

REPORT FOR CABINET

23 JUNE 2023

REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC GROWTH, REGENERATION & TOURISM

A6 CLACTON CIVIC QUARTER LEVELLING UP FUND (LUF) BID, DOVERCOURT TOWN CENTRE IMPROVEMENT CORRIDOR CAPITAL REGENERATION PROJECT (CRP) BID

(Report prepared by Lee Heley, Corporate Director, Place and Economy.)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

The report asks Cabinet to accept the £6,652,251 awarded to the Council for delivery of the Dovercourt Town Centre Improvement Corridor, following a successful Capital Regeneration Project award from Government, and authorises the S151 Officer to sign the associated Memorandum of Understanding with the Department for Levelling Up Housing and Communities (DHLUC).

The report asks Cabinet to agree the draw-down of £250,000 from the Council's Levelling Up Fund Budget of £2.291m to support the early preparation phases for development of the scheme for Dovercourt;

The report sets out - and asks Cabinet to approve - the proposed approach for delivering the projects working in close partnership with Essex County Council as an integral partner, noting that this approach is subject to further business case approvals by Essex County Council.

EXECUTIVE SUMMARY

The Council submitted two applications in August 2022 to Round Two of the Levelling Up Fund (LUF):

- £19,958,224 for the Clacton Civic Quarter (two projects); and
- £6,652,251 for Dovercourt Town Centre (three projects).

The Council chose the projects from the Council's plans set out in the documents 'Love Clacton' and 'Dovercourt Revisited', which Government was most likely to support given the criteria for the Levelling Up Fund. These projects respond to some of the key challenges for the District, including increasing skills, driving economic growth, supporting vibrant town centres, and meeting local housing need. The Council developed the two bids jointly with Essex County Council. The two bids include three projects delivered by ECC on their land.

Clacton LUF

Government notified the Council in January 2023 that it had been successful in its Clacton LUF bid for:

- Clacton Hub: creation of a brand new skills and learning hub, bringing together the Adult Community Learning centre and the Library, with proposals for the University of Essex's new Centre for Coastal Communities to join the building.
- Carnarvon Terrace: delivery of 28 much-needed well-designed new homes, improvements to the existing carpark, and creation of new 'maker space units' for retail entrepreneurs.
- The Council and the Government have now signed the MoU for this LUF funding, which denotes an agreement to proceed with the Clacton LUF scheme, and that the funding allocation has passed the Government's subsidy control tests. Government requires funding for the Clacton LUF scheme to be spent by March 2025.

Dovercourt CRP

Government notified the Council in January 2023 that its Dovercourt Town Centre Improvement Corridor bid was unsuccessful for LUF, but on 15 March 2023 Government announced the bid was successful in a sister fund, 'Capital Regeneration Projects' (CRP). The funding from Government comprises:

- Kingsway improvements: A major investment into the appearance of Dovercourt Town Centre to improve the visitor experience and support local businesses.
- Learning and library project: The Adult Community Learning skills centre will return to Dovercourt town within a refurbished library, increasing the opportunities for residents to benefit from courses locally.
- Homes in Dovercourt: Demolish an out-of-date multi-storey carpark at Milton Road and build nine new, well-built social homes.

The Council has received an MOU for the Dovercourt CRP, which it needs to sign and return to Government, who will then sign it in turn to confirm the funding. Government requires funding for the Dovercourt CRP scheme to be spent by March 2026, as TDC was not informed of the funding allocation until March 2023.

Proposed Delivery Approach

- The Council is the responsible authority for Clacton LUF and Dovercourt CRP. The Council will programme manage the overall Clacton LUF and Dovercourt CRP schemes, reporting to the officer-led LUF Delivery Programme Board, on to the member-led Regeneration Board, and ultimately to DHLUC and Government. The Boards have joint membership from the Council and ECC.
- The Council recognises the substantial scale of the LUF and the CRP schemes in relation to the size of TDC. As a result, the Council proposes to engage with Essex County Council (ECC) to support delivery, while retaining the right level of oversight and control for the Council through agreements. A decision on this delivery approach is subject to the approval of ECC through their governance process.
- The Council is currently drafting Heads of Terms for the agreements with ECC, which would ensure the obligations on the Council in the MOUs with Government are discharged.
- The Council (TDC) will commission the two projects where it owns the land and runs services, which are Carnarvon Terrace (Clacton LUF), and Homes for Dovercourt (Dovercourt CRP).
- Under the proposed delivery approach with ECC, the Council would sign an agreement with ECC to deliver these two schemes, drawing on the expertise of the County Council's housing team.

- Further, the Council would sign grant agreements with ECC to commission and deliver the three projects where ECC own the land and run services, which are Clacton Hub (Clacton LUF), and Harwich Library and Kingsway (Dovercourt CRP).
- Given the scale of the projects, managing financial risk will be a key consideration. It is proposed that options for sufficient value engineering will be developed in the detailed design stage so that were costs to escalate, reduced schemes could be delivered that complete the projects within the current agreed cost envelop. Any changes to schemes are subject to approval by Government.
- It is also recognised that the majority of spend on capital projects takes place at the point at which building work commences. The Council will review funding and delivery schedules ahead of signing legal agreements with contractors to start building to ensure that any financial risk to the Council is managed effectively.

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) Notes the five projects for delivery across the Clacton Civic Quarter and Dovercourt Town Centre bids, as set out in the submissions to Government and confirms its endorsement to both schemes progressing within the context as set out;
- b) accepts the £6,652,251 awarded to the Council for delivery of the Dovercourt Town Centre Improvement Corridor, following a successful Capital Regeneration Project award from Government, and authorises the S151 Officer to sign the associated Memorandum of Understanding with the Department for Levelling Up Housing and Communities (DHLUC);
- c) agrees the draw-down of £250,000 from the Council's Levelling Up Fund Budget of £2.291m to support the early preparation phases for development of the scheme for Dovercourt;
- d) subject to (c) above, authorises the Corporate Director Place & Economy in consultation with the Portfolio Holder for Economic Growth, Regeneration and Tourism to agree any associated expenditure for both Dovercourt and Clacton schemes, within the context of this report;
- e) agrees to the proposed approach for delivering the projects, as set out in this report, working in close partnership with Essex County Council, as an integral partner, noting subject to further business case approvals by Essex County Council;
- f) delegates authority to the Portfolio Holder for Economic Growth, Regeneration and Tourism in consultation with the Corporate Director Place and Economy, Section 151 and Monitoring Officers to approve the Heads of Terms for the various agreements; and
- g) authorises the Corporate Director Place and Economy to approve the final terms and conditions of the agreements in consultation with the Section 151 and Monitoring Officers; and
- h) endorses the Portfolio Holder forming a Cross Party Levelling Up Working Party to receive project management updates at least four times a year on progress with the

schemes, with particular attention to risk management for each individual project, budget and costings and delivery progress.

REASON(S) FOR THE RECOMMENDATION(S)

The award of the funding for the delivery of the Dovercourt Town Centre Improvement Corridor, alongside the award of funding for the Clacton Civic Quarter Levelling Up fund bid, allows TDC to invest significantly in implementing improvements to support Town Centre economies in the district.

The funding awarded for the Dovercourt scheme needs to be spent and the projects delivered by March 2026, making timely signing of the MOU a priority. The draw down of the additional £250,000 will allow for further concept design work (RIBA stage 2) to progress the projects.

Working in partnership with Essex County Council (ECC) to deliver the schemes will create the right balance of additional capacity, while retaining an appropriate degree of project control. ECC put in the bid jointly with the Council, are match funding the bids, and own land and run services within three of the projects across the LUF and CRP. The Essex Housing team at ECC has significant experience built up over 6 years in procuring and constructing homes on behalf of local authority partnerships. The team have built up a significant portfolio of high quality consultants and suppliers accessed through ECC's procurement team and frameworks as appropriate and therefore stands in a strong position to commence detailed work promptly.

Establishing a Cross Party Working Group will ensure a range of members views are represented and enable the whole Council to be well informed on the progress with the projects.

ALTERNATIVE OPTIONS CONSIDERED

There are other options which have been considered:

Do nothing: Tendring District Council would not be able to accept the funding without this decision-making mechanism in place and would not enter into an agreement with DLUHC to deliver the bid.

Not delivering the bids would allow officer time to be focused on other projects and would reduce any financial or delivery risk to the Council from running major capital works.

However, not accepting the funding would also reduce the opportunity for investment in the towns of Clacton and Dovercourt at a significant scale, with the benefits that will bring, and have a negative reputational implication with the announcements already widely publicised at local and national levels.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Corporate Plan (2020-2024)

The LUF and CRP schemes allow the Council to meet the following priorities in the Corporate Plan:

Building Sustainable Communities for the Future

- Vibrant Town Centres
- Building and managing our own homes

A Growing and Inclusive Economy

- Develop and attract new businesses
- More and better jobs

Community Leadership Through Partnerships

- Joined up public services for the benefit of our residents and businesses

Tendring District Council Local Plan 2013 - 2033

Delivery of LUF and CRP projects will align with the following strategic objectives set out in Section 1 of the Local Plan, adopted on 26th January 2021:

- Providing sufficient new homes
- Fostering economic development

OUTCOME OF CONSULTATION AND ENGAGEMENT

The Council undertook consultation for both bids in June 2022, in preparation of the applications for funding, notably with:

- Clacton Town Partnership; and the Clacton Coastal Forum; (LUF)
- Harwich Town Council, Harwich and Dovercourt Tourism Group, (CRP) and
- Other key Tendring-wide stakeholders including the CCG, who provided a letter of support for both bids.

The proposals were also reviewed at the Success Essex board meeting on 6th June 2022. Following comments from attendees, the proposals for the car park element of Carnarvon Terrace were revised to increase the number of electric car parking spaces within the bid.

Clacton

The projects contained in the Clacton Civic Quarter bid align with the overarching vision and objectives of the 'Love Clacton' Vision 2030 which was developed through engagement and partnership with local businesses, the wider community and other partners and stakeholders through a series of meetings and workshops between 2018 and 2020. The projects contained in this bid are based on projects submitted in an application to the Future High Streets Fund (FHSF) in 2020. Prior to that submission, the Council undertook an online consultation exercise on the proposals, the results of which demonstrated particular enthusiasm around flexible start-up business space, improvements to car parks and electric vehicle charging facilities. These elements of the FHSF proposal were maintained in the successful bid.

Dovercourt

All of the projects proposed in the Dovercourt Town Centre bid are taken from Dovercourt Revisited ([link](#)). TDC commissioned this document in January 2018 as a means to update the previous masterplan (Dovercourt Rediscovered) from 2011. The production of Dovercourt Rediscovered included a public engagement exercise where members of the public were invited to comment on the masterplan, via exhibitions, which were held over two days. One of

the key messages from the exercise was that the town's public realm needed to be upgraded: one of the most commonly cited responses to what attendees did not like about Dovercourt was the quality of the street scene (74%).

The Council developed a Communications Engagement and Marketing plan in 2023 for the Clacton LUF and Dovercourt CRP schemes to guide its work on the projects.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	Yes	If Yes, indicate which by which criteria it is a Key Decision	<input checked="" type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	Added to the Forward Plan on 23 rd Feb 2023.

The agreed funds are being issued to the Council by DLUHC, as grant payments under Section 50 of the United Kingdom Internal Markets Act 2020 ('UKIM'), for capital expenditure as agreed in the approved application.

The MOU expects the Council to have the necessary governance and assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely, subsidy control, equalities duties, procurement, health and safety and fraud. These requirements will be addressed as the schemes are developed and prior to the formal decisions being made on the agreements.

The development and delivery of these schemes may also impact upon the use of other specific powers for the local authority, for example delivery of housing and again these will be recorded at the appropriate stage as the schemes progress.

X The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:

It is essential that good project management principles and governance are applied to these schemes, with particular attention to project scope, robust risk management and wider Board oversight and approvals.

The agreements with partners, whether Essex County Council or third parties must mirror the obligations set out for the Council, as the responsible body, in the Memoranda of Understanding with DLUHC.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The combined total cost of those component projects making up the Clacton LUF Programme and Dovercourt CRP Programmes is £38,342,319. This is made up of the following:

Clacton LUF

The total bid to the Levelling Up Fund for the Clacton Civic Quarter was £19,958,224. This bid contained two component projects as follows:

Project 1 (Clacton Hub)

Total request to Levelling Up Fund: £3,102,985

Match Funding Contribution provided by ECC: £6,500,00

Total Project Costs: £9,602,985

Project 2 (Carnarvon Terrace):

Total request to Levelling Up Fund: £16,855,239

Match Funding Contribution provided by TDC: £2,078,500

Brownfield Land Release Funding: £420,000

Electric Vehicle Fund: £390,000 (not yet secured)

Total Project Costs: £19,743,739

Total Overall Clacton LUF Programme Costs: £29,346,724

Dovercourt CRP

The total bid for the Dovercourt Town Centre Improvement Corridor was £6,652,251. This bid contained 3 component projects as follows:

Project 1 (Harwich Library)

Total request to Levelling Up Fund: £500,000

Match Funding Contribution provided by ECC: £626,844

Total Project Costs: £1,126,844

Project 2 (Homes in Dovercourt):

Total request to Levelling Up Fund: £3,332,251

Match Funding Contribution provided by TDC: £216,500

Total Project Costs: £3,548,751

Project 3 (Public Realm):

Total request to Levelling Up Fund: £2,820,000

Match Funding Contribution provided by ECC: £1,500,000

Total Project Costs: £4,320,000

Total Overall Dovercourt CRP Programme Costs: £8,995,595

The scale of the funding ask across both bids was, in part, due to the bid incorporating construction cost inflation based on a construction cost analysis. Assumptions were also made in respect of the future values of completed commercial and residential property elements of the projects.

Large-scale projects bring with them a commensurate level of risk, with seemingly small percentage variances in costs having the potential to produce a significant financial impact on a project and so the Council. As such, projects at this scale require the sustained focus of the Council to mitigate the risk of inflation and potential cost over runs. The Council and its delivery partners will conduct further construction cost analysis to develop robust contingency plans.

Regular cost monitoring and risk assessment throughout the project lifecycle will be vital to identifying potential inflationary risks and proactively managing them.

Value engineering options will be included in design so that should costs rise projects can be completed within the existing budget by scoping down works, rather than additional funds being required.

Furthermore, both the Clacton LUF and Dovercourt CRP bids were based on high level project costs and financial forecasting assumptions that are now over 12 months old. More detailed and up to date projects costs and estimates are therefore required to ensure financial accuracy, enhance decision-making, improve cost control and foster stakeholder confidence.

Officers are currently working with delivery partners to carry out a review of project cost estimates and site investigations. Further accuracy to cost estimates will be possible once each project is designed in further detail. Ultimately, true market costs will be known with certainty at the point project tenders are received from contractors.

In terms of project resourcing, the Council's recruitment of an interim Capital Delivery Programme Manager across both the Clacton LUF and Dovercourt CRP Programmes has been paid for from Government funding given to the Council for the preparation and submission of the Clacton and Dovercourt bids. Permission has been received for this use of the remaining funding. Approximately £125,000 remains.

With regards the Clacton LUF programme, DLUHC has paid TDC its first capital grant of £1,400,665 in support of the project.

X The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:

The Section 151 Officer is aware of the content of this report and will sign off the MoU with Government for the Dovercourt CRP.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Refer to Finance, Associate Risks and Mitigation.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks; and	Refer to Associated Risks and Mitigation.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs	Refer to Executive Summary, Reasons for Recommendations, Delivery Priorities, Equality Implications, Social Value Considerations, Other Relevant Considerations and Implications.

and performance to improve the way it manages and delivers its services.

MILESTONES AND DELIVERY

The 2020 *RIBA Plan of Work* is an exemplary model for defining project stages from 0-7. The Clacton LUF and Dovercourt CRP schemes are currently at Stage 1 'Preparation & Briefing' as we prepare the project briefs to commission the work.

The key next stages are:

Stage 2: 'Concept Design': Commission architects and detailed cost plan

Stage 3 'Spatial Coordination'. Prepare and submit planning application

Stage 4. 'Technical design'. Prepare and submit building regulations application

Stage 5. 'Manufacturing and construction'. Construct building following planning conditions.

We will continue to update to Cabinet on the progress against the RIBA stages of the LUF and CRP schemes.

ASSOCIATED RISKS AND MITIGATION

Risk registers have been produced as follows;

- one each for the LUF and CRP programmes,
- one for each of the five individual projects, and
- an overarching risk register highlighting the 'top ten' risks across both LUF and CRP programmes, which is shown in Appendix 1.

The key risks are as follows:

Clacton LUF

1. 31 March 2025 delivery deadline for spend of the Government funding for the Clacton Civic Quarter scheme. Robust internal and external governance process, and regular engagement with Government will help to manage this risk. Further, the Council will aim to keep spend within the limits of matched funding from TDC and ECC ahead of signing the construction contract - where most of the spend, and so risk, will occur. The Council can decide ahead of signing the construction contract whether the spend deadline from Government is achievable at that point.
2. Additional land assembly. Acquisition and inclusion of further parcels of land in addition to what has been agreed in the bids, would open up additional development options that might justify a redesign of the projects, resulting in design and timeline changes, reprofiled delivery and overall project delay. Timely updates on any planned changes to the footprint of the schemes via the programme board are critical to ensure impacts of changes are minimised.
3. Project viability. Fluctuating market conditions and increased construction costs could impact the viability of the projects, meaning project costs inflate beyond budget, leading to financial pressures on TDC or ECC. Proportionate contingency was included in both bid submissions, and cost reviews for both schemes are planned early in the delivery process to monitor any potential impacts. Further, concept designs will include value

engineering so that projects can be scaled back (with DHLUC agreement) to keep within agreed budgets, rather than see costs escalate.

Project risks are to be constantly monitored through a systematic and ongoing process of risk identification, assessment, mitigation and monitoring. The risk register is a rolling item at the programme board, as regular communication and reporting on the status of risks to all project team members, stakeholders and sponsors is essential to effective delivery.

The delivery agreement with ECC will also look to set out risk sharing between ECC and TDC.

EQUALITY IMPLICATIONS

New EQIAs have been developed for both bids and are intended to be living documents which are updated throughout the scheme.

Key findings for both the LUF and CRP programmes of work were the potential impacts, both positive on negative, on people with the following protected characteristics; age, disability. Potential impacts were as follows:

Clacton Civic Quarter:

Carnarvon Terrace: provision of predominantly one-bed properties meets the needs of elderly couples/single people on the housing register in Clacton. This could further free up larger family size homes needed elsewhere on the housing register. A rationalised car park will provide safer, easier access to the town centre with increased natural surveillance. Homes built will be adaptable as per existing housing stock to make each unit as appropriate for its resident/s as possible. There are no ground floor residential units planned but accessibility across a range of disabilities will be factored in at design stage in terms of the safety of the building, but also the comfort of its residents. Improvements to the car park will make the town centre more accessible to those with disabilities with a new pedestrian entrance/exit making journeys shorter for those with mobility issues.

Clacton Hub: the new library facilities will include a reliable lift, an improvement on the current offer, and as part of the standard ECC Library facilities (e.g. Read Well) there will be resources available for disabled people to access.

Dovercourt Town Centre Improvement Corridor:

Homes in Dovercourt: each housing unit provided at the development will have the flexibility to be adapted with disability assistance aids if required by the tenant/s, although the townhouse design may not be appropriate for those with age or health related mobility issues in the long term. However, TDC's Draft Housing Strategy 2019-2024 shows that 415 households (26%) on the housing register have a physical or mental health condition made worse by their housing, which this provision would move to address.

Harwich Library: as part of the standard ECC Library facilities (e.g. Read Well) there will be resources available for disabled people to access.

Public realm: Improvements to street scene and public realm will increase accessibility for disabled people.

Consultations on proposed designs will take place for both schemes to further understand any issues affecting people with a range of disabilities and to make adaptations where required.

SOCIAL VALUE CONSIDERATIONS

TDC has entered into a Service Level Agreement (SLA) with ECC to undertake its procurement process, with TDC contributing a fee to ECC to deliver key procurement activities and enable TDC access the wider capacity and knowledge of the ECC in-house team.

The Council recognises its responsibility to carry out procurement activities in an environmentally and socially responsible manner and in doing so Officers must aim to conduct procurement activity which:

- contributes to improving standards of living, stronger communities and opportunities for sustained employment for the people of Essex (including apprenticeships and strengthening civil society)
- promotes environmental and community benefits;
- opens up opportunities for Essex businesses, including Voluntary and Charitable Sector organisations;
- promotes fair employment practices and workforce welfare;
- ensures the Council's obligations under the Equality Act 2010 are discharged appropriately through our service providers and their supply chain;
- supports economic growth and regeneration; and
- encourages a diverse range of suppliers to tender and give equal opportunities to suppliers operating in different sectors and owned by under-represented groups

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030

Consideration has been given, both during application stage and now moving to project delivery, to how this suite of projects will impact the environment and how the projects contribute to the Council's wider commitment to become net zero carbon (of Scope 1 & 2 emissions) by 2030 as laid out in the Tendring Climate Emergency Action Plan 2020 – 2023.

Projects were chosen which will directly impact carbon output, including the increase in provision of EV Chargers in Clacton which will support residents to move to hybrid/electric vehicles in line with the Government's wider commitment to stop sales of diesel/petrol-only cars/vans from 2030. The demolition and rebuilding of Carnarvon House and the current Clacton Library site will enable lower carbon features to be included in the newly designed buildings, and the refurbishments at Harwich Library, although primarily focussed on extending the available space within the site, will also allow for environmentally friendly adaptations to be included. Furthermore, the multi-use shared space options provided at both libraries as a result of this work allow for a reduction in overall carbon emissions; shared spaces tend to use less heating/electricity/other resources, reduce the need for travel between sites, and can encourage use of public transport to use the facility.

Residential properties in both Dovercourt and Clacton will be sensitively designed to combine the existing built environment with modern environmentally friendly features. Improvements to public realm in Dovercourt specifically will make the space more pedestrian friendly, with widened pavements and works to the Kingsway junction not only improving visitor experience and increasing dwell time but allowing for healthier and more environmentally friendly active travel facilities. Improvements to public realm outside the train station at Dovercourt will encourage increased train use into the town, and similarly the projects' proximity to the train station in Clacton could similarly be served by trains. This aspect has been balanced with the

continued need for parking, which is included in the Clacton LUF project but in Dovercourt has been maintained through the separate capital regeneration work at the former Starlings site to maintain provision.

OTHER RELEVANT CONSIDERATIONS OR 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	<p>Both projects include the provision of additional community services and improved visual amenity, which will contribute to the reduction of crime through increased natural surveillance. Rationalised access points to the car park will also provide this, and will ensure people feel safer walking through the space in the evening, especially women, who can feel particularly vulnerable.</p> <p>The Carnarvon House site was an existing crime hotspot in Clacton, and redeveloping this site aim to decrease crime directly.</p>
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Health Inequalities	<p>Both projects contain schemes which will have a positive impact on health inequalities including access to housing, education, jobs, and public services.</p> <p>The completion of both projects will result in the provision of housing in two of the most deprived areas in the District, in areas which have demand on the housing register. TDC's Draft Housing Strategy 2019-2024 shows that 415 households (26%) on the housing register have a physical or mental health condition made worse by their housing, which this provision would move to address.</p> <p>Through investment in libraries and skills provision, both projects also aim to increase access to training and employment, through structured courses and access to IT systems.</p> <p>Both projects also include mixed use space with flexible access for public sector partners. This provides opportunities for joined up working between organisations, which can improve and simply access to services for residents.</p> <p>The Clacton Hub also includes space for the University of Essex to establish a presence. The different aspects of the University offer will result in collection of data and insights on coastal communities, which will benefit wider health and wellbeing decision making. There will also be skills and training opportunities for residents.</p>
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Area or Ward affected	<p>Clacton Civic Quarter: Pier Ward, when delivery begins</p> <p>Dovercourt Town Centre Improvement Corridor: Harwich & Kingsway Ward, when delivery begins</p>
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PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Council's Corporate Plan 2020-24 is committed to developing vibrant town centres and public spaces to be proud of, building and managing its own homes and offering joined up public services for the benefit of or residents and businesses. To this end, the Council published the 'Love Clacton' Plan in 2020 and 'Dovercourt Revisited' in 2019 that outline proposals for town centre regeneration.

The Council submitted two applications in August 2022 to Round Two of the Levelling Up Fund: £19,958,224 for the Clacton Civic Quarter, and £6,652,251 for Dovercourt Town Centre, as the projects that best fit these Government funding opportunities from the Love Clacton and Dovercourt Revisited proposals.

Both bids were developed jointly with Essex County Council, who allocated resource to develop the bids, own land and buildings within three of the projects, and has committed £8m of matched funding to the delivery of both bids.

Clacton LUF

- The Clacton Civic Quarter bid requested £19.960m for two projects.
- 1. Carnarvon Terrace is proposed to be 28 new homes in three blocks built along Carnarvon Road: one block of 11 social homes and two blocks for sale. The ground floor of each block will provide new offices or shops. The Council will remodel the carpark and install up to 30 EV chargers. A covered market of 'maker spaces' will be built.
- The 'maker spaces' will provide space for emerging local businesses and a new retail offer for the town centre, which will increase day time activity and complement existing shops. The improvements to the carpark, including new electric car charging points will be a draw that further supports visitors to the town centre and the seafront. The provision of 28 flats, 11 of which will be affordable / social housing, seek to address the lack of affordable housing provision in the area. Within the district, the biggest demand for affordable housing is for 1 or 2 bedroom properties in Clacton.
- 2. Clacton Hub will redevelop the existing ECC library site to make provision for a new library and Adult Community Learning centre with additional flexible space including proposals to bring the University of Essex to Clacton for the first time.
- The University of Essex will be part of a new skills and education hub in Clacton, setting up base in the town to create a Centre for Coastal Communities. The exciting new site will provide access to a range of new learning opportunities for local people, while retaining important community elements, including the local Museum.
- The Clacton LUF plans are based on many years of preparation. The successful Round Two Levelling Up Fund Bid is based on an unsuccessful Round One bid, which itself is based on a 2020 Future High Streets Fund bid, that whilst not it did not win funding, did provide the underlying vision, project development and consultation for the successful Clacton LUF bid.
- Government told the Council it had been successful on 19 January 2023. Cabinet agreed on 17 March 2023 to accept the £19.960m awarded to the Council and to authorise the S151 Officer to sign the associated MOU in consultation with the Corporate Director Place & Economy and Portfolio Holder for Business and Economic Growth.
- The Council and the Government have now signed the MoU. This denotes an agreement to proceed and that the allocation of funding to the Council has passed the Government's subsidy control tests.
- The Council also agreed the use of up to £0.250m from the Council's existing Levelling Up Fund Budget of £2.291m to support the development of the scheme for Clacton and to

approve a delegation to the Corporate Director Place & Economy in consultation with the Portfolio Holder for Business and Economic Growth to agree any associated expenditure.

Dovercourt CRP

- Government notified the Council in January 2023 that its Dovercourt Town Centre Improvement Corridor bid was unsuccessful for LUF, but on 15 March 2023 Government announced the bid was successful in a sister fund, 'Capital Regeneration Projects' (CRP).

The funding from Government comprises:

1. Kingsway improvements: A major investment into the appearance of Dovercourt Town Centre to improve the visitor experience and support local businesses.
 2. Learning and library project: The Adult Community Learning skills centre will return to Dovercourt town within a refurbished library, increasing the opportunities for residents to benefit from courses locally.
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Proposed Delivery Approach

The Council is the responsible authority for Clacton LUF and Dovercourt CRP. The Council will programme manage the overall Clacton LUF and Dovercourt CRP schemes, reporting to the member-led Regeneration Board through the officer-led LUF Delivery Programme Board, and ultimately to Government. These Boards have joint membership from the Council and ECC.

The Council recognises the substantial scale of the LUF and the CRP schemes in relation to size of TDC as an authority. As a result, the Council proposes to engage with Essex County Council (ECC) to support delivery, while retaining the right level of oversight and control for the Council through agreements. A decision on this delivery approach is subject to the approval of ECC through their governance process.

The Council is currently drafting Heads of Terms for the agreements with ECC, which would ensure the obligations on the Council in the MOUs with Government are discharged.

The Council will commission the two projects where it owns the land and runs services, which are Carnarvon Terrace (Clacton LUF), and Homes for Dovercourt (Dovercourt CRP).

Under the proposed delivery approach with ECC, the Council would sign an agreement with ECC to deliver these two schemes, drawing on the expertise of the County Council's housing team. Further, the Council would sign grant agreements with ECC to commission and deliver the three projects where ECC own the land and run services, which are Clacton Hub (Clacton LUF), and Harwich Library and Kingsway (Dovercourt CRP).

Given the scale of the projects, managing financial risk will be a key consideration. It is proposed that through the design stage options for sufficient value engineering will be developed so that were costs to escalate, reduced schemes could be delivered that complete the projects within the current agreed cost envelope. Any changes to schemes are subject to approval by Government.

It is also recognised that the majority of spend on capital projects takes place at the point at which building work commences. The Council will review funding and delivery schedules ahead of signing legal agreements with contractors to start building to ensure that any financial risk to the Council is managed effectively.

As the ECC is a local authority and the projects are not developed to make a surplus, the Council is able to enter directly into an agreement with ECC to progress these five schemes.

The Council is updating the project plans submitted within the Dovercourt and Clacton bids to recognise this proposed approach to delivery and will work with ECC, subject to their approval, on revising the costings within the bids.

It is acknowledged that, in the Cabinet Report agreed 17th June 2022, the intended governance route included Cabinet and Full Council approval before contracting with Government. However, in light of the straitened timescales available, the March 2023 Cabinet Report recommended acceptance of the allocation via signature of the MoU but did not seek to secure approval on decisions on specific spend.

Lessons Learned

The Council has undertaken lessons learned reviews from similar projects, including the Jaywick Starter Homes project, and the Jaywick Sunspot project.

Key learning points include:

- Need for completion of full ground surveys and feasibility before committing to construction procurement, and ensure top quality advice is obtained
- Ensure costing estimates incorporate site specific matters, including but not limited to contamination and design
- Ensure continued communication within the programme team, and ensure team members feel confident in raising concerns
- Conduct robust gateway reviews which include cost evaluations
- Ensure appropriate contingency funding is included
- Consider the differences in provision of subsidised housing and commercial viability

These learning points will be drawn on as the Council delivers the LUF and CRP schemes.

PREVIOUS RELEVANT DECISIONS

[Decision - Procurement Exercise To Secure A Levelling Up Bid Consultant](#)

[Decision - Levelling Up Fund: Procurement of Consultants](#)

Round one

[Decision - Levelling Up Fund - Clacton Town Centre \(tendringdc.gov.uk\)](#)

[Decision - Cabinet Members' Items - Report of the Business and Economic Growth Portfolio Holder - A.2 - The 'Levelling Up Fund' - Proposed Bid for Clacton Town Centre \(tendringdc.gov.uk\)](#)

[Issue details - Clacton Town Centre: Bid to the Levelling Up Fund \(tendringdc.gov.uk\)](#)

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

[Levelling Up Fund Round 2 Prospectus](#)

[Regeneris Report \(tendringdc.gov.uk\)](https://www.tendringdc.gov.uk)

[Cabinet Report 25 June 2021](#)

[Agenda Report Pack for Cabinet - Friday, 25th February, 2022 - contains Corporate Priorities for 2022/23](#)

[Cabinet Report 17 June 2022](#)

[Cabinet Report 17 March 2023](#)

APPENDICES

Appendix 1: Images

Appendix 2: Risk Register

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