



CABINET

DATE:	Friday, 13 September 2019
TIME:	10.30 am
VENUE:	Essex Hall - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor Stock OBE	- Leader of the Council
Councillor Broderick	- Independent Living Portfolio Holder
Councillor C Guglielmi	- Deputy Leader of the Council & Corporate Finance and governance Portfolio Holder
Councillor P Honeywood	- Housing Portfolio Holder
Councillor McWilliams	- Partnerships Portfolio Holder
Councillor Newton	- Business and Economic Growth Portfolio Holder
Councillor Porter	- Leisure and Tourism Portfolio Holder
Councillor Talbot	- Environment and Public Space 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, 4 SEPTEMBER, 2019

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 - 12)

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 19 July 2019.

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

There are none on this occasion.

7 Matters Referred to the Cabinet by a Committee

There are none on this occasion.

8 Leader of the Council's Items - A.1 - New Corporate Plan 2020 - 2024 (Pages 13 - 22)

To seek Cabinet's approval to the draft Corporate Plan 2020/24 and its initial proposals for consultation and examination by the Overview and Scrutiny Committees.

9 Cabinet Members' Items - Joint Report of the Business and Economic Growth Portfolio Holder and the Corporate Finance and Governance Portfolio Holder - A.2 - Rejuvenating Clacton Town Centre (Pages 23 - 44)

To update the Cabinet on the work of the Clacton Town Centre Working Party and the progress of the Council's successful bid to the Government's 'Future High Streets Fund' in respect of Clacton Town Centre;

To seek the Cabinet's endorsement of the future vision for Clacton Town Centre and for the 'Love Clacton' brand;

To seek Cabinet's approval for a 'Plan of Action' for Clacton Town Centre containing short, medium and long-term measures developed from the ideas of the Clacton Town Centre Working Party; and

To agree the approach to ongoing engagement with businesses, residents and partners in respect of Clacton Town Centre.

10 Cabinet Members' Items - Joint Report of the Business and Economic Growth Portfolio Holder and the Corporate Finance and Governance Portfolio Holder - A.3 - Starlings Site and Milton Road Development, Dovercourt, Harwich (Pages 45 - 56)

To seek Cabinet's agreement to deliver two key regeneration projects within Dovercourt Town Centre: the redevelopment of the Starlings site in Dovercourt Town Centre and the demolition of the Milton Road Car Park.

11 Leader of the Council's Items - A.4 - North Essex Garden Communities Ltd: Approval of 2019/20 Interim Business Plan and Budget (Pages 57 - 124)

To seek Cabinet's ongoing support, working together with Braintree District, Colchester Borough and Essex County Councils, to progress North Essex Garden Communities (NEGC) and to approve the Interim Business Plan for 2019/20 for NEGC Ltd and specific governance arrangements for the project.

12 Cabinet Members' Items - Report of the Corporate Finance and Governance Portfolio Holder - A.5 - Digital Transformation Programme Update (Pages 125 - 160)

To update Cabinet on the progress of the two year Digital Transformation investment programme based upon quality, time and cost reporting;

To update Cabinet on significant events and changes which have affected the Programme; and

To bring to Cabinet's attention details of cost pressures relating to digital working, partly arising from the changes referred to above.

13 Cabinet Members' Items - Report of the Corporate Finance and Governance Portfolio Holder - A.6 - Financial Performance Report: In-Year Performance against the Budget at end of the First Quarter 2019/20 and Long Term Financial Forecast Update (Pages 161 - 210)

To provide an overview of the Council's financial position against the budget as at the end of June 2019 and to present an updated long term forecast.

14 Exclusion of Press and Public

The Cabinet is asked to consider the following resolution:

“That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Item 15 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A, as amended, of the Act.”

**15 Cabinet Members' Items - Joint Report of the Business and Economic Growth
Portfolio Holder and the Corporate Finance and Governance Portfolio Holder - B.1 -
Starlings Site and Milton Road Development, Dovercourt, Harwich (Pages 211 - 230)**

To seek Cabinet's approval of the business case to deliver two key regeneration projects in Dovercourt Town Centre namely the redevelopment of the Starlings site and the demolition of the Milton Road Car Park; and

To allocate monies from the Council's existing budgets to deliver those projects, including land acquisition and the appointment of a technical team.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Cabinet is to be held in the Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 11 October 2019.

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Notice of Intention to Conduct Business in Private

Notice is hereby given that, in accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, Agenda Item No. 15 is likely to be considered in private for the following reason:

The item detailed below will involve the disclosure of exempt information under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) to Schedule 12A, as amended, to the Local Government Act 1972:

Joint Report of the Business and Economic Growth Portfolio Holder and the Corporate Finance and Governance Portfolio Holder - B.1 - Starlings Site and Milton Road Development, Dovercourt, Harwich

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.

This page is intentionally left blank

**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 19TH JULY, 2019 AT 10.30 AM
ESSEX HALL, TOWN HALL, CLACTON-ON-SEA, CO15 1SE**

Present: Councillors Stock OBE (Chairman), P Honeywood, McWilliams, Newton, Porter and Talbot

Group Leaders Present by Invitation: Councillors Scott, Stephenson, Allen and Henderson

Also Present: Councillor Michael Bush, Councillor Delyth Miles and Councillor Ann Wiggins

In Attendance: Ian Davidson (Chief Executive), Martyn Knappett (Deputy Chief Executive (Corporate Services)), Ewan Green (Corporate Director (Planning and Regeneration)), Keith Simmons (Head of Democratic Services and Elections), Richard Barrett (Head of Finance, Revenues and Benefits Services & Section 151 Officer), Anastasia Simpson (Head of People, Performance and Projects), Tim Clarke (Head of Housing and Environmental Health), Michael Carran (Head of Sport and Leisure), William Lodge (Communications Manager) and Charlotte Cooper (Committee Services Officer)

13. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Broderick (Portfolio Holder for Independent Living), Councillor G Guglielmi (Portfolio Holder for Corporate Finance and Governance and Deputy Leader of the Council) and Councillor Chapman (Leader of the Independent Group)

14. MINUTES OF THE LAST MEETING

It was **RESOLVED** that the Minutes of the meeting of the Cabinet held on Friday 14 June 2019 be approved as a correct record and signed by the Chairman.

15. DECLARATIONS OF INTEREST

Councillor Talbot declared a personal interest in respect of item 10 on the Agenda (A.2 – Clacton Leisure Centre Refurbishment) and remained during the discussion and voting thereon.

16. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

The Leader referenced two items in his announcements.

The first concerned a monitoring visit by Ofsted of the Council's Career Track Scheme as a provider of learning. The visit took place on the 26-27 June 2019. The report on the visit concluded that there had been significant progress in the leadership and

management of career track in demonstrating a successful apprenticeship provision and that apprentices benefit from high quality training that leads to positive outcomes for them. the home grown talent achieved through career track was commended by the Leader who also congratulated the staff across the Council for delivering the above outcome from the Ofsted monitoring visit.

The second item reference by the leader was the practical roll out that was now evident of the superfast internet broadband capability. This meant that rural homes and businesses were now on track to being able to access superfast internet broadband. He referenced the community leadership role of this Council in investing in superfast broadband and the leveraged funding this had secured from others to deliver superfast broadband. As the programme for the roll out was implemented, the District of Tendring would be the best connected District in Essex, and that would be achieved due to the investment from this Council.

17. ANNOUNCEMENTS BY CABINET MEMBERS

Councillor Porter (Portfolio Holder for Leisure and Tourism) drew attention to the success of the Council run Princes Theatre and the recognition recently achieved by it being added to the Trip Advisor Hall of Fame. This accolade had been achieved through the consistently positive reviews by users of the theatre over the past five years. He thanked the theatre team for their hard work and dedication to creating such a top venue.

Councillor Talbot (Portfolio Holder for Environment and Public Space) reported to The Cabinet that Keep Britain Tidy had recently assessed Weeley Crematorium Gardens and the Crescent Gardens in Frinton and Confirmed the award of Green Flags for those sites. In recognising the efforts of the Council's Open Spaces Team, in spite of budget pressures, he also thanked those local community volunteers through the Weeley in Bloom and Frinton in Bloom. Without them the award would not have been secured. He also drew attention to the upcoming Green Flags re-assessment of Clacton's Seafront Gardens and Cliff Park in Dovercourt.

In relation to the announcement by Councillor Porter, Councillor Scott asked had any money been raised through the levy on Princess Theatre Tickets to refurbish the toilets. Councillor Allen, in connection with the announcement from Councillor Talbot, referenced a problem with highway weeds in Frinton.

18. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

There were none on this occasion.

19. MATTERS REFERRED TO THE CABINET BY A COMMITTEE

There were none on this occasion.

20. LEADER OF THE COUNCIL'S ITEMS

There were none on this occasion.

21. **CABINET MEMBERS' ITEMS - REPORT OF THE BUSINESS AND ECONOMIC GROWTH PORTFOLIO HOLDER - A.1 - DOVERCOURT TOWN CENTRE MASTERPLAN**

The Cabinet gave consideration to a report of the Business and Economic Growth Portfolio Holder (A.1) which sought its approval of the Dovercourt Town Centre Masterplan ("Dovercourt Rediscovered") and its agreement to progress the development and delivery of a number of projects and interventions which would support the revitalisation of Dovercourt town centre.

It was reported that "Dovercourt Rediscovered" (the Masterplan) examined the strengths, weaknesses, opportunities and threats that currently impacted Dovercourt town centre, and developed a strategy for the revitalisation of the town. The Masterplan established a strong and positive vision for Dovercourt town centre; sought to guide and influence future development; and promoted a targeted range of public realm improvements to support the transformation required.

Cabinet was informed that the Masterplan was presented as a prospectus for change and articulated a vision for the regeneration and transformation of Dovercourt as:

"a thriving town with an attractive High Street, a range of shops and cafes and regular street markets: a town which is proud of its heritage but also able to respond to new opportunities. A town with a high quality public realm and open spaces, stunning beaches and good connections - an attractive place to live, work, shop and visit".

A copy of the Dovercourt Town Centre Masterplan was attached at Appendix A to the Portfolio Holder's report.

Members were also made aware that the Masterplan identified development opportunities and a range of public realm improvements that could help transform the appearance and prosperity of the town. The Masterplan outlined twenty key regeneration projects (the "Dovercourt Twenty"), that had been specifically proposed to transform the image and quality of the town, with the express purpose of attracting residents and visitors to the centre, thereby reanimating the town; re-establishing its lost vibrancy; and encouraging private sector investment to reverse the downward spiral of decline. The Masterplan also demonstrated that there was significant market failure in relation to investment and that the Council had a key leadership role to intervene and address this.

Cabinet was advised that the range of interventions proposed included the redevelopment of sites such as the Milton Road Car Park, addressing the derelict Starlings site, the provision of new parking facilities, public realm improvements, shopfront improvements, the reanimation of the station area, and the provision of improved street signage. The 'Dovercourt Twenty' also included proposals to strengthen the management of the town and that of the street market, and also advocated the use of festivals and events to re-establish the vibrancy of the town.

It was reported that the delivery of the vision would require the Council to take a lead role through the development and delivery of three priority projects that would have a high impact and stimulate further investment. Those were:-

- Starlings Block Development & Milton Road Car Park Development;

- Kingsway South; and
- Station Plaza.

Members were made aware that from the above it was intended to bring forward detailed proposals for the delivery of the combined Starlings Site and Milton Road Car Park project to Cabinet in September 2019. The Kingsway South and Station Plaza projects would be developed to a 'shovel ready' stage whereby they would be deliverable should funding become available (in particular external grant funding).

Funding for the above projects was already identified in the Council's budget.

Councillor Henderson, in praising the proposals in the report referenced the need to correct the mentions of Bay road from Bath Road in the report. He also expressed the view that the Starling site and Orwell Terrace needed action to improve their appearance.

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

It was moved by Councillor Newton, seconded by Councillor Talbot and:-

RESOLVED that –

- a) the Vision and Masterplan for Dovercourt Town Centre, as set out in the Dovercourt Masterplan Revisited document attached at Appendix A to item A.1 of the Report of the Business and Economic Growth Portfolio Holder, be approved and adopted;
- b) the development opportunities and public realm projects outlined in Section 4 of the Masterplan (the Dovercourt Twenty) be noted; and
- c) the following Projects be developed with detailed business cases for delivery being reported to Cabinet for approval:
 1. Starlings Block Development & Milton Road Car Park Development;
 2. Kingsway Public Realm Improvements; and
 3. Station Plaza.

22. CABINET MEMBERS' ITEMS - JOINT REPORT OF THE CORPORATE FINANCE & GOVERNANCE AND LEISURE & TOURISM PORTFOLIO HOLDERS - A.2 - CLACTON LEISURE CENTRE REFURBISHMENT

The Cabinet gave consideration to a joint report of the Corporate Finance and Governance Portfolio Holder and the Leisure and Tourism Portfolio Holder (A.2) which, subject to the approval of a business case scheduled for consideration by Cabinet in August 2019, requested budgetary provision to fund asset improvement works to the swimming pool changing rooms and health suite areas at Clacton Leisure Centre, as the first phase of a wider strategy for the Council's Sports Facilities.

It was reported that, in parallel with the Council's 10 year financial plan, an overarching Sports Facilities Strategy was being developed for consideration in the Autumn in order to ensure the service met customer demand, supported the work of the Sport England Local Delivery Pilots project and provided long term financial sustainability.

Cabinet was informed that the overarching strategy was unpinned by essential asset improvement works at Clacton Leisure Centre (CLC) in order to ensure the facility was not only operating with high standards of customer service, but importantly ensured long term customer growth thereby supporting financial sustainability.

Members were aware that the swimming pool changing rooms and spa area at CLC were now at the end of their maintenance lifecycle and were in need of refurbishment. With a contingency budget, the cost of £525,000 would ensure those facilities were brought up to the standard expected from a modern leisure centre. A supporting business case for such work would be considered by Cabinet in August 2019 and no work would commence prior to its approval.

It was felt that this programme of asset improvement was required, as the key areas including the flooring, cubicles and lockers were in a poor state of repair. There was also an opportunity to improve accessibility for parents with young children by increasing the number of family changing cubicles, and making alterations to the shower configuration. Furthermore, the Health Suite area was part of a redevelopment of CLC in 2007 and despite ongoing maintenance, the area had suffered from the effects of poor ventilation. The result of this had been a deterioration of the ceiling, including rusting of the ceiling grids and continued staining and soaking of ceiling tiles. The appearance of the showers in the area was poor, with tiles lifting from the wall.

Cabinet was advised that there would be a key emphasis on environmental improvements to the facility and further savings being realised, by incorporating energy efficient adaptations within both the lighting and mechanical specifications.

Members were reminded that the repairs and maintenance budget for Clacton Leisure Centre was £67,000 over budget due to ongoing repairs in this area in order to keep the facilities open. Asset improvement works would reduce the increasing maintenance costs in those areas and bring expenditure back under control. Based on the current situation £536,000 of additional projected building repair costs over the rest of the 10 year period would be avoided if the asset improvement works were undertaken.

A number of comments were made during the discussion of this item in respect of the contribution leisure facilities like this can play in addressing obesity and loneliness and to a range of measures to consider as part of the investment in this facility. These covered investment in green measures, parts and machinery, and the appearance of the centre.

Having considered the information provided in the report:-

It was moved by Councillor Porter, seconded by Councillor Honeywood and:-

RESOLVED that –

- (a) the asset improvement works to Clacton Leisure Centre, as set out in the report, be approved; and
- (b) £525,000 be allocated from the 2018/19 corporate underspend towards this project, subject to the approval of a business case being brought forward to Cabinet in August 2019.

23. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING PORTFOLIO HOLDER - A.3 - DRAFT HOUSING STRATEGY 2019 - 2024 "DELIVERING HOMES TO MEET THE NEEDS OF LOCAL PEOPLE"

The Cabinet gave consideration to a report of the Housing Portfolio Holder (A.3) which presented the draft Housing Strategy 2019-2024 and sought its approval to go out to public consultation.

It was reported that the Housing Strategy had been drafted at a time of considerable change to the national housing landscape. Whilst local authorities were not required by Government to have a formal housing strategy, they were expected to adopt a strategic approach to housing in their local areas in order to deliver a thriving housing market and address local needs. The Council's strategy had been developed, in order to guide the future delivery of new homes in the District and, especially, affordable housing for local people. It would also guide the future management and direction of our housing service.

Cabinet was informed that the Strategy set out the national and local strategic setting for housing and the demographics that had informed the development of the Strategy. It also set out the social indicators that presented the greatest challenges to the Council such as deprivation and health inequalities in some parts of the District and homelessness.

Members were made aware that the Strategy gave details on the local housing market and the demand for housing. It set out how the Council planned to deliver new housing in the District and the Council's role as a landlord. Details were also given on the Council's housing finances in relation to the Housing Revenue Account and General Fund.

Cabinet was advised that the Strategy identified four key strategic housing priorities namely:

- Delivering homes to meet the needs of local people;
- Reducing and preventing homelessness and rough sleeping;
- Making the best use of and improving existing housing; and
- Supporting people in their homes and communities.

During the debate on this item the level of satisfaction of Council House Tenants into the Council was commented on by the leader.

Having considered the information provided in the report and the contents of the Draft Housing Strategy appended thereto:-

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

RESOLVED that –

- (a) the contents of the draft Housing Strategy 2019 – 2024 be approved; and
- (b) authorises the Corporate Director (Operational Services) to commence a consultation period of six weeks in order to seek the views of the public and partners on the proposed Housing Strategy.

24. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.4 - OUTTURN 2018/19 AND THE PROPOSED ALLOCATION OF THE GENERAL FUND VARIANCE FOR THE YEAR

The Cabinet gave consideration to a report of the Corporate Finance and Governance Portfolio Holder (A.4) which sought its approval of the allocation of the overall 2018/19 General Fund revenue variance.

Cabinet was aware that the Leader of the Council, on 31 May 2019, had agreed the overall outturn position for 2018/19 with a high level summary of the General Fund revenue position as follows:

Variance for the year before carry forward requests	(£11.395m)
Agreed carry forwards that meet the carry forward criteria	£9.762m
Variance for the year after agreed carry forwards	(£1.633m)
Carry Forward requests from services that did not meet carry forward criteria	£0.790m
Remaining Variance for the year	(£0.843m)

The variance for the year of £1.633m had been agreed by the Leader as part of the overall consideration of the outturn position for the year.

The Cabinet was therefore now in a position to consider the £0.790m requested to be carried forward by services and the allocation of the remaining variance for the year of £0.843m.

It was reported that the £0.790m that had been requested by services to be carried forward at the end of the year had been subject to further review as the various items did not meet the associated qualifying criteria. As they did not meet the underlying criteria, they had been treated as a 'bid' by services to retain a proportion of the overall favourable outturn variance of £1.633m before any further allocations are considered.

Appendix A to the Portfolio Holder's report set out items totalling £0.475m, of the £0.790m requested to be retained by services, which it was proposed to approve, which would leave a balance of £0.315m.

Members were advised that, although subject to Cabinet's approval, by default the amounts not agreed totalling £0.315m had been added to the £0.843m general variance for the year, giving a total figure of £1.158m against which further allocations needed to be considered as part of the Portfolio Holder's report.

Cabinet was informed that, in respect of the overall general fund revenue variance of £1.158m highlighted above, it was proposed to allocate this funding in 2019/20 as follows, which took account of a number of items / issues subsequently identified in early 2019/20 after the outturn report had been agreed:

Table 1

Proposed Allocation	Amount	Comments
Cost of Scanning	£0.010m	To compliment the £0.025m requested by

Microfiche		Planning as set out in Appendix A, this additional contribution will enable the scanning of microfiche held by the authority. This will free up space and support the wider initiatives that form part of the overall office transformation project.
Replacement of Elections Equipment	£0.010m	To renew a number of pieces of equipment that are reaching the end of their useful life and need updating.
Purchase of laptops and tablet computers	£0.035m	This amount has been identified to support the purchase of IT equipment to support the new flexible working arrangements as part of the office / digital transformation projects, which includes replacement equipment for Members as necessary.
Flexible Project Capacity	£0.011m	To meet the cost of additional staff capacity to help deliver projects such as the Mayflower 400 commemorations.
Investment in Clacton Leisure Centre	£0.525m	Although subject to Cabinet's agreement to the proposals set out within a report earlier on the agenda, it is proposed to set aside this funding pending the agreement of the associated business case.
Contribution to Reserves	£0.567m	It is proposed to temporarily set aside the balance of the overall variance within the general revenue commitments reserve. At this time, it is felt prudent to wait to make a more specific allocation until the updated long term financial forecast has been revised later in the year, as it may be necessary for this sum to be used to support associated work or initiatives.
Total Proposed Allocation	£1.158m	

The Leader, Councillor Stock OBE, referenced his intention to submit to Council a motion on action to address climate change and he would seek the Cabinet's approval to allocate £150K for action on this matter. In response to a question from Councillor Henderson on the prospect of a cross-party working group being established on the issue of addressing climate change through the Council's own services and more widely, the Leader indicated that he would be looking to see such a group established. There were several contributions from those attending the Cabinet meeting as to actions that could be contemplated by the Council to address climate change. These included engaging the likes of the Harwich Haven Authority and Trinity House as part of efforts to

improve understanding of marine ecosystems and supporting skills development and economic advantage from environmentally friendly endeavours.

Having considered the information provided in the report and the appendix thereto:-

It was moved by Councillor Stock OBE, seconded by Councillor Talbot and:-

RESOLVED that –

- (a) of the total of £0.790m requested by services, £0.475m can be retained by them via the associated carry forward requests, as set out in Appendix A, to item A.4 of the Report of the Corporate Finance and Governance Portfolio Holder; and
- (b) the allocation of the General Fund Variance for the year of £1.158m, as set out in Table 1 of the aforementioned report, be approved. Of which £150k be allocated to a climate emergency budget.

25. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.5 - TREASURY MANAGEMENT PERFORMANCE 2018/19

There was submitted a report by the Portfolio Holder for Corporate Finance and Governance (A.5), which reported on the Council's treasury management activities and Prudential Indicators for 2018/19.

Cabinet was informed that borrowing and investments had been undertaken in accordance with the 2018/19 Annual Treasury Strategy that had been approved by full Council on 27 March 2018. No external borrowing had been undertaken in 2018/19 for either the General Fund or the Housing Revenue Account.

It was reported that the amount of interest earned from investments did increase during the year as the bank base rate had increased to 0.75% on 2 August 2018, but compared to historic interest figures it still remained low because of the continuing unprecedentedly low interest rates. Estimated income increased from the original estimate of £0.236 million to £0.416 million with the outturn figure being £0.468 million.

It was reported that the Council continued to hold one property within its Commercial Investment Portfolio, which had a balance sheet at 1 April 2018 of £3.100 million. This 'book value' was reduced by the Council's appointed valuers to £2.300 million at the end of 2018/19. However, this was an 'accounting' valuation and not a direct value that could be achieved on the market if sold. Rental income on the property of £0.207 million had accrued to the Council in 2018/19, which was in accordance with the budget.

The treasury performance figures for the year were set out in Appendix A to the Portfolio Holder's report, together with the Prudential Indicators attached as Appendix B, for Cabinet's consideration.

Having considered the information submitted:

It was moved by Councillor Stock OBE, seconded by Councillor Honeywood and:

RESOLVED that Cabinet -

- (a) notes the Treasury Management performance position for 2018/19; and
- (b) approves the Prudential and Treasury Indicators for 2018/19.

26. MANAGEMENT TEAM ITEMS - REPORT OF THE DEPUTY CHIEF EXECUTIVE - A.6 - PRIORITIES AND PROJECTS 2019/20 AND A NEW CORPORATE PLAN

Cabinet gave consideration to a report of the Deputy Chief Executive (A.6) which sought its approval of the Cabinet's key priorities and projects for 2019 and also its approval to commence the process of preparing a new Corporate Plan for the period 2020-2024.

Corporate Planning and Performance Management

Members were aware that the Council had an established set of arrangements in order to set out its long and medium term aims and to monitor progress in delivering them. They included a long term Corporate Plan (agreed by Full Council), Annual Priorities and Projects in line with the Corporate Plan (agreed each year by Cabinet), quarterly performance reporting (to Cabinet and the Overview and Scrutiny Committees) and monthly performance reporting by the Management Team. In addition Departmental Plans were prepared annually at an operational management level. An overview of the performance system was contained in the Officer's report.

A new Corporate Plan

Cabinet recalled that, at its last meeting, the Leader of the Council had announced his intention to begin the process of preparing a new Corporate Plan.

With the election of a new Council and the formation of a new Administration, and given that the current Corporate Plan ran to 2020, it was considered that this was an appropriate time to begin preparatory work to develop a new Corporate Plan for agreement by the Council. The proposed timescale and process for doing this was set out in the body of the Officer's report. It would take a number of months in order to allow proper consideration and scrutiny of the proposed content before the Council was asked to formally agree the plan.

Therefore, Cabinet was requested to confirm at this stage that the overall approach to the Corporate Plan, Priorities and Projects and Performance Management and reporting should continue on the current basis and that the Corporate Plan itself should again be –

- a “Plan on a Page”;
- with Community Leadership at its heart;
- with other “cross cutting” themes identified such as Tending4Growth; and
- with a clear statement of the Council's overall vision and values.

Priorities and Projects 2019/20

Given the time needed to prepare and agree a new Corporate Plan it was also proposed that the Cabinet's Priorities and Projects for 2019-20 be approved now and that the regular performance reporting focussed on delivery of those priorities and projects for the current year.

It was reported that, following informal discussions the Cabinet had developed the proposed Priorities and Projects for 2019-20 which were set out in Appendix A to the report of the Deputy Chief Executive and they were now formally recommended to the Cabinet for its approval.

Specific deliverables for the priorities and projects would be developed in consultation with the relevant Portfolio Holders and would be incorporated into the Performance Report for the end of Quarter 2 (end September 2019). That report would be put to Cabinet before either of the Overview and Scrutiny Committees so Cabinet as a whole could confirm the deliverables for its Priorities and Projects before they were subject to scrutiny.

Having considered the information provided in the Deputy Chief Executive's report and appendix:-

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

RESOLVED that –

- (a) the Cabinet's Priorities and Projects for 2019-20, as set out in Appendix A to the Report of the Deputy Chief Executive, be approved;
- (b) deliverables and measurable outcomes for the Priorities and Projects be developed and incorporated into the Council's Performance Reports for agreement by Cabinet and ongoing reporting and scrutiny, as set out in the aforementioned report; and
- (c) Cabinet instructs officers to work with Portfolio Holders in order to bring forward proposals for a new Corporate Plan for the period 2020 to 2024 based on the approach set out in the Deputy Chief Executive's report.

The Meeting was declared closed at 12.00 pm

Chairman

This page is intentionally left blank

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

CABINET

13 SEPTEMBER 2019

REPORT OF THE LEADER OF THE COUNCIL

A.1 **NEW CORPORATE PLAN 2020-2024** (Report prepared by Martyn Knappett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To seek Cabinet approval to the draft Corporate Plan 2020/24 and its initial proposals for consultation and examination by the Overview and Scrutiny Committees.
EXECUTIVE SUMMARY
<p>The Council's Corporate Plan – alongside the 10 year financial strategy, the Annual Budget and the Local Plan – sets out the long term strategic framework of policies, priorities and projects for the benefit of the Tendring District.</p> <p>It provides a clear lead to direct the deployment of the Councils finances, staff and other resources, allowing long term planning and forming the cornerstone of the Councils planning, policies and performance management.</p> <p>At its last meeting on 19 July 2019 the Cabinet agreed to “instruct officers to work with Portfolio Holders to bring forward proposals for a new Corporate Plan for the period 2020 to 2024...”</p> <p>It also agreed that the current strategic Performance Management arrangements should remain in place. Consisting of</p> <ul style="list-style-type: none"> ➤ A high level, strategic, long term Corporate Plan agreed by Council. ➤ An annual programme of Priorities and Projects to deliver the Corporate Plan aspirations agreed by Cabinet. ➤ Clear milestones and deliverables for the Priorities and Projects set out in the Performance Dashboard. ➤ Quarterly reporting of the Performance Dashboard to Cabinet and the two Overview and Scrutiny Committees. ➤ Monthly monitoring of the Performance Dashboard by Management Team. <p>The attached draft Corporate Plan (Appendix A) follows the principles which were also agreed at the last Cabinet meeting, namely</p> <ul style="list-style-type: none"> ➤ A “Plan on a Page” ➤ With Community Leadership at its heart ➤ With other cross-cutting themes identified such as Tendring4Growth, ➤ And with a clear statement of the Council's overall vision and values. <p>A number of major topics and themes – such as Jaywick, Garden Communities and support for local businesses ,carried forward from the previous Corporate Plan into this</p>

new draft because they are very long term and ongoing. Some key points for Members to be aware of are as follows:

- **Community Leadership** remains as the predominant cross cutting theme.
- Economic growth - "**Tendring4Growth**"- is also highlighted as a theme which cuts across a wide range of the Council's service activities and projects.
- Transformation – of the way we work – no longer features as a separate heading but is embedded as "**modern facilities**" and "**24 hour digital services**".
- The Council's commitment to work towards **Carbon Neutrality** is included – alongside – "**minimise waste; maximise recycling**".
- **Effective regulation and enforcement, a proactive Planning service and effective planning policies** reflect the key importance of these activities to have a positive impact on the wider district and residents – hopefully with the benefit of an adopted Local Plan in the first year of the life of the new Corporate Plan.
- More emphasis and detail is provided regarding **working with partners** as a Community Leader – setting out not just some of the key partnerships but what we aspire to achieve through that approach.
- The plan to embark on **new housebuilding** is included, as is the desire to see **town centres** in Tendring revitalised.
- **A Growing and inclusive economy** includes developing and supporting **existing businesses** as well as attracting **new businesses** and a commitment to promoting not just the major **Tourism** attractions of Tendring but also the **Heritage and Cultural** offers.

The success of the whole plan requires a **sound financial position** over the long term and continued commitment to the **10 year financial plan** is vitally important. We are currently in year 3 of the Plan and the period of this Corporate Plan will see four years, when steady but significant reductions in the Council's base, ongoing budget are required. This will be very challenging in a time when central government funding will be fully withdrawn, but the long term financial plan holds out the prospect of the Council's budgets becoming balanced and self-financing without the need for further reductions in the following years.

The success of the whole plan also requires **effective and positive governance** to ensure the Council and its various resources – **people, assets, IT and finances** - are well managed to enable the Corporate Plan priorities and the full range of the Council's services to be delivered.

The **Vision and Values of the Council** have been reviewed and considered in the light of changing circumstances – both in the world of local government and more widely – and it is felt that they remain appropriate and relevant so they remain unchanged from the previous plan.

The **timetable** for completion of the Corporate Plan, with it ultimately being approved by Full Council early in 2020 is set out in Appendix B.

A Corporate Plan is very much something which is for the Council to set out for itself. So it is appropriate to seek views on the Initial Proposals from the wider membership of the Council through the Overview and Scrutiny Committees.

Wider **community engagement** will also be undertaken with a consultation period from 16 September to 12 October. The plan will be sent to key public sector partners, businesses and community organisations. The Initial Proposals will also be posted on the Council's Website and a press release will invite any interested Members of the public to comment.

Comments from the various sources will be incorporated into a report to Cabinet in

November to enable Cabinet to determine its Final Proposals for the new Corporate Plan. The Final Proposals will be Cabinet's recommendation to Council in January 2020.

RECOMMENDATION(S)

It is recommended that

Cabinet agrees the content of the draft Corporate Plan 2020 – 24 as set out in Appendix A as its Initial Proposals for consultation purposes and the proposed arrangements and timetable for scrutiny and consultation as set out in this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Corporate Plan sets out high level priorities for the Council 2020-2024.

FINANCE, OTHER RESOURCES AND RISK

There are no financial implications in setting out the Council's aspirations in a Corporate Plan. Individual projects still need to be fully and properly assessed and formally approved prior to commencing. One of the priorities from the LGA Peer Challenge carried out in 2018 was that an enhanced approach to project management, project delivery and performance reporting be brought into use. This will encompass a full assessment of resources and risk.

LEGAL

The Corporate Plan forms part of the Council's Policy Framework which means it must be approved by Full Council following a process involving both Cabinet and Overview and Scrutiny.

The legal implications of individual projects will be assessed when they are brought forward for formal decisions to be made.

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 implications of individual projects will need to be fully and properly assessed and approved prior to commencing. As with resources and risk assessment of other implications will be included as part of enhanced project delivery arrangements.

It is proposed that partners and stakeholders should be consulted on the draft Corporate Plan.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Corporate Plan 2020-2024

The Council's Corporate Plan sets out the Council's vision and values together with key strategic long term aims and priorities. It has a key focus on Community Leadership being "at the heart of everything we do". Once adopted by the Full Council it is part of the Council's Budget and Policy framework and thus sets the direction and context for the Council's work for the period of the Plan. For further information on the Budget and Policy Framework

Members are referred to Article 4 of the Council's Constitution.

Initial proposals for a Corporate Plan are prepared and agreed by Cabinet; they are reported to the Overview and Scrutiny Committees for consideration and comment back to Cabinet; Cabinet then agree final proposals which are recommended to Full Council for approval.

Given the importance of the Corporate Plan for the long term focus of the Council there should also be a degree of public engagement and the opportunity should be provided to key partners of the Council and other stakeholders to feed into the process. Initial proposals for external consultation are outlined in Appendix C. This includes public service partners, business and community representatives. It is suggested that this should be carried out in parallel with the review of the initial proposals by the Overview and Scrutiny Committees.

The Council's performance management arrangements seek to establish a clear linkage – sometimes referred to as a “golden thread” between the long term aims of the Corporate Plan, the medium term priorities and projects, the deliverables identified for those priorities and projects and the more detailed service aims set out in Departmental Plans and ultimately in the individual performance aims set for individual officers.

Having a clear statement of the Vision of the Council and the values it expects all Members and staff to adhere to also have a wide and deep influence on the day to day working of the Council.

Finally, with regard to the content and structure of the Corporate Plan and the Council's Performance Management arrangements this report suggests that the set of arrangements currently in place, and which has evolved over a number of years, is fit for purpose and works well, and should continue to be the basis used by the Council.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

APPENDIX A – DRAFT CORPORATE PLAN
APPENDIX B – TIMETABLE
APPENDIX C – CONSULTATION PROPOSALS

Our Vision

To put community leadership at the heart of everything we do through delivery of high quality, affordable services and working positively with others.

Delivering High Quality Services

- Modern, high quality buildings and facilities for customers and staff
- 24 hour a day digital services – My Tendring
- Minimise waste; Maximise recycling
- Proactive Planning Service
- Public spaces to be proud of
- Effective regulation and enforcement
- Carbon Neutral by 2030

Tendring District Council Corporate Plan 2020-2024



INVESTORS
IN PEOPLE | Gold

Community Leadership Through Partnerships

- Health and wellbeing - for effective services and improved public health
- Education - for improved outcomes
- Law and Order - for a safer community
- Sport England and Active Essex- for physical activity and wellbeing
- Joined up public services for the benefit of our residents and businesses
- Influence and lobby - for Tendring's future

Community Leadership Tendring4Growth

Building Sustainable Communities for the Future

- North Essex Garden Communities
- Jaywick Sands - more and better housing; supporting the community
- Vibrant Town Centres
- Building and managing our own homes
- Effective planning policies

Strong Finances and Governance

- Balanced annual budget
- 10 year financial plan
- Effective and positive Governance
- Strong and focused leadership
- Use assets to support priorities

A Growing and Inclusive Economy

- Develop and attract new businesses
- Support existing businesses
- More and better jobs
- Promote Tendring's tourism, cultural and heritage offers
- Maximise our coastal and seafront opportunities

Our Values

- ◆ Councillors and staff uphold **personal integrity, honesty** and **respect** for others
- ◆ **Innovative, flexible, professional** staff **committed** to delivering excellence
- ◆ Recognising the diversity and **equality** of individuals
- ◆ Working **Collaboratively**

This page is intentionally left blank

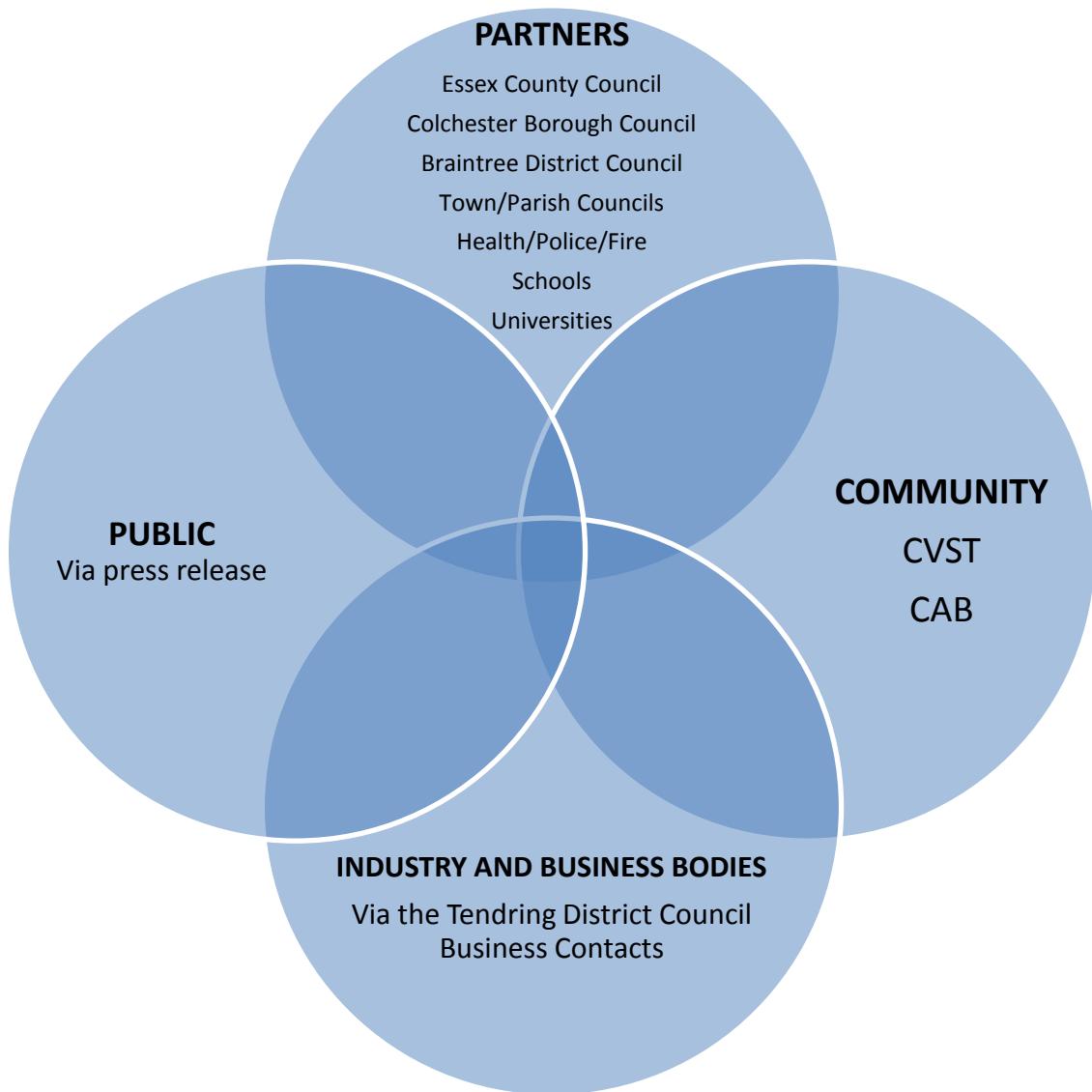
A.1 APPENDIX B

CORPORATE PLAN TIMETABLE

<u>Date</u>	<u>Activity</u>	<u>Committee/Meeting</u>
13 September 2019	Initial proposals agreed	Cabinet
16 September 2019	Consultation commences/letters to consultees	
7 October 2019		Community Leadership Overview and Scrutiny Committee
14 October 2019		Resources and Services Overview and Scrutiny Committee
21 October 2019	Consultation closes	
13 December 2019	Review of consultation comments and determination of Final Proposals	Cabinet
21 January 2020	Decision on the Corporate Plan	Full Council

This page is intentionally left blank

CORPORATE PLAN – CONSULTATION PROPOSALS



Please Note - The above list is not exclusive or exhaustive

This page is intentionally left blank

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

CABINET

13 SEPTEMBER 2019

JOINT REPORT OF THE PORTFOLIO HOLDERS FOR BUSINESS & ECONOMIC GROWTH AND CORPORATE FINANCE & GOVERNANCE

A.2 REJUVENATING CLACTON TOWN CENTRE

(Report prepared by Gary Guiver)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

- To update the Cabinet on the outcomes from the Clacton Town Centre Working Party and the progress of the Council's successful bid to the government's 'Future High Streets Fund' in respect of Clacton Town Centre;
- To seek the Cabinet's endorsement of the future vision for Clacton Town Centre and for the 'Love Clacton' brand;
- To seek Cabinet approval for a 'Plan of Action' for Clacton Town Centre containing short, medium and long-term measures developed from the ideas of the Clacton Town Centre Working Party; and
- To agree the approach to ongoing engagement with businesses, residents, visitors and partners in respect of Clacton Town Centre.

EXECUTIVE SUMMARY

The work of the Clacton Town Centre Working Party to date

The Clacton Town Centre Working Party was set up by the Leader of the Council in 2018 to provide a focal point for public bodies, businesses and the community to be able to develop a new, long term vision for the town centre and to recommend actions for rejuvenating the area. The Working Party comprises representatives from local businesses, partner organisations, community groups and relevant TDC Officers and was chaired by the previous Cabinet Member for Investment and Growth.

Initially the Working Party identified many of the key issues and challenges that are affecting Clacton Town Centre's footfall and spending. The main concerns include a lack of conveniently located on-street car parking; issues with the way traffic is currently directed; the presence of street-

drinkers; a negative perception of the town centre amongst its own residents and businesses; and a lack of positive engagement with younger people.

Having identified some of the issues and challenges, the members of the Working Party were then invited to put forward and discuss ideas for tackling those issues. Some of the main ideas include creating more parking spaces in the core of the town centre and easing parking time restrictions; enabling more residential development to be built in the town centre; promoting Clacton's heritage and seaside credentials as a USP; tackling the causes of street-drinking and increasing the police presence; holding more events and activities in the town centre; and setting up a voluntary body of 'Ambassadors' to take an active role in the management and promotion of the town centre. Officers have considered all of the various ideas and many of them now form the basis of the proposed Plan of Action described below.

The Future High Streets Fund

The 'Future High Streets Fund' was announced as part of the government's 2018 Autumn budget to support local authorities in bringing about transformational change to their town centres that will enabling to adapt to the changing nature of shopping and how people spend their money and their time. Because of its economic challenges, Officers considered that Clacton Town Centre was well places to qualify for some of the Future High Street Fund and have been working with Essex County Council's Localities Team and the members of the Clacton Town Centre Working Party to build the case for funding.

Because the Future High Streets Fund is aimed at delivering transformational changes, the Clacton Town Centre Working Party has been considering ideas for major development and innovative improvements that could potentially qualify for funding. These include proposals to create under-cover pedestrian friendly areas, the relocation of bus and coach facilities, new multi-storey car parks and associated interactive signage and a hub of community and educational facilities.

In March 2019, the Cabinet agreed the submission of a stage 1 (expression of interest) bid to the Future High Streets Fund which was duly submitted to the government with the written support of a number of local businesses and partner organisations. Initially, in July 2019, the Council received a letter from the Minister for the Northern Powerhouse and Local Growth to advise that the proposal for Clacton Town centre had not been selected for the current round of funding. However, the proposal was one of more than 300 received throughout the country and the Ministry was impressed by the standard of the Council's application; offering bespoke feedback and support for the Council in re-applying for funding as part of the next round in 2020. However, in August 2019, the government announced that the 2019 Future High Streets Fund would be extended to include an addition 50 town centres and Officers are delighted to report that Clacton Town Centre has been included.

The next stage of the process is to develop a more detailed business case upon which the final award of funding will be based. Up to £150,000 of capacity funding will be made available to the Council initially to assist with this process and support and guidance will be provided by a

nominated government official. Appendix B to this report contains the letter from the Ministry of Housing, Communities and Local Government confirming Clacton Town Centre's progress to the business case stage as well as the guidance for the next stage which sets out key milestones.

Officer will now liaise with the nominated government official and will work with partners to develop the detailed business case for Clacton Town Centre which will need to be submitted to government by 30th April 2020.

The 'Love Clacton' brand and vision

One of the main ideas arising from the Clacton Town Centre Working Party was to adopt a consistent approach to branding and marketing, building upon the successes of the 'Love Clacton' brand created by the owners of Clacton Pier working with Clacton Pavilion, the Council and other businesses. Whilst the Love Clacton brand is already used throughout the town centre, Officers are seeking the Cabinet's formal endorsement of 'Love Clacton' as the brand to be adopted for the purposes of future branding and marketing for Clacton Town Centre and the town's other attractions.

Alongside a distinctive brand, a clear long-term vision for an area is critical to the success of any town centre rejuvenation project or any bid for funding. For Clacton Town Centre, a vision statement was prepared incorporating the ideas and aspirations of the Working Party and this was agreed by the Cabinet and submitted to government as part of the Future High Streets Fund bid along with numerous letters of support from businesses and partner organisations. The Cabinet is asked to re-affirm the Council's support for the updated version of the vision statement, attached as Appendix C, as we move towards delivering action in Clacton Town Centre.

Plan of Action for Clacton Town Centre

The recommendations arising from the ideas put forward by the Clacton Town Centre Working Party include a series of short, medium and long-term actions which are contained within a 'Plan of Action' attached as Appendix C which the Cabinet is asked to endorse. For the most part, Officers are seeking the Cabinet's agreement for Officers to progress some of the ideas in more detail to enable further consultation with businesses and residents and to enable them to be properly costed before they are implemented. Some of the actions, including those relating to planning, on-street parking and anti-social behaviour have the potential to be delivered fairly quickly within existing budgets, whereas others will require more work and are likely to require additional funding through the Future High Streets Fund.

Some of the notable short-term actions include:

- Making changes to the parking and access arrangements in the core of the town centre, on a trial basis, to increase parking provision and help boost town centre trade;
- Developing a more detailed plan for the future development of key locations in the town

centre in line with the overarching vision;

- Developing a performance area on the town square to be used for a variety of events and entertainments;
- Designing and installing more prominent 'no-alcohol' signage to help discourage street-drinking in prominent parts of the town centre;
- Establishing a 'Clacton Town Centre Ambassadors' group to work with the Council and alongside the Clacton Town Centre Partnership;
- Increasing the physical presence of the 'Love Clacton' brand in the town centre through additional banners and window stickers and also through digital and social-media channels;
- Preparing a bid for government funding to roll out fibre-optic cabling along the seafront and into the town centre to improve the area's digital capabilities and provide a platform for wifi services and the increasing use of mobile apps;
- More active engagement with the public, with a particular emphasis on younger people, to develop ideas for the town centre further.

It is proposed that a fund of £250,000 from the Council's budget is made available to progress the short term actions in the 2019/20 financial year, including physical improvements on the ground and necessary technical studies.

Future engagement

In establishing a vision for the future and a set of practical ideas, the Clacton Town Centre Working Party has already succeeded in its initial purpose. Moving into the future, it will be important to maintain continuing engagement with businesses and partner organisations in seeking to implement some of the actions for the good of the town centre. Businesses in particular are anxious to see positive changes in the town centre to demonstrate the Council's commitment to rejuvenating the area and to give residents and other businesses confidence in Clacton as a place to spend and invest.

The original Working Party has essentially served its purpose and delivered the outputs originally envisaged. It is now proposed that the role of any working party moving into the next phase of work will be primarily to maintain ongoing engagement between the Council, businesses, community groups and residents in developing proposals for the Town Centre in more detail, consulting upon such proposals and addressing issues and challenges that will arise as the role and character of the Town Centre changes. The meetings will continue to be attended by Officers, including the Planning Manager and Town Centre Coordinator to provide technical and administrative support to the members of the Working Party – but will be less technical in nature and more about engagement. It is proposed that the Working Party will be re-named the Clacton Town Centre

Ambassadors and meetings will commence from October 2019.

It is proposed that there will be separate group dealing with more technical matters which will include key Council Officers and technical staff from partner organisations including the NHS, Police, Essex County Council and transport providers. Given the importance of having high-level buy-in, cooperation and coordination between key partners in, it is also proposed that there be a further 'strategic' group aimed a Chief Executive and Director level in key organisations to ensure that public-sector funding and resources are directed to the project in a coordinated manner given the high priority to bring about positive changes in the area.

Alongside the three working groups outlined above, it is proposed that there will be more direct engagement with residents, visitors, the wider business community and younger people as well as tailored market research to inform future branding and marketing efforts.

Appendix D to this report contains more details on how it is proposed that engagement will continue into the future.

RECOMMENDATIONS

It is recommended that the Cabinet:

- 1) Notes the summary of issues and challenges facing Clacton Town Centre identified by the members of the Clacton Town Centre Working Party, along with ideas and suggestions for addressing those issues and challenges;**
- 2) Notes the inclusion of Clacton Town Centre in the government's 'Future High Streets Fund' as indicated in the August 2019 letter from the Ministry of Housing, Communities and Local Government attached as Appendix 1 and the requirement to develop a more detailed business case as part of the next stage of the process;**
- 3) Endorses 'Love Clacton' as the brand to be adopted as part of a consistent approach to the branding and marketing of Clacton Town Centre and other attractions in Clacton;**
- 4) Endorses the 'Vision for Our Town Centre in 2030' attached as Appendix B as the overarching vision for the future of Clacton Town Centre;**
- 5) Endorses the Plan of Action for Clacton Town Centre attached as Appendix C and authorises Officers to work with relevant partners to deliver the actions within it;**
- 6) Agrees a fund of £250,000 be allocated to the delivery of short-term actions within the Action Plan, as detailed within the resources and risk section of this report;**
- 7) Agrees the approaches for both delivery of actions and ongoing public engagement in**

relation to the Town Centre as detailed in Appendix D; and

- 8) Delegates authority to the Director for Planning and Regeneration, in consultation with the relevant Portfolio Holders, to submit a detailed business case for Clacton Town Centre to the government's Future High Streets Fund by the deadline of 30th April 2020.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Economic growth is one of the Council's main priorities and Clacton Town Centre is the single largest concentration of economic activity in the district. Maintaining the town centre's vitality and viability is critical to the local economy and the health and wellbeing of residents both in Clacton and the wider district as well as helping to address issues around deprivation.

RESOURCES AND RISK

Resources: To date, the costs involved in running the Clacton Town Centre Working Party have been met through existing staff resources and existing budgets and the time and effort given generously and voluntarily by the representatives of businesses and other external agencies. Whilst the project had been led by the former Cabinet Member for Investment and Growth with direct support from the Planning and Regeneration Team, this has been a corporate project that has drawn upon the time and expertise of staff across all sections of the Council.

In moving forward, there will be costs associated with the implementation of the recommended actions and Cabinet's authorisation is sought to develop the ideas further with a view to fully establishing the relevant capital and revenue costs in due course. Decisions as to the cost effectiveness and the potential funding of some of the ideas will therefore be taken at a later date once more detail is known.

It is proposed to utilise funds from existing Council budgets to undertake and commission any necessary technical evidence to support projects going forward (including the next bid to the Future High Streets Fund) and seek approval for additional funds implement short term actions identified in the Plan of Action contained within Appendix 3 to this report – relating to the delivery of physical projects on the ground and technical / feasibility studies for major sites.

The Future High Streets Fund seeks to award up to £25million per area for capital investment in the acquisition and amalgamation of land and property and the delivery of infrastructure aimed at bringing about transformational change in town centres. Following confirmation that the Council's stage 1 expression of interest bids has been successful, up to £150,000 of additional revenue funding will be provided by government to support the ongoing technical research and preparation

of more detailed business case for the Stage 2 submission. Officers also intend to bid for money through the next round of the 'One Public Estates' (OPE) fund which could also assist in that aim. An overall fund of £400,000 for the Clacton Town Centre Project is proposed and this includes a £250,000 contribution from the Council Business Investment and Growth budget (which currently has available funding of £1,915,000):

Budget	Proposed use	Totals
Business Investment and Growth Budget	Town Centre projects	£150,000
Business Investment and Growth Budget	Technical studies in support of major projects (and a bid to the Future High Streets Fund)	£100,000
Future High Street Fund Grant	Development of Future High Street Fund bid	£150,000
	Total	£400,000

It should be noted that additional funding contributions for the development and delivery of projects within the Plan of Action will be sought from partners and external grant sources as opportunities arise.

Any changes to the planning policy framework arising from the recommendations in this report will be met through the approved Local Development Framework (LDF) budget and will be overseen by the Planning Policy and Local Plan Committee. Officers intend to explore the potential for the recommended 'Ambassadors' concept to be established and/or part funded as part of Sport England's Essex Local Delivery Pilot (LDP) aimed at getting people more active. The opportunity to deliver increased broadband coverage and bring free wifi to the town centre and seafront has the potential to be part funded through the government's 'Local Full Fibre Networks' (LFFN) programme and Officers will work towards the preparation of a bid to that fund.

Risks: The success or otherwise of this project will be highly dependent on securing necessary funding through the various channels outlined above and the continued support and constructive engagement of local businesses, external agencies and our residents.

It will be critical to ensure that the vision for the town centre developed through the Clacton Town Centre Working Party achieves buy-in from the wider business and resident community and Officers consider that engagement needs to be extended further to ensure that any proposed changes in Clacton Town Centre have local support.

The continued constructive engagement and support of all Clacton Town Centre Stakeholders will only be maintained if the members see positive action in the short-term. There are immediate concerns for example relating to parking issues, street-drinking and support for the work of the Town Centre Partnership on events, activities and promotion. Officers therefore consider it essential that some of the actions are implemented in the 2019/20 financial year.

When proposals are developed in more detail, there are potential risks arising from differences in

opinion as to how certain measures are implemented. In progressing the recommended actions in this report, Officers will endeavour to engage constructively with relevant businesses, bodies and residents to minimise any conflict and to bring about positive change in the interest of our communities.

LEGAL

Legislation: The recommendations for action contained within this report will, in due course, require full consideration of any legal implications. However, the majority of the proposals are understood to be deliverable within the known legislative framework.

OTHER IMPLICATIONS

Crime and Disorder: Anti-social behaviour has been identified as one of the key issues currently facing Clacton Town Centre and some of the recommendations emerging from the Working Party will relate to tackling this issue. Continued support for the work of the Tendring Community Safety Partnership will be key to maintaining a safe and secure environment in Clacton Town Centre. The overall aim of making the town centre more busy and vibrant will assist in providing increased natural surveillance and reducing the likelihood and temptation of crime and disorder.

Equality and Diversity: The recommendations in this report are aimed at benefitting all who live, shop, work and visit Clacton.

Health Inequalities: Any enhancements carried out to the town centre following recommendations in this report will assist in promoting a healthier lifestyle for those who live, shop, work and visit Clacton. The proposal to establish the Love Clacton Ambassadors in particular is a positive means of getting local people more active.

Area or Ward affected: The Pier Ward and St. James' Ward directly, but all wards indirectly – particularly those within Clacton and the wider catchment.

Consultation/Public Engagement: The recommendations in this report have been derived from positive engagement with businesses, external agencies and community groups through the Clacton Town Centre Working Party. It is however important that public engagement is widened to include more local businesses, residents of Clacton and the surrounding area, visitors and younger people in particular.

APPENDICES

Appendix A Letter from the Ministry of Housing, Communities and Local Government in respect of Clacton Town Centre's inclusion in the Future High Streets Fund.

Appendix B 'Love Clacton' – The Vision for Our Town Centre in 2030.

Appendix C Plan of Action for Clacton Town Centre.

Appendix D Proposed programme of engagement for the Clacton Town Centre project.



Date: **27 August 2019**

Future High Streets Fund – Successful Progression to the Business Case Development Phase

We are delighted to inform you that your application for the Future High Streets Fund (FHSF) has been selected to go forward into the next phase of assessment.

Last month, our Prime Minister set out this Government's plan to unite and level up across our country, turbo-charging our cities, our towns, our coastal communities and rural areas. He committed to a £3.6 billion Towns Fund demonstrating our commitment to prosperity in towns across the country. Therefore, I am delighted to be able to confirm that we will extend the Future High Streets funding programme.

Our high streets have, for some time, struggled to adapt to changes in retail and I am sure you will welcome the injection of funding. The Future High Streets Fund will renew and reshape town centres and high streets in a way that drives economic growth and sustainably improves living standards. The Future High Streets Fund will renew and reshape town centres and high streets in a way that drives economic growth and sustainability and improves living standards.

In progressing to this next phase of assessment you will need to develop a full business case for capital investment by the FHSF in your proposal. To assist you in the development of your business case the FHSF will make a capacity (resource) grant available to you, details of which will follow shortly. This letter sets out in broad terms the immediate next steps to be followed, directs you to resources that may assist you, and provides a timeline for development of your business case.

Please note that progression to the business case development phase of the FHSF does not guarantee capital funding for your scheme. The FHSF remains a competitive process with more authorities participating than can ultimately receive capital funding.

Business Case Development Grant

A business case development grant of up to £150,000 will be paid to your authority under powers contained in section 31 of the Local Government Act 2003 to support the development of the ideas contained in your Expression of Interest into a full capital investment business case. We expect the development grant to be spent in accordance with the terms of the grant award letter which will follow shortly.

Guidance and Next Steps

1. Developing a Business Case

You may use your development grant to engage consultants to assist you with the preparation of your business case. Equally, you may wish to use the grant to fund internal resource if you have capacity to develop your business case in-house.

For those places successful in securing FHSF capital, we expect capital spend to be profiled between the financial years 2020-21 and 2023-24, with exact financial profiling to be agreed as part of the business case development process. Third party funding can be profiled to be spent after the FHSF funding window has expired.

We will use your confirmed spend profile to issue annual grant awards to your authority under section 31 to cover the forecast spend in the year ahead. All grants paid under section 31 powers will be subject to standard local authority grant conditions. In certain cases, capital funding may be paid in instalments across financial years and the FHSF reserves the option to cancel further instalments if schemes fail consistently to meet project milestones or otherwise fail to progress in accordance with the timescales and objectives set out in their business case. Authorities will be advised of any such conditions at capital grant approval stage.

2. Overview of business case requirements

Business cases will be required to follow the published HM Treasury business case guidance and will take the form of a five-case business case, including information relating to:

- a. **Strategic case:** setting out the rationale for activity and the objectives of the proposal. It will be used to assess the extent to which proposals could successfully meet the overall objectives of the fund
- b. **Economic case:** including an appraisal of a number of options and a robust assessment of the predicted costs/ benefits of the project. This is used to assess the overall value for money of projects
- c. **Commercial case:** setting out the delivery model including procurement and commercial arrangements that are needed to implement the project. This is used to assess whether the proposal can be effectively delivered and is commercially feasible.
- d. **Financial case:** Including details on the costs of the project demonstrating that the preferred option can be delivered successfully. It will be assessed to determine the overall impact of the project on the public sector budget.
- e. **Management case:** setting out the planning and practical arrangements for implementing the project, including any risks and monitoring and evaluation. It is used to assess if the proposal is practically deliverable.

Further information on the five case business case model, as well as an overview of how the business case will be assessed by the Department, can be found in the Business Case Guidance document that accompanies this letter.

We shall issue further detailed business case guidance, together with a business case template, in early September. Before tasking your project delivery teams or consultants to begin preparing your business case you should refer to detailed guidance from the Department regarding the development of a compliant business case.

3. Support from MHCLG

You have been allocated a Delivery Manager by MHCLG who will be your point of contact throughout the next phase of the programme. Your Delivery Manager will contact you shortly to arrange an initial telephone conference with the officers who will be preparing your business case. Your Delivery Manager will be able to explain more about the process of developing and assessing your business case, highlight key dates and milestones, and signpost resources that are available to you to help in the process.

The role of the Delivery Manager is to guide you through the business case development phase, answer queries related specifically to the management of the FHSF, and to point you towards sources of information, data, advice and other resources that may assist you with specific aspects of your bid. Please note that your Delivery Manager will be assisting many bidders and as such their time will be constrained. Specifically, they will not be able to assist you with any aspect of the structuring, content or drafting of your business case as this would be unfair to other bidding authorities.

Delivery Managers will be responsible for monitoring the progress of your business case and will require sight of certain project documents including *inter alia* your business case delivery programme and any variations to it, minutes of project boards or other forums where project decisions are made, and monthly spend profiles for the development grant. In certain cases, they may wish to attend some project board meetings either in person or via a dial-in facility. You are asked to make this facility available to them and to provide a schedule of project board meetings as soon as it is available.

4. Inception Meeting

If you do intend to engage consultants to assist you with the development of your business case, you will wish to begin procurement as quickly as possible. Please be aware that other authorities that have been selected for the next phase of the FHSF will be seeking similar services, potentially from the same consultants giving rise to potential conflicts of interest. It is your responsibility to ensure that your consultants have taken adequate steps to ensure that any conflict of interest is appropriately managed within their organisation.

Your officers working on your business case development should arrange an inception meeting with your appointed consultants and your Delivery Manager as soon as possible after you have appointed any advisory services. This will enable your officers and consultants to ask any questions that they might have and to discuss their proposals in greater detail with the Delivery Manager. If you do not intend to appoint external consultants, you should arrange the inception meeting with your Delivery Manager as soon as your project team is assembled and ready to progress your business case.

5. Capital Requirements

In order to assist the Department with the profiling of the capital spend (CDEL) element of the FHSF it will assist us if you are able to provide an early Rough Order of Magnitude (ROM) capital cost estimate for your project by 8 November 2019. This should include allowances for risk, inflation, contingencies and other costs that can reasonably be estimated at that time. Please also provide an indicative profile of capital expenditure with your ROM estimate.

The FHSF cannot guarantee that your scheme will be awarded the full amount of capital funding that you request, and any award will be subject to a condition that third party funding referred to in your business case is fully legally committed and, when taken together with any FHSF award, will be sufficient to complete your scheme.

As your cost estimating and spend profile matures you should keep the Delivery Manager from MHCLG informed as revised estimates are developed. You should also seek to develop a spending profile as soon as reasonably practicable and provide it, and subsequent updates, to your Delivery Manager as soon as they are available.

6. “Shovel Ready” Schemes

If you consider that your project is “shovel ready” please notify us immediately. A shovel ready scheme should have at least the following in place now or a reasonable explanation of why they are not necessary in the context of your proposal all to the reasonable satisfaction of the Department:

- Detailed planning permission;
- All necessary land, rights of way, easements, wayleaves etc. fully assembled;
- Where required, land reclamation complete and warranted or in progress with a completion date not more than six months from today;
- Third party financial contributions legally committed;
- All necessary authority vires clearances and approvals obtained;
- Where appropriate design and construction tender documents prepared and ready to issue, tender process initiated, or design and construction team appointed;
- Where appropriate operator agreements, agreements for lease or other use and occupation documents entered into.

We must emphasise that, at the present time there is no guarantee that any shovel-ready elements of your wider scheme will receive early funding decisions. However, we will consider shovel-ready elements of your wider scheme if you can identify those elements to us now, and will be able to provide a full business case in the form required by the Fund, and for which guidance has been issued, by 30 November 2019. To be considered, shovel-ready elements of your wider scheme should meet the following additional criteria:

- Shovel-ready elements of wider schemes must be able to present a stand-alone business case meeting the criteria set out in the business case guidance issued with this letter. Receipt of capital funding, should it become available, does not guarantee, or even imply, that you will receive capital funding for your wider scheme. The allocation of capital for the wider scheme remains a competitive process.

- Shovel-ready elements of wider schemes should have a maximum capital cost of £5million. We would discourage schemes with a value of less than £500,000 from being presented.
- There is no additional revenue funding available for the preparation of a shovel-ready business case.
- The assessment criteria for shovel-ready elements of wider schemes will be the same as that for the wider schemes. Decision timescales will depend upon the availability of capital funding.

7. Early Draft Outline Business Case

We recognise that your business case will go through a number of iterations before it is completed. Your Delivery Manager will require a copy of the draft business case as it has been developed not later than 17.00 on 15 January 2020. While recognising that the document will probably still be in development at that stage, this will enable your Delivery Manager to assess progress and offer guidance at a critical stage.

You may wish to submit a draft at an earlier stage, and this can be agreed with your Delivery Manager so long as each of the five cases is developed to a reasonable standard. This you should agree with your Delivery Manager as their capacity will be quite limited working with the original shortlisted 50 places for the Future High Streets Fund and so they cannot guarantee early input.

High Streets Task Force

As part of our plan for the high street, we have also announced the creation of the 'High Street Task Force' to support local places. The Task Force has been set up over the summer and will serve four main aims:

- Boost local authority capacity with provision of experts
- Build placemaking skills
- Increase coordination between groups involved in high street placemaking
- Information, best practice and data sharing:

This should include some light-touch support to some places in business case development and we will be in touch with further detail in due course.

Key dates and early submission

- | | |
|---|--------------------|
| • Capacity and resource grant to be paid | September 2019 |
| • Business case guidance to be circulated | September 2019 |
| • Inception meetings | October 2019 |
| • Early draft business case submission | 15 January 2020 |
| • Final business case submission date | 30 April 2020 |
| • Successful bids announced | Summer/autumn 2020 |

Owing to Delivery Managers' other commitments it will only be possible for authorities to make one early submission of their draft business case.

Communications Agreement

We expect all capacity and resource grant holders to comply with our grant acknowledgement requirements and coordinate all media work with the Department's press office, including flagging any announcements and milestones in advance, and offering opportunities for Ministerial quotes in media releases. Further details of the Communications Agreement that authorities will be required to enter into with the Department are contained in the grant award letter which will follow shortly.

Congratulations on progressing to the next stage of the FHSF process. We wish you every success with your project and look forward to hearing from you shortly.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Rachel Fisher', with a long horizontal flourish extending to the right.

Rachel Fisher

Deputy Director Infrastructure and Regeneration

A2 Appendix B: Love Clacton – The Vision for Our Town Centre in 2030

Clacton Town Centre in 2030 will be a fun and well-loved, year-round destination that positively promotes its unique seaside heritage and works in seamless harmony with the town's fantastic beaches and famous attractions.

It will be a place with a familiar brand and a distinctive traditional character and atmosphere in which local residents and businesses take pride and active ownership, and where visitors are made to feel welcome and safe.

People of all ages and abilities will come to our vibrant town centre to live, work, dine, socialise, shop and learn about Clacton's fascinating history. Whether you are a resident, holidaymaker or day-tripper, the town centre will be the place to go for excellent food, quality goods, activities and entertainment both during the day and into the evening. Information and services will be readily available anywhere in the town centre, on-line and via the latest mobile technology.

With free access to the internet, people will take mobile working to another level, bringing their office to a town centre café, workspace or even a spot on the beach. The town centre will also be a place to interact and learn - providing a hub for formal educational and health services, interactive experiences and community engagement.

Residents of all ages will be actively involved in the promotion and upkeep of the town centre and in providing excellent customer service to ensure that people can 'Love Clacton' for many generations to come.

Clacton will be:

CONVENIENT AND FREE – Easy to get to by all forms of transport with ample free street parking and conveniently located off-street car parks.

LOCAL AND PROUD – Positively promoted, loved and well looked after by local businesses and residents working together.

ACTIVE – Lots to do all year round with fun events, specialist markets and live music held regularly in the town square during the day and into the evening.

CLEAN AND SAFE – Family-friendly spaces kept safe and tidy by local people and businesses working closely with the Council and the Police.

TRADITIONAL CHARACTER – Proud of its history as one of the UK's top seaside resorts and not afraid to show off its traditional Victorian charm.

OBLIGING AND WELCOMING – Businesses and their staff are well trained, friendly and helpful to make visitors and residents feel welcome.

NEW AND EXCITING – Embracing new ideas and new technology and welcoming new business, activities and attractions.



Achieving the vision

In response to the revolution of on-line shopping, Clacton will develop to become more than just a shopping destination. Following a relaxation in the planning rules, the core of the town centre will start to offer a vibrant range of national and independent shops, services, restaurants, cafes and entertainment venues which complement and work with the attractions on the seafront whilst maintaining footfall for independent businesses occupying the surrounding streets. With the creation of new homes on upper floors of shop units and in the side streets, the community has been brought closer to the centre of town – maintaining and adding to the vibrancy and activity throughout the day and into the evening. Businesses will want to stay open for longer to exploit the opportunities for trade and increased tourist footfall and the day-time and evening economies will enjoy a seamless transition.

Not only will the town centre offer a place to shop and socialise, it will also offer more opportunities for people to work thanks to the roll out of free wifi and mobile connectivity – allowing more people to do business, whether that be from a laptop or smartphone in one of the town’s cafes or through the flexible working space and hireable meeting rooms that have been created in response to ever increasing demand. Some people will even take their office outside; enjoying their lunch or coffee on the outdoor seating provided by the town’s many eating and drinking establishments, or even the beach. Comprehensive wifi and mobile coverage will have also revolutionised the way people access shopping and services in the town centre. Not only will customers be kept abreast of all the latest offers, events and special deals, but paying for things will be safe, convenient and easy with the advancement of mobile and contactless technology.

‘Love Clacton’ will not only be the brand that all residents and many of the town’s visitors will have become familiar with, it will also be the philosophy held by the community of businesses and residents, supported by the local Council, Police and voluntary organisations. As a brand, the Love Clacton logo will enjoy a consistent physical presence in shop windows, signs and banners throughout the town and will also be at the forefront of social media, newspaper, radio and local television. Businesses will work together to promote the brand and to ensure that local people need look no further than Clacton Town Centre and its seafront for fun, entertainment and enjoyment.

The Love Clacton philosophy will have developed into a community of people that take pride in their town and who want to offer their time and assistance in making the town centre a clean, safe, attractive and vibrant place. An army of ‘Ambassadors’ of all ages and backgrounds, with strong leadership from the town’s business community, will volunteer their time to welcome visitors and help promote, maintain and generally keep an eye on their town centre. The Ambassadors will organise and marshall a host of public events on the town square, throughout the year which will be effectively promoted through various media channels – these will include live music and entertainment, specialist markets and themed events. They will also play a critical role in helping to keep the town centre tidy and attractive by assisting with planting and maintenance, reporting problems to the relevant authorities and being a constant presence in the town centre to assist businesses, visitors and the work of the Police. Thanks to the measures put in place by the Tendring Community Safety Partnership, people will feel safe in Clacton Town Centre and it will be seen as a place that is fun, welcoming and family-friendly.

With some subtle but effective changes to the parking and traffic arrangements in the short-term, Clacton Town Centre will have become easier to get around – whether by foot, bicycle, bus, taxi or car. The area will have also become busier which will be beneficial to its sense of vibrancy and to local businesses. With more opportunities to park in the heart of the town centre, local shops will have enjoyed a boost in trade. Adjustments to the flow of traffic and improvements to signage will have made it easier to park. Key routes into the town centre will have also seen investment in their public realm including planting, signage, cycle/footways and street furniture. Important links into the town centre from the seafront and the railway station will have also been improved and Clacton’s traditional Victorian seaside character will be enhanced and promoted as a key element of the overall Clacton experience. Through encouragement and incentives for businesses to repair and improve their properties, the town’s buildings will look better than ever – contributing positively to the town’s character and people’s enjoyment of its environment.

Thanks to the programme of measures developed and implemented by the community and businesses (working together with the support of the Council, partners and government) and through the good will of its residents, Clacton Town Centre in 2030 will have achieved this vision of being a fun and well-loved, year-round destination that positively promotes its unique seaside heritage and works in seamless harmony with the town’s fantastic beaches and famous attract

Spatial vision

Waterglade/Rosemary Road West

Developing a high quality ‘anchor’ retail park within a stone’s throw of the core shopping area.

- Priorities:
- Work with the owners to support their proposals to expand the retail park onto the old gasworks site to give more choice to shoppers and to tidy up an otherwise redundant site.
 - Working with the developers of the Waterglade extension and through other sources of funding to secure improvements to the public realm along Rosemary Road West to promote and maintain linked trips by foot and cycle between the retail park and the town centre.

Core Shopping Area including Central Pier Avenue/Electric Parade)

Proving and promoting Clacton’s best shopping, eating and drinking in the heart of its vibrant historic core. A series of short, medium and long-term measures will aim to transform this area into ‘Electric Parade’, the thriving heart of Clacton.

- Short-term priorities:
- Alter parking and traffic restrictions to create additional on-street parking opportunities close to the core of the town centre in the short-term to help improve footfall for existing businesses.
 - Remove planning restrictions to promote a flexible mix of uses including restaurants and cafes amongst shops.
 - Working with businesses and partnerships, the Love Clacton Ambassadors will host a variety of events throughout the year which will be well publicised through a variety of media outlets (including social media) and will be well attended, by Clacton’s own residents and visitors.

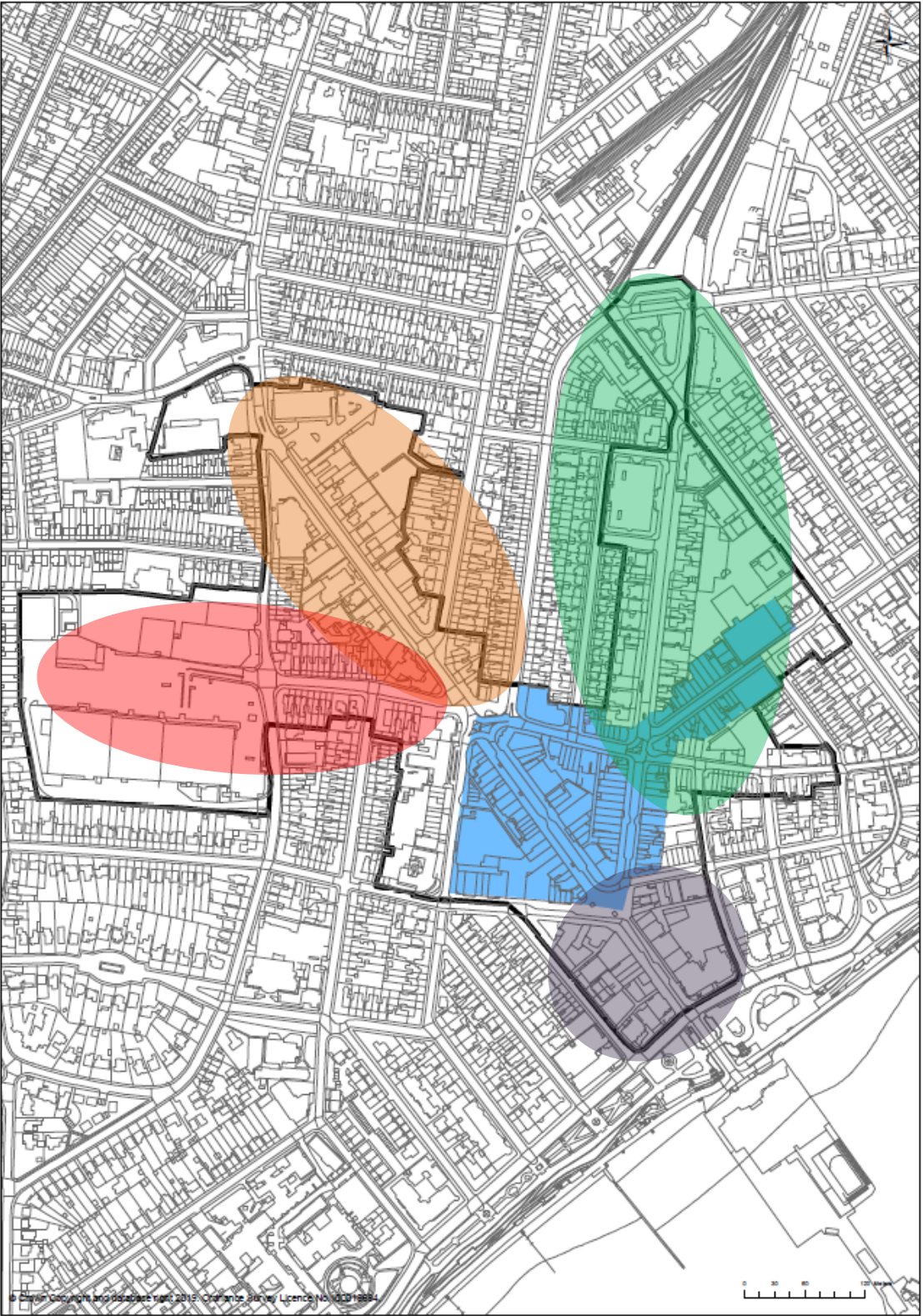
- Medium-term priorities:
- Improve access to and from the car park in Jackson Road for pedestrians and car users and increase off-street parking capacity, through the potential creation of a multi-storey car park.
 - Work with bus companies and taxi drivers to relocate taxi ranks and bus stops to help increase parking provision and pave the way for a more pedestrian friendly environment in the long-term.
 - Utilise property to create necessary pedestrian linkages and create new residential accommodation and business space to add to the vibrancy of the town centre.

- Long-term priorities:
- Comprehensive programme of public realm improvements to create a pedestrian friendly area that promotes and conserves Clacton’s special Victorian seaside character.
 - Re-brand as ‘Electric Parade’ with attractive cast-iron archways at either end and an under-cover canope through its centre, retro street-furniture, lighting, bunting and signage and branding that promotes Clacton’s heritage.
 - Create a thriving mix of shopping, eating and drinking opportunities and a host of regular street entertainment, specialist markets and other events.

Pier Avenue North

Enhancing an important gateway into the town centre via its health and spiritual quarter.

- Priorities:
- Public realm improvement including new paving, lighting and street furniture to give residents and visitors a more welcoming sense that they have arrived in the town centre.
 - New easy to understand and interactive signage will help direct drivers to the town centre’s off-street car parks in Jackson Road, Wellesley Road and the High Street.
 - Utilise some of the lighting columns relocated from central Pier Avenue/Electric Parade following its transformation and furnish with positive Love Clacton branding, events advertising and seasonal decoration.



Station Road/High Street/Rosemary Road

Enhancing an important gateway into the town centre via the railway station and developing a hub of educational, health and community services.

- Priorities:
- Manage long-term transition from businesses and estate agents moving on-line to enable alternative town centre uses including community use, shops, cafes and residential.
 - Reduce and ultimately remove forecourt parking in Station Road to enable wider pavements, better cycle links and a better flow of traffic.
 - Utilise and amalgamate land and property to create a mixed-use public sector employment site, high-quality residential development and a new library, community hub and educational/health facilities to help increase footfall and usage of the town centre.
 - Work with Sainsburys to improve, expand and enhance the town centre’s anchor supermarket and support retailers in the High Street.
 - Increase car parking capacity and improve pedestrian and cycle connections through to the core of the town centre.
 - Improved signage to direct drivers, walkers and cyclists.
 - Create coach parking facilities and encourage the flow of day-visitors visitors through the town centre on their way to the seafront.
 - Work with the rail company to promote trips to Clacton and pedestrian flows through to the town centre.

Pier Avenue South/Seafront

Create a destination for socialising, eating, drinking and partying for people across a range of age-groups top support the evening and night time economy.

- Priorities:
- Manage long-term transition from amusement arcades to encourage new restaurants, bars and clubs – expanding on the existing hub of evening activity.
 - Work with partners to explore the potential to fully pedestrianise southern Pier Avenue to create a more pedestrian friendly zone that is safe, easy to Police and which supports growth in the evening and night time economy and which allows for an extension of the town square to host events and street markets.
 - Promote the history of the town through its public realm and explore the potential to reveal and restore some of the town’s earliest Victorian buildings.
 - Enhance pedestrian linkages to and from the Pier, seafront and Hospital.

This page is intentionally left blank

A2 Appendix C: Plan of Action for Clacton Town Centre

Theme	Parking, access and travel	Property and planning	Streetscape and public realm	Business support	Branding and marketing	Digital technology and data	Community engagement and action
<p>Short term actions</p> <p>2019-2020</p>	<p>Consult businesses and residents on realistic options for increasing on-street parking in the core of the town centre and improving access.</p> <p>Work with Essex County Council to undertake a full review of all signage in and around the town centre to identify opportunities to improve the way people navigate the area.</p> <p>Work with Essex County Council and the North Essex Parking Partnership to undertake the preliminary survey work required ahead of any changes to parking and access arrangements.</p> <p>Implement the preferred changes to the parking and access arrangements on a trial basis for a minimum of 18 months and monitor the impact on trade and public perception.</p>	<p>Work with partners and government ministers on a further bid to Round 2 of the Future High Streets Fund in 2020.</p> <p>Actively explore and (where appropriate) act upon opportunities for the Council to acquire property in strategically important locations where it would assist in the delivery of the vision for the town centre.</p> <p>Commission a commercial property study to establish the potential business interest in the town centre and the likelihood of attracting key ‘anchor’ businesses.</p> <p>Develop a more detailed plan for the future development of the town centre to provide a structured framework for planning decisions and future bids for funding.</p> <p>Adopt a flexible approach to the application of town centre planning policies to encourage businesses into the town centre and encourage the residential development in appropriate locations.</p>	<p>Construct a raised performance area in the town square with a demountable canopy which can be used for a variety of events and entertainments.</p> <p>Work with the developers of the former gas works site adjoining the Waterglade Retail Park to achieve a high quality scheme which compliments and links well to the core of the town centre as part of their current planning proposals.</p> <p>Introduction of regular street cleaning using the newly acquired equipment.</p> <p>Design and installation of more prominent ‘no-alcohol’ signage to help discourage street-drinking in prominent parts of the town centre.</p> <p>Explore the potential to employ a falconer as a means of discouraging seagulls and pigeons from the town centre.</p> <p>Design a public realm scheme for southern Pier Avenue.</p>	<p>Creation of the ‘Clacton Town Centre Ambassadors’ group to work with the Council and alongside the Clacton Town Centre Partnership to with the aim of giving businesses and the community a greater say over changes in the town centre and more power to implement those changes.</p> <p>Review of licensing policies for forecourt trading and sitting areas with a view to incorporating more flexibility, in anticipation that more shops might convert to restaurants and cafes.</p> <p>Work with Holiday Parks and bus and train companies to explore how they can assist, and be assisted, in the promotion of the town centre and seafront attractions.</p> <p>Professional assessment of Clacton looking at first impressions of the town centre offer, parking, signage, cleanliness and standards of customer service – to help inform future improvement and business support.</p>	<p>Adoption of ‘Love Clacton’ as the brand for promoting the town centre and the town’s other attractions.</p> <p>Production and distribution of larger ‘Love Clacton’ window stickers to all town centre businesses with active encouragement to display those stickers.</p> <p>Production of additional ‘Love Clacton’ banners to occupy any vacant banner stands in the town centre.</p> <p>Support the development of the Love Clacton website and Love Clacton mobile app as well as promoting Love Clacton through other digital channels including social-media.</p> <p>Undertake a full market research exercise to inform and help develop a comprehensive marketing strategy for Clacton Town Centre and to support the Future High Streets Fund bid.</p> <p>Work with the Clacton History Society to establish how the history of the town can be utilised as part of any branding and marketing campaign for the town centre.</p>	<p>Work with technology and telecommunications providers Cisco to prepare and submit a bid to the government’s Local Full Fibre Networks (LFFN) programme to fund the installation of fibre-optic cabling along the full length of Clacton Seafront, linked to the town centre.</p> <p>Development of the Love Tending ‘app’ to incorporate a ‘Love Clacton’ module which will provide interactive information about town centre services, activities, offers and events.</p>	<p>Full public engagement campaign and consultation events to involve the community and businesses in the further development of the vision for the town centre and potential ideas for change and development.</p> <p>Active engagement with local schools and school pupils to help develop ideas for the town centre from a younger-person’s perspective.</p> <p>Continued working with the Tending Community Safety Partnership to tackle issues around crime, anti-social behaviour and street drinking.</p> <p>Deployment of the new Anti-Social Behaviour Patrol Officer dedicated to patrolling the town centre</p> <p>Active engagement with educational establishments, clubs and associations to explore and develop opportunities for locating educational and community facilities in the town centre.</p> <p>Active engagement with the NHS to ensure proposals for Clacton Hospital support the vitality of the town centre.</p>
<p>Medium term actions</p> <p>2021-2024</p>	<p>Make the changes to the parking and access arrangements permanent if proven to be successful.</p>	<p>Introduce changes to the Council’s Section 2 Local Plan policies for town centres to reflect a more flexible approach that will stimulate activity in line with the vision for the area.</p>	<p>Full pedestrianisation of southern Pier Avenue to create a destination for socialising, eating, drinking and partying to support the evening and night time economy.</p>	<p>Develop a full schedule of events and activities for the town centre run by the Clacton Town Centre Ambassadors and the Clacton Town Centre Partnership with Council support.</p>	<p>Implement the comprehensive branding and marketing strategy for Clacton Town Centre.</p>	<p>Deliver free wifi and/or 5G access across the town centre and seafront area and provide a digital platform upon which future technologies can be integrated into the town centre.</p>	<p>Eliminate street drinking and anti-social behaviour from the town centre.</p> <p>Location community-based activities into the town centre.</p>
<p>Long term actions</p> <p>2025-2030</p>	<p>Implement more fundamental changes to parking and access arrangements in line with the vision for the town centre utilising Future High Streets Fund or other funding streams.</p>	<p>Major redevelopment in line with the vision for the town centre and the detailed development plan utilising Future High Streets Fund or other funding streams.</p>	<p>Implement more fundamental changes to the streetscape and public realm in line with the vision for the town centre utilising Future High Streets Fund or other funding streams.</p>	<p>Establishment of a Business Improvement District (BID) for Clacton Town Centre, led by local businesses – which can raise revenue for the town centre and bid for funding independently from the Council.</p>	<p>Establish full time resources, either through the Council or through a BID to maintain branding and marketing efforts in the long term.</p>	<p>Maintain and develop the digital capabilities of the town centre in response to changing technologies and opportunities.</p>	<p>Develop the town centre as a hub for community activity including key facilities for health and education, in line with the vision.</p>

This page is intentionally left blank

A2 Appendix D: Programme of Future Engagement

Working Groups

Clacton Town Centre Ambassadors Group

The Clacton Town Centre Working Party has succeeded in its original purpose by identifying the main issues and challenges facing Clacton Town Centre along with a variety of ideas for tackling those issues and challenges. The meetings included a large group including all the various stakeholders as well as smaller more focussed groups looking more closely at specific topics i.e. transport, marketing, social issues etc. This culminated in the submission of the expression of interest to the Future High Streets Fund with numerous letters of support, and the recommended actions within the Plan of Action accompanying the report to Cabinet. The establishment of the Working Party also helped form constructive lines of communication between businesses and the Council which will need to be maintained if the rejuvenation of Clacton Town Centre is to be delivered.

Looking to the future, it is proposed that the format and the terms of reference for meetings need to change to better reflect the likely work programme going forward. The main purpose should shift from being a multi-disciplinary exchange of information ideas to a forum for leadership and engagement specifically involving business and community stakeholders as ideas are put into practice. It is therefore proposed that future meetings of the group will include only representatives from the business community, elected Councillors, relevant community stakeholders and a smaller core of Council Officers. On the recommendation of some of the participating businesses, it is suggested that the Clacton Town Centre Working Party be re-named the 'Clacton Town Centre Ambassadors Group'.

It is proposed that the new group be chaired, initially, by TDC's Director for Planning and Regeneration with the potential to the chair to pass to business leader or other stakeholder in the future. Relevant TDC Portfolio Holders and Ward Members will be invited to attend as well as the businesses, community groups and transport providers that have already been involved in the Working Party meetings to date. The Council's Planning Manager and Town Centre Coordinator would be the lead Officers tasked with managing the agenda and progressing any actions through the Technical Group described below.

It is proposed that the Clacton Town Centre Ambassadors Group will meet on a two-monthly basis with the first meeting being arranged for as early as possible in October 2019.

Clacton Town Centre Technical Group

To deal with matters of technical detail, it is proposed that a separate group mainly comprising relevant Officers from Tendring District Council, Essex County Council, the NHS and the Police be set up. This group will be charged with delivering the actions in the Plan of Action, undertaking relevant technical work and preparing a fresh submission to the Future High Streets Fund. It is likely that the Technical Group will meet on a monthly basis and will pull in the relevant officers to deal with specific issues, as and when required.

Clacton Town Centre Strategic Leadership Group

A third group comprising Officers at chief executive and director level within Tendring District Council, Essex County Council and other relevant organisations will be set up to provide a strategic overview of the project and ensure that the shared corporate priorities around the rejuvenation of Clacton Town Centre are delivered with the right commitment to project management and resources. It is likely that the Strategic Leadership Group would meet on a quarterly basis and could incorporate discussion on a range of relevant regeneration projects beyond Clacton Town Centre to make the most effective use of time and resources.

Wider Engagement

Survey of Businesses

Whilst the business representatives on the Working Party have provided a valuable insight into the issues and challenges facing the town centre and the potential ideas aimed at tackling those issues and challenges, there will need to be wider engagement with individual business owners in Clacton Town Centre and the wider town to ensure their views are heard; and to validate the work of the Working Party to date. Evidence of proactive engagement with the wider business community will be essential for the Council's stage 2 bid to the Future High Streets Fund in 2020 and to improve the chances of the project being successful.

It is therefore proposed that a survey to businesses be distributed in October/November 2019 by the Council working with the Clacton Town Centre Partnership. The format and questions within the survey would be considered by the members of the Ambassadors Group and agreed by the Chair before being distributed.

The survey would specifically invite participants to consider and comment on the issues, challenges and ideas identified by the Working Party and more specific options relating to parking and access, development and public realm improvements. The findings of the survey would then inform action going forward.

Public Consultation and Public Survey

A survey and a series of public engagement events is also recommended to gauge the views of residents in the Clacton and wider area on the various issues, challenges and ideas and the more specific options relating to parking and access, development and public realm improvements. Evidence of public engagement and support will be essential for the Council's Stage 2 bid to the Future High Streets Fund in 2020 and to improve the chances of the project being successful.

The survey would be sent to all households in Clacton and surrounding parishes and Officers would organise drop-in sessions/exhibitions in the Town Centre for people to visit and express their views and ideas. It is suggested that these sessions could take place in the run up to Christmas when town centre footfall would be expected to be higher.

Again, the format and questions within the survey along with the format of the drop-in sessions/exhibitions would be considered by the members of the Ambassadors Group and agreed by the Chair before being distributed.

Market Research

It is proposed that an external company is engaged to undertake market research to understand the needs and demands of people in the catchment area which can inform strategic decisions about the products and services the town centre should cater for and the approach to branding and marketing that should be adopted to encourage people back into the town centre.

Engagement with younger people

Officers have already made preliminary contact with teachers and students at Clacton's two secondary schools as a means to gauge the views of younger people. Both have expressed a desire to be involved in proposals for Clacton Town Centre, setting up focus groups with a range of pupils of different ages and/or running school projects on this topic which could involve a survey of all pupils. It is proposed that Officers continue to engage with the teachers and pupils in these two schools alongside the wider consultation with businesses and the public.

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

CABINET

13 SEPTEMBER 2019

JOINT REPORT OF THE PORTFOLIO HOLDERS FOR BUSINESS & ECONOMIC GROWTH AND CORPORATE FINANCE & GOVERNANCE

A.3 STARLINGS SITE AND MILTON ROAD REDEVELOPMENT

(Report prepared by Tom Gardiner, Head of Regeneration)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

This report seeks Cabinet agreement to deliver two key regeneration projects within Dovercourt Town Centre: the redevelopment of the Starlings site in Dovercourt Town Centre and the demolition of the Milton Road Car Park

Agreement is sought to allocate £1.595m from existing Council budgets to deliver these projects, including the appointment of a technical team. The delivery of the projects is also subject to the approval of the Business Case detailed in a related **Part B** report.

EXECUTIVE SUMMARY

At its meeting in July 2019 Cabinet approved The Dovercourt Town Centre Masterplan (Dovercourt Masterplan Revisited), which articulates a vision for the regeneration and transformation of the town. The Masterplan is a prospectus for change and promotes a targeted range of development and public realm improvements to support the regeneration, transformation and renaissance required.

The Dovercourt Town Centre Masterplan seeks to improve the economic performance and vitality of the town by creating a more appealing environment through targeted interventions focussed on vacant, derelict and rundown sites, and by securing improvements in the quality of the public realm.

Cabinet also approved the preparation of a detailed business case for the redevelopment of the Starlings site and the Milton Road Car Park. Outline project proposals for these sites provide the focus of this report. The Business Case for these projects is set out in the related **Part B** report.

The Starlings site is located on Dovercourt High Street and has been derelict for some years. Despite being hoarded the site is a blight on the town centre. The Milton Road Car Park is a two storey steel and concrete structure located adjacent to the Starlings site. The Car Park (which incorporates public toilets), is in the Council's ownership, and is now in need of significant improvement works if the facility is to retain any long term operational use.

The Dovercourt Masterplan advocates that the Starlings site be redeveloped to provide new animated public space, public toilets, and a surface car park with the capacity to accommodate 59 car parking spaces (six of which being designated for disabled use). The Masterplan also advocates the demolition of the Milton Road Car Park and for the vacant site to be redeveloped for housing (this could take the form of nine, three storey town

houses above a shared under-croft car park). The redevelopment of the site would incorporate provision for an additional fifteen public car parking spaces on Bagshaw Road.

Works to demolish the Milton Road Car Park is an investment that will create a development site in Council ownership with the potential to generate a future capital value. There exist a range of scenarios through which the site might be brought forward for development, the detail of which will be the subject of a future report to Cabinet.

The redevelopment of the Starlings site and the Milton Road Car Park, in line with the concept designs provided in the Dovercourt Town Centre Masterplan, would provide a net gain in public car parking provision of six additional spaces (from 68 spaces to 74 spaces).

The acquisition and redevelopment of the Starlings site and the demolition and subsequent redevelopment of the Milton Road Car Park are identified as being critical components in the Masterplan to securing a successful transformation and vibrant future for Dovercourt Town Centre.

The projects deliver the aims and objectives of the Council's Corporate Plan, linking directly with the Council's Community Leadership role and commitment to supporting vibrant town centres through targeted 'place shaping' investment. They will have a positive regeneration impact on Dovercourt Town Centre and the social, economic and environmental wellbeing of the area by:

- a) Bringing back into productive use a vacant and derelict site, which currently blights the town and has a negative impact on Dovercourt High Street;
- b) Creating town centre assets for the Council which will have positive uses now and in the future;
- c) Supporting wider 'place shaping' objectives through the delivery of new housing;
- d) Creating a more accessible public car park, and improving footfall in the town;
- e) Creating new public realm and amenity space, providing the opportunity for greater animation thereby creating a more vibrant town centre;
- f) Providing the potential for a multi-use 'event space' in the town centre, through the creative use of the proposed new surface car park;
- g) Reducing the opportunities for crime and disorder through improved urban design;
- h) Creating confidence in the development market, and encouraging private sector investment;
- i) Giving the town's existing traders the confidence to invest in their businesses and in their property; and
- j) Providing a high quality meeting place in the town centre and improving the opportunities for positive social engagement, helping to build civic pride and community cohesion.

Subject to Cabinet approval and the Council's ability to secure control over the Starlings site, the two projects (which are inextricably linked and mutually dependent), would be phased to accommodate the Starlings site development first, thereby ensuring the availability of public car parking space at the time works to demolish the Milton Road Car Park are initiated.

Delivery will be led by the Council's Regeneration Team with technical specialists being appointed as required (to progress the design of the proposed Starlings scheme and the demolition methodology for the Milton Road Car Park; secure all necessary approvals; and oversee the phasing, construction, and delivery of these projects).

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) Agrees proposals for the acquisition and redevelopment of the Starlings site and the demolition of the Milton Road Car Park;
- b) Agrees that £1.595m funding be allocated to the project from existing budgets; and
- c) Notes that the above will be progressed subject to approval of the Business Case and Recommendations set out in the related **Part B** report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The redevelopment of the Starlings site and Milton Road Car Park respond directly to the Corporate Goals identified within the Council's Corporate Plan and to the objectives of the Council's Economic Development Strategy (EDS). The Starlings site and Milton Road projects also accord with the Council's Community Leadership Role and with the aims and objectives of the Council's Dovercourt Town Centre Masterplan, which was approved by Cabinet in July 2019.

Specifically the Starlings site and Milton Road projects respond to the following Corporate Goals:

Health & Housing

- Promote healthier lifestyles and wellbeing
- Deliver a quality living Environment
- Local regeneration

Employment & Enjoyment

- To support business growth
- To enable better job prospects
- Attractive events programme

Our Priorities 2018/19, Corporate Director (Planning & Regeneration)

- Strategy and plan for Harwich and Dovercourt public realm
- Economic growth

The proposed redevelopment projects respond 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.

Finally the proposed projects also respond directly to the vision and to the site development and public realm objectives set out in the Dovercourt Town Centre Masterplan (Dovercourt Masterplan Revisited). Specifically the proposed interventions align with Projects 1 and 2 of the "Dovercourt Twenty" as identified in the Masterplan.

FINANCE, OTHER RESOURCES AND RISK

Finance and other Resources

There are a number of Financial and associated Resourcing implications linked to the recommendations identified in this report. Specifically the financial implications relate to the acquisition and redevelopment of the Starlings site and the demolition and of the Milton Road Car Park. In total overall costs (including land acquisition professional fees, project management and contingencies) are estimated at £1.595m.

Funding of £1.595m is currently available in the Council's Budget for the project:

Harwich Regeneration	£1,000,000
Milton Road Car Park	£250,000
Regeneration Capital Projects	£345,000
Total	£1,595,000

It should be noted that the overall budget includes a contingency at circa 15%. This is a higher than average contingency figure but is considered prudent given the scope of the project (i.e. addressing derelict and challenging sites).

Works to demolish the Milton Road Car Park is an investment that will create a development site in Council ownership with the potential to generate a future capital value. There exist a range of scenarios through which the site might be brought forward for development, the detail of which will be the subject of a future report to Cabinet.

Risks

The successful delivery of these projects is subject to a number of potential risks. These are outlined below together with the mitigation measures and will be recorded in a dedicated risk register.

Corporate Risks	Mitigation Measures
Capacity (financial/human) within the Council to effectively manage The redevelopment of the Starlings site & Milton Road Car Park.	Appointment by the Council of a Project Manager to work with the Project Team to manage the project from inception to completion.
An inability to secure external professional support within the project timetable.	Adjust project timetable.
Reputational damage arising from Councils inability to deliver any noticeable regenerative benefit from the proposals.	Explain and stress Business Case (bringing a vacant and derelict site back into use, demolishing an aesthetically unpleasant building with high refurbishment costs and developing new housing in Dovercourt town centre).
Reputational damage arising from Council's inability to delivery proposed projects.	Appointment of an in-house Project Manager & Project Team and the procurement of a Professional Team.

<p>A shift in Corporate Priorities and Policy Objectives following political Change (National/Local).</p> <p>An inability to engage with and/or to secure the support of public & private sector partners or the Dovercourt community.</p> <p>Site Specific Risks</p> <p>The Councils inability to secure control over the Starlings site.</p> <p>The Councils ability to secure control over the Starlings site at a cost within its expectations and within the projected financial envelope.</p> <p>Unexpected extraordinary costs arising from detailed site analysis (eg Environmental Impact Assessment , Subterranean Site Investigations , Land Contamination</p> <p>Unexpected extraordinary costs arising from demolition of the Milton Rd Car Park and associated deep excavation on a confined town centre site.</p> <p>Deleterious structural impact on neighbouring property (existing buildings , footways and Highways.</p> <p>Deleterious impact on subterranean Services.</p> <p>Councils ability to obtain Planning Permissions for the developments particularly for Milton Rd Change of Use.</p>	<p>Project objectives enshrined within Corporate Plan and other policy documentation. Ensure members briefed and in support of project interventions.</p> <p>Focus on additional partner/community consultation and engagement during inception phase by Project Manager, and Project Team.</p> <p>Mitigation Measures</p> <p>Specialist Council land negotiation team.</p> <p>Specialist Council land negotiation team.</p> <p>Hold final land purchase until site investigations and studies are complete.</p> <p>Council and Contractors Insurances, Project Management by Method Statement control and CDM procedures.</p> <p>Council & Contractors Insurances & Project Management by Method Statement Control and CDM Procedures.</p> <p>Detailed site investigation trial holes & Method Statement Control & CDM Procedures.</p> <p>Consultation and Engagement at inception by Project Team with the Council's Planning and Regeneration Department.</p>
<p>Working with the Council's appointed Professional Team and CDM Coordinator the Council's Project Team will control and mitigate these risks as part of its administrative and managerial function and will identify, track, and report on identified risks in line with the Council's established programme and project management protocols.</p>	
<p>LEGAL</p>	
<p>The legal power for the acquisition of land for planning purposes by agreement is set out in Section 227 of the town and Country Planning Act 1990.</p>	

Where the Council believes that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects:

- (a) the promotion or improvement of the economic well-being of their area;
- (b) the promotion or improvement of the social well-being of their area;
- (c) the promotion or improvement of the environmental well-being of their area.

Demonstration of these objects are set out within the body of this report.

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 Dovercourt Town Centre Masterplan seeks to improve the economic performance and vitality of the town by creating a more appealing environment through targeted interventions focussed on vacant and rundown sites, and by securing improvements in the quality of the public realm. The acquisition and redevelopment of the Starlings site and the demolition and subsequent redevelopment of the Milton Road Car Park are identified as being critical components to securing the successful transformation and renaissance of Dovercourt Town Centre.

Area or Ward Affected

The Starlings site and Milton Road Car Park are located within the District's Harwich and Kingsway Ward.

Consultation and Public Engagement

In refreshing the Dovercourt Town Centre Masterplan the Council's professional team (Urban Initiatives Studio) undertook two consultation events. These sought to secure the views, thoughts, aspirations and comments of:

- The Council's Cabinet;
- Ward Councillors;
- The Harwich and Dovercourt Coastal Communities Team;
- The Harwich and Dovercourt Tourism Group;
- Essex County Council (Localities and Highways Teams);
- The Council's Corporate Team; and
- Relevant Heads of Service.

The proposed Starlings site and Milton Road projects were discussed and endorsed as part of this process, and in July 2019 these redevelopment propositions were approved by Cabinet as part of the Dovercourt Town Centre Masterplan.

Subject to Cabinet's approval of these proposed projects, the Council's Project Team in tandem with its Professional Team (when procured and operational), will initiate a publicity campaign, utilising interpretation boards, newsletters and social media (as necessary) to

inform residents and businesses in Dovercourt of the Council's plans to redevelop the Starlings site and Milton Road Car Park.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Dovercourt has suffered from the generic decline in the popularity of English seaside towns and as a consequence of this and other local factors (such as the transformation of working practices at Harwich International Port), and the decline of other industry, the town's economy has contracted. The condition of the built environment and the quality of the public realm has seen a commensurate decline. Dovercourt High Street has lost its pre-war (WW2) zest and vitality, and this is demonstrated by the number of derelict residential and commercial premises that are located in close proximity to the town centre.

By the beginning of 2018 it had become increasingly apparent that market conditions in Dovercourt were such that its social and economic stability was becoming progressively fragile and that these conditions would negatively impact the town's medium and longer term sustainability. As a consequence the Council resolved to prepare a masterplan for the town centre in which the opportunities to halt the towns terminal decline would be researched, and project proposals identified that together would help rediscover Dovercourt's former glory, and secure a renaissance in the town's social vibrancy and economic prosperity.

Urban Initiatives Studio Limited were commissioned by the Council in early 2018 to prepare a masterplan for the town centre, and their draft proposals were considered and approved by Cabinet at its meeting on 19th July 2019.

The Masterplan has a vision which seeks to secure Dovercourt as: a thriving town with an attractive High Street, a range of shops and cafes and regular street markets: a town which is proud of its heritage but also able to respond to new opportunities. A town with a high quality public realm and open spaces, stunning beaches and good connections – an attractive place to live, work, shop and visit.

The Masterplan identifies nine principal objectives which together establish a Town Centre Strategy for the renaissance of Dovercourt. The Strategy seeks to:

- Reinforce the town centre as a place for local facilities and services;
- Intensify the town's role as a place to live and work;
- Enhance the town's character and strengthen its distinctiveness;
- Enhance the town's accessibility by all modes of transport;
- Provide high quality public realm;
- Offer quality public spaces that invite people to stay;
- Support small interventions that animate the town centre and deliver quick improvements to catalyse change;
- Effectively promote and market the town; and
- Proactively manage the town centre to ensure that it is fresh, safe, well maintained and welcoming.

The Masterplan details a wide range of site development and public realm interventions, which are presented in the document as the 'Dovercourt Twenty'.

The acquisition and redevelopment of the Starlings site and the demolition and

redevelopment of the Milton Road Car Park feature as priority projects (Projects 1 and 2) within the Dovercourt Twenty. These projects seek to secure positive social, economic and environmental outcomes for Dovercourt by:

- a) Bringing back into productive use a vacant and derelict site, which currently blights the town and has a negative impact on Dovercourt High Street;
- b) Creating town centre assets for the Council which will have positive uses now and in the future;
- c) Supporting wider 'place shaping' objectives through the delivery of new housing;
- d) Creating a more accessible public car park, and improving footfall in the town;
- e) Creating new public realm and amenity space, providing the opportunity for greater animation thereby creating a more vibrant town centre;
- f) Providing the potential for a multi-use 'event space' in the town centre, through the creative use of the proposed new surface car park;
- g) Reducing the opportunities for crime and disorder through improved urban design;
- h) Creating confidence in the market, and encouraging private sector investment;
- i) Giving the towns existing traders the confidence to invest in their businesses and in their property; and
- j) Providing a high quality meeting place in the town centre improving the opportunities for positive social engagement.

Project 1 - Starlings Site Redevelopment

The Masterplan advocates the development of a surface car park on the vacant Starlings site to replace the Milton Road public car park (which has provision for 68 spaces). The concept design for the proposed new car park has a capacity of 59 parking spaces. In addition, the redevelopment of the Milton Road Car Park (Project 2) provides 15 public parking spaces on Bagshaw Road, providing a total provision of 74 parking spaces (the proposed redevelopment therefore results in the provision of 6 additional parking spaces in the town).

The Masterplan proposes that access and egress to the new Starling's public car park would be via Orwell Road. The car park would be level with the High Street and due to the level difference across the site, a retaining wall and balustrade would be required along Orwell Road and Milton Road. Access stairs to the car park would be located on Milton Road. Between the surface car park and the High Street it is proposed that a new public space be provided. This would incorporate benches, tree planting, landscaping and a children's play area. A public toilet facility is proposed at the western end of this space adjacent to existing buildings.

A green pocket space with another feature tree and timber bench is proposed at the corner of Milton Road with Bath Road to enhance the quality of the street scene. A green wall is proposed along the western edge of the new car park to visually enhance the outlook from the car park towards the party wall of the existing building.

Delivery of the Starlings site surface car park and associated public space/utility including the cost of land acquisition and assembly is estimated to be in the order of £1.432m.

Outline Proposals for the Starlings Site

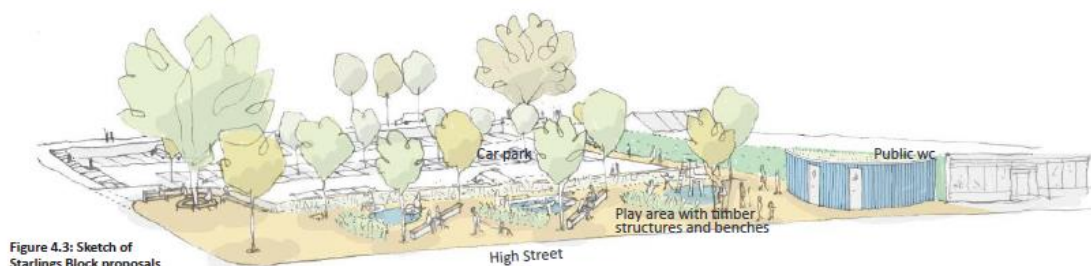


Figure 4.3: Sketch of Starlings Block proposals

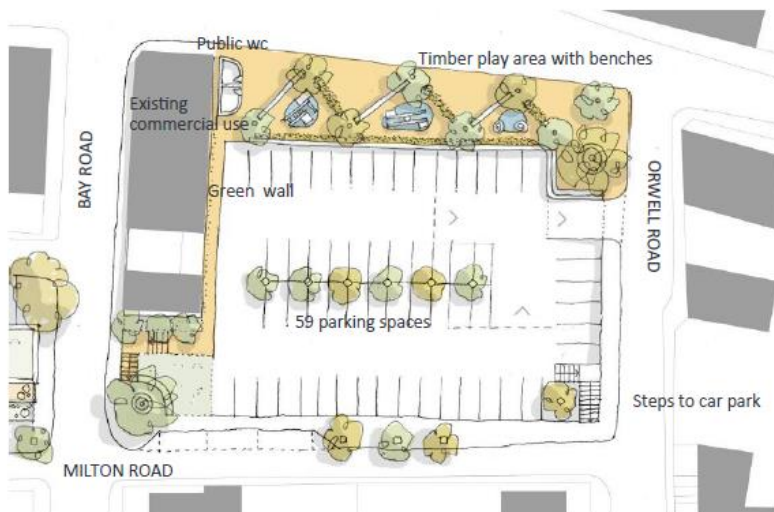


Figure 4.4: Plan of Starlings Block site proposal

HOW IS IT DELIVERED?

Requires land assembly by the council and delivery as a capital project.

REGENERATIVE IMPACT:
VERY HIGH

Project 2 – Milton Road Car Park

The Masterplan advocates that the Milton Road Car Park is demolished and the site redeveloped with a terrace of nine three bedroom town houses.

There exist a range of scenarios through which the Milton Road site might be brought forward for housing development, the detail of which will be the subject of a future report to Cabinet. In summary these include:

- Disposal of the site for private sector housing development via the open market;
- Council led housing development of the site for private sale;
- Council led development of the site for social/affordable/key worker housing;
- Development of the site for social/affordable/key worker housing by the Council in partnership with a housing association or other such registered landlord;
- Private sector development of the site incorporating a leaseback arrangement with the Council.

The proposed housing development would front onto Milton Road and offer a small garden between the footway and the entrance. The town houses would be of three storey construction with the top-floor set back, offering space for south facing roof terraces. The buildings would sit above a shared private under-croft car park providing 17 car parking spaces.

As part of this development 15 public parking spaces would be provided on Bagshaw Road. These parking spaces would be interspersed with tree planting, to enhance the quality of the street scene.

The cost of demolishing the Milton Road Car Park is estimated to be in the order of £163k.

Outline Proposals for the Milton Road Car Park



Outline Proposals for the Starlings Site and the Milton Road Car Park



Outline Site Layout (Starlings Site and Milton Road Car Park)

The selected Professional Team would be procured through a separate process prior to delivery, and would have the skills, experience and ability to progress the delivery of these projects, drawing on the following professional disciplines:

- Project Management
- Architecture
- Design and Space Planning
- Land & Building Surveying
- Quantity Surveying
- Structural Surveying
- Works Supervision
- Cost Control
- Electrical and Mechanical Engineering
- Procurement
- CDM Compliance

In addition it will be necessary to procure external land and property and legal support, providing expertise on land valuation, conveyancing and other legal matters which may arise in the course of delivery.

FURTHER HEADINGS RELEVANT TO THE REPORT

There are none.

BACKGROUND PAPERS FOR THE DECISION

There are none.

APPENDICES

There are none.

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

CABINET

13 SEPTEMBER 2019

REPORT OF THE LEADER OF THE COUNCIL

A.4 NORTH ESSEX GARDEN COMMUNITIES Ltd: APPROVAL OF 2019-20 INTERIM BUSINESS PLAN AND BUDGET

(Report prepared by Ewan Green, Lisa Hastings and Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek Cabinet's ongoing support, working together with Braintree District, Colchester Borough and Essex County Councils, to progress North Essex Garden Communities (NEGC), to approve the Interim Business Plan for 2019/20 for NEGC Ltd and specific governance arrangements for the project.

EXECUTIVE SUMMARY

1. North Essex Garden Communities Ltd (NEGC Ltd) was established in January 2017 by Colchester Borough, Braintree, and Tendring District and Essex County Council's (the company shareholders) and is the current strategic delivery vehicle for the North Essex Garden Communities project.

The basis for this is the Council's 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.

2. In the period to date NEGC Ltd has developed its strategic rationale and operational capacity with the support of both its' shareholder Council's, 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.

3. The role of NEGC Ltd has been successfully developed to the point where it is a fully operational company recognised 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 that are required to ensure the effective operation of the company moving forward.

4. 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 the 2019/20 Interim Business Plan and Budget.

5. The Board of NEGC Ltd has agreed an Interim Business Plan for 2019-20 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.

The primary tasks during the year are to assist the North Essex Authorities with the work required for the Local Plan Section 1 Examination in Public; undertake public engagement to increase awareness and understanding of a range of key topic areas relevant to the garden community principles; evolve the approach to economic development, masterplanning, innovation, programme funding, governance and delivery, including consideration of the transition towards a locally-led development corporation as one of a number of delivery vehicle options for the NEGC project. The potential for the establishment of a Locally- Led Development Corporation will form part of an options appraisal for future delivery of the NEGC programme.

6. The 2019-20 Interim Business Plan is a precursor to the future preparation at the appropriate time of a 5-year Business Plan, which will be progressed when further progress is made with the Local Plan Section 1. 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.

7. At the end of March 2019 the council shareholders of NEGC Ltd agreed the following milestones:

- Local Plan (submission of evidence) – October 2019
- NEGC Public Engagement – October & November 2019
- Outline Business Case for Delivery Options – initial draft in November 2019 and final draft in January for Council approval in February & March 2020
- NEGC Business Plan 2020/21 & 2021/22 – initial draft in November 2019 and final draft in January 2020 for Council approval in February & March 2020

8. The 2019-20 Interim Business Plan includes a draft budget for 2019/20, which requires agreement of shareholders (as part of agreeing the Interim Business Plan). The draft budget for 2019/20 includes expenditure of £2.131m. The assumed income includes an additional £350,000 phased contribution from each shareholder Council within 2019/20, which is subject to review. The phased contribution will be subject to agreement of the Section 151 Officer and in line with partner Councils contributions. The contribution of £350,000 is broadly apportioned to support evidence for the Local Plan Section, including the Housing Infrastructure Fund bid, (£200,000) and overall Delivery Strategy (£150,000).

9. The budget currently assumes an additional £600,000 from Government in 2019/20. 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 2019/20 Interim Business Plan so as to mitigate the budget shortfall.

In these circumstances Councils will be provided with a further update. The balance of £131,000 will be funded from income received in 2018/19 and carried forward into 2019/20.

This report therefore seeks agreement to commit £350,000 from the Council subject to a formal request from NEGC Ltd Board.

10. 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 at some point in the future a significant part of the 2019/20 budget will pass to NEGC Ltd, with the remainder of costs retained within Colchester Borough 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 this allocation will be determined by the shareholder council's Section 151 officers.

11. Beyond 2019/20 and assuming that Section 1 of the Local Plans has been adopted by the North Essex Authorities, it would then be an appropriate time to move away from public revenue (grant) funding and obtain securitised external finance to fund the progression of detailed planning and set-up of the preferred delivery vehicle. It is envisaged that this set-up process will begin in 2020/21 and take around two years with a budget in the range of £16m to £20m across a two-year period. Depending on the type and nature of external finance obtained it is anticipated that there would be a need for on-going financial undertakings or support from shareholders. Thereafter, it is envisaged that longer-term finance will be required to support 'on the ground' development activity from 2022/23 onwards, which would also be used to pay back the shorter-term finance required for 2020/21 and 2021/22.

12. It should be noted that Government has announced approval of a Housing Infrastructure Fund (HIF) grant of £99.9m to deliver the A120-A133 Link Road (which is central) to the Tendring Colchester Garden Community and the Rapid Transit programme for the whole North Essex Garden Community programme.

13. This report also references the importance of the topic of Garden Community stewardship and how detailed consideration of this issue by the Councils will be required in the near future.

14. 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 prejudice the outcome of the proper Local Plan process.

RECOMMENDATION(S)

It is recommended that Cabinet:

1. approves the 2019/20 Interim Business Plan and Budget (subject to confirmation of government funding) for NEGC Ltd as attached at Appendix A;
2. approves committing £350,000 from the Garden Communities Budget and the associated delegations to enable phased drawdowns upon a formal request by way of a NEGC Board resolution in accordance with the agreed milestones and agreement of the Council Section 151 Officer;
3. authorises the Section 151 Officers to agree any future allocation of the project funds held by Colchester Borough Council between NEGC Ltd and the North Essex Authorities; and

4. notes that a report will be considered at a future Cabinet meeting in respect of funding requirements and financing options for 2020/21 and 2021/22.

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
- 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

1. This report set out the proposed budget for NEGC Ltd for 2019/20 and associated funding. The proposals include the allocation of a further £350,000 in 2019/20. Consideration of this further funding will be made when the NEGC Ltd.’s business plan for 2019/20 is presented to the North Essex Authorities and will be considered in the context of the Council’s 2019/20 budget.

2. The proposed budget includes expenditure of £2.131m, funded by contributions of £0.350m from each of Colchester Borough, Braintree and Tendring District and Essex County Councils, a further £0.600m from Government and £0.131m from income received in 2018/19 and carried forward into 2019/20.

3. To date the Council has made contributions totalling £0.600m to the Garden Communities Project from a total budget of £2.250m that was previously set aside. Therefore £1.650m remains available to support the overall project, including the contribution of £0.350m required in 2019/20.

4. The development of the North Essex Garden Communities is dependent upon the Local Plans being approved by the Planning Inspector and then adopted by the North Essex Authorities. The Planning Inspector’s findings are expected to be received in early 2020.

Assuming the Local Plans are approved and then adopted, additional funding in the range of £16m to £20m will be required over the next two years (2020/21 and 2021/22) in order to progress detailed planning and set-up the preferred delivery vehicle.

5. Whilst securitised external finance will be sought, it must be recognised that funding options may be limited until infrastructure is developed and provides an asset to underwrite the financial risk. In a worse-case scenario, if no external funding was secured in the two year period to 2021/22, the North Essex Authorities would need to fund or underwrite, the full estimated cost of £16m to £20m.

6. In order to maximise external funding opportunities whilst keeping the financial risk to the North Essex Authorities at acceptable levels it is proposed that potential funding partners are engaged with over the next few months. Depending on the type and nature of external finance obtained, there will be a need for on-going financial undertakings or support from the North Essex Authorities. At this point in time, the £350k contribution being requested, along with the £600k already invested to date, should be viewed as grant funding.

Local Plan - Section 1

1. Before a Local Plan can be formally adopted by a Council, it must be examined by a government-appointed Inspector whose job it is to check that; 1) the plan has been prepared in line with various legal requirements and 2) that the policies and proposals in the plan comply with the 'tests of soundness' contained within the National Planning Policy Framework (NPPF). Examination hearings for the Section 1 Plan took place between January and May 2018; and in June 2018 the Inspector wrote to the North Essex Authorities setting out his initial findings. Whilst he confirmed the legal compliance and soundness of some elements of the plan and praised the North Essex Authorities' innovation and ambition, the Inspector found some of the evidence and justification in support of Garden Communities to be lacking and was therefore unable to pass the Section 1 Plan as sound. The Inspector's specific concerns were reported to Members in October 2018.

2. In his letter, the Inspector offered the North Essex Authorities advice and options for how best to proceed. Having considered his advice, the North Essex Authorities in October 2018 confirmed that they remained committed to using Garden Communities principles to secure the future housing requirements in North Essex and would produce additional evidence to address each of the Inspector's concerns. On the 10th December 2018, the Inspector confirmed that he was satisfied that the proposals for further work on the evidence base satisfactorily responded to the points he had raised as identified issues and paused the examination until the North Essex Authorities further work on the evidence base and an Additional Sustainability Appraisal was completed. Monthly updates have been submitted to the Inspector on the programme timetable as requested.

3. The additional evidence has now been completed and the findings are detailed within the reports which have been presented to the Local Plan Committee and Council.

4. The findings of the Additional Sustainability Appraisal indicate that many of the site proposals and alternative spatial strategy options are closely matched when assessed against the sustainability objectives. However, none of the alternative spatial strategies stand out as performing notably stronger than the current strategy in the submitted Section 1 Local Plan. There is consequently nothing arising from this new evidence that would

suggest that the current spatial strategy is not justified or needs to change to make way for an alternative approach.

5. The North Essex Authorities have decided to continue promoting the current spatial strategy involving the creation of three new Garden Communities in the locations currently proposed. The additional evidence requested by the Inspector is intended to address his previous concerns and provide the basis for subsequent approval of the Section 1 Local Plan.

6. As well as producing the above evidence in response to the Planning Inspector's concerns about Garden Communities, the North Essex Authorities have also compiled a table of proposed amendments to the Section 1 Plan. These amendments are aimed at addressing certain issues identified by the Inspector, partner organisations and objectors to the Plan and ensuring the plan meets the tests of soundness. Many of the proposed amendments arose from suggestions and discussions at the examination hearings in 2018 and the Inspector's interim findings whereas others arise from the findings of the additional evidence base.

7. It will be the Inspector's choice whether or not to accept the proposed amendments to the Local Plan through the resumed examination process, in determining whether it satisfies the necessary statutory requirements and is sound.

8. The additional new evidence base documents and the table of proposed amendments are published for six weeks public consultation between 19th August and 30th September 2019 before they are submitted, along with any representations received, to the Planning Inspector to enable him to resume the examination. It is expected that the further examination hearings will take place in late 2019 or early 2020.

Delivery Mechanisms Options Appraisal

1. The Section 1 Local Plan explains that the North Essex Authorities are committed to ensuring that the new garden communities are as sustainable and high quality as possible and that the infrastructure needed to support them is delivered at the right time. This will require the Councils to work very closely with the relevant landowners using a robust delivery mechanism that ensures a fair and equitable distribution of the costs and land requirements needed to secure the ambitions for the Garden Communities and create a long term legacy appropriate to the scale of the ambition. Given the scale of complexity of the proposed Garden Communities, it is envisaged that 'Local Delivery Vehicles' (LDVs), with both private and public sector representation, will be used to oversee these developments.

2. Whilst, in his letter, the Inspector acknowledged that this approach was generally compatible with national planning policy and deploying new models of delivery was a legitimate aspiration, he questioned if other delivery mechanisms could be adopted – suggesting that there was no substantial evidence to show that only new models of delivery were capable of delivering Garden Communities in the way envisaged. In response to this, the Councils' legal advisors Denton's have produced a specific paper entitled 'Delivery of the Garden Communities' which explains that since the submission of the Local Plan in 2017, the government has placed greater emphasis on local authorities taking a more pro-active role in the delivery of new homes and the delivery of Garden Communities. It also explains that new statutory provisions have been put in place promoting 'Locally Led New Town Development Corporations' (LLNTDCs) as a mechanism by which new development can be delivered. It is proposed that modifications

to the Local Plan are made to reflect the potential for Garden Communities to be delivered via LLNTDCs but that it will ultimately be for the Councils to decide whether this is the most appropriate means by which to proceed.

3. The paper also explains that if LLNTDCs are not used as a vehicle to deliver the Garden Communities and landowners and developers are left to bring the development forward on their own, they will be expected to meet all costs associated with their delivery in accordance with both the policies in the Local Plan and any more detailed requirements set to be included in the new Development Plan Documents (DPDs) for each of the schemes. It also explains that if landowners were unwilling to release their land at a reasonable price which allows for these costs to be met, the NEAs would be willing to use 'Compulsory Purchase Order' (CPO) powers to acquire the land – something that is supported by national planning policy, where necessary.

4. Denton's paper will help to explain to the Inspector that whilst a Local Delivery Vehicle or a LLNTDC is the preferred means by which to deliver the Garden Communities, other delivery mechanisms are available and could be employed to ensure that the developments come forward in the way envisaged. When the detailed delivery mechanisms for the Garden Communities are discussed and decided, State Aid issues will be addressed.

5. A full options appraisal of the Garden Communities delivery options will be prepared to enable members to take future decisions on potential locally-led development corporation proposals, with linked oversight arrangements between the North Essex Authorities. The options appraisal will consider the key priorities for the North Essex Authorities, the delivery routes available, risks and the potential scale of any financial commitments and liabilities.

LEGAL

The General Power of Competence 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:

1. 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.
2. The New Towns Act 1981 (Local Authority Oversight) Regulations 2018 came into force in July 2018, making provision for the local oversight of new town development corporations. Guidance has been issued that outlines the way in which Locally Led New Town Development Corporations (LLNTDC) will work.
3. 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 an area as a new town ("locally led new town").
4. 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 LLNTDC's to be designated.

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;

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

(a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.

(b) Advance equality of opportunity between people who share a protected characteristic and those who do not.

(c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation.

The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

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.

North Essex Garden Communities will create inclusive communities which meet 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

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

2. As part of this agreed approach, the Cabinets 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 Ltd Shareholder Agreement, with each Authority holding an equal shareholding.

Since this approval, NEGC Ltd was formally established in January 2017 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 has been meeting every two to three months.

3. In September 2017, the 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 by Members of this approach alongside other delivery vehicle options in the form of an options appraisal.

4. In November 2018 the Cabinet of each Authority approved the 2018/19 Interim Business Plan and accompanying budget as well as Financial Procedure Rules for NEGC Ltd. Key tasks for 2018/19 were 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 Locally Led Development Corporation will form part of an options appraisal of a range of options for future delivery of the NEGC programme.

5. In order to enable NEGC Ltd to move forward it is required to adopt a further Interim Business Plan and approve its budget for the 2019/20 financial year. Under the terms of the Shareholders Agreement, NEGC Ltd is permitted to operate under an interim business plan as the board shall determine until such time as a long-term business plan is adopted.

The NEGC Ltd board has recently approved an Annual Review for 2018/19 which provides details of the outcomes in relation to the NEGC programme.

2019/20 Interim Business Plan

1. 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 a 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 for the garden communities.

2. The Shareholder Agreement requires the Long-Term Business Plan to be submitted to the Shareholders within three months of the full NEGC Ltd Board being appointed. The full Board was established in January 2017. However, 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 17 January 2019 that the Company may operate under an Interim Business Plan for 2019/20.

3. 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 2019/20 Interim Business Plan (Appendix A) for NEGC Ltd has been produced for the 2019/20 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 the delivery strategy including a potential locally-led development corporation.

4. The 2019/20 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 bringing forward a number of priorities during 2019/20 to move the Garden Communities towards the delivery phase. The key operational priorities include:

- Assisting the North Essex Authorities in their planning capacity by carrying out further work in relation to the Local Plan evidence base including: additional infrastructure, delivery and phasing work; employment floor space forecasting; demonstrating the viability of the Garden Communities; input into the overall Transport work, including proposals for a Rapid Transit System, and supporting the Council's and presenting evidence on deliverability at the re-opened Examination in Public for Part 1 of the Local plan;
- Continuing with high-level engagement with the existing and proposed new communities on a number of key topics to give them a strong sense of participation in and ownership of the emerging new Garden Communities;
- Continuing to ensure that the North Essex Economic Strategy maximises benefits to Garden Communities and the area as a whole;
- Evolving the best approach for delivery strategy including locally-led Development Corporation(s) in North Essex with Government, including the preparation of a locally – led development corporation operating structure and funding requirements for testing with funders;
- Working 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 Ltd.'s directors and shareholders;
- Continuing to explore approaches to secure an interest in land either via negotiation or compulsory purchase;
- Working with the Councils and key partners on Stewardship to identify a range of income earning and community assets together with potential management vehicles across the Garden Communities;
- Developing Masterplans for each of the Garden Communities;
- Designing local (e.g. transport) and social (e.g. education, health, community

facilities etc.) infrastructure required to support each of the garden communities;

- 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;
- Exploring options available and delivering a commercial strategy to implement the supporting Infrastructure and utilities required to deliver the Garden Communities;
- Working closely with partner organisations to progress four priority areas identified for innovation (infrastructure, economy & business, living space, health & wellbeing) and develop a formal work plan to progress them;
- Prepare a costed Business Plan for 2020/21 and 2021/22 for approval by the NEGC Board in January 2020.

5. The primary tasks during the year are to assist the North Essex Authorities with the work required for the Local Plan Section 1 Examination in Public; undertake public engagement to increase awareness and understanding of a range of key topic areas relevant to the garden community principles; evolve the approach to economic development, masterplanning, innovation, programme funding, governance and delivery options, including consideration of the transition towards a locally-led development corporation as one of a number of delivery vehicle options for the NEGC project.

6. NEGC Ltd will present delivery strategy options to the North Essex Authorities during 2019/20 to consider and decide upon the future operating model(s) for the delivery of the garden communities.

7. The 2019/20 Interim Business Plan followed by the subsequent 2020/21 & 2021/22 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 following the outcome of the Local Plan Section 1 Examination in Public.

8. The 2019/20 Interim Business plan sets out the Vision, Strategic Objectives and key operational priorities for NEGC Ltd during 2019/20.

Key activities for each of the workstreams and activities that will be undertaken by NEGC Ltd during 2019/20 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.

2019/20 Budget

1. 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.

2. The following table sets out a summary of the expenditure budget for 2019/20 by workstream which was agreed on a working basis by the North Essex Authorities at the

end of March 2019. The budget includes provision for the additional work required to progress the locally-led development corporation proposition in conjunction with Government.

£000's	Q1	Q2	Q3	Q4	Total
Local Plan / DPD					
Staff	£103.8k	£119.6k	£126.5k	£120.8k	£470.7k
Overheads	£27.3k	£33.5k	£36.5k	£30.4k	£127.7k
Supporting studies	£45.5k	£65.1k	£79.5k	£10.5k	£200.6k
Planning	£79.5k	£84.5k	£71.75k	£69.75k	£305.5k
Engagement	£6.0k	£18.0k	£13.3k	£5.5k	£42.8k
Risk/Contingency	£14.0k	£14.0k	£13.8k	£29.6k	£71.4k
Total					£1,218.7k
Delivery Strategy					
Staff	£68.7k	£70.2k	£71.7k	£72.7k	£283.3k
Overheads	£20.8k	£22.3k	£21.3k	£20.8k	£85.2k
Governance	£9.0k	£4.0k	£7.5k	£54.2k	£74.75k
Delivery & Stewardship	£15.3k	£29.4k	£37.6k	£38.5k	£120.8k
Masterplan/Transport	£1.0k	£1.0k	£11.0k	£20.1k	£33.1k
Infrastructure & Utilities	£5.0k	£15.0k	£25.0k	£30.0k	£75.0k
Strategic Business Planning	£31.0k	£61.0k	£81.1k	£44.0k	£217.1k
Risk/Contingency	£6.2k	£5.0k	£5.0k	£6.3k	£22.5k
Total					£911.7k
Overall Total					£2,131k

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 also included.

Income

- The budget includes a contribution of £350,000 from each of the North Essex Authorities and an additional £600,000 from Government in 2019/20. A final determination is still awaited on the exact amount of Government support and in the event that this support is less than is assumed, the Councils will be provided with a further report on the implications and any proposed mitigation. The balance of funding in 2019/20 will be from income received in 2018/19 and carried forward into 2019/20.

Local Authority Contributions

The 2019/20 Interim Business Plan and associated budget includes the assumption that the North Essex Authorities will commit additional funding of £350,000 each in 2019/20. The request from NEGC Ltd is that this funding is set aside by each authority for future drawdown from NEGC Ltd as it is required. The contribution of £350,000 is broadly apportioned to support evidence for the Local Plan Section 1 (£200,000) and overall Delivery Strategy (£150,000).

Transfer of the Project Budget

1. In February 2016 the shareholder councils agreed to commit £250,000 to support the joint work on the garden communities project. In September 2017 an additional £250,000 from each Authority was approved, followed by a further £100,000 in November / December 2018 to fund further work undertaken by NEGC Ltd in the development of the project. In addition to the contributions from the Councils, grants from the Government of £3.213m has been received to date to support the project.

To date project funding and spending has mostly taken place through Colchester Borough Council's accounts.

2. The 2019/20 Interim Business Plan assumes that in future part of the 2019/20 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 this allocation will be determined by the North Essex Authorities Section 151 officers.

Stewardship

1. Long-term stewardship and management of the Garden Communities is a crucial part of the successful legacy of new communities. Recognising that such arrangements need to be in place from the outset to support the delivery model chosen by the Councils, the North Essex Authorities have previously committed to undertake long-term stewardship for the Garden Communities, as detailed in the "Active Local Stewardship" principle in the NEGC Charter that was approved in 2016:

"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".

Likewise, within the final draft Section 1 Local Plan, Policies SP8, SP9 and SP10 set out the detailed requirements for each of the proposed Garden Communities and include the following wording:

"Establishment at an early stage in the development of the garden community, of appropriate and sustainable long-term governance and stewardship arrangements for community assets including green space, public realm areas and community and other relevant facilities; such arrangements to be funded by the development and include community representation to ensure residents have a stake in the long-term development, stewardship and management of their community".

2. Such large-scale new communities have significant income generating and community asset (such as green space, community buildings and public realm) opportunities and options to participate in such arrangements will be presented to the Councils for initial consideration in the coming months. For example, the Letchworth Garden Village Heritage Foundation has existed for over 100 years and provides ongoing maintenance of public open space and management of the town centres and industrial buildings, as well as supporting, funding and promoting activities for the benefit of the Garden City and its communities. As at 31 December 2018, Letchworth had an asset portfolio value of £163m with an annual income of £12.2m, a property income of £9.5m and a charitable spend of

£7.6m.

Early next year (Q4 19/20) the Councils are scheduled to formally make a decision on the preferred delivery model for the Garden Communities, which will also provide an opportunity for Members to review and comment on the supporting investigative work that will inform the consideration of the stewardship options available to the Councils and enable a clear and collective course of action to be agreed.

CURRENT POSITION

1. North Essex Garden Communities Ltd (NEGC Ltd) was established in January 2017 by Colchester Borough, Braintree, and Tendring District and Essex County Councils (the company shareholders) and is the current 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.

2. 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.

3. The role of NEGC Ltd has been successfully developed to the point where it is a fully operational company recognised by the public, private sectors, and local communities, as the focal point for the North Essex Garden Communities programme. 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 that are required to ensure the effective operation of the company moving forward.

4. The Council is currently putting in place new arrangements to ensure robust scrutiny on matters relating to the North Essex Garden Communities programme (which includes NEGC Ltd). It is proposed that this be taken forward jointly by the Resources and Services and Community Leadership Committees (by way of a joint panel) which would be an efficient way to ensure effective scrutiny of NEGC for both Members and Officers. Matters for consideration could include:

- Progress in Delivery of NEGC Business Plan Objectives
- Proposals for a Development Corporation and / or alternative delivery arrangements
- Medium to Long Term Finance Options
- Stewardship

FURTHER HEADINGS RELEVANT TO THE REPORT

There are none.

BACKGROUND PAPERS FOR THE DECISION

There are none.

APPENDICES

Appendix A - NEGC Ltd 2019/20 Interim Business Plan

This page is intentionally left blank

North Essex Garden Communities Ltd

Interim Business Plan

2019/20, 2020/21 & 2021/22

(agreed by NEGC Board in June 2019;
to be approved at Local Authority Cabinets & Full Councils by October 2019)

COMMERCIAL IN CONFIDENCE

Contents	Page
1 Executive Summary	3
2 Introduction	5
2.1 Introduction to North Essex	5
2.2 The North Essex Garden Communities Programme	5
2.3 North Essex Garden Communities Ltd	7
2.4 Progress so far	8
2.5 The Local Plan Process	11
2.6 Role & Purpose of this document	12
3. Strategic Outline Case	13
3.1 Introduction	13
4. NEGC Vision & Strategic Objectives	16
4.1 Introduction	16
4.2 Mission Statement for North Essex Garden Communities Ltd	16
4.3 Vision for North Essex Garden Communities Ltd	16
4.4 Strategic Objectives for North Essex Garden Communities Ltd	17
4.5 The North Essex Garden Communities Prospectus	18
5. NEGC Strategy	20
5.1 Overarching Strategy	20
5.2 Approach to Masterplanning & Infrastructure	21
5.3 Approach to Delivery & Finance	22
5.4 Approach to Engagement & Communications Economy	22
5.5 Approach to Economy	22
5.6 Approach to Innovation	23
5.7 Approach to Legacy & Stewardship	23
6. Key Priorities & Deliverables for 2019/20	24
6.1 Operational Priorities for 2019/20	24
6.2 Key Workstreams & Activities for 2019/20	27
6.3 Programme timeline & key milestones for 2019/20	31
7. Strategic Milestones for 2020/21 & 2021/22	32
8. Programme Management	34
8.1 Operating Model	34
8.2 Staffing Structure	34
8.3 Governance & Workstreams	35
8.4 Outcome Resourcing	37
9. Finance	39
9.1 Overview	39
9.2 2019/20 Budget	39
9.3 2020/21 and 2021/22 Budget	40
10. Risk	41
10.1 Overview	41
APPENDICES	
A NEGC Priorities & Milestones 2019/20 – 2021/22	42
B Rationale and Business Case Context	43
C NEGC Budget Forecast 2019/20	51

1. Executive Summary

Strategic Context

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 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, 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) 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 Plan

This is the second Business Plan that has been produced for NEGC Ltd and is a key step on the journey to delivering the Garden Communities. As such, it builds on the work that was delivered through the revised 2018/19 Interim Business Plan, which included work on revising evidence for the Local Plan together with preparatory work on a potential North Essex Locally-Led Development Corporation to deliver the three Garden Communities. This document sets out a three-year Business Plan for NEGC from 2019/20 to 2021/22.

The first year 2019/20 contains a detailed work programme that focuses on building upon the foundations laid in 2018/19 to deliver the major outcomes for the year and for the programme as a whole, which are obtaining adoption of Section 1 of the Local Plans as well as enabling the shareholder Councils to reach a decision regarding governance and oversight authority arrangements, which could lead to the submission to Government of an application for a mandate for a North Essex Locally-Led Development Corporation as per the proposed direction of travel that was formally supported by the NEGC Board in November 2018. 2019/20 is therefore a crucial year for the programme as without the achievement of those major outcomes it will increase the risk of the Garden Communities not being delivered in the years that follow. Indeed, the delivery of those major

outcomes by the end of 2019/20 would mean that the programme could move to being externally financed and the Councils would then not need to provide further revenue grant contributions.

It also sets out a high-level programme and milestones for 2020/21 and 2021/22 as there are a number of key aspects that will need to be considered during 2019/20 that are anticipated to influence or be dependencies on the approach over the latter two years. As well as delivering the major outcomes, the work programme for 2019/20 will also provide the building blocks for the programme to move into the delivery phase and begin to mobilise during 2020/21 and 2021/22. In particular, the Engagement & Economy as well as the Masterplanning & Transport work elements in 2019/20 will enable the programme to undertake the more detailed design work during the following two years in a manner that ensures the residents and communities can provide input and participate. The Delivery & Finance, Legacy & Stewardship and the Infrastructure & Utilities work elements in 2019/20 will provide the structure for the programme to mobilise and implement the public/private financed development vehicles and structures to deliver the programme during the following two years. In addition, the cross-cutting Innovation work element during 2019/20 and beyond will enable the delivery of the programme to be undertaken in a manner that has a focus on quality and being future-proofed.

Taken together, the elements of this Business Plan will enable the programme to deliver the first homes in the first half of 2023. As such, this Business Plan acts as a precursor to the preparation of a 'Long-Term Business Plan' as defined within the NEGC Shareholders Agreement, which will underpin the operation of the preferred delivery model approach from April 2022 onwards.

2. Introduction

2.1 Introduction to North Essex

North Essex is a key location in the UK; it is well connected to London, includes close proximity to the country's largest deep sea freight port at Felixstowe together with its sister 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 around the key existing towns and settlements is already a vibrant hub for innovation and creativity and has seen significant growth in housing, a burgeoning multi-sector economy and highly-skilled employment over recent years and is well-placed for providing further desirable opportunities to live and work in the future.

However, statistically 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 in the Greater South East which includes £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 using the collective 'North Essex Opportunity' identity launched at MIPIM UK in October 2018. The Councils have developed plans to provide a roadmap for its economic ambition by creating what is currently the largest scale housing, employment and infrastructure programme 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.

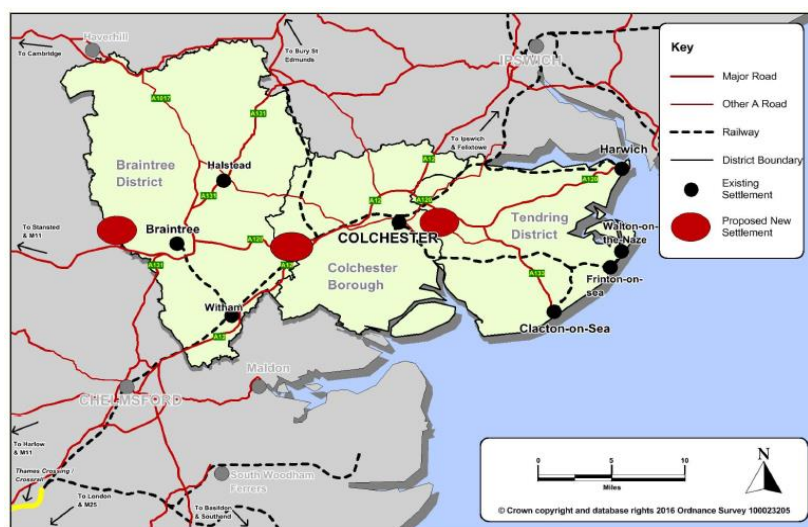
The Garden Communities concept is ideally suited to deliver on this local ambition because it can:

- 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 and 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
- Create a great place to live, work and spend leisure time overall.

Figure 1 shows the location of the three new Garden Communities that are proposed in the North Essex Authorities' Local Plan (2013 – 2033) Section 1, which has been submitted to the Planning Inspectorate and is undergoing the due process, with an Examination anticipated to take place in December 2019. These will accommodate a substantial amount of the housing and employment growth planned for North Essex within the Local Plan period and well into the future (the ranges are taken from the North Essex Authorities' Local Plan (2013 – 2033) Section 1):

- 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 (around 1,400 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 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

NEGC Ltd Interim Business Plan

June 2019

COMMERCIAL IN CONFIDENCE

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.

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 also 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) formally established on 30 January 2017 (Company No: 10319743).

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

NEGC 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 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 are currently nominated as:

- Cllr David King (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 Tending District Council in the absence of Cllr Neil Stock OBE);
- Cllr Julie Young (representing Colchester Borough Council in the absence of Cllr David King);
- Cllr David Finch (representing Essex County Council in the absence of Cllr John Spence CBE); and
- Cllr Gabrielle Spray (representing Braintree District Council in the absence of Cllr Graham Butland).

Cllr John Spence OBE currently acts as the Chairman of the NEGC Board, a position that the Board has agreed should continue until the end of the 2019/20 financial year, or until such point as a Development Corporation is established in North Essex. There will therefore be a need for the NEGC Board to formally elect a Chairman for the 2020/21 financial year.

The Purpose of NEGC 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 to explore with Government the potential for creating a locally-led development corporation for North Essex as one potential delivery mechanism. This is currently the primary focus of the work that NEGC will undertake ahead of progressing the Local Delivery Vehicles.

Alongside the Purpose, Schedule 1 of the NEGC Shareholders Agreement also sets out key objectives that a Garden Community should achieve, which are detailed in Section 4.4 of this Business Plan.

NEGC 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 its Business Plans and masterplanning frameworks, which will acknowledge and complement the North Essex Authorities' 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 successfully collaborating over the last few years to effectively plan for long-term growth across the area. NEGC has developed its strategic rationale and operational capacity with the support of its shareholder Councils, the Ministry of Housing, Communities & Local Government (MHCLG) and key national agencies such as Homes England. The role of NEGC has also been developed to the point where it is a fully operational company recognised by the public, private

sectors, and local communities, as the focal point for the North Essex Garden Communities programme. 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. Details of the considerable progress NEGC Ltd has made since it was formally established on 30 January 2017 to deliver the garden communities include:

Government Support

- 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 proposition in the programme. Being part of this programme provides direct access to other Garden Towns with associated learning and knowledge/information sharing opportunities.
- Securing over £3m of Government capacity funding up to and including 2018/9 to support in bringing forward the project management, design, planning, delivery and technical work necessary to evolve and bring forward the proposals. This is in addition to £2.4m of capacity funding that the partner Councils have also contributed to the programme.
- North Essex Garden Communities has to date received more funding than any other Garden City proposal in the UK, and there has been clear recognition by Government of the ground-breaking work that NEGC is undertaking on bringing forward large new communities, and an appreciation for the economic opportunity offered by the North Essex corridor.
- This has also been seen in the officer support with a senior MHCLG officer attending NEGC Steering Group and working group meeting, regular government civil servant site visits and ongoing support from Homes England.

Local Plan

- Coordinating the Council's approach to Local Plans, including the confirmation, publication and Examination in Public of a joint 'Section 1' of the Local Plans, which sets out a shared strategy for growth in North Essex and preferred locations for new Garden Communities.
- Work to support the Councils to provide further evidence for the ongoing Examination in Public process, including liaison with Homes England, Highways England and other key Government bodies.
- Council preparation and publication of Issues and Options for each Garden Community and support of the consultation events.

Delivery Approach

- Successful influencing of and high-level engagement with Government to enable the 1981 New Towns legislation to be amended and Guidance to be produced in 2018 to enable locally-led development corporations to be implemented.
- Developing the approach and structure for a locally-led development corporation in North Essex, including strategic masterplanning work to identify a phasing and costings plan, financial modelling, discussions with Institutional Investors and Government over long-term funding.

- Building relationships with land owners and promoters in order to develop necessary structures and commercial agreements to enable delivery to be progressed potentially through a locally-led development corporation.
- Undertaking initial property cost estimate work to identify the overall land and disruption cost for acquisition through CPOs under ‘no scheme’ by a locally-led development corporation.
- Identifying stewardship arrangements for the long-term maintenance of public amenities and potential participation in income earning asset portfolios.

Infrastructure & Utilities

- Working with ECC to support the initial feasibility and design work for the expansion and realignment of the A12 and A120 schemes in/around Colchester to provide the necessary highways infrastructure to support the garden communities.
- Identifying and enhancing plans in conjunction with ECC for a Rapid Transit Scheme to be implemented across the North Essex corridor to support future economic growth including the garden communities.
- Supporting two Forward Funding Housing Infrastructure Funding bids that were submitted by ECC for approximately £165m in total have made it through to Round 2 which is a period of co-development of a potential business case.
- Undertaking strategic masterplanning work that has identified the key local transport and social (e.g. education, health, community etc.) infrastructure required to support each garden community and developed a high-level phasing plan to ensure that infrastructure is delivered either ahead or alongside the delivery of homes and commercial assets.
- Identifying the scope and nature of the work required to upgrade utilities provision to support the delivery of the garden communities which now enables an option appraisal analysis to be undertaken to establish commercial relationships with the various utility companies.

Economic Growth

- Developing the key components of a long-term economic strategy for North Essex that is capable of leveraging the future benefits of the garden communities in a manner that would enable North Essex to begin to match the performance of its comparator areas in the Greater South East.
- Identification of the principal workstream elements to put in place the key ‘enablers’ (e.g. future workforce skills development and Research & Development) as well as the inward investment proposition.
- Attendance at MIPIM UK 2018 under the ‘North Essex Opportunities’ banner to promote the future economic growth opportunities in the area and begin to put North Essex on the map, both nationally and internationally with employers and investors. This brought together both public sector bodies and the private sector, supported by the University of Essex and Bosch.

Innovation

- Holding an Innovation event in May 2018 involving key partners and stakeholders, which has enabled the development of a framework and identification of initial priority workstreams to be progressed to ensure that the garden communities have a focus on quality and are future-proofed from a technological perspective.

- Establishment of a Strategic Health & Wellbeing group led by the local Clinical Commissioners to ensure that best practice can be applied from the national Healthy New Towns programme and from NHS-sponsored research establishments.
- Successfully organised an Innovation in Health & Wellbeing event, hosted by the Hothouse facility at BT and involving public, private and voluntary sector stakeholders, to identify the key local challenges and holistic interventions on which the emerging strategy will be based.

NEGC Ltd Structure

- Established NEGC Ltd as a separate body to The Councils, resourcing the company with the appropriate expertise to deliver the programme, and undertake the developer work required to bring large-scale developments to fruition.
- Developed operational and employment policies to enable NEGC to function as a company and ensure that it complies with applicable legislation.
- Held the first NEGC Ltd AGM in July 2018, which was open to the public to attend.

Kerslake Review

A peer review of the programme was undertaken by a team of experts led by Lord Kerslake in 2017. The report's recommendations can be found [here](http://www.essex.gov.uk/News/Documents/Garden_Communities.pdf) [http://www.essex.gov.uk/News/Documents/Garden_Communities.pdf].

Since the review was conducted, NEGC and The Councils have responded as follows:

- Preparing individual 'concept frameworks' for each community and a 'Prospectus' that sets out the vision and strategic narrative for the programme as a whole.
- Appointed a full-time Group Managing Director for NEGC and a dedicated programme team has been appropriately resourced.
- Strengthened engagement with Government leading to 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 Board.
- Further evidence work for the Local Plan Examination in Public has been undertaken and will be presented to the Inspectorate in Autumn 2019.
- Undertaken informal dialogue with key local stakeholders and developed a three-stage public engagement programme to commence prior to the next Local Plan Examination in Public.

Progress has been made in respect of the delivery strategy including identifying the key phases for each of the three sites and an exploration of key delivery and finance partners.

2.5 The Local Plan Process

The Local Plan process is clearly relevant to the work that NEGC will be undertaking in 2019/20. For the sake of clarity, it is therefore worth setting out the different roles that the North Essex Authorities (NEAs) have in their function as planning authorities and their roles with respect to the operation and ownership of NEGC.

The three NEAs (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 to help to deliver the Vision is consistent with, and will not pre-judge, the outcome of the Local Plan processes. Indeed, the work of NEGC does not propose to adjust or alter the approach to the Local Plan provisions regarding these communities.

Following the conclusion of the Section 1 Local Plans Examination in Public (EiP) hearing sessions, the NEAs received the Inspector's interim findings in June 2018. The Inspector raised a number of issues with the soundness of the Local Plans and the accompanying Sustainability Appraisal. The Inspector also set out options for proceeding with the Examination, including: removing the Garden Communities from the Local Plan; proceeding with the Garden Communities in the Local Plan but with a revised evidence base and Sustainability Appraisal; or withdraw the Local Plan from Examination (and effectively start the process again).

Each of the NEAs considered the three options and agreed to proceed with the Garden Communities in the Local Plan (albeit with additional caveats relating to infrastructure delivery, viability and local engagement), and they are committed to rectifying the evidence base and carrying out an additional Sustainability Appraisal. The timetable for carrying out this work is currently anticipated to result in submission of the evidence base and Sustainability Appraisal in Autumn 2019 following on from public consultation on the documents. This would allow for EiP hearing sessions to recommence by the end of 2019 and Local Plan adoption in Summer 2020.

The planning, transport/infrastructure and viability/delivery work that NEGC will need to do to support the NEAs with progressing the evidence base as well as providing support at the EiP of the Section 1 Local Plans therefore forms a significant part of the 2019/20 Business Plan for NEGC.

On 24 July 2018, the 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). As part of the delivery mechanism options 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 2019/20 Business Plan for NEGC. 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 a Business Plan for NEGC for the 2019/20 financial year to enable it to undertake technical work that will be relevant to the statutory work that the North Essex Authorities are doing in relation to the Local Plan process, appearing at the Examination in Public as a potential delivery body for the Garden Communities, and to develop proposals for a locally-led development corporation in accordance with the NEGC Board's support of the proposed direction of travel for the company. It has been prepared in accordance with the NEGC Shareholders Agreement.

This Business Plan provides an overview of the vision, objectives, necessary workstreams, governance, funding and actions required to deliver NEGC scope of work and bring forward a number of priorities for the next three years to move the Garden Communities towards delivery phase. The

focus for 2019/20 is to work with The Councils to enable Section 1 of the Local Plans to be adopted as well as progressing proposals for delivery of Garden Communities including a potential locally led development corporation. The programme of work identified for the second and third years will enable NEGC to begin to identify and secure external (i.e. non-Council) funding for April 2020 onwards. Given the early stage of the full three-year programme, including a continual evolution of the delivery approach, it is recommended that this document is kept under regular review.

This Business Plan will act as the first 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, including proposals to secure external finance for NEGC, will be submitted to the Board for approval in January 2020 (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

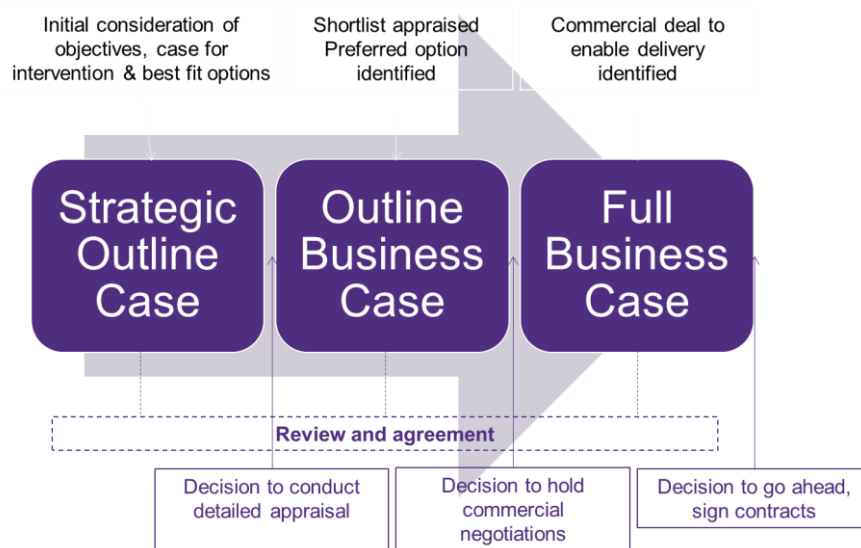
3.1 Introduction

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 as set out in this document, and as required by the Company’s 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, providing an overview of how the programme progresses from outline to full detail stages.

Figure 2: Business Case Development Process Map



Activity 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. In essence the programme has effectively completed this stage of the process.

The approach going forward through 2019/20 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 (as appropriate) 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 management plan and procurement.

It is anticipated that the final elements of the work on the Outline Business Case/s would be complete sometime during Year 2 (2020/21) of this Business Plan period.

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 Business Case stage with the main Full Business Case/s (i.e. Locally-Led Development Corporation and initial Delivery Vehicles) anticipated to be complete during Year 3 (2021/22) of this Business Plan period.

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 2019/20, 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.

4.2 Mission Statement for North Essex Garden Communities Limited

The overall Mission Statement for NEGC 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 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 three individual North Essex Garden Communities projects, including those set out in the Local Plan and NEGC Prospectus. The overall Vision Statement for NEGC detailed on the next page is consistent with both 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 is the creation of new Garden Communities where people want to live, work and play.

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

- ***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;
- ***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; and
- ***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. They have not been set in any order of priority on the basis that the delivery of Garden Communities requires an holistic approach that ensures the key strands are delivered in an inter-connected manner.

The NEGC Ltd 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 (e.g. a range of affordable and rented housing for all ages and income levels to exist alongside outright market sale housing).
- 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 focuses 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 supportive infrastructure, ranging from transport through to green infrastructure, innovation, skills, social and community development.

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

Strategy 1: “Community Engagement”

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

Strategy 8: “Active Local Stewardship”

Strategy 9: “Strong Corporate and Political Public Leadership”

Strategy 10: “Innovative Delivery Structure”

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

5. NEGC Strategy

5.1 Overarching Strategy

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 through 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 programme's 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, work and play 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 and delivery partners as well as local communities.

From the outset NEGC 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 should explore the establishment of a locally-led Development Corporation (as enabled by the Neighbourhood Planning Act 2017 and the establishment of the formal Regulations in 2018) as one of the delivery mechanism options available. A locally-led Development Corporation has great potential to provide a strong and focused 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 that are designed to deliver the planned communities;
- Either market the development sites and seek the best price achievable in the open market or work in partnership with developers/contractors to build out the plots, both options would be consistent with the achievement of desired design and quality standards, including a range of different tenures of housing (i.e. mix of affordable and market rent and for sale);

- Arrange development agreements including licences with the successful developers/contractors;
- Supervise the construction to ensure the desired design and quality 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. 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 Masterplanning & 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 (with a range of rental and partial sale options), 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 onsite (e.g. roads, utilities, energy, green spaces, education, health, community centres etc.) and off-site (e.g. roads, public transport etc.). 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

NEGC Ltd will continue to investigate a Development Corporation-based delivery strategy across the three Garden Communities alongside an Options Appraisal of other delivery structures.

The options appraisal will include consideration of a public/private sector-led delivery structure, with responsibility for bringing the Garden Community 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. Such a structure could facilitate the delivery of infrastructure and disposal of serviced plots to house builders/commercial developers potentially in combination with the public/private sector-led delivery structure who could be responsible for physical building construction costs and property sales, within approved design and quality standards. Such an approach would not preclude the opportunity for public sector stakeholders to directly deliver development should they wish; however, it would 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 options. 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 include consideration of an appropriate future funding mix, including opportunities for leveraging in private sector and other sources of funding.

5.4 Approach to Engagement & Communications

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 Economy

The development of three substantial Garden Communities of up to 43,000 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 of Essex, economic partnerships and NEGC. As this work progresses, key business representatives will also play an important role, ultimately becoming advocates for the strategy.

5.6 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 improve the quality of life for both new and existing residents.

Following an NEGC Innovation event in May 2018, a number of priority areas were identified to be explored and developed across the North Essex Garden Communities to ensure they can accommodate and make full advantage of new and modern approaches that can add value. The priority areas or opportunities include: infrastructure, utilities & connectivity; integrated & sustainable transport; place making & economy; promoting healthy lifestyles; stewardship, participation & governance; research & development. Essentially these opportunities 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 continue 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 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 all aspects of the delivery of the Garden Communities.

5.7 Approach to Legacy & Stewardship

Some elements of the Garden Communities will be developed and managed in perpetuity with the direct involvement of their residents and businesses. The initial work undertaken on Legacy & Stewardship has identified two categories or types of assets in the Garden Communities that will require future management – incoming earning and community.

The principal purpose of the income earning assets portfolio will be to provide on-going revenue streams to support the community assets to deliver high levels of quality of place. A range of potential income earning assets will need to be explored and could include: commercial; private rental; affordable housing; older age living; energy & utilities. These income earning assets might be part of management vehicles that include private as well as public investors.

The principal purpose of the community assets portfolio will be to ensure that they support high levels of quality of place in the Garden Communities. A range of potential community assets will need to be explored and could include: parks; allotments; community & local centres; other forms of communal space; schools; health facilities; opportunities for formal and passive recreation. It is likely that residents will be directly engaged in the long-term management and stewardship of the community assets, fostering a shared sense of ownership and identity.

Organisations 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.

6. NEGC - Priorities & Deliverables for 2019/20

6.1 Operational Priorities for 2019/20

The major outcomes for 2019/20 and for the project as a whole are obtaining adoption of Section 1 of the Local Plans and enabling the shareholder Councils to submit to Government an application for a Mandate for a North Essex Locally-Led Development Corporation. Delivery of those major outcomes by the end of 2019/20 would mean that the programme could move to being externally financed and the Councils would then not need to provide further revenue contributions.

In order to achieve those major outcomes in 2019/20, the key operational priorities for NEGC will be:

1. Local Plan
 - Continuing to assist the North Essex Authorities (NEAs) with the work required to progress their Local Plans, including: additional infrastructure, delivery and phasing work; employment floorspace forecasting; demonstrating the viability of the Garden Communities; and input into the overall Transport work, including the Rapid Transit System project.
 - Supporting the NEAs and presenting evidence on the deliverability of the Garden Communities at the reopened Examination in Public for the Section 1 Local Plans.
 - Appear at Uttlesford District Council (UDC) Examination in Public on delivery and viability of the West of Braintree Garden Community site.
2. Engagement
 - Continuing with a high-profile level of engagement with the existing and proposed new communities to give them a strong sense of ownership of the emerging Garden Communities.
3. Economy
 - Active liaison with the North Essex Economic Board to ensure that the North Essex Economic Strategy maximises the benefits to the Garden Communities and the area as a whole, with a particular focus on developing strategic approaches to local upskilling and inward investment.
4. Delivery & Stewardship
 - Evolving the best approach for delivery of Garden Communities in North Essex with Government, including the preparation of operating structures and financing requirements for testing with funders. This will be achieved by undertaking an Options Appraisal and producing an Outline Business Case.
 - Subject to the decisions by The Councils to prepare a Mandate in support of a designation for a locally-led Development Corporation in North Essex that is supported by all NEGC directors and shareholders.
 - Continuing to explore approaches to secure an interest in land, either via negotiation or compulsory purchase.

- Work with The Councils and key partners on Stewardship to identify a range of income earning and community assets together with potential management vehicles for each of these across the Garden Communities.
5. Masterplanning & Transport
 - Developing the masterplans for each of the Garden Communities.
 - Designing the local (e.g. transport) and social (e.g. education, health, community facilities etc.) infrastructure required to support each of the Garden Communities.
 6. Infrastructure & Utilities
 - 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.
 - Exploring the options available and developing a commercial strategy to implement the supporting Infrastructure and Utilities required to deliver the Garden Communities.
 7. Innovation
 - Work closely with partner organisations to progress the four priority areas that have been identified for Innovation (Infrastructure, Living Space, Health & Wellbeing, Economy & Business) and develop a formal work plan to progress these.
 8. NEGC Strategic Business Planning
 - Preparing a costed Business Plan for 2020/21 and 2021/22 for approval by the Board by January 2020 (noting that this may need to be reviewed should a decision be made on whether to proceed with a Locally-Led Development Corporation).

These operational priorities, along with the key Council dates, are set out in the table below. It should be noted that these dates are contingent on the Local Planning Authorities continuing to prepare evidence to support the proposed Garden Communities and that the Garden Communities continue to be included within the respective Local Plans. The milestones are also reliant on the Local Plan process and associated timings as set out below. Should the Local Plan process be delayed then these dates would need to be reviewed.

Similarly, the milestones have also assumed that NEGC continues to consider and investigate delivery models, including a Development Corporation-based delivery strategy across the three Garden Communities. This approach doesn't prejudice the shareholders from needing to formally consider and approve any decision to apply for Development Corporation status but assumes that NEGC continue to lead the necessary preparatory work with Government and the partner Councils on a Development Corporation delivery strategy if that option is decided upon.

	Q1 (Apr-Jun 19)	Q2 (Jul-Sep 19)	Q3 (Oct-Dec 19)	Q4 (Jan-Mar 20)
1. Local Plan / DPD			October – main milestone	
NEA support	Apr: NEA other evidence May: NEA SA evidence ¹ Jun: NEA committees briefs	Jul: NEA committees Jul/Aug: NEA consultation Sep: NEA revised evidence	Oct/Nov: reopened EIP Dec: review Inspectors report	Jan-Mar: modifications
NEGC evidence	Apr-Jun: NEGC evidence	Jul: NEGC UDC EIP Jul/Aug: NEGC submissions	Oct/Nov: reopened EIP Nov/Dec: DPD prep + HIF	Jan-Mar: begin DPD masterplan work for Sequence 2 Q1 2020
Council Decision Making		Jul: Evidence considered by LPCs/Councils & approval to consult		Jan: Approval of consultation for modifications
2. Engagement			October – main milestone	
Sequence 1	Apr-Jun: preparing material	Jul: detailed Board approval Sep: commence programme	Oct: complete programme	
Sequence 2				Jan-Mar: preparing material
3. Delivery Models			December – main milestone	March – main milestone
(i) Options appraisal	Apr/May: Councils debate			
(ii) Outline Business Case	Jun: begin drafting	Jul/Aug: initial draft for review Sep: initial NEGC Board paper	Oct/Nov: further Board paper Oct/Nov: Councils briefing	

¹ Included for completeness as NEGC is not supporting the NEA Sustainability Appraisal workstream
 NEGC Ltd Interim Business Plan
 June 2019

	Q1 (Apr-Jun 19)	Q2 (Jul-Sep 19)	Q3 (Oct-Dec 19)	Q4 (Jan-Mar 20)
(iii) Mandate submission	Jun: begin drafting	Jul/Aug: initial draft for review Sep: initial NEGC Board paper	Oct/Nov: Councils briefing Nov: next NEGC Board paper	
Council Decision Making		Jul/Aug: Delivery Vehicle options and Stewardship key questions		Jan: Councils approval Mar: Councils submission
4. Business Plan				Jan/Mar – main milestones
Medium Term Funding	Apr-Jun: funding options	Jul-Sep: funding proposals	Oct-Dec: detailed proposals	Jan: NEGC Board approval
Interim Business Plan 20/21 & 21/22		Jul-Sep: initial draft of IBP Sep: initial NEGC Board paper	Oct: revised draft of IBP Nov: next NEGC Board paper	Jan: Board to recommend IBP for Council approval
Council Decision Making	Jun: Approval of Interim Business Plan 2019/20	Jul: Approval of Interim Business Plan 2019/20	Oct: Initial budget conversations	Feb: Councils budget approval Feb/Mar: Councils approve Business Plan

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 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 2019/20

The workstream elements and deliverables for each of the NEGC operational priorities are set out below:

1. Local Plan

NEGC has an important role to play in supporting the NEAs to secure the approval of Section 1 of their Local Plans during 2019/20. In particular NEGC can assist in the preparation of specific

evidence that relates to the viability, delivery, employment and infrastructure aspects of the Garden Communities as well as appearing and presenting complementary evidence at the reopened Examination in Public in a developer capacity.

During 2019/20 NEGC will:

- Continue to assist the NEAs with the work required to progress their Local Plans, including: additional infrastructure, delivery and phasing work; employment floorspace; demonstrating the viability of the Garden Communities; and input into the Transport work, including the Rapid Transit System project.
- Presenting evidence on the deliverability and viability of the Garden Communities at the reopened Examination in Public for the Section 1 Local Plans.

2. Engagement

Once the revised Sustainability Appraisal has been approved by the NEAs, NEGC can move from the informal engagement strategy that it began in 2018/19 to implement its formal three-sequence engagement plan, which is designed to ensure that residents, businesses and other key partners have the opportunity to play a central role in the development of the masterplanning proposals for the Garden Communities. This will be distinct and separate to The Councils engagement and consultation processes associated with the statutory Local Plan process.

During 2019/20 NEGC will:

- Deliver the first sequence of the formal public engagement programme with the existing and proposed communities to enable stakeholders and other interested parties to provide input and information on the issues and opportunities that the Garden Communities present.
- Continue to lobby the main areas of Government, including MHCLG, Homes England, Department for Transport, Highways England and HM Treasury.
- Create a communications plan to launch the proposed Delivery Model for the North Essex Garden Communities.

3. Economy

NEGC, The Councils and key economic Partners (e.g. University of Essex and Haven Gateway) will need to progress the work that was begun in 2018/19 to implement the North Essex Economic Strategy, in particular the key ‘enabling’ workstreams of education & skills development and inward investment. This will enable the North Essex economy to leverage the potential that the Garden Communities provide and attract major businesses and organisations to locate to the area such that North Essex can begin to match the performance of comparator regions across the Greater South East. During 2019/20 NEGC will:

- Work with The Councils and key economic partners to deliver the high-level work plan, including education & skills, to deliver the North Essex Economic Strategy, ensuring that it can leverage the benefits of Garden Communities.

- Work closely with partner marketing and communications teams to ensure that the North Essex Economic Strategy is communicated and marketed using the recently created North Essex Opportunity branding across the region, nationally and internationally as part of the NEGC's approach to inward investment.

4. Delivery and Stewardship

The Councils agreed (through Cabinet resolutions in late 2017) that NEGC should explore the potential for creating a Locally-Led Development Corporation(s) in North Essex. Since that time, NEGC has identified a potential operating/delivery structure and financing arrangements for a Locally-Led Development Corporation in North Essex. This now enables NEGC to begin to work with The Councils to prepare a Mandate submission to Government, which will include a request for those powers to be devolved as part of any designation. Included in that Mandate would be a long-term approach for Stewardship across the Garden Communities. The submission of this Mandate would be subject to Section 1 of the NEAs Local Plans being found sound.

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 2019/20 NEGC will:

- Undertake an options appraisal and produce an Outline Business Case.
- Draft a Mandate submission for a potential Development Corporation(s) on behalf of The Councils that sets out the operating/delivery structure and high-level financing arrangements.
- Continue to engage closely with Government to consider the scope and scale of potential Government support for a Locally-Led Development Corporation in North Essex.
- Continue to liaise with the existing landowners and potential developers to establish whether commercial deals can be agreed that accord with the Development Corporation's objectives.
- Identify a range of income earning and community assets together with potential management vehicles and develop a long-term approach to Stewardship across the Garden Communities.

5. Masterplanning & Transport

The creation of NEGC-led masterplans for each Garden Community will enable the Local Planning Authorities to progress further iterations of the Development Plan Documents for the three Garden Community sites. This masterplanning work will also provide the basis for Local Development Order(s), should the Locally-Lead Development Corporation designation be forthcoming.

Equally extensive work has already been undertaken and will continue to be progressed by Essex County Council, working with Highways England, on the strategic transport infrastructure (e.g. the A12 and A120 enhancements) and also by all four councils on the North Essex Rapid Transit proposals. It is envisaged that this work will be connected to the Masterplanning workstream.

During 2019/20 NEGC will:

- Begin the preparation of masterplans and LDO(s) for each of the new Garden Communities so that work on detailed layout options can commence once the outcome of the Section 1 Examination in Public has been released.
- Prepare key additional evidence base and technical studies necessary to support the masterplans and the progression of the site-specific Development Plan Documents.
- 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 transport opportunities including those presented in relation to the Greater Anglia network.
- Progress the feasibility work for the implementation of the North Essex Rapid Transit System proposals in partnership with The Councils.

6. Infrastructure & Utilities

Some initial scoping work has already been undertaken by NEGC to establish the onsite infrastructure and utilities requirements to support the delivery of the Garden Communities. This has provided a baseline of information that will now enable commercial discussions to begin with infrastructure and utility providers and provide significant input to the Masterplanning. Consequently, it is envisaged that this work will be connected to the Masterplanning and Transport workstream outlined above.

During 2019/20 NEGC will:

- Engage with infrastructure and 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.
- Produce a commercial approach to the delivery of the on-site infrastructure and utilities based on the outcome of an options appraisal.

7. Innovation

Work is currently underway and will continue throughout 2019/20 to develop an approach to Innovation for the Garden Communities in North Essex. This work will be led by NEGC and involve The Councils as well as other key partners, including education and health research organisations as well as businesses. The approach will aim to ensure that the design and delivery of the Garden Communities embrace leading edge innovative techniques and that the Garden Communities deliver high levels of quality of place.

During 2019/20 NEGC will:

- Develop business plans to progress the four priority areas that have already been identified for Innovation, namely Infrastructure, Living Space, Health & Wellbeing and Economy & Business.
- Facilitate innovation networking events to develop a further understanding of the opportunities for the Garden Communities.

8. NEGC Strategic Business Planning

This Business Plan acts as a precursor to the preparation of a financed Long-Term Business Plan as defined at Section 5.2 of the NEGC Shareholders Agreement that will be developed during years 2 and 3 (i.e. 2020/21 and 2021/22) to support the ‘on the ground’ delivery of the Garden Communities.

During 2019/20 NEGC will:

- Prepare a costed Business Plan for the period 2020/21 and 2021/22 that will be submitted to the Board for approval in January 2020 and thereafter to The Councils for their approval.
- Secure external finance to fund the Business Plan for the period 2020/21 and 2021/22.

It is envisaged that the NEGC operating structure will continue to be reviewed through 2019/20 and informed by a number of workstreams, to ensure that an appropriate approach is in place to deliver on the programme’s vision and objectives, and level of local ambition.

For NEGC 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 and these are outlined in Section 9.

6.3 Programme Timeline & Key Milestones

This 2019/20 period reflects the current position of the NEGC as a relatively new organisation and the detailed programme set out above includes the workstreams that are required to be developed with engagement with key partners and stakeholders in order to develop longer-term detailed plans. Future business plans will then be able to provide more detailed information on those workstreams, activities, outputs, performance measures and outcomes.

7. Strategic Milestones for 2020/21 & 2021/22

7.1 Strategic Milestones for 2020/21 & 2021/22

Section 6 of this document sets a Business Plan for NEGC for the 2019/20 financial year, which also includes key milestones for the 2020/21 and 2021/22 financial years. The reason for this approach of including 2020/21 and 2021/22 in the key milestones is to set out the future route map should The Councils decide to pursue a Development Corporation to deliver the Garden Communities, given that the approval of NEGC's role in any potential Development Corporation to deliver the Garden Communities would not be known until later in 2019. In addition, there is considerable reliance on the adoption of the Section 1 Local Plan in relation to NEGC activities from the end of 2019 onwards.

Whilst it is standard practice for a private company to prepare a fully detailed three-year Business Plan, it seems prudent given the uncertainty around various key elements of the NEGC programme and its associated dependencies, to set out a detailed plan for 2019/20 and then the key milestones only for the 2020/21 and 2021/22 financial years.

The priorities for 2020/21 and 2021/22, along with the key Council dates, are set out in the table below. As with the priorities for 2019/20, it should be noted that these dates are contingent on the Local Planning Authorities continuing to prepare evidence to support the proposed Garden Communities and that the Garden Communities continue to be included within the respective Local Plans. The milestones are also reliant on the Local Plan process and associated timings as set out in Paragraph 6.1 being met. Should the Local Plan process be delayed then these dates would need to be reviewed.

Similarly, the milestones have also assumed that NEGC continues to consider and investigate a Development Corporation based delivery strategy across the three Garden Communities. This approach doesn't prejudice the shareholders from needing to formally consider and approve any decision to apply for Development Corporation status but assumes that NEGC continue to lead the necessary preparatory work with Government and The Councils in moving forward with a Development Corporation delivery strategy.

Finally, and as with the priorities for 2019/20, these dates also assume that NEGC would have a long-term role in the setting up, implementing and subsequent structure of any such Development Corporation(s). Again, should this not be the case, then the Business Plan would need to be reviewed accordingly.

Date	Organisation	Planning Activity	Delivery Model Activity
20/21 Q1	NEGC	<ul style="list-style-type: none">• Preparation of masterplan layouts for each Garden Community• NEGC Sequence 2 Public Engagement	<ul style="list-style-type: none">• Preparatory phase for establishment of preferred delivery model
	NEAs	<ul style="list-style-type: none">• Inspector's final report on Section 1 Local Plans• LDO preparation	<ul style="list-style-type: none">• Should the Development Corporation model be preferred, Local authorities to submit the request for the appointment of the

Date	Organisation	Planning Activity	Delivery Model Activity
			Oversight Authority and designation of Development Corporation for each development corporation, as appropriate
20/21 Q2	NEGC	<ul style="list-style-type: none"> • Delivery of draft masterplan layouts for each Garden Community 	
	NEAs	<ul style="list-style-type: none"> • Adoption of Section 1 Local Plans • LDO preparation 	
20/21 Q3	NEGC	<ul style="list-style-type: none"> • NEGC Sequence 3 Public Engagement 	<ul style="list-style-type: none"> • Designation of Development Corporation, if the preferred delivery vehicle • Appointment by Oversight Authorities of agent • CPO made
	NEAs	<ul style="list-style-type: none"> • Preferred Options DPD consultation • LDO preparation 	<ul style="list-style-type: none"> • Designation of Development Corporation, if the preferred delivery vehicle • Formal appointment of Dev Corp Board by Oversight Authority and initial financial and governance controls, if the preferred delivery vehicle
20/21 Q4	NEGC		
	NEAs	<ul style="list-style-type: none"> • LDO preparation 	
21/22 Q1	NEGC		<ul style="list-style-type: none"> • CPO Inquiry
	NEAs	<ul style="list-style-type: none"> • Draft DPD consultation 	
21/22 Q2	NEGC		
	NEAs	<ul style="list-style-type: none"> • DPD Examination in Public hearing sessions 	
21/22 Q3	NEGC		<ul style="list-style-type: none"> • CPO confirmed
	NEAs	<ul style="list-style-type: none"> • Inspector's interim findings on DPD • DPD modifications consultation 	
21/22 Q4	NEGC		
	NEAs	<ul style="list-style-type: none"> • Inspector's final report on DPD 	

8. Programme Management

8.1 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:

- Programme and 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 partners, including on planning, legal and financial officers within each of The Councils. A service level agreement has been put in place with Colchester Borough Council 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.

8.2 Staffing Structure

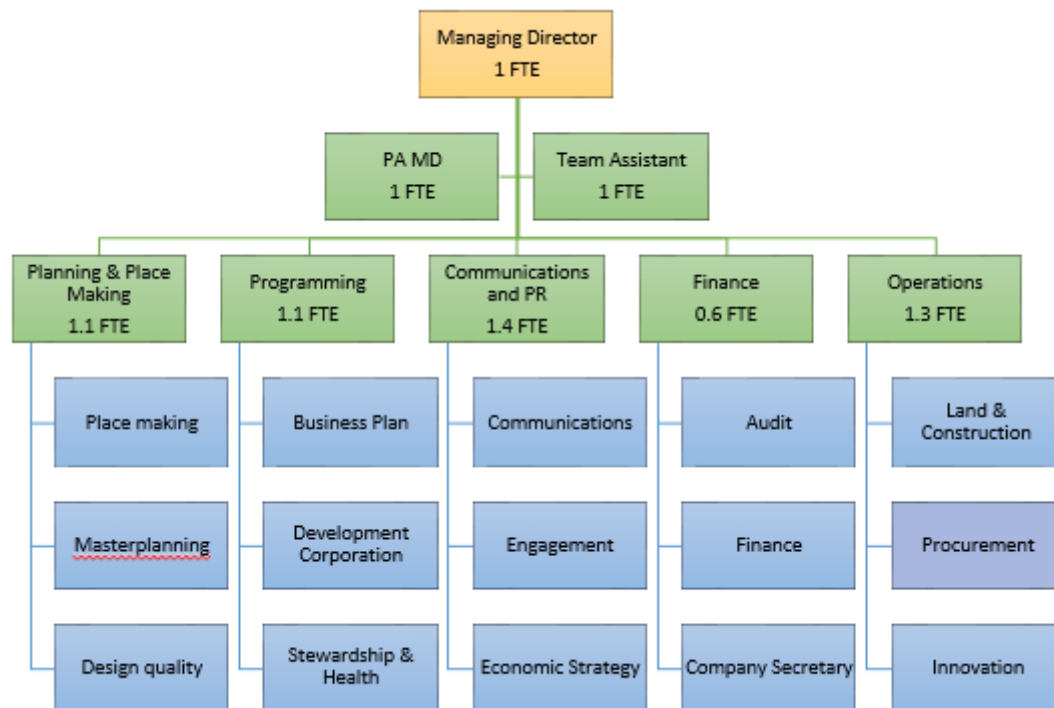
The team scope and remit will evolve and expand as necessary over the next few years as the preferred delivery model structure and individual project vehicles require more detailed support in terms of design and planning, including the need for multi-disciplinary technical inputs.

During the course of 2019/20, the current staff at NEGC (see organisation chart in Figure 3) are likely to remain in place and be supplemented (if required) by specific expert contractors:

- Employees: Group Managing Director (currently directly employed by NEGC); Programme Manager (seconded from Colchester Borough Council); and Communications Manager (seconded from Essex County Council).
- Expert contractors: Operations, Commercial; Procurement; MMC/Construction; Finance; Engagement & Marketing; Place Making & Masterplanning; Administration.
- Consultants: Economic Strategy; Delivery & Financial; Tax; Planning & Property; Legal; Land & Valuation; Masterplanning & Transport; PR & Communications; Company Secretary.

Figure 3: NEGC Programme Team– Total 8.5 FTE)

Note: The orange/green boxes denote the number of positions required and the blue boxes are topic areas



8.3 Governance & Workstreams

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

The day-to-day working of NEGC is overseen by the company's Group Managing Director and supported by a dedicated Programme Delivery Team (employees and expert contractors) who coordinate all work and programme-related activity, including overall 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 and key partners across a number of specialist areas.

The Programme workstreams will focus on the following specific areas:

- **Engagement & Economy:** to evolve the economic strategy and manage programme-wide external engagement, communications and public relations activity.
- **Masterplanning & Transport:** to assist the NEAs with their Local Plan Section 1 and to advance masterplanning and transport requirements and dependencies, including the Rapid Transit proposals.
- **Infrastructure & Utilities:** to engage with infrastructure and utility providers to ensure effective partnership working and commercially-focused delivery.

- **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.
- **Stewardship & Innovation:** to evolve an appropriate approach to innovation and a local approach to long term stewardship, including the management and governance of local community assets.

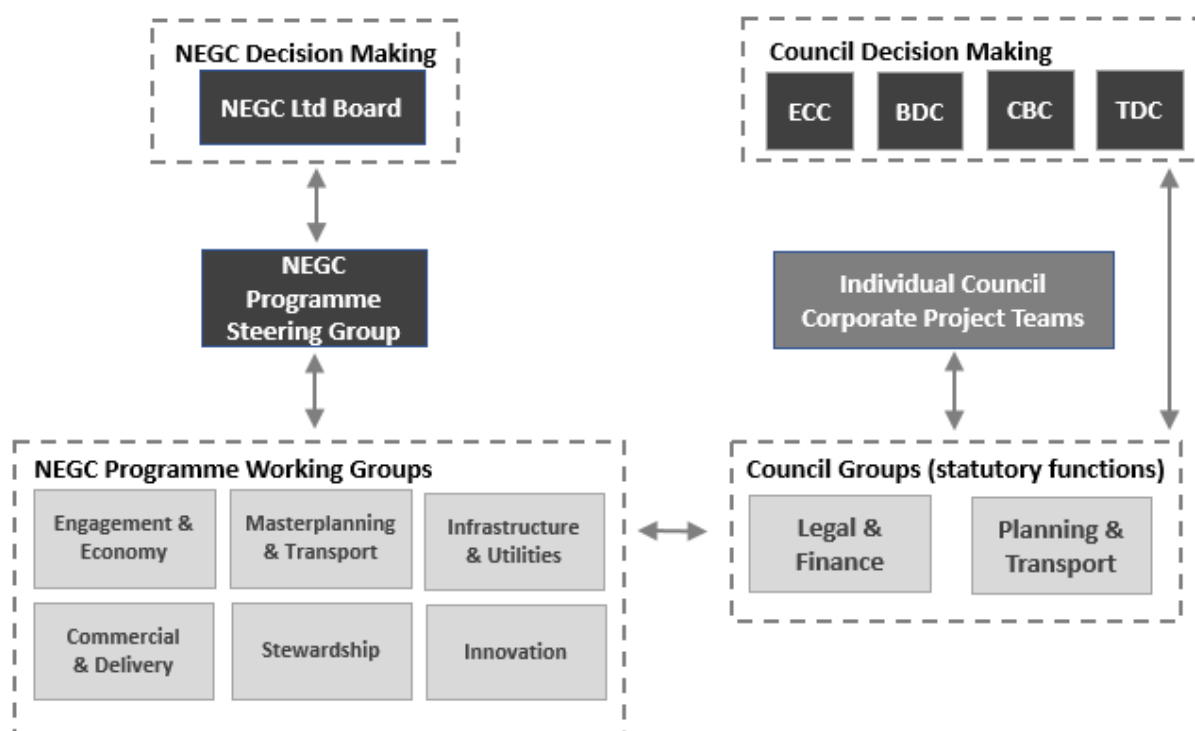
It is anticipated that Task & Finish project groups will be set up, as appropriate, and will report into the workstreams to take forward specific pieces of work. An overarching Steering Group oversees and monitors the outcomes from across the workstreams, including the NEGC business planning and the budget, enabling input into the Board. This is led by the Group Managing Director of NEGC and comprise of Senior Officers from The Councils, together with key staff in NEGC and external stakeholders, including representatives from Homes England and the University of Essex.

Additionally, a number of specialist groups are in place formed by the Council leads on key statutory functions to ensure there is close working between the NEGC programme and the wider statutory functions of The Councils. This approach ensures that there is distinction between the operational activities of NEGC, 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 and The Councils across the following themes:

- **Finance:** to establish regular liaison between the programme and Council finance representatives (Section 151 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.

Figure 4: Workstreams & Governance



8.4 Outcome Resourcing

The following table sets out how each of the NEGC key priorities will be delivered by the programme workstreams, the anticipated outcomes of these projects and the resourcing they will require.

Priorities	Workstreams	NEGC Outcomes	Resourcing	
			NEGC Team	Consultancy
1. Local Plan	Statutory Planning & Transport	<ul style="list-style-type: none"> Adopted Section 1 	Place Making, Planning, Programming	Planning, Transport, Delivery & Viability
2. Engagement	Engagement, Stewardship Health	<ul style="list-style-type: none"> Improved 2-way communication with communities Informed stakeholders 	Comms & PR	Masterplanning, Comms & Engagement
3. Delivery & Stewardship	Commercial & Delivery Stewardship Statutory Legal & Finance	<ul style="list-style-type: none"> Mandate for appropriate delivery mechanism Funding options Stewardship strategy Construction strategy (including consideration of a Modern Methods of Construction proposition) 	Operations, Programming, Asset Management	Delivery, Legal, Finance, Cost, Design & Construction

Priorities	Workstreams	NEGC Outcomes	Resourcing	
			NEGC Team	Consultancy
		in partnership with Homes England) • Asset Management Strategy		
4. Economy	Economic North Essex Economic Board	• Skills and Education strategy • Inward investment strategy using “North Essex Opportunity” • Input into wider North Essex Economic Corridor Strategy	Comms & PR	Economic & Employment
5. Masterplanning & Transport	Masterplanning & Transport Statutory Planning & Transport	• Rapid Transit Business Case • HIFs implementation • Opportunities & Issues for the Masterplans of Garden Communities • Forecast Demand Report (including types of demographics & affordability)	Place Making & Planning, Programming	Strategic Place Making & Masterplanning, Housing Demand, Transport
6. Infrastructure & Utilities	Infrastructure & Utilities	• Utilities Capacity Report • Commercial discussions with Utility providers	Operations	Cost, Infrastructure & Utilities
7. Innovation	Innovation	• Infrastructure report – “digital backbone” and future proofing assets for stewardship • Living Space report – optimising design for a Construction strategy and delivering high quality & smart homes • Health & Wellbeing report – innovations to deliver Healthy Garden Communities • Economy & Business report – attract new organisations to locate to North Essex and encourage existing organisations in North Essex to grow	Operations, Programming	Industry/Business partners
8. Strategic Business Planning	NEGC Board Steering Group	• Long-Term Business Plan • Medium and Long-Term Funding	Managing Director, Programming, Finance, Operations	N/A

9. Finance

9.1 Overview

The programme to date has been supported through a combination of MHCLG capacity funding (grant) and additional equal revenue (grant) contributions from each of the four shareholder Councils.

As set out in this document, taking the programme forward during 2019/20 is resource intensive as the workload steps up to fund all necessary technical and design work to progress the Local Plan (Section 1) process, including beginning a three-sequence programme of public engagement whilst also developing a Delivery approach, including a potential Locally-Led Development Corporation proposition, so that the schemes to delivery-ready status. As such, the work during 2019/20 will ensure that the programme is able to get on site as soon as is practically possible after the adoption of the Local Plan progress. Essentially the work in 2019/20 will be a precursor and so enable the more detailed masterplanning work including further public engagement and site-specific infrastructure/utilities planning that will need to be progressed in 2020/21 onwards. In addition, the further supporting work on transport infrastructure and economic growth work plan across the North Essex area during 2019/20 will provide the surface access and employment foundations for the programme to be progressed in 2020/21 onwards. It should be noted that whilst this Business Plan reflects the work that needs to be done by NEGC during 2019/20, The Councils will continue to resource work associated with the Local Plan process and documentation.

9.2 2019/20 Budget

In the light of the need to progress the Local Plans (Section 1), it is deemed appropriate that this budget is funded by a mix of council and government funding (subject to a successful bid for grant funding). The level of funding required to deliver the programme workstreams contained in 2019/20 is £2.1m. It is proposed that the £2m is comprised of £1.4m Councils contribution (£350k for each of the four Council shareholders) and the remaining funding from a combination of Government funds (£0.6m) and funds carry forward from 2018/19 (£0.1m). North Essex Garden Communities is the largest programme in the MHCLG Garden Towns and Villages scheme. As at the end of 2018/19, the NEGC programme had received £3.2m Government funding from the MHCLG scheme and £2.4m funding from the Council shareholders. Once the proposed funding splits for 2019/20 are added to those historic amounts it would mean that there would be an equal split of Government MHCLG and the Councils funding for the NEGC programme by the end of 2019/20.

The programme for 2019/20 has been structured to ensure that the Local Plan and Engagement elements are prioritised especially during the first part of the year. During the second part of the year, the Delivery and Business Plan elements are prioritised in order to enable the project to progress the delivery of new homes and employment in the Garden Communities as quickly as possible after the conclusion of the Local Plan EIP. The table below provides an analysis of the main expenditure budget categories for 2019/20 and **Appendix C** sets out further detail on the budget for 2019/20 under each of the main budget categories:

2019/20 - £k	end Jul	end Oct	end Jan	end Mar
Expenditure				
Local Plan	400	723	1,050	1,220
Delivery	200	460	730	911
Total	600	1,183	1,780	2,131

The progress of the activity to deliver the 2019/20 element of this 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 Board meetings. In addition, there will be three formal review milestone dates (end of July, end of October, end of January) where the NEGC Board will receive a report from the Group MD setting out the remaining budget requirements and corresponding expenditure together with a recommendation of how much of the total £1.4m Councils contribution should be drawn down to enable NEGC to progress to the next review milestone date. Consequently, the 2019/20 Interim Business Plan is not predicated on a need to receive the full £1.4m Councils contribution upfront in the year and allows a profile of Councils contributions that can be phased in accordance with the needs of the project.

9.3 2020/21 and 2021/22 Budget

Once Section 1 of the Local Plans has been adopted by The Councils, it is considered an appropriate time to move away from public revenue (grant) funding and obtain securitised external finance to fund the progression of detailed planning and the set-up of the delivery vehicle (potentially a locally-led development corporation) for the Garden Communities. In financial terms, the opportunity to prepare planning applications once the Local Plan is adopted means that there is a reduced level of development risk which in turn would lead to a more acceptable external financing risk for The Councils. These risks are reduced further when land is acquired and/or planning permission obtained.

It is envisaged that the set-up process will begin in 2020/21 and take around two years with a budget in the range of £16m to £20m (£4m-£5m each Council) across that two-year period, which is benchmarked on similar large-scale development projects and a range of funding options will be explored during 2019/20. Thereafter, it is envisaged that longer-term finance will be required to support the Long-Term Business Plan to begin the 'on the ground' development activity from 2022/23 onwards. This longer-term finance would be used to pay back the shorter-term finance required for 2020/21 and 2021/22.

Consequently, on the basis that the major outcomes are delivered by the end of 2019/20, it would mean that the programme could move to being externally financed and The Councils would then not need to provide further revenue (grant) contributions. Depending on the type and nature of external finance obtained for the two years 2020/21 and 2021/22, it is anticipated that there would be a need for on-going financial undertakings or support from The Councils.

Should Section 1 of the Local Plans not be adopted in the timescales envisaged in this Business Plan, the NEGC Board will undertake a review of the business plan and supporting budget for 2020/21 onwards.

10. Risk

10.1 Overview

To support the successful delivery of the NEGC Programme, the Programme Team maintains a high-level Strategic Risk Register for the NEGC 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. 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 2019/20

NEGC PROGRAMME (19/20)														
	PRIORITY	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	
1	Local Plan	Assist the NEAs and UDC with the work required to progress their Local Plans								Appear and present evidence at the EIP for the Section 1 Local Plans				
2	Engagement	Engage closely with and lobby Government to consider the scope/scale of their involvement/support for a LLDC in North Essex												
								Sequence 1 engagement with communities						
3	Economy				Work with The Councils and key economic partners to deliver the high level work plan to deliver the North Essex Economic Strategy									
					Work with partner marketing and communications teams to ensure North Essex Economic Strategy is communicated and ‘marketed’ using the North Essex Opportunity branding									
4	Delivery & Stewardship				Consideration of preferred operating structure and funding requirements for the future delivery of Garden Communities under a Locally-led Development Corporation (Outline Business Case)									
				Initial legal & delivery analysis work	Prepare a draft Mandate for approval of proposed Oversight Authority/Local Authorities					Draft Mandate and outline Business Plan to Board			Final Mandate and Business Plan to Board for approval	Recommendation of Mandate & Business Plan to Councils for approval
					Evolve corporate delivery and financing structure to best achieve the aims/objectives of The Councils									
		Liaise with the existing landowners and potential developers to establish whether commercial deals can be agreed that accord with the Development Corporation’s objectives										Initial work on CPO (subject to progress with negotiations)		
		Task and Finish working to progress identification of income earning and community assets, and potential management vehicles, developing a long-term stewardship approach												
5	Masterplanning & Transport					Prepare for Sequence 1 engagement to support masterplans and DPDs							Prepare key evidence base / technical studies to support the masterplans and DPDs	
					Masterplanning engagement with Stewardship group							Commence the preliminary work for the preparation of masterplans and LDO(s) for each of the new Garden Communities		
		Work with local government & Highways England partners and other relevant stakeholders to advocate for, and assist in, the delivery of the A12 and A120												
		Feasibility work for the implementation of the North Essex Rapid Transit System proposals in partnership with The Councils												
		Engage with Network Rail and other relevant stakeholders to consider and evolve wider transport opportunities including those presented in relation to the Greater Anglia network												
6	Infrastructure & Utilities	Evolve demand and capacity studies for strategic onsite infrastructure works, engaging with Utility providers as required							Produce a commercial approach to the delivery of the on-site infrastructure and utilities based on the outcome of an options appraisal					
7	Innovation	Task and Finish working to progress priority areas and develop topic work plans												
								Infrastructure Workshop			Economy & Business Workshop	Health & Wellbeing Report		
8	NEGC Strategic Business Planning	Work with Councils to consider their ‘hard’ and ‘soft’ ambitions and wider objectives for GCs												
					Prepare a costed Business & Finance Plan for the period 2020/21 and 2021/22								Board to approve 2020/21 & 2021/22 Business Plan	
		Undertake Options Appraisal / Commence Outline Business Case			Evolve Outline Business Cases for funding needs and financing proposals and secure external finance to fund the Business Plan for the period 2020/21 and 2021/22									
NEGC Board Meetings		<div>▲</div> <div>▲</div> <div>▲</div> <div>▲</div> <div>▲</div> <div>▲</div>												

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 2019/20 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 it supplements and complements 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 “Section 1” component of the plan, together with separate “Section 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 Section 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 NEAs 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 NEAs' 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, programme 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 programme 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 with respect to the potential establishment of a single new locally-led development corporation as one of several delivery model options, 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 30-40 years to deliver; infrastructure which supports the development of the whole programme 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 programme. 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 programme was reviewed by Lord Kerslake in January 2017, which identified a series of recommendations that had an influence over programme 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 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: NEGC BUDGET FORECAST 2019/20

£000's	Q1	Q2	Q3	Q4	Total
Local Plan / DPD					
Staff	£103.8k	£119.6k	£126.5k	£120.8k	£470.7k
Overheads	£27.3k	£33.5k	£36.5k	£30.4k	£127.7k
Supporting studies	£45.5k	£65.1k	£79.5k	£10.5k	£200.6k
Planning	£79.5k	£84.5k	£71.75k	£69.75k	£305.5k
Engagement	£6.0k	£18.0k	£13.3k	£5.5k	£42.8k
Risk/Contingency	£14.0k	£14.0k	£13.8k	£29.6k	£71.4k
Total					£1,218.7k
Delivery Strategy					
Staff	£68.7k	£70.2k	£71.7k	£72.7k	£283.3k
Overheads	£20.8k	£22.3k	£21.3k	£20.8k	£85.2k
Governance	£9.0k	£4.0k	£7.5k	£54.2k	£74.75k
Delivery & Stewardship	£15.3k	£29.4k	£37.6k	£38.5k	£120.8k
Masterplan/Transport	£1.0k	£1.0k	£11.0k	£20.1k	£33.1k
Infrastructure & Utilities	£5.0k	£15.0k	£25.0k	£30.0k	£75.0k
Strategic Business Planning	£31.0k	£61.0k	£81.1k	£44.0k	£217.1k
Risk/Contingency	£6.2k	£5.0k	£5.0k	£6.3k	£22.5k
Total					£911.7k
Overall Total					£2,131k

This page is intentionally left blank

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

CABINET

13 SEPTEMBER 2019

REPORT OF PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

A.5 DIGITAL TRANSFORMATION PROGRAMME UPDATE

(Report prepared by John Higgins and Mark Westall)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

1. To update Cabinet on the progress of the two year Digital Transformation investment programme based upon qualitative, time and cost reporting.
2. To update Cabinet on significant events/ changes which have affected the programme.
3. To bring to Cabinet's attention details of cost pressures relating to digital working, partly arising from the changes referred to above.

EXECUTIVE SUMMARY

Cabinet approved the Digital Transformation report 16 February 2018. The Council's digital transformation journey to-date is outlined in greater detail in **Appendix A** to this report. The programme of works over two years comprises three key project development strands, as follows;

A New My Tendring Customer Self-Service Portal

A new 'My Tendring' customer self-service portal. *My Tendring* is the Council's new portal that residents, customers and visitors can access to self-serve digitally 24 7 365. It is the new 'tool kit' enabling the Council's customer service strategy. Customers can create their own online secure account and as Council services are added to *My Tendring* over the coming weeks, months and years they will increasingly be able to; report issues, request and pay for services, book appointments, check account balances, view the status of their service requests etc. Council staff also use *My Tendring* to provide mediated services and to see a single view of a customer's activities and service requests without having to access and compare multiple systems. Full details as set out in *Appendix B*.

The *My Tendring* portal went live on 21 June 2019 and continues to receive extremely positive customer feedback. For the first time ever Tendring District Council customers can create a digital service request and view its status, progress and expected completion date online. Again, for the first time ever a Tendring District Council resident or visitor can use online mapping services and upload digital photos to simply 'Report It'. As at 3 September 2019 service take-up and deliverables include;

- ✓ A ninety-five year old Tendring resident gentleman using *My Tendring* self-service online to order his green waste bin and commenting "*I'm ninety five years old and found My Tendring very easy to use.*"
- ✓ 859 green garden waste self-service orders.
- ✓ 1,039 Tendring customers have now signed up to the My Tendring Portal and have accounts, including 24 mediated Customer Service Assistant accounts.

- ✓ 63% of customers rate My Tending 5 stars (out of 5 stars) with 23% giving a 4 star rating.
- ✓ 3,046 new refuse collection post code self-served enquiries.
- ✓ The My Tending green waste bin orders and the post code refuse collection look-ups represent nearly 4,000 self-served enquiries not requiring Tending resourced assistance in just six weeks.
- ✓ We are finalising a 'Report It' page which will be added to *My Tending* during September, including the ability for customers to upload photos from their phones and use mapping functions for location identification etc. This will start with reporting of stray dogs (in test) and missed bins (in test) with other options being added shortly, including; damaged beach huts, dog fouling, full dog litter bins, Life-ring issue reporting, seafront water tap issues, street cleaning issues, street name-plate issue reporting.
- ✓ We are working with the Council's Licensing Service to finalise their taxi licensing processes so we can complete the *My Tending* service design and progress to testing phase before launching.
- ✓ The extended delivery timescales have given the Council's in-house resources time to consolidate their learning and practice using their new skills through developing *My Tending* products unaided.
- ✓ As the *My Tending* portal roll-out progresses and gains popularity with residents and customers, channel-shift will accelerate and Heads of Service will need to ensure that they have appropriate resources to meet changes in service demand/ delivery.

The ethos of having in-house resources working alongside and learning from consultants should not be underestimated. In-house resources are already using their developing skills with confidence writing new *My Tending* services unaided and applying their knowledge to directly benefit the Council in other areas. These new skills and the confidence to use them, coupled with the decision to fund initially one IT technician and now three IT technicians in sponsored IT degree courses, has led to in-house resources additionally developing;

- ✓ The simple, robust **self-service Kiosk App** now deployed at our Pier Avenue reception. Each kiosk costs just £790 instead of spending thousands of pounds on purchasing purpose-built kiosks,
- ✓ The new councillor '**ReMemberIT**' App loaded on the pilot councillor trial tablets. The App is proving popular with new councillors Members and is in regular use.

Cloud Migration to the Public Cloud

This 2 year programme will migrate around 90% of the Council's IT systems and databases from aging Town Hall hardware onto Public Cloud rented hardware, predominantly the Microsoft Azure UK platform, but also using the IDOX and the Northgate platforms. These works represent a strategic shift from Council IT hardware ownership to 'pay as you go' rented hardware. Full details as set out in *Appendix C*.

Notes:

1. IDOX is the Council's property system used by; Planning, Building Control, Asset Management, Housing, Licensing, Environmental inspections etc
2. Northgate is the Council's system used to administer; Council Tax, National Non Domestic Rates, Housing Benefit and Housing Repairs

Cabinet should note the strategic and fundamental goal of replacing the need for large cyclic digital hardware replacement capital costs with ongoing digital revenue model is being achieved and that the financial cost pressures outlined are representative of this fundamental cost model shift.

- ✓ **This strategic shift to a digital revenue model has been calculated to save the Council £187,264 per year in IT hardware replacement and renewal costs.**

The cost pressures referred to in this report, which have been estimated on a worst case basis, should be off-set against this significant saving.

Our Cloud migration strategy is complex and all-encompassing. Early planning work has significantly rationalised our system architecture. The project has been delayed and further complicated following the strategic decision to consolidate and replace the Council's cyber security Firewalls. The migration progress continues with benefits being accrued, as follows;

- ✓ Our developing 'Public Cloud' infrastructure has enabled us to consolidate and strengthen our on-site cyber security through replacing protective Firewall technology.
- ✓ The Azure platform will shortly give us new Microsoft cyber security protection to resolve malicious phishing emails containing malware links.
- ✓ Our Azure Cloud includes new data backup and disaster recovery arrangements significantly improved resilience arrangements provided by a London data centre and a second in Cornwall.
- ✓ The Cloud migration project fundamentally replaces both ongoing budgeted and un-budgeted hardware replacement capital costs with new Microsoft Azure and Idox revenue Cloud costs.
- ✓ Northgate annual Cloud hosting costs are cost neutral through robust procurement techniques.

A new Tendring Leisure and Tourism App

This is a new 'Love Tendring' Smartphone App designed to promote leisure and tourism events throughout the District. We envisage using the App to additionally promote Prince's Theatre shows and Council leisure services with a view to increasing revenue. This is the Council's first App so represents a new media channel for promoting events. Full details as set out in *Appendix D*. The Leisure and Tourism App;

- ✓ Went live on 25 July 2019 and this new media channel is now promoting Tendring leisure and tourism events.
- ✓ Has been downloaded 326 times with an average rating of 3 out of 5 stars (as 3 September 2019)
- ✓ Is third overall in the Google Appstore 'events App' ratings

Over-Arching Strategic Digital Transformation Benefits

Most importantly the changes introduced through the strands of the programme provide the basis, both in terms of IT infrastructure and systems and in terms of developing the skills of our own staff, for the future extension of 24 7 365 digital access to services across a wide range of the Council's services. It is providing the digital tools and staff expertise to continue and embed the organisational change of the Transformation Programme in the coming years.

Like all modern organisations, the Council is fundamentally reliant upon IT to provide services to residents, customers, visitors and staff. The Council's operations are complex and currently offer 195 individual services. In turn, these services are supported through a complex range of inter-dependent enabling digital systems provided by multiple suppliers, each with their own strategic agenda and schedule of system and software upgrades. However, without investment in quality IT products the Council would simply be unable to

function as it now does and residents would quickly lose faith in the Council as an evolving authority continually improving its services and engaging in a broad spectrum of community leadership activities.

- **Cabinet should note that the Office of National Statistics (ONS) digital service growth data, together with our own Council website growth statistics, all evidence and support the strategic decision to approve our current Digital Transformation programme.**

Office Transformation Digital Works

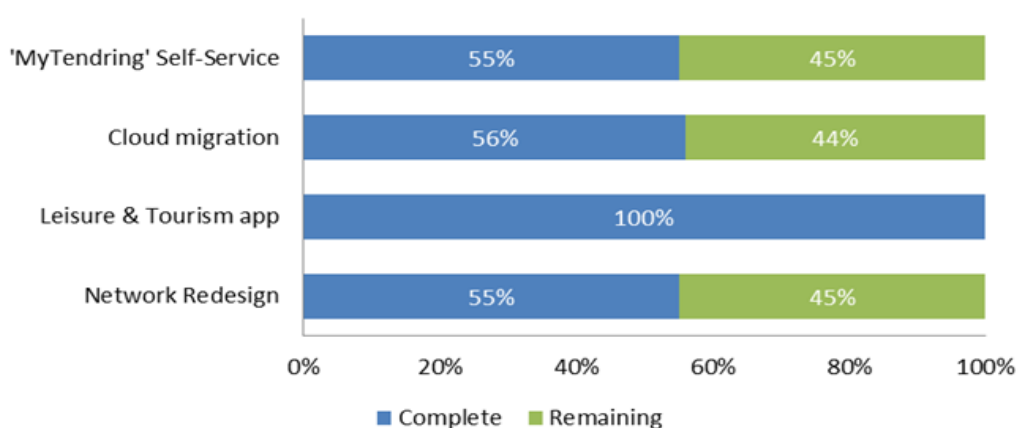
Previous IT investment enabled the flexible and remote working benefits that the Council has been operating over the past few years. Following adoption of the Council's Office transformation programme, from a digital perspective a lesser, fourth development strand is intrinsically linked to the programme and is also included in *Appendix E*. This lesser digital strand is the Re-Design of the Council's Data (and voice) Network to support operations throughout, and on completion of, the Office Transformation programme. This includes a strategic move to WiFi supporting technology.

The Office Transformation programme has necessitated re-engineering the Council's digital network to ensure that the correct supporting architecture is available as operational staff moves require.

- ✓ To maximise operational flexibility we are migrating staff off of our cabled network and onto our new replacement WiFi network.
- ✓ The WiFi improvements will significantly benefit Members and staff flexible working moving forwards.

Digital Transformation Programme Timescales

The following table summarises the current overall position of our Digital transformation programme deliverables;



The digital world is dynamic and highly volatile. Technology suppliers routinely offer new and withdraw old services and constantly seek opportunities to revise their product fees and charges. The changing dynamics are affecting both the management, planning and delivery of the Council's Digital Transformation Programme.

Our strategic goals and qualitative deliverable outcomes remain unchanged. However, the programme has shifted in terms of unexpected cost increases, unforeseen delays and opportunities to achieve additional operational savings. These digital change factors are outlined in more detail in ***Appendix E***. **Page 128**

It has been necessary to adjust timescales to reflect the previously mentioned digital market force changes and to reflect the Council's often conflicting resourcing priorities; elections, new refuse and recycling arrangements, Air Show etc.

Digital Transformation Programme Costs

- **Cabinet should note that as a general principle the latest forecast figures used within this update report are based upon the 'worst case' scenarios for both staff efficiency savings and additional income generation.**

The figures also exclude the £187,264 per annum which is the calculated cost of IT hardware ownership replacement as it is cost avoidance as opposed to a true saving.

The accuracy of financial forecasting of IT projects over a long period remains problematic primarily due to the IT sector's dynamic nature and also due to the innovative nature of the new Leisure and Tourism App.

With reference to information provided in appendices B – E, the programme financial forecast has changed significantly since initially proposed in February 2018. Due to the complexity of the financial forecasting a separate summary is provided as **Appendix F** to this report. Cabinet should specifically note;

- The consultancy delivery programme costs for each of the three strands remains within February 2018 forecast budgets.
- The 2019/20 Microsoft Cloud hosting charge one-off cost pressure of £91,161 accrued during the migration programme itself.
- A Microsoft licensing £66,693 one-off cost pressure in 2019/20 and then a £34,446 ongoing cost pressure from 2020/21 as a result of a combination of;
 1. A 2018 Microsoft licensing audit identifying that the Council was operating under-licensed.
 2. Microsoft price increases of between 3-30% as the Council transitioned from its expired government licensing deal to the next government deal.
 3. Increased reliance upon Microsoft licensed products to deliver modern, efficient services with fewer staff.
 4. Enhanced staff inclusivity i.e. more staff have access to email accounts.
 5. Increased reliance upon mobile devices and resultant increased cyber security costs.
- A new ongoing cost pressure of £11,498 associated with the operational need to switch contact centre technology and a new cost pressure the need to replace the Revenues and Benefits service electronic Document Records Management (EDRM) system.
- Revising down the achievable staff savings forecasts (worst case) reflecting overlapping staff structural changes elsewhere in the authority.

Microsoft Licensing Costs

Microsoft Office is effectively a global industry standard. The Council's reliance upon Microsoft products is reflected within every industry sector within the UK. There are open source 'free' alternatives but they cannot match the level of integration that Microsoft offer.

In truth, the only way to reduce our Microsoft licensing costs is to reduce either our staff

numbers or Council staff reliance upon technology. This is something of an oxymoron as it is the Council's reliance upon technology that has generated the efficiency and effectiveness that allows us to deliver operations and services with the 'lean' staff numbers that we have.

Northgate Electronic Document Record Management (EDRM) Replacement

The Council is one of the last authorities nationally still using the Northgate EDRM system within its Revenues and Benefits service. Northgate are applying commercial pressure to get the Council signed-up to their replacement EDRM solution incurring additional annual costs.

- ✓ Instead, through migrating Revenues and Benefits onto our corporate IDOX EDRM solution, the Council will save £63,150 per year in additional Northgate costs.

RECOMMENDATION(S)

That Cabinet:

- (a) Acknowledges the digitally enabled achievements delivered to date, including;**
 - i. *My Tending* portal major customer service improvements.**
 - ii. *My Tending* portal positive customer feedback.**
 - iii. A strategic IT investment shift from large cyclical capital costs to an ongoing digital revenue cost model.**
 - iv. Enhancements to the Council's data infrastructure, cyber security protection and digital resilience.**
 - v. Developing in-house programming skills and expertise.**
 - vi. The new Leisure and Tourism App now promoting events.**
- (b) Recognises the Council's increasing use of digital technology to deliver efficient and effective services.**
- (c) Acknowledges the various changes which have affected the programme and the resultant "worst case" cost pressures that have emerged.**
- (d) Subject to c) above, agrees that the cost pressures of £181,754 in 2019/20 and £113,942 in 2020/21 as set out in this report are reflected in the on-going financial forecast and financial performance reports.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Digital Transformation programme remains focused on delivering and enabling Council priorities notably "Delivering high quality, affordable services" and specifically address;

- ✓ Transforming the way we work.
- ✓ Our financial strategy and a balanced budget.
- ✓ IT improvement programme.
- ✓ Engagement with the community
- ✓ Workforce planning.
- ✓ Maximising tourist opportunities through events.
- ✓ Improving customer access to services.

Throughout its inception and the adoption of the Council's Customer Service Strategy it was always envisaged that the Council's IT team would play a key developmental and delivery role. This Digital Transformation investment represents an additional key supporting element in enabling the practical delivery of the customer service strategy.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Each strand of the Digital Transformation adopted works is discussed in financial detail within the report appendices, as follows;

- **'My Tendring' customer self-service portal** financial information is outlined in Appendix B.
- **Cloud Migration** financial information is outlined in Appendix C.
- **The Leisure and Tourism App** financial information is outlined in Appendix D.

A range of programme affecting digital change factors are outlined in Appendix E.

Due to the overall complexity of the programme and the financial forecasts, these aspects are separately summarised in Appendix F.

Having discussed all of the programme changes in appendices B-F, the over-arching digital transformation programme financial forecast position is currently as follows;

Programme Strand	Feb 2018	Sept 2019 Revised	Forecast Change
Project One-off Costs			
My Tendring Portal: One-off project cost	519,200	519,200	0
Cloud Migration: One-off project cost	226,000	226,000	0
NEW: Cloud Migration: 2019/20 migration hosting costs	N/a	91,161	91,161
Leisure & Tourism App: One-off project cost	120,000	114,000	6,000
NEW: Northgate Electronic Doc Records Mngmt (EDRM)	n/a	23,900	23,900
NEW: Microsoft Licencing Increase 2019/20	n/a	66,693	66,693
Project One-off Costs (2019/20) Sub Total	865,200	1,040,954	£181,754 2019/20 One-off Cost Pressure
Project Ongoing Costs:			
My Tendring Portal: Ongoing project cost (licensing)	71,500	67,600	(3,900)
My Tendring Portal: Savings Forecast	(106,766)	(15,504)	91,262
My Tendring Portal Ongoing Sub Total Forecast	(35,266)	52,096	87,362
Cloud Migration: Ongoing project cost	149,000	187,701	38,701
Cloud Migration: Savings Forecast	(140,663)	(160,224)	(19,561)
Cloud Migration Ongoing Sub Total Forecast	8,337	27,477	19,140
Leisure & Tourism App: Ongoing project cost	n/a	6,000	6,000
Leisure & Tourism App: Savings Forecast (revenue)	(33,405)	(17,575)	15,830
Leisure & Tourism App Ongoing Sub Total Forecast	(33,405)	(11,575)	21,830
NEW: Microsoft Licensing 2020/21	n/a	34,446	34,466
NEW: Contact Centre Renewal: Ongoing project costs	n/a	11,498	11,498
NEW Ongoing Sub Total Forecast	0	45,944	45,944
Project Ongoing Costs Sub Total	(60,334)	£113,942 2020/21 Ongoing Cost Pressure	174,276

Notes:

1. As a general principle the above figures are based upon the 'worst case' scenario.
2. The Leisure and Tourism App revised income forecasts are based on minimal increased income of 0.5%.

3. The above forecast excludes the figure of £187,264 per annum which is the calculated cost of IT hardware ownership replacement as it is cost avoidance as opposed to a true 'cashable' saving.

In reflecting above, and the detailed information set out in the appendices, the following changes are required to the Council's base budget:

2019/20 Budget (One-off)	£181,754 cost pressure
2020/21 Budget (Ongoing)	£113,942 cost pressure

Cabinet should note that the figures are representative of a strategic and fundamental shift from large unbudgeted digital capital cost pressures to ongoing digital revenue pressures which was outlined as a strategic goal in the February 2018 report.

The *My Tendring* financial forecast now reflects our changed position. Whilst there are significant operational efficiencies starting to be generated we are unable to realise staff budget reductions. As the programme progresses and customers increasingly self-serve (channel shift) this position may change or alternatively release staff to undertake other duties or improve service performance.

The Leisure and Tourism App income forecast is difficult to predict with accuracy. Calculations are therefore based upon a conservative lowest estimate.

Risks:

Programme risks are being managed through a programme risk register with risks reviewed fortnightly by the digital programme delivery group.

The Council is increasingly reliant upon technology to deliver services. It is therefore becoming increasingly reliant upon Microsoft products. Whilst our Microsoft fees and charges are based upon government 'three plus one year' fixed pricing deals, the Council is becoming quicker to react to changing service demands and more efficient ways of using technology. This growing service evolution is reflected in the volatility of the centralised IT software and licensing revenue budget.

The only way to reduce the Council's Microsoft licensing costs is to physically reduce the number of Council staff licenses. This would have a detrimental effect upon operational service delivery, efficiency and performance.

Microsoft Office is effectively 'industry standard software'. There are 'open source' alternatives but none of these have the level of integration that Microsoft offer.

Any reduction in mobile device management security software licensing would significantly increase our exposure to cyber attack and would leave the Council in a non-compliance position with respect to National Cyber Security Centre (NCSC) edicts.

The final cloud hosting solutions for the Council's corporate Northgate and Idox systems have been identified and reflected within the Cloud migration programme fees and charges. However, we are just starting to test the Council's Agresso financial system on the Azure platform. Subject to the success/ failure of these tests we may have to reconsider our current hosting proposals. This could generate a future as yet unknown additional cost pressure.

The accuracy of financial forecasting of IT projects over a long period remains problematic, primarily due to the ever changing IT sector and in part due to the innovative nature of the new Leisure and Tourism App.

LEGAL

The investment was made in accordance with the Council's Budget and Policy framework with procurement(s) undertaken through the UK government digital marketplace GCloud-9 framework in accordance with the Council's Procurement Procedure Rules.

OTHER IMPLICATIONS

An Equality Impact Assessment (EIA) and a Privacy Impact Assessment (PIA) has been completed to assess the information governance and data protection risks.

Programme deliverables increase opportunities to mobilise our workforce in our community. This will benefit public engagement and additionally enhance our capacity to serve residents with transport, mobility, isolation, health or vulnerability issues through mediated access and face to face meetings.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Cabinet approved the Digital Transformation report 16 February 2018. The Council's digital transformation journey to-date is outlined in greater detail in *Appendix A* to this report. The latest programme of adopted works over two years comprises three key project development strands, as follows;

- **Development of a new 'My Tendring' customer self-service portal.** Further development details and a project update including qualitative information, project timescales and financial information is outlined in Appendix B.
- **Strategic data and application migration to the 'pay as you go' Public Cloud.** Further development details and a project update including qualitative information, project timescales and financial information is outlined in Appendix C.
- **Development of a new Tendring Leisure and Tourism App.** Further development details and a project update including qualitative information, project timescales and financial information is outlined in Appendix D.

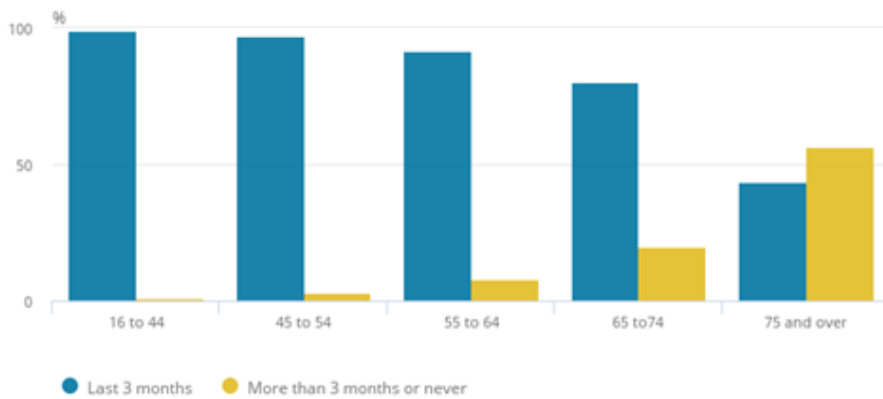
The digital world is dynamic and volatile due to the accelerating pace of technology developments, new innovations, and their strategic implications. Technology suppliers routinely offer new/withdraw old services and constantly seek opportunities to revise their product fees and charges.

Like all modern organisations, the Council is reliant upon IT to provide services. Whilst we constantly strive to simplify our IT supporting infrastructure and systems, the Council offers nearly 200 services supported through a complex range of inter-dependent systems provided by multiple suppliers, each with their own strategic agenda and schedule of system and software upgrades.

Digital sector changing dynamics are affecting both the management and delivery of the Council's Digital Transformation Programme that it embarked upon some one and a half years ago. Whilst our goals and qualitative deliverable outcomes remain unchanged, the cost modelling has shifted in terms of unexpected cost increases, unforeseen delays and opportunities to achieve additional operational savings. These digital change factors are outlined in more detail in *Appendix D*.

Digital Service Growth And Council Strategy:

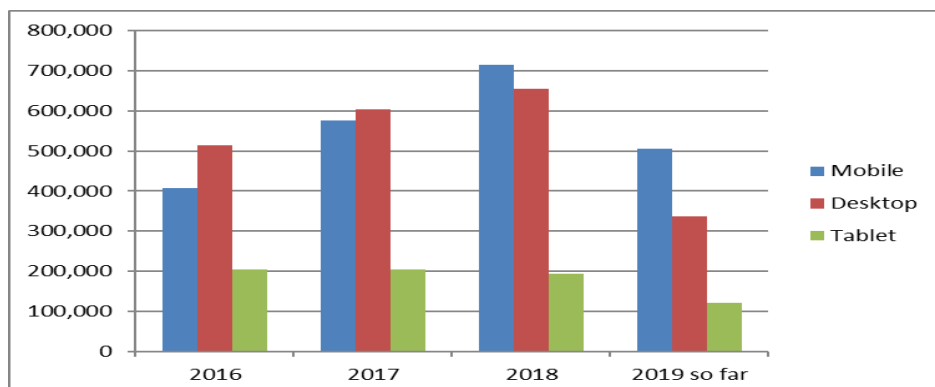
In today's digital society our residents', visitors' and customers' capabilities, expectations and desire to engage with the Council digitally increases year on year. The following Office of National Statistics (ONS) 2018 graph identifies that virtually all adults aged 16 to 44 years in the UK were recent internet users (99%) in 2018 - the third highest in the EU. This compares with 47% of UK adults aged 75 years and over.



From a Tendring digital service inclusivity perspective, the following ONS 2018 national internet use statistics should be considered;

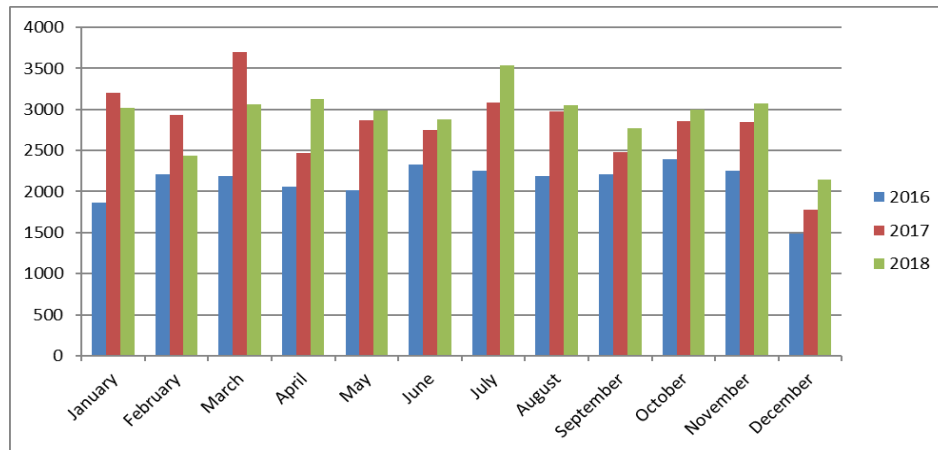
- In 2019 only 7.5% of adults have never used the internet, down from 8.4% in 2018.
- Since the ONS surveys began in 2011, adults aged 75 years and over have consistently been the lowest users of the internet. In 2011, 20% of adults aged 75 years and over were recent internet users, rising to 44% in 2018.
- Recent UK internet use in the 65 to 74 age group increased from 52% in 2011 to 80% in 2018, closing the gap on younger age groups.
- During 2018 recent internet use by adults who were economically inactive, increased by 18 percentage points over this period to 88%.
- In 2019, the number of disabled adults who were recent internet users reached over 10 million for the first time, 78% of all UK disabled adults.

The growth in smartphone ownership and accessing digital online services is also relevant to two of the Digital Transformation strands - the new '*My Tendring*' self-service portal and the leisure and tourism App. From a Tendring District perspective our Council website monitoring software identifies both a general increase in year on year website visits and additionally that customers are increasingly using smartphones to access digital services in preference to desktop/ laptops and tablets;

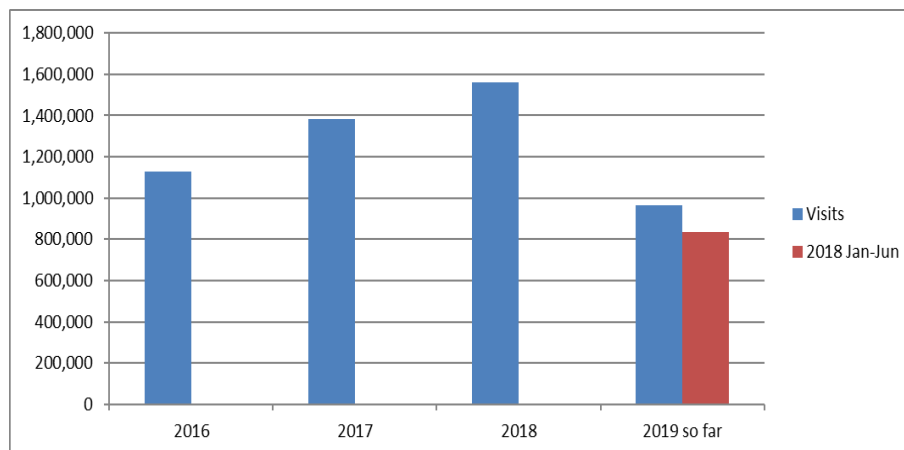


The Council has been developing website self-service and e-payment opportunities for a number of years to channel-shift customers to this cheapest self-service option. However, in truth a large number of these e-forms are not fully automated and staff resources are required behind the scenes to complete and deliver service requests. The following graph identifies the year on year growth in Tendring residents/ visitors/ customers self-service activities.

Number of Tending Electronic forms submitted (User Website Self-serving)



Tending Website Annual Enquiry Growth



Whilst the gap between our '*digitally enabled*' residents/ visitors/ customers and those who cannot or will not engage with the Council digitally continues to reduce month on month. The Council recognises the need for **inclusivity for all** and our customer service strategy remains one of maintaining a mix of customer service channels; website, App(s), in-house developed self-service kiosks, face to face, telephone, through outreach working with other partners etc.

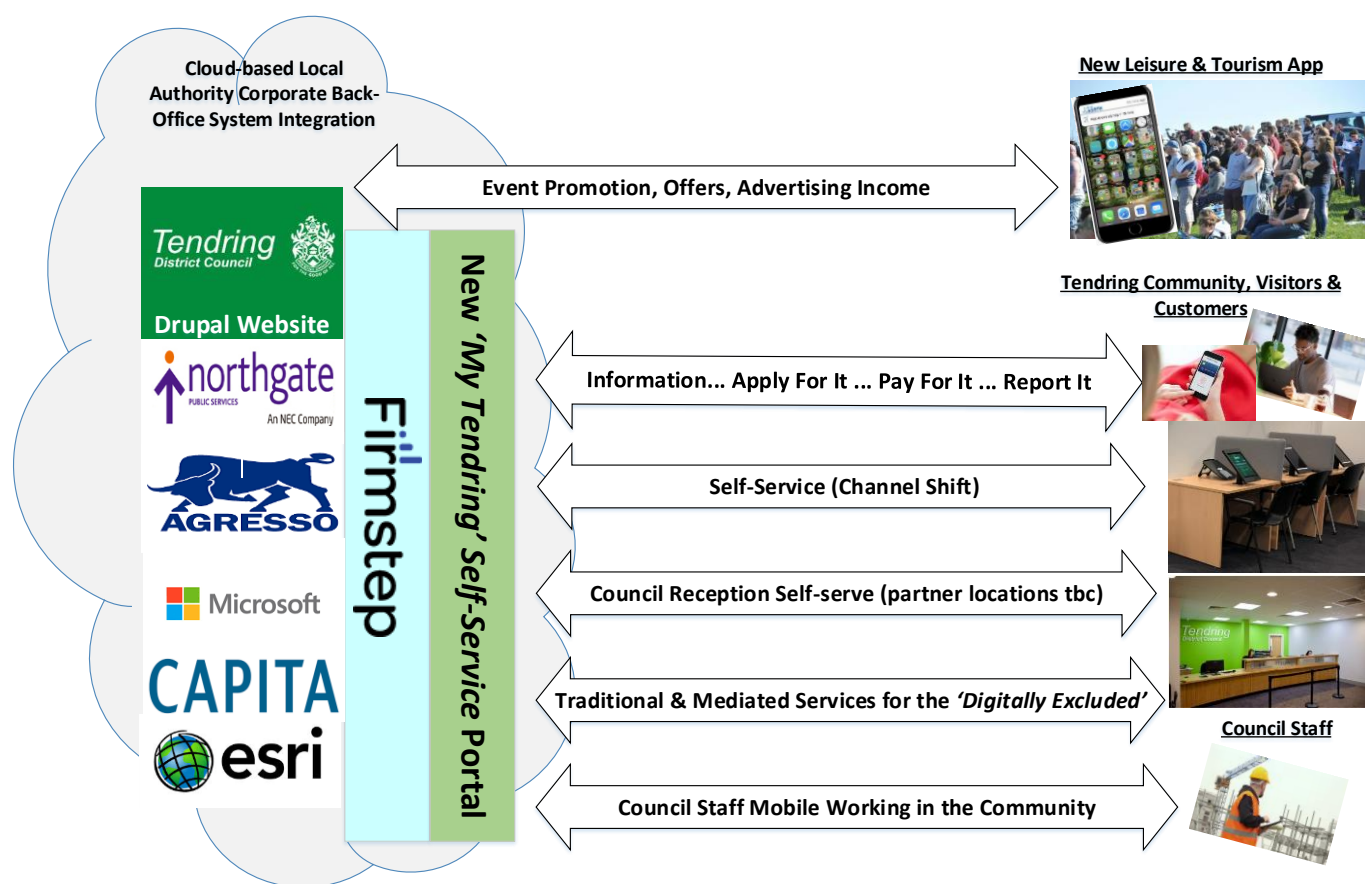
As a collective digital investment, each strand demonstrates opportunities to deliver savings to the adopted long term **Financial Strategy**. However, it is too early in the programme to accurately forecast these long-term savings/ new income streams primarily due to the changing nature of the IT sector and, in part, due to the innovative nature of the Leisure and Tourism App.

Integration of the Council's major databases into a single view for staff within the *My Tending* product is starting to deliver a step change in our **Customer Service Strategy**. Ongoing website evolution and the development of the Leisure and Tourism Event App is a significant step change improving access to digital information – helping to deliver **Channel Shift**.

The integration of back office systems and the move to host Cloud stored data will deliver increased flexibility and enhance our capabilities to support face to face delivery of services by staff.

The over-arching programme ethos is one of partnership working between Council staff and Amido and Intergence consultants as opposed to it being something '*done to the Council by consultants*'.

In essence, the Digital Transformation programme of works can be diagrammatically summarised as follows;



Cabinet should note that all of the Office of National Statistics (ONS) digital service growth data, together with our own Council website growth statistics, all evidence and support the strategic decision to approve our current Digital Transformation programme.

From a customer service perspective, our programme of works is effectively one of enabling truly integrated digital self-service 24 7 365. We are using digital media to enable customer, residents and visitors to simply and conveniently view leisure and tourism promotional information – whilst enhancing **digital inclusivity for all** and maintaining alternative service delivery methods for those unable or unwilling to use digital technology.

BACKGROUND PAPERS FOR THE DECISION

Cabinet Digital Transformation report 16 February 2018
Tending District Council Corporate Plan 2016-2020
Tending District Council Customer Service Delivery Strategy.
Tending District Council Channel Shift Strategy.

APPENDICES

Appendix A: The Council's digital transformation journey.
Appendix B: *My Tending* self-service portal detailed project update.
Appendix C: Cloud Migration detailed project update.
Appendix D: Leisure and Tourism App detailed project update.
Appendix E: Programme Change Factors.
Appendix F: Financial Summary

APPENDIX A: THE COUNCIL'S DIGITAL TRANSFORMATION JOURNEY:

OUR DIGITAL JOURNEY TO-DATE:

The Council's digital systems and IT Team play a fundamental enabling role in day to day service provision and access to information for residents, customers, visitors, councillors and officers alike.

From a financial perspective, we are constantly looking for investment strategies and opportunities to work as efficiently as possible, in part to drive down our operating costs but also to provide better services to our community for less money.

In September 2013 Cabinet agreed a 3½ year £1.5 million Strategic IT Investment Programme (£995,000 capital with existing revenue contributions from 2013/16 IT budgets). Cabinet's approval included a £75,474 investment saving target, based upon the investment with final investment returning £108,000 savings per annum.

On 5 September 2014 Cabinet agreed a proposal to bring the Council's IT support back 'in house' from 1st April 2016, generating an ongoing operational saving of £200,000 per year. This was undertaken on a hybrid-based arrangement. The Council's IT team provide 'in house' support where we are resourced to do so, with the need for some specialist resource procurement externally. Major infrastructure and systems changes such as those agreed 16 February 2018 require specialist skills and additional resource support.

On 22 January 2016 Cabinet adopted the new Channel Shift Strategy followed on 16 December 2016 with the adoption of the over-arching Customer Service Delivery Strategy. These formalised our approach to customer service delivery and to driving down our operational costs through channel-shifting service delivery from more costly methods to contact centre telephone and digital self-service options.

On 6 February 2017 a digital transformation workshop took place attended by; the Portfolio Holder for Resources and Corporate Services, Management Team and Heads of Service from the corporate directorate and operations directorate, with consultants Amido and Intergence. The consultants were subsequently commissioned to undertake an 'as is' digital maturity assessment across Tendring District Council services but analysing Council delivery from a resident/ customer perspective looking at service delivery from the outside in. The key deliverables comprised a clear programme of technology investments based upon robust Return on Investment (ROI) principles with cognisance to the Council's budget deficit position – Tendring's Digital Transformation programme.

Subsequently on 16 February 2018 Cabinet agreed a two year Digital Transformation report specifically setting out to deliver key digital building blocks across a number of the Council's key strategies and plans to transform and modernise the way we work, enhance our services delivery and our engagement with our residents whilst enhancing efficiency and contributing to driving down our overall operating costs.

The two year Digital transformation report agreed the following three key strands of work:

1. Investment in Firmstep software and specialist consultant resources to create a new *My Tendring* self-service portal integrated with 'back office' databases and systems requiring £519,200 one off investment with £71,500 ongoing costs per year and returning an overall ongoing saving of £35,266 per year. (6.8% ROI). The project enables 'step change' improvements in our customer service delivery, and officers working in a mobile fashion out in our communities.
2. Investment to migrate our IT systems and data storage from Council-owned/ maintained

hardware that will soon require investment or replacement to that of rented Microsoft Azure platform resources – ‘The Public Cloud’. This project requires a one off investment of £226,000 and has ongoing estimated costs of £149,000 which represents a small overall cost increase of £8,337 per year. This project represents a shift from periodic and increasingly large capital IT hardware investment and ownership to monthly ‘pay as you go’ hardware rental costs. There are additional operational benefits in terms of flexibility and business continuity/ resilience.

3. Investment to develop a Council Smartphone ‘Leisure and Tourism Events App’ to promote tourism events. This project required one off investment of £120,000 with additional income streams indicatively estimated at £113,119 per year in year 3 of the project. The project also represents a new communications media for the council to utilise.

The digital transformation programme is primarily about using technology to improve performance and efficiency (doing more for less), provide our residents and customers with a digital self-service ‘*single portal access to services*’ council-wide and introducing new Mobile Phone App communications media channel.

From an investment/ return perspective, each of the three projects comprises a mix of capital investment with ongoing costs and return on investment opportunities based upon;

- *My Tendring* portal generated self-service take-up and/ or reduction in corresponding staff support costs through automation.
- Reduced capital and/or revenue support costs.
- The potential to generate additional and new income streams.

APPENDIX B: DETAILED PROJECT UPDATE: 'MY TENDRING' SELF-SERVICE PORTAL

QUALITATIVE ANALYSIS:

This project has created a new and secure 'My Tendring' customer self-service portal enabled through investment in the Firmstep product, specifically designed for local government.

New service development is being undertaken by IT and customer service staff working alongside and exchanging ideas and knowledge with consultants with a view that when the consultants leave Tendring we have in-house expertise to continue the My Tendring Portal roll-out across the Council. Note: Acknowledging that any major service/ new technology integration will require additional consultant resources.

The services prioritised for development into *My Tendring* self-services were previously identified as high volume and resource intensive Council services through the consultant's digital maturity assessment e.g. 'efficiency and effectiveness wins' generating return on investment.

New services are being developed from a customer-centric perspective e.g. services easy to understand and use by residents without regard to Council departmental service structures and in-house/ out-sourced delivery.

The work programme has also been developed with a view to staff understanding how each facet of the product works and fits together whilst the consultants remain on-site. For example; database integration, work flow creation, self-service design, form creation, Microsoft Outlook calendar appointments etc.

The reader should note that the strategic adoption of 'My Tendring' customer self-service delivery is a roll-out delivery programme that will realistically be ongoing for a period of years as each of the Council's ONE HUNDRED AND NINETY FIVE services are re-engineered using in-house resources, supplemented by consultant resources subject to strategic need.

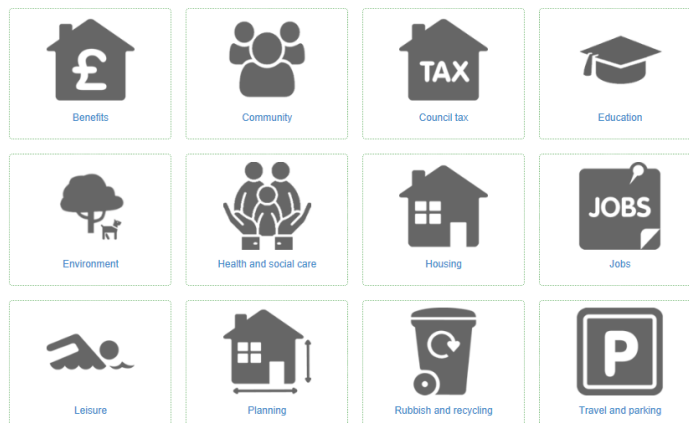
In addition to the 'My Tendring' portal that residents/ customers can subscribe to in order to self-serve, the technology creates a 'front-office' Customer Record Management (CRM) system for the Council's Customer Service Assistants (CSAs) to view. This details a customer's service history request i.e. provides an holistic customer enquiry history (as opposed to a service-centric history) as to why and when a customer has contacted the Council.

This same technology enables CSAs working in the Council's contact centre and reception services to mediate service delivery requests to those wanting telephone and/or face to face service.

Where the Council already has website self-service capabilities, these have been 'fronted' seamlessly by the *My Tendring Portal* so that they look and feel like portal services even though in truth the delivery is via existing website technology with staff manual intervention in the background. These will be re-engineered to become full *My Tendring Portal* services over time.

My Tendring

Access council services and get updates on issues you've raised and more...



All of the above sounds relatively simple but has necessitated complex digital integration with a number of key Council systems/ databases and has required staff to learn and develop a range of new skills and understanding.

For the first time ever a Tendring District Council resident, visitor or customer can create a digital service request in their My Tendring self-service account and view its status/ progress online and be given an expected completion date.

For the first time ever a Tendring District Council resident or visitor can use online mapping services and upload digital photos to 'Report It'.

Depending upon the service delivery, the service request will either create a job with the relevant Council 'back office team' or may go automatically to a third party contractor e.g. direct to Veolia for new green waste bin requests. Green waste collection is renewed annually and customers will receive email notification of the need to renew their subscription.

As we build more complex services e.g. Taxi Licensing (currently in test), the customer is able to pre-book and chose a vehicle safety test appointment online and receive text/ email reminders about their vehicle MOT expiry etc.

Using electronic workflow officers will receive alerts of service request completion times given to the customer and their manager will receive alerts of jobs close to failing customer estimated completion dates so that appropriate actions/ interventions can be made.

To date, the *My Tendring* Portal garden waste renewal and new service requests has gone live and is proving highly successful. Additionally, the team has been undertaking service work around improving the ease of self-service access to information around the whole refuse and recycling collection round changes together with simplifying residents self-serving recycling collection change information.

My Tendring portal deliverables at the time of writing this report are as follows;

- ✓ *My Tendring* soft launched to the customers on 17th June.
- ✓ *My Tendring* customisation work on the main page is complete.
- ✓ New self-service requests for Garden Waste is live. Customer feedback has been extremely positive and as at 3 September 2019 we have had 859 self-service orders raised. Note: Some of these will have been mediated through our CSAs.
- ✓ 1039 Tendring customers have now signed up to the *My Tendring* Portal and have

accounts.

- ✓ The new Garden Waste service represents a significant number of calls not made to the Council by telephone which has reduced pressure our Customer Services team during the new refuse and recycling collection roll-out.
- ✓ My Tending and new website general enquiry for refuse collection post code lookup 'new round collection day' and 'red/green recycling enquiry' was available to residents with 80% of new rounds loaded from 29 July 2019. Note: We have had problems obtaining new round data from Veolia but all new round customers are also in receipt of a paper leaflet.
- ✓ Between 29 July and 3 September 2019, our new refuse collection post code lookup website service has received 3,046 views.
- ✓ The My Tending green waste bin orders and the post code refuse collection look-ups represent nearly 4,000 self-served enquiries not requiring Tending resourced assistance in just six weeks.
- ✓ We are finalising a 'Report It' page which will be added to My Tending during September, including the ability for customers to upload photos from their phones and use mapping functions for location identification etc. This will start with reporting of stray dogs (in test) and missed bins (in test) with other options being added shortly, including; damaged beach huts, dog fouling, full dog litter bins, Life-ring issue reporting, seafront water tap issues, street cleaning issues, street name-plate issue reporting.
- ✓ We are working with the Council's Licensing Service to finalise their taxi licensing processes so we can complete the *My Tending* service design and progress to testing phase before launching.

The ethos of refusing to allow consultants to simply deliver services without imparting learning is now paying dividends and staff have a new found confidence in their service design/ delivery capabilities and knowledge. The team are building their own new '*My Tending*' portal services unassisted by consultants and have improved some aspects of the services previously written by consultants currently being tested.

The Firmstep product that supports the *My Tending* portal also includes mobile worker functionality which will further enhance the capabilities of our mobile workforce, keeping them connected and working in the community further enabling our capacity to serve residents with transport, mobility, isolation or vulnerability issues. This sub-product will be explored during the scheduled works with the Housing Repairs team.

PROJECT TIMESCALES ANALYSIS:

The '*My Tending*' portal programme of works commenced in earnest following market evaluation of enabling technologies and the purchase of the Firmstep product on 30th July 2018.

Fourteen months into the project it is fair to say that we have delivered less than we initially estimated and phase 2 of the project just completed was behind schedule.

The following factors have led to the *My Tending* delays;

1. In the early phases of the programme the Council has struggled to free up and commit IT and Customer Service resources to the project. This has also been the case from the Council 'client' services themselves from whom we require service expertise. This resourcing issue was further compounded by the May elections and then the resources associated with the refuse and recycling contractual and operational change planning and delivery. It is somewhat representative of how 'lean' the Council is now running and will realistically remain a constraining factor as the programme progresses.

2. We initially under estimated the amount of additional learning/ skills that Council staff would need to gain in order to be self-reliant once our consultancy has left site.
3. The programme has had to be completely re-scheduled for Northgate system commercial reasons. The Council has opted to adopt Northgate system service delivery through Northgate's own cloud as opposed to the Microsoft Azure platform in order to ensure that our solution is fully contractually supported and to maintain control of contractual service renewal prices in June 2019. Northgate cloud migration is in itself a massive task and is scheduled to take place August to November 2019. This has further delayed any service development in areas where staff use the Northgate product that we will be interfacing with – Council Tax, Housing Benefits, Housing rents and Housing repairs. These are areas where we estimate the highest ROI will be achieved as they are areas of high volume/ high demand.

The Northgate cloud migration issue outlined above has realistically delayed the planned *My Tending* portal project completion by around 4 months. It has also necessitated that we re-define the originally planned areas of work to best use pre-booked consultancy resource on non-Northgate service area work.

However, it has given the Council's in-house resources time to reflect upon their learning and to re-visit, refine and build services of their own in non-Northgate affected areas. It should be noted that these are our own timescales and that the delays do not pose any major Council operational problems.

The 'Northgate delayed' *My Tending* delivery phase three is being re-scheduled to commence 20 January 2020 for an estimated twelve week period to design services for;

- Self-service Council Tax account balance enquiries – service analysis and design work already well advanced.
- Self-service Housing Rent account balance enquiries – service analysis and design work already well advanced.
- Housing Repairs tenant pre-inspection report – service analysis well advanced but will require re-visiting following the Roalco collapse.
- Other service design subject to resource availability.

MY TENDING PROJECT FINANCIAL ANALYSIS:

The *My Tending* calculated ROI savings are based upon improved efficiency through use of electronic workflow systems in just a small number of high volume, manually intensive statutory processes undertaken by CSAs in Revenues and Benefits, Housing, Licensing, Environmental and Engineering Services. Additionally, ROI saving predictions are based upon modest growth in 'self-service' (channel-shift) from other more costly channels - for example a shift from face to face service requests to digital self-service requests.

My Tending Project Delivery Costs:

The February 2018 report financial *appendix A* estimated the *My Tending* Portal project delivery costs, as follows;

Reproduced February 2018 Table Estimating Project Costs:

Description	One-off Project Costs			Ongoing
	Amido	Intergence	Other	
Front-Office Product Suite Integration				
Customer experience/ self-service systems, systems integration/ web design - Amido 305 days/ Intergence 128 days	306,000	140,800	-	-
Front-Office product costs/configuration	-	-	35,500	-
System software (APIs) / hardware (non-reoccurring)	-	-	36,900	-
Ongoing software/ support & maintenance	-	-	-	71,500
Sub-total	306,000	140,800	72,400	71,500
Project Total			519,200	71,500

The current estimated My Tendring project delivery costs are as follows;

September 2019 Table Estimating Non-Staff Savings:

Description	One-off Project Costs			Ongoing
	Amido	Intergence	Other	
Front-Office Product Suite Integration				
Customer experience/ self-service systems, systems integration/ web design - Amido 305 days/ Intergence 128 days	306,000	140,800	-	-
Front-Office product costs/configuration	-	-	35,500	-
System software (APIs) / hardware (non-reoccurring)	-	-	36,900	-
Ongoing software/ support & maintenance	-	-	-	67,600
Sub-total	306,000	140,800	72,400	67,600
Project Total			519,200	67,600

At the time of writing this report the current one-off project costs remain within budget and ongoing licensing costs have been reduced by £3,900 p.a. through robust procurement processes. The Firmstep licensing costs £67,600 need to be added into IT budgets for 2019/20 and beyond.

My Tendring Estimated Non-Staff Savings:

The February 2018 report financial *appendix A* estimated the *My Tendring* Portal non-staff savings as follows;

Reproduced February 2018 Table Estimating Non-Staff Savings:

Budgets	Estimated Integration Savings	Self-Service Additional Postage Savings
Planning Printing Costs	2,107	-
Planning Mobility	2,510	-
Planning Scanning	9,875	-
Revs and Bens – Printing	4,566	-
Revs and Bens – Postage	4,335	-
Housing – Printing	850	-
Housing - Postage	1,150	-
Environmental - Printing	700	-
Environmental – Postage	620	-
	(26,713)	(3,283)
Total Non-staff Savings		(29,996)

Note 1: The budget figures are based upon actual budgets after adjustments resulting from over-lapping initiatives being undertaken across the authority to drive out costs.

With My Tendring not being deployed in planning during these work phases as initially proposed, the current estimated *My Tendring* Portal non-staff savings are reduced follows;

September 2019 Table Estimating Non-Staff Savings:

Budgets	Estimated Integration Savings	Self-Service Additional Postage Savings
Revs and Bens – Printing	4,566	-
Revs and Bens – Postage	4,335	-
Housing – Printing	850	-
Housing - Postage	1,150	-
Environmental - Printing	700	-
Environmental – Postage	620	-
	(12,221)	(3,283)
Total Non-staff Savings		(15,504)

- The current estimated *My Tendring* Portal non-staff savings are reduced by £14,492 and now total £15,504.

The above savings use conservative calculated estimates that reflect the approach taken throughout the report in determining savings and return on investment. The projected reduced *My Tendring* portal non-staff savings of £15,504 go some way towards meeting the ongoing reduced project costs of £67,600 and leaving an overall estimated ongoing cost of £52,096.

***My Tendring* Estimated Staff Savings:**

The February 2018 report discussed *My Tendring* portal's staff efficiency improvements generated through; process automation, inputting data once into just one system, increased mobile staff working in our community, new management business analytics data.

It further discussed how staff efficiencies could be taken, over time, through natural staff turnover and taking restructuring opportunities, estimating savings of £25,590 p.a. for each 1 FTE reduction per year based on an average administrative staff salary cost.

The following table reproduced from the February 2018 report summarised estimated return on investment (ROI) based upon the non-staff savings set out previously in addition to the potential staff reductions that could be possible, as follows;

Reproduced February 2018 Table Estimating Overall Savings:

Front-office Product Suite / Back-office Integration Savings	Ongoing Annual Savings (£)	Return On Investment Based upon £519,200 Delivery Cost
Non-staff Ongoing Savings less annual costs	-41,504	
3 FTE Ongoing staff savings	76,770	
Total Staff/ non-staff Ongoing Savings	£35,266	6.8%

Using the above financial information the February report recommended *My Tendring* portal investment based primarily upon the 'step change' improvement to service provision and a modest, and at that time, achievable return on investment (ROI) of 6.8% or £35,266 per annum.

However, it is now important to highlight that work elsewhere within the authority is increasingly having an impact on the ability to realise staff FTE savings from the efficiencies introduced though the implementation of the *My Tendring* portal.

Our Revenues and Benefits Service - one of the Council's largest 'front facing' services - is currently undergoing a reduction in capacity through reduced staffing numbers to respond to the national roll out of Universal Credit. Although the future Revenues and Benefits Service structure will reflect any efficiencies made possible from the *My Tendring* portal project, any savings made through a reduction in staff numbers is likely to only offset the reduction in associated government funding receivable for the administration of Housing Benefit. Therefore savings from a reduction in FTE numbers will not be available to contribute directly to the cost of this project.

Whilst in truth it is still too early to accurately forecast any staff savings resulting from the *My Tendring* portal project, the current estimated project costs/savings have been revised downwards to reflect the possibility of zero staff savings, as follows;

September 2019 Table Estimating Overall Savings:

Front-office Product Suite / Back-office Integration Savings	Ongoing Annual Savings (£)
Non-staff ongoing Savings less annual costs	-52,096
Ongoing staff saving contributions	0
Total Staff/ non-staff On-going Project Costs	-52,096

- The primary deliverable of the *My Tendring* portal project was to introduce self-service accounts for our residents and customers to stimulate channel-shift, in addition to improvements in efficiency and effectiveness.
- In contrast to the February 2018 report, due to Universal Credit external staffing and funding pressures, we are now forecasting that it is unlikely that we will be unable to take staff savings as a result of efficiency improvements delivery by the *My Tendring* portal project.

It should be noted that the February 2018 report did not consider any staff 'cost avoidance' benefits. The roll-out of a fully automated garden green waste system together with the new post code refuse collection look-up has already resulted in up to 1,760 self-service activities. This equates to both cost avoidance within our Customer Service Assistants (CSAs) resource and represents a significant customer service improvement – empowering our residents.

'MY TENDRING' SELF-SERVICE PORTAL PROJECT SUMMARY

- For the first time ever a Tendring District Council customer can;
 - Create a digital service request in their *My Tendring* self-service account.
 - View its status/ progress online and be given an expected completion date.
 - Use online mapping services and upload digital photos to 'Report It'.
- The ethos of refusing to allow consultants to simply deliver services without imparting learning is now paying dividends and staff have a new found confidence in their service design/ delivery capabilities and knowledge.
- The commercial Northgate cloud migration issue has realistically delayed the project by 4 months and necessitated rescheduling planned work areas to best use pre-booked consultancy resource on non-Northgate service area work. The delays do not pose any major Council operational problems.
- On a positive note, the extended delivery timescales have given the Council's in-house resources time to consolidate their learning and practice using their new skills through developing *My Tendring* products unaided.
- £67,600 will need to be added to the Council's IT budgets from 01/04/20 with relevant Heads of Service looking to take the £15,504 non-staff savings outlined in this section of the report.
- As the *My Tendring* portal roll-out progresses and gains popularity with residents and customers, channel-shift will accelerate and Heads of Service will need to ensure that they have appropriate resources to meet changes in service demand/ delivery.

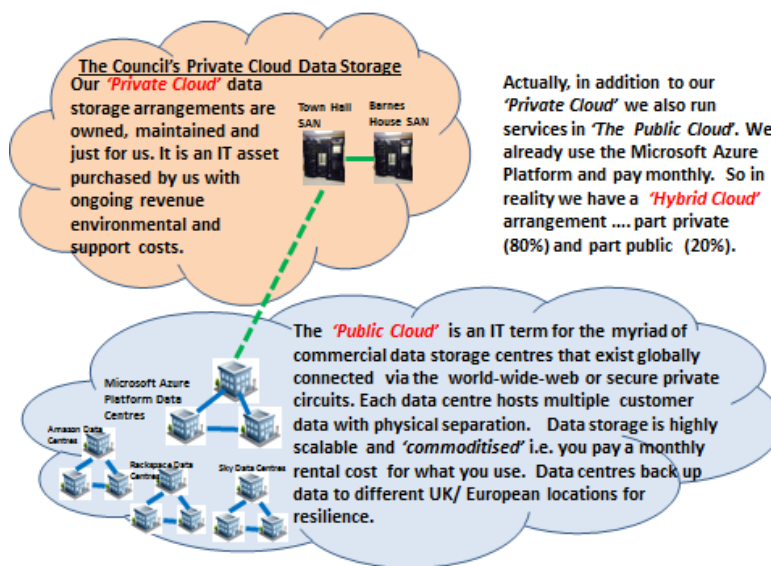
APPENDIX C: DETAILED PROJECT UPDATE: CLOUD MIGRATION

CLOUD MIGRATION PROJECT QUALITATIVE ANALYSIS:

The 2014-2017 IT Strategic Investment programme moved the Council from complete reliance upon physical servers to a Council-owned '*Private Cloud*' data storage infrastructure predominantly provided through two 2014 purchased Storage Area Network (SAN) servers. Given the fast pace of IT industry change, and with software applications requiring ever increasing processing power together with in-built product obsolescence our 2014 SANs are already nearing the end of their expected 5-6 year realistic life expectancy, hence the business rationale to migrate to a 'pay as you go' Microsoft Azure '*Public Cloud*'.

This is a fundamental ethos shift in IT system architecture from that of predominantly Council purchased/ maintained hardware to that of rented UK-based Microsoft Azure platform resources. Likewise, it is shifting the Council's IT financial model from that of regular and significant IT capital infrastructure investment replacement costs to that of revenue rental and hosting charges.

As the following diagram pictorially outlines, in truth the Council already has a '*Hybrid Cloud*' solution with around 80% of our IT services running on our Private Cloud SANs but with 20% of services already on the Microsoft Azure platform Public Cloud. This proposal represents a shift in ethos that will effectively reverse our current position ultimately placing around 80-90% of IT services on the Azure Public Cloud with some 10-20% remaining on greatly reduced Council-owned hardware.



The 2 year migration plan comprises specialist consultant resources working alongside in-house IT and Resilience Team resource learning new Microsoft Azure Public Cloud skills; migration, monitoring and performance, licensing management and charging models, data storage models, new functionality, new back-up and business continuity solutions etc.

- ✓ Our developing 'Public Cloud' infrastructure is enabling us to consolidate and strengthen our on-site cyber security through replacing protective Firewall technology.
- ✓ The Azure platform will shortly enable us to take advantage of new Microsoft cyber security protection to resolve malicious phishing emails containing links to malware.
- ✓ Azure Cloud benefits include new Cloud backup and disaster recovery arrangements which will mean that once our applications are in the cloud we have significantly improved resilience arrangements provided by a London data centre and a second in Cornwall.

- ✓ To maximise operational flexibility we are migrating staff off of our cabled network and onto our new replacement WiFi network.
- ✓ The WiFi improvements will significantly benefit Members and staff flexible working moving forwards.

The reader should be aware that when we embarked upon this project our intention was to migrate up to 100% of our on-site hardware and applications (software) to the Microsoft Azure platform. However, during the period to date, two of our corporate solution suppliers – Northgate and Idox – have both setup their own hosted Cloud services which have significantly changed our plans and affected our timescales – appendix E refers.

CLOUD MIGRATION PROJECT TIMESCALES ANALYSIS:

The Cloud migration timescales were initially described as a two year migration commencing 1st April 2018. The planning is complete in terms of what systems will be migrating to the Cloud, what systems are staying on premise and what systems are being retired.

The Office Transformation programme has necessitated re-engineering the Council's digital network to ensure that the correct supporting architecture (network switches and WiFi equipment) is located in the right places at the right time to maintain/ enhance operations. To maximise operational flexibility we are migrating staff off of our cabled network and onto new replacement WiFi network. IT staff are also physically required to relocate staff IT equipment.

The Office Transformation works are an additional resourcing requirement on our in-house resources and to a lesser extent on our network contractor, Intergence, as we are jointly engaged with both the network re-engineering works and the migrations works.

Our detailed timescales and plans have changed somewhat following the commercial decisions to migrate to the respective Northgate Cloud and to the Idox Cloud instead of the Microsoft Azure platform for everything and we remain beholden to these companies from a timescale perspective.

The project has been further complicated by the sudden and un-planned-for need to replace the Northgate electronic document management system.

It should be further noted that the elections in May have further delayed our migration strategies as we embargoed all significant IT changes during the period.

The 2019 replacement cyber security managed contract and the decision to replace and consolidate the Council's Firewalls (utilising existing IT budgets) took longer and was more complex than anticipated and has had knock-on resourcing delays to our migration plans.

Broadly speaking, we are currently behind schedule by about three months. We do anticipate being able to recover much of this lost time over the coming months but further unforeseen events may make this impossible.

Again, these timescales are the Council's own timescales and does not in itself affect our overall budgetary position. Nor are we prepared to reduce the quality of our planned migration works as this could lead to directly relating cost increases.

- At this time we are forecasting Cloud migration completion between 1st April 2020 and 31st May June 2020 i.e. up to 2 months behind our initial forecast.

CLOUD MIGRATION PROJECT FINANCIAL ANALYSIS:

The Cloud migration project financial investment returns are/ will be accrued through; reduced annual capital hardware infrastructure investment, reduced power utility costs, ongoing service cost savings - for example, computer suite air conditioning contract support costs and future reduced IT support staff savings.

Taking the migration to the Microsoft Azure platform strategy as a whole, Cabinet should understand that the financial business case is complex and mixes capital costs, budgeted and un-budgeted, with estimated data usage growth analysis that will ultimately equate to monthly revenue charges.

IT Hardware Re-investment Capital Cost Pressure Analysis:

In the February 2018 report the table reproduce below identified the capital investment unbudgeted costs associated with the imminently required replacement of just two key systems, our data SANs and our backup solution, as follows;

Reproduced February 2018 Table Estimating Unbudgeted Hardware Capital Investment:

Capital Hardware Ownership Investment	Data Storage Hardware Replacement Costs	5 Year IT Hardware Replacement Budget	Unbudgeted Cost
2019 Estimated capital SAN replacement costs (See note 1 below).	229,071	-	-
2019 Estimated capital DPM data storage solution replacement costs (See note 2 below).	106,709	-	-
Estimated capital investment costs sub total	335,780	-	-
5 year IT Capital Hardware Replacement Budget savings of £45,000 per year		225,000	-
Unbudgeted Estimated Capital Cost pressure			110,780

In acknowledging that the SANs and data backup/ storage retrieval systems are fundamental to the council's IT supporting infrastructure relied upon by every council service, the above capital re-investment analysis clearly doesn't work and identifies that the council simple had to adopt a different model to that of hardware ownership and periodic capital re-investment cycles.

- The above hardware ownership and capital replacement cost model is realistically unsustainable without accepting a considerable element of unknown financial risk.

As an ongoing and key financial management element of the Cloud migration project we are now able to calculate that that complete Council IT hardware replacement costs alone are £1,583,616. Based upon our six year typical IT hardware replacement regime this figure can be reduced down to £263,936 per annum. With £45,000 identified as an annual cost saving from existing budgets contributing towards the new annual Microsoft Azure platform costs and with 12% of our data storage remaining on premise requiring periodic replacement costs equivalent to £31,672 we can therefore calculate that;

September 2019 Table Estimating Cloud Migration Capital Cost Pressure Savings:

Capital Hardware Ownership Investment	£ Per Annum
IT Hardware On-Premise Replacement Costs	263,936
Council IT Hardware Replacement Budget	(45,000)
Amortised Capital Investment Sub Total	218,936
Capital Replacement Costs For 12% IT Hardware Remaining On-Premise	(31,672)
Total IT Capital 'Cost Avoidance' Savings	187,264

- Once complete our Cloud migration strategy will negate the need for cyclical large IT capital hardware replacement investments. These savings will effectively deliver the equivalent of an annual (unbudgeted) £187,264 'cost avoidance' contribution

towards overall Council budgets.

IT Revenue Budgetary Analysis:

The February report provided a financial revenue forecast of cost savings that could be accrued against estimated Microsoft Azure 'pay as you go' revenue costs. The table identified a small ongoing revenue increase of £8,337 per year, as follows;

Reproduced February 2018 Table Estimating Revenue Costs and Savings:

Description	Existing Budgets	Ongoing Savings	Ongoing Costs (£)
Reduced 1 fte IT reduced support need	760,080	31,663	-
Reduced hardware refresh budget	100,000	45,000	-
Reduced comms suite maintenance	24,760	17,000	-
Reduced power costs	109,269	15,000	-
Microsoft licensing savings (C17604753)	173,740 (See Note)	32,000	-
IT Annual Operating Cost Savings Sub Total		140,663	-
Microsoft Azure Platform Annual Hosting Costs			149,000
Annual revenue budget costs			8,337

Note: The figure quoted is the entire IT annual software budget which includes but is not limited to Microsoft licensing

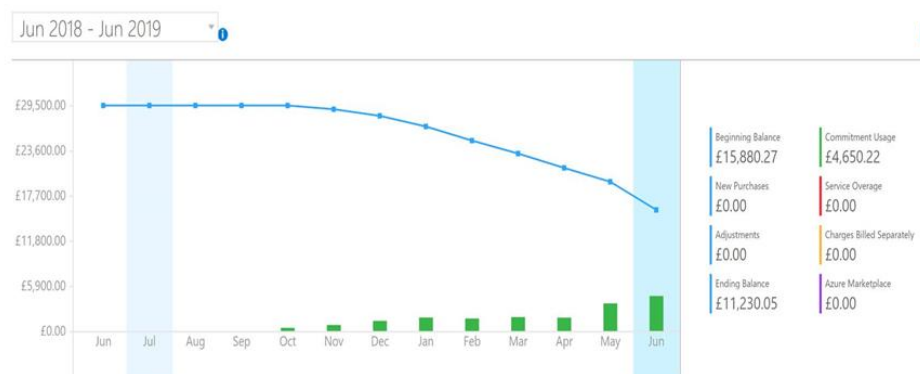
With reference to the February estimated costs and benefits table identifying Cloud Migration costs of £149,000 vs £140 663 savings, the latest revised costs figures for both ongoing costs and ongoing savings have increased, as follows;

September 2019 able Estimating Revenue Costs and Savings:

Description	Existing Budgets	Estimated Ongoing Savings	Ongoing Costs
Reduced 1 fte IT reduced support need	784,410	32,454	
Reduced hardware refresh budget	105,000	45,000	
Reduced comms suite maintenance	24,760	17,000	
Reduced power costs	109,269	15,000	
Microsoft Licensing costs (C17604753)	173,740	32,000	
10% Consolidation (Non-MS Licenses)		18,770	
IT Annual Operating Cost Savings Sub Total		160,224	
Microsoft Azure, Northgate & Idox Platform Annual Hosting Costs			187,701
Annual Revenue Budget Costs			27,477

- This latest Cloud migration revenue financial forecast identifies an overall project cost increase of £27,477 against a £8,337 forecast increase in February 2018.
- The actual estimated IT staff saving has increased from 1 fte to 1.5 fte. However, this 0.5 fte cannot be taken from full-time resources so it will be utilised to accelerate the *My Tending* portal programme.
- These figures do not include the overall increase in Microsoft licensing charges as these are payable regardless of whether the Council is operating on premise or in the Cloud. Please see appendix E for details.
- These figures do not include new cost pressures associated with the need to replace the Northgate Revenues and Benefits IDOC electronic document management system with the Idox replacement. Please see appendix E for details.

During our Microsoft audit and licensing cost review, we introduced to Microsoft our strategic intentions to migrate to their Azure platform. As a result of discussions we were able to agree a £29,500 Azure hosting charge credit. As outlined in the inserted Microsoft Azure hosting utilisation tool graph we have been consuming that credit to date, as follows;



Based upon our Azure platform hosting costs to-date, our hosting credit consumption and our final Azure platform hosting forecast of £187, 701 p.a. we are able to forecast our 2019/20 hosting charges and therefore our Council IT budget deficit, as follows;

Microsoft Azure Hosting Costs	£
Aug-19 Azure Hosting Balance	-3,491
Sep-19	9,610
Oct-19	11,110
Nov-19	12,610
Dec-19	14,110
Jan-20	15,410
Feb-20	15,410
Mar-20	15,410
Total Azure Hosting Charges to 31/03/20	97,161
Council IT Azure Hosting Budget 2019/20	(6,000)
Total IT Budget Shortfall 2019/20	91,161

We will have consumed the £29,500 Microsoft Azure hosting credit by August 2019. By the end of the 2019/20 financial year we are forecasting a Council IT Azure hosting budget deficit of £91,161.

Finally, the following table seeks to forecast the increasing ongoing revenue costs that the Council will incur over the period 2020 – 2025 on the Azure platform as we estimate that the Council's data storage needs will double in the next 5 year period.

Reproduced February 2018 Table Estimating Ongoing Azure Data Storage Cost Increases:

Time Period	Date Storage Annual Growth	Projected Revenue Data Storage Cost Increases
Year 1	25%	0 (Growth Factor included)
Year 2	50%	10,550
Year 3	75%	21,100
Year 4	100%	31,649
Year 5	125%	52,749

This forecast remains the same at this time. In summary, based upon current Microsoft data storage charges, our ongoing annual 2025 revenue costs are estimated to increase by a further £52,749. This revenue increase will need to be accommodated as a cost pressure within the ten year financial forecast.

CLOUD MIGRATION PROJECT SUMMARY

- The Cloud migration project fundamentally replaces both ongoing budgeted and unbudgeted hardware replacement capital costs with new Microsoft Azure and Idox revenue Cloud costs. Northgate annual Cloud hosting costs are cost neutral through robust procurement techniques.
- The migration project is 56% complete but is estimated to be three months behind schedule given the complex conflicting new project IT resourcing pressures that have taken place to date (see *Appendix E*). All of which are inter-dependent.
- Estimated project completion is between 1st April 2020 and 31st May 2020 subject to any further resource conflicting pressures.
- Once complete our Cloud migration strategy will make an annual (unbudgeted for) £187,264 capital IT hardware replacement 'cost avoidance' contribution towards overall Council budgets.
- From an IT budgetary perspective;
 - We will have consumed the £29,500 Microsoft Azure hosting credit by August 2019. By the end of the 2019/20 financial year we are forecasting a Council IT Azure hosting IT budget deficit of £91,161.
 - During 2020/21 our Cloud project related IT revenue cost savings totalling £160,224 will off-set our annual predicted Azure hosting charges of £187,701 leaving a 2020/21 Azure hosting charge budget shortfall of £27,477 within Council IT budgets. Note: The 1 fte saving will be taken through natural wastage as the opportunity arises. Power savings will be accrued as Council underspends in operating budgets.

The above discussed Azure hosting costs exclude additional new emerging Northgate EDRMS Azure hosting costs separately discussed in *Appendix E*.

APPENDIX D: DETAILED PROJECT UPDATE: LEISURE AND TOURISM APP

LEISURE & TOURISM APP PROJECT QUALITATIVE ANALYSIS:

The third and final strand of the Digital Transformation phase 2 programme is the procurement of specialist resources working with our leisure and tourism staff to develop a Smartphone 'Tourism Events App' for both Apple and Android Smartphones.

The App's focus is promoting Tendring tourism generally and to market specific tourism and leisure events throughout the year generating advertising/ sponsorship and increased income stream opportunities. The App will additionally be used as an 'attractor' to encourage bigger and better tourism event organisations to consider Tendring as a new destination opportunity.

The App should also be considered as a new technology trial that has proven to be highly effective in other market sectors, notably with the younger generation. Future Council App development could be used in other areas with a focus on reaching the younger demographics habitually choosing this media channel in preference to other more traditional channels.

Where event information exists on the Council's website this is being imported into the App so that any additions changes are reflected once. Likewise the resources used only make changes once but they are reflected in both systems.

Whilst this App has been developed and integrated with our website by third party consultants, the IT and customer service teams have been actively engaged in the development process.

Additionally, the IT team have benefited from discussing development tools and techniques with consultant colleagues. These new skills and the confidence to use them, coupled with the decision to fund initially one IT technician and now three IT technicians in sponsored IT degree courses, has led to in-house resources developing;

1. The Council **self-service Kiosk App** now deployed at our Pier Avenue reception. Instead of spending thousands of pounds on purchasing purpose-built kiosks, TDC in-house IT resources have developed simple, robust, customer self-service kiosks costing just £790 each. Our self-service kiosks simply comprise of an iPad Pro housed in an anti-theft stand, in-house App program coding and a combination of simple/ cheap Apps.
2. More recently in-house resources have developed and built the new councillor **'ReMember IT' App** loaded on the pilot trial tablets. The App is proving popular with new Members and is in regular use.

As the Leisure and Tourism App has only recently gone live it is too early to identify any further qualitative measures.

LEISURE & TOURISM APP PROJECT TIMESCALES ANALYSIS:

Following a number of development/ delivery delays mainly caused by early Council resourcing commitments and then the May 2019 elections the new App finally went live on Thursday 25 July 2019. The launch date coincided with newsworthy Air Show promotional information.

LEISURE & TOURISM APP PROJECT FINANCIAL ANALYSIS:

The App is the most innovative project being undertaken and carries the biggest commercial risk as it is difficult to accurately forecast return on investment. Acknowledged the potential qualitative benefits to Tendring's tourism industry and local businesses, if we consider even very small increases in the Council's Leisure and Tourism annual income the project ROI could be considerable as outlined below.

Based upon their APP development experience within other sectors, in February 2018 consultants forecast the following income generation based upon the potential to generate additional income from the Air Show only. But in doing so they recognise the increased risk of providing inaccurate return on investment calculations associated with this proposal. Amido consultants suggest that a new tourism event App could conservatively generate new income streams of between £33,405 and £54,196 per year as outlined in the following table.

Reproduced February 2018 Table Estimating Possible New Income Revenue Opportunities:

Leisure And Tourism App New Revenue Estimates (£)					
Income Stream	Yr 1 (2018-19)	Yr2 (2019-20)	Yr3 (2020-21)	Yr 4 (2021-22)	Yr 5 (2022-23)
App Purchase	13,405	16,086	19,303	23,164	27,797
Additional Donations	12,000	13,200	14,520	15,972	17,569
Sponsorship	3,000	3,075	3,152	3,231	3,311
Advertising	5,000	5,125	5,253	5,384	5,519
Totals	33,405	37,486	42,228	47,751	54,196
Cumulative Totals		70,891	113,119	160,870	215,066

Clearly, estimated income stream generation is extremely difficult to accurately forecast in this instance with officers only being aware of a small number of local government leisure and tourism related Apps, and they are all different. Amido consultants subsequently produced revised income forecasts based upon modest increases in overall Leisure and Tourism revenue as the inserted table identifies;

Reproduced June 2018 Table Forecasting Estimating Possible New Income Revenue Opportunities

	2017/18 Revenue	0.50%	1%	1.50%	2%	2.5%%	3%
Airshow							
Donations		£3,750	£7,500	£11,250	£15,000	£18,750	£22,500
Programme Sales	£25,000	£125	£250	£375	£500	£625	£750.00
Advertisements							
Sponsorship	£10,000	£50	£100	£150	£200	£250	£300.00
Theatre Bookings							
Bar	£120,000	£600	£1,200	£1,800	£2,400	£3,000	£3,600.00
Ticket Sales	£500,000	£2,500	£5,000	£7,500	£10,000	£12,500	£15,000.00
Private Hire/Events/Other	£110,000	£550	£1,100	£1,650	£2,200	£2,750	£3,300.00
Leisure Centre Revenue							
Membership	£750,000	£3,750	£7,500	£11,250	£15,000	£18,750	£22,500.00
Casual Use	£1,250,000	£6,250	£12,500	£18,750	£25,000	£31,250	£37,500.00
Yearly Return on Investment		£17,575	£35,150	£52,725	£70,300	£87,875	£105,450

If the App generates an overall 1% increase in revenue then the Rate Of Investment return is 3.3 years. Alternatively, if the overall increase is 3% the ROI is 1.1 years. Consideration should also be given to the 'opportunity costs' of not having developed the App i.e. it is also a marketing/promotional tool to attract quality events to the District.

APPENDIX E: PROGRAMME CHANGE FACTORS

DIGITAL TRANSFORMATION PROGRAMME CHANGE FACTORS:

The digital world is dynamic and volatile due to the accelerating pace of technology development, hardware and software evolution, new innovations, and their strategic business implications. As a result, technology suppliers routinely offer new/ withdraw old services and constantly seek opportunities to revise their product fees and charges. Likewise, in a drive to maximise profits software releases enhancing services and cyber security are routinely issued with 'known' bugs without informing the customer and with no contractual recourse.

Like all modern organisations, the Council is fundamentally reliant upon IT to provide all of its services. Whilst we constantly strive to simplify our IT supporting infrastructure and systems the Council offers around 200 services supported through a complex 'best fit jigsaw' of inter-dependent systems provided by multiple suppliers each with their own strategic agenda and schedule of system and software upgrades. Seemingly simple changes can have far reaching interconnectivity, interworking and service operational issues.

All of the above factors are affecting management and delivery of the Council's Digital Transformation Phase 2 Programme that it embarked upon some one and a half years ago. Whilst our goals and qualitative deliverable outcomes remain unchanged, the cost modelling has shifted in terms of unexpected cost increases, unforeseen delays and opportunities to achieve additional operational savings.

Key over-arching IT industry programme change factors are summarised as follows;

Microsoft Licensing Audit And Cost Increases:

In addition to annual price increases, Microsoft's strategy is that of increasing their non Cloud-based licensing charges for Microsoft products as used by every Council officer. Furthermore, Microsoft are developing services and enhancements only available through the Cloud. There are therefore commercial and financial incentives to adopt a Cloud-based as opposed to an on-premise IT infrastructure strategy.

The Council benefits from UK Government preferential Microsoft fees and charges. Our Microsoft costs are based upon a three year fixed rate cycle with the option to extend the licensing arrangement by an additional year or switch to the new charging. The three plus one year fixed charge periods to date are; 2011-2014, 2014-2018 and now 2018-2022.

Within each year pricing cycle Microsoft revise the fees and charges to optimise their profits and we revise our licensing arrangements to minimise our costs. For example moving from per device licensing to per user account licensing, buying licenses outright or paying annual subscription fees, and back again whichever is the most advantageous.

- Through prudent license management the IT team can demonstrate cost avoidance savings totalling over £101,845 between 2014 and 2018.

On 1 October 2018 Microsoft introduced price increases of between 3% and 30% across its product range, averaging at 10%. Microsoft also claim that their licensing model is also greatly simplified. Tendring District Council Microsoft licensing charges are payable annually in January so these price rises first affected us from January 2019.

Over the past three years the Council has increasingly digitally enabled its workforce with a commensurate increase in Microsoft license numbers. This increased digital reliance is partly due to trying to deliver more with ever reducing staff numbers and partly one of inclusivity i.e.

providing more staff with email accounts and access to PING.

In an ongoing drive to improve efficiency and effectiveness the Council has increased digitally enable officers working out in the community. Likewise the Office Transformation programme and introducing flexible working Council-wide has further increased Council reliance upon mobile digital devices – laptops, tablets and smartphones.

Mobile and flexible working increases the inherent risk of device and/ or data loss. A key National Cyber Security Centre (NCSC) focus been around mobile device cyber security, again manifested itself in mobile security licensing cost increases.

Members will recall that the Council's fourteen year old Cisco telephony system was replaced with Microsoft Skype software system in 2017. This is another example of the Council moving from periodic and significant capital replacement costs to ongoing revenue licensing fees.

During 2018 Tendring District Council was subject to a routine Microsoft licensing audit. Microsoft licensing is notoriously complex and the audit identified that following many years of outsourced IT managed support the Council had areas of significant under licensing. Our server estate was notably under licensed.

All of the fluctuating variance factors discussed have changed our Microsoft licensing profile significantly as the following table outlines;

New Table Identifying Changes To The Council's Microsoft Licensing Profile:

	Windows Desktop	Mobile Device Management	Microsoft Office	Skype Licensing	SQL	Server Licenses	Grand Total
2016	949	140	475		16	522	2,102
2018	531	160	533	514	16	527	2,281
2019	532	508	956	991	42	698	3,727

As a result of the Microsoft licensing audit, Microsoft cost increases and year on year Council increased reliance upon digital service delivery our annual Microsoft licensing costs have increased from £52,499 in 2016 to £169,033 in January 2019.

New Table Providing a 'Snapshot' Of The Council's Dynamic Microsoft Licensing Profile:

Year	Desktop Licensing	Mobile Security	MS Office	MS Skype	SQL (Database)	Server Licensing	Grand Total (£)
2016	7,326	2,755	19,166		13,923	9,329	52,499
2019	9,709	15,819	37,021	39,631	37,727	29,126	169,033

It should be noted that in some cases during our cloud migration transition period we are forced to purchase Microsoft licenses for both on-site services and Azure cloud services which has further increased our Microsoft licensing costs in the medium-term. Overall we are forecasting a Cloud migration modest net licensing reduction post April 2020 of £32,247 (based upon current pricing). Members should note the dynamic nature of our Council licensing costs and the inherent difficulties in accurately forecasting the following annual license fee changes;

- We are forecasting a 2019/20 IT software Microsoft licensing cost pressure of £66,693 as a result of; Microsoft licensing increased charges, increased Council digital inclusivity, increased Council reliance upon mobile devices, a 2018 Microsoft audit.
- We are forecasting a 2020/21 IT software licensing cost pressure of £34,446.

Microsoft Office is effectively a global industry standard. The Council's reliance upon Microsoft licensed products is reflected within every industry sector within the UK. There are open source

'free' alternative products available but they cannot match the level of integration that Microsoft offer.

In truth, the only way to reduce our Microsoft licensing costs is to reduce either our staff numbers or Council staff reliance upon technology. This is something of an oxymoron as it is the Council's reliance upon technology that has generated the efficiency and effectiveness that allows us to deliver services with the staff numbers that we have.

Corporate Suppliers Contract Renewal And Cloud Strategies:

Key corporate system suppliers, Northgate and Idox, have developed new cloud-based service solutions. Both supplier contracts require renewal during 2019. With both support and maintenance contracts expiring during 2019, both suppliers have made it extremely difficult to continue with our original migration plans and have commercially incentivised the Council to move from on-premise supply (hardware at Clacton Town Hall) to their own Cloud service.

Both suppliers' new contractual conditions of support and revised charging models have effectively forced the Council to adopt each provider's cloud services instead of migration to the Microsoft Azure cloud platform as initially planned.

This has resulted in additional and unexpected one-off cloud migration charges but robust procurement processes have resulted in licensing and support costs remaining the same as before. Specifically, the Northgate support costs have been fixed for four years. Our initial Azure migration cost model has also had to be revised accordingly.

These moves to an increasingly cloud 'managed' service will have a positive resourcing effect upon the IT team. This has necessitated an IT Team minor restructure to take into account these cloud migration early effects. This includes an estimated 0.5 fte can be re-utilised in different IT support/ development areas. For example, the ongoing *My Tendring* development programme and the recently developed *Tendring Members' App*.

Northgate Document Management System Replacement:

The Idox Electronic Document Record Management (EDRM) system is used by every service across the Council with the exception of Revenues and Benefits who use the Northgate 'IDOC' system. The Council is one of the last remaining IDOC service users nationally and Northgate are applying commercial pressure to get the Council signed-up to their replacement EDRM solution incurring additional annual costs. This pressure has culminated in Northgate recently informing us that the IDOC product will stop working following a software upgrade scheduled for release in September/ October 2019.

We are undertaking commercial discussions with Idox with a view to migrating Revenues and Benefits onto the corporate EDRM system. IT in-house skills have enabled Council staff to access the 'old' Northgate digitally stored data so we are able to migrate Revenues and Benefits onto the Idox EDRM system with greatly reduced costs. This project will incur additional and previously unforeseen costs now being developed and identified below;

September 2019 New Table Estimating Revenues And Benefits EDRM Replacement Costs:

Description	Northgate Replacement Costs (£)	Idox Replacement Costs (£)
Capital Project Costs	5,000	23,900
Revenue Costs	63,150	0
Ongoing Revenue Cost Totals	63,150	0
5 Year Project Comparison Costs	320,750	23,900

Notes: The Idox revenue costs are separately included in corporate Idox hosting charges.

- Revenues and Benefits Northgate digital records storage is a new/ emerging cost pressure. Utilising in-house programming skills we are able to reduce the estimated Idox migration capital costs from £49,000 to £23,900.

Contact Centre Replacement:

The Council's Mitel contact centre technology requires additional and costly investment to update its software and is starting to become unreliable. This is an untenable situation. Furthermore, Mitel have recently announced that after December 2019 they will no longer support Microsoft Skype integration with their contact centre solution – this is the Tendring model. This Mitel announcement has introduced new unforeseen and unbudgeted contact centre solution upgrade and support costs varying between £70,000 and £102,000.

Conversely, Council's over-arching IT strategy is that of *Cloud Services First* and commitment to Microsoft Skype telephony. Mitel's announcement has therefore forced into replace our Mitel contact centre with a new Skype compatible solution. The increasing unreliability of our Mitel contact centre and the changes to our refuse collection services and resultant high call volumes further escalated the priority of this much needed change.

The Council's contact centre functionality requirements are fairly basic and following market research and value for money investigations new contact centre cloud-based technology has been purchased through a joint officer decision (June 2019). The associated costs are £11,498 per annum revenue with a one off implementation charge of £9,560 funded through existing 2019 budgets. The procurement route was via the UK government G-Cloud 9 framework. At the time of writing this report replacement works are ongoing with an estimated go-live of October 2019. This is a new cost pressure that will require funding from Council budgets to fully fund this key customer facing service.

- From 01/04/20 onwards, IT revenue budgets will need to be increased by £11,498 to fully fund the new contact centre technology. Again, this is a funding change from periodic capital investment to ongoing revenue rental charges.

Office Transformation Programme And Digital Network Re-Engineering:

The Office Transformation programme has necessitated re-engineering the Council's digital network to ensure that the correct supporting architecture (network switches and WiFi equipment) is located in the right places at the right time to maintain operations throughout.

To maximise operational flexibility we are migrating staff off hard cabled infrastructure onto a new replacement WiFi network. IT staff are also physically required to relocate staff IT equipment. These works are an additional resourcing requirement on our in-house resources and to a lesser extent on our network contractor who are also engaged with the migrations works.

Cyber Security Contract Procurement And New Firewall Installation:

The 2019 replacement cyber security managed contract and the decision to replace and consolidate the Council's Firewalls (utilising existing IT budgets) took longer and was more complex than anticipated and has had added resourcing delays to our migration plans.

ESRI Digital Mapping System Upgrade Works:

During initial My Tendring portal project discussions, the strategic decision was taken to replace the Council's outdated Local View mapping system with new, replacement ESRI digital mapping system built directly in the Cloud. The new ESRI system will enhance the Council's mapping capabilities and enable new website customer services including "Where's my nearest...?" and "Give me directions to... ?" The project is being funded through existing IT budgets and will be completed by 31 March 2020. It is another project utilising in-house resources.

APPENDIX F: PROGRAMME FINANCIAL SUMMARY

The following table summarises each of the key financial changes and new cost pressures affecting the programme of works since the February 2018 report.

Financial Forecast Programme Change	Budgetary Outcome
My Tending Portal Project	
<ul style="list-style-type: none"> My Tending Portal £67,600 licensing costs need to be added into IT budgets for 2019/20 and beyond (reduced by £3,900 p.a. through robust procurement processes). My Tending portal February 2018 savings forecasts for non-staff savings reduced to £15,504 and staff savings have both been revised downwards to zero reflect changes in the programme and changes in the Revenues and Benefits Service resulting from Universal Credit roll-out and reduced government funding. Staff efficiency and process automation gains are already being delivered but they are delivering self-service automation 'cost avoidance' and customer service improvement benefits. <p>The net effect of the above factors shift the <i>My Tending</i> portal project financial position from a February 2018 estimated 6.8% return on investment to an overall revised forecast ongoing revenue cost of £52,096</p>	<p>£67,600 2019/20 ongoing licensing cost</p> <p>(£15,504) 2020/21 ongoing reduced savings non-staff.</p> <p>£0 staff savings currently now forecast.</p>
My Tending portal revised forecast financial position	£67,600 2019/20 cost pressure £52,096 2020/21 ongoing revenue cost pressure
Cloud Migration Project	
<ul style="list-style-type: none"> The total Council capital cost of hardware ownership/ replacement has now been calculated and identifies that the Cloud migration programme will delivery an £187,264 'cost avoidance' un-budgeted capital cost pressure savings per year. The total IT budget Azure hosting charges deficit 'in-migration cost' is forecast to be £91,161 in 2019/20. The total IT budget Azure hosting charges will increase to £181,701 from April 2020 but will be off-set by £160,224 forecast revenue savings accrued. Our forecast overall revenue costs and revenue savings have both increased changing the overall project annual revenue cost from £8,337 per year to £27,477 per year. <ul style="list-style-type: none"> Subject to 1 fte IT staff reduction available through natural wastage. Subject to £15,000 corporate budget power saving Forecast IT staff efficiency savings have increased from 1 fte to 1.5 fte but the 0.5 increase cannot be taken i.e. it is 'non cashable'. The 1 fte saving will be taken through natural staff changes when the opportunity arises. <p>The overall effect of the above factors significantly increases the overall project savings to positively benefit the Council's financial position but has the overall net effect of increasing ongoing Council overall revenue costs by £19,140 per year.</p> <p><i>Note: As estimated Council data storage needs increase year on year our Azure hosting costs will also rise by an estimated £52,749 in 2025.</i></p>	<p>£187,264 <u>un-budgeted</u> capital hardware replacement cost pressure avoidance per year.</p> <p>£91,161 2019/20 one-off cost pressure</p> <p>£74,931 2020/21 IT budget cost pressure subject to 1fte saving being taken through natural wastage ultimately reducing during 2021 to a £27,477 2020/21 ongoing cost pressure</p> <p>£16,227 0.5 IT fte additional forecast efficiency saving increase but <u>non-cashable</u>.</p>
2019/20 IT budget Azure hosting charges deficit	£91,161 2019/20 one-off revenue cost pressure
2020/21 IT budget deficit (Excluding forecast Council power savings and 1 fte savings to be taken when the opportunity arises	£74,931 'reducing' one-off 2020/21 IT revenue cost pressure
Final Cloud Migration Project revised forecast financial position	Final position 2020/21 £27,477 ongoing revenue cost pressure
Leisure And Tourism App Project	
<ul style="list-style-type: none"> The Leisure and Tourism App additional revenue income streams forecast in February 2018 were estimated to be between £17,405 - 	New income stream variances are forecast of between £17,575 and

<p>£54,196 per year. Difficulties in accurately forecasting increased revenue has resulted in the consultants revising the variation in additional revenue income to between £17,575 (0.5% increase) and £105,450 (3% increase) per year. The App ROI is therefore also variable at between 3.3 years and 1.1 years.</p> <ul style="list-style-type: none"> During development discussions the Council opted for 3rd party support and maintenance to ensure that the App remains current despite Apple and Android software update. This incurred a £6,000 ongoing revenue charge. <p>The net effect of the above changes revises the final forecast revenue income position to between £11,575 and £99,450. Whilst the mid-point income is £55,512p.a. the lowest estimate is used in these calculations.</p>	<p>£105,450 p.a. 'worst case' £17,575 ongoing new income used in calculations</p> <p>£6,000 2019/20 ongoing revenue cost increase.</p>
Leisure and Tourism App revised forecast financial position	(£11,575) 2020/21 new revenue income
Digital Transformation Change Factors (See Appendix E for details).	
<p>Council Microsoft licensing costs have risen to £169,033 in 2019/20 which represents an increase of £66,693 before reducing to £136,786 in 2020/21 representing an ongoing 2020/21 increase of £34,446</p>	<p>£66,693 2019/20 one off revenue MS licensing cost pressure.</p> <p>£34,446 2020/2021 ongoing revenue MS licensing cost pressure.</p>
<p>New Revenues and Benefits Northgate digital records system replacement.</p> <ul style="list-style-type: none"> Revenues and Benefits Northgate digital records storage is a new/ emerging cost pressure. Utilising in-house programming skills we are able to reduce the estimated Idox migration capital costs from £49,000 to £23,900. 	£23,900 2019/20 one-off capital cost pressure
<p>Contact Centre technology replacement</p> <ul style="list-style-type: none"> Project implementation capital costs £9,560 funded through existing IT budgets. Ongoing revenue costs £11,498 p.a. 	£11,498 2020/21 ongoing revenue cost pressure
Revised Mid-Programme 2019/20 One-off Cost Pressures	£181,754
Revised Programme Completion 2020/21 Ongoing Revenue Cost Pressures	£113,942

Notes:

- Members should note that the figures are representative of a strategic fundamental shift from large digital capital cost pressures to an ongoing digital revenue cost model.
- The My Tending financial forecast is now 'worst case' with calculations based upon being unable to make any staff efficiency/ effectiveness/ automation savings. As the programme progresses and customers increasingly self-serve (channel shift) this position change or alternatively release staff to undertake other duties or improve performance.
- The new leisure and Tourism App income forecast is difficult to predict with accuracy, therefore calculations are based upon a conservative lowest estimate.
- £187,264 un-budgeted capital hardware replacement cost pressure avoidance per year is not included in the above calculations as it is cost avoidance as opposed to a saving.

End

This page is intentionally left blank

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

CABINET

13 SEPTEMBER 2019

REPORT OF CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER

A.6 FINANCIAL PERFORMANCE REPORT – IN-YEAR PERFORMANCE AGAINST THE BUDGET AT END OF THE FIRST QUARTER 2019/20 AND LONG TERM FINANCIAL FORECAST UPDATE

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide an overview of the Council's financial position against the budget as at the end of June 2019 and to present an updated long term forecast.

EXECUTIVE SUMMARY

- These regular finance reports present the overall financial position of the Council by bringing together in-year budget monitoring information and timely updates on the development of the long term forecast.
- Therefore the report is split over two distinct sections as follows:
 - 1) *The Council's in-year financial position against the budget at the end of June 2019*
 - 2) *An updated long term financial forecast*

In respect of the in-year financial position at the end of June 2019:

- The position to the end of June 2019, as set out in more detail within the appendices, shows that overall the General Fund Revenue Account is overspent against the profiled budget by **£0.460m**. However it is relatively early in the financial year and therefore some expenditure or income trends may still be emerging and to date the variance primarily reflects the timing of expenditure and income.
- 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 set out later on in this report, there are no major issues that have been identified to date.
- Any emerging issues will be monitored and updates provided in future reports which will include their consideration as part of updating the long term financial forecast.
- Some necessary changes to the 2019/20 budget have been identified which are set out in **Appendix H**, with an associated recommendation also included within this report. The net impact of all of the budget adjustments will be moved to or from the Forecast Risk Fund. The long term forecast is based on the identification of **£0.500m** of in-year outturn savings, which will be set aside over the course of the

whole year within the Forecast Risk Fund to support the long term plan.

In respect of the updated long term financial forecast:

- The forecast has been reviewed and updated from 2020/21 onwards. An increase in unavoidable / on-going cost pressures is expected in 2020/21, which has had a knock on impact on the level of annual on-going savings required. Based on the initial forecast, the savings target has increased from **£0.300m** per year to **£0.450m** per year.
- Overall the revised forecast can still provide an effective method of managing financial risk and although the annual deficit or surplus position for each year of the forecast has been amended, they can still be accommodated within the overall projected long term financial position, supported by the Forecast Risk Fund that has been set up to underwrite such risks.
- A detailed review of risks associated with the long term forecast is subject to on-going review and is separately reported within **Appendix J**.
- As mentioned during the development of the longer term approach to the budget over the last two years, it is important to continue to deliver against the new longer term forecast as it continues to provide a credible alternative to the more traditional short term approach, which would require significant additional savings to be identified in 2020/21.
- In terms of delivering against the forecast for 2020/21 and beyond, work remains on-going across the 5 key work strands of:
 - 1) Increases to underlying income
 - 2) Limiting expenditure / inflationary increases where possible
 - 3) The identification of savings / efficiencies
 - 4) Delivering a positive outturn position each year
 - 5) The mitigation of cost pressures wherever possible.

RECOMMENDATION(S)

That in respect of the financial performance against the budget at the end of June 2019, it is recommended that:

(a) The position be noted;

(b) the proposed in-year adjustments to the budget as set out in Appendix H be agreed; and

That in respect of the Updated Long Term Forecast it is recommended that:

(a) The updated forecast be agreed and the Resources and Service Overview and Scrutiny Committee be consulted on the latest position.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Effective budgetary control is an important tool in ensuring the financial stability of the authority by drawing attention to issues of concern at an early stage so that appropriate action can be taken. Financial stability and awareness plays a key role in delivering the Council's corporate and community aims and 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 long term approach being taken 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 considered in the body of the report.

Risk

In respect of the position at the end of June 2019, a number of variances will be subject to change as the year progresses although at this stage it is expected that any adverse position can be managed within the overall budget. The budget position will be monitored and reviewed as part of both the future budget monitoring arrangements and Financial Strategy Processes.

In respect of the long term forecast, 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 cost pressures;
- Changes to the local authority funding mechanisms such as the Government's fairer funding review;
- New legislation placing unfunded duties on the Council or reducing the level of the Council's 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. **Appendix J** discusses the various risks to the forecast with a Red / Amber / Green risk assessment approach taken.

Another potentially more important action to manage and mitigate risk is the Council's ability to financially underwrite the forecast. 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 **£3.253m** will have been set aside by the end of 2019/20 within the Forecast Risk Fund to support the budget in future years. (This 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 continue to 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 over the life 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.

Set against the above foundations, the original long term forecast was based on the need to identify on-going savings of **£0.300m** each year. Due to changes to the forecast such as an unexpected increases in on-going costs pressures in 2020/21 (from **£0.150m** to potentially **£0.600m**) this savings figure has been increased to **£0.450m** per year. This increase is required to ensure that an annual surplus can still be delivered over the life of the forecast with such surpluses forecast from 2025/26 onwards.

This savings 'target' will still 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 longer term 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 **£1.758m** (NDR Resilience Reserve) and **£1.000m** (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.

To support the forecast, sensitivity testing has been undertaken which is set out in more detail later in this report.

LEGAL

The Local Government Act 2003 makes it a statutory duty that Local Authorities monitor income and expenditure against budget and take appropriate action if variances emerge.

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 2012 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.

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.

PART 3 – SUPPORTING INFORMATION

SECTION 1 – IN YEAR FINANCIAL PERFORMANCE AGAINST THE BUDGET AT THE END OF THE FIRST QUARTER OF 2019/20

The Council's financial position against the approved budget has been prepared for the period ending 30 June 2019.

This is the first such report on the Council's financial position against the budget for 2019/20, some expenditure or income trends may still be emerging as it is still relatively early in the financial cycle. However comments are provided below where necessary against the following key areas:

- General Fund Revenue and Proposed Changes to the in-year budget
- HRA Revenue
- Capital Programme – General Fund
- Capital Programme - HRA
- Collection Performance
- Treasury Activity

GENERAL FUND REVENUE

The position to the end of June 2019, as set out in more detail in the Executive Summary attached, shows that there is an overall net overspend of **£0.460m**.

As set out in the appendices, elements of this variance are due to the timing of expenditure and income or where commitments / decisions have yet to be made.

Appendix B provides a more detailed narrative against significant variances with some highlights as follows:

- Income achieved to date is running ahead of the profile in areas such as investment income (**£0.065m**), parking (**£0.044m**), planning (**£0.139m**) and at the crematorium (**£0.017m**). This position will remain under review over the remainder of the year and considered as part of the long term forecast and budget setting processes for 2020/21.
- Additional costs of responding to planning appeals have been incurred to date along with accruing costs associated with a planning inquiry. Some bills have not yet been paid so expenditure is not appearing within the appendices at the end of the first quarter. An estimate of the work undertaken to date / still outstanding is **£0.163m**. It is proposed to meet this cost via a mix of the local plan budget and calling down money from the associated earmarked Planning Inquiries and Enforcement Reserve. Further details are set out in **Appendix H**.

(In respect of the Planning Inquiries and Enforcement Reserve, **£0.239m** is available from this reserve in 2019/20).

- Alternative funding has been identified for two posts included within the 2019/20 budget. The posts are the Anti-Social Behaviour Officer and the Disabled Facilities Grants Coordinator. **Appendix H** sets out the budget adjustments required to recognise this change in funding, which 'releases' the money originally set aside that can then be paid into the Forecast Risk Fund.
- A reduction in the Government grant receivable to support the administration of the Local Council Tax Support Scheme has been confirmed as part of the final grant settlement announcement earlier in the year. The adjustment required of **£0.011m** is set out in **Appendix H**.

The net overall position set out in **Appendix H** results in a net contribution to the Forecast Risk Fund of **£0.077m**. It is expected that this amount will increase as further adjustments to the 2019/20 budget are identified over the remainder of the year to meet the **£0.500m** requirement highlighted earlier on in this report.

Other net neutral budget adjustments have also been included within **Appendix H**.

HRA REVENUE

An overall position is set out in the Executive Summary with further details included in **Appendix C**. At the end of June 2019, the HRA is showing a small net overspend of **£0.020m**, which primarily reflects a small change in the overall period that properties are vacant between lettings, but this is set against an overall rent income budget of **£12.600m**

CAPITAL PROGRAMME – GENERAL FUND

The overall position is set out in **Appendix D**.

As at the end of June 2019 the programme is broadly on target against the profiled position. Detailed comments are provided within the appendix against a number of

schemes.

One net neutral change to the budget relating to the demolition of Westleigh House / Office Rationalisation project is set out in **Appendix H**.

CAPITAL PROGRAMME – HOUSING REVENUE ACCOUNT

The overall position is set out in **Appendix D**.

As at the end of June 2019 the programme is behind profile by **£0.100m**.

This budget relates primarily to the on-going major repairs and improvements to the Council's own dwellings. There are no specific issues to highlight at this stage and the expectation is that expenditure / commitments will be broadly in line with the budget over the course of the year as work is progressed and procurement processes completed.

In respect of the New Build Initiatives / Acquisitions Scheme and the new homes in Jaywick Sands, both of these schemes are being supported by the use of 'one for one' capital receipts that the Council is able to retain from right to buy sales. There is currently a three year deadline imposed by the Government that Local Authorities have to spend the money retained under the 'one for one' scheme, but the Government are considering extending this to as much as five years. Notwithstanding this, 'spend by dates' are included in **Appendix D** which the Council needs to remain alert to. Although the receipts will be targeted towards a more strategic approach, the option of purchasing properties on the open market remains a fall-back position to ensure the money retained from right to buy sales stays in the district and not paid over to the Government.

COLLECTION PERFORMANCE

A detailed analysis of the current position is shown in **Appendix E**.

There are no significant issues to highlight at the present time. Income will continue to be collected over the remainder of the year with recovery arrangements and action taken as necessary.

TREASURY ACTIVITY

A detailed analysis of the current position is shown in **Appendix F**.

There are no significant matters to highlight at the present time with investment and borrowing activity on-going in line with the Treasury Strategy and associated practices / requirements. Investment returns are ahead of the profiled budget by **£0.065m** at the end of the first quarter.

SECTION 2 – UPDATED LONG TERM FORECAST

The long term forecast is updated on an on-going basis, with the latest position set out in **Appendix I**.

The detailed context to the revised longer term approach was included in the report to Cabinet on the 5 September 2017.

The long term forecast was last considered by Cabinet on 15 February 2019. The overall net changes to the forecast since that time are set out in **Table 1** below.

Table 1

Year	Net Annual Budget Position Considered by Cabinet 15 February 2019	Updated Net Budget Position
2020/21	£0.694m (Deficit)	£0.990m (Deficit)
2021/22	£0.447m (Deficit)	£0.956m (Deficit)
2022/23	£0.195m (Deficit)	£0.671m (Deficit)
2023/24	£0.066m (Surplus)	£0.385m (Deficit)
2024/25	£0.333m (Surplus)	£0.096m (Deficit)
2025/26	£0.606m (Surplus)	£0.196m (Surplus)
2026/27	£0.885m (Surplus)	£0.488m (Surplus)

As highlighted in the table above, the updated positions shows that annual deficits in the earlier years are higher with a surplus not forecast to be achieved until 2025/26 compared with 2023/24 originally expected. This change has largely been caused by a number of unavoidable cost pressures emerging to date along with other items, with more detailed explanations provided in **Table 2** below.

Table 2

Key Strand of the Forecast	Changes / Comments
Increases in Underlying Income – Council Tax and Business Rates	<p>The updated forecast includes a total estimated increase in underlying income of £0.942m for 2020/21, with figures for future years reflecting this change to the 'base' position. The forecast remains based on an increase of £5 in the level of Council Tax for Tendring District Council Services over the life of the forecast.</p> <p>Similar assumptions to last year have been applied in respect of additional income from property growth with the forecast updated with the most recent information / estimates. These remain relatively modest and reflect numbers set out in the local plan.</p> <p>As reported within the outturn report for 2018/19, a significant collection fund surplus of £0.437m was carried forward into 2019/20. There is currently no indications that this will be 'eroded' by lower collection performance over 2019/20 so is expected to remain available or potentially increase, to support the 2020/21 position. Amounts for future years are reduced down to more cautious levels which may be revised upwards to follow historic trends as the longer term position continues to develop.</p>
Limiting Expenditure / Inflation Increases	<p>The main inflationary pressures are in respect of salary costs and major contracts.</p> <p>In respect of salary inflation, the original forecast included increases of 1% per annum from 2020/21 as it was hoped that the relatively significant increases across 2018/19 and 2019/20 would limit further increases in the short term. However Unison has now submitted a pay claim of</p>

	<p>10% for 2020/21. Although this is the starting point in the negotiations, it is felt prudent to increase the inflationary allowance from 1% to 2% in 2020/21 and 1.5% across the remaining years of the forecast.</p> <p>In respect of major contracts, an RPI increase has been allowed for the Waste and Street Cleansing Contract.</p> <p>The above 2 changes have resulted in £0.646m being added to the 2020/21 forecast, which is an additional £0.272m compared with the original forecast considered by Cabinet in February.</p> <p>All other inflationary pressures are expected to be managed within existing departmental budgets. A number of activities remain on-going within the Council's overall financial framework such as reviewing the outturn position from prior years to identify possible budget reductions. The Council also continues to explore opportunities to bring services back in-house which has the potential to reduce overall increases in costs.</p> <p>As mentioned last year, departments continue to take a proactive approach in delivering quality services within the context of the challenging long term financial forecast. Examples of actions taken include managing emerging issues within existing budgets wherever possible or reprioritising activities to reduce / limit pressures on the budget over the course of the year.</p>
Mitigating Costs Pressures	<p>As discussed last year, this line of the forecast continues to present one of the most significant risks, as in many instances it is outside the control the Council, such as reduced income from external bodies / the Government.</p> <p>The original forecast included a cost pressure 'allowance' of £0.150m in 2020/21. This figure would not ordinarily be updated until later in the year, but a number of issues have already emerged. Although work remains on-going to review these items and explore options to potentially reduce the overall figure downwards, it is likely that £0.600m will be required in 2020/21 to fully fund these emerging items.</p> <p>Although further details will be presented as the forecast develops over the year, a high level summary of the cost pressures emerging to date are as follow:</p> <ul style="list-style-type: none"> • Insurance Premiums – Based on the Council's recent claims history, increases of 80% are expected. Although this will be split across the General Fund and HRA an increase in costs could be as high as £0.100m. • Microsoft Licences and other IT related Costs – As

	<p>highlighted during 2018/19, Microsoft have increased the cost of software licenses and along with other potential changes associated with the digital transformation project, on-going costs could increase by as much as £0.150m.</p> <ul style="list-style-type: none"> • As discussed last year, the Council Tax Sharing agreement with ECC is subject to further changes with the amount shared back to local authorities currently expected to decrease from 14% to 12% from 2020/21. Current estimates indicate that this could reduce income by as much as £0.160m from 2020/21. • A number of items have been funded on a one-off basis over recent years, such as increased Airshow costs, the Sea and Beach Festival and the contribution to the Mental Health Hub. To remove the uncertainty that funding on a one-off basis provides, it is proposed to build these items into the base budget on an on-going basis with a total cost of £0.103m. <p>It is also worth highlighting that major cost pressures could emerge over the life of the forecast that relate to the maintenance of the Council's property assets. These are usually of a one-off nature but relatively large and it would be difficult to accommodate this cost within the on-going revenue forecast. Therefore it is proposed to review all property assets including those that are leased out, to identify the potential investment required over the remaining years of the forecast. To 'isolate' the revenue forecast from the resulting investment required, it is proposed to set aside one-off funding. At present £0.717m is held within the forecast risk fund for initiatives that support the long term forecast. In addition, £0.417m was set aside in reserves as part of the outturn position for 2019/20. It is therefore proposed to bring these amounts together to enable an initial sum of £1.134m to be made available to meet investment in the Council's property assets over the remaining years of the forecast.</p> <p>The necessary adjustment is set out within Appendix H.</p>
Savings and Efficiencies	<p>Due to increases to the budget set out above, the original savings 'allowance' of £0.300m per annum would not enable annual surpluses to be achieved over the life of the forecast.</p> <p>The annual on-going savings required has therefore been increased to £0.450m. This figure was arrived at by determining a figure that would still deliver expected annual surplus by the end of the forecast period, albeit at a later date than originally planned.</p> <p>As discussed last year, this line of the forecast is</p>

	recognised as providing the 'safety valve' to the overall long term approach and may have to be increased if significant / on-going adverse issues emerge over the life of the forecast.
Delivering a positive outturn position each year	<p>As set out last year, the Forecast Risk Fund relies upon in-year outturn contributions of £0.500m per annum to support the overall balance on the reserve, which in turn underwrites the various risks to the forecast.</p> <p>In respect of both 2017/18 and 2018/19, the requirement to contribute £0.500m to the Forecast Risk Fund was delivered or exceeded. In respect of 2019/20 to date, a net contribution to the Forecast Risk Fund of £0.077m is proposed with expectations that additional contributions will be possible over the remaining quarters of the year.</p>

Other items included within the forecast for 2020/21 reflect known changes or previous decisions such as the reduction in the Revenue Support Grant, removal of one-off items from 2019/20, reductions in the level of grant to Town and Parish Councils, changes to the use of reserves and the savings accruing from earlier Portfolio Holder Working Party Initiatives. In respect of the last item, it has been necessary to amend the date that savings from the disposal of Weeley Council Offices will be achievable, given the evolving office rationalisation timescales, with the expected additional **£0.090m** savings being moved back to 2021/22 from 2020/21.

Risk Assessment

Given the inherent risks to the forecast, a risk assessment of each line of the forecast is maintained as set out in **Appendix J**.

Attention is drawn to the following key areas of the forecast which have been given the highest risk rating:

- **Growth in Business Rates / Council Tax** - As highlighted within the appendix, the Government plan on completing a spending review in the near future which will in turn influence the fair funding review for Local Government and the money that Local Authorities can retain from business rates collected locally. Given the uncertainty about the outcome from the Government's review and the its timing, this line of the forecast could potentially be subject to significant amendments from next year, which will be reflected in future forecast updates as necessary.
- **Ongoing Savings** – as highlighted earlier, the annual target has been increased from **£0.300m** to **£0.450m** from 2020/21. Activities in progress to deliver this amount include a review of the historic outturn position and taking a confident but cautious approach to income streams which are currently or have historically outperformed the budget. However given the increase in the amount required each year, it is proposed to commence discussions within each directorate to identify options to deliver the necessary savings with an update to be included in future financial performance reports.

As part of their recent value for money work, the Council's external auditors recognised that the Council's savings targets are inherently challenging.

- **Unmitigated Cost Pressures** – as highlighted within the appendix, this line of the forecast presents one of the more significant risks going forward, with the total amount expected to be included in 2020/21 being as high as **£0.600m**. Some items are within the Council's control, such as repairs to assets and property etc., but many are not, such as reduced income from outside bodies. To date the Council has also refrained from using one-off money such as the New Homes Bonus to support the on-going budget. The forecast is based on this prudent principle continuing which supports the robust approach developed.

Sensitivity Testing

There are numerous risks inherent in forecasting and **Appendix I** includes the potential impact if assumptions within the forecast change such as inflation, reduction in income, the level of costs pressures or underperformance in securing the required on-going savings.

Although there will always be a large number of permutations, apart from two scenarios, all others tested are still expected to deliver an annual surplus within the life of the forecast.

The sensitivity test that would have one of the greatest impacts on the forecast is if council tax rises were 1% less than the base position. In aggregate, the annual deficits would be **£4.854m** compared with base position of **£2.414m**, so it could be managed within the overall forecast risk fund amount but would not return an annual surplus until sometime after the last year of the current forecast. A similar situation would occur if the savings achieved were 20% less than required.

If a number of issues came together at the same time then it is possible that the forecast becomes unsustainable in the longer term. This will be monitored as the forecast continues to be developed as it may be that the level of savings required needs to be increased to ensure the long term sustainability of the Council's financial position or the Council reverts back to the historic short term approach to setting the budget which would require significant savings early in the process.

Forecast Risk Fund

Appendix I also sets out the annual change in the Forecast Risk Fund with a broadly increasing balance over the life of the forecast.

It is recognised that the use of reserves to balance the budget is not sustainable in the long term. However the use of the Forecast Risk Fund is on a controlled basis with underlying income expected to offset the net increases in expenditure in the long term, which provides for a more resilient approach to resisting potential reductions in the provision of services compared with the more traditional short term approach taken in the past.

The approach to the forecast continues to be undertaken within a robust risk management framework which includes the regular reporting of a 'live' forecast as set out in this report which will enable timely actions to be taken in response to any adverse issues that may emerge. It is also important to highlight that delivery of the long term forecast in the early years will continue to provide confidence to the revised approach being taken.

Although this will be subject to revisions and updates as the year / forecast progresses, it does set out the initial estimated position for 2020/21 which includes a draw down from the Forecast Risk Fund of an estimated **£0.990m** to balance the budget in accordance with the long term forecast.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES**RELATING TO SECTION 1 OF THE REPORT**

Front Cover and Executive Summary

Appendix A – Summary by Portfolio / Committee

Appendix B – General Fund Budget Position by Department

Appendix C – Housing Revenue Account Budget Position

Appendix D – Capital Programme

Appendix E – Collection Performance – Council Tax, Business Rates, Housing Rent and General Debts

Appendix F – Treasury Activity

Appendix G – Income from S106 Agreements

Appendix H – Proposed Adjustments to the 2019/20 Budget

RELATING TO SECTION 2 OF THE REPORT

Appendix I – Updated Long Term Financial Forecast

Appendix J – Risk Analysis of Each Line of the Forecast

This page is intentionally left blank

Tendring

District Council



Appendices Included:

Executive Summary	A summary of the overall position.
Appendix A	A summary of the overall position by Portfolio/Committee split by GF and HRA
Appendix B	An analysis by Department of all General Fund Revenue budgets.
Appendix C	An analysis of Housing Revenue Account Revenue budgets.
Appendix D	The position to date for General Fund and HRA capital projects.
Appendix E	Collection Performance
Appendix F	Treasury activity.
Appendix G	Income from S106 Agreements.
Appendix H	Proposed Adjustments to the 2019/20 Budget

Corporate Budget Monitoring

June 2019

(The variance figures set out in these appendices that are presented in brackets represent either a net underspend to date position or additional income received to date)

Corporate Budget Monitoring - Executive Summary as at the end of June 2019

The tables below show the summary position for the General Fund, Housing Revenue Account, Capital, Debt and Treasury Activity.

General Fund - Summary by Department Excluding Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Office of the Chief Executive	598,870	200,388	185,792	(14,596)
Corporate Services	(23,272,300)	(787,690)	283,351	1,071,041
Operational Services	16,070,650	1,163,111	1,091,197	(71,914)
Planning and Regeneration	6,602,780	703,794	179,310	(524,485)
Total General Fund	0	1,279,603	1,739,650	460,046

Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Total HRA	0	(1,824,168)	(1,804,421)	19,748

Capital

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
General Fund	12,994,520	1,196,108	1,255,655	59,548
Housing Revenue Account	6,711,690	1,025,540	925,303	(100,237)
Total Capital	19,706,210	2,221,648	2,180,958	(40,689)

Debt

	Collected to Date Against Collectable Amount
Council Tax	30.64%
Business Rates	30.21%
Housing Rents	97.99%
General Debt	90.50%

Treasury

	£'000
Total External Borrowing	41,536
Total Investments	68,795

Revenue Budget Position at the end of June 2019

General Fund Portfolio / Committee Summary

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £
Leader	5,034,700	482,110	(28,156)	(510,266)
Environment and Public Space	6,977,370	926,886	824,399	(102,487)
Housing	3,342,260	1,053,364	2,355,178	1,301,813
Independent Living	345,170	164,923	172,241	7,318
Leisure and Tourism	6,132,580	(517,369)	(393,624)	123,745
Business and Economic Growth	2,885,910	124,817	106,055	(18,762)
Corporate Finance and Governance	2,563,000	721,413	401,584	(319,829)
Partnerships	646,360	123,518	119,632	(3,886)
Budgets Relating to Non Executive Functions	788,390	199,700	212,462	12,762
	28,715,740	3,279,363	3,769,772	490,409
Revenue Support for Capital Investment	4,855,930	0	0	0
Financing Items	(5,829,790)	(90,712)	(122,156)	(31,444)
Budget Before use of Reserves	27,741,880	3,188,651	3,647,617	458,965
Contribution to / (from) earmarked reserves	(14,185,310)	0	0	0
Total Net Budget	13,556,570	3,188,651	3,647,617	458,965
Funding:				
Revenue Support Grant	(421,920)	(75,974)	(75,945)	29
Business Rates Income	(4,469,610)	(662,230)	(661,186)	1,044
Collection Fund Surplus	(709,650)	(141,930)	(141,930)	0
Income from Council Tax Payers	(7,955,390)	(1,028,914)	(1,028,906)	8
Total	0	1,279,603	1,739,650	460,046

Revenue Budget Position at the end of June 2019

HRA Portfolio Summary

	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile
	£	£	£	£
Housing	(1,831,450)	(1,824,168)	(1,804,421)	19,748
	(1,831,450)	(1,824,168)	(1,804,421)	19,748
Financing Items	1,756,120	0	0	0
Budget Before use of Reserves	(75,330)	(1,824,168)	(1,804,421)	19,748
Contribution to / (from) earmarked reserves	75,330	0	0	0
Total	0	(1,824,168)	(1,804,421)	19,748

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Office of Chief Executive

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	305,190	76,298	72,343	(3,954)	76,298	
Transport Related Expenditure	13,840	3,460	1,849	(1,611)	3,460	
Supplies & Services	468,240	120,630	113,137	(7,493)	121,430	
Total Direct Expenditure	787,270	200,388	187,329	(13,059)	201,188	
Direct Income						
Other Grants, Reimbursements and Contributions	0	0	(1,537)	(1,537)	0	
Total Direct Income	0	0	(1,537)	(1,537)	0	
Net Direct Costs	787,270	200,388	185,792	(14,596)	201,188	
Net Indirect Costs	(188,400)	0	0	0	0	
Total for Office of Chief Executive	598,870	200,388	185,792	(14,596)	201,188	

Department - Office of Chief Executive

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Chief Executive and Leadership Support and Community	598,870	200,388	185,792	(14,596)	
Total for Office of Chief Executive	598,870	200,388	185,792	(14,596)	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Corporate Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	6,983,560	1,325,685	1,311,574	(14,111)	1,339,965	
Premises Related Expenditure	259,000	80,680	114,308	33,628	103,350	
Transport Related Expenditure	61,030	24,105	22,878	(1,227)	24,095	
Supplies & Services	7,843,950	1,003,643	975,764	(27,879)	822,874	
Transfer Payments	39,889,980	8,816,670	10,281,278	1,464,608	8,816,670	
Interest Payments	63,670	7,749	5,973	(1,776)	31,484	
Total Direct Expenditure	55,101,190	11,258,532	12,711,775	1,453,243	11,138,438	
Direct Income						
Government Grants	(44,291,400)	(9,690,687)	(10,058,555)	(367,868)	(9,459,317)	
Other Grants, Reimbursements and Contributions	(1,539,180)	(294,656)	(245,558)	49,098	(454,313)	
Sales, Fees and Charges	(16,650)	(930)	(567)	363	(11,860)	
Rents Receivable	(5,730)	(1,400)	(100)	1,300	(1,515)	
Interest Receivable	(531,580)	(149,500)	(214,677)	(65,177)	(158,426)	
RSG, Business Rates and Council Tax	(13,556,570)	(1,909,048)	(1,907,967)	1,081	(5,105,388)	
Total Direct Income	(59,941,110)	(12,046,221)	(12,427,424)	(381,203)	(15,190,819)	
Net Direct Costs	(4,839,920)	(787,690)	284,351	1,072,041	(4,052,382)	
Net Indirect Costs	(4,247,070)	0	(1,000)	(1,000)	0	
Net Contribution to/(from) Reserves	(14,185,310)	0	0	0	0	
Total for Corporate Services	(23,272,300)	(787,690)	283,351	1,071,041	(4,052,382)	

Department - Corporate Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Deputy Chief Executive and Administration	1,080	60,533	67,174	6,640	
Total for Governance and Legal Services	0	88,300	69,855	(18,445)	
Total for Finance, Revenues and Benefits	1,901,880	875,020	2,216,384	1,341,364	The variance to date primarily reflects the cash flow impact of housing benefit payments and the timing of the reimbursement of expenditure via the associated subsidy system.
Total for Finance - Other Corporate Costs	2,903,150	(894,001)	(1,211,791)	(317,790)	The position at the end of the first quarter reflects additional investment income from the Council's treasury activities (£65k) and from additional new burdens funding from the Government (£184k).
Total for Finance - Financing Items	(16,464,420)	49,250	86,549	37,299	
Total for Finance - RSG, Business Rates and Council Tax	(13,556,570)	(1,909,048)	(1,907,967)	1,081	
Total for Property Services	240,180	78,887	81,011	2,123	
Total for People, Performance and Projects	478,710	178,840	192,556	13,716	

Department - Corporate Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
Total for IT and Corporate Resilience	552,750	457,856	442,635	(15,222)	Variations in this service area are largely due to the timing of the delivery of a number of projects and initiatives associated with various strands of the digital transformation project.
Total for Democratic Services	670,940	226,672	246,945	20,273	
Total for Corporate Services	(23,272,300)	(787,690)	283,351	1,071,041	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Operational Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	9,477,410	2,307,932	2,351,284	43,351	2,318,692	
Premises Related Expenditure	3,090,780	755,041	759,233	4,192	957,371	
Transport Related Expenditure	454,160	95,900	91,492	(4,408)	117,254	
Supplies & Services	4,393,770	837,944	800,018	(37,926)	1,288,105	
Third Party Payments	4,895,370	805,297	776,973	(28,324)	1,248,065	
Transfer Payments	234,870	58,718	90,114	31,396	58,718	
Total Direct Expenditure	22,546,360	4,860,832	4,869,112	8,281	5,988,204	
Direct Income						
Government Grants	(630,570)	(496,750)	(496,753)	(3)	0	
Other Grants, Reimbursements and Contributions	(1,266,050)	(221,484)	(133,755)	87,729	(314,196)	
Sales, Fees and Charges	(8,189,780)	(2,863,500)	(3,030,053)	(166,553)	(1,910,568)	
Rents Receivable	(318,310)	(107,428)	(111,410)	(3,982)	(79,827)	
Direct Internal Income	(126,780)	(3,000)	(860)	2,140	(3,000)	
Total Direct Income	(10,531,490)	(3,692,161)	(3,772,831)	(80,670)	(2,307,591)	
Net Direct Costs	12,014,870	1,168,671	1,096,282	(72,389)	3,680,613	
Net Indirect Costs	4,055,780	(5,560)	(5,085)	475	(5,560)	
Total for Operational Services	16,070,650	1,163,111	1,091,197	(71,914)	3,675,053	

Department - Operational Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Corporate Director and Administration Operational Services	659,680	121,465	86,326	(35,139)	
Total for Public Realm	1,699,300	168,745	71,729	(97,017)	Income from car parks (£44k) and at the crematorium (£17k) are running just ahead of the budget at the end of the first quarter.
Total for Customer and Commercial Services	504,620	225,960	221,025	(4,936)	
Total for Sports and Leisure	3,123,970	(752,193)	(739,434)	12,759	As highlighted during 2018/19, a long term strategy aimed at responding to the challenging financial outlook for the Council's Leisure Facilities will be presented to Members later in the year. This is in addition to the proposed investment in Clacton Leisure Centre, with the associated business case due to be presented to Cabinet in September. To date the service is managing the situation on a short term basis pending agreement to the long term strategy.
Total for Housing and Environmental Health	2,866,630	102,935	50,439	(52,496)	
Total for Building and Engineering	7,216,450	1,296,198	1,401,113	104,915	Two main issues are reflected in the variance at the end of the first quarter - 1) Work has been undertaken by the in-house engineering team which has not yet been charged out to the relevant service areas and 2) The contribution towards the food waste service from ECC has yet to be invoiced.
Total for Operational Services	16,070,650	1,163,111	1,091,197	(71,914)	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Planning and Regeneration

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	2,330,760	562,392	553,053	(9,339)	543,022	
Premises Related Expenditure	28,790	16,220	14,871	(1,349)	4,190	
Transport Related Expenditure	35,300	8,825	7,288	(1,537)	8,825	
Supplies & Services	4,639,510	580,247	218,750	(361,497)	440,847	
Third Party Payments	870	0	0	0	0	
Total Direct Expenditure	7,035,230	1,167,685	793,962	(373,723)	996,885	
Direct Income						
Government Grants	(52,960)	(49,510)	(49,519)	(9)	0	
Other Grants, Reimbursements and Contributions	0	0	(1,750)	(1,750)	0	
Sales, Fees and Charges	(1,376,220)	(399,847)	(549,476)	(149,628)	(325,457)	
Rents Receivable	(56,510)	(14,533)	(13,908)	625	(12,433)	
Total Direct Income	(1,485,690)	(463,890)	(614,652)	(150,762)	(337,890)	
Net Direct Costs	5,549,540	703,794	179,310	(524,485)	658,994	
Net Indirect Costs	1,053,240	0	0	0	0	
Total for Planning and Regeneration	6,602,780	703,794	179,310	(524,485)	658,994	

Department - Planning and Regeneration

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Corporate Director	0	27,955	28,114	159	
Total for Planning and Customer Services	98,190	396,055	359,647	(36,408)	
Total for Planning and Development	1,348,150	(272,722)	(344,869)	(72,146)	Planning income is running ahead of the profiled budget by £0.139m at the end of the first quarter.
Total for Planning Policy	1,666,580	313,197	(61,920)	(375,117)	The position to date primarily reflects the timing of expenditure associated with the development of the Local Plan.
Total for Building Control	174,880	15,927	(10,821)	(26,749)	
Total for Regeneration	3,314,980	223,382	209,158	(14,224)	
Total for Planning and Regeneration	6,602,780	703,794	179,310	(524,485)	

Corporate Budget Monitoring - Housing Revenue Account Budget Position at the end of June 2019

Housing Revenue Account

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	1,090,540	165,520	158,209	(7,311)	165,520	
Premises Related Expenditure	3,458,870	602,734	638,800	36,066	788,403	
Transport Related Expenditure	20,370	5,093	6,622	1,529	5,093	
Supplies & Services	530,600	102,300	84,826	(17,473)	76,930	
Third Party Payments	1,030	258	0	(258)	258	
Transfer Payments	17,000	4,250	1,969	(2,281)	4,250	
Interest Payments	1,413,490	349,310	349,309	(1)	391,623	
Total Direct Expenditure	6,531,900	1,229,464	1,239,735	10,271	1,432,077	
Direct Income						
Other Grants, Reimbursements and Contributions	(8,000)	0	(270)	(270)	0	
Sales, Fees and Charges	(533,920)	(99,038)	(117,033)	(17,995)	(184,937)	
Rents Receivable	(12,843,320)	(2,954,595)	(2,926,853)	27,742	(3,481,353)	
Interest Receivable	(51,600)	0	0	0	0	
Total Direct Income	(13,436,840)	(3,053,632)	(3,044,156)	9,476	(3,666,289)	
Net Direct Costs	(6,904,940)	(1,824,168)	(1,804,421)	19,748	(2,234,212)	
Net Indirect Costs	6,829,610	0	0	0	0	
Net Contribution to/(from) Reserves	75,330	0	0	0	0	
Total for HRA	0	(1,824,168)	(1,804,421)	19,748	(2,234,212)	

Housing Revenue Account

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Finance - Financing Items	1,756,120	0	0	0	
Total for Corporate Director and Administration Operational Services	591,340	34,047	31,316	(2,731)	
Total for Customer and Commercial Services	(47,570)	0	(891)	(891)	
Total for Housing and Environmental Health	(6,217,010)	(2,372,032)	(2,357,745)	14,287	
Total for Building and Engineering	3,917,120	513,817	522,899	9,083	
Total for HRA	0	(1,824,168)	(1,804,421)	19,748	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Expenditure						
Business and Economic Growth Portfolio						
Regeneration Capital Projects	349,180	349,180	0	0	0	The Service is currently reviewing projects and initiatives which will be presented to Members for consideration.
SME Growth Fund Capital Grants	43,250	43,250	0	0	0	All funding has now been committed against qualifying projects, with funding to be drawn down by recipients at agreed milestones.
Harwich Public Realm	1,000,000	1,000,000	0	0	0	Project will commence subject to a business case and report to be presented to Cabinet.
Total for Business and Economic Growth Portfolio	1,392,430	1,392,430	0	0	0	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Corporate Finance and Governance Portfolio						
Audit management software	2,230	2,230	0	0	0	
Joint HR and Payroll System	1,780	1,780	0	0	0	
Westleigh House Demolition	23,710	23,710	0	0	0	Site demolished July 2019 awaiting invoices. Please see Appendix H for proposed adjustment that merges this budget with the wider office rationalisation scheme as the costs associated with the on-going use of this site will form part of that project.
Information and Communications Technology Core Infrastructure	355,210	190,210	13,802	48,562	34,759	This capital sum, together with the IT strategic Investment budget below are now fully committed during 2019/20 to the office transformation network re-design and investment works and essential hardware upgrades, including the Council's security firewalls.

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Page 192 Strategic Investment	35,180	35,180	0	3,929	3,929	See Information and Communications Technology Core infrastructure comment re: office transformation network re-design.
Agresso e-procurement	84,000	84,000	0	0	0	
Individual Electoral Registration - Scanning Equipment	1,560	1,560	0	0	0	
Enhanced Equipment replacement - Printing and Scanning	15,860	12,250	0	0	0	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Office Rationalisation	1,014,730	982,970	115,785	159,433	43,648	Work in Pier Avenue is complete apart from some outstanding minor works. The extension and link at Barnes House is structurally complete and is scheduled for full completion in August 2019. Work at Northbourne depot is complete. Work on the Town Hall has started and will progress in a series of phases throughout 2019 and up to May 2020. The bulk of remaining expenditure will occur during the construction phases in 2019/20. Retentions and set up costs will form a tail of expenditure for around a further 12 months. The budget has been reprofiled to reflect this schedule of works.
Total for Corporate Finance and Governance Portfolio	1,534,260	1,333,890	129,587	211,924	82,336	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Environment and Public Space Portfolio						
Cranleigh Close, Clacton, landscaping works	7,830	7,830	6,000	5,997	(3)	
Environmental Health Database Migration	5,250	5,250	0	0	0	The Service is reviewing this project as part of the wider Digital Transformation Project.
Public Access Module to CAPS	54,140	54,140	0	0	0	The Service is reviewing this project as part of the wider Digital Transformation Project.
Laying Out Cemetery	168,470	0	0	0	0	The works element of this project has been profiled to 2020/21.
Crematorium and Cemeteries Road Works	163,000	163,000	0	0	0	Initial works to be completed by September 2019, with a view to complete the project by March 2020.
Bath House Meadow Play Area, Walton	4,870	4,870	0	0	0	Works finished, with retention due to be paid to contractor.
Changing Place Facilities, Walton	1,500	1,500	1,500	1,551	51	Scheme Complete.
Resurfacing Works, Off Valley Road	6,770	6,770	0	0	0	Works to be finalised by November 2019.

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Waste Collection Wheeled Bins	742,990	742,990	191,160	189,728	(1,432)	Delivery of bins to residents is underway, with an estimated roll out time of 10 weeks.
Bath House Meadow Security Measures	20,000	20,000	0	0	0	
Milton Road car park repairs	250,000	250,000	0	0	0	This project remains under consideration as part of the wider Harwich regeneration project.
Clacton Multi-Storey car park repairs	180,000	180,000	0	0	0	This scheme is currently being reviewed as costs estimated at more than the budget - there may be opportunities to re-scale the project or additional funding may need to be considered.
Public Convenience Works	40,000	40,000	0	0	0	Demolition and Refurbishment works expected to be completed by March 2020.
Total for Environment and Public Space Portfolio	1,644,820	1,476,350	198,660	197,277	(1,383)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Housing Portfolio						
Replacement of High Volume Printers	29,000	29,000	0	0	0	
Replacement debit and credit card payment facility	14,630	14,630	0	0	0	
Replacement Scan Stations	12,000	0	0	0	0	This scheme has been profiled to 2020/21.
Housing in Jaywick	498,750	498,750	17,188	16,105	(1,083)	Ecological surveys have commenced to inform future developments.
Private Sector Renewal Grants/Financial Assistance Loans	325,260	325,260	9,905	9,900	(5)	
Disabled Facilities Grants	6,151,870	5,168,960	317,127	293,318	(23,810)	
Private Sector Leasing	75,660	75,660	0	0	0	
Empty Homes funding	164,220	164,220	0	0	0	This project is being reviewed to identify alternative options / opportunities.
Total for Housing Portfolio	7,271,390	6,276,480	344,220	319,323	(24,897)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Leisure and Tourism Portfolio						
Replacement of beach hut supports - The Walings	11,620	0	0	0	0	
Princes Theatre Toilets	40,000	40,000	0	0	0	This project is due to be completed in 2019/20 as part of the scheduled works to the Town Hall that form part of wider Office Rationalisation project.
Town Centre Fountain	160,000	160,000	0	0	0	Options for this site remain under consideration.
Dovercourt Bay Lifestyles CCTV	49,500	49,500	26,000	26,000	0	The equipment has now been purchased for Dovercourt Sports Centre with a saving of £23,500 achieved. The service is currently investigating the purchase of another camera for Clacton leisure Centre subject to a report and business case.
New Beach Huts	64,600	64,600	0	0	(0)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Cliff Stabilisation Scheme	2,108,320	2,108,320	495,390	495,382	(8)	Works are on schedule to be completed Summer 2019.
Marine Parade West Clacton Cliff Works	49,380	49,380	2,250	2,250	0	Works finished. Final invoice to be received at end of maintenance period October 2019.
Flood Wall, Walton On The Naze	0	0	0	3,500	3,500	Works Completed.
Purchase of Street Cleansing Equipment	43,570	43,570	0	0	0	Equipment was delivered in June, however invoice is currently in dispute with supplier.
Total for Leisure and Tourism Portfolio	2,526,990	2,515,370	523,640	527,132	3,492	
Total Approved General Fund Capital Programme	14,369,890	12,994,520	1,196,108	1,255,655	59,548	

Corporate Budget Monitoring - Housing Revenue Account Capital Programme

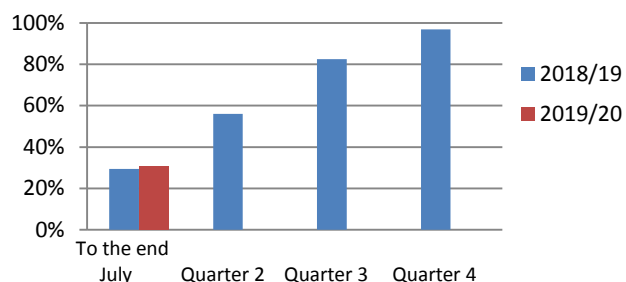
Budget Position at the end of June 2019

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
Improvements, enhancement & adaptation of the Council's housing stock	3,215,410	802,600	726,075	(76,525)	This budget covers a range of individual schemes which will be delivered as the year progresses and are subject to the appropriate procurement processes, which are planned, being progressed or are underway.
Upgrade & Replacement	20,000	0	0	0	
Disabled Adaptations	458,210	108,872	85,178	(23,695)	Similarly to the above, it is anticipated that works will be progressed over the remainder of the year.
Cash Incentive Scheme	60,000	0	0	0	
New Build Initiatives and Acquisitions*	2,451,260	88,565	88,560	(5)	
Jaywick Sands - New Build/Starter Homes*	506,810	25,503	25,490	(12)	
*Within the budget of £2,958,070, £2,646,052 relates to projects supported by one for one capital receipts with spend by dates as per below: 31/03/2020 £413,570 31/12/2020 £1,270,100 30/06/2020 £276,060 31/03/2021 £150,192 30/09/2020 £536,130					
Total Housing Revenue Account Capital Programme	6,711,690	1,025,540	925,303	(100,237)	

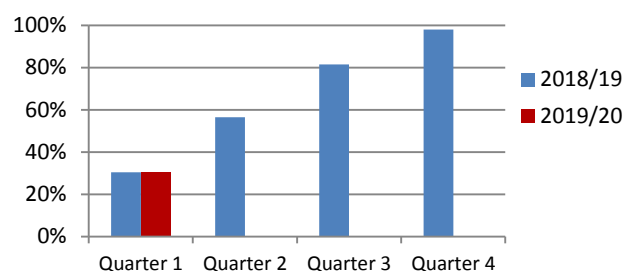
Collection Performance : Position at the end of June 2019

The collection performance against Council tax, Business Rates, Housing Rents and General Debt collection are set out below.

Council Tax (against annual amounts)

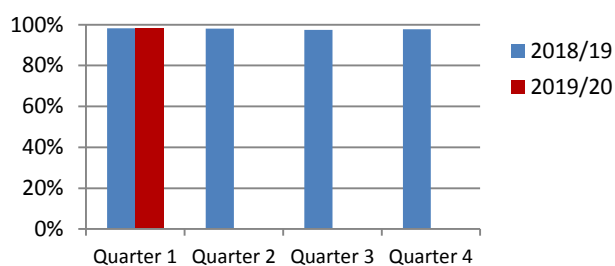


Business Rates (against annual amounts)

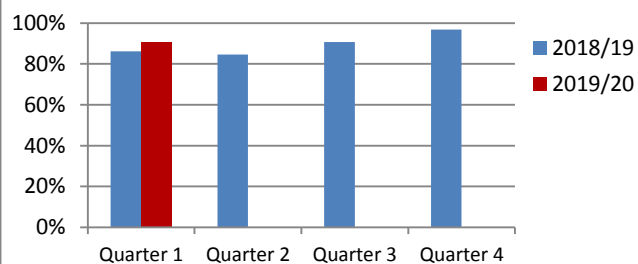


	2018/19	2019/20		2018/19	2019/20
Quarter 1	29.44%	30.64%	Quarter 1	30.48%	30.21%
Quarter 2	56.09%		Quarter 2	56.40%	
Quarter 3	82.52%		Quarter 3	81.42%	
Quarter 4	96.96%		Quarter 4	97.92%	

Housing Rents



General Debt



	2018/19	2019/20		2018/19	2019/20
Quarter 1	98.30%	97.99%	Quarter 1	86.14%	90.50%
Quarter 2	98.10%		Quarter 2	84.58%	
Quarter 3	97.40%		Quarter 3	90.65%	
Quarter 4	97.82%		Quarter 4	96.89%	

Treasury Activity : Position at the end of June 2019

Key Treasury Management Performance Data and Prudential Indicators are set out below.

TREASURY ACTIVITY

Borrowing	Opening Balance 1 April £'000	Borrowing to date £'000	Borrowing Repaid to date £'000	Balance to Date £'000	Comments
Long Term PWLB Borrowing - GF	306	0	0	306	
Long Term PWLB Borrowing - HRA	41,770	0	540	41,230	
TOTAL BORROWING	42,076	0	540	41,536	
Investments	Opening Balance 1 April £'000	Investments to date £'000	Investments Repaid to date £'000	Balance to Date £'000	Comments
<i>Investments less than a year</i>					
Investments with UK Government via Treasury Bills/Investments with DMO, and Local Authorities and other public bodies	47,000	84,300	78,300	53,000	Net investments have increased over the reporting period due to the timing of the Council's cash flow such as expenditure budgets behind profile or income being received ahead of expenditure.
Investments with UK financial Institutions (including Money Market Funds)	12,470	9,325	6,000	15,795	At the end of the period, investments were held with 9 counterparties.
Investments with non-UK Financial institutions	0	0	0	0	
<i>Total Investments for less than a year</i>	59,470	93,625	84,300	68,795	
<i>Investments for longer than a year</i>	0	0	0	0	
TOTAL INVESTMENTS	59,470	93,625	84,300	68,795	
Interest Paid / Received	Full Year Budget £'000	Profiled Budget to Date £'000	Actual to Date £'000	Variance to date £'000	Comments
Interest Paid on Borrowing - GF	56	6	6	0	The weighted average rate of interest on the Council's GF borrowing is currently 7.85%. (on an accrued basis)
Interest Paid on Borrowing - HRA	1,413	349	349	0	The weighted average rate of interest on the Council's HRA borrowing is currently 3.41%. (on an accrued basis)
Interest Received on Investments	(336)	(88)	(153)	(65)	The weighted average rate of interest being received on the Council's investments is currently 0.88%. (on an accrued basis)
PRUDENTIAL INDICATORS					
	Approved Indicator £'000	Highest amount reached in the period £'000	Comments		
Authorised limit for external borrowing	76,455	42,076	Borrowing has remained within approved limits.		
Operational boundary for external borrowing	67,704				

Income from S106 Agreements

Information in respect of S106 income has been split across two areas below - Where money has been formally allocated / being spent and where money remains unallocated / uncommitted.

Where related to capital schemes - see Appendix D for overall scheme progress.

ALLOCATED / BEING SPENT

Scheme	Amount Committed / Planned to be Spent in 2019/20 (including accrued interest as appropriate) £'000
Capital Schemes	
Cranleigh Close, Clacton - landscaping works	8
Valley Road, Car Park Resurfacing	7
Revenue Schemes and other Contributions	91
TOTAL	106

UNALLOCATED / UNCOMMITTED TO DATE

Permitted Use as per S106 Agreement	Amount Held / 'Spend by' Date			
	Less than 1 Year £'000	1 to 2 Years £'000	2 to 4 Years £'000	4 years + £'000
Regeneration Programme and Other Initiatives	0	0	0	62
Affordable Housing	0	0	0	652
Town Centre Improvements	0	0	0	43
Habitat Protection	0	0	0	3
Open Space*	13	2	34	900
TOTAL	13	2	34	1,660

* For schemes with a 'spend by' date of less than one year, this money must be spent as follows
£4,000 by Feb 2020
£9,000 by Apr 2020

Proposed Adjustments to the 2019/20 Budget June 2019

Description	Expenditure Budget	Income Budget	Reason for Adjustment
	£	£	
GENERAL FUND REVENUE			
<i>The following items have no net impact on the overall budget</i>			
Leisure Services - Building Repairs Budget	(24,850)		Adjustment required as part of bringing work back in-house, with the Building and Engineering team now undertaking this work rather than an external contractor.
Building and Engineering Services - Employee Costs	24,850		
Planning Agency Staff	192,000		To provide the necessary capacity within the service, it is proposed to utilise a portion of the Projects budget resulting from the 20% fee increase and general salary vacancies.
20% Fee Increase Projects	(117,000)		
Planning Employee Budgets	(75,000)		
Planning Inquiry / Appeal Costs	163,000		Expected additional costs due to planning appeals / planning inquiry.
Planning Inquiry / Appeal Earmarked Reserve		(140,000)	
Local Plan Budget	(23,000)		
Implementation of New Careline IT System	37,210		It is proposed to use the associated earmark reserve to support the cost of the new system and associated hardware etc.
Use of Careline Earmarked Reserve		(37,210)	
Total General Fund Revenue with no net impact on the overall budget	(177,210)	177,210	

Description	Expenditure Budget	Income Budget	Reason for Adjustment
	£	£	
<i>The following items will be adjusted against the Forecast Risk Fund</i>			
Anti-Social Behaviour Officer	(61,200)		This post was originally funded on a two year fixed term contract with the cost met from savings identified in 2018/19. However this post has now been accommodated on a permanent basis via a corresponding adjustment elsewhere in the budget. This one off budget can therefore be removed.
Disabled Facilities Grant Coordinator Post	(26,800)		This post was originally funded as a cost pressure for 2019/20 pending the outcome of the review to see if the cost could be met directly from the DFG grant receivable from ECC. ECC have now confirmed that salary costs can be met by the grant funding so this cost pressure is no longer required.
Local Council Tax Scheme Administration Subsidy		11,130	The final grant receivable was not published until after the budget was agreed in February 2019. This adjustments reflects a small reduction in the amount receivable from the government in 2019/20.
Net Contribution to Forecast Risk Fund	76,870		

Description	Expenditure Budget	Income Budget	Reason for Adjustment
	£	£	
GENERAL FUND CAPITAL			
Schemes Reprofiled			
None			
Other Changes to General Fund Capital Programme			
Westleigh House Demolition	(23,710)		To merge the two schemes to reflect the potential wider use of the site for parking which forms part of the more general office rationalisation project.
Office Rationalisation	23,710		
Council Asset Refurbishment Fund	1,134,000		As set out in the main body of the report, this adjustment establishes an 'investment fund' to maintain Council Property assets over the remaining life of the long term forecast.
Use of Reserves		(1,134,000)	
Total General Fund Capital Adjustment with no net impact on the overall budget	(1,134,000)	1,134,000	
HRA REVENUE			
<i>The following items will be adjusted against the HRA General Balance</i>			
None			
HRA CAPITAL			
None			

UPDATED LONG TERM FINANCIAL FORECAST

APPENDIX I

	<i>Budget</i> 2017/18 £	<i>Budget</i> 2018/19 £	<i>Estimate</i> 2019/20 £	<i>Estimate*</i> 2020/21 £	<i>Estimate</i> 2021/22 £	<i>Estimate</i> 2022/23 £	<i>Estimate</i> 2023/24 £	<i>Estimate</i> 2024/25 £	<i>Estimate</i> 2025/26 £	<i>Estimate</i> 2026/27 £
<i>Underlying Funding Growth in the Budget</i>										
Council Tax Increase 1.99%	(0.136)	(0.147)	(0.151)	(0.158)	(0.161)	(0.165)	(0.168)	(0.171)	(0.175)	(0.178)
Ctax increase by £5 (amounts set out are over and above 1.99% above)	(0.090)	(0.086)	(0.082)	(0.079)	(0.076)	(0.073)	(0.069)	(0.066)	(0.063)	(0.059)
Growth in Business rates - Inflation	0.000	(0.131)	(0.110)	(0.129)	(0.132)	(0.135)	(0.137)	(0.140)	(0.143)	(0.146)
Growth in Business rates / council tax - general property growth	(0.148)	(0.293)	(0.576)	(0.139)	(0.147)	(0.156)	(0.165)	(0.173)	(0.182)	(0.190)
Collection Fund Surpluses b/fwd	(0.218)	(0.652)	(0.710)	(0.437)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)
	(0.592)	(1.309)	(1.629)	(0.942)	(0.616)	(0.629)	(0.639)	(0.650)	(0.663)	(0.673)
<i>Net Cost of Services and Other Adjustments</i>										
Reduction in RSG	0.914	0.580	0.648	0.422	0.000	0.000	0.000	0.000	0.000	0.000
Remove one-off items from prior year	(0.155)	(0.315)	(0.112)	0.013	0.000	0.000	0.000	0.000	0.000	0.000
Remove one-off items from prior year - Collection Fund Surplus	(0.020)	0.218	0.652	0.710	0.437	0.100	0.100	0.100	0.100	0.100
Inflation - Employee Costs (including annual review adjustments)	0.125	0.514	0.635	0.488	0.373	0.376	0.380	0.385	0.389	0.393
Inflation - Other	0.000	0.088	0.221	0.158	0.163	0.167	0.172	0.177	0.182	0.188
First / Second / Third year impact of PFH WP Savings	(0.268)	(0.055)	(0.115)	0.000	(0.090)	0.000	0.000	0.000	0.000	0.000
LCTS Grant To Parish Council's	0.000	(0.049)	(0.055)	(0.036)	0.000	0.000	0.000	0.000	0.000	0.000
Beach recharge - Set aside full budget in one year	0.000	(0.150)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Revenue Contrib. to Capital Programme	(0.100)	0.000	0.000	(0.045)	0.000	0.000	0.000	0.000	0.000	0.000
Specific change in Use of Reserves	0.287	0.374	(0.069)	(1.076)	0.000	0.000	0.000	0.000	0.000	0.000
On-going savings required	(0.879)	(0.290)	(0.328)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)
Unmitigated Cost Pressures	1.046	0.114	0.153	0.600	0.150	0.150	0.150	0.150	0.150	0.150
Other Adjustments	0.000	(0.134)	(0.118)	1.121	0.000	0.000	0.000	0.000	0.000	0.000
	0.950	0.895	1.512	1.905	0.582	0.344	0.353	0.362	0.371	0.380
<i>Net Total</i>	0.358	(0.414)	(0.117)	0.963	(0.034)	(0.285)	(0.287)	(0.288)	(0.292)	(0.292)
Add back Use of Reserves / Forecast Risk Fund in Prior Year	0.200	0.558	0.144	0.027	0.990	0.956	0.671	0.385	0.096	(0.196)
<i>Net Budget Position</i>	0.558	0.144	0.027	0.990	0.956	0.671	0.385	0.096	(0.196)	(0.488)
Use of Forecast Risk Fund to support the Net Budget Position	(0.558)	(0.144)	(0.027)	(0.990)	(0.956)	(0.671)	(0.385)	(0.096)	0.196	0.488

* See separate RAG risk assessment for further consideration of forecast risks for each line of the forecast

Use of Forecast Risk Fund to Support the Net Budget Position Above

Outturn b/fwd from prior years	(0.558)	(1.934)	(2.780)	(3.253)	(2.763)	(2.307)	(2.135)	(2.251)	(2.655)	(3.350)
Applied in year as set out in the forecast above	0.558	0.144	0.027	0.990	0.956	0.671	0.385	0.096	(0.196)	(0.488)
Additional contributions generated in year	(1.934)	(0.990)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
Balance to Carry Forward	(1.934)	(2.780)	(3.253)	(2.763)	(2.307)	(2.135)	(2.251)	(2.655)	(3.350)	(4.339)

FORECAST SENSITIVITIES	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Totals
	£	£	£	£	£	£	£	£
Forecast Budget Gap / (Surplus) from table above (BASE Position)	0.990	0.956	0.671	0.385	0.096	(0.196)	(0.488)	2.414
Revised Forecast Budget GAP / (SURPLUS) in the event of the following possibilities								
Council Tax Increase are lower by 1% per annum compared to the base	1.070	1.119	0.921	0.726	0.532	0.338	0.148	4.854
Property Growth does not grow over the life of the forecast	1.129	1.103	0.827	0.550	0.269	(0.014)	(0.298)	3.566
Property Growth is lower by 5% compared to the base	0.997	0.969	0.691	0.412	0.129	(0.156)	(0.442)	2.600
Inflation increases at a rate of +1% faster than the base	1.214	1.191	0.917	0.642	0.364	0.093	(0.188)	4.233
Inflation decreases at a rate of 1% slower than the base	0.766	0.721	0.425	0.128	(0.172)	(0.485)	(0.788)	0.595
Savings achieved are lower by 10% per annum compared to the base	1.035	1.046	0.806	0.565	0.321	0.074	(0.173)	3.674
Savings achieved are lower by 20% per annum compared to the base	1.080	1.136	0.941	0.745	0.546	0.344	0.142	4.934
Unmitigated Cost Pressures are greater by 10% per annum compared to the base	1.050	0.986	0.716	0.445	0.171	(0.106)	(0.383)	2.879
Unmitigated Cost Pressures are greater by 20% per annum compared to the base	1.110	1.016	0.761	0.505	0.246	(0.016)	(0.278)	3.344

Relevant line of the Forecast	RAG Assessment of Risk	Comments
Underlying Funding Growth in the Budget		
Council Tax Increase 1.99%		Although this is subject to future Government policy, it is expected that an allowable inflationary uplift will always be a feature in the Local Government finance settlement and associated Council Tax referendum principles
Ctax increase by £5 (amounts set out are over and above the 1.99% above)		Although similar to the above, there is less certainty around the level of increase that the Government may allow over and above a 'base' inflationary uplift. However it is expected that such increases will be allowable in the short term without invoking the need to hold a referendum. This will remain subject to on-going review.
Growth in Business rates - Inflation		Similar to Council Tax above, based on the historic trend of inflationary uplifts in the poundage applied to rateable values, modest inflationary increases are relatively certain over the life of the forecast.
Growth in Business rates / council tax - general property growth		Underlying growth in business rates and Council Tax are expected to remain relatively stable and robust over the life of the forecast. The two main risks relate to major economic changes and future Government Policy, especially in relation to business rates where the Government remains active in developing a 75% retention model across the public sector based on a fair funding assessment. This model could see the Government introduce business rate 'resets' which could see income from economic growth being reduced on a cyclical basis as part of a redistribution method nationally. The Government continues to consult on the associated proposals but the risk to the forecast remains significant.
Collection Fund Surpluses b/fwd		Following the latest review of the forecast and using the most up to date figures, collection fund surpluses of £437k have been included in the 2020/21 budget. More modest amounts are included in future years of the forecast with a high degree of confidence in their delivery. (The forecast excludes any benefit from being a member of the Essex Business Rates Pool as it is accounted for on an actual basis rather than building it into the base budget given its one-off nature and complexities in the overall business rate calculations)
Net Cost of Services and Other Adjustments		
Reduction in RSG		2020/21 sees the end of the Revenue Support Grant so there is no uncertainty in respect of this line of the forecast.
Remove one-off items from prior year		These are known adjustments
Remove one-off items from prior year - Collection Fund Surplus		These are known adjustments based on the assumptions set out above concerning the year on year change in the collection fund position
Inflation - Employee Costs (including annual review adjustments)		It was initially hoped that the significant increases across 2018/19 and 2019/20 would limit further increases in the short term. However the recent pay claim submitted by the union sets out a figure of 10% for 2020/21. Therefore the inflationary allowance has been increased upwards to 2% in 2020/21 and 1.5% from 2021/22.
Inflation - Other		Although the Government's target CPI inflation is 2%, this is a long term target which will inevitably see fluctuations over short financial cycles. However 2% and 3% remain the basis for calculating an inflationary allowance for contracts and budgets that are based on either CPI or RPI respectively.
First / Second / Third year impact of PFH WP Savings		These are known adjustments which will be delivered in total but is recognised that the timing may differ to that originally anticipated which will be reflected in the forecast.
LCTS Grant To Parish Council's		These are known adjustments based on the Council's agreed policy of reducing support in line with it's own reduction in Government funding. The Government have raised the issue of Councils not passporting on the relevant funding which may require the existing policy to be revisited but this is only a limited risk with the total grant reducing to zero from 2020/21.
Specific change in Use of Reserves		Changes in the use of reserves primarily reflect other changes elsewhere in the budget/ forecast so are not a significant risk in isolation. One reserve that was 'exhausted' by the end of 2019/20 is the homelessness reserve which has required a corresponding adjustment to the expenditure that this reserve is currently supporting to ensure there is no net impact on the budget. This will have to be reviewed in light of the on-going pressure on the delivery of homeless services and prevention activities.

Relevant line of the Forecast	RAG Assessment of Risk	Comments
On-going savings required		This line of the budget fundamentally acts as the 'safety valve' for other changes elsewhere in the forecast and would need to be increased if adverse issues were experienced or estimates were not in line with predictions. Although the long term forecast provides flexibility in the timing of the delivery of such savings, it is important that on-going savings continue to be secured to meet the amounts set out in the forecast.
Unmitigated Cost Pressures		<p>It is recognised that this line of the forecast presents one of the highest risks, with on-going revenue items being the most difficult items to respond to. Although one-off items, such as those associated with repairing / refurbishing assets could also have a significant impact on the forecast, one-off funding is planned on being made available elsewhere in the budget to support these costs which therefore contributes to the mitigation of this risk.</p> <p>One of the most significant risks within this line of the budget relates to external income, especially from elsewhere in the public sector where similar financial pressures are being experienced. Such items include the funding from the major preceptors in respect of the Council Tax Sharing agreement, which totals over £800k each year. This has been reflected in the forecast as an on-going cost pressure from 2019/20, with a further reduction in income included in 2020/21.</p> <p>To support the management of risks, the Council continues to resist using one-off money, such as the New Homes Bonus, to support the on-going base budget.</p>

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank