Management Accounts.

Another Member said that Members should trust people to do their jobs; it was not for the Committee to micro-manage and any queries would be challenged.

It was resolved:

That the Audit Results Report be noted

94. 2018/19 STATEMENT OF ACCOUNTS/ANNUAL FINANCIAL REPORT

The Committee received a report (reference U164, previously circulated) from which Members were asked to approve the 2018/19 Statement of Accounts.

The Finance Manager reminded the Committee that the Council's auditors had identified a number of issues during the course of the audit. The Statement attached as Appendix 1 to the report included all the adjustments identified since the draft accounts were published on 31st May, including all the issues detailed in the Audit Results report.

This was the completed version, but it did remain subject to further Audit review and there remained the possibility that further minor changes might be needed.

It was resolved:

That the 2018/19 Statement of Accounts as set out in Appendix to the report be approved subject to the Section 151 Officer, in conjunction with Ernst & Young (EY), being authorised to make any final changes, as required, prior to final sign-off by EY on or around the 10th February 2020

95. INTERNAL AUDIT PROGRESS REPORT

The Committee considered a report (reference U165, previously circulated) which advised Members of the work of Internal Audit completed during the period October 2019 to January 2020, and the progress against the Internal Audit Plan.

The Head of Internal Audit summarised the content of the update report. At the time of reporting, delivery of the 2019/20 Audit Plan was on schedule with 71% of the planned work either complete or underway.

Overall the governance arrangements for treasury management were found to be sound with effective controls in operation.

The process of awarding grant funding to voluntary organisations had been reviewed and there were no areas for concern. Overall substantial assurance could be given that there were effective controls in operation.

With regard to health & safety, effective controls were in place but testing completed on a sample of Codes of Practice had identified some areas of non-compliance. A number of risk assessments had not been completed and steps were being taken to address this. There was no health & safety reporting to Members and the Director Commercial was working with the Health & Safety Advisor about how to rectify this.

Since the last meeting of Committee, 10 agreed actions had been implemented by officers, and at the time of reporting, there were 6 actions overdue for implementation. The only overdue high priority action related to information governance and a report was included later on in this agenda.

A Member wished to know when the work plan for 20/21 would be agreed and how Members could feed into it. The Head of Internal Audit replied that it would be coming to the next meeting and she would be happy to receive comments.

It was resolved:

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

96. CORPORATE RISK MANAGEMENT

The Committee received a report (reference U166, previously circulated) which updated Members on the key risks facing the Council and the associated mitigating actions.

Rachel Ashley-Caunt, Head of Internal Audit, reminded the Committee that updates on the Corporate Risk register were provided on a six monthly basis, with the previous update being provided on July 2019.

Risk C6 (Failure of corporate governance and counter fraud and corruption controls) had been completed with a review of the Counter Fraud, and Anti Money Laundering policies.

The ongoing work on Risk D2 (Failure to deliver upon strategic development plans and requirements) was recognised and the Council had committed to undertake a second review of the Local Plan by April 2021.

The Head of Internal Audit was asked at what point the Committee would have the opportunity to review the entire Register, and with specific reference to Risk D2, if it had been reviewed in the light of not updating the Local Plan. The Director Commercial replied that the risk would not increase as long as there was no change in national policy. The Council's 5 year supply of housing land would be regained on 21st April 2020 and the Authority had the research to back this up. The Member responded, saying that while the 5 year supply would help to reduce speculative applications, it was questionable how it would help the strategic plans. The Director Commercial said the focus would be on the strategic plans and the Chairman suggested that the wording be tightened up.

In response to a comment that there should be an entry on the Risk register to show the Planning department was struggling because of its workloads, the Chairman said this could be taken back to the Risk management Group.

Referring to Risk B3 (Failure to plan for and accommodate the impact of Brexit), Councillor Wilson believed that there would probably be no negotiations after 31st December 2020 and no reduction in the risk. The Finance Manager reminded him that the last time the Register was reviewed there was a potential for a 'no deal' Brexit and this had to be reflected in the score.

The question about reviewing the whole Register was repeated and the Director Commercial said she would come back to Members on this.

It was resolved:

To endorse the proposed amendments to the Corporate Risk Register.

97. ECTC BUSINESS PLAN 2020/21

The Committee received a report (reference U167, previously circulated) which detailed the East Cambs Trading Company (ECTC) Business Plan for 2019/20.

The Chairman reminded Members that they would have to go into closed session if they wished to discuss Exempt Appendix 1A.

The Director Commercial advised Members that the Finance Manager would take over as Lead Officer during consideration of this item and she would speak in her capacity as a director of the Trading Company. She then introduced Paul Remington, Chairman of ECTC and John Hill, Managing Director.

It was noted that the Business Plan was approved by the ECTC Board of Directors on 15th January 2020.

The Trading Company had two key business areas; the first was Commercial Services which currently delivered Ely Markets and Grounds Maintenance, and the second was Property Development. Both areas carried out business on behalf of ECDC as well as other customers.

Ely Markets was self-sustaining and relied on its own income to keep improving. Previous profitability levels had been maintained and an example of the investment to improve the service was that in 2020/21 a water refill station would be installed on the Market Place. Paragraph 7.6.2 of the Business Plan provided a summary of the budget to 2021/22 and it was noted that the difference in premises cost related to the planned investment for the water refill station.

ECTC currently carried out Grounds Maintenance for a variety of customers both within and outside of the District. With regard to the budget summary provided in paragraph 7.7.5, the main difference in profitability related to ECTC reducing its management fee for the Council's Grounds Maintenance contract by £100k. This was a positive business move as it provided an immediate benefit to the Council as the shareholder, i.e. ECDC would save £100k in 2020/21 and the level of service would not diminish.

At the invitation of the Chairman, Phil Rose, Head of Development, Palace Green Homes (PGH) spoke on the Property Development arm of the Trading Company.

The Council had already benefitted by £1,073,788 from the property activities of the Company since its establishment in 2016. Quality homes had been delivered in Ely and Soham, and further land opportunities had been secured that would expand the development pipeline to over 700 homes, with at least 210 of the properties expected to be affordable homes.

In December 2019, ECTC made its first repayment of £1.7 million against the original £5.0 million ECDC loan, and the Company was on track to being able to repay the ECDC loan in full in 2021, as planned. Referring to paragraph 8.3 of the Business Plan, the Head of Development said that the financial benefits to the Council were expected to grow in the coming years. By March 2022 the total financial benefits to the Council from the Company's development activities would be close to £2.2 million.

The key challenges for 2020/21 centred mainly on the economy. There had been an upturn in interest in the housing market since the New Year, but house price growth was not expected in 2020. ECTC would continue to closely monitor market conditions for any potential impact on local customer confidence. Certainty of future demand was absolutely key as the Company looked to invest in its planning permissions.

The Company would continue to invest in the people, supply chains and new technologies needed to deliver the development pipeline. By further developing 'in-house' capability, the Company should be able to mitigate against some of the external risk factors and have greater control of project delivery.

The Finance Manager, ECTC, summarised the financial information, drawing Members' attention to the tables on page 6 of the Business Plan which set out turnover and cost up to 2021/22, and page 25 which detailed financial projections for Property.

Revenue for the business will substantially increase due to the number of houses sold at the former MoD site and Haddenham. 2021/22 revenues will be similar to 2020/21, again due to the number of houses sold. Corporate costs, being the shared costs for the three divisions, remained fairly static. Commercial costs, as detailed on pages 17 and 18, will see increases in premises charges for the Markets due to the installation of the water fountain mentioned previously. Grounds maintenance salary charges also increase but this is to do with 2019/20 costs being low due to unfilled positions.

EBITA will only increase slightly despite the large increase in revenue, because of the drop in gross margins on the housing sales. Previous developments saw gross margins at 15 – 17%, whereas the current projects are 4 – 5%.

After interest, ECTC will make a loss of £71 in 2020/21, which is far from ideal but has always been planned at this stage. It is better than the loss of £222k forecasted for this period in last year's Business Plan.

It was noted that higher build costs were listed in the 'weaknesses' section of the SWOT matrix and a Member asked if it would be cheaper to use other builders. The Head of Development replied that this was why the Company was changing to in-house construction management, as it would enhance the Company's profit returns. However, each project would be assessed as it came forward.

It was next asked how a reduction in the management fee could be justified when there was a loss, as this would not be acceptable to HMRC. The Finance Manager ECTC replied that Gardens & Parks made a stand-alone profit while other parts were making a loss.

The Head of Development was commended on the standard of houses being built, and that Haddenham CLT was doing a good job. 31 affordable homes would be delivered in Haddenham and Ely during 2020/21 at no cost to the taxpayer and this was a matter for congratulations. A point was made that the Business Plan would have financial implications and a Member said she would like to see assessments with the Business Plan as she could not see how climate emergency responsibilities were being met. The Director Commercial said that 'EIA' referred to equalities; the appropriate assessments would feed into the Carbon Plan when it came out.

The Finance Manager, ECTC, was asked if the reduction in management fees was a way of passing money to the Shareholder and he stated it was a reduction to the customer and was shown in the workings. Councillor Cane wished it to be

recorded that she wanted each director to confirm they were happy to reduce the management fee when they could not legally pay the Council a dividend because of insufficient profits. The Director Commercial replied that the main client was contracted and the Managing Director added that the decision was a matter of record.

A number of other questions were put to officers. Referring to page 21 of the Business Plan, which set out the financial benefits to ECDC, a Member wished to know which benefits would not have arisen or been delivered to ECDC if another company carried out the work. The Head of Development responded, saying that this company had done the work, and had it not done so, there would have no guarantee that the same benefits would have accrued to the Council.

The Chairman said he was very impressed with the MoD site and considered it to be a great credit to the Company.

In connection with the site, a Member enquired what assumptions had been made regarding affordable housing in Phase 2 of the development. The Head of Development said the figures in the Plan would deliver 30%; the ambition was to deliver a greater amount. The issue next raised related to the timetable for delivery and the Managing Director was asked how the scheme would progress if it was not planned for in the budget. He replied that he had been tasked to report back to Council and carry out its instructions; the Company wanted to exceed its ambitions in bringing forward Phase 2.

At this point it was proposed, seconded and agreed by the Committee to go into Exempt session to allow discussion of Exempt Appendix 1a of the Business Plan; once the appendix had been discussed, the meeting would return to public session.

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

Once in Exempt session, a Member remarked that the budget figures for assumptions were not included in the Business Plan. The Head of Development replied that they were included and the Chairman interjected to say that as some Members of this Committee also sat on the Planning Committee, they must not be pre-determined so it would be wise not to discuss the balance sheet figures.

The comment was made that there was a figure in the Business Plan for affordable housing, and at some point in the year the Council would make a decision, based on the Head of Development's best knowledge.

There being no further questions, it was proposed, seconded and resolved that the public be re-admitted to the meeting. Whereupon,

It was resolved:

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

98. SUPPLEMENTARY PLANNING DOCUMENT: NATURAL ENVIRONMENT – DRAFT FOR CONSULTATION.

The Committee received a report (reference U168, previously circulated) from which Members were asked to determine whether to approve the Natural Environment Supplementary Planning Document (SPD) for public consultation.

The SPD had been prepared to provide advice on policy requirements relating to the natural environment and the Senior Planning Officer highlighted paragraph 3.1 of the report which set out details of some of the issues it would cover. Members were reminded that preparation of the SPD was a specific comment (amongst others) in the 'Climate Change' Motion passed by Full Council in October 2019.

The Senior Planning Officer stated that the consultation period would be between 18th February and 30th March 2020. The Planning Manager added that consultation was usually carried out over a 4 week period, but in this case it had been extended to 6 weeks.

A Member commented that she was really pleased to see that officers had brought forward this item, as there were key areas of national importance and they should be flagged up in the covering papers.

Having noted the list of issues that were likely to be addressed in future SPD's (paragraph 3.3 refers), a Member said he considered them to be matters of critical interest and asked the Senior Planning Officer what his expectations were to develop the SPD's and give them 'teeth'. He was advised that SPD's could not impose an extra burden on developers other than what was in the Local Plan. However, this was constantly changing, so it was important to bring them forward as soon as possible.

Officers were then asked if the 2015 Local Plan was still in operation. The Planning Manager replied that it was, although only limited weight could be given to the housing policies. It was hoped that on 21st April 2020 the Authority would have a 5 year supply of housing land. She continued, saying the SPD would enable the Authority on national policy and it would be a tool for developers to follow.

One Member said he welcomed Steps 3 and 6 in the draft document, and wondered who would be consulted as it would be important to get developers on board. It was noted that they would use the Council's consultation database and it would be raised at the quarterly Agents Forum.

The point was made that people should be encouraged to get involved in the consultation process, but this might be difficult as they could not be compelled to participate.

The Chairman commended officers for the work they had carried out to date, saying that the detail in the document was 'incredible'. Whereupon,

It was resolved:

That the draft Natural Environment 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-February to end of March.

99. SUPPLEMENTARY PLANNING DOCUMENT: SELF AND CUSTOM BUILD – DRAFT FOR CONSULTATION

The Committee received a report (reference U169, previously circulated) from which Members were asked to determine whether to approve the Custom and Self-Build Supplementary Planning Document (SPD) for public consultation.

It was noted that this new SPD would help local residents that wished 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 and useful advice to Community Land Trusts (or similar) that might be interested in providing such plots; parishes that were interested in including self-build plots in their Neighbourhood Plans might also find it useful.

The Senior Planning Officer highlighted paragraph 1.4.3 in the introduction to the draft, which stated that the Council had to be satisfied that the initial owner of the home would have (or had had) primary input into its final design and layout. Applicants would have to provide evidence of their input, and if the Council was not satisfied that the test had been met, the home would not be considered as being custom or self-built. This requirement had been included as extra criteria on page 6 of the document.

One Member said he welcomed this SPD as large developers often had their own design guide, and this would ensure the Authority had a strict control over what was being built. The Planning Manager concurred, adding that some developers had been coming up with 'plot passports' and this would help to make sure that designs were in keeping with the local character.

It was resolved unanimously:

That the draft Custom & Self-Build Housing 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-February to end of March.

100. REVENUE BUDGET, CAPITAL STRATEGY & COUNCIL TAX 2020/21

The Committee considered a report (reference U170, previously circulated) containing the proposed revenue budget and capital strategy, and the required

level of Council Tax for 2020/21, an assessment of the robustness of the Budgets, the adequacy of Reserves and an update of the Council's Medium Term Financial Strategy (MTFS).

The Finance Manager and Section 151 Officer highlighted that the Council had a balanced Budget in 2020/21 and 2021/22, but there were significant budget deficits remaining in subsequent years which would need to be addressed.

It was noted that since publication of the agenda papers, all Parish Councils had now submitted their precept for 2020/21.

The Finance Manager was commended on his report and the remark was made that it was excellent to see there had been no increase in car parking charges, and that those fees and charges which had changed were linked to inflation.

The Chairman concurred and on behalf of the Committee, offered his thanks to the Finance Manager and his team for all their hard work.

It was resolved to RECOMMEND TO COUNCIL;

That Council approve:

- 1. The draft revenue budget for 2020/21 and Medium Term Financial Strategy for 2021/22 to 2023/24 as set out in Appendix 1 to the report;**
- 2. A Council Tax freeze;**
- 3. The Statement of Reserves as set out in Appendix 2 to the report;**
- 4. The 2020/21 Fees and Charges as set out in Appendix 3 of the report;**
- 5. The Capital Strategy and financing as set out in Appendix 4 to the report.**

It was also resolved:

That, as the Council are still awaiting final Settlement figures, should the numbers change between Finance & Assets Committee and Full Council, that the Finance Manager adjust the use of the Surplus Savings Reserve in 2020/21 (as necessary) so that the net budget and Council Tax for that year remain unchanged.

101. 2020/21 ANNUAL TREASURY MANAGEMENT STRATEGY, MINIMUM REVENUE PROVISION STATEMENT & ANNUAL INVESTMENT STRATEGY

The Committee considered a report (reference U171, previously circulated) containing the 2020/21 Treasury Management Strategy, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement.

The Finance Manager and Section 151 Officer explained the background and rationale to the strategies. He said it was expected that the Council would remain debt free in this financial year.

The Council continued to hold significant reserves (at January 2020) and had been able, up to now, to meet the costs of the loan to East Cambs Trading Company, the construction of the Leisure Centre and the purchase of Waste fleet from internal borrowing against the cash within these reserves. However, as a consequence of the additional capital expenditure planned for 2020/21 and the reducing level of reserves, it was expected that external borrowing would be required to fund capital commitments in that year. It would only be taken when required and was expected to be minimal.

One Member commented that he had particularly enjoyed the economic background section of the Appendix, and it had taught him a lot.

The Chairman congratulated the Finance Manager and his team for the work that had gone into producing the report.

It was resolved to RECOMMEND TO COUNCIL:

That Council approve:

- **The 2020/21 Treasury Management Strategy;**
- **The Annual Investment Strategy;**
- **The Minimum Revenue Provision Policy Statement;**
- **The Prudential and Treasury Indicators.**

102. BUS SERVICES AND CYCLING & WALKING ROUTES PUBLIC CONSULTATION

The Committee received a report (reference U172, previously circulated) from which Members were asked to consider the draft Bus Services and Cycling & Walking Routes Consultation questionnaire for approval as a document for public consultation.

The Infrastructure & Strategy Manager commenced by summarising the background to, and aims of the consultation.

It was noted that the consultation period would run for 6 weeks, from Monday, 9th March to Sunday, 19th April 2020. A questionnaire would be delivered by Royal mail to every home in the District during the week commencing 9th March and completed responses could be returned to the District Council offices in Ely, or placed in a drop box. An updated copy of the list of locations of the drop boxes was tabled at the meeting. The questionnaire would also be available online via the Council's website.

The Infrastructure & Strategy Manager said other consultation activities proposed were Councillor-led resident's meetings, information boards at local

libraries, and engagement with stakeholders via email or meetings if required. There would also be a presence at the forthcoming Parish Forum on 2nd March 2020.

Councillor Sharp, in his capacity as Chairman of the East Cambs Bus Services Review Working Party, thanked the Infrastructure & Strategy Manager and Democratic Services Officer for their work in supporting the Working Party. He said it was intended that Members should get out and speak to residents in their Ward and encourage as many of them as possible to complete the questionnaire. A Member seminar/workshop would be arranged and a further report brought to Committee in June.

All Members would be encouraged to engage with residents, as it could have a really significant impact on bus services in the area.

It was resolved unanimously:

That the draft Bus Services and Cycling & walking Routes Consultation questionnaire at Appendix 1 to the report be approved as a document for public consultation, subject to any minor editorial changes agreed by the Chairman.

103. INFORMATION SECURITY POLICY

The Committee received a report (reference U173, previously circulated) from which Members were asked to consider and approve the Council's Information Security Policy 2020.

It was noted that the Council last refreshed the Policy in 2016, and there had been considerable changes in legislation since then that required the need for it to be updated. The document provided at Appendix 1 detailed a framework and guidance to ensure that all data held by the Council, in any format, was secure and complied with the relevant legislation, particularly the Data Protection Act 2018.

The ICT Manager said the Policy provided clear and defined guidelines to be followed by staff, third party contractors and elected Members, and it should be read in conjunction with other policies, codes of practice and guidelines.

It was intended that the Policy would be reviewed in three year's time, unless there were changes to legislation that required it to be sooner. There would also be a need to develop Codes of Practice documents that would provide information about the practical application of the themes referred to in the Policy. They would be approved by the Corporate Management team and published on the Intranet.

The Chairman thought that the section on Members' responsibilities should be strengthened to include a reference to when a Member left the Authority, and he suggested that he go through the document with the ICT Manager to make any minor amendments required.

The following points were put forward:

- The document was not ready for approval. Referring to Section 25 (Timeout and Account Lockout), the IT Section should be in control and set the time-out facility on computers. It was not clear who had the authority to do this. The ICT Manager replied that the time-out after 10 minutes of inactivity was down to policy but agreed that the wording would be amended to better reflect this;
- Paragraph 23.1 '*Data should be held on a network directory ... without the prior approval of the ICT Manager*' should have stronger wording and be amended to read '**must be**'. The ICT Manager said she could change the wording in consultation with the Chairman.
- 'Must' was sometimes a burden and Members were not always at their desks for long periods of time, the ICT Manager said that while she had some sympathy, there had to be a group policy to protect computer screens so that data could not be seen.
- The Policy should be reviewed annually. However the Director Commercial said that a 3 yearly review was sufficient, unless something changed.
- It should be remembered that Members had access to much confidential data and other people in the house could see their computer screens. IT was a fast moving area and the Policy should be brought back after a year so Members could assess how well it was working. The ICT Manager reiterated that the issue was bigger than just IT, it was also about information.
- There should be no leeway at all; the wording in the Policy should make it clear exactly what was expected of everyone.

The Chairman thanked the ICT Manager for presenting her report and said she should not take Members' comments as a criticism. Whereupon,

It was resolved unanimously:

- (i) That the Information Security Policy, as set out in Appendix 1 to the report, be approved;
- (ii) That authority be delegated to the Corporate Management team, in consultation with the Chairman of Finance & Assets Committee, to approve any Codes of Practice arising from this policy;
- (iii) That the ICT Manager be authorised to make minor amendments to the Policy, in consultation with the Chairman.

104. FINANCE REPORT

The Committee received a report (reference U174, previously circulated) which provided budget monitoring information for services under the Finance & Assets Committee and then, as part of its corporate remit, for the Council as a whole.

The Finance Manager (ECDC) advised the Committee that the overall position for the Council on Capital was a projected outturn of £3,673,185, which was an underspend of £7,462,620 when compared to its revised budget.

Commenting on the roll forward of the underspend, a Member said she would like to see a realistic capital budget because it fed into Treasury Management; it was impossible to achieve three years of projects in one year. The Finance Manager replied that it was appropriate that the underspend should be rolled forward and a robust process was followed at each financial year end.

The Finance Manager and his team were congratulated on the underspend relating to Miscellaneous Finance. With reference to the Local Plans, the Director Commercial informed the Committee that the invoice for the final inspection was still being disputed and a refund sought.

It was resolved:

1. That the projected year end underspend of £626,500 compared to the approved revenue budget of £5,181,667 for this Committee be noted;
2. That the overall projected yearend underspend of £627,505 compared to the approved revenue budget of £13,445,801 for the Council be noted;
3. That the overall position for the Council on Capital of a projected outturn of £3,673,185, which is an underspend of £7,462,620, be noted.

105. ASSETS UPDATE

The Committee received a report (reference U175, previously circulated) which provided an update on Council owned assets.

The Director Commercial advised the Committee that renovation works were ongoing at Ely Museum and a planning application had been received for a new porch. Officers continued to work proactively with the Museum and met regularly to ensure that the works being undertaken were in accordance with the permissions given by the Council in its capacity as landlord.

With regard to the Maltings Cottage, the City of Ely Council, as lessee, would undertake a full survey and the Committee would be provided with an update once the survey had been completed.

An update on the Mepal Outdoor Centre was requested; the Director Commercial advised that surveys were being carried out and officers were looking at options.

It was resolved:

That the update on Council owned assets be noted.

106. ANGLIA REVENUES PARTNERSHIP JOINT COMMITTEE MINUTES

The Committee received the Minutes of the meeting of the ARP Joint Committee held on 17th December 2019.

It was noted the budget had increased overall by 4.8%, but East Cambridgeshire would have an increase of 6.7%. This was higher than others but it was due to how the Partnership contributions had been split. Another reason for the East Cambridgeshire percentage increase had been due to the drop in its enforcement cases.

The Finance Manager ECDC said that much work was being carried out to improve efficiencies and services. There would be savings in 2020/21 with the delivery of Universal Credit automation, but an increase in additional staffing costs.

It was resolved:

That the Minutes of the meeting of the ARP Joint Committee held on 17th December 2019 be noted.

107. EAST CAMBS BUS SERVICES REVIEW WORKING PARTY MINUTES

The Committee received the Minutes of the meeting of the East Cambs Bus Services Review Working Party held on 13th November 2019.

It was resolved:

That the Minutes of the meeting of the East Cambs Bus Services Review Working Party held on 13th November 2019 be noted.

108. FORWARD AGENDA PLAN

The Committee received the Forward Agenda Plan for the current year.

It was resolved:

That the Forward Agenda Plan be noted.

109. 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).

110. ECTC BUSINESS PLAN 2020/21 – EXEMPT APPENDIX 1a

It was resolved:

That the Exempt appendix to Report No. 167 be noted.

111. WRITE OFF OF UNRECOVERABLE DEBT

The Committee considered an exempt report regarding the write off of an amount where the debtor had died and there was considered no prospect of the debt being recovered.

It was noted that under the Council's Constitution, the Finance Manager (Section 151 Officer), in conjunction with the Legal Services Manager, had delegated powers to write off general debts below £1,000 where recovery was unlikely or uneconomic. Debts above this value required approval of Committee before being written off.

The debt was first issued to the value of £3,509.42 and the debtor had been paying it at £5 per month. However, the individual had died and there remained a debt of £2,594.42. There was considered to be no opportunity to collect the debt at this point.

It was questioned how someone could have got to the point of owing this amount of money and the Member said the Council should have been more vigilant and chasing them once they got a month behind.

The Chairman said that there had been an arrangement in place and this case went back a long time.

It was resolved:

That the write-off of £2,594.42, as referred to in the submitted report, be approved.

112. APPOINTMENTS, TRANSFERS, RESIGNATIONS

The Committee received a report detailing:

- (i) details of staff appointments, transfers and resignations for the period 1st March to 30th June 2019; and
- (ii) a summary of the main responses given by staff for leaving the Council's employment and feedback received during Exit Interviews.

It was noted that during the period 1st July 2019 to 31st January 2020, there were 9 appointments, 18 leavers and 2 employees transferred to different posts across the Council. 9 posts had been deleted.

Of the 18 members of staff who left the Council's employment, 16 had resigned voluntarily, 1 took age retirement and 1 left through a settlement

agreement to mutually terminate their employment. This equated to 9.4% of the total workforce. Turnover for the same period in the previous year was 10.3% (19 members of staff).

8 leavers completed the exit questionnaire; a summary of their responses was set out in Appendix 2 to the report.

Concern was expressed that some officers were not being replaced. The Director Commercial said that the opportunity had been taken to pause and reflect upon the deleted posts so that they could be revisited and changed to fit purpose.

A question was then asked about the leavers in another team and the Committee was advised that they were not ECDC staff but were just based at The Grange.

It was resolved:

That the content of the information report be noted.

113. ECTC MANAGEMENT ACCOUNTS – 8 MONTHS TO NOVEMBER 2019

The Committee considered an exempt report from which Members were asked to note a summary view of the ECTC management accounts covering the 8 months to November 2019.

The Finance Manager ECTC, highlighted the key points in his report and responded to comments and questions from the Committee.

It was resolved:

That the contents of the report be noted.

114. ASSET MANAGEMENT ITEM

The Committee considered an exempt report regarding an asset of the Council.

The Director Commercial explained the background to the matter and advised Members of the financial implications. She then responded to comments and questions.

It was resolved:

To approve the proposed course of action, as set out in the submitted report.

115. EXEMPT MINUTES

The Committee received the Minutes of the meeting of the Finance & Assets Committee held on 28th November 2019.

It was resolved:

That the Minutes of the meeting of the Committee held on 28th November 2019 be confirmed as a correct record and signed by the Chairman.

The meeting closed at 7.35pm.