



CABINET

DATE: Friday, 14 December 2018
TIME: 10.30 am
VENUE: Essex Hall - Essex Hall

MEMBERSHIP:

Councillor Stock OBE	- Leader of the Council
Councillor C Guglielmi	- Finance and Corporate Resources Portfolio Holder and Deputy Leader of the Council
Councillor Fairley	- Investment and Growth Portfolio Holder
Councillor P Honeywood	- Housing Portfolio Holder
Councillor McWilliams	- Health and Education Portfolio Holder
Councillor Nicholls	- Corporate Enforcement Portfolio Holder
Councillor Skeels (Snr)	- Leisure and Tourism Portfolio Holder
Councillor Talbot	- Environment Portfolio Holder

Most Council meetings are open to the public and press.

Agendas and Minutes are published on the Council's website www.tendringdc.gov.uk. Agendas are available to view five working days prior to the meeting date and the Council aims to publish Minutes within five working days of the meeting.

Meeting papers can be provided, on request, in large print, in Braille, or on disc, tape, or in other languages.

For further details and general enquiries about this meeting, contact Ian Ford on 01255 686584.

DATE OF PUBLICATION: WEDNESDAY, 5 DECEMBER, 2018

AGENDA

1 **Apologies for Absence**

The Cabinet is asked to note any apologies for absence received from Members.

2 **Minutes of the Last Meeting (Pages 1 - 10)**

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 9 November 2018.

3 **Declarations of Interest**

Councillors are invited to declare any Disclosable Pecuniary Interests or Personal Interest, and the nature of it, in relation to any item on the agenda.

4 **Announcements by the Leader of the Council**

The Cabinet is asked to note any announcements made by the Leader of the Council.

5 **Announcements by Cabinet Members**

The Cabinet is asked to note any announcements made by Members of the Cabinet.

6 **Matters Referred to the Cabinet by the Council - A.1 - Petition: Old Fire Station, Mill Lane, Walton-on-the-Naze (Pages 11 - 14)**

To place before Cabinet, a Petition reported at the meeting of the Council held on 27 November 2018.

7 **Matters Referred to the Cabinet by a Committee - Reference from Resources and Services Overview and Scrutiny Committee - A.2 - Performance Report: 2018/2019 Second Quarter (Pages 15 - 18)**

To enable Cabinet to give consideration to recommendations made by the Resources and Services Overview and Scrutiny Committee in respect of the performance report for 2018/2019 (Second Quarter).

8 **Leader of the Council's Item - A.3 - North Essex Garden Communities Ltd - Shareholder Update and Approvals (Pages 19 - 94)**

To provide an update on progress to date and the current position regarding the North Essex Garden Communities Project and to seek the approval of key documents which are necessary to enable North Essex Garden Communities Limited to operate more effectively.

9 **Cabinet Members' Items - Joint Report of the Finance & Corporate Resources Portfolio Holder and the Corporate Enforcement Portfolio Holder - A.4 - Utilisation of 20% Increase in Planning Fees (Pages 95 - 100)**

To seek Cabinet's approval of the utilisation of the additional income created from the 20% increase in Planning Fees introduced in January 2018.

10 Cabinet Members' Items - Report of the Environment Portfolio Holder - A.5 - Adoption of a Fee Policy for Mobile Home Site Licensing (Pages 101 - 116)

To inform Cabinet about the changes to mobile home site licensing introduced by the Mobile Homes Act 2013 and to seek approval for a Fee Policy.

11 Cabinet Members' Items - Report of the Finance and Corporate Resources Portfolio Holder - A.6 - Updated Financial Forecast and Detailed Estimates for 2019/20 (Pages 117 - 136)

To enable Cabinet to consider the updated financial forecast and detailed estimates for 2018/19 for consultation with the Resources and Services Overview and Scrutiny Committee.

12 Cabinet Members' Items - Report of the Investment and Growth Portfolio Holder - A.7 - SME Growth Fund Progress Report (Pages 137 - 146)

To seek Cabinet's approval to allocate a further £250,000 to the SME Growth Fund scheme, in order that the Council's work to stimulate enterprise, innovation, business and employment growth via this mechanism can continue.

13 Cabinet Members' Items - Joint Report of the Finance and Corporate Resources Portfolio Holder, the Investment and Growth Portfolio Holder and the Leisure and Tourism Portfolio Holder - A.8 - Mayflower 400: An Opportunity for Tendring (Pages 147 - 158)

To request that Cabinet agrees an action plan and associated budgetary provision to set out the Council's commitment to the Mayflower 400 commemorations.

14 Management Team Items

There are none on this occasion.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Cabinet is to be held in the Essex Hall, Town Hall, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 18 January 2019.

Information for Visitors

ESSEX HALL **FIRE EVACUATION PROCEDURE**

There is no alarm test scheduled for this meeting. In the event of an alarm sounding, please calmly make your way out of any of the fire exits in the hall and follow the exit signs out of the building.

Please heed the instructions given by any member of staff and they will assist you in leaving the building.

Please do not re-enter the building until you are advised it is safe to do so by the relevant member of staff.

The assembly point for the Essex Hall is in the car park to the left of the building as you are facing it.

Your calmness and assistance is greatly appreciated.

**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 9TH NOVEMBER, 2018 AT 10.34 AM
ESSEX HALL, TOWN HALL, STATION ROAD, CLACTON-ON-SEA, C015 1SE**

Present: Councillors Neil Stock OBE (Leader of the Council) (Chairman), Zoe Fairley Investment and Growth Portfolio Holder), Paul Honeywood (Housing Portfolio Holder), Lynda McWilliams (Health and Education Portfolio Holder), Fred Nicholls (Corporate Enforcement Portfolio Holder), Mick Skeels (Snr) (Leisure and Tourism Portfolio Holder) and Michael Talbot (Environment Portfolio Holder)

Group Leaders Present by Invitation:

Councillors Joy Broderick (Leader of the Holland-on-Sea Group), Robert Bucke (Leader of the Liberal Democrats / Tendring First Group), Michael Bush (Deputy Leader of the Tendring Independents Group), Ivan Henderson (Leader of the Labour Group) and Mary Newton (Leader of the UKIP Group)

Also Present: None

In Attendance: Ian Davidson (Chief Executive), Martyn Knappett (Deputy Chief Executive (Corporate Services)), Ewan Green (Corporate Director (Planning and Regeneration)), Lisa Hastings (Head of Governance and Legal Services), Richard Barrett (Head of Finance, Revenues and Benefits Services), Karen Neath (Head of Leadership Support and Community), Ian Ford (Committee Services Manager) and William Lodge (Communications Manager)

Also in Attendance: Keith Simmons (Head of Democratic Services and Elections [Designate])

62. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Carlo Guglielmi (Deputy Leader of the Council & Finance and Corporate Resources Portfolio Holder) and Mark Stephenson (Leader of the Tendring Independents Group).

63. MINUTES OF THE LAST MEETING

It was **RESOLVED** that the Minutes of the meeting of the Cabinet held on Friday 12 October 2018 be approved as a correct record and signed by the Chairman.

64. DECLARATIONS OF INTEREST

There were none declared at this time.

65. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

HSE Prosecution

The Leader of the Council (Councillor Stock) read out the following statement:-

“Tendring District Council is being prosecuted following a case of Legionnaire’s Disease contracted by a Walton-on-the-Naze Lifestyles leisure centre customer in November 2016, two years ago.

An investigation was launched by the Health and Safety Executive, and the agency has now charged Tendring District Council with a single offence over its systems for managing the risk of Legionella at leisure centres.

The Council has its first court appearance next month, and ahead of the hearing it would be inappropriate to comment further.

I would like to reiterate our apologies to the individual concerned.

Working with specialist contractors, systems have been changed as a result. As soon as we became aware of the presence of Legionella bacteria at the new facility at Walton-on-the-Naze Lifestyles we moved to address the issue immediately, with the centre closing for three months while remedial work was carried out.

Our investigation was quickly widened to include a review of our systems and practices right across the Council and, working alongside the HSE, these are now extremely rigorous.

Over the last three years we have invested around £1.75million in our leisure centres to make sure they are of high quality for customers to enjoy.”

Cabinet noted the foregoing.

66. ANNOUNCEMENTS BY CABINET MEMBERS

There were no announcements by Cabinet Members on this occasion.

67. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

There were none on this occasion.

68. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM COMMUNITY LEADERSHIP OVERVIEW AND SCRUTINY COMMITTEE - A.1 - TASK AND FINISH REVIEW TENDRING ROAD RALLY

Cabinet was informed that, at the meeting of the Community Leadership Overview and Scrutiny Committee held on 1 October 2018 (minute 19 referred), that Committee had had before it a report of the Head of Leadership Support and Community which had presented it with the outcome of the review undertaken by the Task and Finish Group on the Tendring Road Rally with recommendations for consideration and submission to Cabinet.

Having considered and discussed the report the Community Leadership Overview and Scrutiny Committee had:-

“RESOLVED that this Committee recommends to Cabinet that –

- a) *Cabinet decides whether Tendring District Council should become a joint partner, or continue to act as a consulting partner or oversight body in respect of the 2019 Road Rally;*
- b) *Cabinet be requested in its decision making to take into account the recommendations of the Task and Finish Review; and*
- c) *Cabinet be also requested to pay particular close attention to the health and safety issues around this event.”*

A full copy of the Task and Finish Group’s report and recommendations was before the Cabinet attached as Appendix A to item A.1 of the Reference from the Community Leadership Overview and Scrutiny Committee.

Cabinet was made aware that the Leisure and Tourism Portfolio Holder had commented as follows:-

“I would like to thank the Community Leadership Committee and in particular the members of the Task and Finish Group for their hard work in producing this report.

The Road Rally is one of many diverse events that are important to promoting the Tendring area for tourists and visitors as well as residents and for generating income for the businesses in the area. Tourism brings in over £370m to the Tendring District and thousands of jobs are dependent on it.

I recommend that Tendring District Council is a joint partner in the delivery of the future Road Rally events and, whilst Chelmsford Motor Club will continue to retain responsibility for the route planning, marshalling and running of the rally for 2019, the Council is able to offer assistance in the following areas:-

- ***Distribution of residents letters*** - *as well as delivering to residents along the route we will look to widen the net and also capture houses peripheral to the route.*
- ***Signs and other infrastructure*** - *in principal the Council can agree to placing the concrete blocks on Marine Parade as was done last year. Furthermore, we will distribute the signs and barriers to their locations in preparation for the road closures etc.*
- ***PR/Communications*** – *the Council will assist and support on communications and our PR Manager will provide some thoughts on a communication plan including audience, channels of communication, branding and key messages.*
- ***Event Management*** – *The Council is happy to share its knowledge, expertise and contacts for the running of special events.*
- ***Safety Advisory Group*** – *Tendring District Council will continue to chair the Safety advisory Group and will engage with partners in the emergency services and other stakeholders. It is recognised that health and safety must be and remain a key concern for the running of this event.*

I will ask Officers to review the recommendations from the report to determine those that have relevance for the Council and how these can be delivered. I will also ask for the final report from the Committee to be shared with Essex Police, Chelmsford Motor Club and Essex Highways, and I would strongly urge these organisations to have regard to the recommendations of the Committee particularly those that relate to the safe running of the event.”

Having considered the recommendations of the Community Leadership Overview and Scrutiny Committee and the responses of the leisure and Tourism Portfolio Holder thereto:-

It was moved by Councillor Skeels Snr., seconded by Councillor Nicholls and:-

RESOLVED that –

- a) the Community Leadership Overview and Scrutiny Committee and Task and Finish Group be thanked for their work in producing this report;
- b) Tendring District Council commits to being a partner in the delivery of future Road Rally events offering support and assistance in the areas of resident consultation, PR and communications, event management and distribution of signage; and
- c) the final report is shared with Essex Police, Chelmsford Motor Club, Essex Highways and the Motor Sports Association and that these organisations be strongly requested to have regard to the final recommendations particularly those that relate to the safe running of the event.

69. LEADER OF THE COUNCIL'S ITEMS

There were none on this occasion.

70. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE ENFORCEMENT PORTFOLIO HOLDER - A.2 - BROWNFIELD LAND REGISTER - PART 1

The Cabinet gave consideration to a report of the Corporate Enforcement portfolio Holder (A.2) which informed it of the legal requirement for local planning authorities to prepare, publish and maintain a 'Brownfield Land Register' (the Register) and to seek formal approval for the publication of Part 1 of the Register and a delegation to Officers to publish future updates.

It was reported that under the Housing and Planning Act 2016, the Council was required to prepare, maintain and publish a 'Brownfield Land Register' comprising two parts, namely:-

Part 1 of the Register was simply a list of sites within the District that qualified as 'Brownfield' (i.e. previously developed) and that were considered to be suitable for development, when assessed against the criteria set out in Regulation 3 of the Town and Country Planning (Brownfield Land Register) Regulations 2017.

Part 2 was a subset of Part 1 of the Register and comprised certain sites on the Register that, by virtue of their inclusion in Part 2, granted 'planning permission in principle', avoiding the need for landowners and developers to apply for outline planning permission and enabling them to progress through the planning process more swiftly, with only matters of detail requiring the Council's approval.

Members were informed that requiring Councils to produce a Brownfield Land Register was one of the Government's measures to speed up the planning process and boost the supply of new housing.

The Cabinet was made aware that in line with Government requirements, the Council had published its Part 1 Register before the deadline of 31 December 2017. However, Officers had subsequently learnt that the publication of Part 1 should have been approved by the Cabinet. The report now before the Cabinet sought its retrospective approval to publish the Register and to delegate this responsibility in the future to the Head of Planning. The Part 1 register published by the Council last year only included sites that had either already obtained planning permission in the past or had been allocated in the emerging Local Plan – i.e. sites where the principle of development had already been accepted by the Council.

Members were informed that the authority for approving Part 2 of the Register lay with the Planning Committee who would be invited to grant planning permission, in principle, for certain sites, as appropriate, in due course.

Having considered the contents of the report:-

It was moved by Councillor Nicholls, seconded by Councillor P B Honeywood and:-

RESOLVED that –

- (a) the Cabinet approves, retrospectively, the publication of Part 1 of the Council's Brownfield Land Register, as attached at Appendix 1 to item A.2 of the report of the Corporate Enforcement Portfolio Holder; and
- (b) the Head of Planning Services be authorised to publish, review and maintain Part 1 of the Brownfield Land Register in accordance with the criteria set out within the aforementioned report.

71. CABINET MEMBERS' ITEMS - REPORT OF THE FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER - A.3 - REVIEW OF THE COUNCIL'S CONSTITUTION

The Cabinet gave consideration to a report of the Finance and Corporate Resources Portfolio Holder (A.3) which sought its approval for the recommended changes to the Constitution for referral onto Full Council following a review undertaken by the Portfolio Holder through the Constitution Review Working Party.

It was reported that the main proposals covered a number of miscellaneous amendments to the Council Procedure Rules, changes required to comply with legislation and other changes to ensure the Constitution was effective, efficient and consistent at an operational level. Areas of the Constitution where changes were being recommended included:-

- (1) Council Procedure Rules;
- (2) Access to Information Procedure Rules;
- (3) Overview and Scrutiny Procedure Rules;
- (4) Articles of the Constitution;
- (5) The Scheme of Delegation;
- (6) Budget and Policy Framework Procedure Rules;
- (7) Financial Procedure Rules;
- (8) Property Dealing Procedure; and
- (9) Procurement Procedure Rules.

Cabinet was made aware that the Standards Committee had requested that the Constitution Review Working Party (CRWP) consider whether attendance at mandatory training sessions for committees should be linked to Members' allowances. Advice had been provided that this would only be feasible through amendments to the Members' Allowances Scheme and recommendations could be put forward to the Independent Remuneration Panel to research this matter further, should the CRWP decide to do so. After discussing the issue in detail, the CRWP had agreed that Members' failure to attend mandatory training sessions could be resolved through the Group Leaders ensuring that members appointed to committees were able to commit to the additional training required to fulfil their roles.

Cabinet was informed that some Members had raised with the Monitoring Officer whether the Council's arrangements in requiring individuals to observe prayers at the Full Council meeting was lawful following the High Court challenge in 2011 and whether an Equality Impact Assessment had been undertaken. The Monitoring Officer had confirmed the legal position and highlighted that individuals should have the choice whether to observe religious ceremonies at all times. For those Members, Officers or the public who did not wish to take part in prayers they should be allowed to do so without further questions. The CRWP had agreed that the Constitution did not require amendment on this matter but had requested the Monitoring Officer to issue guidance to all Members.

In addition, following recent discussions between various Members regarding practices for dealing with ward issues, the CRWP had considered guidance issued to Members by other elected Members at another Council, which had been regarded as good practice. It was agreed by the CRWP that the Constitution did not require any amendment on this point, but that the guidance could be used as part of the induction programme for elected Members following the elections in May 2019. The Monitoring Officer had been requested to take this forward.

The Leader of the Council, Councillor Stock, thanked the members of the Working Party and the Head of Governance and Legal Services, Lisa Hastings and the Committee Services Manager for the tremendous amount of work that they had undertaken in producing the proposed changes to the Constitution.

Having considered the contents of the report and the detailed proposed amendments to the Constitution set out in Appendices A to N thereto:-

It was moved by Councillor Stock, seconded by Councillor McWilliams and:-

RECOMMENDED TO COUNCIL that –

- (a) the Council's Constitution be amended to reflect the proposed changes as set out in Appendices B to N attached to item A.3 of the Report of the Finance and Corporate Resources Portfolio Holder; and
- (b) all changes to come into effect immediately following approval.

RESOLVED that wider consultation be undertaken with all Members of the Council on the proposed changes to the Council Procedure Rules (as set out in Appendices A1 and A2 to the aforementioned report) prior to further decisions being taken.

72. **CABINET MEMBERS' ITEMS - REPORT OF THE FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER - A.4 - CORPORATE PEER CHALLENGE - ACTION PLAN UPDATE**

The Cabinet gave consideration to a report of the Finance and Corporate Resources Portfolio Holder (A.4) which provided it with an update on the actions identified within the Peer Review Action Plan which had originally been presented to Cabinet at its meeting held on 18 May 2018.

Progress towards achieving each of the actions had been identified and was set out in Appendix A to the report and where necessary revised target dates had been included. A further update would be provided to Cabinet in May 2019.

Having considered the progress made:-

It was moved by Councillor Stock, seconded by Councillor P B Honeywood and:-

RESOLVED that the progress made towards achieving the actions and targets contained in the Peer Review Action Plan, as attached at Appendix A to item A.4 of the Report of the Finance and Corporate Services Portfolio Holder, be noted.

73. **CABINET MEMBERS' ITEMS - REPORT OF THE FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER - A.5 - PERFORMANCE REPORT JULY - SEPTEMBER 2018 (QUARTER 2)**

The Cabinet gave consideration to a report of the Finance and Corporate Services Portfolio Holder (A.5) which presented it with the Performance Reports (Resources & Services and Community Leadership) (2018/19) for the period July – September 2018 (Quarter 2). The Performance Reports included both the Corporate Plan and Priorities and Projects 2018/19.

It was reported that, of the 18 indicators and projects where performance is measured in the Resources & Services Performance Report, the second quarter's position demonstrated that 15 (84%) were on, or above, their expected target and 3 (16%) were not currently in line with the expected performance. The indicators and projects highlighted in the Community Leadership Performance Report were deemed 'non measurable' as this Council's role was that of 'influence only'.

Cabinet was aware that the respective reports would be/had been presented to the Community Leadership Overview and Scrutiny Committee on 3 December 2018 and the Resources and Services Overview and Scrutiny Committee on 5 November 2018.

Having considered the current position in relation to the Council's performance:-

It was moved by Councillor Stock, seconded by Councillor P B Honeywood and:-

RESOLVED that the contents of the Performance Reports for the period July – September 2018 (Quarter 2) be noted.

74. **CABINET MEMBERS' ITEMS - REPORT OF THE FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER - A.6 - FINANCIAL PERFORMANCE REPORT - IN-YEAR PERFORMANCE AGAINST THE BUDGET AS AT THE END OF SEPTEMBER 2018 AND LONG-TERM FINANCIAL FORECAST UPDATE**

The Cabinet gave consideration to a report of the Finance and Corporate Resources Portfolio Holder (A.6) which provided it with an overview of the Council's financial position against the budget as at the end of September 2018 and also presented it with an updated forecast on an on-going basis as part of developing the budget for 2019/20 and beyond.

The report was presented in two distinct sections as follows:-

- 1) The Council's in-year financial position against the budget at the end of September 2018; and
- 2) An updated long term financial forecast and estimated position for 2019/20.

In respect of the in-year financial position at the end of September 2018:

- In respect of the position at the end of September, it was acknowledged that expenditure or income trends might still be emerging. However any significant issues arising to date had been highlighted and comments provided as necessary.
- The position to the end of September 2018, as set out in more detail in the Executive Summary, showed that, overall, the General Fund Revenue position was behind the profiled budget by £3.468m. As had been the case in previous quarters, the variance to date primarily reflected the timing of expenditure and income although as mentioned above, underlying trends might emerge or be confirmed over the remainder of the year.
- In respect of other areas of the budget such as the Housing Revenue Account, capital programme, collection performance and treasury activity, apart from additional details provided in the report, there were no major issues that had been identified to date.
- Any emerging issues would be monitored and updates provided in future reports which would include their consideration as part of updating the long term financial forecast.
- As highlighted in the corresponding report at the end of July 2018, those regular finance reports would respond to in-year budget pressures and other changes as they emerged rather than wait until the detailed estimates were prepared in December / January of each year. Appendix H to the report therefore set out a number of changes to in-year budgets with an associated recommendation also included within the report.
- The net impact of all of the budget adjustments would be moved to, or from, the Forecast Risk Fund. The long term forecast relied upon £0.500m of in-year outturn savings being set aside over the course of the whole year within the Forecast Risk Fund in order to support the long term plan.
- A half year treasury management review had been carried out with a summary set out in the report along with an associated recommendation to temporarily increase the aggregate limit of funds that could be placed overnight with the Council's bankers for the period that the offices would be closed over the Christmas break.

In respect of the updated long term financial forecast:

- The forecast had been reviewed, as at the end of September 2018 and updated from 2019/20 onwards. The required changes did not expose the Council to any additional risk and although the annual deficit or surplus position for each year of the forecast had been amended, they could still be accommodated within the overall projected financial position supported by an increased Forecast Risk Fund.

-
- A review of risks associated with the long term approach to the forecast was also the subject of on-going review and was reported within Appendix J to the report.
 - As previously mentioned last year, it was important to continue to deliver against the new longer term approach to the budget as it continued to provide a credible alternative to the more traditional short term approach which would require significant savings to be identified over 2019/20 and 2020/21.
 - Work remained on-going across the 5 key work strands of:-
 - 1) Increases to underlying income;
 - 2) Controlling expenditure / inflationary increases;
 - 3) The identification of savings / efficiencies;
 - 4) Delivering a positive outturn position each year; and
 - 5) The mitigation of cost pressures wherever possible.

The Leader of the Labour Group, Councillor I J Henderson, paid tribute to the ongoing hard work and dedication of the staff in these financially stringent times.

The Leader of the Council, Councillor Stock, paid tribute to the Head of Finance, Revenues and Benefits Services, Richard Barrett and his Officers for their continued efforts in keeping the Council's budget in a robust condition.

Having considered and discussed the information provided in the report and the appendices attached thereto:-

It was moved by Councillor Stock, seconded by Councillor Skeels Snr. and:-

RESOLVED that

- (1) in respect of the financial performance against the budget at the end of September 2018:
 - (a) the position be noted;
 - (b) the proposed in-year adjustments to the budget, as set out in Appendix H to item A.6 of the Report of the Finance and Corporate Resources Portfolio Holder be agreed; and
 - (c) in respect of the Council's Treasury Management Practices, the aggregate amount of money that can be placed overnight with the Council's bankers be increased temporarily from £1.000m to £1.500m for each day the offices are closed over the Christmas break.
- (2) in respect of the Updated Long Term Forecast revised at the end of September 2018:
 - (a) updated forecast be agreed; and
 - (b) the Resources and Service Overview and Scrutiny Committee be consulted on the updated position.

75. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING PORTFOLIO HOLDER - A.7 - THE LOCAL COUNCIL TAX SUPPORT SCHEME, DISCRETIONARY COUNCIL TAX EXEMPTIONS / DISCOUNTS FOR 2019/20 AND ANNUAL MINIMUM REVENUE PROVISION POLICY STATEMENT 2019/20

There was submitted a report by the Portfolio Holder for Housing (Report A.7), which sought Cabinet's agreement to recommend to full Council the following:

- Local Council Tax Support Scheme 2019/20 (including associated exceptional hardship policy);
- Discretionary Council Tax Exemptions and Discounts 201/20; and
- Annual Minimum Revenue Policy Statement for 2019/20.

Accordingly and in order to allow these matters to progress to Council it was moved by Councillor P B Honeywood, seconded by Councillor McWilliams and:

RECOMMENDED TO COUNCIL that

- (a) the Local Council Tax Support Scheme (LCTS) remains the same as the current year, as set out as Appendix A to item A.7 of the Report of the Housing Portfolio Holder and that therefore:
 - i) the LCTS be approved with the maximum LCTS award being 80% for working age claimants; and
 - ii) the Deputy Chief Executive be authorised, in consultation with the Housing Portfolio Holder, to undertake the necessary steps and actions to implement the LCTS scheme from 1 April 2019.
- (b) the Council Tax Exceptional Hardship Policy, as set out in Appendix B to the aforesaid report, be approved.
- (c) the proposed discretionary Council Tax exemptions and discounts remain unchanged, as set out in Appendix C to the aforementioned report, and that the Deputy Chief Executive, in consultation with the Housing Portfolio Holder, be authorised to undertake the necessary steps and actions to implement the Council Tax exemptions and discounts from 1 April 2019.
- (d) the Annual Minimum Revenue Provision Policy Statement for 2019/20, as set out in Appendix D to the above report, be approved.

76. MANAGEMENT TEAM ITEMS

There were none on this occasion.

The Meeting was declared closed at 11.24 am

Chairman

Key Decision Required:	NO	In the Forward Plan:	NO
-------------------------------	-----------	-----------------------------	-----------

CABINET

14 DECEMBER 2018

REFERENCE FROM COUNCIL

A.1 PETITION: OLD FIRE STATION, MILL LANE, WALTON-ON-THE NAZE
(Report prepared by Lisa Hastings and Ian Ford)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To place before Cabinet, a Petition reported at the meeting of the Council held on 27 November 2018.

EXECUTIVE SUMMARY

This report places before Cabinet a Petition, which was reported at the meeting of Council held on 27 November 2018, relating to the Old Fire Station, Walton-on-the-Naze and which has been referred to Cabinet for consideration in accordance with the provisions of the Council's approved scheme for dealing with petitions.

Cabinet can determine what action it wishes to take having regard to the Petition, which will be presented by the lead Petitioner at the meeting.

RECOMMENDATION

That Cabinet determines what action it wishes to take having regard to the Petition.

PART 2 – SUPPORTING INFORMATION

BACKGROUND

At the meeting of Council held on 27 November 2018, the Chief Executive reported the receipt of a petition submitted by Mr Steven Walker a resident of Walton-on-the-Naze. The petition is signed by 105 residents of the District and requests that the Council makes the necessary arrangements including making a preservation order to protect the Old Fire Station building in Mill Lane, Walton-on-the-Naze from demolition.

In accordance with the Council's scheme this matter would be reported and presented to the Cabinet on the basis that it had contained between 30 and 249 signatures. Mr Walker, as the lead petitioner, is invited to address the Cabinet, present the petition and outline the action that the petitioners wanted the Council to take. Subsequently, Cabinet will discuss the petition and decide what action, if any, should be taken. Mr Walker will be informed, in writing, of the Cabinet's decision and the decision will also be published on the Council's website.

Planning Issues

Officers have assumed that what is being asked for by the Petitioners is a Building Preservation **Notice** rather than an **Order**.

Building Preservation Notices are put in place by the Local Planning Authority to prevent a building being demolished or altered awaiting a decision by the Secretary of State on whether the building should be formally listed by Historic England. It is important to note that if in the end Historic England do not list the building, the Council can be liable for costs as the landowner.

Good guidance on Building Preservation Notices can be found at:

<https://historicengland.org.uk/content/docs/listing/bpn-guidance-2015-pdf/>

The process for applying for a notice is the same for recommending a building or structure be listed. The path to applying can be found here:

<https://historicengland.org.uk/listing/apply-for-listing>

With regard to planning history the 'Old Fire Station' was subsequently used as a public convenience. The land forms part of a Local Plan allocation within the emerging Plan, (MSA9) 'Former Town Hall site, Public Conveniences and depot Mill Lane' though there is some debate as to whether this site will remain an allocation in the Emerging Plan as the Strategic Land Availability Assessment (SHLAA 2018) appears to suggest this.

As far as planning applications are concerned, there was however, an historic application for the change of use to office above the convenience. More recently, an application in 2005 (05/01507/OUT) was refused for the erection of 10 flats on land adjacent to the public convenience/old fire station site. The refusal mentioned a lack of parking and flood risk.

The site is located within the Frinton and Walton conservation area. The 2006 conservation area appraisal only mentions the site very briefly.

Ownership and Future Use of the Site

The building belongs to the Council. The Council is not bound to release it to any party. The Council's plan for the moment is to remove the building to facilitate delivery of a core statutory service and to make way for a substantial regeneration scheme when that can be brought forward. Any alternative proposal will have to be very attractive and not prejudice these objectives.

The Lead Petitioner has been in contact by email with the Council's Head of Property Services (Andy White) to state that there are three entrepreneurs who are interested in leasing the building for the following:-

- (1) a community project to enable young people to develop hi-tech skills and knowledge that might enable them to gain future employment; or
- (2) dance/exercise classes; or
- (3) community rehabilitation service for older people and those recovering from surgery/illness.

Mr White continues to liaise with Mr Walker in pursuing the above.

AVAILABLE COURSE OF ACTION

There are several courses of action available to Cabinet, including:

- No action (with reasons as to why no action is proposed)
- Taking the action requested in the petition
- Undertaking research into the matters raised (this could include referring the matter to the relevant Portfolio Holder, or officer of the Council) and holding a meeting with the petitioners
- Referring the petition to the relevant Overview and Scrutiny Committee
- Holding a public meeting

BACKGROUND PAPERS FOR THE DECISION

- Petition submitted by Mr Steven Walker, resident of Walton-on-the-Naze on 22 October 2018.

This page is intentionally left blank

Key Decision Required	No	In the Forward Plan	No
------------------------------	-----------	----------------------------	-----------

CABINET

14 DECEMBER 2018

REFERENCE REPORT FROM RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE OF 5 NOVEMBER 2018

A.2 PERFORMANCE REPORT 2018/2019 SECOND QUARTER

(Report prepared by Ian Ford, Ewan Green and Cath Bicknell)

BACKGROUND

At the meeting of the Resources and Services Overview and Scrutiny Committee held on 5 November 2018 (Minute 36 refers) the Committee had had before it a report of the Deputy Chief Executive which presented the Performance Report for Quarter Two (July to September 2018), including the Corporate Plan and Priorities and Projects 2018/19.

The Deputy Chief Executive (Martyn Knappett) outlined the purpose of the Performance Report as a ‘snapshot’ performance management tool i.e. it helped the Council’s senior management and Members see if the Council was delivering what it had set out to deliver.

Appendix A to that report contained details of the 18 indicators and projects where performance was measured. Of those, 15 (84%) were on, or above, their expected target and 3 (16%) were not currently in line with the expected performance.

Members were informed that the Performance Report for Quarter Two would be presented to Cabinet on 9 November 2018. Any feedback from the Committee would be presented to a future meeting of the Cabinet as a separate reference report.

The Council’s Human Resources & Business Manager (Katie Wilkins) gave the Committee an update in respect of the indicators and projects.

Officers responded to questions raised by Members on various topics and where an answer was not immediately available, the Human Resources & Business Manager undertook to respond to Members as soon as possible after the meeting.

In addition, the Deputy Chief Executive gave the Committee an update in respect of the “Transforming the Way We Work” Project and he responded to questions raised by Members. Where an answer was not immediately available, the Deputy Chief

Executive undertook to respond to Members as soon as possible after the meeting. Matters that the Deputy Chief Executive touched on included:-

- (1) Ongoing works at Pier Avenue and Northbourne Depot;
- (2) Barnes House Extension and Link – Tender Awarded;
- (3) Westleigh House – Timetable for demolition;
- (4) Town Hall works – Planning permission granted;
- (5) Firmstep: new customer portal;
- (6) Learning Zone – new e-learning platform; and
- (7) New HR Policies – Flexi Working and Remote Working.

In response to a question that had been submitted prior to the commencement of the meeting by Councillor Miles, the Deputy Chief Executive gave an update on the Council's regeneration plans for land at Mill Lane, Walton-on-the-Naze which included the old Fire Station building which was now the subject of a petition. He then answered Members' questions on this subject.

COMMITTEE RECOMMENDATIONS TO CABINET

Having considered and discussed the information provided it was:-

RESOLVED that this Committee recommends to Cabinet that –

“(a) in the light of recent events, an in-year review of the milestones for the Garden Community project and the Local Plan be carried out with a view to establishing new, more realistic targets and milestones for these projects; and

(b) an in-year review of the impact of the new National Planning Policy Framework's definitions of 'major and 'minor' applications on the Handling of Planning Applications speed of process figures be also carried out.”

Cabinet is now asked to consider the recommendations of the Resources and Services Overview and Scrutiny Committee.

PORTFOLIO HOLDER'S COMMENTS AND RECOMMENDATIONS TO CABINET

Comments

The Finance and Corporate Resources Portfolio Holder thanks the Resources and Services Overview and Scrutiny Committee for its consideration and its recommendations and he comments as follows:-

“(a) The milestones for the North Essex Garden Communities project and Local Plan will be updated upon confirmation of the next steps for the Local Plan Examination

process. This will likely be confirmed in December 2018 and milestones updated in January 2019.

(b) The Handling of Planning Applications is measured in line with the Government's Planning Performance Framework. An adjustment to the methodology for measuring speed of determination of major and non-major planning applications would have only a minor impact on performance. Performance against the targets for both major and non-major applications is good and the movement of some applications from one category to the other would be small."

Recommendations to Cabinet

(a) That Cabinet notes the Resources and Services Overview and Scrutiny Committee's recommendations and the Portfolio Holder's response thereto.

This page is intentionally left blank

Key Decision Required:	Yes	In the Forward Plan:	Yes
-------------------------------	------------	-----------------------------	------------

CABINET

14 DECEMBER 2018

REPORT OF THE LEADER OF THE COUNCIL

A.3 North Essex Garden Communities Ltd - Shareholder Update and Approvals
 (Report prepared by Lisa Hastings, Richard Barrett and Ewan Green)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

This report provides an update on progress to date and the current position regarding the North Essex Garden Communities Project and seeks the approval of key documents which are necessary to enable North Essex Garden Communities Limited (NEGC Ltd) to operate more effectively.

It should be noted that this report does not, other than for information, address any Local Plan issues. Decisions relating to the Local Plan and any wider planning functions are dealt with separately. Any decisions made in relation to, or by, NEGC Ltd cannot predetermine or prejudge the outcome of the proper Local Plan process.

EXECUTIVE SUMMARY

North Essex Garden Communities Ltd (NEGC Ltd) was established in January 2017 by Braintree, Colchester, Tendring and Essex County Councils (the company shareholders) and is the strategic delivery vehicle for the North Essex Garden Communities project. The basis for this is the Councils shared ambition to promote, plan and deliver sustainable strategic growth at scale and over the long-term; providing the housing, employment and necessary supporting infrastructure required to ensure the best outcomes for current and future communities of North Essex.

In the period to date NEGC Ltd has developed its strategic rationale and operational capacity with the support of both its' shareholder Councils, the Ministry of Housing, Communities & Local Government (MHCLG) and key national agencies such as Homes England. The North Essex Garden Communities project is part of the national Garden Towns Villages & Cities programme run by MHCLG which provides direct access to other Garden Towns with associated learning and knowledge/information sharing opportunities, and resources. NEGC Ltd is the largest and most ambitious project in the programme.

The role of NEGC Ltd has been successfully developed to the point where it is a fully operational company recognised by the by the public, private sectors, and local communities, as the focal point for the North Essex Garden Communities project. This includes developing a strategic proposition for the North Essex Garden Communities which has gained significant traction with key government departments and the development industry. This report provides an update on overall progress to date and seeks approval of key documents and resources which are required to ensure the effective operation of the company moving forward.

This report overall seeks the Council, as one of the 4 shareholders, to continue to support North Essex Garden Communities Ltd as the strategic delivery vehicle for the North Essex Garden Communities projects through approval of both an Interim Business Plan, Budget and Financial Procedures.

The Board of NEGC Ltd as agreed an Interim Business Plan for 2018-19 for approval by its shareholders setting out the vision, objectives, workstreams and funding requirements for the company in order to continue to support delivery of North Essex Garden Communities. Key tasks during the year are to evolve the approach to master-planning, innovation, economic development, programme funding, governance and delivery including consideration of transition towards a locally led development corporation style of approach to delivery of the NEGC project. The potential for the establishment of a Development Corporation will form part of an options appraisal of a range of options for future delivery of the NEGC programme.

The Interim Business Plan is a precursor to the future preparation of a 5 year Business Plan which will be progressed when further progress is made with the Local Plan. This is considered to be the best, and most prudent, approach to ensuring that NEGC Ltd continues to deliver positive outcomes on behalf of shareholders and grant funders as the overall North Essex Garden Communities project progresses.

The Interim Business Plan includes a draft budget for 2018/19 which requires agreement of shareholders (as part of agreeing the Interim Business Plan). The budget is based on an expenditure of £2.967m against an income of £3.216m. The assumed income includes an additional £100k contribution from shareholder Councils within 2018/19.

The budget currently assumes an additional £1m from Government in 2018/19. A final determination is still awaited on the exact amount of Government support; however, in the event that this support is less than is assumed, NEGC Ltd will scale back and/ or cease certain activities contained within the interim business plan, commencing from the beginning of January 2019, so as to mitigate the budget shortfall. In these circumstances Councils will also be provided with a further update.

The forecast end of year balance is £249k which is assumed will be carried forward to future years. This report therefore seeks agreement to commit £100k from the Council subject to a formal request from NEGC Ltd.

To date the funding and spending for NEGC Ltd has mostly taken place through Colchester Borough Council's accounts. The Interim Business Plan assumes that in future is that a significant part of the 2018/19 budget will pass to NEGC Ltd, although with some project costs being retained within the Council's account. The allocation of costs will be based on assumptions of which costs should be appropriately met by NEGC Ltd. It is proposed that the allocation between the authority accounts and NEGC Ltd will be determined by the shareholder council's Section 151 officers.

Alongside the Interim Business Plan NEGC Ltd is required to conduct its business efficiently and to ensure that it has sound financial management policies in place, which are strictly adhered to. Part of this process is the establishment of Financial Regulations, which set out the framework which NEGC Ltd will use to manage its financial affairs, and this requires the approval of shareholders.

RECOMMENDATION(S)

It is recommended that Cabinet agrees:

- a) to approve the implementation of an Interim Business Plan (subject to confirmation of government funding) for NEGC Ltd for 2018/19 including the associated Budget as set out in Appendix A;**
- b) to approve the Financial Procedure Rules for NEGC Ltd as set out in Appendix B;**
- c) to authorise the Section 151 Officer to agree any allocation of the project funds held by Colchester Borough Council between NEGC and the North Essex Authorities;**
- d) to approve committing £100k from the Garden Communities Budget in 2018/19 upon a formal request by way of a NEGC Board resolution;**
- e) to note that a report will be considered at a future Cabinet meeting in respect of funding assumptions for 2019/20; and**
- f) to agree the preparation of a full options appraisal of the Garden Communities delivery options to enable members to take future decisions on potential Development Corporation proposals, with linked oversight arrangements between the North Essex Authorities.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The development of North Essex Garden Communities will deliver Community Leadership in a multitude of ways. It will deliver against all of the key elements of the Corporate Plan in significant ways over a sustained period of time:

The vision set out in the Corporate Plan is “To put community leadership at the heart of everything we do through delivery of high quality, affordable services and working positively with others”.

In particular the proposals will deliver the following specific elements in the Plan at significant scale:

- Health and Housing
- A quality living environment
- Local Regeneration
- Improved Community Health
- The opportunity for Council House building
- Healthier lifestyles and wellbeing
- Employment and Enjoyment
- Support business growth
- Enable better job prospects
- Facilitate improved qualification and skills
- First rate Leisure facilities

FINANCE, OTHER RESOURCES AND RISK

FINANCE

This report set out the proposed budget for NEGC Ltd for 2018/19 and associated funding.

The proposals include the allocation of £100,000 in 2018/19 which can be funded from the money already set aside to support this project. There is currently £1.750m available within the set aside amount which would leave £1.650m still available if this additional £0.100m funding is agreed.

It is worth highlighting that it is possible (subject to future option appraisals) that there could be an ongoing commitment by the North Essex Authorities to fund the Oversight Authority arrangements required for a Development Corporation model. This will also be in addition to funding required to develop the project in the medium term before potential alternative private sector funding becomes available. Therefore, the £100,000 should not be viewed in isolation as it is likely that the North Essex Authorities will be required to consider further financial support of the project until such time as a more clear investment opportunity is presented where long term returns are anticipated.

Consideration of this further funding will be made when the NEGC Ltd business plan for 2019/20 is presented to NEAs and will be considered as part of the Council's 2019/20 budget proposals.

RISK

Local Plan - Section 1

Section 1 was the subject of an Examination in Public for two weeks during January and a further session was heard on 9th May 2018, the Inspector issued a Post-Hearing letter on 8th June 2018 providing advice on the further steps considered necessary in order for the Section 1 Plan to be made sound and legally-compliant.

The Inspector also set out his views on the three main options available to the North Essex Authorities on how to proceed, acknowledging the local planning authorities will evidently need to take into account of the views, expressed within the letter, on the scope of the main modifications and further work that is needed.

The North Essex Authorities have decided to undertake further work to address the Inspector's questions about Garden Communities and complete the examination of Section 1 before proceeding to Section 2. This work follows Full Council's agreed policy for long term housing growth.

This approach relies on satisfying the Inspector that:

- (i) The timetable for the additional evidence base and Sustainability Appraisal work is considered realistic. Failure to do so risks a delay in the examination process.
- (ii) The Sustainability Appraisal adequately addresses the Inspector's questions including obtaining initial agreement from the Inspector that the methodology is robust. Failure to do so risks the plan being found not legally compliant; failure to obtain initial agreement on the methodology risks delay in the examination process. There is also a risk that the North Essex Authorities, as planning authorities, decide, in light of the additional Sustainability

Appraisal work, to pursue an alternative spatial strategy for large-scale growth.

- (iii) The North Essex Authorities carry out the required work on the evidence base to address the Inspector's questions including adequately addressing any subsequent questions raised through consultation and at further hearing sessions. Failure to do so risks the plan being found unsound.

The above risks to the Local Plan process are being mitigated by the following respective measures:

- (i) The North Essex Authorities have carefully considered the scope of work required to address the Inspector's questions. This has included working closely with relevant statutory bodies and consultants to devise a work programme which allows sufficient time to secure further commitments from infrastructure providers and the carrying out of further evidence base work (and Sustainability Appraisal work).
- (ii) The North Essex Authorities have been working closely with new Sustainability Appraisal consultants to ensure the Inspector's questions are adequately addressed and a revised methodology properly takes account of alternative sites and alternative spatial strategies.
- (iii) As above, the North Essex Authorities have carefully considered the Inspector's questions and have subsequently either commissioned new studies or are amending existing studies to ensure the Local Plan is sound. This mitigation includes working with the relevant statutory bodies and consultants to ensure the North Essex Authorities are suitably represented at further hearing sessions.

The North Essex Authorities wrote to the Inspector on 22nd October 2018 to advise him that the Councils remained committed to using Garden Communities principles to secure future housing requirements in the North Essex Authorities areas and will provide further evidence requested by the Inspector. A response from the Inspector is awaited/received to the North Essex Authorities letter but work has already commenced on the various pieces of evidence required, including the Sustainability Appraisal.

LEGAL

The General Power of Competence ("the Power") provided for by the Localism Act 2011 was relied upon as the authority for the District/Borough/County Council to establish and subscribe to North Essex Garden Communities Limited. Consequently, a Shareholders Agreement was entered into and the relevant provisions and requirements of the agreement are referred to within the context of this report.

In exercising the General Power of Competence Local Authorities must do so in a way which does not contravene any pre-existing statutory limitations. The actions identified in this report do not contravene any such restrictions.

The New Towns Act 1981 (Local Authority Oversight) Regulations 2018 came into force earlier this year, making provision for the local oversight of new town development corporations. Guidance has been issued that outlines the way in which Locally Led New Towns Development Corporations (LLNTDCs) will work.

The 2018 Regulations apply where the Secretary of State, pursuant to section 1A(2) of the New Towns Act 1981 (“the Act”), makes an order under section 1 of the Act appointing one or more local authorities to oversee (“an oversight authority”) the development of the area as a new town (“locally-led new town”).

Further decisions will be required from both Cabinet and Council following consideration of an options appraisal before any request can be made to the Secretary of State for the North Essex Authorities to be appointed as oversight authorities and for LLNTDCs to be designated.

No further options are being presented within the context of this report, as the alternative decision would be not to approve the Interim Business Plan, Budget and Financial Procedure Rules.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed recommendations in respect of: Crime and Disorder; Equality and Diversity; Health Inequalities; Area or Ward Affected; Consultation and Public Engagement; and any significant issues are set out below:

The proposals are for the approval of a range of key documents which will enable NEGC Ltd and its Shareholders to create an inclusive community which meets the needs of all residents regardless of whether or not they have a protected characteristic. The differing needs of people, including those with different protected characteristics, will need to be considered during the design and planning stage of the development and kept under review as the project progresses.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Colchester Borough Council, Braintree District Council, Tendring District Council and Essex County Council (the North Essex Authorities) as Shareholders for NEGC Ltd have been working on an agreed strategic approach to the allocation and distribution of large scale, mixed use development, including employment opportunities and infrastructure provision, in the form of Garden Communities.

As part of this agreed approach, Cabinet of each of the Authorities agreed in December 2016 to establish a dedicated delivery structure and special purpose vehicle for the Garden Communities. This included:

- The setting up of NEGC Ltd, being a corporate entity wholly owned by all the four Authorities; and
- to approve the NEGC Limited Shareholder Agreement, with each Authority holding an equal shareholding.

Since this approval, NEGC Ltd has been formally established with Directors being appointed by each of the North Essex Authorities. The Board of NEGC Ltd is currently chaired by Essex County Councillor, John Spence and since January 2017 has been meeting regularly.

In September 2017, Cabinet of each Authority supported the approach of NEGC Ltd and its Directors to actively engage with Government to promote the positioning of the NEGC Ltd as a “Responsible Body” for the establishment of a single new locally controlled Development Corporation across all three of the proposed North Essex Garden Communities – subject to the consideration of this approach by Members after the publication of the Regulations.

In order to enable NEGC Ltd to move forward it is required to adopt a number of key documents, procedure rules and approve its budget for the 2018/19 financial year. Under the terms of the Shareholders Agreement, the Shareholders prior written consent is required for a number of reserved matters. This includes the adoption of the Interim Business Plan, Budget and Financial Procedure Rules.

INTERIM BUSINESS PLAN

NEGC Ltd is required to have in place a Long-term Business Plan, which is defined within the Shareholder Agreement as including a high level 5 year business plan in relation to NEGC Ltd and that such business plan shall cover, infrastructure requirements, finance, planning and such other matters as NEGC Ltd determines, and take into account the aims and requirements of the Master Plan.

The Shareholder Agreement requires the Long Term Business Plan to be submitted to the Shareholders within three months of the full board being appointed NEGC Ltd. The full Board was established in January 2017. The production of the Long Term Business Plan has not been possible to date, due to ongoing discussions around the future delivery model.

However, the Board are able, in accordance with the Shareholder Agreement, to operate under an Interim Business Plan until such time as a Long-term Business Plan is developed. Accordingly the NEGC Ltd Board determined at its meeting on the 29th March 2018 that the Company may operate under an Interim Business Plan for 2018/2019. The Board approved a revised Interim Business Plan on 16 July 2018.

The Shareholder Agreement does not require the Authorities to provide approval of the Interim Business Plan prior to its adoption by the Board. The proposed Interim Business Plan (Appendix A) for NEGC Ltd has been produced for the 2018/19 financial year largely to enable NEGC Ltd to provide support to the Local Planning authorities in progressing Section 1 of their Local Plans and to develop proposals for a locally led development corporation.

The Interim Business Plan provides an overview of the vision, objectives, necessary workstreams, governance, funding and actions required to deliver NEGC Ltd scope of work and bringing forward a number of priorities during 2018/19 to move the Garden Communities towards the delivery phase. The key operational priorities include:

- Continuing to advocate and work with Government for the establishment of a locally led Development Corporation in North Essex including the preparation of a Development Corporation operating structure and funding requirements for testing with Government;
- Undertaking initial work with the Councils to prepare a mandate in support of a designation for a locally led Development Corporation that is financed and

supported by all NEGC directors and shareholders;

- Stepping up engagement with the existing and proposed new communities to give them a strong sense of ownership of the emerging new Garden Communities;
- Assisting the Councils as planning authorities by carrying out further work in relation to the Local Plan evidence base including: additional infrastructure, delivery and phasing work; demonstrating the viability of the Garden Communities; and input into the Rapid Transit System work;
- Assisting in the creation of a North Essex Economic Strategy, and ensuring that it maximises the benefits to Garden Communities;
- Preparing a costed Business Plan for approval by the Board by January 2019;
- Exploring the approach to secure an interest in land either via negotiation or compulsory purchase;
- Evolving the optimum approach to delivery including the corporate delivery and financing structure, exploring finance agreements with potential external funding and delivery partners; and
- Engaging with Infrastructure and Utility providers to confirm anticipated infrastructure demand and how it may be provided (considering the benefit of public/private ownership options), over the proposed NEGC development period.

Key tasks during the year are to evolve the approach to master-planning, innovation, economic development, programme funding, governance and delivery including consideration of transition towards a locally led development corporation style of approach.

NEGC Ltd will present options to the North Essex Authorities in 2019 to consider and decide upon the future operating model(s) for the delivery of the garden communities.

The Interim Business Plan will act as a precursor to the preparation of a 'Long-term Business Plan', which NEGC Ltd will be in a position to begin preparing once further progress has been made with the Local Plan.

Key activities for each of the work streams and activities that will be undertaken by NEGC Ltd during 2018/19 are included within the document, together with details of its Programme Management. In common with all business plans this document will be kept under review.

Budget 201/19

In March 2018 NEGC Ltd altered its financial year to enable it to end on 31st March in each year, rather than 31st August. This allows for NEGC Ltd accounting period to follow that of the North Essex Authorities and will make it easier to administer in the long term. Accordingly, the 2018/19 NEGC Ltd Budget has been produced by NEGC Ltd and is included within the Interim Business Plan.

The Shareholder Agreement provides that the draft Budget must be approved by the Authorities prior to its adoption by NEGC Ltd. It further provides that the Board shall submit

any draft Budget to the Authorities no later than two months before the start of each financial period of NEGC Ltd. However, the change to the accounting period occurred immediately prior to the new accounting period commencing and therefore it was not possible for the two months- notice to be provided on this occasion.

The following table sets out a summary of the budget for 2018/19 by work stream, including key sources of funding. The budget includes provision for the additional work required to progress the locally led development corporation proposition in conjunction with Government.

	2018/19
	£'000
Workstreams:-	
Project Resource / Delivery Team	689
Legal Support	330
Delivery Support	1,437
Planning	190
Community & Communications	130
Contingency	191
Total expenditure	2,967
Funded by:-	
Assumed balance of funding b/f April 2018	1,526
Local Authority contributions	500
Government Funding	1,190
Total Funding	3,216
End of Year balance (c/f)	249

There are a number of key assumptions to note in the budget forecast:-

Expenditure

- The project resource and delivery team includes the managing director of NEGC Ltd and staff resources seconded to the project. This budget also includes an allowance for support services provided to NEGC Ltd such as HR, finance, ICT and accommodation.
- Provision for specialist advice and support across legal, finance and land and property matters is included.

Income

The Government Grant funding includes two amounts:-

- £190k - additional funding received from Government earlier in the 2018/19 financial year.
- The budget currently assumes an additional £1m from Government in 2018/19. A

final determination is still awaited on the exact amount of Government support; however, in the event that this support is less than is assumed, NEGC Ltd will scale back and/ or cease certain activities contained within the interim business plan, commencing from the beginning of January 2019, so as to mitigate the budget shortfall. In these circumstances Councils will also be provided with a further update.

Local Authority Contributions

The Interim Business Plan and associated budget includes the assumption that the North Essex Authorities will commit additional funding of £100,000 each in 2018/19. The request from NEGC Ltd is that this funding is set aside by each authority for future drawdown from NEGC Ltd should it be required. In addition, NEGC Ltd is seeking a further £40k from third parties including Uttlesford District Council.

It should be noted that in total there is a forecast budgeted surplus for 2018/19 and it is currently assumed that this will be carried forward into 2019/20.

Transfer of the Project Budget

In February 2016 the North Essex Authorities agreed to commit £250,000 to support the joint work on the garden community project. An additional £250,000 from each North Essex Authority was approved in September 2017 to fund further work undertaken by NEGC Ltd in the development of the project. In addition to the contributions from the North Essex Authorities grants from the Government of just over £2m have been received to support the project.

To date the funding and spending has mostly taken place through Colchester Borough Council's accounts. At the end of 31 March 2018 the balance held was c£1.526m.

The Interim Business Plan assumes that in future part of the 2018/19 budget will pass to NEGC Ltd, with some costs retained in the Council's accounts. The allocation of costs will be based on assumptions of which costs should be appropriately met by NEGC Ltd. It is proposed that the allocation between the authority accounts and NEGC Ltd will be determined by the NEA Section 151 officers.

FINANCIAL PROCEDURE RULES

The Shareholder Agreement identifies the approval of NEGC Ltd.'s Financial Procedure Rules as a reserved matter, and therefore they must be approved by the Shareholder prior to implementation by NEGC Ltd.

NEGC Ltd is required to conduct its business efficiently and to ensure that it has sound financial management policies in place, which are strictly adhered to. Part of this process is the establishment of Financial Regulations, which set out the framework which NEGC Ltd will use to manage its financial affairs. They set out levels of responsibility and gives clearly identified financial authority to the Board, Group Managing Director and Responsible Finance Officer and are intended to promote good practice in the use of public funds.

The proposed Financial Procedure Rules have been prepared in consultation with the s.151 and Monitoring Officers of each of the North Essex Authorities.

Rule 3.3 of NEGC's Financial Procedure Rules requires the Board to consider and approve its annual budget no later than two months before the start of the financial year. To facilitate the Councils supporting NEGC Ltd, a high level budget will be tabled in October each year which will allow any financial requirements (of the Councils) to be incorporated into the timing of the LA partners budget setting process.

LOCALLY LED NEW TOWNS (DEVELOPMENT CORPORATION)

Each of the North Essex Authorities submitted a response to the Governments consultation on the New Town Act 1981 (Local Authority Oversight) Regulations 2018 in December 2017. The new Regulations came into force earlier this year and Guidance has been issued that outlines the way in which LLNTDCs will work.

The 1981 New Towns Act allows the Secretary of State to designate a new town and to incorporate a New Town Development Corporation. Normally the Secretary of State then takes responsibility for all oversight of the Development Corporation. Further detail on the LLNTDCs are included within Appendix C.

FUTURE DECISIONS AND WORK PROGRAMME

The North Essex Authorities remain committed to using Garden Community principles to secure the future housing requirements in the North Essex Authorities area. In light of the Inspector's initial comments following the examination in public, the local planning authorities are carrying out further work to ensure that the Local Plan is sound.

One of the issues that the Inspector will be considering will be the deliverability of the proposed garden communities. One of the options for delivery is a Locally Led New Town Development Corporation (LLNTDC) (see **Appendix C**).

No decision has been made about the use of an LLNTDC to deliver garden communities for North Essex. It is recognised that a substantial amount of work is required to review potential options for the Councils to consider proposals at a later date and, if agreed, for a submission to be made to the Secretary of State. One of the substantive tasks for NEGC Ltd is therefore to prepare a full options analysis that can then be considered by the North Essex Authorities.

Throughout the Interim Business Plan reference is made to NEGC working in conjunction with the Councils in a number of areas, this highlights the internal resource requirements over the same period, sharing resources with NEGC where it is reasonable and efficient to do so.

In parallel, but separate to the work required to respond to the outcome of Section 1 of the Local Plan, the Councils will need to consider the form of Oversight Authority arrangements which could be put in place.

The North Essex Authorities will need an agreement in place to regulate their collective operation as an Oversight Authority. The contract will need to be in place ahead of any submission to the Secretary of State to designate the three locations as locally led new towns and to incorporate a development corporation. Consequently, in addition to the work as set out in NEGC Ltd Interim Business Plan, over the forthcoming months, the Councils will have to commence discussions on the potential oversight body

arrangements, in readiness for any Development Corporation submission, should the Councils decide to do so.

The following issues will need to be addressed in any agreement between the authorities:

- Agreement of controls on Development Corporation
- Changes to Development Corporation
- Delegation of responsibility
- Local Authority support for Development Corporation
- Process for terminating Development Corporation
- Dispute resolution
- Miscellaneous issues

On the current NEGC Ltd programme timetable the North Essex Authorities will be asked to approve the draft mandate for a Development Corporation following the Board's recommendation in September 2019. Subject to their approval, the Councils will submit the request for the appointment of the Oversight Authority and designation of Development Corporation in December 2019.

Schedule of milestone – key decisions

SUBJECT	DECISION BODY	TIMESCALE
<p>Local Plan (for information):</p> <ul style="list-style-type: none"> • <i>Review of additional evidence base and Sustainability Appraisal work</i> • <i>Major modifications requiring approval and consultation</i> • <i>Consultation feedback to the Inspector to make final decision following re-examination</i> • <i>Section 1 Adoption in 2019</i> 	<p><i>LOCAL PLAN COMMITTEE & COUNCIL</i></p>	<p><i>FEBRUARY 2019</i></p> <p><i>Section 1 modifications process completed by Summer 2019 after consultation and further examination</i></p>
<p>NEGC longer term Business Plan</p>	<p><i>CABINET</i></p>	<p><i>JANUARY 2019</i></p>
<p>Development Corporation</p> <ul style="list-style-type: none"> • <i>Approval of an agreement between the Councils to work collectively as Oversight Authority</i> • <i>Consideration of preferred structure for the future delivery of Garden Communities</i> - <i>including NEGC recommended option;</i> - <i>Consideration of alternative options, risks and liabilities</i> - <i>Funding decisions</i> 	<p><i>CABINET & COUNCIL</i></p>	<p><i>SEPTEMBER to DECEMBER 2019</i></p>

BACKGROUND PAPERS FOR THE DECISION

Cabinet Report - The Establishment of North Essex Garden Communities Local Delivery Vehicles and Funding Requirements (25 November 2016)

Cabinet Report - North Essex Garden Communities Progress to Date Key Developments (5 September 2017)

Board papers insofar as published – See North Essex Garden Communities
<http://www.ne-gc.co.uk/Board Minutes>

APPENDICES

Appendix A NEGC Ltd Interim Business Plan 201/19

Appendix B NEGC Ltd Financial Procedure Rules

Appendix C Locally Led New Towns (Development Corporation)

This page is intentionally left blank



North Essex Garden Communities Ltd

Interim Business Plan

(Draft August 2018)

COMMERCIAL IN CONFIDENCE



Contents		Page
1	Executive Summary	3
2	Introduction	4
2.1	Introduction to North Essex	4
2.2	The North Essex Garden Communities Programme	4
2.3	North Essex Garden Communities Ltd	6
2.4	Progress so far	7
2.5	The Local Plan Process	9
2.6	Role & Purpose of this document	9
3.	Strategic Outline Case	10
3.1	Introduction	10
4.	NEGC Vision & Strategic Objectives	12
4.1	Introduction	12
4.2	Mission Statement for North Essex Garden Communities Ltd	12
4.3	Vision for North Essex Garden Communities Ltd	12
4.4	Strategic Objectives for North Essex Garden Communities Ltd	13
4.5	The North Essex Garden Communities Prospectus	14
5.	NEGC Strategy	16
5.1	Overarching Strategy	16
5.2	Approach to Planning & Infrastructure	17
5.3	Approach to Delivery & Finance	18
5.4	Approach to Economy, Engagement & Communications	18
5.5	Approach to Innovation	19
5.6	Approach to Legacy & Stewardship	19
6.	Key Priorities & Deliverables for 2018/19	21
6.1	Operational Priorities for 2018/19	21
6.2	Key Workstreams & Activities for 2018/19	22
6.3	Programme timeline & key milestones	26
7.	Programme Management	27
7.1	Operating Model	27
7.2	Staffing & resourcing	27
7.3	Workstreams & Governance	28
8.	Finance	30
8.1	Funding Position	30
8.2	2018/19 Budget	30
9.	Risk	31
9.1	Overview	31
APPENDICES		
A	NEGC Priorities & Milestones	32
B	Rationale and Business Case Context	33
C	NEGC Short-Term Budget Forecast	41

1. Executive Summary

North Essex is a key location in the UK, well related to London, with international sea and air connections, as well as links to wider growth corridors across the South East.

Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council have developed a shared vision for the future across North Essex, as set in their emerging Local Plans, The North Essex Garden Communities Charter and Prospectus.

The Councils have a shared desire to promote, plan and deliver sustainable strategic growth at scale and over the long-term; providing the housing, employment and necessary supporting infrastructure required to ensure the best outcomes for current and future communities of North Essex.

The centrepiece of the NEGC Programme is the creation of three new Garden Communities. These new settlements will act as the catalyst for economic growth and address the aspirations of the wider UK's population, making North Essex an attractive place to live, work and spend time for future generations to come.

These proposed Garden Communities will be key to creating a more prosperous North Essex through inclusive economic growth, with new businesses able to compete successfully in national and international markets. The intention is for North Essex to have a diverse and thriving economy, a great choice of job opportunities across many sectors, and growing prosperity and improving life chances for all its citizens, today and into the future.

The Councils have come together to create 'North Essex Garden Communities Ltd' (NEGC Ltd) as a private company wholly owned by The Councils with an overall mission to "lead, create, inspire and develop exemplar self-sustaining Garden Communities across North Essex through working proactively and effectively in partnership with local communities and key stakeholders."

This document has been produced to set an Interim Business Plan for NEGC Ltd for the 2018/19 financial year. It provides an overview of the vision, objectives, necessary workstreams, governance, funding and actions required to deliver NEGC Ltd's scope of work and bring forward a number of priorities for 2018/19 to move the Garden Communities towards delivery phase. A key task during the year will be to evolve the approach to masterplanning, innovation, economic development, programme funding, governance and delivery, including consideration of transition towards a locally led development corporation style of approach.

This Interim Business Plan will act as a precursor to the preparation of a 'Long-Term Business Plan' as defined within the NEGC Shareholders Agreement, which will align with the preferred delivery model approach and preparation of associated business case/s and set the basis for 2019/20 onwards.

2. Introduction

2.1 Introduction to North Essex

North Essex is a key location in the UK; it is well related to London, includes the country's largest deep sea freight port at Harwich and the third-largest air bound freight gateway at London Stansted Airport, as well as being related and linked to the growth areas of Cambridge and the economic growth corridors of Cambridge – Stansted – M11 and Cambridge – Milton Keynes – Oxford.

As a result, the area has seen significant growth in housing and employment over recent years, in particular around the key existing towns and settlements.

However, North Essex is a part of the UK economy that is currently underperforming in the context of the South East of England. Initial research has identified that the current GVA for North Essex is 0.8% pa compared to the UK national level of 1.3%. Furthermore, the North Essex area lags behind comparable GVA per capita in the South East with North Essex currently at £18k compared to at least £25k for comparator areas and £44k for Milton Keynes.

The North Essex Councils (Essex County Council, Braintree District Council, Colchester Borough Council and Tendring District Council – thereafter referred to in the remainder of this document as 'The Councils') are determined to work together to not only reverse this trend but to put North Essex on the international map.

To address this, The Councils have therefore developed plans to provide a catalyst for its economic ambition by creating what is currently the largest scale housing, employment and infrastructure project in the UK.

2.2 The North Essex Garden Communities Programme

The North Essex Garden Communities (NEGC) programme comprises a coalition of The Councils, established because of their shared desire to promote, plan and deliver sustainable strategic growth at scale and over the long-term; providing the housing, employment and necessary supporting infrastructure required to ensure the best outcomes for current and future communities of North Essex.

The centrepiece of the NEGC Programme is the creation of three new Garden Communities. Subject to examination through the Local Plan process, these new settlements will act as the catalyst for economic growth and address the aspirations of the wider UK's population, making North Essex an attractive place to live, work and spend time for future generations to come. This growth will require an appropriate response from The Councils to ensure that a broad range of new homes, employment opportunities, and supporting social and other infrastructure are provided in an effective and timely manner.

The Garden Communities concept is ideally suited to deliver on this local ambition because it can:

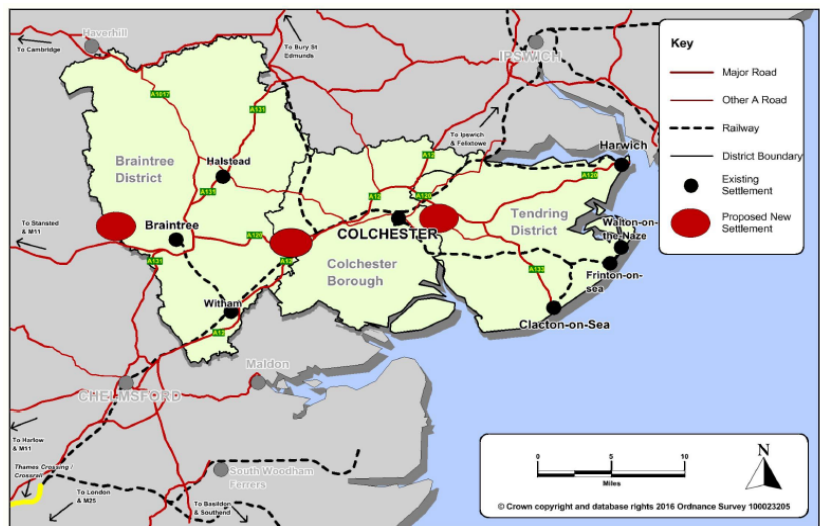
- Respond positively to the context of North Essex - providing the best of town and country;
- Be planned comprehensively with timely delivery of infrastructure;

- Provide a key role in promoting local economic development, both within the Garden Communities but also across the wider North Essex corridor, creating and attracting new jobs and businesses into the area;
- Place the concept and function of community at the heart of place making with active local engagement and long-term stewardship of community assets;
- Enable the provision of integrated and sustainable transport options, reducing reliance on the private car;
- Enable public sector leadership and a long-term approach to investment and community development; and
- Overall create a great place to live, work and spend leisure time.

Figure 1.1 shows the location of the three new Garden Communities that are proposed. These will accommodate a substantial amount of the housing and employment growth planned for North Essex within the Local Plan period, up to 2033, and well into the future:

- Tendring Colchester Borders, a new garden community will deliver between 7,000-9,000 homes (with at least 2,500 homes within the Local Plan period to 2033).
- Colchester Braintree Borders, a new garden community will deliver between 15,000-24,000 homes (with at least 2,500 homes within the Local Plan period to 2033).
- West of Braintree in Braintree DC, a new garden community will deliver between 7,000-10,000 homes (with at least 2,500 homes within the Local Plan period to 2033).

Figure 2.1: North Essex and locations of proposed Garden Communities



Each of the Garden Communities will be holistically planned new settlements that respond directly to their regional, local, and individual site context and opportunities, to create developments underpinned by a series of interrelated principles which are based on the Town and Country Planning Association (TCPA) Garden City Principles, adapted for the specific North Essex context through the NEGC Charter and NEGC Prospectus. Refer to Chapter 3 for further information.

The Garden Communities will be designed and delivered to attract residents and businesses who value innovation, community cohesion and high-quality environment, and who will be keen to take an active role in managing the garden community to ensure its continuing success. Residents will live in

high quality innovatively designed, contemporary homes, accommodating a variety of needs and aspirations. These will be set within a network of leafy streets and green spaces, incorporating and enhancing existing landscape features, and providing areas for leisure and recreation. The level of ambition is set out comprehensively in the ‘North Essex Garden Communities Charter’, produced in 2016 as part of initial work to inform and support the preparation of Local Plans. A North Essex ‘Strategic Narrative’ has subsequently been produced by The Councils to set out the strategic approach and rationale.

2.3 North Essex Garden Communities Ltd

In order to progress the delivery of the programme’s key objectives and ensure the delivery of the three Garden Communities, a new dedicated delivery structure has been put in place to take the proposals forward.

This delivery structure was approved by The Councils’ respective Cabinets and Council Committees in November and December 2016 with North Essex Garden Communities Ltd (NEGC Ltd) formally established on 30th January 2017 (Company No: 10319743).

In addition, site specific ‘Local Delivery Vehicles’ (LDVs) were also created on 30th January 2017 to potentially act as separate operating companies tasked with the delivery of each individual Garden Community.

NEGC Ltd was established as a wholly owned public entity between The Councils to act as the body to guide the proposed Garden Communities through the design process and into implementation, providing ultimate oversight and scrutiny of the delivery.

The Shareholders of NEGC Ltd are Essex County Council (Essex), Braintree District Council (Braintree), Colchester Borough Council (Colchester) and Tendring District Council (Tendring) (together referred to as “The Councils”) with each holding a 25% shareholding.

As approved by each of The Councils (as shareholders of the Company), the Directors of NEGC Ltd are currently nominated as:

- Cllr Tim Young (representing Colchester Borough Council);
- Cllr Neil Stock OBE (representing Tendring District Council);
- Cllr John Spence CBE (representing Essex County Council); and
- Cllr Graham Butland (representing Braintree District Council).

In addition to the Directors, there are nominated Alternate Directors in place for each of the shareholders as follows:

- Cllr Carlo Guglielmi (representing Tendring District Council in the absence of Cllr Neil Stock OBE);
- Cllr David King (representing Colchester Borough Council in the absence of Cllr Tim Young);
- Cllr David Finch (representing Essex County Council in the absence of Cllr John Spence CBE); and
- Cllr Lynette Bowers-Flint (representing Braintree District Council in the absence of Cllr Graham Butland).

Cllr John Spence OBE currently acts as the Chairman of the NEGC Ltd Board, a position that the Board has agreed should continue until the end of the 2018/19 financial year, or until such point as a Development Corporation is established in North Essex.

The Purpose of NEGC Ltd is set out in Schedule 1 of the NEGC Shareholders Agreement as follows:

The purpose of the Company is to coordinate the funding of the LDVs and to oversee and hold to account the LDVs in order to develop each of the Properties as Garden Communities, being self-sustaining communities which secures the future stewardship of public assets for community benefit, the design, development and delivery of which is underpinned by local public sector leadership, a strong vision and long term planning and effective engagement.

In addition to the above, and in August and September 2017, all four councils approved the ability for NEGC Ltd to explore with Government the potential for creating a locally led development corporation for North Essex. This is currently the primary focus of the work that NEGC Ltd will undertake ahead of progressing the Local Delivery Vehicles.

Alongside the Purpose, Schedule 1 of the NEGC Shareholders Agreement also sets out 11 objectives that a Garden Community should achieve. Refer to Chapter 3 for further information.

NEGC Ltd will operate to deliver its services in a commercial way, while maintaining high standards of integrity and social purpose. As a private limited company, it is controlled by Board Members who have a duty to promote the success of the company for the benefit of its shareholders as a whole.

The Board has an overall responsibility for overseeing the successful delivery of the Garden Communities across the area in accordance with Business Plans, planning frameworks and Local Plans.

The Board meets at least quarterly to carry out this work and receives regular reports on progress against operational matters and programme budgets.

2.4 Progress so far

The Councils have been working jointly for several years to plan effectively for long-term growth across the area. This has involved joint work prior to NEGC Ltd being formally set up. Considerable progress has therefore been made over recent years, including:

- Council commitment to funding the delivery vehicle to deliver the Garden Communities, (subject to Business Plans being agreed, affordability and value for money)
- Council commitment to leading the delivery of the Garden Communities including approvals for and the subsequent establishment of NEGC Ltd.
- Exploring the potential establishment of a locally led development corporation – which could become the first in the UK.
- In principle support from The Councils to long term public sector funding to enable delivery (subject to future business cases and being able to demonstrate affordability and value for money).

- Becoming part of the Garden Towns Villages & Cities programme run by the Ministry of Housing, Communities & Local Government (MHCLG). North Essex Garden Communities is the largest and most ambitious project in the programme. Being part of this programme provides direct access to other Garden Towns with associated learning and knowledge/information sharing opportunities.
- Since 2015, securing over £2m of capacity funding and support from MHCLG to support in bringing forward the design, planning and technical work necessary to evolve and bring forward the proposals. This is in addition to £2m of capacity funding that the partnership Councils have also contributed to the programme.
- Securing funding and in kind commitment from each of The Councils to provide necessary resources to lead on project management, planning, programming and communications, and evolving work on operational readiness.
- Coordinating the Council's approach to Local Plans, including the confirmation, publication and Examination in Public of a joint 'Part 1' of the Local Plans which sets out a shared strategy to growth in North Essex and preferred locations for new Garden Communities.
- Council preparation of Issues and Options strategic site Development Plan Documents (DPDs) for each Garden Community.
- Building relationships with land owners and promoters and establishing necessary structures to lead on the delivery of the proposals.
- Development of a community engagement programme, including providing community enablers for the benefit of each proposed community.
- Developing stewardship arrangements for the long-term maintenance of public amenities.
- Progressing work on a financial model, initiating discussion with Government over long term funding, soft market testing, and testing finance and scheme funding parameters.
- Increasing and direct high- level engagement with Government on the potential for direct infrastructure investment, the use of new delivery powers such as those enabled via the Neighbourhood Planning Act in respect of locally led development corporations, and opportunities for comprehensive land assembly.
- Two Forward Funding Housing Infrastructure Funding bids that were submitted by ECC for approximately £165m in total have been successful and have made it through to Round 2 which is a period of co-development of a potential business case.

A peer review of the programme has been undertaken by a team of experts led by Lord Kerslake. The report's recommendations can be found here [http://www.essex.gov.uk/News/Documents/Garden_Communities.pdf]. Since the review was conducted NEGC Ltd and The Councils have responded as follows:

- Preparing individual 'concept frameworks' for each community and a 'Prospectus' that sets out the vision for the programme as a whole
- Appointed a full time Group Managing Director for NEGC Ltd and dedicated project team.
- Strengthened engagement with Government including a number of high profile visits from Government officials to North Essex, including the MHCLG Permanent Secretary, Melanie Dawes, and adding Homes England representation to the NEGC Ltd Board

2.5 The Local Plan Process

The Local Plan process is clearly relevant to the work that NEGC Ltd will be undertaking in 2018/19. For the sake of clarity, it is therefore worth setting out the different roles that the Councils have in their function as planning authorities and their roles with respect to the operation and ownership of NEGC Ltd.

The three Local Planning Authorities (Colchester, Tendring and Braintree) are responsible for taking forward their respective Local Plans and are currently promoting the allocation of the Garden Community sites through their Draft Local Plans. The soundness of the Local Plans will ultimately be determined by an independent Inspector appointed by the Secretary of State.

However, it is clear that the work undertaken by NEGC Ltd to help to deliver the Vision is separate to, and will not pre-judge, the outcome of the Local Plan processes. Indeed, the work of NEGC Ltd does not propose to adjust or alter the approach to the Local Plan provisions regarding these communities.

Following the conclusion of the Section 1 Examination in Public (EiP) sessions, the Local Planning Authorities received two letters from the Planning Inspector during the course of June 2018. One letter concluded that the Local Planning Authority's approach to housing need was sound. This first letter set out his considerations and thoughts on the broad matters covered in the Section 1 evidence.

This first letter outlined some areas where the Inspector considers further work would need to be undertaken in order that the Garden Communities proposals contained in Section 1 could be found sound. The Inspector also provided three options for the Local Planning Authorities to consider in terms of moving forward: Option 1 which was to temporarily remove the Garden Communities from Section 1 and proceed with Section 2 Local Plans prior to reinstating Garden Communities proposals in the development plan subject to later decisions by the Local Planning Authorities; Option 2 which was continue with Section 1 and present further evidence for consideration at a future EiP; Option 3 was to start the Local Plan process again.

The Local Planning Authorities have considered those options and all three have decided to proceed by collecting the additional evidence required by the Inspector and asking the Inspector to continue with the Local Plan Examination. The Planning, transport/infrastructure and viability work that NEGC will need to do to support the Local Planning Authorities with progressing the evidence base therefore forms a significant part of the revised 2018/19 Interim Business Plan for NEGC Ltd

At midnight on Tuesday 24 July 2018, New Towns Act 1981 (Local Authority Oversight) Regulations 2018 came into force. In June 2018, MHCLG issued Guidance for the implementation of locally led development corporations. Taken together, these Regulations and Guidance enable Local Authorities to present a proposal to Government for the creation of a locally led development corporation in their area(s). NEGC is undertaking work to evaluate and develop a proposal for a locally led development corporation to deliver the three garden communities in North Essex. This delivery work therefore forms a significant part of the revised 2018/19 Interim Business Plan for NEGC Ltd. The aim is to prepare options for consideration by the Board and the Shareholder Councils during 2019.

2.6 Role & Purpose of this document

This document has been produced to set an Interim Business Plan for NEGC Ltd for the 2018/19 financial year to enable it to provide support to the Local Planning Authorities in progressing Section

1 of their Local Plans and to develop proposals for a locally led development corporation. It has been prepared in accordance with Section 5 of the NEGC Ltd Shareholders Agreement that says:

5.1 Interim Business Plans

Until such time as a Long-term Business Plan is adopted in with this Clause 5, the Company may operate under such business plan as the relevant Board shall determine.

This Interim Business Plan provides an overview of the vision, objectives, necessary workstreams, governance, funding and actions required to deliver NEGC Ltd's scope of work and bring forward a number of priorities for 2018/19 to move the Garden Communities towards delivery phase. Given the early stage of the wider project, and continual evolution of the programme's delivery approach, it is recommended that this document is kept under constant regular review.

This Interim Business Plan will act as a precursor to the preparation of a 'Long-Term Business Plan' as defined at Section 5.2 of the NEGC Shareholders Agreement. It is envisaged that this Long-Term Business Plan will be submitted to the Board for approval in January 2019 (noting that this may need to be reviewed should a decision be made on whether to proceed with a locally led development corporation).

3. Strategic Outline Case

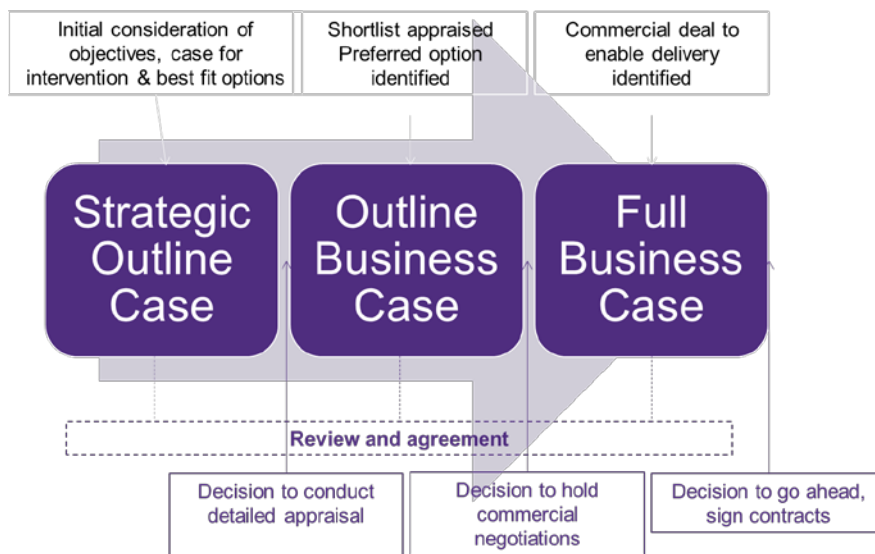
3.1 Introduction

The Councils have been evolving the approach to the NEGC programme for some time, including detailed consideration of the spatial approach to development across the local area (through the preparation of Local Plans), and associated consideration of delivery and implementation mechanisms.

Given the scope and scale of the anticipated public sector role in delivery, potential financing and the wider achievement of garden community ambitions, the approach that is adopted will need to accord with the process of preparing an appropriate ‘Business Case/s’ in line with the HM Treasury Green Book. This will be separate to but closely associated and aligned with wider business planning activity related to the operations of NEGC Ltd as set out in this document, and as required by the Company Articles of Association.

The overall process map relating to the preparation of such HM Treasury Green Book Business Case/s is set out at Figure 2.1, providing an overview of how the project progresses from outline to full detail stages.

Figure 3.1: Business Case Development Process Map



Work undertaken by The Councils to date has advanced work pertaining to several key components of the Strategic Outline Case stage of the process, most notably in defining the strategic need and partner objectives, and beginning to consider the associated management, commercial, financial and economic considerations.

The approach going forward through 2018/19 will further evolve and refine the way forward and lead to the preparation of a subsequent Outline Business Case/s in line with the Green Book methodology. This will enable The Councils and other partners to make decisions on the scope and scale of public sector direct involvement in the delivery process. This will focus on the planning (pre-procurement)

phase to better define the preferred option, value for money assessment, affordability and achievability. It will set out further information across:

- the Strategic Case – further evolving the business strategy aims and objectives;
- the Economic Case – a full review of business options, their economic appraisal (including consideration of benefits, risks and sensitivities);
- the Commercial Case – outlining the envisaged structure/s, key contractual terms/operational and implementation considerations;
- the Financial Case – a detailed analysis of funding needs, affordability and net impacts on income/expenditure and balance sheets; and
- the Management Case – setting out how the scheme will be delivered with an outline of the proposed programme/project management plan and procurement.

The final stage will be to draw together the approach into a Full Business Case/s, which will define and select the preferred service solution, fully define the implementation arrangements and funding requirements. This can follow relatively quickly from the outline stage.

Appendix B provides an overview of the key rationale for intervention and decision making to date, including the strategic context to the proposal, the case for change and an indication of the proposed way forward. It sets out information pertaining to several key components of the ‘Strategic Outline Case’ as per the HM Treasury Green Book and forms the basis of subsequent work in 2018/19, which will feed into the development of the ‘Outline Business Case/s’.

4. NEGC Vision & Strategic Objectives

4.1 Introduction

A mission statement, a vision and a set of objectives provides the strategic framework within which the company will operate and which emerging proposals can be evaluated over time. The strategic context will continue to evolve over time and new influences will undoubtedly emerge. This interim Business Plan for NEGC Ltd therefore represents a ‘starting point’.

4.2 Mission Statement for North Essex Garden Communities Limited

The overall Mission Statement for NEGC Ltd sets out in high level terms what the company will do:

To lead, create, inspire and develop exemplar self-sustaining Garden Communities across North Essex through working proactively and effectively in partnership with local communities and key stakeholders.

4.3 Vision for North Essex Garden Communities Ltd

The overall Vision Statement for NEGC Ltd sets out in high level terms why and how the company is pursuing its mission statement.

There have been a number of vision statements prepared for the individual North Essex Garden Communities projects including those set out in the Local Plan and NEGC Prospectus. The following overall Vision Statement for NEGC Ltd is consistent with both of these documents as well as the NEGC Charter.

Our vision is to establish an area for growth across North Essex that is of strategic national importance. At the heart of our vision are the creation of new Garden Communities where people want to live, work and play.

Our vision has three interconnecting strands: jobs, sustainable communities and a supportive infrastructure:

- ***Jobs:*** *to achieve our vision, we will strive to make North Essex an area of inclusive economic growth and prosperity, of strategic importance to the economy of the UK, with businesses capable of competing on a national and international stage. To make this happen we will help North Essex create a diverse and thriving economy, with a great choice of job opportunities across many sectors, and growing prosperity and improving life-chances for all its citizens, today and into the future;*
- ***Communities:*** *sustainable development principles will be at the core of the Garden Communities, balancing social, economic and environmental issues. The garden communities will attract residents and businesses who value innovation, community cohesion and a high quality environment, and who will be provided with opportunities to take an active role in managing the garden community to ensure its continuing success;*
- ***Infrastructure:*** *within the new garden communities, there will be a focus on providing the right level of infrastructure (roads, utilities, education, health, green areas, community and leisure centres etc.) at the right time to in a manner that supports the development of substantial new growth whilst ensuring that the countryside and heritage assets are protected and enhanced. Surrounding the garden communities, there will be a focus on ensuring that improvements to the supporting strategic infrastructure will be planned and implemented alongside the development of the new garden communities.*

4.4 Strategic Objectives for North Essex Garden Communities Ltd

The following strategic objectives have been derived from the objectives as set out in Schedule 1 of the NEGC Shareholders Agreement. They have been designed to deliver the mission statement and vision for NEGC Ltd. They have not been set in any order of priority on the basis that the delivery of Garden Communities requires a holistic approach that ensures the key strands are delivered in an inter-connected manner.

NEGC Ltd.'s overarching mission is to make North Essex a place where people want to live, work and play by delivering new Garden Communities. We will achieve that goal by delivering the following objectives:

- Undertaking consistent and meaningful engagement with existing and proposed communities to ensure they are at the heart of the Garden Communities' evolution.
- Fostering economic development within the Garden Communities in order to create a resilient and self-sustaining economy, and also offering access to a strong local jobs offer in North Essex in order to help achieve a better balance between the location of jobs and housing.
- Providing connectivity to and within the new Garden Communities to be achieved through the timely provision of physical and social infrastructure in an integrated manner to ensure ease of access and movement across the North Essex area.
- Focusing on innovation within the Garden Communities to future proof them by securing the delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities through the application of the highest standards of technology.
- Ensuring that the quality and design of place in the Garden Communities are seen to be exemplar and can create great places to live, work and play with access to great green spaces; in a manner that attracts both existing and future residents in North Essex as well as those from further afield, including the provision of different types of tenure.
- Establish and implement suitable models for the long term stewardship of community and place making assets that are structured and funded in a manner that provides long term management and governance of those assets.
- Achieve sustainability in its widest sense not only because the new Garden Communities are places that excel in their environmental quality and performance including healthy living, but also because the places are commercially sustainable in a manner that supports delivery and is capable of providing ongoing revenue receipts for reinvestment by the respective shareholders.

4.5 The North Essex Garden Communities Prospectus

A prospectus has been produced to set out and illustrate the strategic potential, with an ambition to establish North Essex as a key corridor of growth of national significance. The prospectus focusses on two key strands:

- creating a corridor of economic growth and prosperity, with North Essex having a diverse and thriving economy; and
- securing investment in all supportive infrastructure, ranging from transport through to green infrastructure, innovation, skills and social & community development.

The prospectus also sets out 10 strategies that will ensure that the objectives are delivered and these are listed below:

Strategy 1: “Good Design” – the very best in Garden Community planning and design

Strategy 2: “Employment Opportunity” – growing the productive economy of North Essex

Strategy 3: “Green Infrastructure” – blue and green spaces all

Strategy 4: “Integrated and Sustainable Transport” - mobility for all

Strategy 5: “Smart and Sustainable Living” – community infrastructure

Strategy 6: “Living Environment” – new homes to support growth

Strategy 7: “Community Engagement”

Strategy 8: “Active Local Stewardship”

Strategy 9: “Strong Corporate and Political Public Leadership”

Strategy 10: “Innovate Delivery Structure”

These strategies are consistent with NEGC Ltd mission statement, vision and objectives outlined in sections 4.1 – 4.4 above.

5. NEGC approach

5.1 Overarching approach

The delivery of this ambitious vision of the Garden Communities will require a positive and active approach by both the public and private sectors.

Notably, and different from standard development approaches, The Councils are taking a proactive approach to delivery of the Garden Communities – their masterplanning, promotion and development.

The approach reflects an anticipated need for strong public-sector leadership, but with flexibility to integrate appropriate partnership approaches and sharing of project risk and reward where these can deliver on the programmes objectives.

The active involvement of the public sector in supporting the delivery of the Garden Communities will be rewarded not just by the creation of great places for the residents of North Essex to live and work in, but also through unlocking a share of the value created through this endeavour.

For the delivery structure to succeed, deliver on the vision and realise the potential, there will need to be close working between The Councils, Government, landowners, developers, funding & delivery partners as well as local communities.

From the outset NEGC Ltd has been established to oversee and coordinate this activity.

It is also recognised that the delivery structure will need to adapt to local circumstances and adopt the most appropriate structure to deliver on the vision and objectives.

The Councils have agreed that NEGC Ltd should explore the establishment of a locally led new town style ‘Development Corporation’ as enabled by the Neighbourhood Planning Act 2017. A locally led Development Corporation has great potential to provide a strong and focussed body responsible for delivery with wide ranging powers in terms of land acquisition, funding and planning.

- Secure appropriate control and/or take ownership of the land through whatever means necessary (via negotiation or compulsory purchase);
- Bring forward proposals in line with an approved masterplan and secure necessary approvals);
- Undertake pre-development and facilitating works;
- Deliver infrastructure works to meet requirements of the masterplan, planning application/s and conditions;
- Create serviced development plots;
- Market the development sites and seek the best price achievable in the open market, consistent with the achievement of desired design and quality standards;
- Arrange development agreements with the successful bidders;
- Supervise the construction to ensure standards are achieved;
- Distribute the receipts in accordance with the terms of and associated land, funding or delivery partner agreements; and

- Ensure that public facilities and assets are adopted and/or transferred to appropriate bodies to secure their long term stewardship.

Funding arrangements would be agreed for each operational delivery body in liaison with NEGC Ltd. The operational delivery bodies would be responsible for identifying and securing appropriate funding to enable the provision of services and infrastructure at the time when it is needed by the community.

5.2 Approach to Planning & Infrastructure

The proposed Garden Communities will need to be planned carefully, be appropriately located, and accessible by a wide range of sustainable forms of transport. Provision will need to be made to provide the full range of supporting services and facilities. Job creation would need to go hand in hand with population growth to provide new and enhanced economic opportunities for existing and new residents.

Future growth at scale will undoubtedly create demand for additional road and rail use with the associated need for new and upgraded infrastructure, both within and outside the Garden Communities. The education needs of a growing population must also be addressed, requiring careful planning to assess future pupil numbers and address further education needs. Opportunities must be provided for local affordable housing, helping all on to the property ladder. The ageing profile of residents also requires a proactive response to provide the right type and mix of homes, including independent living and supporting services; as well as sufficient healthcare facilities to support both older residents and the population as a whole. It will also be important to ensure a housing mix that encourages older people to live in the Garden Communities from day one.

To facilitate this, NEGC will need to lead a programme of masterplanning work to enable progression once Section 1 of the Local Plan has been agreed. This masterplanning will enable the local Planning Authorities to progress further iterations of the Development Plan Documents for the three sites, a process that could evolve into the preparation of Local Development Order(s) should a Development Corporation designation be forthcoming.

In relation to Infrastructure, the timely delivery of this will be a central element of the work that NEGC will need to undertake in order to ensure effective delivery of well-planned Garden Communities. Infrastructure includes on-site (e.g. roads, utilities, energy, green spaces, education, health, community centres) and off-site (e.g. roads, public transport). The benefit of this 'infrastructure led' approach is that there can be more confidence by existing communities that the appropriate level of supporting infrastructure is planned, delivered and financed at the right times during the phasing of the future development of the Garden Communities.

5.3 Approach to Delivery & Finance

In order to give The District Councils as planning authorities, and the public, confidence that the communities will be delivered as intended, it is proposed that the public sector will take the primary responsibility – setting up and funding the delivery structure and ensuring the Garden Communities can deliver on their ambition.

The proposed approach is one of a public sector led delivery structure as set out above, with responsibility for bringing the projects forward through further design and planning stages, and into

implementation through the direct delivery of infrastructure alongside the generation of income from serviced land sales. The structure would facilitate the delivery of infrastructure and disposal of serviced plots to house builders/commercial developers who would be responsible for physical building construction costs and property sales, within approved design parameters. The approach does not preclude the opportunity for public sector stakeholders to directly deliver development should they wish, however it does enable The Councils and the delivery project vehicles to manage their risks.

In accordance with approved Cabinet decisions across The Councils, ‘in principle’ commitment has been given to consider funding. Subsequent business cases will determine a detailed set of funding requirements; including the scale of funding required and the timescales which will be relevant to each block of funding. This further work will be presented back to The Councils and will consider the appropriate future funding mix including opportunities for leveraging in private sector and other sources of funding.

5.4 Approach to Economy, Engagement & Communications

The development of three substantial Garden Communities amounting to around 45,000 homes requires an ambitious economic strategy for North Essex to ensure that the new settlements don’t just become dormitory towns but more importantly have a catalytic effect in the wider economy. At the heart of the economic offer for the Garden Communities will be the creation of an ambitious economic strategy for North Essex involving The Councils, the university, economic partnerships and NEGC. As this work progresses, key business representatives will also play an important role, ultimately becoming advocates for the strategy.

As NEGC moves more to the delivery phase, it will also need to focus on its PR and Communications activity. In particular, the masterplanning work (including infrastructure aspects as a key theme) will require a more in depth and sophisticated public engagement programme than has taken place to date – moving it away from being a statutory and Local Plan issue. In addition, the North Essex economic strategy will need to be communicated and ‘marketed’ both across the region and internationally.

5.5 Approach to Innovation

Given the long term nature and overall scale of the ambition, it will be important to ensure that the Garden Communities embed a forward thinking approach, including full and active consideration across new and innovative aspects of community life and place management. It will also be important to ensure that opportunities for innovation across the Garden Communities should support Garden City Principles and improves the quality of life for both new and existing residents.

Opportunities for innovation across the North Essex Garden Communities will be explored under three themes of ‘People; Place; & Operation’ to ensure they can accommodate and make full advantage of new and modern approaches that can add value. Opportunities could range from new forms of transport including accommodating future anticipated trends in movement, through to implementing the ‘Smart City’ agenda such as via technology and sensors to ensure the new places and associated utility infrastructure are run effectively and efficiently to achieve sustainability gains.

The approach will need to draw from the very best innovators from local, national and international realms. It will consider key opportunities and involve horizon scanning to ensure that NEGC Ltd is at the forefront of both thinking and implementation.

A key part of the approach will be the need to define the inter-relationships and pre-conditions needed to encourage and facilitate innovation across a variety of topics and themes and ensure these are embedded in the approach to related activity such as masterplanning and economic strategy development.

5.6 Approach to Legacy & Stewardship

The Garden Communities will be developed and managed in perpetuity with the direct involvement of their residents and businesses.

Residents will be directly engaged in the long-term management and stewardship, fostering a shared sense of ownership and identity. The legacy and stewardship approach will develop over many years, but from the outset will be planned to create the conditions needed to place people, community, identity and belonging at the heart of successful and healthy place making.

The development of community assets such as parks, allotments, community centres, other forms of communal space, schools, local centres and opportunities for formal and passive recreation will form guiding principles of the development.

An organisation, such as a community trust, Parish/Town Council or similar, could be set up and funded to maintain and develop community assets over the long term. The new community will be empowered from the start, secure community benefits in perpetuity and be provided with sufficient financial resources to deliver on this role. Although the approach to legacy and stewardship hasn't been settled yet, its remit might include:

- Provision and maintenance of parks, other open space & community assets;
- Generate revenue streams from endowments & community assets;
- Reinvest income for the benefit of the community;
- Advance public education, especially environmental awareness;
- Promote health and wellbeing, provide facilities for leisure and recreation; and
- Lead and coordinate local community development, including community events.

6. NEGC Ltd - Priorities & Deliverables for 2018/19

6.1 Operational Priorities for 2018/19

It is envisaged that the key operational priorities for NEGC Ltd during 2018/19 will be:

- Continuing to advocate and work with Government for the establishment of a locally led Development Corporation(s) in North Essex including the preparation of a Development Corporation operating structure and funding requirements for testing with Government.
- Undertaking some initial work with The Councils to prepare a mandate in support of a designation for a locally led Development Corporation in North Essex that is financed and supported by all NEGC directors and shareholders.
- Stepping up engagement with the existing and proposed new communities to give them a strong sense of ownership of the emerging new Garden Communities.
- Assisting The Councils with work required to progress their Local Plans including: additional infrastructure, delivery and phasing work; demonstrating the viability of the Garden Communities; and input into the Rapid Transit System work.
- Assisting in the creation of a North Essex Economic Strategy, and ensuring that it maximises the benefits to the Garden Communities.
- Preparing a costed Business Plan for approval by the Board by January 2019 (noting that this may need to be reviewed should a decision be made on whether to proceed with a locally led Development Corporation).
- Exploring the approach to secure an interest in land either via negotiation or compulsory purchase.
- Evolving the optimum approach to delivery including the corporate delivery and financing structure, exploring finance agreements with potential external funding and delivery partners.
- Engaging with Infrastructure and Utility providers to confirm anticipated infrastructure demand and how it may be provided (considering the benefit of public/private ownership options), over the proposed NEGC development period.

These priorities, along with the key Council dates, are set out in the table below:

NEGC Date	Council Date	Activity
July 2018	N/A	Development Corporation Regulations Laid in Parliament
Autumn 2018	N/A	Engagement on high level issues and opportunities with existing and proposed communities
September 2018	December 2018	Delivery of North Essex Economic Strategy
November 2018	December 2018 / January 2019	Development Corporation operating structure and funding requirements
January 2019	March 2019	Board to approve NEGC Ltd Full Business Plan with potential land deal(s)

Further detail on the sequencing of these milestones and the NEGC priorities is set out in **Appendix A** of this Business Plan.

Clearly, the creation of the Garden Communities is a long term programme. During the first few years of operation NEGC Ltd will be engaging and working with partners and local communities to further evolve the vision for the area, develop the forward strategy and agree longer term delivery plans.

6.2 Key Workstreams & Activities for 2018/19

It is envisaged that the operating structure will continue to be reviewed through 2018/19 and informed by a number of workstreams, to ensure that an appropriate approach is in place to deliver on the projects vision and objectives, and level of local ambition.

For NEGC Ltd to achieve the objectives, deliverables and targets set out in this document, there will need to be sufficient resources in place to take proposals forward.

Notwithstanding the above, key activities for each of the NEGC workstreams are set out below:

1. Development Corporation Mandate

The Councils agreed (through Cabinet resolutions in late 2017) that NEGC explores the potential for creating a locally led Development Corporation in North Essex. Since that time, NEGC has been helping and advising Government on amendments to the New Towns Act 1981 to facilitate locally led Development Corporations and how that might apply and benefit the North Essex Garden Communities programme. Government laid revised regulations in Parliament in July 2018. This now enables NEGC to develop an operating structure and funding requirements for a potential North Essex Development Corporation(s) and begin to work with The Councils to prepare a ‘mandate’ which will include a request for those powers to be devolved as part of any designation. The submission of this mandate would be subject to Section 1 of the Council’s Local Plans being found sound sometime during 2019.

During 2018/19 NEGC Ltd will:

- Develop an operating structure and funding requirements for a potential locally led Development Corporation in North Essex.
- Undertake some initial work on a draft Mandate for a potential Development Corporation in conjunction with The Councils.
- Continue to engage closely with Government to consider the scope and scale of Government involvement and support for a locally led Development Corporation in North Essex.

2. Business Strategy & Plan

This Interim Business Plan will act as a precursor to the preparation of a financed ‘long-term Business Plan’ as defined at Section 5.2 of the NEGC Shareholders Agreement.

During 2018/19 NEGC Ltd will:

- Work with The Councils to consider their ‘hard’ and ‘soft’ ambitions and wider objectives for the Garden Communities.
- Evolve the corporate delivery and financing structure to best achieve the aims and objectives of The Councils.
- Evolve outline business cases as necessary in relation to funding needs and financing proposals.
- Prepare a costed Long-Term Business Plan that will be submitted to the Board for approval in January 2019 and thereafter to The Councils for their approval.

3. Planning & Transport

- Undertaking Planning and Transport studies that assists The Councils with work required to progress their Local Plans including: additional infrastructure, delivery and phasing work; demonstrating the viability of the Garden Communities; and input into the Rapid Transit System work.

During 2018/19 NEGC Ltd will:

- Continue to provide assistance and advice to The Councils Local Plan teams in relation to the Local Plan (Section 1) process including the preparation of relevant key additional evidence and technical studies such as.
 - additional infrastructure, delivery and phasing work;
 - work to demonstrate the viability of the Garden Communities;
 - input into the Rapid Transit System work.

4. Infrastructure & Utilities

Extensive work has already been undertaken by Essex County Council working with Highways England on the route options for the A12 and A120 and also by all of four councils on the North Essex rapid transit proposals. It is envisaged that this work will be connected to the Planning and Transport workstream outlined above.

During 2018/19 NEGC Ltd will:

- Evolve demand and capacity studies for strategic on site infrastructure works, including opportunities to accelerate infrastructure delivery and benefit from Government funding initiatives.
- Continue to work with Essex County Council, Highways England, the Department for Transport, Government, and other relevant stakeholders to advocate for, and assist in, the delivery of the A12 and A120.
- Engage with Network Rail and other relevant stakeholders to consider and evolve wider infrastructure opportunities such as those presented in relation to access to the Greater Anglia network.

- Evolve the feasibility of the North Essex Rapid Transit System proposals in partnership with The Councils.
- Engage with utility providers to ensure their best co-operation and wherever possible the inclusion within their capital programmes of the relevant infrastructure demand from the proposed NEGC development.

5. Commercial Delivery

As part of the consideration of the locally lead Development Corporation, by both NEGC and The Councils, it will be necessary to consider the optimum approach to delivery, including the corporate delivery structure, funding options and sources to support the programme.

The delivery workstream will also need to consider whether commercial deals that meet the Development Corporation's objectives can be agreed with the existing landowners across the Garden Community sites or, alternatively, whether there is sufficient evidence to progress Compulsory Purchase Orders to gain control of the land once the Development Corporation is in place.

During 2018/19 NEGC Ltd will:

- Consider options for land control and securing appropriate infrastructure to enable a start on site within the required timescale.
- Fully investigate and identify the optimum approach to funding – both for short term revenue needs and longer-term infrastructure/land purchase.
- Fully assess the implications and opportunities offered via fully public sector funded route, including discussions with HMT, MHCLG and the HCA over their potential roles and potential for financial flexibilities.
- Identify and develop proposals for the financing and delivery of the development including infrastructure (e.g. master developer company) to ensure quality and deliver value for money.
- Investigate further the mechanism and opportunities presented by compulsory purchase powers.
- Investigate the potential for collaboration with partners in relation to cost synergies, for example the related commercial opportunities that the Garden Communities could bring to the 'peripherals' of the programme.

6. North Essex Economic Strategy

Work is currently underway and will continue throughout 2018/19 to develop an ambitious economic strategy for North Essex. This work involves NEGC, The Councils, the university, economic partnerships as well as other key economic stakeholders. This Strategy will aim to leverage economic growth from the Garden Communities for the benefit of North Essex as well as seeking to attract major employers to North Essex.

NEGC will play a pivotal role in the evolution and delivery of the North Essex Economic Strategy.

During the 2018/19 NEGC Ltd will:

- Work with The Councils and key partners to deliver the North Essex Economic Strategy, ensuring that it maximises the benefits of Garden Communities.
- Work closely with partner marketing and communications team to ensure that the North Essex Economic Strategy is communicated and ‘marketed’ both across the region, nationally and internationally.

7. Public Relations & Communications Strategy

As NEGC moves into facilitating the delivery of the Garden Communities, it requires an increase in its public relations and communications activity. This will be distinct and separate to The Councils engagement and consultation processes associated with the statutory Local Plan making process.

During 2018/19 NEGC Ltd will:

- Step up engagement with a programme to discuss high level issues and opportunities with the existing and proposed communities.
- Ensure that, the North Essex economic strategy is communicated and ‘marketed’ both across the region and internationally.
- Continue and advance the work already underway with partners and local communities to refresh the vision for the area and develop a strategy to market and deliver it.
- Continue to engage with the main areas of Government including MHCLG, Homes England, Department for Transport, Highways England and HM Treasury.
- Regularly brief and update all affected MPs on the Garden Communities.
- Engage in lobbying within Parliament, especially in relation to the Development Corporation proposal.

8. NEGC Company Matters

Work has been undertaken to enable NEGC Ltd to manage the key workstreams and activities. This work has investigated the potential for NEGC to undertake more of the processing for the financing and procurement activities utilising The Councils finance and procurement systems. This will remove the requirement for NEGC to have to rely exclusively on support from The Councils.

During the period, NEGC Ltd will:

- Create a suite of financial and contract policies to enable NEGC to operate and function more independently.
- Evolve and refine the in-house project management approach to include dedicated contract and budget management resources.
- Establish a NEGC company management structure.

6.3 Programme Timeline & Key Milestones

This 2018/19 period reflects the current position of the NEGC Ltd as a relatively new organisation. Engagement with partners and stakeholders is underway in order to develop a longer term detailed plan. Future long term business plans will provide more detailed information on workstreams, activities, outputs, performance measures and outcomes.

7. Programme Management

7.1 Operating Model

For NEGC to achieve the objectives, deliverables and targets set out in this document, there will need to be sufficient structures and staff resources in place to take proposals forward.

The NEGC operating model is based on a small core team which has responsibilities for:

- Project leadership and vision.
- Business strategy and structure.
- Programme and project management, including the coordination of workstreams and commissioned work.
- Concept development through the evolution of site specific masterplans.
- Planning for infrastructure, identifying and lobbying for funding.
- Evolving the economic strategy and exploring opportunities for innovation.
- Community outreach and engagement to make resources available to local Parish Councils and interest groups to help engagement in the process.
- Communications, engagement and marketing to ensure proposals evolve with local community involvement and are understood by wider audiences.

The operating structure will become more self-sufficient as time goes on but will continue where appropriate to draw on the support of a range of specialists across the other partners, including on planning, legal and financial officers within each of The Councils. A service level agreement will be put in place to provide support services for NEGC such as accommodation, ICT, human resources and payroll. Other specialist services like Planning, Engineering, Architects, Strategic Finance, Tax, Commercial Delivery, and Property Agents will be provided by external consultants.

7.2 Staffing Structure

The team scope and remit will evolve and expand considerably over the first few years as the locally led development corporation structure and individual project vehicles require more detailed support in terms of design and planning, including the need for multi-disciplinary technical inputs.

During the course of 2018/19, the current staff team at NEGC Ltd is likely to remain in place and be supplemented by specific experts, either employed as contractors or through consultancy contracts:

- Employees: Group Managing Director (currently directly employed by NEGC Ltd); Head of Programme; Programme Manager; Communications Manager; Delivery Team Administrator (currently employed by Colchester Borough Council and seconded to NEGC Ltd).
- Expert contractors¹: Commercial; Procurement; MMC/Construction; Finance; Engagement & Marketing.

¹ Rates commensurate to Living Wage levels.

- Consultants: Economic Strategy; Delivery & Financial; Tax; Planning & Property; Legal; Land & Valuation; Masterplanning & Transport; PR & Communications; Company Secretary.

7.3 Governance

The NEGC Ltd Board oversees and provides strategic direction to the overall programme.

The day-to-day working of NEGC Ltd will be overseen by the company's Group Managing Director and supported by a dedicated Programme Delivery Team who will coordinate all work and programme-related activity, including overall project programming and budget management.

The work of the core NEGC team will also involve some close joint working with a range of internal and external stakeholders, including officers from The Councils across a number of key areas.

The Programme workstreams will focus on the following specific areas:

- **Planning & Infrastructure:** to advance masterplanning and project infrastructure requirements and dependencies.
- **Commercial & Delivery:** to evolve the commercial delivery and land model, financial analysis, legal and corporate financing and tax considerations, including input to the evolution of associated Business Cases.
- **Economic & Engagement:** to evolve the economic strategy and manage programme-wide external engagement, communications and public relations activity.

It is anticipated that Task & Finish groups will be set up, as appropriate, and will report into the workstreams to take forward specific pieces of work. Other cross cutting related activity, such as Innovation and Legacy/Stewardship, will be integrated into this workstream structure. An overarching Steering Group will oversee and monitor the work across the workstreams, including the budget, on behalf of the NEGC Board. This will be led by the Group Managing Director of NEGC Ltd and comprise of Senior Officers from The Councils, together with key staff in NEGC Ltd and external stakeholders, including representatives from Homes England.

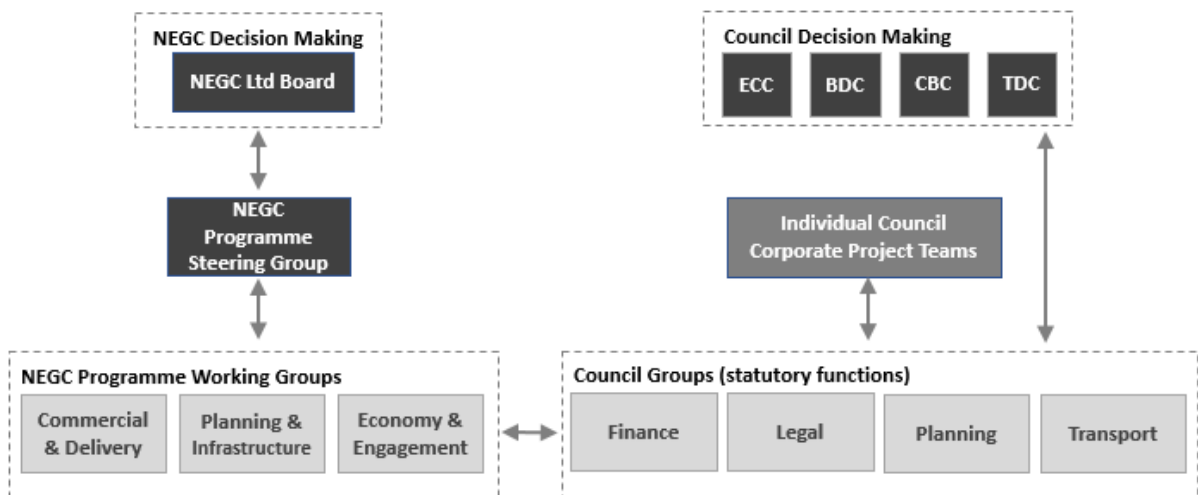
Additionally, a number of specialist Groups formed by the Council leads on key statutory functions will also be in place to ensure there is close working between the NEGC programme and the wider statutory functions of The Councils. This approach will ensure there is distinction between the operational activities of NEGC Ltd, such as in relation to the evolution of land use proposals and its business model, and the statutory functions/duties and wider roles of The Councils. The statutory function groups will enable close communication, regular structured liaison and effective joint working between NEGC Ltd and The Councils across the following themes:

- **Finance:** to establish regular liaison between the programme and Council finance representatives (s151 Officers).
- **Legal:** to establish regular liaison between the programme and Council legal representatives (Monitoring Officers).
- **Planning:** to consider the approach alongside statutory planning functions of The Councils with respect to plan making and development management.

- **Transport:** to consider the approach alongside statutory transport functions and initiatives.

Each Council will also draw together specific inputs to the programme via internal project groups to ensure coordination across separate Council officers who are working with NEGC Ltd.

Figure 7.1: Workstreams & Governance



8. Finance

8.1 Overview

The project to date has been supported through a combination of MHCLG capacity funding (grant) and equal contributions from the four Councils. It is however also clear that The Councils are working within a climate of reducing general financial support, revenue pressures and the need to find savings.

As set out in this document, taking the programme forward during 2018/19 is resource intensive as the workload steps up to fund all necessary technical and design work to progress the Local Plan (Section 1) process and to develop a locally led development corporation proposition including bringing the schemes to delivery ready status. As such, 2018/19 is a year of transition towards the establishment of a locally led development corporation in North Essex. It should be noted that whilst this Interim Business Plan reflects the work that needs to be done by NEGC Ltd during 2018/19, The Councils will separately directly fund work associated with the Local Plan process and documentation.

8.2 2018/19 Budget

Appendix C sets out the budget for 2018/19 by workstream. The expenditure is be funded by a mix of Councils and Government funding. A request has been submitted to Government (specifically the MHCLG Garden Towns Villages Fund) by NEGC Ltd on behalf of all of The Councils for £1.035m capacity funding for 2018/19 to support both the Pre-Development Corporation and Development Corporation activities contained in the budget. The MHCLG Garden Towns Villages fund exists to support local authorities develop Garden Community proposals for their areas and has already provided £2.19m funding to the project. North Essex is the largest project in that programme. The Government funding is expected to be confirmed during Autumn 2018 and if this was not forthcoming then activities will need to be stopped or substantially scaled back from the end of December 2018. Further detail on the budget can be found at Appendix C of this Plan. The progress of the activity to deliver the Interim Business Plan, together with a reconciliation of spend against budget, will be monitored monthly via a programme report and presented as a standing item at future NEGC Ltd Board meetings.

9. Risk

9.1 Overview

To support the successful delivery of the NEGC Programme, the Programme Team maintains a high level Strategic Risk Register for the NEGC Ltd Board.

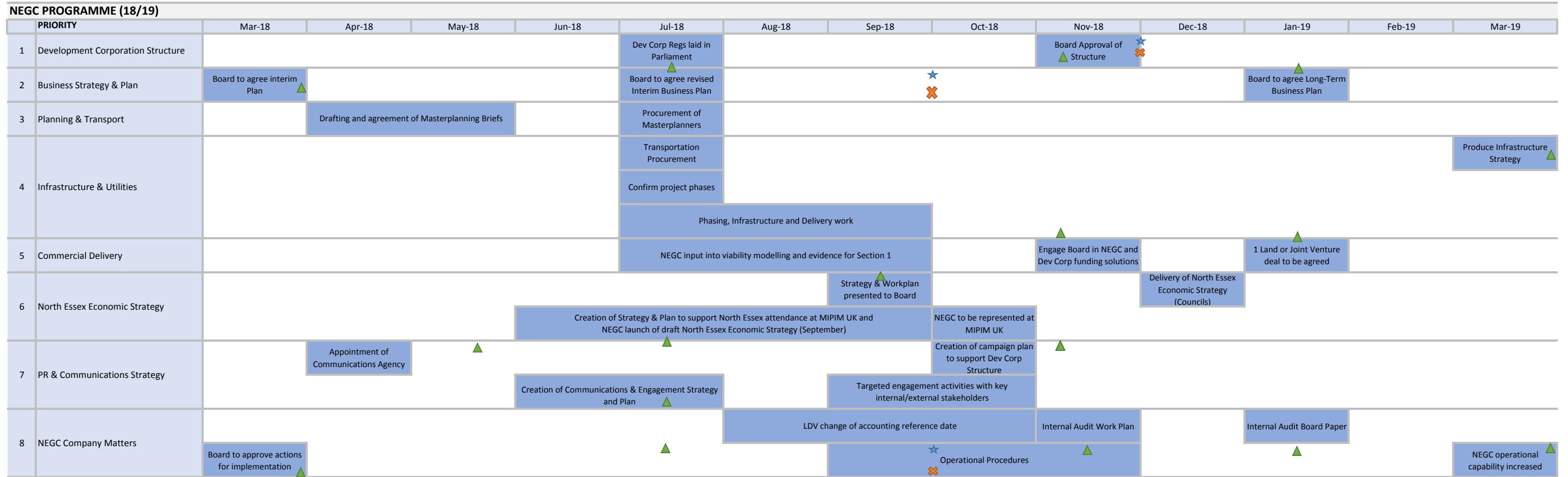
The Strategic Risk Register focuses on the key risks the Board have identified as the most significant areas that need to be monitored and reported to them on a regular basis. These risks are set out in accordance with the Treasury Green Book approach to risk appraisal and are categorised as follows:

- Strategic;
- Economic;
- Commercial;
- Financial Case; and
- Management.

The Register uses a RAG (red, amber, green) rating system to highlight the total score of the recommended probability and impact of these strategic risks and also details the mitigation that has been put in place to manage these concerns. The programme's workstreams have contributed to the validity of these ratings to ensure they reflect the current position.

These key risks will continue to be monitored and updated as the programme progresses and will reflect the impact of the key workstreams and activities of NEGC Ltd. Any changes to the status of each of the risks will be reported to the Board in a timely fashion, as appropriate.

APPENDIX A: NEGC PRIORITIES AND MILESTONES



- KEY**
- ★ Full Council
 - ✘ Cabinet
 - Local Plan Committees
 - ▲ NEGC Board

APPENDIX B: RATIONALE AND STRATEGIC BUSINESS CASE CONTEXT

This Appendix sets out information pertaining to several key components of the ‘Strategic Outline Case’ as per the HM Treasury Green Book and forms the basis of subsequent work in 2018/19 which will feed into the development of the ‘Outline Business Case/s’.

The Rationale: Key Issues – Opportunities and Challenges

North Essex will be an area of significant growth over the period to 2033 and beyond, embracing positively the need to build well-designed new homes, create jobs and improve and develop infrastructure for the benefit of existing and new communities.

Future growth at scale across North Essex will need to address a number of key issues. It will be challenging and require a robust response to ensure proposals come forward that can meet the overall scale of ambition, vision and a clear set of defined local objectives. Sustainable development principles will be at the core of the strategic area’s response to its growth needs, balancing social, economic and environmental issues.

The future response will need to address the following key components.

Meeting the need for new housing

The North Essex authorities are committed to plan positively for new homes and to significantly boost the supply of housing to meet the needs of the area. To meet the requirements of national policy to establish the number and type of new homes, the authorities commissioned an Objectively Assessed Housing Need Study.

The study has identified the objectively assessed need across the Housing Market Area (which includes Braintree, Colchester, Tendring and Chelmsford) and sets a challenging context to The Councils in needing to plan positively for future growth in a sensible and sustainable manner.

The Councils are also taking a long-term approach to ensure that new development can be planned in a thorough and holistic way to set the basis for future growth and infrastructure planning across North Essex for many years into the future. This in turn helps to consider and define appropriate strategic infrastructure needs in response to the overall scale of growth.

Providing for Employment

A key objective for the area is to strengthen and diversify local economies to provide the capacity and opportunity to enhance and diversify local employment; and to achieve a better balance between the location of jobs and housing, which will reduce the need to travel and promote sustainable growth.

Braintree District’s employment is relatively focused on industrial-type sectors, including construction and manufacturing. London Stansted airport plays a significant role in not only employing residents of the District, but through the indirect economic benefits associated with proximity with such a large employment hub. Retail is the second largest sector by employment and plays an important role in sustaining the District’s three key town centres. The financial and insurance sector, where Braintree District traditionally has a relatively small proportion of employment, has seen some strong employment growth in recent years.

Colchester is the dominant town within the Essex Haven Gateway and will accommodate much of the future growth in the sub-region. It is one of the UK's fastest growing towns and has developed a strong economy, linked to the town's historic character, cultural activities, and its university.

Tendring District has a diverse economy with local employment across a range of activities. Health, retail and education are the largest sectors in terms of the number of jobs and together represent 45% of the District's total employment.

The employment offer will need to provide new opportunities, taking care to ensure that these supplement and complement existing employment areas, settlement hierarchies, and the role and function of existing centres of activity.

Infrastructure and Connectivity

A growing economy requires good accessibility and has impacts on travel demand. The challenge is to provide a sustainable transport system, while providing good access to jobs and services, to support economic growth.

The new Garden Communities will need to be supported by appropriate transport infrastructure. Braintree, Colchester and Tendring will continue to work closely with Essex County Council, Highways England, and other partners to improve roads and public transport and to promote cycling and walking, and to better integrate all forms of transport.

The A12 is set to have major improvements as part of the Government's Roads Investment Strategy (2015-2020) (RIS), with the aim of improving capacity and relieving congestion. The plans were announced in December 2014 and will represent the largest investment in road infrastructure received by Essex.

The A120 is a key east-west corridor across Essex providing access to London Stansted Airport in the west to Harwich Port in the east and serving the economies of Colchester, Tendring and Braintree, with links to Chelmsford via the A130. The road is dualled between the M11 and Braintree, but the section from Braintree to the junction of the A120/A12 is of a low standard with heavy congestion, high accident risk and poor journey reliability. Highways England and Essex County Council are working together to study options for dualling the A120 between Braintree and A12 junction, with the County Council taking the lead.

The aim is to ensure that the work on both the A12 and A120 are directly linked and informed by the planned growth across North Essex through partnership working between all parties. In addition, such projects are essential in enabling planned growth to come forward supported by the necessary strategic infrastructure. The scale of new development envisaged will also need to deliver public transport improvements, including improved rail infrastructure and potential for rapid transit services.

The rail network is heavily used by passenger trains and through freight from the Haven Ports. The Great Eastern Main Line provides services to London Liverpool Street. The Anglia Route Study shows that while capacity varies along the line, capacity to accommodate growth is limited and is particularly constrained in peak times from Chelmsford to London. Improvements are required along the line to accommodate growth and provide a faster more competitive service across the region. A package of improvements will be necessary to respond to the need for increased capacity, which are seen as priorities to enable growth, improve services and journey reliability.

Promoting sustainable transport opportunities

Alternative forms of transport to the private car (walking, cycling and public transport including rapid transit) to travel will be key to managing congestion and to accommodating sustainable growth. By promoting travel by sustainable modes there are wider benefits to local people such as personal health, less pollution and using less resources (including land), and they are cost effective.

The levels of growth will require proactive travel planning and management. Travel planning and smarter choices initiatives will be promoted to ensure that all residents have good access to local jobs, services and facilities, preferably by either walking or cycling. For longer trips and in rural areas where there are fewer local services and employment opportunities, public transport will be promoted.

Education and Healthcare

New development must provide for the educational needs of new communities. A range of educational opportunities will need to be addressed as part of a sustainable growth strategy, including practical vocational training and apprenticeships.

NEGC will need to work with the NHS and key local health providers to ensure the provision of healthcare facilities to support new and growing communities. This will be particularly important given the ageing profile of existing and future residents. There is already a need for more and better quality health care facilities across the region.

Broadband

High quality communications infrastructure is crucial for sustainable growth. The availability of high speed and reliable broadband is a key factor in unlocking new development opportunities and ensuring that people can access services online and work from home. Fast broadband connections and telecommunications are an increasingly important requirement to serve all development. The priority is to secure the earliest availability for universal broadband coverage and fastest connection speeds for all existing and new developments.

Creating Quality Places

New development must reflect high standards of urban and architectural design. It must also be functional and viable. The new Garden Communities will be planned carefully with the use of masterplans and design codes, and potentially independent design panels, to further evolve the approach set out in Local Plans and emerging Concept Frameworks.

This requirement for high design standards will apply to public and private buildings across all scales of development as well as to infrastructure projects. Enhancements to the public realm, landscaping measures and attention to architectural detail will be important features that the authorities will wish to see included in new developments.

At new Garden Communities, there will be a particularly strong emphasis on strategic scale and local green infrastructure, creating a strong natural environment for living, working and leisure whilst also making a vital contribution to quality of place, biodiversity and health outcomes.

The Councils Response: Spatial Planning for North Essex

Local authorities are required to set out the strategic priorities for the area and be ultimately responsible for ensuring such plans come to fruition. The Councils through Local Plans, a North Essex Garden Communities Charter, and Prospectus have come together to establish a strategic context which establishes the case for change and starts to inform a potential way forward.

The approach is being evolved to enable a joined up and effective approach that can:

- Deliver the homes and jobs needed in the area over the long term;
- Secure the provision of infrastructure for transport and telecommunications, education, health, community and cultural infrastructure; and
- Ensure the creation of quality places including the conservation and enhancement of the natural and historic environment, including landscape, together with an affective long term approach to effective local stewardship.

Braintree, Colchester and Tendring have all been evolving new Local Plans which have been brought forward through separate decision-making structures within the respective Councils. Alongside this and in accordance with the Duty to Cooperate, The Councils have worked closely to plan effectively for the long term.

The Local Plan making processes have considered the most appropriate spatial approach to future development, including formal consideration and consultation on initial issues & options, and identification and consultation on preferred options, leading to the proposed joint approach being agreed and submitted to the Planning Inspectorate for examination.

The approach has evolved into the consideration of cross boundary strategic matters (including the potential location of 3 proposed Garden Communities) through a joint “Part 1” component of the plan, together with separate “Part 2” components which address local matters for each separate Council. The Plans are accompanied by a broad evidence base which has informed decision making, have included formal stages of public and stakeholder consultation and strategic environment assessment, which included evaluation of potential alternatives.

The vision for North Essex at a strategic level has been set out by the local planning authorities within Part 1 of the Preferred Option Local Plans. This addresses both an agreed joint spatial vision for the wider area together with the role and significance of the proposed Garden Communities. The vision sets out a clear statement of local ambition and establishes a strategic basis from which to move forward. It enables The Councils to plan positively for the future homes and jobs needed across the area, the provision of high quality infrastructure (transport, telecommunications, education, health, community and cultural infrastructure); and the creation of quality places including the conservation and enhancement of the natural and historic environment, including landscape.

Corporate Consideration of the Delivery Approach

The Local Plans have been brought forward through respective plan making committees and decision making structures, which has considered the spatial approach and evidence underpinning the consideration of options leading to a preferred spatial scenario including the 3 proposed Garden Communities.

Cabinet Meetings for each of the Councils in January/February 2016 specifically considered the progress of joint work relating to Local Plans, with specific reference to the potential for cross-boundary sites to come forward, and the Councils role in their further consideration and potential delivery.

The Councils agreed to formalise the joint working into a joint working governance structure including representation on a Shadow Joint Delivery Board, project Steering Group and topic based working group structures. Initial advice had been provided in respect of potential delivery options and implications, and further advice was to be commissioned. The Shadow Delivery Board was established to provide overall direction in respect of the project and an appropriate delivery structure should the partners decide to progress with strategic cross boundary Garden Communities, subject to the plan-making process.

At the meetings, The Councils agreed to the continued joint working and further consideration of proposals including scope to take an active role in the development and construction of the new proposal Garden Communities. Following this the Council committed resources both in relation to officer time and a financial contribution to support the joint work alongside grant funding secured from the Department for Communities and Local Government to support the evolution of further feasibility studies.

Reports were subsequently brought back to respective Council Cabinets in November/December 2016 to seek approval for The Councils to enter into joint arrangements with the other Councils to create an overarching body to be known as North Essex Garden Communities Limited (NEGC) to coordinate the development of the sites and establish further companies (Local Delivery Vehicles (LDVs) for each proposed garden community. The Councils were asked to give in principle agreement to provide proportionate funding to enable the initiative to proceed.

Further papers were considered at Council Cabinet meetings in August/September 2017 which provided an update on the general approach, and secured endorsement to promote the positioning of NEGC Ltd with respect to the potential establishment of a single new locally led development corporation, as well as support to the principle of using compulsory purchase orders to secure control of land if voluntary agreements could not be achieved in a reasonable time. The Councils committed further revenue contributions to continue working on the initiative.

Importantly, the decisions made clear that the corporate decision relating to delivery did not commit any council to allocate any sites within the Local Plan, as this has been subject to separate decision-making processes in accordance with the statutory requirements and material considerations at the relevant time.

The Commercial Case & Options Considered

The Councils have considered a wide range of alternative delivery mechanisms and structures.

The principal alternative options would be to allow for the development of the settlements, namely:

1. by the private sector under traditional approaches to such development;
2. via some form of public/private partnership/joint venture; or
3. via a public sector led delivery structure.

Current and past experience provides evidence of the difficulty of relying upon a solely private sector approach, and weaknesses in relying purely on planning policy to secure suitable outcomes. Multiple issues have hindered the progress of such large-scale sites, be it due to the nature of land promoters/developers, their ability to deliver and raise suitable finance, and often a reliance on the public sector to ultimately intervene and/or provide some form of funding support. In addition, planning policy can be open to interpretation and a degree of flexibility, most notably in respect of viability concerns, meaning that full policy objectives have potential to not be achieved.

Given the level of local policy and place-making ambition and choice that has been made to bring forward schemes along true ‘Garden City’ principles, their scale and timescale of delivery, complexity and landownership position of the sites being considered, it was considered that neither private sector led or joint public/private approaches (whereby the private sector retains a controlling stake) would offer the same level of confidence that over a development programme of 30 years that the garden community objectives would be met throughout different economic cycles.

The approach has therefore focussed on adopting a positive and proactive public sector leadership role from the outset, with a strong planning policy basis and direct role in delivery. This was considered to offer sufficient certainty about ambition and eventual delivery.

The projects will take in the order of 30 years to deliver; infrastructure which supports the development of the whole project will necessarily have a long payback period, the public sector is well placed to act as a patient investor taking a long-term approach to payback enabling higher levels of investment at early stages.

It was originally envisaged that land would be acquired via the LDV’s in the governance structure created by The Councils and through successful negotiations with existing landowners, or via a CPO made by the planning authorities if necessary. Negotiations have as yet not been able to conclude to a satisfactory outcome.

Changes to the law made by the Neighbourhood Planning Act 2017 has meant that the prospect of a New Town style, locally led Development Corporation (LLDC) with local accountability has emerged as a realistic option for the onward development of the project. Whilst this would change the currently formulated delivery model, it would be based on the same vision and delivery principles as outlined above; particularly early development of infrastructure and it being public sector led.

If a LLDC was created, the use of LLDC planning powers would be supported by land ownership to provide a stronger mechanism than traditional planning agreements or Community Infrastructure Levy (CIL) for the recovery of investment and a safeguard against opportunistic planning applications that are contrary to the agreed plans.

Initial consideration of the key issues indicated that speedy establishment of an LLDC could provide major advantages, both in terms of ensuring effective delivery in line with the aspirations of The Councils through the Vision, and in respect of delivering effective funding arrangements.

The project was reviewed by Lord Kerslake in January 2017, which identified a series of recommendations that have an influence over project resourcing, risk management and appropriate timescales. This has informed the approach. The proposals will enable the Council to have a significant role in ensuring that there is a sustainable environment with strong community facilities

including green spaces. This focus on a sustainable community with strong infrastructure will also include both education and health facilities which meet the needs of all sectors of the community.

Clearly within the proposals there is the potential for a significant investment by The Councils. This would need to be managed in such a way as to ensure that this is viable. The Council's will be looking at this as a long-term investment and therefore there may need to be careful consideration of the details of future funding agreements and their impacts on The Council's budgets, while also recognising affordability within budget envelopes.

Such matters will evolve further and be encapsulated into the progression of related Business Cases, prepared to align with HM Treasury Green Book approaches. This Interim Business Plan sets out information aligned to elements of the initial scoping and Strategic Outline Case stage of the process.

Working with Stakeholders

The existing stakeholder picture is a complex one. NEGC is currently working together with The Councils, along with a number of statutory organisations and local business groups such as the Haven Gateway and South East Local Enterprise Partnership. In addition, the future delivery at the scale envisaged through the NEGC programme interfaces with the expansion plans for many key bodies such as the University of Essex, Stansted Airport, Harwich/Felixstowe ports, and the opportunity and ambition for economic growth as set out in the NEGC Prospectus.

The focus will need to be placed on NEGC having a key focus on delivery, distinct from the wider roles of the founding Councils. This refocussing will provide an opportunity for a wider discussion with key individuals / groups and an emphasis on aligning the work to achieve broader aims and objectives across the North Essex area.

Having a structured approach to stakeholder management will help to identify quick wins to progress or where there are stakeholder issues that may take longer to fix. It can also help to identify issues, where there are gaps in relationship management or where additional support is needed to facilitate new relationships.

An initial list of stakeholder groups is set out below. All will need to continue to be effectively engaged in the programme for it to be a success, and deliver on wider ambitions:

- Political (national/local MPs / Members / parish and town councils);
- Officials (key Government Departments and organisations, Civil Servants / Senior Officers);
- Local Interest & Pressure Groups (national/local);
- Social & Community Groups (local authority area);
- Business Groups (national/local);
- Education & Skills (sub region/local authority area);
- Health (sub region/local authority area);
- Statutory groups (Police/Fire, Transport, Utility, Environment, Heritage etc.);
- Housing & Construction sector (national/local);
- Economic (national/regional (LEPs & corridors)/local).

NEGC will need to continue to interface with key stakeholder groups so that joint initiatives can be progressed and delivered. To do this successfully, responsibilities need to be refined between the key partners and then allocated accordingly.

It is important to recognise that stakeholders directly (or indirectly) interface across a number of relationship owners. For example, they may have an interest in multiple issues or areas of control. Their influence may change over time. Stakeholders can 'wear different hats' for different scenarios and issues (and may behave differently with different situations or audiences). Continuing to be aware of these interfaces and multiple interests is important, plus knowledge of stakeholder networks and cross-connections will be key.

It will be important for NEGC to consider how it expands its existing engagement programme and continues to raise its profile in the future. Further detailed analysis, building on the work done to date, will be undertaken on comprehensive stakeholder mapping as part of a wider approach to publicity and communications and as work on a North Essex Economic Strategy and site specific masterplans begin to take shape.

Stakeholders and relationships will change over time and any stakeholder analysis can only provide a snapshot in time. Therefore, it will be important to continue to regularly monitor and measure stakeholder views, interfaces and associated influencing factors.

APPENDIX C: NEG C SHORT TERM BUDGET FORECAST 2018/19

WORKSTREAM / BUDGET AREA	18-19				18-19
	Q1 Apr-Jun	Q2 Jul-Sept	Q3 Oct-Dec	Q4 Jan-Mar	
Project Resource / Delivery Team					
Sub Total	188.0	163.5	169.5	167.5	688.5
Legal Support	Q1	Q2	Q3	Q4	18-19
Sub Total	75.0	90.0	80.0	85.0	330.0
Delivery Support	Q1	Q2	Q3	Q4	18-19
Sub Total	235.5	519.7	372.3	309.3	1,436.8
Planning	Q1	Q2	Q3	Q4	18-19
Sub Total	0.0	70.0	45.0	75.0	190.0
Community & Communications	Q1	Q2	Q3	Q4	18-19
Sub Total	30.0	40.0	30.0	30.0	130.0
Contingency @ 10% of original budget fixed at £253.4k	0.0	66.8	62.4	62.0	191.2
Total All	528.5	950.0	759.2	728.8	2,966.5
<i>Total Cumulative</i>	<i>528.5</i>	<i>1,478.4</i>	<i>2,237.7</i>	<i>2,966.5</i>	
Total Funding Sources	All 18/19				
MHCLG	1.035				
Local Authorities	500				

This page is intentionally left blank



Financial Regulations

Author: Richard Bayley, Group Managing Director, NEGC

Version 1.11
September 2018

Contents

1. Introduction.....	4
2. Internal control.....	4
3. Budget preparation, monitoring and control	4
4. Business Plan.....	6
5. Accounting.....	6
6. Audit requirements	7
7. Expenditure authorisations	8
8. Contracts, Purchase orders and certificates.....	8
9. Purchasing cards.....	8
10. Payments of accounts.....	8
11. Employment status of suppliers	9
12. Salaries, wages and pensions	10
13. Travel and business expenses.....	10
14. Income	11
15. Fixed assets.....	11
Asset Register	11
Asset and Liabilities Register.....	11
Disposals.....	11
16. Control of stocks	12
17. Investments and borrowings	12
18. Banking	13
19. Control of cash.....	13
20. Insurances	13
21. Taxation	13
22. Security procedures	14
23. Retention of documents	14

Appendix A – Definitions.....15
Appendix B - Document Control Sheet17
Appendix C – NEGC Financial Limits / Delegations18

NEGC CONFIDENTIAL TO RECIPIENT

1. Introduction

- 1.1. North Essex Garden Communities Ltd (the Company) is required by the Companies Act 2006 (as amended) to conduct its business efficiently and to ensure that it has sound financial management policies in place, which are strictly adhered to. Part of this process is the establishment of Financial Regulations, which set out the financial policies of the Company.
- 1.2. Financial Regulations provide clarity about the accountabilities of individual employees/contractors, the Group Managing Director (GMD), the Responsible Finance Officer (RFO) and the Board.
- 1.3. Employees should link the Financial Regulations with other documents which form part of the Company's Constitution, e.g. Articles and Shareholders Agreement.
- 1.4. These Financial Regulations may only be amended by approval of the Board which in turn requires resolution of its shareholders.
- 1.5. The RFO is responsible to the Board for the overall control of NEGC's financial affairs and the continuous provision of financial information.
- 1.6. The RFO is responsible for maintaining the integrity of the financial control systems of NEGC. He should be consulted, as required, over any proposed change to accounting and financial operations wherever they are performed.
- 1.7. As NEGC is formed of Braintree District Council (BDC), Tendring District Council (TDC), Essex County Council (ECC) and Colchester Borough Council (CBC), NEGC will make use of the existing policies and procedures from CBC as an interim arrangement until such time as NEGC's policies and procedures have been created and are formally approved by the NEGC Board and its shareholders.

2. Internal control

- 2.1. The Board has ultimate responsibility for establishing proper systems of internal control, whether financial or otherwise. Day-to-day responsibility for internal control is delegated to the RFO who shall provide the Board with an annual statement of assurance that the appropriate controls are in place and working effectively.
- 2.2. The RFO is responsible for ensuring that appropriate and effective systems of internal assurance and control (including proper segregation of duties, where applicable) are established, monitored and maintained.

3. Budget preparation, monitoring and control

- 3.1 Preparation of budgets for expected income and expenditure shall be co-ordinated by the RFO.

- 3.2 The budget is to be prepared in a form agreed by the Board in a manner that is consistent with the objectives of NEGC and its Long-Term Business Plan (or Interim Business Plan). When being considered by the Board, the annual budget should be accompanied by recommendations on its acceptability and its impact on overall finances.
- 3.3 The Board will consider and approve the annual budget no later than two months before the start of the financial year. Once approved by the Board and the Shareholders, the annual budget is to be used as the basis for authority to incur expenditure on individual headings up to the agreed levels and for comparisons between budgeted and actual results, until it is revised. To facilitate the Councils supporting NEGC, a high level budget will be tabled in October each year which will allow any financial requirements (of the Councils) to be incorporated into the timing of the LA partners budget setting process.
- 3.4 If, at the end of any financial period, the Budget for the next financial period has not been agreed by the Shareholders, NEGC will operate on the basis of the budget approved for the preceding year until such time the Budget for the next financial period has been approved by the Shareholders.
- 3.5 The GMD has authority to approve virements or transfers between budget headings, up to an amount of £50,000 or such other agreed amount as determined from time to time in consultation with the Chairman (up to a maximum of £100,000) or in consultation with the Board (above £100,000). Any such variations in budget headings initiated by the GMD or the Chairman shall be reported to the next meeting of the Board.
- 3.6 If during the financial year it becomes apparent that expenditure on a budget heading is likely to exceed the approved budget by an amount in excess of any allowable virement, the GMD, in consultation with the Chairman of the Board, will have authority to agree a budget virement or adjustment. Such an adjustment must be limited to a maximum of £100,000 and must be reported to the next meeting of the Board together with an indication of other areas of expenditure where compensatory savings could be made. The total approved budget for the year may not be exceeded without the approval of the Board and the Shareholders.
- 3.7 Nothing in these Financial Regulations will prevent GMD from incurring expenditure that is essential to meet any immediate needs created by an emergency, subject to such action being discussed beforehand with the Chairman of the Board whenever possible and being reported as soon as possible to the Board.
- 3.8 Inclusion of approved budgeted expenditure will constitute authority to incur such expenditure except where the Board has placed a condition on any item.
- 3.9 The RFO will present to the Board a quarterly report on the state of NEGC's finances and will report on the draft accounts of each financial year within one month of the financial year end and provide audited year-end accounts within three months of the year end.
- 3.10 The RFO will provide the Steering Committee with monthly reports as appropriate, of income and expenditure under each heading or approved

budget and such other relevant information which is available; for example transaction listings..

4. Business Plan

- 4.1 The GMD will ensure that a business plan covering a period of five years, in accordance with 5.2 of the Shareholders' Agreement, and related financial projections are prepared and are reviewed and updated at least annually before the start of each financial year. The financial projections should be based on the approved budget and incorporate suitable assumptions.
- 4.2 The RFO will arrange for sensitivity testing of the projections and assumptions by reference to key risks identified in the strategic risk analysis. The RFO will arrange for the business plan and projections to be independently audited periodically and if required by the Board, any lender/investor or the Regulator.
- 4.3 The financial projections, including sensitivity testing analysis, will be considered in detail by the Steering Group and Statutory Finance Group before recommendation for approval by the Board. The business plan will be considered by the Board before the start of each financial year. The RFO will prepare a suitable timetable and plan to allow for the budget, business plan and stress testing to be considered and approved appropriately.
- 4.4 The RFO will prepare quarterly monitoring reports of performance against the financial projections.

5. Accounting

- 5.1 The RFO will provide guidance and training on the accounting principles and procedures to be used throughout NEGC by employees in all financial matters.
- 5.2 The RFO, subject to consideration and approval by the Board, will determine all accounting procedures and records of NEGC and its employees in accordance with the requirements of statutory agencies and regulatory authorities. Where appropriate, the RFO will seek guidance from NEGC's auditors or the Shareholders statutory finance officers.
- 5.3 All accounts and accounting records of NEGC shall be compiled under the direction of the RFO, who will be responsible for ensuring their accuracy.
- 5.4 The RFO will make sure that a proper segregation of duties exists between those employees responsible for collection of income or making payments and those employees responsible for providing information or examining and checking transactions relating to income or payments. As such, Contracts shall be signed by the GMD or in the GMD's absence, a NEGC Board member. Invoices will be authorised by the GMD and the NEGC Commercial Manager.

6. Audit requirements

External audit

- 6.1 The Board will appoint external auditors as required by company law and in a way consistent with the requirements of current guidance and codes of practice.
- 6.2 The Board will carry out an annual review of the auditors' performance before any recommendation that the Board reappoint the same auditors for a further period.
- 6.3 The RFO will arrange for the completion of external audits and will liaise with the external auditor. The timetable will make sure that draft accounts are considered by the Board before the Annual General Meeting, and that the financial statements are available for adoption at the Annual General Meeting, which will be held within six months of the end of the financial year.
- 6.4 The external auditors will be invited to present their annual final management letter to the Board and to discuss issues that have arisen during their work, including highlighting areas of concern and recommendations for improved efficiency and control.

Internal audit

- 6.5 The Board has ultimate responsibility for ensuring that an adequate system of internal control is implemented for safeguarding the assets of NEGC. The Board will make sure that adequate and effective internal audit takes place for the governance, financial and operational systems employed in the effective delivery of services.
- 6.6 At the RFO's discretion, an internal audit function may be provided either by any of the Shareholders acting independently or together or procured from an external agency.
- 6.7 Internal and external audit services will not be provided by the same organisation.
- 6.8 The internal and external auditors have direct access to the Chair of the Board to ensure the independence of the audit functions. Similarly, the Chairman of the Board will have a right of access to internal audit where he/she considers this necessary.
- 6.9 Internal auditors shall have authority to:
 - enter at all reasonable times any of NEGC's premises or land
 - have access to all records, documents and correspondence relating to any financial and other transactions of NEGC
 - require and receive without delay such explanations as are necessary concerning any matter under examination
 - require any NEGC employee to produce cash, or any other property under their control.

7. Expenditure authorisations

- 7.1 The Board has delegated authority for the authorisation of expenditure commitments and approving invoices for payment in line with the approved budget to the GMD. The GMD may from time to time, issue specific delegated responsibilities to another NEGC Officer in accordance with the thresholds set in Appendix E hereto.
- 7.2 The purchase of land or property can only be enacted by the GMD, following approval by the Board.
- 7.3 The purchase of Contractors (Interim Resource) shall be capped at £700 per day up to a maximum of £50,000 per annum at the GMDs discretion. Any engagement valued at between £50,000 and £100,000 per annum will require approval by the Chairman or the Board (above £100,000 per annum).
- 7.4 The GMD may write off bad-debt up to a maximum of £5,000 at his sole discretion. Any bad-debt above £5,000 will however require consultation with the Chairman and Board approval before being considered obsolete and being duly removed from the NEGC accounts.

8. Contracts, Purchase orders and certificates

- 8.1 Official contracts and purchase orders will be issued for all works, goods or services to be supplied to NEGC, except for supplies of public utility services, periodical payments such as rent or rates, petty cash purchases or sundry payments or such other exceptions as the GMD may approve.
- 8.2 Orders will only be raised where there is specific budget provision to cover the estimated cost of the order. The GMD has authority to approve virements or transfers between budget headings, up to an amount up to an amount of £50,000 or such other agreed amount as determined from time to time in consultation with the Chairman (up to a maximum of £100,000) or in consultation with the Board (above £100,000)..
- 8.3 The GMD has NEGC Board Authority to enter into and execute contracts on the NEGC Boards behalf as an authorised signatory and to manage their execution.

9. Purchasing cards

- 9.1 The use of Purchasing cards is not currently permitted and NEGC will instead adopt Colchester Borough Council's Expenses Policy as and when appropriate.

10. Payments of accounts

- 10.1 Each application for payment must be approved by both the GMD and the Commercial Manager Such certification may be in manuscript or by secure electronic authorisation by each employee.

10.2 The Commercial Manager is responsible in the application approval for ensuring that:

- the prices, extensions, calculations, trade discounts, other allowances, credits, tax and allocation (i.e. coding) are correct
- the relevant expenditure has been properly incurred and is within the relevant budget provision
- appropriate entries have been made and in inventories, store records or stock books as required
- the account has not been previously passed for payment and is a proper liability of NEGC.
- the invoice identifies the purchase order or contract certificate to which it relates (which should be marked off against that order)

10.3 The GMD is responsible in the application approval for ensuring that:

- the work, goods or services to which the account relates have been received, carried out, examined and approved

10.4 The Responsible Finance Officer is responsible for ensuring:

- the expenditure is charged to a financial budget code for which that employee has authority
- the financial budget codes are correctly stated and appropriate for that expenditure
- adequate budget remains for the expenditure.

10.5 Once accounts have been correctly certified and authorised, they will be processed through NEGC's payments system under the direction of the RFO. The RFO will be entitled to make such enquiries and to receive such information and explanation as he/she may require about any payment.

10.6 Incorrect invoices should be resolved with the supplier by the Commercial Officer and either returned for amendment or appropriate credit agreed.

10.7 Each Budget Holder that has been delegated authority by the GMD to manage one or more Budget Headings shall, as soon as possible after the financial year end in each year, agree with the RFO any outstanding expenditure in relation to the previous financial year.

10.8 Apart from petty cash and other payment from advance accounts, the normal method of payment of money due from NEGC shall be by cheque or electronic transfer drawn on NEGC bank accounts and signed and approved by signatories duly authorised by the Board for the NEGC bank accounts.

10.9 The general rule is that invoices are paid within 30 days of receipt or subject to variations as agreed with the individual supplier of goods and services. NEGC will be sensitive to the needs of small local traders in particular.

11. Employment status of suppliers

- 11.1 It is necessary to consider the circumstances of each supplier and determine whether that supplier should be treated as self-employed or as an employee of NEGC. The nature and amount of work that a supplier, typically a sole trader or small unincorporated business, carries out for NEGC can mean that they should be treated as employees of NEGC and taxed accordingly.
- 11.2 An assessment of employment status must be completed for all suppliers before first payment is made. The assessment should be completed by the RFO. The assessment checklist describes features that may indicate self-employed status and the decision will be a balanced judgement based on the evidence collected. Completed assessments will be retained.
- 11.3 Assessments of unincorporated organisations/suppliers that have been assessed as self-employed should be reviewed annually to make sure that this judgement remains appropriate.
- 11.4 If the assessment indicated that a supplier ought to be considered as an employee then the supplier should be informed of the assessment and either invited to become an employee or required to withdraw as a supplier.

12. Salaries, wages and pensions

- 12.1 NEGC pay levels (excluding the GMD) will be consistent with market principles and be kept under review by the GMD
- 12.2 Items to be included in pay (including variable hours, overtime etc.) must be authorised by the GMD. In terms of the GMD remuneration will be set by the NEGC Board.
- 12.3 Employees of NEGC Ltd will be paid on the 28th of each month or, if this is not a banking day, on the immediately preceding banking day. Payments will be made under arrangements approved and controlled by the RFO. Payments will be made by bank transfer to the employee's nominated account unless otherwise agreed by the RFO in exceptional circumstances.

13. Travel and business expenses

- 13.1 All claims for payment of business expenses, travelling and incidental expenses will be approved by the GMD or may be approved by Commercial Manager up to the value of £250. All expense/petty cash claims for payment of travel/business expenses must be in accordance with the NEGC Travel and Expenses Policy.

Expenses claimed on behalf of the GMD may only be authorised for payment by the Chairman of the Board.

- 13.2 All claims for a financial year are to be submitted within one month of the financial year-end.
- 13.3 Employees' claims submitted more than three months after the expenses were incurred will be paid only with the approval of the RFO.

14. Income

- 14.1 The collection of all money due to NEGC will be under the supervision of the RFO.
- 14.2 All employees are responsible for providing the RFO with such information concerning work done, goods supplied or services rendered – including contracts, leases and other agreements – to enable the determination of income due to NEGC.
- 14.3 The RFO will ensure that income due to NEGC is pursued and that all reasonable efforts are made for full recovery.
- 14.4 All money received by employees of NEGC will, without delay, be paid to the RFO or as directed into NEGC bank account. No deduction will be made from the income without authority of the RFO.
- 14.5 No amount can be written off unless all practical procedures for recovery have been tried.

15. Fixed assets

Asset Register

- 15.1 The GMD and Responsible Finance Officer will be responsible for maintaining a fixed asset register for all items above £500, recording an adequate description of furniture, fittings and equipment, plant and machinery and other equipment owned by NEGC.
- 15.2 NEGC's property will not be removed other than in the ordinary course of business.
- 15.3 Employees responsible for individual assets shall ensure that property and equipment is maintained in good working order.

Asset and Liabilities Register

- 15.4 An Asset and Liabilities Register is to be maintained by the RFO.
- 15.5 This will maintain a register of documents, for example, deeds, which will incorporate a record of the location of individual documents.

Disposals

- 15.6 Any fixed asset owned by NEGC may be disposed of or scrapped by the RFO, where he/ she is satisfied that that asset has exceeded its useful economic life or is no longer required for the continuing business.
- 15.7 Where an asset is disposed, the RFO must obtain its current value before agreeing any disposal and must obtain the best value available.

- 15.8 Losses written off as a result of disposal of assets will be reported to the next meeting of the Board.
- 15.9 The RFO will ensure that the Asset Register is updated accordingly.
- 15.10 The RFO is responsible for ensuring that no confidential information is left on the item to be disposed.

16. Control of stocks

- 16.1 If a stock of any item is kept the RFO will ensure that there are proper procedures for the issue and control of the stock, including carrying out regular stock takes.
- 16.2 If a loss arises as a result of a stock take or other stock adjustment, the GMD has delegated authority to write off such losses. Such write offs will be reported to the next meeting of the Board.
- 16.3 All amounts written off must be recorded in the Register of Losses held by the RFO.

17. Investments and borrowings

- 17.1 It is essential that NEGC's investments and borrowing are properly and professionally managed, and to this end NEGC Ltd will follow CIPFA's Treasury Management in the Public Services – Code of Practice and Cross Sectorial Guidance Notes.
- 17.2 A Treasury Management Policy and an annual treasury strategy will be agreed by the Board and the Shareholders, and thereafter its implementation and monitoring will be delegated to the RFO.
- 17.3 All investments of money under its control will be made in the name of NEGC.
- 17.4 All securities which are the property of (or in the name of) NEGC will be held in the custody of NEGC's bankers or custody agents, as appropriate, except where held by a lending authority.
- 17.5 All borrowings will be within the limits authorised and will be effected in the name of NEGC.
- 17.6 The RFO will maintain adequate records of all borrowings of money by NEGC.
- 17.7 The RFO will report to the Board no less than twice in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers that have been delegated.
- 17.8 The RFO will present an annual report to the Board on treasury management within three months of the financial year end.

18. Banking

- 18.1 Bank accounts will only be opened with the approval of the Board. All arrangements with NEGC bankers will be made by the RFO who shall be authorised to operate such bank accounts.
- 18.2 Payments from NEGC's bank accounts can only be made upon the authority of two authorised signatories. Authorised signatories for the issue of cheques and giving of other instructions will be as approved by the Board from time to time.
- 18.3 All blank cheques and cheque books will be ordered only on the authority of the RFO, who will make sure that proper arrangements are made for their safe custody.

19. Control of cash

- 19.1 The RFO will be responsible for maintaining a petty cash float or floats for the reimbursement of minor items of expenditure up to £30 for each item.
- 19.2 The amount of petty cash imprests will be determined by the RFO from time to time.
- 19.3 Receipted vouchers (which should include a VAT registration number) will be needed to support the petty cash forms.
- 19.4 The petty cash float will be agreed at the end of each month and be kept locked in a secure place.

20. Insurances

- 20.1 The RFO will be responsible for procuring and administering all insurances for NEGC, which will be arranged following the approval of the Board. The RFO will be responsible for determining the procedures for the reporting, recording and recovery of insured losses.
- 20.2 Employees must immediately notify the RFO in accordance with the appropriate procedure, of any loss, liability or damage or any event likely to lead to a claim (informing the Police where appropriate unless otherwise directed).
- 20.3 The RFO will be responsible for arranging, no less than annually, a review of all insurance cover and reporting on that review to the Board.
- 20.4 Employees must agree the terms of any indemnity which NEGC is requested to give with the RFO.

21. Taxation

- 21.1 The RFO is responsible for submitting all statutory and other returns to HM Revenue & Customs relating to VAT and other taxation matters, and for obtaining and giving advice and guidance to employees on taxation matters.

22. Security procedures

- 22.1 The RFO is responsible for ensuring that proper security arrangements are maintained at all times for buildings, stocks, furniture, equipment, cash, books and records, and so on.
- 22.2 Every employee has a responsibility to consult the RFO in any case where security is thought to be defective or where special security arrangements may be needed.
- 22.3 The RFO will agree the maximum limits for any cash held, which will not be exceeded without authorisation. All cash held will comply with the limits and other requirements for the time being of NEGC insurers.
- 22.4 Keys to safes or similar containers should be carried by the authorised employee(s) at all times. Loss of any such keys should be reported to the RFO immediately. Duplicate keys will only be issued in exceptional circumstances on satisfaction that all reasonable efforts have been made to recover lost keys. No keys should be marked in such a way as to make them identifiable to any person who is not authorised to hold that key.
- 22.5 The RFO will make sure that suitable arrangements are in place for back-up usage of computer facilities in the event of a serious malfunction.
- 22.6 The RFO will ensure that NEGC is registered with the Information Commissioner under the Data Protection Act 1998 or any other legislation as from time to time enacted

23. Retention of documents

- 23.1 The RFO is responsible for ensuring that all financial and other records are retained for such periods as are required by HMRC and Companies House,

Appendix A – Definitions

In case of conflict between the Financial Regulations and the Shareholders Agreement and the Articles of Association, the order of precedence shall be:-

1. Shareholders Agreement
2. Articles of Association
3. Financial Regulations
4. Other policies as required in clause 1.8

In these Financial Regulations reference to:

Amendment: These financial rules may not be amended, change, altered, waived or, save as provided for in Regulation 3.8, without the consent of the NEGC Board.

Articles of Association means the NEGC **Articles of Association** dated/signed 30th January 2017.

The Board means the full Board of North Essex Garden Communities Limited or any committee of the Board or individual Board Member that the full Board has duly authorised to act for it in the matter under consideration.

The NEGC Budget Headings include the following sections, as approved by the Board:

- Development Corporation Mandate
- Business Strategy and Plan
- Masterplanning
- Infrastructure & Utilities
- Commercial delivery
- North Essex Economic Strategy
- Public Relations & Communications Strategy
- NEGC Company Matters

The NEGC Budget categories that apply within each of the Budget Headings include the following sections, as approved by the Board:

- Project Resource / Delivery Team
- Legal Support
- Delivery Support
- Planning
- Community & Communications
- Contingency

The Council/s refers to either Braintree District Council (BDC), Essex County Council (ECC), Tendring District Council (TDC) and/or Colchester Borough Council (CBC).

Commercial Manager (CM) means the NEGC Commercial Manager or alternate employee as nominated by the GMD, to hold this area of responsibility

Director means a Director of the Company from time to time

Group means NEGC and its subsidiaries from time to time.

Group Managing Director (GMD) means the NEGC Group Managing Director, appointed by the Board from time to time.

NEGC means North Essex Garden Communities Ltd;

NEGC Officer means any employee or consultant of NEGC

Responsible Finance Officer (RFO) means the NEGC Finance officer, appointed to enable the GMD to manage the financial controls effectively; or in the absence of such an appointment, a nominated Council officer appointed by the Board from time to time.

Shareholders Agreement means the Shareholders agreement dated/signed 30th January 2017

NEGC CONFIDENTIAL TO RECIPIENT

Appendix B - Document Control Sheet

Title:	Financial Regulations		
Electronic File Name & location:	NEGC Financial Regulation Sept 2018 v1.11		
Consultation with stakeholders:	Monitoring Officers and section 151 officers from (i) Braintree District Council (BDC), (ii) Essex County Council (ECC), (iii) Tendring District Council (TDC) and (iv) Colchester Borough Council (CBC).		
Approved:	NEGC Board, May 2018		
Circulation Date:	September 2018	Implementation Date:	November/December 2018
Circulation method:	Email		
Next Review date:	TBA		
Equality Impact Assessment:	N/A		

Document amendment history

Version	Type (new/major revisions/minor revisions)	Date	Brief Description of changes
1.10	New	May 2018	Original Document
1.11	Minor revision	Sept 2018	Paragraph 3.3 amended to bring in line with NEGC Ltd Articles of Association & Shareholders Agreement

Appendix C – NEGC Financial Limits / Delegations

The GMD may formally delegate financial authority from time to time, in agreement with the Chairman and / or the Board; where the Chairman's authority is exceeded.

In so doing, formally in writing, the following contract / order thresholds must not be exceeded:

Role	Maximum Financial Authority
NEGC Officer	£1,000 per transaction
NEGC RFO	£5,000 per transaction
NEGC CM	£10,000 per transaction
NEGC GMD	£50,000 per transaction
NEGC Chairman	£100,000 per transaction
NEGC Board	£500,000 per transaction
NEGC Shareholders	Above £500,000 per transaction

Locally Led New Towns (Development Corporation) (“LLNTDC”)

The New Town Act 1981 (Local Authority Oversight) Regulations 2018 came into force earlier this year and Guidance has been issued that outlines the way in which LLNTDCs will work.

The 1981 New Towns Act allows the Secretary of State to designate a new town and to incorporate a New Town Development Corporation. Normally the Secretary of State then takes responsibility for all oversight of the Development Corporation.

The 2017 Neighbourhood Planning Act introduced a provision that allowed the Secretary of State, as an alternative, to designate a Locally Led New Town Development Corporation in which the majority of the Secretary of State's functions under the 1981 Act can be transferred to identified local authorities.

An LLNTDC can only be established at the request of a local authority or group of local authorities. The Guidance notes that before designating a new town and incorporating a Development Corporation the Secretary of State will have to be satisfied that it is in the national interest to do so. The Guidance sets out six criteria on which the Secretary of State will need to be satisfied.

The Secretary of State will consult on any proposal. If agreed, an Order will be laid in Parliament for approval of both houses that will both designate the new town and will create the Development Corporation.

If approved, the Secretary of State will then appoint an "Oversight Authority". This will be the local authorities who requested the designation. They will be responsible for managing, monitoring and overseeing the way in which the Development Corporation operates. Before requesting an LLNTDC the authorities will need to agree between themselves how the oversight authority will be managed and the decision making processes.

An Oversight Authority has specific statutory responsibilities to:

- plan for the creation of a high quality settlement which is a sustainable community;
- support sustainable development and good design;
- plan from the outset for:
 - the long term stewardship of the assets and new town;
 - the participation of the community; and
 - the legacy arrangements following the dissolution of the new town.

The Oversight Authority will do this using a number of mechanisms including the appointment of Board members of the Development Corporation, the approval of business plans and debt limits, the approval of masterplans and other specified tasks. A number of powers continue to be reserved to the Secretary of State. Any Compulsory Purchase Order made by the Development Corporation has to be

confirmed by, and any distribution of surpluses needs the consent of, in each case the Secretary of State.

The dissolution of the Development Corporation can only take place on request of the local authority. When making a request there is ability (but not an obligation) to identify the proposed allocation of any assets and surpluses. If a proposal is made then the Secretary of State is bound to implement it. If no proposal is made then the Secretary of State will distribute assets and liabilities as appropriate

If an LLNTDC is used the hierarchical structure could comprise:

1. Oversight Authority - comprising a local authority or group of local authorities (this is the body that the Secretary of State devolves its responsibilities to);
2. Development Corporation(s) - which would act as the master planner body delivering development in the designated areas;
3. Local Delivery Vehicles - which could sit beneath the Development Corporation(s).

Key Decision Required:	YES	In the Forward Plan:	YES
-------------------------------	------------	-----------------------------	------------

CABINET

14 DECEMBER 2018

JOINT REPORT OF THE PORTFOLIO HOLDER FOR FINANCE & CORPORATE RESOURCES AND THE PORTFOLIO HOLDER FOR CORPORATE ENFORCEMENT

A.4 UTILISATION OF 20% INCREASE IN PLANNING FEES (Report prepared by Sharon Harwood-Bee)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek Cabinet’s approval of the utilisation of the additional income created from the 20% increase in Planning Fees introduced in January 2018.

EXECUTIVE SUMMARY

In January 2018, the Housing White Paper entitled “Fixing Our Broken Housing Market” (February 2017) was introduced.

Prior to the introduction of the new fee levels, Local Planning Authorities (LPAs) were invited to commit to re-investing the income from the increase in Planning Fees to the Planning Department. This report details the proposals for the re-investment of income to support the five targeted areas including improvements to the Planning Service.

- Section 106
- Development Monitoring & Enforcement
- GIS
- Enhancing planning staff capacity and skills
- Overall improvements to the to the delivery of the Planning Service
(with regard to including e-planning and the office transformation project)

RECOMMENDATION(S)

Cabinet is asked to approve the re-investment of income from the 20% increase in planning fees to support the five targeted areas including service improvements, set out in the report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

In February 2017 the Secretary of State for Communities and Local Government presented to Parliament a White Paper entitled “Fixing Our Broken Housing Market”. The

paper set out a broad range of reforms that the Government planned to introduce to help reform the housing market and increase the supply of new homes.

One proposal was to increase nationally set planning fees enabling Local Authorities to increase fees by 20% on the proviso that the additional fee incomes was invested in the Planning Department. (Section 2.15 : Building Homes Faster).

After consultation and agreement of Cabinet, the 20% fee increase was implemented on 17th January 2018.

The funds made available from the increase will be utilised as part of the overall Planning & Regeneration structure and associated service improvements initially in for the following areas:

- Ss.106 Agreements
- Development Monitoring & Enforcement
- GIS
- Overall improvements to the to the delivery of the Planning Service (with regard to including e-planning and the office transformation project)
- Enhancing planning staff capacity and skills

It should be noted that the funding accrued from the initial period of January to March 2018, was £36,860 and this was used to support additional planning enforcement activities.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The funds available from the 20% increase in fees will naturally be variable depending on the number & scale of applications and the size of developments. It is usual to expect a drop off in the number of major applications received to follow when a 5 year housing land supply can be demonstrated as is the case in Tendring at present. Therefore the estimated income is based on the minimum level expected in line with the overall Department Revenue Budget.

Income and Uplift Estimates

	Estimate	Actual (at 30.09.18)	20% Uplift Estimate
2018/19	£ 974,930.00	£ 462,460.50	£ 154,153.20

The uplift calculation is made on the actual, not estimated, income per quarter. As at Quarter 2 (30.09.18) the available income allocated to the new budget code is £77,076.60 which is on target as per the annual forecast.

In accordance with the requirements of the Housing White Paper, the income from the 20% uplift in fees must be ring-fenced and re-invested by Councils in their planning department.

Prior to the introduction of the fee increase, the Department for Communities and Local Government (DCLG) (now Ministry of Housing, Communities and Local Government (MHCLG)) invited LPAs to commit to investing the additional fee income into planning services. The DCLG requirement was that the existing baseline and income assumptions must not be adjusted down as a result of the uplift. Where an LPA fails to comply with these assurances, the Government will consider, via a change in regulations, reducing the increased fee level back to the original fee level.

Risk

The number of applications and associated fees may not achieve predicted levels of income. However, the submission of reserved matters applications and their associated fees can often offset the reduction in income associated with a fall in application numbers. It is anticipated that the number of 'minor' applications will remain relatively stable year on year.

In addition, given the positive housing trajectory and the trend in uplift for build out rates within the District, the income for the next 3-5 years is estimated as low risk which is being managed effectively.

LEGAL

The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England)(Amendment) Regulations 2017 (SI 1374/2017) provides an increase of approximately 20% for all existing fees to be paid to local planning authorities in respect of applications, deemed applications, requests or site visits in respect of which a fee is payable under the 2012 Regulations. The increase was offered by Government to all local planning authorities in Command Paper 9352 (paragraph 2.15) if they agreed that the additional money would be re-invested within their planning department. All local planning authorities accepted the offer.

The targeted areas identified within this report would involve potential restructures which would follow the Council's normal Human Resources policies and procedures and be subject to consultation with any affected staff.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

The investment into the improvement of Planning services will see a significant impact on the customer experience, e-planning and process delivery. Remote working applications will enable officers to deliver services direct to the customer on site and the engagement of a planning officer to monitor new development will enhance customer relations during the key development stages. In addition, the promotion and wider use of e-planning will provide for a more accessible service to customers both from the perspective of the applicant and the resident who may wish to interact with the process.

Improved officer training will have a positive impact on the pre-application discussions with developers to ensure due consideration is given to health and social inequalities within the area of the proposed development.

Securing monies due under covenants contained within Ss.106 Agreements will enable the implementation of, and enhancements to, public open space and leisure facilities.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The foundation for the improvements is to enhance and build capacity within the Service on the following basis

Ss.106

Monitoring of Ss.106 Agreements and recovery of obligations due ensuring the benefits of new development are maximised for local communities.

Development Monitoring

Proactive monitoring of largescale & strategic developments during build out periods, for compliance with planning conditions and Ss.106 commencement triggers.

Planning Enforcement

Professional evaluation of reactive enforcement complaints and prioritisation of cases in accordance with the harm assessment policy. Addressing issues raised as a result of the impact of new development

GIS Development

Progressing regulatory requirements with regard to data transparency & geospatial data. Using GIS as an integral part of the planning including the creation of high quality mapping functions and for customer self-service portals.

Service Improvements

Continuous improvement of the overall Planning Service, including a range of additional activities and sub-projects as part of the office transformation project.

- Procurement of software applications, hardware and technical equipment to enable remote working and better integration with current IT systems
- Enhanced training and development programmes for Planning and Regeneration staff and Planning Committee
- Enhancing staff capacity by supporting the continuation of 'Grow Our Own' staff and upskilling existing staff through new opportunities for CPD in specific specialist areas.
- A programme of customer engagement to assess service delivery and develop continuous improvement actions.

Achieving positive outcomes to support the wider corporate office transformation programme including adopting alternative and more flexible working practices. Maintaining high levels of customer service and satisfaction while ensuring the success of the office transformation programme.

CURRENT POSITION

The uplift calculation is made on the actual, not estimated, income per quarter. As at Quarter 2 (30.09.18) the available income allocated to the new budget code is £77,076.60 which is on target as per the annual forecast.

The uplift was introduced in January 2018. The activities to be supported through the additional funding will support continuous improvement across planning services and overall delivery of Council priorities.

FURTHER HEADINGS RELEVANT TO THE REPORT

None

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None

This page is intentionally left blank

Key Decision Required:	Yes	In the Forward Plan:	Yes
-------------------------------	------------	-----------------------------	------------

CABINET

14 DECEMBER 2018

REPORT OF THE PORTFOLIO HOLDER FOR ENVIRONMENT

A.5 ADOPTION OF A FEE POLICY FOR MOBILE HOME SITE LICENSING

(Report prepared by Grant Fenton-Jones and Tim Clarke)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To inform Cabinet about the changes to mobile home site licensing introduced by the Mobile Homes Act 2013 and to seek approval for a Fee Policy.

EXECUTIVE SUMMARY

There are 13 residential mobile home sites in the District that fall under the licensing regime introduced by the Mobile Homes Act 2013.

The Council has the power to levy a fee for certain activities related to the licensing and the enforcement of licensing provisions on mobile home sites.

Before any fees can be charged it is necessary to adopt a fee policy.

RECOMMENDATION(S)

It is recommended that Cabinet:

- 1. adopts the Fee Policy as set out at Appendix A with immediate effect; and**
- 2. authorises the Corporate Director (Operational Services) to review the Fee Policy from time to time as required with any amendments to be included within the Council’s Fees and Charging Schedule.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The decisions will contribute to the following priorities in the Corporate Plan 2016-2020:

Our Council Our Community

Health and Housing

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The fees as set out in the Fee Policy are intended to cover costs only and it is unlikely the Council will make any surplus as a consequence of the licensing programme. The fees will be reviewed on an annual basis in order to maintain a balance against the work required and the costs recovered from site owners.

Risk

The main risks are that the work involved will exceed the costs recovered from site owners. This will be mitigated through the annual review of the fees.

LEGAL

The Council is required to licence all Residential Mobile Homes Parks in the District under the Caravan Sites and Control of Development Act 1960. Section 5A was inserted by the Mobile Homes Act 2013 and permits local authorities who have issued a site licence in respect of a relevant protected site in their area to require the licence holder to pay an annual fee fixed by the local authority. When requiring a licence holder to pay an annual fee under this section, a local authority must inform the licence holder of the matters to which they have had regard in fixing the fee for the year in question (in particular, the extent to which they have had regard to deficits or surpluses in the accounts for the annual fee for previous years).

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Consultation

Consultation documents were prepared and delivered to the relevant sites within Tendring in November 2014.

No comments were received from representatives or site owners of the relevant sites, and no objections or comments were made in relation to making smaller sites exempt from the annual licensing fee.

PART 3 – SUPPORTING INFORMATION**BACKGROUND**

The Mobile Homes Act 2013 was introduced to enable local authorities to monitor residential park home and caravan site licence compliance more effectively to ensure that residents' health and safety is better protected. These changes apply to 'relevant protected sites' as defined in the legislation and guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG). Any licensable caravan site will be a 'relevant protected site' unless it is specifically exempted from being so, for example if it is for holiday use or there is a restriction on use as permanent residential.

This report proposes to introduce a licensing scheme for mobile home sites in the District which will include Gypsy and Traveller sites with permanent planning permission.

Existing sites which are licensed under the Caravan Sites and Control of Development Act 1960 will not need to apply for a new site licence but will be transferred to come under the new provisions brought in by the Mobile Homes Act 2013 at no additional charge.

The Council will be able to charge fees for applications for a site licence and for the administration and monitoring of site licences, which will include annual site inspections. Annual fees will not cover enforcement of breach of conditions, recovery of expenses, serving of legal notices and dealing with sites that do not need licensing.

Where a local authority decides to charge fees these must be published in a Fee Policy document and must be transparent and reasonable. The proposed Fee Policy document is attached at **Appendix A**.

A fee can be charged for:

- applications to grant a new licence
- applications to transfer or amend an existing licence
- annual licence fees for administering and monitoring existing site licences
- depositing of site rules including first and subsequent deposits as a consequence of variations

The Council can include all reasonable costs such as administrative costs, site visits, travelling, consultations, meetings, etc. when determining their fees. The fee levels in the proposed Fee Policy have been calculated based on the estimated time and cost in undertaking the activities involved. A breakdown of how the costs have been estimated is included within the Fee Policy document. The actual costs incurred will be identified during the forthcoming year, which will inform the annual review process for the Fee Policy.

Where the Council makes a charge they must review the costs of administering the licence scheme to ensure that costs are covered by fees received; annual fees may be adjusted to take account of any surpluses or deficits – the Council can only pass on to the site owner their costs in carrying out its licensing functions.

Proposed fees are based on a banding system similar to that used by other Essex authorities, which were agreed at the Essex Caravan Working Group based on the number of pitches on each site. The largest site currently in Tendring falls into Band E (200+ pitches).

Details of the arrangements for the various fees are contained in the Fee Policy document at **Appendix A**.

The new legislation introduced improved powers for enforcement action in order to improve conditions on sites where standards are not maintained. In Tendring, as a result of the low number of residential sites, which are mainly small sites owned by the occupiers, it is not anticipated that enforcement powers will be often used unless alternative informal means of action are ineffective. The Fee Policy includes an hourly rate of £25.42 per hour, which will be used as the basis for charging for enforcement action.

The Council has discretion on whether to charge fees, and if so, whether fees should be applied to all 'relevant protected sites' in the District.

The Council also has discretion on whether to exempt certain categories of site from payment, but will have to justify any such decisions, e.g. based on risk or cost. The Government Guidance on Fees is quoted below:

'Exempting certain types of site

Whilst adopting a Fee Policy a local authority can decide to exempt certain categories of sites from payment. A local authority must however be able to justify any such decisions - which will usually be due to risk and, or cost.

Any exemption must be rational, objective and consistent. The exemptions must be set out in the fee policy. Site categories which are exempted can subsequently be brought within the charging structure by a change to the fee policy.

Importantly too, a local authority should not charge higher fees for non-exempted sites to cover its costs in relation to licensing functions for those sites that are exempted from payment.

A local authority may consider exempting the following types of sites:

- *Certain sites based on a minimum size – this may be single unit sites or sites of a size less than a given figure e.g. 3 or 5. The rationale for exempting such sites being that they are low risk, they tend to be family run sites which are not run as a business, they are rarely, if ever, the subject of complaints and the cost of inspection is outweighed by the cost of administering any charges.*
- *Sites that are not run as a business, again justified as above – this would include family run sites and typical small Gypsy Roma and Traveller sites. However, consideration needs to be given as to how you would quantify/define 'family site' and the evidence required to show that a site was not a family run site and was instead a business when challenged otherwise. On balance this is considered a problematic category and is not recommended.*
- *Gypsy Roma and Traveller (GRT) sites – some local authorities currently have little involvement with these sites and some do not even impose conditions. There may be a presumption that administering and recovering charges on these sites would be problematic. Even if no fees are charged the local authority still has a duty to license such sites and has powers of enforcement. There may be an expectation that enforcement action will be taken- in particular in respect of fire safety where the enforcing responsibility usually rests with the local authority and not the fire service under the Fire Safety Order (whereas on traditional residential park home sites the Order is relevant for common parts). Local authorities may consider the most sensible option to assess*

GRT sites against the same criteria as the traditional sites. So all sites of a minimum size (say less than 5) are exempt from charging, whilst all sites, including GRT sites, above a certain size are included.

In considering any Fee Policy, a local authority has full scope to consider the particular types and sizes of sites and issues on its district, so it can frame its policy accordingly, including exemptions to suit. It can also exempt by way of type of fee payable (i.e. application or annual fees) generally or specifically in relation to categories of sites’.

There are currently approximately 13 sites in the District which are currently licensed or are licensable. Of these the majority are small sites with less than 10 pitches, occupied by Gypsy and Traveller families who have obtained permanent planning permission. Sites without permanent permission or unauthorised sites are **not** considered to be ‘relevant protected sites’ within the definition of the Act and will not be licensable.

It is proposed to exempt sites smaller than 5 pitches where the occupiers of the site are members of, or live as, one family. The exemption will cover the fees associated with the issue and administration of the site licence but will not extend to any fees associated with enforcement action. These sites are generally low risk and are not run as a business.

The implications of not charging for mobile home site licensing in these cases will mean that there will be a small loss of income but this is reflected in the reduced time spent dealing with such sites.

The proposed fees for the various licensing activities calculated on a cost recovery basis are shown in the table below:

	Band A	Band B	Band C	Band D	Band E
Number of pitches	1 to 5	6 to 24	25-99	100-99	200+
Annual Fee	£142.35	£190.65	£279.62	£406.72	£508.40
New site licence application fee	£376.22	£396.55	£465.19	£571.95	£673.63
Transfer of site licence fee	£198.28	£198.28	£198.28	£198.28	£198.28
Amendment of site licence fee	£198.28	£198.28	£198.28	£198.28	£198.28
Checking & Registering Site Rules	£174.60	£174.60	£174.60	£174.60	£174.60

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Proposed Fee Policy for Mobile Home Site Licensing

This page is intentionally left blank

Tendring District Council Draft Fees Policy

Mobile Home Site Licensing

1.0 Introduction

- 1.1** Tendring District Council ('the Council') has powers under the Caravan Sites and Control of Development Act 1960 (the Act) to grant caravan site licences for sites that have planning permission. The Act has now been amended by the Mobile Homes Act 2013 (the 2013 Act) to enable the Council to issue licences in respect of 'relevant protected sites' and to charge fees for the provision of their licensing functions.
- 1.2** A 'relevant protected site' is defined as any land to be used as a caravan site other than one where a licence is:
- Granted for holiday use only
 - In any other way subject to conditions which restrict the usage of the site for the stationing of caravans for human habitation at certain times of the year (such as planning conditions).
 - It does not include sites that are owned by the local authority.
- 1.3** Relevant protected sites will include residential parks, mobile home parks and Gypsy and Traveller sites.
- 1.4** Before a local authority can charge a fee, it must prepare and publish a fees policy. When fixing a fee the local authority:
- must act in accordance with their fees policy
 - may fix different fees in different cases
 - may determine that no fee is required in some cases.
- 1.5** It is recommended that a local authority take into account the following matters on which costs are incurred (or likely to be incurred) (by whichever department, including costs incurred by contracting out) when determining its fee policy for consideration of applications for the grant or transfer of a site licence:
- Considering applications for the issue or transfer of a site licence
 - Initial enquiries
 - Letter writing/ telephone calls, etc. to make appointments and requesting any documents or other information from the site owner or from any third party in connection with the licensing process
 - Sending out forms
 - Updating hard files/ computer systems
 - Updating the EU Directive website if appropriate

- Processing the licensing fee
- Land registry searches
- Time for reviewing necessary documents and certificates
- Downloading photographs
- Preparing reports on contraventions
- Preparing draft and final licences
- Review by manager or lawyers; review any consultation responses from third parties
- Updating public register
- Carrying out any risk assessment process considered necessary
- Reviews of decisions or in defending appeals.

1.6 In addition a local authority will need to make such inquiries as are necessary in connection with the application, such as those relating to:

- Management and financial standing
- Outstanding licensing issues and debts; and
- Undertakings.

1.7 All time taken in establishing the information required to make an informed decision will be allowed to be included in the licence fee, whether or not the transfer or new licence is allowed.

1.8 The fee levels have been calculated based on an estimate of the time and costs involved in undertaking the various activities involved; the fee scales have been based on a 'banding' of sites according to the number of pitches.

1.9 Sites of fewer than 5 pitches that are occupied by members of the same family are exempted from the fees.

1.10 The proposed fees for the period 1st April 2019 to 31st March 2020 for each band are shown below:

	Band A	Band B	Band C	Band D	Band E
Number of pitches	1 to 5	6 to 24	25-99	100-99	200+
Annual Fee	£142.35	£190.65	£279.62	£406.72	£508.40
New site licence application fee	£376.22	£396.55	£465.19	£571.95	£673.63
Transfer of site licence fee	£198.28	£198.28	£198.28	£198.28	£198.28
Amendment of site licence fee	£198.28	£198.28	£198.28	£198.28	£198.28
Checking & Registering Site Rules	£174.60	£174.60	£174.60	£174.60	£174.60

2.0 Charging arrangements

- 2.1** This policy comes into effect on 1st April 2019 and the date annual charges will be due is 1st April 2019
- 2.2** Where an annual site licence is payable, the request for payment of site licence fees will be made in April each year and must be paid to the Tendring District Council within 28 days from the date of issue.
- 2.3** Payment in full of all fees shall be made with any application for a new site licence, or for amending or transferring a site licence.
- 2.4** Where a payment due to the Council has not been made, the Council may apply to the Residential Property Tribunal, for an order requiring the licence holder to pay the Council the amount due by the date specified in the Order.
- 2.5** Where a licence holder fails to comply with such an Order within the period of 3 months from the date of the Order, the Council may apply to the Tribunal for an Order revoking the site licence.
- 2.6** A licence holder has the right to apply to the Tribunal where they disagree with the licence fee being charged.
- 2.7** The Fee Policy will be kept under review and a new policy will be published when revisions are made.
- 2.8** Any fees charged must fairly cover the costs (or part of the costs) incurred by a local authority under its functions in Part 1 of the Act, other than the costs of enforcement action. They must be reasonable and transparent and whilst different fees can apply to different types of cases, there must be consistency in the fee structure and its application.
- 2.9** The fee scales have been calculated for this year on the basis of the predicted time taken to carry out the relevant administrative and inspection duties multiplied by an hourly rate. Each year the council will assess its previous costs to check that they were accurate. Where a deficit appears because expenditure was more than anticipated the shortfall will be reflected in the fee charged to the site owner in the next year. Similarly, where a surplus is made the fee for the following year will be reduced by that amount.
- 2.10** The legislation allows the site owner to pass the annual licence fee on each year to residents through their annual 'pitch fees'. If the Council's annual licence fees increase in subsequent years the proportion of the charge that can be passed on is

limited to the amount of the charge imposed in the first year and any subsequent Retail Price Index increases will be applied to it. Only the annual fees can be passed on to site residents.

3.0 Charges for Enforcement action

- 3.1** Where there has been a breach in a site licence condition which comes to the attention of the council we may serve a compliance notice. The Council is able to make a charge to cover the cost of taking the enforcement action and this will apply to all sites, including those exempted from other fees. A detailed breakdown of the relevant expenses will be provided with the compliance notice. Charges would be based on the hourly rate detailed below, in addition to any other costs incurred.

Hourly rate for enforcement costs (Based on the rate for the Environmental Health Team Leader) = £25.42

- 3.2** If any works in the compliance notice are not carried out the licence holder commits an offence and the local authority may consider taking legal proceedings. Any costs associated with this process would be at the discretion of the court.
- 3.3** If any prosecution were successfully taken, the Council would have the power to carry out the works in default of the licence holder. An administration cost of 20% would be added to the cost of the works.

4.0 Breakdown of Costs

- 4.1** The following tables show the time allocations for each activity identified for the licensing functions and the total fees to be charged.

Process	Annual Site Licence - Fee Structure				
	200+	100 to 199	25 to99	6 to 24	1 to 5
Number of Caravans					
Programme visits send appointment letters and request certain info (mins)	15	15	15	15	15
Check documentation requested/chase (mins)	15	15	15	15	15
Input on CAPS (mins)	5	5	5	5	5
Check history and recent correspondence (mins)	20	15	10	10	10
Site inspection (mins)	420	300	180	90	30
Travel time (mins)	40	40	40	40	40
Download photos; put file notes on CAPS (mins)	60	40	30	20	15
Prepare report of contraventions (mins)	60	50	40	30	30
letter to site owner, cc to RA confirming satisfactory or agreed works over time (mins)	15	15	15	15	15
Add details to CAPS (mins)	5	5	5	5	5
Programme revisit date; inform site owner (mins)	10	10	10	10	10
E mail and telephone enquiries with residents/ site owner (mins)	60	50	40	30	20
Re -visit (mins)	120	90	60	40	30
Travel time (mins)	40	40	40	40	40
Prepare report of contraventions (mins)	40	40	30	20	20
Letter to site owner, cc to RA confirming satisfactory or outstanding works. If o/s continue towards enforcement (mins)	15	15	15	15	15
Update CAPS (mins)	10	10	10	10	10
routine monitoring visits (mins)	120	90	30	0	0
Travel time for routine visits (mins)	30	30	30	45	15
Download photos from monitoring visits; put file notes on MVM3 (mins)	40	30	10	0	0
letter to site owner following monitoring visits, cc to RA confirming satisfactory or agreed works over time (mins)	60	45	15	0	0
Add details to CAPS following monitoring visits (mins)	20	15	5	0	0

Total time (mins)	1220	965	650	455	340
Total time (hours)	20	16	11	7.5	5.6
Hourly rate (£)	25.42	25.42	25.42	25.42	25.42
Total annual charge to site owner (£)	508.40	406.72	279.62	190.65	142.35

Process	Application For New Site Licence- Fee Structure				
	200+	100 to 199	25 to 99	6 to 24	1 to 5
Enquiry received re-application process and forms sent out with covering letter inviting site visit (mins)	30	30	30	30	30
Create licensing worksheet on CAPS (mins)	10	10	10	10	10
Check planning status and any conditions (mins)	30	30	30	30	30
Check any previous history to new site/ adjacent land (mins)	15	15	15	15	15
Update CAPS (mins)	5	5	5	5	5
Appointment arranged to visit site (mins)	10	10	10	10	10
Meet site owner on site and carry out inspection; give advice re conditions and application form and documents required (mins)	210	180	120	90	60
Travel time (mins)	40	40	40	40	40
Update CAPS file notes and download photos (mins)	60	40	30	20	15
Application form received update CAPS (mins)	5	5	5	5	5
check application is full and proper; signed; fee included; documents included (mins)	40	40	40	40	40
Process the fee and send out receipt to owner (mins)	20	20	20	20	20
Update fields on CAPS and attach application form and docs. to worksheet (mins)	10	10	10	10	10
Check certificates for gas, electricity, fire risk assessment (mins)	30	20	20	20	20
Check Land Registry- owner details (mins)	10	10	10	10	10

Review documentation; check suitability of site and site owner :management and financial standing; outstanding licensing issues and debts; undertakings (as set by new Regs)	90	90	90	90	90
carry out a credit check and review	20	20	20	20	20
Clarification of any matters with new owner	20	20	20	20	20
Report to manager recommending approval or refusal or accept undertaking - notify owner	30	30	30	30	60
Update licensing sheet on CAPS ; attach all documents (mins)	20	15	15	15	15
Produce draft licence and site licence conditions (slc) with cover letter detailing works identified as necessary following site inspection (mins)	90	60	60	60	45
Update CAPS (mins)	10	10	10	10	10
Discussions with site owner re works/ conditions, including any requests to amend. (mins)	60	60	45	45	30
Review case with manager, discuss requests for any amendments and redraft if necessary (mins)	30	20	10	10	10
Draft new site licence with slc attached, (mins)	15	15	15	15	15
Manager checks documentwith file, signed and dated (mins)	50	40	30	20	20
Send site licence and slc to owner; update CAPS and attach documents (mins)	15	15	15	15	15
Update site licence register on system and hard file (mins)	10	10	10	10	10
When site is occupied arrange full site inspection with owner (mins)	10	10	10	10	10
Inspect site against slc, note breaches (mins)	420	300	180	90	30
Travel time	40	40	40	40	40
Update CAPS ; download photos (mins)	40	30	20	15	15
Prepare report of contraventions (mins)	60	60	45	30	30
Letter to site owner (mins)	15	15	15	15	15

Update CAPS and record next inspection date (mins)	15	15	15	15	15
Letter to site owner advising of procedure for annual inspections and next programmed visit (mins)	10	10	10	10	10
total time (mins)	1595	1350	1100	940	845
total time (hours)	26.5	22.5	18.3	15.6	14.8
hourly rate (£)	25.42	25.42	25.42	25.42	25.42
total charge to site owner (£)	673.63	571.95	465.19	396.55	376.22

Process	Application to Transfer Site Licence - Fee Structure				
	200+	100 to 199	25 to 99	6 to 24	1 to 5
Enquiry received and application form sent out with cover letter	30	30	30	30	30
Create worksheet on CAPS and update licensing file on CAPS	15	15	15	15	15
Application form received; check it is a full and proper application, complete, signed and fee included	40	40	40	40	40
Process the fee and send out receipt to owner; request standard documentation	20	20	20	20	20
Update fields on CAPS worksheet and licensing file on MVM3; attach application form and docs.	30	30	30	30	30
Check Land Registry- confirm applicant is the owner of the land; update MVM3	10	10	10	10	10
Review documentation; check suitability of site and site owner :management and financial standing; outstanding licensing issues and debts; undertakings (as set by new Regs)	90	90	90	90	90
carry out a credit check and review	20	20	20	20	20
Clarification of any matters with new owner	20	20	20	20	20
Report to manager recommending approval or refusal or accept undertaking - notify owner	60	60	60	60	60
Re -draft the site licence	20	20	20	20	20

Manager checks draft site licence and authorised officer to sign and date.	20	20	20	20	20
Check details of last site inspection and note any outstanding breaches/ outstanding Compliance Notices	20	20	20	20	20
Send new site licence to the site owner with details of outstanding breaches, copies of Compliance Notices with timescales for compliance. Advise of next programmed site inspection date.	50	50	50	50	50
Add new licence to electronic folder and update MVM3; attach all docs	15	15	15	15	15
Update site licence register on system and hard file	10	10	10	10	10
total time (mins)	470	470	470	470	470
total time (hours)	7.83	7.83	7.83	7.83	7.83
hourly rate	25.42	25.42	25.42	25.42	25.42
total charge	198.28	198.28	198.28	198.28	198.28

This page is intentionally left blank

Key Decision Required:	Yes	In the Forward Plan:	Yes
-------------------------------	------------	-----------------------------	------------

CABINET

14 DECEMBER 2018

REPORT OF FINANCE AND CORPORATE RESOURCE PORTFOLIO HOLDER

A.6 UPDATED FINANCIAL FORECAST / BUDGET 2019/20

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable Cabinet to consider the updated financial forecast for 2019/20 for consultation with the Resources and Services Overview and Scrutiny Committee.

EXECUTIVE SUMMARY

- As part of maintaining a ‘live’ forecast, further updates to the position for 2019/20 have been made since the financial forecast was last considered by Cabinet on 9 November 2018.
- Changes to the in-year budget (2018/19) are not included within this report as they are now reported via the quarterly financial performance reports presented during the year.
- At this stage of the budget process, there is a net surplus of **£0.002m** forecast in 2019/20, an overall change of **£0.511m** compared with the **£0.509m** deficit reported to Cabinet on 9 November 2018. The long term forecast therefore remains on target.
- It is important to highlight that the 2019/20 budget includes an estimated collection fund surplus of **£0.710m**. Although this is an on-going item in the budget it is reviewed each year based on in-year collection performance and can therefore only be deemed a one-off ‘saving’ in 2019/20. Although the amount is available to support the 2019/20 budget, if this was excluded from the forecast, there would be a budget deficit of **£0.708m** for 2019/20.
- Although subject to potential changes to the forecast over the remaining budget setting period, the current forecasted surplus of **£0.002m** will be paid into the Forecast Risk Fund.
- Any necessary changes emerging from the detailed Local Government Finance Settlement will be reported directly at the meeting if received in-time, otherwise they will be included in the figures that will be presented to Cabinet in January 2019 when it considers the final budget proposals after consultation with the Resources and Services Overview and Scrutiny Committee.
- Once the final position for 2019/20 is determined, the remaining years of the 10 year forecast will be revised, set against the revised 2019/20 position and will be reported to members later in the budget setting process.

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) Thanks the Resources and Services Overview and Scrutiny Committee for the work they have done to date in reviewing the forecast as it has developed and agrees the comments of the Finance and Corporate Resources Portfolio Holder in response to issues raised by the Committee as set out in this report;
- b) agrees the updated Financial Forecast 2019/20 as set out in this report and Appendices and;
- c) requests the Resources and Services Overview and Scrutiny Committee's comments on this latest financial forecast for 2019/20.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The forecasting and budget setting process will have direct implications for the Council's ability to deliver on its objectives and priorities. At its heart, the 10 year approach to the forecast seeks to establish a sound and sustainable budget year on year through maximising income whilst limiting reductions in services provided to residents, business and visitors.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are set out in the body of the report.

Although the availability of financial resources is a key component in the delivery of services there will also need to be appropriate input of other resources such as staffing, assets and IT.

Risk

There are significant risks associated with forecasting such as cost pressures, inflation and changes to other assumptions that form part of the financial planning process. There are a number of areas that could lead to additional expenditure being incurred, such as: -

- Economic environment / instability;
- Emergence of additional cost pressures;
- Changes to the local authority funding mechanisms such as the Government's fairer funding review that is proposed;
- New legislation placing unfunded duties on the Council or reducing the level of the Council's core funding;
- Local or national emergency;
- Income is less than that budgeted for, including business rate income retained locally.

However the forecast is based on relatively conservative estimates with no optimistic bias included.

As previously discussed, the Council's ability to financially underwrite the forecast is an important element of the 10 year plan. As with any forecast, some elements of income and expenditure will be different to that forecasted. It is fair to say that many may offset each other over the longer term. However, there are two important aspects to how this will be managed.

- 1) To date it is estimated that **£2.290m** will have been set aside by the end of 2018/19 within the Forecast Risk Fund to support the budget in future years. This is more than previous forecasts and excludes the additional contribution of **£0.717m** to fund initiatives aimed at supporting the long term forecast, which is also being held in the reserve. This money is available to be drawn down if the timings within the forecast differ in reality and the net position is unfavourable compared to the forecast in any one year.
- 2) The forecast will remain 'live' and be responsive to changing circumstances and it will be revised on an on-going basis. If unfavourable issues arise that cannot be mitigated via other changes within the forecast then the forecast will be adjusted and mitigating actions taken. Actions to respond will, therefore, need to be considered but can be taken over a longer time period where possible. In such circumstance the Council may need to consider 'topping' up the funding mentioned in 1) above if required in the early years of the forecast. This may impact on the ability to invest money elsewhere but will need to demonstrate that its use is sustainable in the context of the ten year forecast.

The 2019/20 position includes net savings of **£0.328m** which is slightly ahead of the annual target of **£0.300m**. This figure will need to remain flexible and react as a counterbalance to other emerging issues as it is accepted that this figure may need to be revised up or down over the life of the forecast.

It is important to deliver against the forecast in the early years to continue to build confidence in the revised approach. This will, therefore, continue to need robust input from members and officers where decisions may be required in the short term or on a cash flow basis.

Another aspect to this approach is the ability to 'flex' the delivery of services rather than cut services. As would be the case with our own personal finances, if we cannot afford something this year because of a change in our income, we can potentially put it off until next year. There is a practical sense behind this approach as we could flex the delivery of a service one year but increase it again when the forecast allows.

In addition to the above it is important to note that the Council has already prudently set aside money for significant risks in the forecast such as **£1.609m** (NDR Resilience Reserve) and **£1.100m** (Benefits Reserve), which can be taken into account during the period of the forecast if necessary. The Council also holds **£4.000m** in uncommitted reserves which supports its core financial position.

LEGAL

The arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The previous legislation defining the arrangements for charging, collecting and pooling of Business Rates was contained within the Local Government Finance Act 1988. These have both been amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The Local Government Finance Act 2012 provided the legislative framework for the introduction of the Rates Retention Scheme and the Localisation of Council Tax Support.

The Calculation of Council Tax Base Regulations 2012 set out arrangements for calculation of the council tax base following implementation of the Local Council Tax Support Scheme. The new arrangements mean that there are now lower tax bases for the district council, major preceptors and town and parish councils.

The Localism Act 2011 introduced legislation providing the right of veto for residents on excessive council tax increases.

Under Section 25 of the Local Government Act 2003, the Chief Finance Officer (S151 Officer) must report to Council, as part of the budget process, on the robustness of estimates and adequacy of reserves. The proposed approach can deliver this requirement if actively managed and will be an issue that remains 'live' over the course of the forecast period and will be revisited in future reports to members as the budget develops.

In respect of special expenses that form part of the budget setting process, expenditure is classed as a Special Expense if it satisfies the requirements of the Local Government Finance Act 1992, Section 35. The only category relevant to this Council is contained within Section 35(2)(d) relating to concurrent functions with Parish and Town Councils. Under the Local Government Finance Act 1992, the Council must identify as its Special Expense, proposed expenditure on those functions which the Council performs in part of the district but which Parish or Town Councils perform elsewhere in the District. If, in the Council's view, a special expense should properly be charged over the whole of the district's area, the Council may pass an express resolution to this effect (known as a **contrary resolution**).

In order for expenditure to be a Special Expense, there are two conditions that must be fulfilled:

1. Expenditure is estimated to be incurred by the District Council in the whole or part of its area on the provision of a function;
2. Expenditure on the provision of the same function is to be incurred by at least one parish/town council elsewhere in the district.

The proposals set out in this report are in accordance with the Council's budget and policy framework.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no other implications that significantly impact on the financial forecast. However, the ability of the Council to appropriately address these issues will be strongly linked to its ability to fund relevant schemes and projects and determination of the breadth and standard of service delivery to enable a balanced budget to be agreed.

An impact assessment will be undertaken as part of any separate budget decisions such as those that will be required to deliver the necessary savings.

Special expenses are based on the principle of ensuring there is equality across the district in levying Council Tax to residents based on services and facilities provided by Town and Parish Councils in specific areas that are also provided by the District Council.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Following the establishment of a longer term approach to the budget setting process that was agreed last year, the forecast is updated on an on-going basis with the most recent position (at the end of September 2018) reported to Cabinet at its 9 November 2018 meeting and it was resolved that:

- (1) in respect of the financial performance against the budget at the end of September 2018:
 - (a) the position be noted;
 - (b) the proposed in-year adjustments to the budget, as set out in Appendix H to item A.6 of the Report of the Finance and Corporate Resources Portfolio Holder be agreed; and
 - (c) in respect of the Council's Treasury Management Practices, the aggregate amount of money that can be placed overnight with the Council's bankers be increased temporarily from £1.000m to £1.500m for each day the offices are closed over the Christmas break.
- (2) in respect of the Updated Long Term Forecast revised at the end of September 2018:
 - (a) updated forecast be agreed; and
 - (b) the Resources and Service Overview and Scrutiny Committee be consulted on the updated position.

The Resources and Services Overview and Scrutiny Committee considered the report referred to above at its meeting on 29 November 2018, with their comments set out below along with the comments from the Finance and Corporate Resources Portfolio Holder:

Resources and Services Overview and Scrutiny Committee's Comments	Response of the Finance and Corporate Resources Portfolio Holder
The Committee requests that the Section 151 Officer undertakes a review of the digital transformation business case in terms of estimated costs and planned savings and the performance against the budget to date, with an update to be provided in the quarter 3 Corporate Budget Monitoring Report 2018/19.	Noted and supported
The Committee requests that the Head of IT attends the Resources and Services Overview and Scrutiny Committee on 11 Feb 2019 to discuss digital transformation, as part of the review of the Performance Report 2018/19, third quarter.	Noted and supported

UPDATED FINANCIAL FORECAST 2019/20

The forecast has been subject to a number of changes since it was last considered by Cabinet at its 9 November 2018 meeting. **Appendix A** sets out an updated forecast for 2019/20 that

reflects these changes which deliver an overall surplus of **£0.002m**.

Work remains on-going as part of the continuing development of the budget which will need to react to a number of issues such as any announcements from the Government as part of the annual local government financial settlement process. Any changes will be reported to members as they arise throughout the remainder of the budget setting process and will be included in the final budget proposals to be considered by Cabinet in January before recommendations are made to Council.

The following table provides a commentary on the changes to the initial forecast set out in **Appendix A** (excludes items where there has been no change to the relevant line of the forecast considered by Cabinet on 9 November 2018):

Item in the Forecast	Change since forecast was considered on 9 November 2018	Comments
<i>Underlying Funding Growth</i>		
Growth in business rates - Inflation	Increase in Income of £0.018m	This reflects the most up to date inflation forecast and increases income by a total of £0.110m compared with 2018/19.
Growth in business rates / council tax - general property growth	Increase in Income of £0.446m	Reflects the latest property base estimates for 2019/20 with total additional income of £0.576m forecast compared with 2018/19.
Collection Fund Surpluses b/fwd	Increase in Income of £0.007m	This reflects the latest collection fund position for the year with the total income figure estimated at £0.710m . This is a one-off increase as the collection fund surplus or deficit is updated each year based on actual collection performance etc.
<i>Net Cost of Services and Other Adjustments</i>		
Inflation - Employee Costs (including annual review adjustments)	Increase in forecasted expenditure of £0.027m	This reflects the latest salary forecasts which include restructures implemented so far to date.
Inflation - Other	Increase in forecasted expenditure of £0.114m	This primarily reflects the 'rebased' cost of the Waste Collection, Recycling and Street Cleansing Contract as part of the extension of the existing contract. The actual RPI increases across 2018/19 and projected into 2019/20 have been higher than those previously anticipated.
Specific Changes in Use of Reserves	Increase net use of reserves - £0.009m	This reflects a number of issues such as the use of £0.120m from the election reserve to meet the associated cost of the district

		elections in May 2019 along with the removal of the one-off increase of £0.100m to the big society budget
On-going net savings	<p>Net Savings of £0.328m have been included in the 2019/20 budget.</p> <p>(£0.028m greater than the allowance of £0.300m included in the initial forecast)</p>	The figure reported to Cabinet on 9 November 2018 as part of the updated long term forecast was £0.279m . This has increased to £0.328m with the full list of net savings set out in Appendix B .
Unmitigated Cost Pressures	<p>Unavoidable cost pressures of £0.126m have been included in the 2019/20 budget.</p> <p>(the total amount included in the budget is £0.024m less than the allowance of £0.150m included in the long term forecast)</p>	<p>The full list of cost pressures is set out in Appendix C. Only those that are deemed to be unavoidable have been included at this stage, which recognises that the total cost of the items identified will rise from £0.126m in 2019/20 to £0.193m from 2020/21.</p> <p>As set out within the appendix, all other items are subject to further review including those that are optional but support the delivery of Council priorities.</p> <p>In respect of those items that are optional but support council priorities, consideration is being given to funding them from the anticipated benefit from being a member of the business rates pool in 2018/19. This would be on a one-off basis but would enable the activities to continue into 2019/20 and provide the time necessary to consider how they can potentially be included on an on-going basis via adjustments elsewhere in the long term forecast.</p> <p>Work therefore remains on-going throughout the remainder of the budget setting process to investigate the funding options further, and comments from the Resources and Services Overview and Scrutiny Committee would be welcomed on the cost pressure list as part of the associated budget consultation process.</p>
Other Adjustments	Reduction in forecasted net expenditure of £0.120m	<p>This line in the forecast recognises other changes that do not necessarily fit elsewhere in the table within Appendix A.</p> <p>Along with some minor budget amendments,</p>

		the figure primarily reflects changes to the recharges between the GF and the HRA.
--	--	------------------------------------------------------------------------------------

The above position excludes changes to indirect costs such as internal recharges within the GF and technical accounting adjustments that do not have an overall net impact on the budget.

As set out in **Appendix A**, taking the above adjustments into account in the forecast results in an estimated surplus for 2019/20 of **£0.002m**, compared with the forecasted deficit of **£0.509m** considered by Cabinet at its 9 November 2018 meeting.

Reserves will be adjusted as necessary in line with the above changes to the forecast and will be included on this basis within the final budget proposals that will be presented to Full Council in February 2019.

The mitigation of cost pressures continues to form an important element of the long term forecast. To date, significant cost pressures have been avoided by identifying alternative options / approaches such as those associated with the Waste, Recycling and Street Cleansing contract, accepting a higher excess level on some insurance policies along with the restructuring of services to react to changes in associated income such as the expected reduction in housing benefit administration grant receivable from the Government that reflects the roll-out of universal credit.

ADDITIONAL INFORMATION

Council Tax Levy 2019/20

Based on a proposed £5 increase, the Council Tax for a band D property would be **£167.64** in 2019/20. The updated property base is **47,455.2**, an increase of **715.7** over the 2018/19 figure of **46,739.5**.

The ability to increase Council Tax by £5 remains subject to confirmation from the Government. This is expected to be confirmed within the Local Government Financial Settlement which is expected shortly.

If such an increase is not permissible and it is necessary to revert back to an increase of 1.99%, on-going income would be reduced by **£0.082m**, which would need corresponding savings to be identified over the life of the forecast.

Locally Retained Business Rates

As set out above, an increase in income is forecast due to an inflationary uplift and an increased property base.

The Council has agreed to join a revised Essex Business Rates Pool in 2019/2020, which has also bid to become a pilot area for 75% retention of business rates. No income is currently included in the forecast for either being a pool member or being successful in the bid for pilot status. It is expected that the Government will announce pool / pilots for 2019/20 shortly and once received the necessary adjustments to the forecast will be considered.

Fees and Charges

Similarly to previous years, Departments have been asked to review their fees and charges on an individual basis as changes may need to be made to meet specific aims or strategic objectives or in some cases in response to external factors such as market forces.

Detailed fees and charges will form part of the final budget proposals to Cabinet in January and Full Council in February, with proposed fees and charges set against the following key

principles:

- general inflationary increases or lower where appropriate
- amounts rounded for ease of application, which may result in a slightly above inflation increase.
- on a cost recovery basis as necessary
- reflect statutory requirements.
- increases where market conditions allow

GENERAL FUND CAPITAL PROGRAMME

As highlighted last year, only 2 schemes are included in the base budget on a recurring basis each year and these relate to the on-going cost of replacing the Council's core IT infrastructure along with disabled facilities grants. **£0.100m** and **£0.757m** have therefore been included within the 2019/20 Capital Programme respectively. The investment in IT core infrastructure is funded by a direct revenue contribution, with disabled facilities grants funded by estimated external grant funding from ECC.

The only other changes to the Capital Programme reflect the reprofiling of schemes as set out in the quarterly financial performance reports considered by Cabinet earlier in the year.

The capital programme incorporating the above changes will be included within the final budget proposals that will be considered by Cabinet in January before being presented to Full Council in February.

SPECIAL EXPENSES 2019/20

Special expenses amounts cannot be finalised until the budget for the year has been completed and the associated technical adjustments reflected in the budget. Therefore at this stage of the budget process it is more practical to review the principles against which the special expenses will be calculated rather than the specific amounts themselves, which are subject to change as the budget develops.

It is not proposed to make any changes to the principles behind the calculation of special expenses with the key principles remaining the same as in 2018/19 as set out below:

- A de minimus amount of **£0.025m** is applied to determine which expenses are excluded from the special expenses calculations;
- Any allocation to specific areas less than **£0.001m** is excluded for the purposes of determining special expenses.

Although subject to the final budget calculations, expenses to be allocated as special expenses are likely to remain as in 2018/19 and apply to open space and recreation area costs.

For completeness, the underlying technical background to the calculation of special expenses is set out below:

Certain expenditure referred to as 'Special Expenses' is regarded as being chargeable to only certain parts of the district. The rest of the Council's expenditure is regarded as being chargeable over the whole district and is referred to as 'General Expenses'. Local authorities have the power to pass a resolution in respect of any particular Special Expense to the effect that the amount of that expense should be charged across the whole district. This is referred to as the contrary resolution.

In exercising this power the Council also has to consider how the burden of Special Expenses will be charged to the taxpayers of the district.

Information from parish/town councils

Each year parish councils complete a return to identify changes to the services they undertake

Consideration of Determining the Contrary Resolution

In judging whether the contrary resolution should be passed in respect of any special expenses, the following matters are relevant:

- i) Whether in respect of this Council's expenditure the function is to be provided generally for the whole district or is to be restricted to a part or parts of the district?*
- ii) To what extent, if any, are restrictions placed on any part of the district as to the accessibility of the function?*
- iii) The use of the facility/activity to which the Special Expense relates.*

These matters must each be considered and a view taken as to whether it would be appropriate to pass the contrary resolution in respect of some of the budgeted expenditure on Special Expenses.

In determining how the burden of special items should be charged to the taxpayer of the district, the following matters need to be considered.

- i) Where is the facility situated?*
- ii) Who uses it?*
- iii) How much expenditure is to be spent in the various parts of the district?*

Wherever possible the Council aims to charge the cost incurred in performing a function in a part of the district, to the taxpayers of that part. In assessing the area of benefit to which a function identified as a special expense relates, parish boundaries have been treated as the appropriate areas.

The tax base for apportioning Special Expenses to each parish and the unparished area is that used to determine the Council's overall Council Tax base.

ANNUAL MINIMUM REVENUE PROVISION POLICY STATEMENT

Where relevant, figures included in the 2019/20 budget are based on the Policy Statement agreed by Council at their 27 November 2018 meeting which is as follows:

In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, the Council's policy for the calculation of MRP for 2019/20 shall be the Capital Financing Requirement Method for supported borrowing and the Asset Life (equal instalment) Method for prudential borrowing.

BACKGROUND PAPERS FOR THE DECISION

Working papers held in Accountancy

APPENDICES**Appendix A** Updated Financial Forecast 2019/20**Appendix B** Updated Net Savings Items 2019/20**Appendix C** Updated Cost Pressure Summary 2019/20

This page is intentionally left blank

UPDATED FINANCIAL FORECAST 2019/20

	Updated Forecast (Cabinet 9 November 2018)	Updated Forecast (Cabinet 14 December 2018)	Change
	2019/20	2019/20	
	£m	£m	£m
<i>Underlying Funding Growth in the Budget</i>			
Council Tax Increase 1.99%	(0.151)	(0.151)	0.000
Council Tax increase by £5 (amounts set out are over and above 1.99% above)	(0.082)	(0.082)	0.000
Growth in Business Rates - Inflation	(0.092)	(0.110)	(0.018)
Growth in Business Rates / Council Tax - general property growth	(0.130)	(0.576)	(0.446)
Collection Fund Surpluses b/fwd	(0.703)	(0.710)	(0.007)
	(1.158)	(1.629)	(0.471)
<i>Net Cost of Services and Other Adjustments</i>			
Reduction in RSG	0.648	0.648	0.000
Remove one-off items from prior year	(0.112)	(0.112)	0.000
Remove one-off items from prior year - Collection Fund Surplus	0.652	0.652	0.000
Inflation - Employee Costs (including annual review adjustments)	0.608	0.635	0.027
Inflation - Other	0.107	0.221	0.114
First / Second / Third year impact of PFH WP Savings	(0.115)	(0.115)	0.000
LCTS Grant to Parish Council's	(0.055)	(0.055)	0.000
Specific Changes in Use of Reserves	(0.060)	(0.069)	(0.009)
On-going savings / increases in income	(0.300)	(0.328)	(0.028)
Unmitigated Cost Pressures	0.150	0.126	(0.024)
Other Adjustments	0.000	(0.120)	(0.120)
	1.523	1.483	(0.040)
<i>Net Total</i>	0.365	(0.146)	(0.511)
Add back General Use of Reserves in Prior Year to Balance the Budget	0.144	0.144	0.000
<i>Net Budget Position</i>	0.509	(0.002)	(0.511)
Use of Forecast Risk Fund to support the Net Budget Position	(0.509)	0.002	0.511

Use of Forecast Risk Fund

Estimated Outturn b/fwd from prior years	(2.290)	(2.290)
Contribution from / (to) reserve	0.509	(0.002)
Planned additional contributions generated in year	(0.500)	(0.500)
Balance to Carry Forward	(2.281)	(2.792)

This page is intentionally left blank

APPENDIX B

INITIAL NET SAVINGS ITEMS 2019/20

	On-going or One-Off	2019/20 £	Comments
Increased Income - Investments	On-going	100,000	Based on performance to date and interest rate forecasts, it is expected that this level of additional income can be achieved from the Council's treasury management activities over the course of the year.
Reduction in Expenditure - Telephony	On-going	15,000	The on-going investment in IT and digital transformation has enabled this reduction in expenditure to be secured.
Increased Income - Street Naming and Numbering Fee Income	On-going	30,000	Against the context of current and historic performance, this level of income is expected to continue into 2019/20 and beyond
Reduction in Expenditure - Staff reorganisation	On-going	19,000	This money has become available as part of finalising a number of restructures with this amount being the on-going impact.
Reduction in Expenditure - External Audit Fees	On-going	15,000	This represents the expected reduction in fees following the External Audit tender and appointment process undertaken by the associated independent body.
Reduction in Expenditure - Staff Vacancy Provision	On-going	100,000	It is proposed to increase the existing vacancy provision from £200k to £300k to reflect a more up to date staff turnover rate. The new amount represents approximately 2% of total payroll with a staff turnover rate of 8% (slightly lower than existing rates) with average vacancy periods of 2 to 3 months per vacated post during the year.
<i>NEW ITEM IDENTIFIED SINCE CABINET REPORT 9 NOVEMBER 2018</i> Reduction in Expenditure - Minimum Revenue Provision	On-going	30,000	Debt is reducing year on year as it is repaid, therefore the minimum revenue provision, which is the amount set aside to repay debt, has reduced.
<i>NEW ITEM IDENTIFIED SINCE CABINET REPORT 9 NOVEMBER 2018</i> Reduction in Expenditure - Pension Added Years / Financial Strain	On-going	19,000	This reflects reducing contributions year on year relating to prior year pension adjustments / commitments.
Total		328,000	

This page is intentionally left blank

UPDATED COST PRESSURE SUMMARY 2019/20

Comments		2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 onwards £	Comments
Unavoidable items							
Included in updated forecast	REVENUE - Operational Services - Public Realm - Expiry of Commuted sums from developers to support open space maintenance etc.	25,000	33,500	33,500	33,500	33,500	Four areas of open space including a significant country park would not be able to be maintained to adequate standards.
Included in updated forecast (the amount has been subject to a reduction due to underlying growth in Council Tax which has partly offset the reduction in the sharing agreement percentage)	REVENUE - Corporate Services - Finance, Revenues and Benefits - Reduced income from the Council Tax Sharing Agreement with the major preceptors	59,850	118,620	118,620	118,620	118,620	The major preceptors have confirmed that they will be reducing the percentage they 'share-back' with district Council's within Essex (reducing from 16% to 14% in 2019/20 and to 12% in 2020/21).
Included in updated forecast	REVENUE - Operational Services - Environmental Services - Waste, Recycling and Street Cleansing Contract Costs	41,000	41,000	41,000	41,000	41,000	This reflects the slightly higher annual contract costs associated with the extension to the Waste, Recycling and Street Cleansing Contract as set out in the report to Cabinet in March 2018.
Total of Unavoidable Items		125,850	193,120	193,120	193,120	193,120	

Items to be mitigated via reductions elsewhere within the overall budget										
Not Included in updated forecast - The Service is requested to identify corresponding reductions elsewhere within their overall budget	REVENUE - Operational Services - Building and Engineering Services - Removing build up of sand on promenades	5,000	5,250	5,500	5,750	6,000	New beach levels along Clacton to Holland seafront have resulted in sand being deposited along the promenade which needs to be cleared on a frequent basis.			
Not Included in updated forecast - The Service is requested to identify corresponding reductions elsewhere within their overall budget	REVENUE - Corporate Services - People, Performance and Projects - Apprenticeship Levy	9,000	9,000	9,000	9,000	9,000	The required levy is calculated as a percentage of total payroll costs which have significantly increased due to the pay award in 2018/19 and 2019/20.			
Not Included in updated forecast at this stage - The Service is investigating the possibility of funding the cost of this item from the annual disabled facilities grant receivable from ECC.	REVENUE - Operational Services - Housing - Grant Coordinator Post	26,800	26,800	26,800	26,800	26,800	To bring onto the permanent establishment the Disabled Facilities Grant Coordinator post (currently 2 year fixed term post) to support the effective delivery of this service to residents.			
Total of Mitigated Items		40,800	41,050	41,300	41,550	41,800				
Items that can possibly be delayed until there is a surplus within the long term forecast										
Not Included in updated forecast at this stage - In light of the increase in costs, the business case will be revisited to identify the options for this site.	REVENUE - Operational Services - Public Realm - Milton Road Car park maintenance	23,000	23,000	23,000	23,000	23,000	This item compliments the capital item below by increasing the on-going maintenance budget to meet future expenditure.			
	CAPITAL - Operational Services - Public Realm - Milton Road Car park repairs	150,000	0	0	0	0	This represents the estimated increase in costs of repairing the car park over and above the £250k already in the capital programme for this project.			

Not Included in updated forecast - The current investment of £170k already within the Capital Programme would provide capacity for the short / medium term so this item will be reviewed again as part of the forecast in future years.	CAPITAL - Operational Services - Public Realm - To extend Clacton Cemetery	200,000	50,000	0	0	0	This cost is over and above the £170k already within the Capital Programme for this project but this would secure capacity for the foreseeable future
Total of Items that can possibly be delayed		373,000	73,000	23,000	23,000	23,000	

Optional Items Delivering against Council Priorities

Subject to further consideration	REVENUE - Operational Services - Customer and Commercial Services - Staff Restructure Costs	47,200	47,200	47,200	47,200	47,200	A service restructure is proposed to support the wider transformation project.
Subject to further consideration	REVENUE - Operational Services - Sport and Leisure - Clacton Airshow	60,000	60,000	60,000	60,000	60,000	To support the increasing cost of the show, including the night flight display.
Subject to further consideration	REVENUE - Operational Services - Sport and Leisure - Sea and Beach Festival	20,000	20,000	20,000	20,000	20,000	To build this event into the ongoing base budget rather than it being a one-off item each year.
Subject to further consideration	REVENUE - Operational Services - Sport and Leisure - 'Love Clacton' TV advert	25,000	25,000	25,000	25,000	25,000	To build this activity into the ongoing base budget rather than it being a one-off item each year.
Subject to further consideration	REVENUE - Planning and Regeneration - Regeneration - Contribution to Mental Health Hub	23,000	23,000	23,000	23,000	23,000	To build this activity into the ongoing base budget rather than it being a one-off item each year.
Subject to further consideration NEW item added since the Updated Financial Forecast was reported to Cabinet on 9 November 2018	REVENUE - Office of Chief Executive - Establishment of an Anti-Social Behaviour Officer	30,600	30,600	0	0	0	To establish a two year fixed term post responding to related issues within the district.

Subject to further consideration	CAPITAL - Operational Services - Public Realm - Refurbishment of toilets at Weeley Crematorium and Cemeteries Clacton	100,000	0	0	0	0	Refurbishment / upgrading required to minimise external competition and to ensure assets are maintained to a high standard reducing future maintenance costs.
Subject to further consideration	CAPITAL - Operational Services - Public Realm - To provide additional security measures at Bath House Meadow	20,000	0	0	0	0	This proposal will reduce unauthorised incursions in the car park, open space and play areas by a number of groups including youths at night in vehicles. This proposal will improve security and reduce ongoing maintenance costs.
Total of optional items that deliver against council priorities		325,800	205,800	175,200	175,200	175,200	
TOTAL ALL ITEMS		865,450	512,970	432,620	432,870	433,120	

Key Decision Required:	Yes	In the Forward Plan:	Yes
-------------------------------	------------	-----------------------------	------------

CABINET

14 DECEMBER 2018

REPORT OF THE INVESTMENT AND GROWTH PORTFOLIO HOLDER

A.7 SME GROWTH FUND PROGRESS REPORT

(Report prepared by Laura Richardson, Funding Officer)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

At its meeting on 20 April 2018 Cabinet determined to extend the Council’s SME Growth Fund to 31 March 2020, and to widen the focus of the scheme to include all non-retail sectors. To fund this extension Cabinet allocated £250,000 from uncommitted funding which at that time was set against the Growth Fund Budget.

Since April 2018 five applications have secured a positive appraisal and have been awarded grant funding totalling £261,853. A further two applications are currently in the pipeline but these are yet to be progressed to Full Application. In addition several businesses are in the process of registering their interest in securing grant funding through the scheme.

Cabinet is therefore asked to allocate a further £250,000 to the SME Growth Fund scheme, in order that the Council’s work to stimulate enterprise, innovation, business and employment growth via fund can continue.

EXECUTIVE SUMMARY

The Corporate Plan Priority ‘Employment and Enjoyment’ aims to support business growth, create new employment and improve skills across Tendring. The SME Growth Fund is currently one of the most tangible ways in which the Council provides direct support to businesses through grant funding to facilitate growth.

The Fund was re-launched in April 2018, with the expansion of criteria agreed by Cabinet in April 2018 allowing for support to be targeted at small and medium sized businesses in all non-retail sectors across the District. The scheme recognises the vital role Tendring’s businesses (SMEs) play in underpinning the stability and growth of the local economy.

Since April 2018, five applications have been awarded grant funding totalling £261,853. This has leveraged £572,849 private investment and will safeguard 16 existing whilst creating 17.5 FTE new jobs.

A further two applications are currently in the pipeline but these are yet to be progressed to Full Application. In addition several businesses are in the process of registering their interest in securing grant funding through the scheme.

Overall, since the schemes launch in late 2015, ten applications have been supported by the Fund. This equates to a total grant allocation of £400,104 (which includes £125,000 provided by Essex County Council when the scheme was first launched). This funding will

create 37 new FTE jobs and safeguard 17.5 FTE jobs, and leverage £831,852.31 in private sector investment. This level of investment in Tendring's economy represents a positive return on the Council's financial contribution to businesses via the scheme.

Given the success of the scheme, Cabinet is asked to allocate a further £250,000 to the SME Growth Fund scheme in order that the Council's work to stimulate enterprise, innovation, business and employment growth via this mechanism can continue.

This allocation would be funded via currently unallocated resources in the Council's Business Investment and Growth Budget, and would be used to support pipeline projects (those currently the subject of formal appraisal), as well as new applications from qualifying businesses.

It is estimated that this allocation will create an additional 35 FTE and/or Safeguarded jobs and leverage a minimum of £250,000 in private sector investment. This will be monitored through regular reports in line with the Council's corporate performance reporting framework.

RECOMMENDATION(S)

It is recommended that Cabinet agrees to the SME Growth Fund scheme being allocated a further £250,000 from unallocated resources in the Council's Business Investment and Growth budget.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The SME Growth Fund responds directly to the corporate goals identified within the Council's Corporate Plan 2016-2020 and to the objectives of the Council's Economic Development Strategy (EDS). Provision of the Fund also accords with the Council's community leadership role.

Specifically the scheme responds to the following Corporate Goals:

Employment and Enjoyment

- To support business growth
- To enable better job prospects

Our Priorities and Projects 2017/2018, Corporate Director (Planning and Regeneration Services)

- Attracting and sustaining employment and business
- Connecting our residents to business opportunities.

The scheme also responds to the following objectives of the Council's Economic Development Strategy:

- Objective 1: Supporting Tendring's growth locations by intervening in areas where the potential for economic growth is highest and where there is a strong case for intervention particularly (but not exclusively) in Harwich, Clacton and West

Tendring;

- Objective 2: Targeting growth sectors, which are best placed to support growth and job creation within the District's economy; and
- Objective 4: Supporting modernisation, diversification and growth within the business base, improving innovation and inward investment and creating dynamism in the economy that will make Tendring more competitive and resilient to national and international shock.

FINANCE, OTHER RESOURCES AND RISK

Finance and other Resources

The revised scheme approved by Cabinet in April 2018 allocated £250,000 to the SME Growth Fund scheme.

As outlined in this report, all of the £250,000 allocated in April 2018 has now been committed to SME Growth Fund projects, and as a consequence Cabinet is asked to allocate a further £250,000 from uncommitted resources in the Council's Business Support and Investment budget.

In addition to the funding allocated to the SME Growth Fund, the Council also resources the management and administration of the scheme. For the most part these costs relate to staff time, the cost of which has already been accommodated within the Council's staffing budget and are therefore absorbed as part of the Council's day-to-day staffing function.

The Council also resources the cost of credit checks that may be undertaken as part of the project appraisal process and also any third party specialist advice, which may be necessary to complete the appraisal of complex applications (to date this has not been a requirement). These costs are not prohibitive and are accommodated within existing budgets.

Risk

The successful implementation of the scheme is subject to a number of potential risks. These include:

- An inability to successfully engage with the private sector (key businesses) to drive grant applications from eligible businesses;
- Failure of the scheme to meet the objectives identified and/or to secure the growth anticipated;
- The capacity within the Regeneration, Inward Investment and Growth Team to effectively manage the scheme; and
- A shift in corporate priorities and policy objectives following political change (national and local).

The Regeneration, Inward Investment, and Growth Team will continue to control and mitigate these risks as part of its administrative and management function and will identify, track, and report on risks as part of its project management responsibilities.

Staff engaged in the assessment of applications will be provided with training (as appropriate) to ensure that they have the skills necessary to interrogate business plans and to interpret the financial information provided by applicants. External specialist advice

may be sought as and when this is absolutely necessary.

LEGAL

Since 1972 Local Government has been able, under a range of powers, provide financial assistance to businesses to promote economic development in their area. The current and widest power is contained within the General Power of Competence under the Localism Act 2011.

Grants are made under the *de minimis* regulations for State Aid. Under *de minimis*, a business may not receive more than 200,000 Euros assistance from state sources within any rolling 36-month period. This would include, but not be limited to, any grant awarded under the scheme.

As with any scheme, under which various applications could be received, it is essential that the eligibility and assessment criteria are clearly set out and the decision making process is robust and transparent. As currently configured, the scheme provides detailed information on these elements. The Project Appraisal Manual (grant rules and criteria) adequately addresses the State Aid considerations and how these will be taken into account during the application process.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed recommendation in this report with respect of: Crime and Disorder; Equality and Diversity; Health Inequalities; Area or Ward Affected; Consultation and Public Engagement; and any significant issues are set out below:

Evidence suggests that there is a direct link between economic prosperity and social inequality. The scheme seeks to improve the economic performance and vitality of the district by creating growth in the economy. In so doing the scheme will help secure the economic opportunities that exist within the district whilst indirectly tackling the broad range of deprivations and inequalities prevalent in the area.

Area or Ward Affected

The scheme applies to all Wards in the district.

Consultation and Public Engagement

On-going communication and participation with eligible sectors within the business community will continue to be essential if the Council is to achieve the successful implementation and delivery of the scheme. The Regeneration, Inward Investment and Growth Team use a wide range of diverse media (local and regional press, flyers, attendance at relevant events, and working with partner organisations, website promotion and targeted electronic mailshots) to promote the availability of the scheme to businesses across the District.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Overview

In April 2018 Cabinet agreed to extend the scheme to March 2020 and to broaden the criteria in order to focus support all non-retail sectors.

The scheme objectives are to:

- Create a Growth Fund targeted to facilitate economic growth across Tendring through providing support for existing or new businesses;
- Concentrate assistance on those businesses which support the growth and diversification of the economy; and
- Contribute to a sustained increase in value, job creating potential, and to the sustainability of these businesses.

The intervention rate for new and established businesses is set at up to 50%, thus making the scheme far more attractive to established businesses. Cabinet also approved a 'fast-track' mechanism for start-ups and small businesses requiring funding of between £3,000 and £15,000.

Performance

The fund is administered and managed by the Council's Regeneration, Inward Investment & Growth Team. Grants are awarded through a Grants Panel comprising representatives of the Council and external partners.

The Grants Panel currently comprise:

- Cllr. Zoe Fairley, Investment and Growth Portfolio Holder, Tendring District Council
- Anita Thornberry, Haven Gateway Partnership
- Katie Skingle, KAT Marketing (Private Sector)
- Ewan Green, Corporate Director (Planning and Regeneration Services), Tendring District Council
- Richard Barrett, Head of Finance, Revenues & Benefits Services, Tendring District Council

The table below summarises the performance of the scheme since its re-launch in April 2018.

Scheme Performance April 2018 – November 2018

Expressions of Interest Received	15
Full Applications Received	7
Approved by Panel	5
Grant Support Committed	£261,853
Grant Support Subject to Contract	£261,853
Private Sector Funding Leveraged	£572,849
FTE Roles to be Created	17.5 FTEs
FTE Roles to be Safeguarded	16 FTEs
Apprenticeships Created	1

Further information on the overall performance of the SME Growth Fund since its launch in 2015 is attached at [A.7 Appendix A](#).

The Regeneration Team seeks to work with every applicant in an effort to ensure that their application is as robust as possible and thereby increasing the likelihood of a positive appraisal.

Promotion

Since the scheme was launched in late 2015, the Council has received 140 enquiries about the fund. This suggests that the Council's promotion of the scheme has been successful in reaching its intended target audience (Tendring's business community).

The Regeneration Team has worked closely with partner organisations including the BEST Growth Hub, Norfolk and Waveney Enterprise Services (NWES), Invest Essex, the Department for International Trade (DIT), local banks, solicitors and accountants to ensure the scheme is promoted throughout (and outside of) the Tendring District; colleagues from these organisations have access to hard and electronic copies of the flyers and Information Packs to distribute these to businesses within their own areas of responsibility.

The Team have also made use of both traditional and social media formats to promote the scheme as well as via a dedicated webpage on the TDC website.

The scheme currently encourages applications from start-ups and existing small business and in April 2018 the assessment criteria was amended to enable funding decisions to be 'fast tracked' for applications of between £3,000 and £15,000. If Cabinet determine to allocate additional funding to the scheme, additional effort will be made to promote the Fund to start-ups and established small businesses via traditional and digital media and via the Regeneration Team's work with the Council's partners.

CURRENT POSITION

The SME Growth Fund scheme is currently operational. Subject to Cabinet approval, the recommendations set out in this report can be implemented immediately.

FURTHER HEADINGS RELEVANT TO THE REPORT

There are none.

BACKGROUND PAPERS FOR THE DECISION

There are none.

APPENDICES

See below

A.7 Appendix A

This provides:

- A) Overall Scheme Performance Information 2015 – 2018.
- B) Sector, Location and Projects Analysis.
- C) Two Case Studies.

A. Overall Scheme Performance Information 2015-2018

B. Sector, Location and Projects Analysis

Sector	Location	Grant Awarded	Total Cost of Project	Full Time Roles created and/or Safeguarded	Purpose of Project
--------	----------	---------------	-----------------------	--------------------------------------------	--------------------

Enquiries/Registrations of Interest	140
Formal Expressions of Interest Received	60
Full Applications Received	24
Approved by Panel	10
Grant Agreements Signed	7
Grant Support Committed	£400,014
Private Sector Funding Leveraged	£831,852
FTE Roles Created	37 FTEs
FTE Roles Safeguarded	17.5 FTEs
Apprenticeships Created	2

APRIL 2016 to APRIL 2018

Electrical Engineering	Brightling sea	£3691.26	£18,456 £14,765 match funding from own resources	1 FTE created	Purchase of a company vehicle.
Research and Development	Clacton	£12,000	£24,000 £12,000 match funding from own resources	1.5 FTE created	The start-up of the business, including procurement and kit out of appropriate office space and patenting costs.
Manufacturing	Ardleigh	£15,559.95	£77,797 £62,237 match funding from own sources	4 FTE created	Support to relocate from Colchester, as well as the purchasing of new machinery to expand capacity and diversify product range.
Manufacturing	Clacton	£30,000	£123,000 £93,000 match funding from bank loan	2 FTE created 1.5 FTE safeguarded	The purchase of machinery which allowed efficiency savings by bringing previously outsourced

					functions in-house.
Manufacturing	Brightling sea	£77,000	£144,000 £77,000 sourced through private investment via investors	11 FTE created	Startup of the business, including setup of factory and warehousing space as well as import of materials.
APRIL 2018 TO DATE					
Marketing	Elmstead Market	£37,500	£75,000 £37,500 match funding through Working Capital programme and own funds	6 FTE created	Support to relocate to a larger office within Tendring and equipment to enable an increased workforce to target identified growth areas.
Marketing and Printing	Clacton	£50,000	£102,290 £52,290 match funding through own funds	2.5 FTE created 3 FTE safeguarded	The purchase of new, more efficient machinery which will allow a diversified product range as well as shorter lead times for customers.
Electrical Engineering	Brightling sea	£29,353.16	£117,412 £88,059 match funding through own funds	4 FTE created	Investment in new equipment to upskill existing engineers and take new staff on board.
Manufacturing	Lawford	£20,000	£40,000 £20,000 match funding through private investors	1 FTE created 2 FTE safeguarded	The enable the start-up of the business as well as the purchase of required materials and marketing capability, enabling the company to take on an apprentice.
Manufacturing	Harwich	£125,000	£500,000 £375,000 match funding through own	4 FTE created 11 FTE safeguarded	To allow rationalisation of current offices (one in Tendring, one outside of the District) to

			funds		centralise in Harwich and bring existing roles over. To achieve this by building and equipping an extension to current premises.
--	--	--	-------	--	----------------------------------------------------------------------------------------------------------------------------------

Two Case Studies

1. Nantmor Blinds, Clacton

Nantmor Blinds, a blinds and awnings manufacturer based in Clacton, successfully applied for a grant of £30,000 through the SME Growth Fund to be matched with £93,000 of bank finance. The grant was spent on an Auto Louvre machine, which allows the company to make fabric strips for vertical blinds.

Although the track was always made in-house, the louvre process was previously outsourced to a company in Kent, incurring costs to do with contracting, transport and lead times which meant Nantmor Blinds seriously considered no longer offering this product.

As a result of receiving grant support through the SME Growth Fund, production has been moved in-house entirely, resulting in a 30% increase in like for like sales, 2 FTE roles created to operate the machinery, 1.5 FTE roles safeguarded by continuing to offer this product and reduced lead times for customers. Feedback from the applicant not only centred on the successful figures, but also commented on the support having injected new life into the company, with staff morale increased as Directors invest in the future.

2. GlobalTec Innovation Limited, Brightlingsea

GlobalTec Innovation Ltd. develops, manufactures and distributes football-launching machines for grassroots to professional clubs and schools to improve their coaching, training and games.

Now based in Brightlingsea, the business relocated from Colchester with the support of a £77,000 grant through the SME Growth Fund in order to upscale their manufacturing process and create 11 FTE roles. Demand for their product has increased as forecast, and the warehousing space offered by their new site has allowed the business to not only operate from one centre, but also store more materials and assembled machinery, reducing lead times for customers. They also have the space to test the viability of bespoke adaptations for a range of new customers, for example adapting the machine's specifications for Gaelic football.

Feedback from the applicant encouraged other businesses to apply for support through the Scheme, saying it had offered a huge benefit in terms of scaling up and commercialising the product.

This page is intentionally left blank

Key Decision Required:	Yes	In the Forward Plan:	Yes
-------------------------------	------------	-----------------------------	------------

CABINET

14 DECEMBER 2018

JOINT REPORT OF THE FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER, THE INVESTMENT AND GROWTH PORTFOLIO HOLDER AND THE LEISURE AND TOURISM PORTFOLIO HOLDER

A.8 MAYFLOWER 400: AN OPPORTUNITY FOR TENDRING (Report prepared by Michael Carran)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To request that Cabinet agrees an action plan and associated budgetary provision to set out the Council’s commitment to the Mayflower 400 commemorations.

EXECUTIVE SUMMARY

- | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • The year 2020 marks the 400th anniversary of the sailing of the Mayflower ship to America. The port of Harwich played an intrinsic role in this iconic story which is linked to the birth of American civilisation and the story of Thanksgiving. The ship and its captain, Christopher Jones hail from our historic town and John Alden, the Cooper and first pilgrim to set foot on American soil, is widely believed to have originated from Harwich.
 • Four hundred years after The Mayflower set sail to the New World, this anniversary provides a once in a generation opportunity for our coastal community town to regenerate its tourism offer and open the door to new markets and much needed long term economic development. It is widely believed that thirty five million people can claim to be descendants of the Pilgrims who boarded the Mayflower and evidence shows that 12% of the general US population see the anniversary as a reason to visit England in 2020 and revisit the story of their ancestors. This evidence is supported by a number of Mayflower themed tours already being promoted in the United States (US) and a number of bookings confirmed from 2019 onwards.
 • An externally commissioned report projects that the economic impact of Mayflower 400 nationally for the period 2019-2024 is anticipated at £615m increase in direct spend and £768m in business turnover. Even a very small proportion of this national uplift being directed to Tendring would have a wide ranging impact on the local economy.
 • The Council has been working with the ‘Mayflower Compact’, which is a group of national and international partners for around three years to develop an official ‘Mayflower Trail’ to expand and open new tourism markets in the United States, Holland and wider UK. A decision has already been made to open up the historic house of Captain Christopher Jones to visitors for the first time; |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- The Mayflower Compact is a unique partnership of 11 UK destinations which are connected by the Mayflower story. With Central Government money and other external funding secured over recent years, the group has been able to work extensively with the US travel market and promote the trail at international trade shows such as 'World Travel Market' and 'Seatrade'. This has elevated Tendring to a platform it could not achieve in isolation and attracted US journalists, esteemed travel writers and importantly confirmed group travel bookings some two years in advance of their arrival. Through this platform, Mayflower 400 has the potential to confirm and re-establish Tendring as a District of outstanding heritage on an international level and be the catalyst for long term regeneration through tourism.
- Harwich has a stunning story and historically proven connection with Mayflower history, but a tangible tourism product is required to ensure a high quality, sustainable experience is offered to visitors. With that in mind, an action plan, including visitor attractions, events and physical assets has been developed to maximise the benefits of this iconic anniversary and to showcase the heritage offered by Harwich and the wider Tendring District. This will cost £135,000, but has the potential of attracting further external funding in the lead up to 2020. The action plan is set out in Appendix A and includes the opening of Christopher Jones' house together with the following projects:
 - Providing a Welcome/Heritage Centre to showcase the relationship between Harwich and the Mayflower in an interactive museum style experience;
 - Providing a tangible trail around the historic town of Harwich, including way markers, trail-heads and pavement plaques;
 - A diverse programme of Mayflower themed events throughout the anniversary year;
 - A programme of sport.
- It will take a collaborative approach with a range of key partners and support from the local business community to ensure the full potential of Mayflower 400 is realised. With that in mind, the budget identified will be used to attract additional funding from partners, such as Essex County Council and Harwich Town Council and provide match funding to for appropriate external funding bids. The Council is actively talking to partners about additional investment. Each project listed in the action plan will require the authority of the Cabinet Members for Finance and Corporate Resource, Investment and Growth and Leisure and Tourism before progressing.

RECOMMENDATION(S)

a) That Cabinet adopts the action plan for Mayflower 400 set out in Appendix A of this report.

b) That, subject to a) above, a budget of £135,000 is set aside in 2018/19 (£68k from the Business Investment and Growth Budget and £67k from New Burdens Funding carried forward from 2017/18) to support the Mayflower 400 action plan (as set out in Part 2 of this report)

c) That subject to a) and b) above, authority for allocation of the budget to individual projects, together with securing match funding on a project by project basis, is delegated to the Cabinet Members for Finance and Corporate Resource, Investment and Growth and Leisure and Tourism.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The delivery of the Mayflower 400 action plan will support the Council's priority to contribute to Mayflower 400 commemorations, as set out in 'Our Priorities and Projects 2018/19' and wider economic growth.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Budget for Mayflower 400

The cost of delivering the action plan is estimated to be £135,000, and it is proposed to set aside money from the Business Investment and Growth Budget, together with New Burdens Funding to support Mayflower activities.

This budget will be spread over 3 financial years ending in 2020/21 and is based on a projected sum allocated for each project, as shown in Appendix A.

Allocation of Budget

It is recommended that the budget set aside to support the Mayflower 400 action plan is 'drawn down' through a concurrence process signed by the responsible Cabinet Members. As such, once each project is confirmed by responsible officers, it will be agreed with the Portfolio Holders before the appropriate proportion of the budget is allocated.

There is potential to attract additional funding from partners, Section 106 monies and award bodies to supplement the budget provided. Officers will look at potential funding pots with a view to applications being made in the lead up to the anniversary.

The national Mayflower Compact has already attracted a total of £750,000 from Central Government and a further £500,000 from Discover England Funding. This money has been used to sell the bookable tourism product to the US and Dutch Markets and develop a digital app to support the trail. The group has active funding bids submitted with other award bodies, to further develop the Mayflower 400 offer nationally.

Economic Impact

Research by Visit Britain shows that visitors from the USA are the UK's highest spending and second largest market. In 2015 the USA was the second biggest market to England by volume accounting for 9% of all visits, 3,266,000. US Visitors will spend the most money on a holiday to England, £3,010 million/14% of all visitor spend.

Research commissioned by the Compact projects that the economic impact of the national programme is modelled to be £147m in the year 2020 alone. But the period of economic benefit will extend in advance and significantly after 2020 with economic impact for the period 2019-2024 anticipated at £615m increase in direct spend and £768m in business turnover.

Research conducted on behalf of Destination Plymouth demonstrates that the commemoration represents a significant opportunity to re-position English tourism product to the US market to grow inbound visits in 2020 and in the 10 years afterwards as the whole East coast of the USA turns 400 up to Boston in 2030.

A cost benefit analysis conducted on the positive media coverage received so far nationally, is in the region of a quarter of a million pounds alone.

The volume of visitors from the US to the UK grew in 2016 while volumes from other

countries were in decline. It is notable however that growth in volume from US is driven primarily from London. Mayflower 400 provides a route to expand on trips outside of London, acknowledging the critical role the city will play for the majority of visitors but providing detail on routes and itineraries out into the regions, including Harwich.

Risk

The delivery of the action plan is reliant on close working relationships with cross sector stakeholders. This is mitigated by the close working relationships formed in recent years through the Harwich and Dovercourt Tourism Group and working with a wide selection of key partners.

LEGAL

The proposals are within the Council's powers. The Request for allocation of budget is in accordance with the Budget and Policy Framework, as set out in Part 5 of the Council's Constitution.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Area or Ward Affected

The key ward affected is Harwich East Ward, but this has the potential to impact on the entire District.

Health Inequalities

Health inequalities and financial disadvantage are intrinsically linked and a project with the potential for regeneration and job creation may have an impact in the medium and long term.

Consultation

The Harwich and Dovercourt Tourism Group, which is made up of a wide range of organisations have been involved in discussions about this action plan and contributed towards its development. As such, the plan has the broad support and importantly 'ownership' of the local community.

The Council, in partnership with the tourism group organised a 'Mayflower Conference' which took place at Harwich International Port in March 2018. This was attended by business owners, representative of the tourism industry and local educational professionals. The purpose of this gathering was to update the local community on the progress of Mayflower 400 and engage local business to consider their contribution. If a number of businesses put together their bespoke Mayflower themes, events and projects, this will significantly add to the value and create a holistic high quality visitor experience.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Mayflower 400 Compact

The Council has been working with partners from across 11 key destination involved in

the Mayflower story over the last two years. The primary aim of the group, which is working under the banner of the '*Mayflower Compact*', is to devise and promote a national Mayflower trail as a bespoke tourism package and sell it to the US and Dutch markets.

The group have visited the US on two occasions and promoted the 'UK Mayflower Trail' at a number of international travel exhibitions over the last 12 months, including the 'World Travel Market' in London. Indicative feedback from these events has been extremely positive and Mayflower packages are already on sale in the US from 2018 through to 2020; and itineraries include Harwich.

Work has commenced on both an arts and culture and sports programme to support the commemorations. A significant amount of external funding has been awarded to support the groups activities and further bids have/are due to be submitted, e.g. Arts Council.

A series of high profile and colourful events is also being planned nationally and a local element to this is crucial in driving interest.

Further to the action plan, the group are also working collectively on a tour of 'Tall Ships' Mayflower Films

Harwich and Dovercourt Tourism Group

The Council has been working with representatives from the public, private and voluntary sectors over the last 3 years to develop the tourism industry in Harwich. This is Chaired by the Managing Director of the Milsom Hotel Group and includes representatives from the Harwich Haven Authority, Harwich Society, Harwich Town Council, Harwich Festival of the Arts, Harwich Mayflower Trust, representatives of the retail sector, Harwich Connexions, Hotels/Restaurants and others. The Council has played a key role in this group and has contributed towards delivering new branding for Harwich, a new website and promotional campaign.

The action plan outlined in this report will be supplemented by other locally organised events/projects and is not an exhaustive list, but an overview of the key components of the proposed Harwich offer.

Harwich Town Council and Harwich Haven Authority have provided funding for projects delivered by this group. This has included the Historic Harwich tourism website and regional distribution of a tourism leaflet.

BACKGROUND PAPERS FOR THE DECISION

None.

APPENDICES

Appendix A - Action Plan

APPENDIX A

MAYFLOWER 400 ACTION PLAN

PROJECT	DESCRIPTION	APPROXIMATE COST (£)	POTENTIAL FOR MATCH FUNDING	OUTCOME
Mayflower 400 Welcome Centre	<p>Discussions have taken place with representatives of St Nicholas' Church to host a 'Welcome/Heritage Centre' for Mayflower 400 at Esplanade Hall, which will be the focal point for visitor information, booking Harwich Society tours and exhibiting the '<i>Harwich Mayflower story</i>' with appropriate artefacts and history, displayed on professional museum style presentations. Research undertaken by the Harwich Society, local and international historians including MA History Students from the University of Essex would be used in this hub for the commemorations.</p> <p>The Welcome Centre will be staffed by Harwich Society volunteers and would also include a virtual reality presentation depicting Harwich at the time of Christopher Jones and the Mayflower together with other short films.</p> <p>The Church has agreed for the building to be used and there is a plan for refurbishment of this historical and popular local building. The building is ideally located for ease of access from the main transport hub at Harwich Railway Station and would be a focal point of the Mayflower trail. It should be noted that this building will be restricted for use in 2020 and will not be available as a long term asset. If this project is a success, it may be aspired to locate another building to ensure a legacy from Mayflower 400.</p> <p>The budget for this project will be used for museum style displays, virtual reality presentations and the production of short films. All of these will be used as long term visitor attractions.</p>	£50,000.	Yes	<p>Visitors to any attraction require a sense of welcome. When the first visitors arrive for Mayflower tours, they will inevitably provide digital reviews and this attraction will play a key role in ensuring their positivity.</p> <p>For the first time, this venue will establish the relationship between Harwich and the Mayflower story in a</p>

				<p>rounded manner. This will not only ensure the full story is 'told' but will instil a sense of local pride.</p> <p>All the material developed for this venue will be reusable in the future and can form the basis of displays at other venues. This could also include international exhibitions in the US and Holland, which would significantly raise the profile of Tendring as a visitor destination.</p>
Mayflower 400 Heritage Trail	In order to guide visitors around Harwich, taking in the key landmarks and business areas, it is important to devise a tangible Mayflower Heritage trail. This will include plaques set into	£40,000 <i>The Council is</i>	Yes	A long term asset will be established to

	<p>footpaths with key information, interspersed with new public art, way markers and trail heads commemorating Harwich and its relationship with the Mayflower story. Some of these assets may require planning permission.</p> <p>The trail will be supplemented during peak season and key dates, by including members of the Harwich and Dovercourt theatre group dressed in period costume through the streets of the town.</p> <p>The National Mayflower Compact is in the process of working up standard designs for trail markers, to ensure uniformity throughout the official Mayflower destinations. This will create a sense of arrival for visitors and confirm their arrival in a bona fide 'Mayflower destination.'</p>	<p><i>actively seeking a partner organisation to sponsor this project.</i></p>		<p>allow visitors to navigate their way around Historic Harwich and bring to life the Mayflower story with a mixture of public realm and digital technology.</p> <p>The trail will significantly improve the attractiveness of the public realm and provide a route past local businesses, to support the local economy.</p>
<p>Programme of Events</p>	<p>It is envisaged that a programme of events will take place throughout 2020, to add value to the Mayflower Trail, attract visitors and raise the profile of Harwich/Tendring. Discussions are taking place with event organisers to 'brand' current events under the 'Mayflower' banner.</p> <p>This budget will be used for a bespoke 'Harwich Mayflower' event to be organised for key dates throughout the year – as an additional visitor attraction. All Mayflower events are being promoted through the national website and promoted to group</p>	<p>£20,000</p> <p><i>Additional funding could be pursued from other sources to supplement this budget.</i></p>	<p>Yes</p>	<p>Tendring has significant experience in the power of managing events to underpin the tourism industry. A year long</p>

	<p>travel organisations in the US and Holland.</p> <p>Due to the resources required to organise events of this nature, it might be possible to commission the management of this project to either a local cultural organisation or partner with Essex County Council.</p>			<p>programme of events will provide add vibrancy to the commemoration year, attract additional visitors and importantly add value to the visitor offer as well as raising the profile of Tendring.</p>
<p>programme of sport</p>	<p>Together with the National Mayflower Compact Group, a programme of sporting activities is being planned to commemorate the anniversary and engage with all members of the community. A small grant fund will be allocated, for local clubs and organisations to bid for set up costs and a 'Mayflower Start up Pack.' This funding is being sourced nationally and Tendring are the lead organisation on this element of the national programme.</p> <p>Discussions are taking place with organisations such as the RYA, national running event organisers and Sweetspot to devise a comprehensive programme of sports to increase participation, encourage sports tourism and attract a number of nationally significant events.</p> <p>There will not be any funding provided locally for his project.</p>	<p>£0</p>	<p>Yes</p>	<p>A mass participation sports programme will raise the profile of Mayflower 400 locally.</p> <p>A number of 'sports tourism' events are being planned, which will result in sports clubs from the various Mayflower destinations</p>

				visiting and staying in Harwich.
<p>Marketing and Promotion and the development of a Tendring Legacy from Mayflower 400</p> <p>Page 156</p>	<p>If increased visitor numbers are experienced during 2020, particularly from the US and Dutch markets, there is a real opportunity to use the anniversary as a District wide catalyst for economic growth in the tourism sector.</p> <p>Building on the foundations that this action plan will establish the District as an internationally important heritage area and wider itineraries could be offered, including the Manningtree Witchfinder Trail with significant appeal to the US market.</p> <p>Increased footfall and visitor numbers has the ability to attract further private sector investment, local investment and jobs, together with other new opportunities.</p> <p>Part of this budget will be allocated to a promotional campaign to supplement that which is taking place nationally and internationally. The remainder will be used as match funding for funding bids submitted by the national Mayflower Compact for promotional campaigns in the US and Holland.</p>	£25,000	No	<p>It is essential to market and promote the development of Harwich as a heritage destination, to create the legacy that will ensure tourists continue to visit our District and Tendring will become a stable part of group travel organisations itinerary.</p>
<p>The House of Captain Christopher Jones</p> <p><i>Note: The costs for this project have been allocated separately.</i></p>	<p>The house of Christopher Jones situated in Kings Head Street, Harwich is currently in private ownership, but the owner has agreed a rental arrangement the Council, to enable this historically important building to be accessible to visitors in 2020.</p> <p>The potential of this attraction being part of a national Mayflower trail in 2020, has been met with excitement by the group of 11 destinations working together to promote a cohesive tourism package to the US market.</p> <p>A significant part of the house has been restored to expose its original features and research has shown that authenticity such as</p>	This project is already funded.		<p>The house of Captain Jones will be one of the most significant attractions of the national Mayflower 400 trail. It is likely to be a key draw for visitors.</p>

	<p>this will appeal to US Visitors. Discussions have taken place with the Harwich Society about managing the house and incorporating audio visual displays (AV), together with historical documents and artefacts to ensure the house is a quality visitor attraction.</p>			<p>National and international group travel organisers have expressed their excitement about such a key heritage building being accessible during the anniversary year and beyond.</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

This page is intentionally left blank