

AGENDA ITEM 3: PROGRAMME BUDGET & RESOURCES 2024/25 & 2025/26

Name of Group:	TCBGC Members Steering Group
Title of Paper:	TCB Programme Budget & Resources 2024/25 and 2025/26
Action Required:	For consideration and advice on the way forward.
Date considered:	August 2024

1.	Purpose of the Report
1.1	To set out the approach to the scope of work, budget and funding considerations relating to the TCBGC programme for the financial year 2024/25 and 2025/26, and provide advice to Officers on the appropriate way forward.

2.	Background
Approach to Budget Setting & Spend	
2.1	The Councils recognise the strategic importance of the TCBGC programme and opportunities that it presents to deliver across a range of objectives. The broad programme of activity and key milestones is set out at Appendix A.
2.2	A programme budget is in place. Spend is considered, approved and monitored by the Programme team and reported to Officer Steering Group and to the Members Steering Group.
2.3	Decisions on budgets (including potential contributions to the TCBGC programme) are made through each separate Council's budget setting and approval processes.
2.4	Contributions to date have been made on the basis of equivalence between the 3 Councils, with each contributing equal amounts per year into a pooled budget.
2.5	The programme budget is currently held and administrated by Colchester City Council (CCC). CCC invoice Tendring DC and Essex CC for appropriate contributions. CCC will apply appropriate Council policies on procurement, contract management, audit scrutiny and accountability.
2023/24 Summary Overview & Carry Over Amount	
2.6	For the year from April 2023 to March 2024 Table 1 (overleaf) summarises the position by reference to the programme budget previously established and agreed. This shows the actual spend compared with the original budget and variance.
2.7	Programme resources relate to dedicated members of a TCB team. A Transport Planner joined the team during the period, but other appointments to anticipated positions were deferred in light of the developers pausing pre-application work. This has created an underspend against the original anticipated budget.
2.8	Engagement and communications costs incurred relate to maintaining the engagement website, consultation activities during the year and additional costs related to formal and informal meetings of the Joint Committee.

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- 2.9 Less technical and professional work has been required, other than modest allowances for support from Gerald Eve on the commercial strategy approach and some technical support from Place Services. Potentially abortive costs on other work has been avoided, awaiting pre-application work recommencing and the outcome of the DPD examination. None of the contingency allocation was needed.
- 2.11 In relation to income, each of the Councils contributed £135k into the programme during the period. An additional £145k was successfully secured from Homes England following a formal process to bid for extra capacity funding.
- 2.12 A 'Planning Performance Agreement' was negotiated with the developers. A total of £453k is being provided to cover the provision of dedicated Council resources over the period from pre-application to the determination of planning applications (with other specific additional costs, for example the planning application fee). The PPA has payments split into instalments. An initial payment of £100k was made in the 2023/24 period, alongside the payment of £50k to act as a pot for any necessary external technical expertise required by the Councils.

Table 1: 2023/24 Budget & Spend

Costs/Spend	Budget	Actual	Variance
TCB Team resources	£430,513	£276,728	-£153,785
Technical Studies/Support	£200,000	£61,887	-£138,113
Contingency	£126,103		-£126,103
All costs/spend	£756,616	£338,615	-£418,001
Income	Budget	Actual	Variance
Opening reserves	£436,210	£436,210	
Council contributions	£405,000	£405,000	£0
Homes England contribution	£0	£145,000	£145,000
Developer PPA	£217,855	£150,000	-£67,855
All income	£1,059,065	£1,136,210	£77,145

- 2.14 As of April 2024, given the lower than anticipated spending and overall amount of combined contributions, the carry-over amount (as opening reserves going into 2024/25) was circa £800,000.

Programme Budget Forecast 2024/25 & 2025/26

- 2.15 A range of tasks, activities and workstreams will still need to be delivered to bring forward a successful Garden Community. Officers consider that this will require a continuation and extension of the TCBGC team, as well as commissioned external advice on matters such as stewardship, viability and other technical disciplines. Appendix B sets out the anticipated team structure and an overview of project reporting & governance. Appendix C sets out additional support that is anticipated will also be required.
- 2.16 Initial budget forecasts have been prepared based upon the following initial working assumptions:
- Establishment of a team structure & activities as set out at Appendix B.
 - The Councils continue to contribute £100,000 each in 2024/25. The working assumption is that additional Council contributions into the pooled pot could

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cease in 2025/26. The Councils will need to keep this position under review and in any event will have statutory duties to consider and determine any future planning applications.

- Reducing requirements for external consultant studies in 2025/26.
- Inclusion of a 20% allowance for contingencies/unforeseen costs.
- Income & funding in 2025/26 is provided by pooling the planning application fee (currently anticipated as £270k taking into account no more than 10% to TDC for administration) and remaining instalments via the 'Planning Performance Agreement' (PPA) from the developers (£100k on submission, £100k on resolution and £53k on issue of a permission).
- No additional funding from the developer (beyond the current agreed PPA) has been assumed, nor has any additional monies from Government.

2.9 Officers consider that in order to address anticipated needs and meet the requirements and expectations of the developers as set out in the PPA, the following additional team resources are required and recruitment will need to commence urgently:

- A Senior Planning Officer to support the Planning Manager during the pre-application and determination periods.
- A dedicated Infrastructure Officer who can lead in the coordination of infrastructure matters, including liaison with other stakeholders, support in bidding for funding, and addressing issues as they arise.

2.10 Table 2 below sets out a revised forecast of spend and income with this extended level of resource for 2024/25 and 2025/26. The approach broadly breaks even, with a residual funding deficit of circa £25k at the end of the period (at March 2026).

Table 2: Forecast spend & income (with additional posts)

PROGRAMME SPEND/ COSTS	24/25	25/26
All TCB Team Resource (dedicated posts)	£417,586	£504,535
All Technical & Professional (consultancy)	£300,000	£150,000
Contingency (20%)	£143,517	£130,907
Total All	£861,103	£785,442
PROGRAMME INCOME	24/25	25/26
Opening Balance	£797,796	£236,693
Council Funding	£300,000	£0
Developer Funding (PPA & application fee)	£0	£523,000
Other Funding	£0	£0
Total All Income	£1,097,796	£759,693
End of Year Balance	£236,693	-£25,749

2.11 It has also been raised by ECC that a wide range of other Officers are anticipated to be needed during the pre-application stage to consider and advise on the emerging proposals. ECC have advised that such additional costs would normally be recharged to developers. Officers will need to discuss this further with the developers and in light of expectations already set via the agreed PPA.

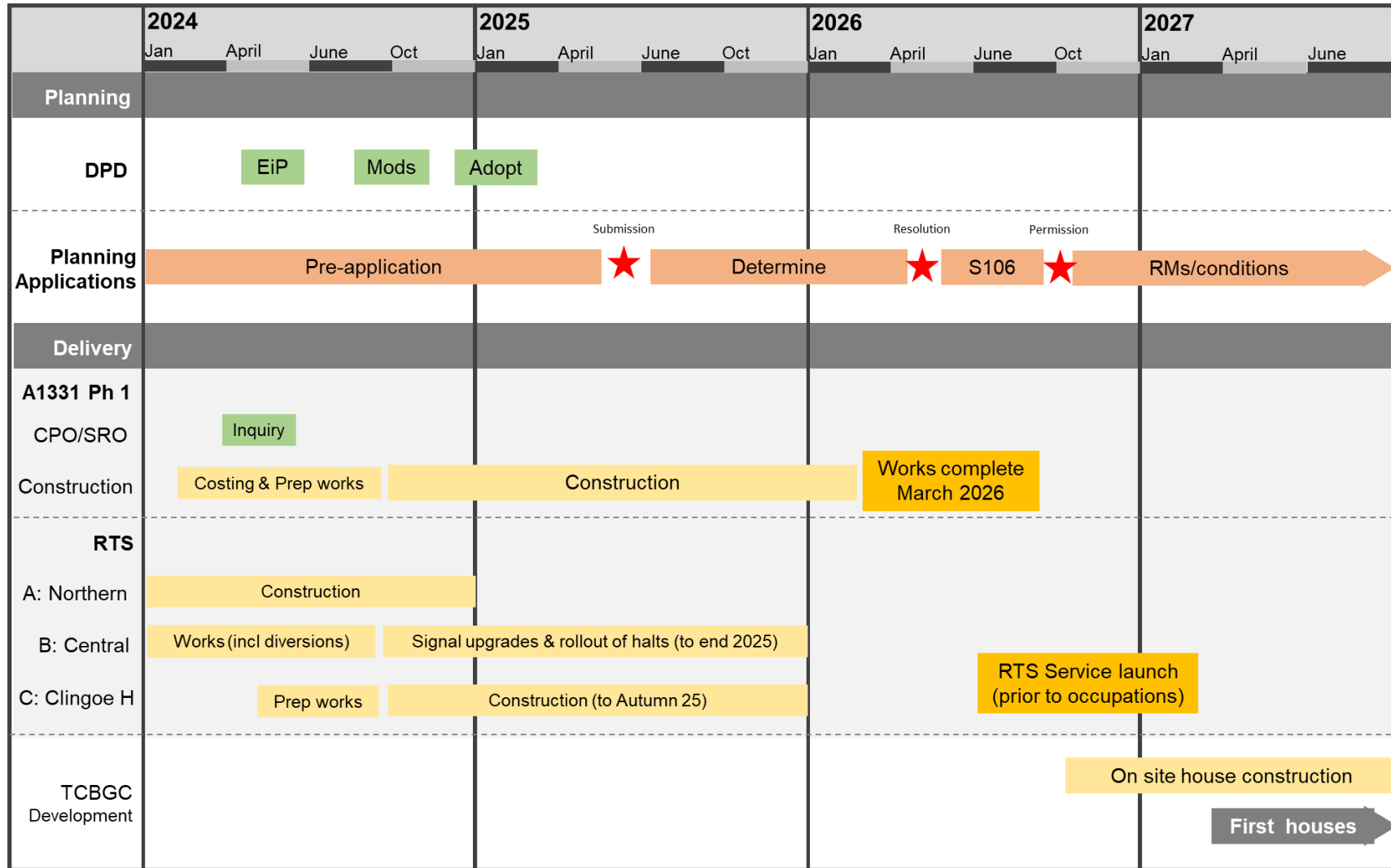
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3.	Approach to securing additional funding
3.1	The Councils are continuing to explore additional funding opportunities to address the needs of the Garden Community. This will include both opportunities for capital investment to deliver early infrastructure, as well as revenue funding to ensure that the planning process can continue efficiently and effectively with sufficient levels of expertise and resourcing.
3.2	With a change of Government, there is a clear national imperative to boost housing supply. Officers are monitoring Government announcements and maintaining positive ongoing relationships with Government representatives. Regular meetings are taking place between Officers and the Ministry of Housing, Communities & Local Government (MHCLG), including direct dialogue with newly appointed civil servants that are in post to consider the role that existing large scale projects and potential 'new towns' can play. Regular meetings are also taking place with Homes England, who continue to act as the Government's 'Housing & Regeneration Agency'. A joined up position will be taken by the Councils and Developers to demonstrate and communicate how TCBGC can deliver on Government ambitions through ongoing and additional support.
3.3	The Officer Steering Group are in regular dialogue with the Developers and will seek where appropriate to secure additional funding and ensure that monies secured via the PPA are addressing the resourcing impacts on the Councils.
3.4	The Officer Steering Group will report back to Members Steering Group on progress with securing additional funding and any issues arising.

4.	Member Steering Group Consideration
4.1	<p>Members are requested to consider the budget forecast and position as set out in this paper and provide advice to Officers across the following matters:</p> <ul style="list-style-type: none">• The continuation of CCC as overall budget holder.• The position with individual Council contributions to the programme for 2024/25 and the approach then onwards.• The position on continuing to pool all relevant funding into the programme budget, including monies secured from the Councils, via the PPA and future planning application fees.• Any views on the specific proposed team structure, the additional resources identified and scope of technical support requirements.• Support to recruit additional resources to enable positive progress to be maintained.• Support for Officers to continue discussions with Government and the Developers to explore all opportunities for funding support to maintain positive progress with the project.
4.2	Subject to the view of Members, Officers will take forward the programme of work and monitor spend/income and report back to the Members Steering Group accordingly.

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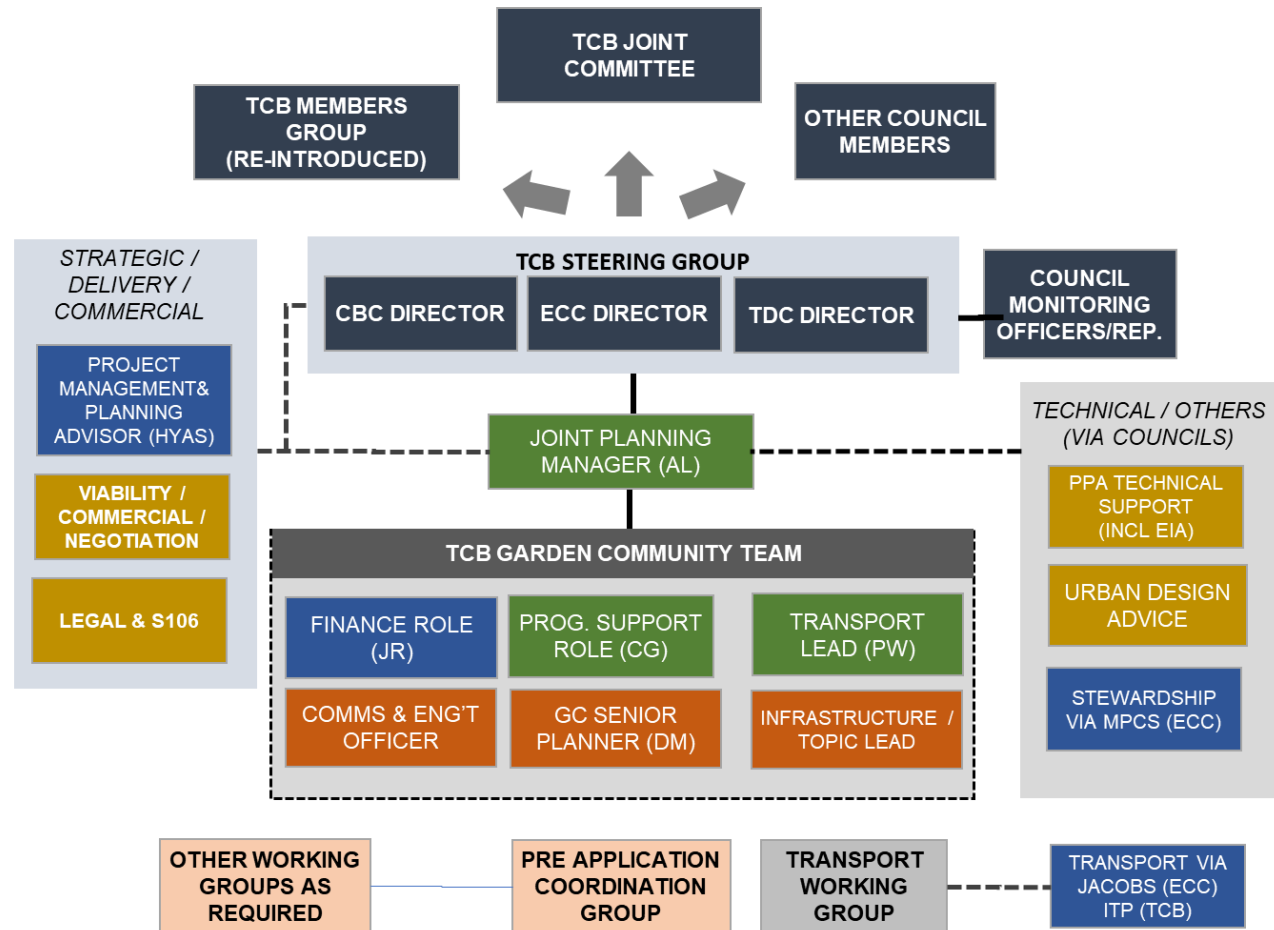
Appendix A: Project Programme



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Appendix B: General Organisation Chart

- Being proactive, to prepare for next stage & address gaps. Reintroduce posts considered but not previously taken forward.
- Strategic/Delivery Support:
 - Refresh viability/commercial
 - Get legal support in place
- Urban design support via call on/off contract (not employed)
- Replacement technical services (replacement of Place Services role)
- Refocus 'Planning Working Group' to provide oversight/ coordination of pre-app work
- Transport Working Group to continue
- Other Working Group's only as necessary



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Appendix C: Summary additional technical support topics/activities

Budget Item	Type of activity	24/25 Budget	Within PPA?
Comms, Engagement & Marketing & Admin	Engagement website, print, media consultation & associated collateral. Room hire & related admin.	£25k	
Commercial Advice & Negotiation Support	To support Councils with commercial approach and establishment of Heads of Terms/agreements for S106.	£50k	
S106 & legal support	To ensure pre-app phase aligns with requirements for determination, including early prep work on S106.	£50k	✓
Urban design support	To provide call on/off urban design & masterplanning advice	£25k	✓
Technical advice (PPA 'pot' related)	To provide additional technical support not available in house as per agreed PPA (such as biodiversity, ecology).	£50k	✓
GC innovation studies	To undertake additional work to consider and advance specific GC principles – including stewardship, employment, sustainability/energy, sustainable movement (if not in a 'transport pot'), etc.	£100k	
Subtotal		£300k	

Note "Within PPA" relates to topics where the developers anticipate support to be provided within the extent and value of the current PPA.

The PPA does acknowledge that additional costs would be relevant to certain specific items, including:

- the planning application fee(s).
- the application fee for the Design Review Panel(s).
- independent review of the EIA post submission.
- an independent viability review (if necessary).
- the Councils legal fees.
- transport modelling work (if necessary).