

## **A.3 APPENDIX**

### **CABINET**

**26 JULY 2024**

#### **REPORT OF PORTFOLIO HOLDER FOR ECONOMIC GROWTH, REGENERATION AND TOURISM**

#### **A.3 RESOURCES TO INCREASE PROJECT DELIVERY AND PROGRESS LEVELLING UP PARTNERSHIP**

##### **PART 1 – KEY INFORMATION**

###### **PURPOSE OF THE REPORT**

To recommend that Cabinet set aside £1m to pay for a Project Delivery Unit for two years to increase the capacity of the Council to progress the significant number of project work-streams it has underway.

To update Cabinet on progress with one of the Council's most significant new work-streams, the Levelling Up Partnership, and recommend that Cabinet approves the principle of the Council entering into the Partnership with Government. The current partnership approach is to deliver projects through the Council being the Accountable Body, working with partners to achieve place-based regeneration in Clacton and Jaywick.

###### **EXECUTIVE SUMMARY**

The Council is responsible for the delivery of tens of millions of pounds of capital projects funded by Government, partner and its own resources. Projects include:

- £30.743M Levelling Up Fund: The Clacton Hub, Dovercourt Library and the Kingsway Improvements.
- £9.036M Capital Regeneration Projects. The Council is the Accountable Body for three projects delivered by Essex County Council: In addition, the Council is directly delivering Carnarvon Terrace in Clacton and Milton Road and Victoria Street in Dovercourt.

This is in addition to two major Housing Revenue Account Schemes:

- £2.40m Spendells House redevelopment. A former sheltered housing scheme being brought back into use as temporary accommodation.
- £3.250m Honeycroft scheme. Redeveloping the site of a former sheltered housing scheme with 13 one and two-bedroom bungalows to provide accommodation for those in the area seeking to downsize from a larger property.

And there are further projects in the pipeline

- £20M Long Term Plan for Towns, with £5m to be delivered by March 2027. The outline plan is on this Cabinet agenda.
- £20M Levelling Up Partnership, as set out in this report.
- £500,000 Green Spaces fund for High Street Accelerator

## **A.3 APPENDIX**

The Council is committed to identifying £3m of on-going revenue savings, which will also require additional invest-to-save projects to be brought forward, like the installation of pool covers recently completed within the leisure centres. As mentioned in previous financial reports, the level of resources required to not only develop the long term forecast but to deliver the required savings, should not be underestimated, especially when set against other existing commitments such as those mentioned above and Freeports project. There therefore needs to be a clear focus on the timely development of associated plans whilst managing competing resources over the coming months.

In addition to the above, the Council currently delivers projects including major capital schemes within Services, which are primarily responsible for day-to-day service delivery. The Council recognises that increasing project management capacity will enable it to deliver projects more effectively, and as a result, has the potential to reduce overspends and bring major capital schemes in on budget and on time.

In order to increase its project delivery capacity, the Council proposes to set aside £1 million to support a new Project Delivery Unit for two years. The proposed team, subject to approval of the funding and restructures being undertaken, will sit within the Economic Growth, Sport and Culture Directorate with expertise including:

- project management;
- capital delivery;
- programme governance;
- procurement;
- finance; and
- contract and property law.

The team will be managed by a Head of Unit who will bring project management expertise to the team and the Council. The team will include corporate capabilities that enable project delivery, including procurement, finance and legal expertise, and will work closely with those existing specialisms in the Council, and operate within the Council's governance framework.

The proposed staffing structure will be agreed by the Head of Paid Service. With the fixed-term nature of the posts that recruitment may require secondments, fixed term recruitment, and interim, depending on the market for specific skills. Essex County Council has agreed to support the recruitment process to give a wider candidate search, which is underway.

The new team will support projects to come in on time and budget and protect continued successful implementation of business as usual. The team will also bring in project management expertise that will support the wider Council with systems and approaches in this vital area. The Council will determine the projects to be delivered by the Unit and those on which it will provide advice to others to deliver. This decision will be taken in the context of the executive's agreed priorities.

Where funding from Government can be used to back fill or augment this budget the Council will seek to allocate it accordingly, for example capacity funding associated with the Levelling Up Fund.

The Project Delivery Unit is also expected to include some existing posts, for example the previously agreed consultant role that oversees the Levelling Up Fund and Capital Regeneration Projects, a permanent Project Manager position on the establishment.

## A.3 APPENDIX

It is also important to highlight that the Project Delivery unit will be scalable based on the demands on the Council that will undoubtedly change over the coming months in reaction to the scale and speed of the development of projects. It is also worth highlighting that some costs of the Unit will likely be 'chargeable' to capital projects such as the LUF and CRP schemes and therefore the Council will need to be alert and flexible to maximise value for money from the proposed £1m pound investment in capacity building. This issue will be a key reporting element within future reports to ensure a timely and up to date position can be considered as necessary.

### **Levelling Up Partnership**

The Levelling Up Partnership is expected to be one of the additional workstreams delivered by the new additional capacity.

At the Budget Speech on 15 March 2023, Government announced Tending as one of 20 places that would be selected to form Levelling Up Partnerships (LUP) with the then Department of Levelling Up, Housing and Communities (DLUHC), which the Leader of the Council reported to Cabinet on 17 March 2023. Partnerships could be allocated up to a maximum of £20m capital funding (CDEL) and up to £250k revenue (RDEL) dependant on projects decided by MHCLG ministers and subject to business case approvals by Treasury.

Cabinet was informed in December 2023 of progress with the Levelling Up Partnership. As forecast in that report, Government officials have visited Tending between January and March this year to carry out a 'Deep Dive', reviewing data, documents, and meeting with key partners in the public and voluntary sector. At the request of Government the Council, along with partners, shared strategic documents and a pipeline of projects that could benefit from funding within 12 months of March 2024.

Government requested that funding was targeted at projects in the largest conurbation within the District, Clacton-on-Sea. Government was content that this could include Jaywick Sands, given its proximity to Clacton, the need for regeneration in the area, and the recently completed Place Plan, which included costs projects for delivery.

Following the Deep Dive Government ministers in DLUHC (now MHCLG) chose projects that they wanted local partners to deliver to a total value of **£19.79M** and requested additional detail on these them to enable civil servants to complete business cases, including assessing value for money, in support of Treasury approval for the projects.

The draft terms and conditions shared by the then DLUHC on 17 May state that projects should complete in two years, 2024/5 and 2025/6. It also states that "Any unspent funding in a financial year must be returned to DLUHC". This timeline is extremely tight for capital project delivery.

At the time of calling the Parliamentary election on the 22 May 2024 the Treasury had not approved individual business cases. On the 24 May 2024 the Government made the following announcement:

*Five areas in England and Scotland have agreed with the UK Government the details of their Levelling Up Partnership funding. [...] Subject to local Cabinet approval, Tending's Levelling Up Partnership will likely include measures such as £3m to redevelop Clacton Leisure Centre to provide sports facilities and integrated health and wellbeing services, £2m to unlock the delivery of an urgent treatment centre and primary care facility at Clacton Hospital, and £2.5m*

## **A.3 APPENDIX**

*to provide a new walking route across Tudor Fields, alongside other interventions to support regeneration. All the Levelling Up Partnerships will be subject to business case*

Since the Parliamentary General Election, the Council has been in correspondence with civil servants and at the date of writing, new ministers have not decided on the future of Levelling Up Partnership funding. So Cabinet is asked to take a view on **the principle** of the Council delivering regeneration projects through a Partnership with Government as the Accountable Body for funding to achieve place-based regeneration in Clacton and Jaywick. The detail of particular projects would follow should a decision be taken by Government to fund, and would be reported to a subsequent Cabinet meeting.

Given the scale of this additional funding this Partnership sits outside the existing Budget and Policy framework of the Council.

### **RECOMMENDATION(S)**

**It is recommended that the Cabinet:**

- (a) notes the increased capacity requirements on the Council's resources to deliver a number of projects and schemes highlighted in the report, in addition to responding to the Council's existing functions and responsibilities.**
- (b) subject to (a) above, and the allocation of £1.000m of funding set out within item A.9 elsewhere on the agenda, a Project Delivery Unit is agreed to be established for an initial period of 24 months from the date of the first officer starting in role;**
- (c) accepts:**
  - (i) £90,000, made available by the Government as capacity funding to support the Levelling Up Partnership Project**
  - (ii) a sum of £86,000 made available by the Government as capacity funding to support the Levelling Up Capital Project in Clacton**
- (d) subject to (a) to (c), transfers both the £90,000 and £86,000 above to the funding of the Project Delivery Unit, bringing the total initial funding to £1.176m;**
- (e) notes the Chief Executive will undertake the activities required to recruit the necessary capacity within the Project Delivery Unit, as Head of Paid Service (being non-executive functions);**
- (f) recognising the impact on the Council, supports the Council acting as the Accountable Body for the Partnership to the benefit of Clacton and Jaywick, delegates entering into any agreements with Partners to the Corporate Director (Place and Economy), in consultation with the Section 151 Officer, and where necessary by entering into funding agreements with partners to do so;**
- (g) recommends to Full Council to approve that Tendring District Council act as the Accountable Body for the Partnership (or alternative relationship determined by Government in revised policy), which forms part of the Council's Corporate Plan 24-28, 'Our Vision' and therefore, within the Policy Framework;**

## **A.3 APPENDIX**

- (h) subject to (g) being approved by Full Council, the delegation by Cabinet in December 2023, can be exercised by the Corporate Director (Place and Economy) in consultation with the Section 151 Officer and the Monitoring Officer to enter into any agreements with MHCLG for this Partnership;**
- (i) subject to (g) being approved by Full Council and Cabinet, and Government approving business cases for funding, the Portfolio Holder for Economic Growth, Regeneration and Tourism be required to report to Cabinet the scope and details of the individual Partnership Projects together with the relevant Portfolio Holders taking the lead on delivery prior to implementation;**
- (j) notes that the Chief Executive has nominated the Corporate Director (Place and Economy) as the lead officer for the Partnership;**
- (k) notes the Levelling Fund and Capital Regeneration Projects Portfolio Working Party terms of reference will be extended to include this Partnership and Town Board matters.**

### **REASON(S) FOR THE RECOMMENDATION(S)**

The Council wishes to strengthen and deepen its project management capacity. Creating a team of additional officers will enable the Council to progress its agreed major capital delivery schemes, provide advice and systems for project managers across the organisation, and protect existing business-as-usual operations from the impact of major new projects taken on by the authority. In short, without this additional capacity the Council will not be able to deliver the projects under the Long Term Plan for Towns and Levelling Up Partnership and the opportunity to invest tens of millions in the district will be lost.

The recommendations are made to capitalise on the Government's funding opportunity to address key socio-economic challenges in Clacton and Jaywick, improve local infrastructure, enhance community services, and ultimately contribute to the long-term regeneration of the area. This is a once in a decade opportunity for Tendring to deploy investment on this scale, in addition to other levelling up funding, to be benefit of Clacton and Jaywick.

The recommendations are framed to meet the current situation, namely that: the Government announced support for the Levelling Up Partnership in May, but business cases are yet to be approved by Treasury, and new ministers have not decided on continuing with the Levelling Up Partnership policy and fund since the Parliamentary General Election on 4 July 2024.

### **ALTERNATIVE OPTIONS CONSIDERED**

#### **Project Delivery Unit**

- 1. To deliver within existing resources.** The Council considered continuing to deliver major projects within existing resources. The benefit of this approach is that it keeps a tight reign on revenue spend. However, it brings with it risks to the delivery of many

## **A.3 APPENDIX**

millions of pounds of capital spend, with the increased risk of overspend, either due to late delivery, or not managing contractors and costs effectively.

2. **To procure a company to provide additional resource.** We explored the potential to contract in a company to provide additional capacity. This has the advantage of a quick turn around time once procurement was undertaken, as large companies have existing capacity. However, it is more appropriate for a small number of large projects that are clearly scoped with detailed requirements, rather than for a wider range of smaller projects with emerging requirements, where the likely costs of a large outsourcing company would be not be value for money.
3. **To employ interims.** This has the benefit of pace, flexibility and control, as interim staff can be directly line managed, and are usually available on very short notice and expect to have fixed term appointments, not permanent contracts. However, there is a very significant cost to interims, quality is not always assured, and so with a fixed budget more capacity can be provided through a more a more traditional recruitment route. The Council remains open to the potential for interim recruitment depending on the outcome of its initial recruitment efforts.

### **Levelling Up Partnership**

4. **Not to accept the principle of entering the Partnership:** This option was considered. Given the scale of the project work in the limited time available, and the risks to the Council if there were overspends at a time of tight finances, the option of not taking the projects forward was considered. However, it was ultimately dismissed as it would forfeit significant government funding and the opportunity to address important local issues.

## **PART 2 – IMPLICATIONS OF THE DECISION**

### **DELIVERING PRIORITIES**

The **Project Delivery Unit** will underpin the delivery of the Council's corporate priorities across the board. It will focus in particular on:

Celebrate business success, encourage culture, tourism and economic growth

- Develop a long term plan for Clacton-on-Sea working with partners in a Town Board
- We will Implement Levelling Up Fund, Capital Regeneration Partnership Projects and High Street Accelerator Schemes, taking these through design and planning.

However, the development of this new team will also protect the delivery of wider business as usual services, from environment to housing, as staff delivering and supporting those services will not be required also deliver new capital schemes. Furthermore, an effective Project Delivery Unit will reduce the financial risks of large-scale capital schemes, helping to meet the priority of financial sustainability for the authority.

The **Levelling Up Partnership** aligns with the Council's Corporate Plan approved in November 2023 depending on individual projects chosen by Government, the Partnership could help with priorities such as:

- Raising aspirations and creating opportunities:.

## A.3 APPENDIX

- Championing our local environment:
- Promoting our heritage offer, attracting visitors and encouraging them to stay longer. Endorsement of this view by Cabinet is recommended to Council to approve.

**OUTCOME OF CONSULTATION AND ENGAGEMENT** (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)

If Cabinet agrees to fund the Project Delivery Unit, a restructure report will be submitted to and agreed by the Head of Paid Service. Affected staff will be consulted on the proposals, as will the Trade Union.

The proposed content of the Levelling Up Partnership has been chosen by ministers after a Deep Dive of civil servants speaking to over 45 key local stakeholders, including, community groups, businesses and public sector partners, and reviewing local strategies and plans, which themselves were based on consultations.

### **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                                                                                                 | Significant effect on two or more wards<br>Involves £100,000 expenditure/income<br>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) | 22 May 2024                                                                                                                        |

#### **Project Delivery Unit**

Staffing requirements for the Council are Non-Executive Functions and in accordance with Part 3, Schedule 2 (Part 3.9) of the Constitution, the Head of Paid Service approves regrading posts, restructuring and determining staffing levels; except where Section 4 of the Local Government and Housing Act 1989 applies.

#### **Levelling Up Partnership**

The Monitoring Officer has advised that due to the scale of the funding and breadth of work means that the Levelling Up Partnership sits outside the existing Council's Budget and Policy framework. As a result a report will be submitted to Full Council to approve recommendations from Cabinet. Cabinet can, however, allocate the funding of up to £1M as out within item A.9 elsewhere on the agenda to fund capacity required to deliver existing projects and schemes as highlighted within the Report (this element of the Report does not require full Council

## A.3 APPENDIX

approval). As set out earlier, this amount is proposed to be complemented by the transfer of additional capacity funding made available by the Government.

The Levelling Up Partnership interventions and projects would be subject to additional governance if funding and business cases were approved by Government. Governance would approve detailed project level spend, with a report setting out delivery, spend and milestones.

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

Full Council is responsible for the adoption of its Budget and Policy Framework, as set out in Article 4 of the Constitution. Both the Budget and Policy Frameworks are developed in accordance with their Procedure Rules, contained within Part 5 of the Constitution.

Cabinet at its meeting in November 2023 (Minute No. 65) referred to Levelling Up Partnerships and *recalled that, at the Budget Speech on 15 March 2023, the Government had announced 20 areas which would be selected to form Levelling Up Partnerships (LUP) with the Department of Levelling Up, Housing and Communities, which had included Tendring on the list at number eight.*

*It was reported that Government officials would visit Tendring between January and March 2024 in order to carry out a 'Deep Dive'. This would be a review of data, documents, and meetings with key partners. To prepare for that process, a capital pipeline of projects would be developed. Government had requested projects which required funding within 12 months of March 2024, for example, purchasing land or property or implementing capital projects that had already been developed.*

*Government Ministers would make the ultimate decision on what the £20m would fund, and their officials would complete the business cases for the funding to demonstrate that they were value for money.*

The announcement on the interventions for Tendring's Levelling Up Partnership was made by the then DLUHC on 24<sup>th</sup> May 2024.

The current Corporate Plan 24-28 was adopted by Full Council in November 2023. The concept of the District Council being an Accountable Body for nearly £20million working with partners was not anticipated at the time of adoption of the Council's Vision. Therefore whilst it could be regarded as reasonable that this approach forms within the "*Working with Partners to Improve Quality of Life*" theme, the scale and delivery period of the Levelling Up Partnerships, impact on the Council and the level of funding to which the Council will be accountable for, should be referred to Council for approval under Budget and Policy Framework Procedure Rule 2(j) (Part 5.14).

The Best Value Duty relates to the statutory requirement for local authorities and other public bodies defined as best value authorities in [Part 1 of the Local Government Act 1999](#) ("the 1999 Act") to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".

'Leadership' is one of the seven Best Value themes set out in the Statutory Guidance published in May 2024 and includes within its description "*Effective political and administrative leaders who have a clear vision and set of priorities for their area, are key to building local economic growth, social cohesion and a healthy local democracy.*"



## **A.3 APPENDIX**

### **Two characteristics of a well-functioning authority are:**

- Members provide quality leadership by setting a clearly articulated, achievable and prioritised vision for officers to follow that puts place and local people at its heart. Senior officers have the capacity and capability to provide the authority with effective strategic direction.
- The authority's corporate plan is evidence based, current, realistic and enables the whole organisation's performance to be measured and held to account. The authority's financial strategy and delivery arrangements are aligned with priorities in the corporate plan, and respond appropriately to local need, including the plans of partners and stakeholders.

### **Two indicators of potential failure under the Leadership theme are:**

- A lack of corporate capacity or capability, resulting in a lack of strategic direction, oversight and sense of accountability.
- Corporate plan is out of date, unrealistic and unaffordable and/or has too many priorities.

The Council in its decision making must have regard to its Best Value Duty and statutory guidance produced in support of it.

## **FINANCE AND OTHER RESOURCE IMPLICATIONS**

### **Project Delivery Unit**

As set out within Item A.9 elsewhere on the agenda, it is proposed to allocate £1.0 million to support temporary posts in a delivery team. The team is expected to be operational for two years, and new posts will not be offered on a permanent basis.

Funding will cover the cost of salaries, pensions and on costs at the Council's standard rate of 30 percent.

Where external funding is available to support the costs of posts, it will be used. This funding includes £90,000 from the Levelling Up Capacity grant and £86,000 from Levelling Up Fund Capacity grant.

As mentioned earlier in the report, some costs of the Unit are likely to be 'chargeable' to capital projects such as the LUF and CRP schemes and therefore the Council will need to be alert and flexible to maximise value for money from the proposed £1m pound investment in capacity building.

All staffing arrangements will be managed in line with the authority's obligations under employment legislation.

### **Levelling Up Partnership**

The proposed total funding allocated for the Levelling Up Partnership projects in Tendring is expected to be £19.79m capital and £100,000 revenue. This funding is in addition to £90,000 Levelling Up Partnerships Capacity Revenue Grant already provided to the Council. This funding will cover project costs, including planning, and implementation.

## A.3 APPENDIX

The draft terms and conditions shared by DLUHC on 17 May 2024 state that the works should be completed in two years, 2024/5 and 2025/6.

The Council will allocate the £90,000 LUP capacity funding and £86,000 from the Levelling Up Fund to the Project Delivery Unit budget.

Given the scale of delivery and the timeline for completion set by Government, Cabinet needs to be aware there is a risk some money will need to be returned unspent as not all money may be spent in time.

Levelling Up Fund, Capital Regeneration Projects and anticipated Levelling Up Partnership programmes, are outside the current resource allocation for Essex Procurement Service Level Agreement with the Council and so resources being allocated to deliver the schemes so far have been within the existing funding and therefore has had a significant impact on Council business as usual procurements. The Project Delivery Unit includes funding for additional procurement resource within Essex Procurement Service to support the implementation of these programmes.

|            |                                                                                                                                 |
|------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Yes</b> | <b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b> |
|------------|---------------------------------------------------------------------------------------------------------------------------------|

It is important to echo a point made within the Monitoring Officer Section above, relating to the importance of capacity and capability. Getting the balance right in terms of aspirations and delivery priorities is essential as the financial risk on the wider Council and the delivery of existing services is significant. It is noted that the proposals set out in this report seek to put in place the initial steps to support the Council in achieving this balance.

The above is equally important given the need to develop the forecast and identify the on-going savings and as set out earlier, the work and activities required to support its success cannot be underestimated as the importance of their delivery will underpin the financial sustainability for the Council alongside the delivery of priorities etc.

It is also important to mention the strong governance arrangements that need to be in place when acting as the accountable body, especially given the significant sums involved. To date the Council has successfully put in place the necessary governance arrangements associated with the various Levelling Up Schemes, which are expected to be 'transferrable' to the governance arrangements required to deliver any further schemes and projects.

### **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; | The Project Delivery Unit aims to provide capacity to enable the Council to further improve the way it delivers regeneration programmes some of which have significant capital spend. The Unit is set up as fixed term investment and will be reviewed after 18 months. Without this additional capacity the external funding from government cannot effectively be delivered. |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## **A.3 APPENDIX**

|                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and                                                        | The Council will better manage risks as a result of the increased capacity to manage regeneration programmes through the Project Delivery Unit.                                                                                                                                                               |
| C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services. | The Council will be better able to manage the costs and performance of its regeneration programmes with the increase in capacity associated with the Project Delivery Unit. This investment is primarily about efficiency – in order to better deliver regeneration programme outputs in an effective manner. |

### **MILESTONES AND DELIVERY**

Preliminary work on recruitment has been completed to enable quick delivery of the Project Delivery Unit. It will be set up and run as follows:

- Preparation to recruit:
- Restructure report agreed by Head of Paid Service
- Appointments made: August / September 2024
- Staff induction and on boarding: From September / October 2024
- Work plan set out by Project Delivery Unit: October 2024
- Review of Project Delivery Unit: March 2026

### **Levelling Up Partnership**

There are 16 projects operation to individual timelines. However, there is a broad similarity in the over all approach to the projects, which will follow a version of the milestones below. Timings are indicative.

- Approval of business cases by Treasury July 2024
- Signing of MoU / T&C with DLUHC July / August 2024
- Writing specification of design works September 2024
- Commissioning design and feasibility works September 2024
- Agreement with ECC and the NHS to deliver projects signed December 2024 (for those completed by third parties)
- Design and feasibility works complete January 2025
- Planning permission lodged February 2025

## A.3 APPENDIX

- Planning permission determined April 2025
- Commissioning of construction works June 2025
- Contract signed for construction works August 2025
- Construction work starts September 2025
- Construction work complete March 2026

### ASSOCIATED RISKS AND MITIGATION

#### Project Delivery Unit

**Recruitment** – The posts in the team are hard to fill, technical and specialist roles, and the recruitment challenge is further compounded by the short-term nature of the roles. However, this will be mitigated by the use of a specialist recruitment campaign including the option of secondment, and if necessary, interims.

**Short term nature of the Unit.** There is a risk that the capacity will still be required in two years' time when the unit is due to close. A review after 18 months will enable the Council to consider the effectiveness of the unit and options for the future.

**Link to wider organisation.** There is a risk that the Unit develops an identity of its own and fails to successfully integrate with the rest of the Council or work effectively with partner agencies. The management of the Unit will focus on integration with the rest of the Council and in particular to develop close working relationships with the corporate professional teams within the Council.

**Capacity risks:** With the delivery of many millions of pounds of capital spend with limited capacity in the organisation, there is a risk of overspend, either due to late delivery, or not managing contractors and costs effectively. The development of the Project Delivery Unit is an opportunity to mitigate this risk with additional specialist officers. However, the Council will still need to make choices on which projects to prioritise, as this additional capacity is itself limited.

#### Levelling Up Partnership

The levelling up partnership projects could pose a significant delivery risk to the organisation. Nearly £20m to be delivered in a short timescale, which would likely require funding agreements with external organisations and commissioning private sector delivery partners. Recruitment of additional capacity helps to mitigate the risk, and the council will maintain a risk register for the programme to manage risks, but the scale of the programme remains substantial.

In the very short term while the Project Delivery Unit is set up there are significant capacity challenges which will ease as new staff come on board in the later summer and early autumn.

Delivery on time will remain a significant risk. Capital projects require design and construction works to be procured and completed, and some may require planning permission. These processes take time and can be subject to delay, even before construction starts. The aim of

## **A.3 APPENDIX**

the Project Delivery Unit is to provide the capacity to manage the projects so support delivery within the programme. However, given the scale of the work and the expected tight timeline, it is recognised that delivery risks will remain high.

**Overspends.** With capital works of nearly £20M there is a risk of overspend, either as tenders come in higher than expected, or if there is cost escalation once works start, for example due to ground conditions. The project delivery unit includes a finance officer to ensure that there is oversight of the finances within the programme, and that the systems are in place to manage money.

### **EQUALITY IMPLICATIONS**

#### **Project Delivery Unit**

In line with the Public Sector Equality Duty, public bodies such as the Council must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, and victimisation, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

#### **Levelling Up Partnership**

Individual projects, if funded by Government, would need to develop EQUIAs.

### **SOCIAL VALUE CONSIDERATIONS**

#### **Project delivery Unit**

Recruiting additional roles brings additional high skilled employment into the district. The Council aims to lead by example as a major local employer. This includes, following recognised best practice and ensuring full compliance with legislation.

Examples of this include, being a Disability Confident Leader and an Employer Recognition Scheme Gold Award holder; both commit the authority to being an advocate in these areas.

The Council is also an Anchor organisation. Anchor organisations are usually large organisations that are local to the place they operate and have the leverage to maximise social value through their role as workplace developers, employers and procurers, their core businesses and the linkages they have to the place they operate.

#### **LUP**

£19.79M of capital spend has the potential to provide an economic boost to the district, with local firms in the supply chain and local staff working on site, if business cases were approved by Government and funding secured.

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

Meeting the Council's aim to be net zero will require the delivery of projects that reduce the carbon emissions of the authority. Some of these will be delivered directly by the Project Delivery Unit, such as Carnarvon Terrace, which is proposed to provide energy efficient buildings and increased EV charging. The increased capacity will also have an indirect positive

## **A.3 APPENDIX**

impact on the net zero ambition by reducing the pressure on business as usual services, and so supporting their capacity to carry out net zero projects.

The carbon impact of the individual levelling up projects will be considered if they are funded.

### **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.**

|                                                                                                       |                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Crime and Disorder</b>                                                                             | Increasing project delivery capacity may have some indirect benefits to reducing crime and disorder, given that the levelling up projects will in part seek to be secure by design, and reduce the opportunity for anti social behaviours                     |
| <b>Health Inequalities</b>                                                                            | The project delivery team may have indirect benefit in reducing health inequalities, as the types of regeneration projects it is expected to deliver would support the wider determinants of health, such as improving skills and increasing jobs.            |
| Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance) | There is no subsidy control impact of recruitment, as the Council will go through an open process and the principle of the levelling up partnership does not impact on subsidy control. Any issue would be for a future report relating to specific projects. |
| <b>Area or Ward affected</b>                                                                          | Project Delivery Unit will affect the whole district. In particular regeneration projects are targeted at Clacton, Jaywick and Dovercourt<br><br><b>Levelling Up Partnership</b><br>Clacton and Jaywick wards                                                 |

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND**

The Council is responsible for the delivery of tens of millions of pounds of capital projects funded by Government, partner and its own resources. Projects include:

- £30.743M Levelling Up Fund: The Clacton Hub, Dovercourt Library and the Kingsway Improvements.
- £9.036M Capital Regeneration Projects. The Council is the Accountable Body for three projects delivered by Essex County Council: In addition, the Council is directly delivering Carnarvon Terrace in Clacton and Milton Road and Victoria Street in Dovercourt.

## **A.3 APPENDIX**

This is in addition to two major Housing Revenue Account Schemes:

- £2.40m Spendells House redevelopment. A former sheltered housing scheme being brought back into use as temporary accommodation.
- £3.250m Honeycroft scheme. Redeveloping the site of a former sheltered housing scheme with 13 one and two-bedroom bungalows to provide accommodation for those in the area seeking to downsize from a larger property.

And there are further projects in the pipeline

- £20M Long Term Plan for Towns, with £5m to be delivered by March 2027. The outline plan is on this Cabinet agenda.
- £20M Levelling Up Partnership, as set out in this report.
- £500,000 Green Spaces fund for High Street Accelerator

The Council is committed to identifying £3m of on-going revenue savings, which will also require additional invest-to-save projects to be brought forward, like the installation of pool covers recently completed within the leisure centres. As mentioned in previous financial reports, the level of resources required to not only develop the long term forecast but to deliver the required savings, should not be underestimated, especially when set against other existing commitments such as those mentioned above and Freeports project. There therefore needs to be a clear focus on the timely development of associated plans whilst managing competing resources over the coming months.

In addition to the above, the Council currently delivers projects including major capital schemes within Services, which are primarily responsible for day-to-day service delivery. The Council recognises that increasing project management capacity will enable it to deliver projects more effectively, and as a result, has the potential to reduce overspends and bring major capital schemes in on budget and on time.

In order to increase its project delivery capacity, the Council proposes to set aside £1 million to support a new Project Delivery Unit for two years. The proposed team, subject to approval of the funding and restructures being undertaken, will sit within the Economic Growth, Sport and Culture Directorate with expertise including:

- project management;
- capital delivery;
- programme governance;
- procurement;
- finance; and
- contract and property law.

### **Levelling Up Partnership**

The Levelling Up Partnership is expected to be one of the additional workstreams delivered by the new additional capacity.

At the Budget Speech on 15 March 2023, Government announced Tendring as one of 20 places that would be selected to form Levelling Up Partnerships (LUP) with the then Department of Levelling Up, Housing and Communities (DLUHC), which the Leader of the Council reported to Cabinet on 17 March 2023. Partnerships could be allocated up to a maximum of £20m capital

## **A.3 APPENDIX**

funding (CDEL) and up to £250k revenue (RDEL) dependant on projects decided by MHCLG ministers and subject to business case approvals by Treasury.

Cabinet was informed in December 2023 of progress with the Levelling Up Partnership. As forecast in that report, Government officials have visited Tendring between January and March this year to carry out a 'Deep Dive', reviewing data, documents, and meeting with key partners in the public and voluntary sector. At the request of Government the Council, along with partners, shared strategic documents and a pipeline of projects that could benefit from funding within 12 months of March 2024.

Government requested that funding was targeted at projects in the largest conurbation within the District, Clacton-on-Sea. Government was content that this could include Jaywick Sands, given its proximity to Clacton, the need for regeneration in the area, and the recently completed Place Plan, which included costs projects for delivery.

Following the Deep Dive Government ministers in DLUHC (now MHCLG) chose projects that they wanted local partners to deliver to a total value of **£19.79M** and requested additional detail on these them to enable civil servants to complete business cases, including assessing value for money, in support of Treasury approval for the projects.

### **PREVIOUS RELEVANT DECISIONS**

N/A

### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

### **APPENDICES**

None

### **REPORT CONTACT OFFICER(S)**

|                  |                                                                        |
|------------------|------------------------------------------------------------------------|
| <b>Name</b>      | Lee Heley                                                              |
| <b>Job Title</b> | Corporate Director (Place and Economy)                                 |
| <b>Email</b>     | <a href="mailto:lheley@tendringdc.gov.uk">lheley@tendringdc.gov.uk</a> |