

Cabinet AGENDA

Monday, 11th February at 7:15pm

**Council Chamber, Braintree District Council, Causeway House,
Bocking End, Braintree, CM7 9HB**

THIS MEETING IS OPEN TO THE PUBLIC
(Please note this meeting will be webcast and audio recorded)

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Members of the Cabinet are requested to attend this meeting to transact the business set out in the Agenda.

Membership:-

Portfolio

Leader of the Council	Councillor G Butland (Chairman)
Environment and Place	Councillor Mrs W Schmitt (Deputy Leader of the Council) Councillor R van Dulken
Planning and Housing	Councillor Mrs L Bowers-Flint Councillor Mrs G Spray
Economic Development	Councillor T Cunningham Councillor K Bowers
Health and Communities	Councillor P Tattersley Councillor F Ricci
Finance and Performance	Councillor D Bebb
Corporate Services and Asset Management	Councillor J McKee

Invitees

Representatives of the Labour Group, Halstead Residents Association Group and Green Party and Chairman of the Overview and Scrutiny Committee and Governance Committee.

Members unable to attend the meeting are requested to forward their apologies for absence to the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by 3pm on the day of the meeting.

A WRIGHT
Chief Executive

INFORMATION FOR MEMBERS - DECLARATIONS OF INTERESTS

Declarations of Disclosable Pecuniary Interest, Other Pecuniary Interest or Non-Pecuniary Interest

Any member with a Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest must declare the nature of their interest in accordance with the Code of Conduct. Members must not participate in any discussion of the matter in which they have declared a Disclosable Pecuniary Interest or other Pecuniary Interest or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

Question Time

The Agenda allows for a period of up to 30 minutes when members of the public can speak. Members of the public wishing to speak are requested to register by contacting the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by midday on the working day before the day of the Committee meeting. For example, if the Committee Meeting is due to be held on a Tuesday, the registration deadline is midday on Monday, (where there is a bank holiday Monday you will need to register by midday on the previous Friday).

The Council reserves the right to decline any requests to register to speak if they are received after this time. Members of the public can remain to observe the public session of the meeting.

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Documents

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We welcome comments from members of the public to make our services as efficient and effective as possible. If you have any suggestions regarding the meeting you have attended you can send these via governance@braintree.gov.uk

AGENDA

No	Title and Purpose of Report	Pages
1	Apologies for Absence	
2	Declarations of Interest To declare the existence and nature of any Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest relating to items on the agenda having regard to the Code of Conduct for Members and having taken appropriate advice where necessary before the meeting.	
3	Minutes of the Previous Meeting To approve as a correct record the minutes of the meeting of the Cabinet held on 26th November 2018 (copy previously circulated).	
4	Public Question Time (See paragraph above)	
5	FINANCE AND PERFORMANCE	
5a	Council Budget and Council Tax 2018-19 and Medium-Term Financial Strategy 2019-20 to 2022-23 Note: Members are requested to bring their copies of the Council Budget and Council Tax 2017-18 and Medium-Term Financial Strategy 2018-19 to 2021-22 report which has been published separately.	
6	ECONOMIC DEVELOPMENT	
6a	Tourism Plan 2019-2021	5 - 19
6b	Horizon 120 Business Park – Investment in Infrastructure - PUBLIC	20 - 40
7	Cabinet Member decisions made under delegated powers	41 - 43

8 Exclusion of the Public and Press

To agree the exclusion of the public and press for the consideration of any Items for the reasons set out in Part 1 of Schedule 12(A) of the Local Government Act 1972.

AGENDA – PRIVATE SESSION

No	Title and Purpose of Report	Pages
9	ECONOMIC DEVELOPMENT	
9a	Horizon 120 Business Park – Investment in Infrastructure - PRIVATE	

Tourism Plan 2019-2021		Agenda No: 6a
Portfolio Economic Development Corporate Outcome: A sustainable environment and a great place to live, work and play Report presented by: Councillor Tom Cunningham, Cabinet Member for Economic Development Report prepared by: Leanda Cable, Economic Development Officer		
Background Papers:		Public Report
Report and Minute of the Overview and Scrutiny Committee – 7th March 2018 Report and Minutes of Full Council – 23rd April 2018 Report and Minutes of Cabinet – 14th May 2018		Key Decision: No
Executive Summary: <p>In response to the Task and Finish Group’s scrutiny report into the tourism potential in the Braintree District Cabinet agreed that the Council should establish a tourism strategy to help to guide the Council’s tourism activities to support tourism businesses and the industry in the District. In accordance with the Cabinet’s response to the scrutiny review, the Economic Development Team have developed a Tourism Plan for the District which is presented to Cabinet for approval.</p> <p>The Tourism Plan for the Braintree District has been created after consulting and considering a number of resources which include; economic impact data, tourism operators, stakeholders and Town Councils. The aim of the Plan is to focus the tourism efforts of the Council, its partners and associated businesses on actions which are likely to have the most benefit for the visitor economy of the Braintree District. A positive perception, both internally and externally, of the area is more likely to attract investors, visitors and thus growth to the District.</p> <p>The evidence base for the Tourism plan is set out in Appendix A.</p> <p>Whilst developed by Braintree District Council it is intended to be delivered by a Tourism Partnership consisting of the public and private sector who will oversee its delivery and recommend changes as required.</p> <p>Funding for the Tourism Plan’s delivery will be provided by the Council from existing budgets, however, opportunities will be explored to maximise resources through sponsorship and external funding opportunities.</p>		

Recommended Decision:	
That Cabinet approves the Tourism Plan 2019-2021 for the Braintree District	
Purpose of Decision:	
To put in place a Tourism Plan for the Braintree District for the period of 2019-21.	

Any Corporate implications in relation to the following should be explained in detail.	
Financial:	Identified activity as set out in the Tourism Plan can be accommodated within existing budgets.
Legal:	None arising out of this report.
Safeguarding:	None arising out of this report.
Equalities/Diversity:	No equalities issue have been identified. Actions/activities delivered by the Tourism Plan will require separate Equalities Impact Assessments.
Customer Impact:	By promoting the District appropriately through tourism this will enhance resident's perceptions of the area and provide an increased sense of pride in their District.
Environment and Climate Change:	Attracting visitors to the District could have an environmental impact. The Tourism Plan will need to be mindful of this and consider the most sustainable means of attracting visitors and guiding them around the District.
Consultation/Community Engagement:	As set out in the Tourism Plan.
Risks:	Failure to deliver the actions identified within the Tourism Plan could lead to a negative perception of the Council.
Officer Contact:	Leanda Cable
Designation:	Economic Development Officer
Ext. No:	2588
E-mail:	Leanda.cable@braintree.gov.uk



Tourism Plan for the Braintree District

2019 - 2021



Braintree
District Council



Foreword

Cllr Cunningham

Although many of us have been tourists at some point in our lives, defining what tourism actually is can be difficult. In the simplest of terms, tourism is the activities of people travelling to and staying in places outside their usual environment for leisure, business or other purposes.

This plan sets out how we, with our partners, are planning to develop and grow the tourism sector over the next 3 years. Tourism enables us to develop a brand for the Braintree district, ensuring people know who and where we are, which will raise the profile of the area, encourage inward investment and improve perception to both residents and visitors.

Tourism is an important part of Braintree district's economy mix and is responsible for 5.2% (2,984) of all employment and contributes £185,752,000 a year to the district.

The Braintree district has numerous visitor attractions from museums celebrating our heritage to rural recreation, National Trust properties and our vibrant market towns and villages. Our abundance of locally produced food and drink includes vineyards, distilleries and breweries as well as farm shops providing excellent quality locally sourced food. The success of our Grape and Grain Trail evidences that there is an interest in the visitor economy for locally produced products and predesigned itineraries.

The tourism sector consists of multiple independent stakeholders, including, but not limited to, accommodation providers, restaurants, attractions, sports, arts and cultural institutions. A Tourism Plan for the Braintree District will unify these stakeholders by developing a common vision to improve the promotion of the tourism offering. This will not only benefit tourists, but residents and businesses too.

The Tourism Plan for the Braintree District will promote our unique and attractive offer to not only new and returning visitors but also to our own residents to create a sense of pride in the area we live. By creating a dedicated tourism website for the district this will ensure there is coordinated promotion of the area and encourage visitors to stay longer and enjoy what we have to offer.

Background

The Braintree economy is mixed with the vast majority of businesses being micro enterprises (0-9 employees) and has key sectors in construction, logistics, creative & digital, health & care and advanced manufacturing & engineering. The tourism sector contributes £185,752,000¹ to the district's economy, equivalent of 7% of the total economy and supports 2,984² jobs, the equivalent of 5.2% of the total number of jobs. These figures are not as high as with the visitor economies of neighbouring districts³, however, in recent years there has not been coordination or promotion of the tourism offer within the district as a whole in the way there has been in other areas. The Council's Plan for Growth sets out the district's ambitions for economic prosperity and while the tourism sector is not a growth sector, it makes a valuable contribution and impact on areas such as inward investment.

A positive perception, both internally and externally, of the area is more likely to attract investors, visitors and thus growth of the district.

The district has a number of notable tourism assets such as Cressing Temple Barns, Colne Valley Railway, picturesque rural villages, Hedingham Castle and a wealth of independent and designer retailers.

Visitors and the visitor economy are taken to include 'tourists' staying overnight away from home in the area – whether for a holiday, visiting friends and relatives or for business purposes – and also day visitors who are in the area for leisure trips, including local residents taking leisure trips within the district.

Notable observations made throughout the writing of this report can be found in the appendices.



Paycocke's House and Garden, Coggeshall

1. 2016 Tourism Volume and Value Survey
2. As above
3. Colchester - £263m, Maldon £195m, Tendring £373m



St Michael's Fountain, Braintree

Our Tourism Plan

The primary aim of the plan is to raise awareness and perception of the Braintree district as a tourism destination. The benefits of this include, but are not limited to, increased visitor spending, local retention of this income within the visitor economy, direct and indirect employment and an increased positive perception of the area.

The plan will focus the tourism efforts of the Council, its partners and associated businesses on the actions which are likely to have most benefit for the visitor economy of the Braintree district.

Raising the district's profile to residents, visitors and digitally will develop the visitor economy and a clear concise focus should yield interest from hoteliers, leisure providers and investors.

This plan has been developed in consultation with the district's private sector tourism industry, stakeholders and members of the Task and Finish Group into Tourism Potential in the Braintree District.

The plan supports the aims and objectives of the Council's Plan for Growth.

A full review and evaluation of the plan and associated activities will be carried out at the end of 2021 to assess the impact and the feasibility of future work.

DEVELOPING PARTNERSHIPS

- Build stronger relationships with tourism businesses/operators and stakeholders to increase the visitor economy in Braintree district.
- Work together with Town Centre Partnerships, Town and Parish Councils and independently run tourist information centres.
- Work with Freeport Braintree to develop their aspirations to create an improved environment for visitors in relation to the Tourist Information Centre.

PROMOTING THE DISTRICT

- Raise the profile of Braintree district by using focussed, well produced information and digital technologies where possible.

DEVELOPING OPPORTUNITIES

- Support the promotion of the tourism offer and experience in Braintree district - including quality food and drink, accommodation, attractions, events and activities. Better understanding of the culture, heritage and landscape of the district and attractive and welcoming environments in the market towns of Braintree, Witham and Halstead which are key visitor destinations.

Action Plan

DEVELOPING PARTNERSHIPS

- Build stronger relationships with tourism businesses/operators and stakeholders to increase the visitor economy in Braintree district.
- Work together with Town Centre Partnerships, Town and Parish Councils and independently run tourist information offices at Freeport and Witham to promote the area.
- Work with Freeport Braintree to develop their aspirations to create an improved environment for visitors in relation to the Tourist Information Centre.

To do this we will:

Set up a Tourism Partnership with key stakeholders and tourism businesses

Establish a Tourism Partnership that will develop and deliver a joint vision for tourism across the district. By working together with key stakeholders, the Partnership will maximise limited resources, share best practice and create new ideas. The Partnership will monitor the Tourism Plan and the outcomes of its actions.

PROMOTING THE DISTRICT

- Raise the profile of Braintree district by using focussed, well produced information and digital technologies where possible.

Establish a dedicated tourism website to better promote the district externally and increase its digital presence.

From the evidence gathered, it was established that most operators have their own websites, for marketing purposes, but these are not joined up to inform the visitor of the wider offering. To increase the districts tourism presence, a dedicate website will be established. The website, whilst standing alone from the main Council one, will be in line with our Digital Strategy 2017-2021 providing customers with information that is easy to access and understand.

Continue to support the Grape and Grain Trail initiative across the district and consider further external partnerships

The success of the Grape and Grain Trail has evidence there is a visitor economy interest in pre-designed itineraries with themes. Trails also provide residents with information about local activities and information which they may not have previously been aware of.

Consider other, similar, promotional opportunities to the Grape and Grain Trail to raise awareness of the depth of offer within the district

Developing the success of the Grape and Grain Trail, we will identify other key strengths and interesting features of the district that could be developed into a pre-designed itinerary.

DEVELOPING OPPORTUNITIES

- Support the promotion of the tourism offer and experience in Braintree district, including quality food and drink, accommodation, attractions, events and activities. Better understanding of the culture, heritage and landscape of the district and attractive and welcoming environments in the market towns of Braintree, Witham and Halstead which are key visitor destinations.

To do this we will:

Undertake a bed stock survey of the district including quality and quantity of supply

Existing online presence for Braintree does not promote the full range of the overnight accommodation available to visitors and the Council needs to fully understand the range, quality and availability of the offer. Working with the private tourism sector, the Council should assist in creating the appropriate tourism environment to develop high quality accommodation providers of all types throughout the district.

With the creation of a dedicated tourism website, there is then an opportunity for advertising of visitor accommodation. Commercialisation of the website should be considered by offering enhanced listings or 'feature' properties.

Consider sponsorship and charging opportunities across our tourism information to provide a source of ongoing revenue funding

There is an opportunity to commercialise the Grape and Grain Trail through advertising. Existing producers that wish to have a larger profile on the trail map or advertising space a charge could be levied.

Once the Visit Braintree District tourism website is established, enhanced features advertising and dedicated communications about specific businesses would be chargeable.

Using our own assets to develop and promote tourism

We will utilise our own assets, such as Braintree Town Hall, to promote and bring together tourism related businesses across the district for events. We will also continue to work closely with Braintree District Museum Trust to promote heritage and tourism across the district.



Delivering the Tourism Plan

Braintree District Tourism Partnership

It is proposed that a Braintree District Tourism Partnership is established with representatives from the public and private sectors to oversee the delivery of the Tourism Plan and to recommend amendments and changes to it as required. This Partnership should be chaired by a representative from the business community sector and meet on a quarterly basis.

Funding

The funding of the Tourism Plan initially will be provided by the Council from existing budgets; this includes a commitment from the Council to establish and maintain a Visit Braintree District website. All opportunities to explore external funding should be maximised with the Partnership providing support to individual funding bids (for example, Heritage Lottery Fund and Arts Council) and having final responsibility for joint funding bids to, for example, any destination development funds that become available.

Measuring Success

The successes of this plan will be monitored in the following ways;

Measure	Timescale
Launch of a dedicated Visit Braintree District website	By end of 2019
Number of unique visitor hits on the website	Ongoing monitoring once website is live
One new trail launched per year	By end of year 2021
Number of hits on the dedicated Grape and Grain Trail pages on the Visit Braintree District website	Ongoing monitoring once website is live
Annual feedback survey from suppliers on the Trail/s	Yearly
Completion of a bed stock survey of the district	By end of 2019
Uptake of accommodation listing on Visit Braintree District website	Ongoing monitoring once website is live
Amount of sponsorship income received	Ongoing monitoring
Establishment of Partnership	By June 2019
Number of partners involved in the group	Ongoing monitoring once established



Earls Colne

Parish Council

Evidence base for Tourism Plan for Braintree District

The evidence gathered from the following sources has been analysed and used as the foundation of this plan. The plan has been produced to reflect the national, regional and local policies to ensure there is a shared and coherent approach to tourism development that does not contradict each other.

DEPARTMENT FOR DIGITAL, CULTURE, MEDIA & SPORT

The Tourism Action Plan produced in August 2016 by the Department for Digital, Culture, Media & Sport highlights the need for 'strengthening co-ordination and collaboration' and that 'the overall success of the tourism industry is contingent on its ability to work together to promote what it has to offer.' We are addressing this need in our plan by establishing a Tourism Partnership for the district.

SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP

The South East Local Enterprise Partnership's Strategic Economic Plan Evidence Base, produced in September 2017, acknowledges the added benefit tourism brings to the wider economy and business growth; 'The Creative industries and the Visitor Economy have a mutually beneficial relationship.

Creative industries play a key role in increasing local attractiveness and in turn drive business to the tourism sector. The visitor economy is enhanced by creative industries with cultural venues, events and festivals that attract repeat visits. Complementary to this, the tourism industry provides business opportunities to creative firms.' A key growth sector in the Braintree economy is Creative and Digital, therefore the development of tourism will benefit both direct and indirect supplies of the tourism sector.

ESSEX COUNTY COUNCIL

Priority 2 of the Essex County Council Organisational Strategy confirms their commitment to 'improve the image of the county, by enhancing our cultural offer and promoting the very best of Essex.' We will continue to work closely with our partners at Visit Essex to ensure there is a joined up approach to tourism for mutual benefit.

TOWN COUNCILS

Witham Town Council's Town Plan 2017 makes reference to the town's 'diversity of entertainment and community events, its excellent venues, and a vibrant programme of performing arts, attracting residents from surrounding areas to the town.' We will support the Town Council in the promotion of events and deliver in the Tourism Plan with their consultation.

Halstead Town Council's Action Plan 2018 identifies 'promote and support initiatives for improving tourism for Halstead' which we will continue to do.

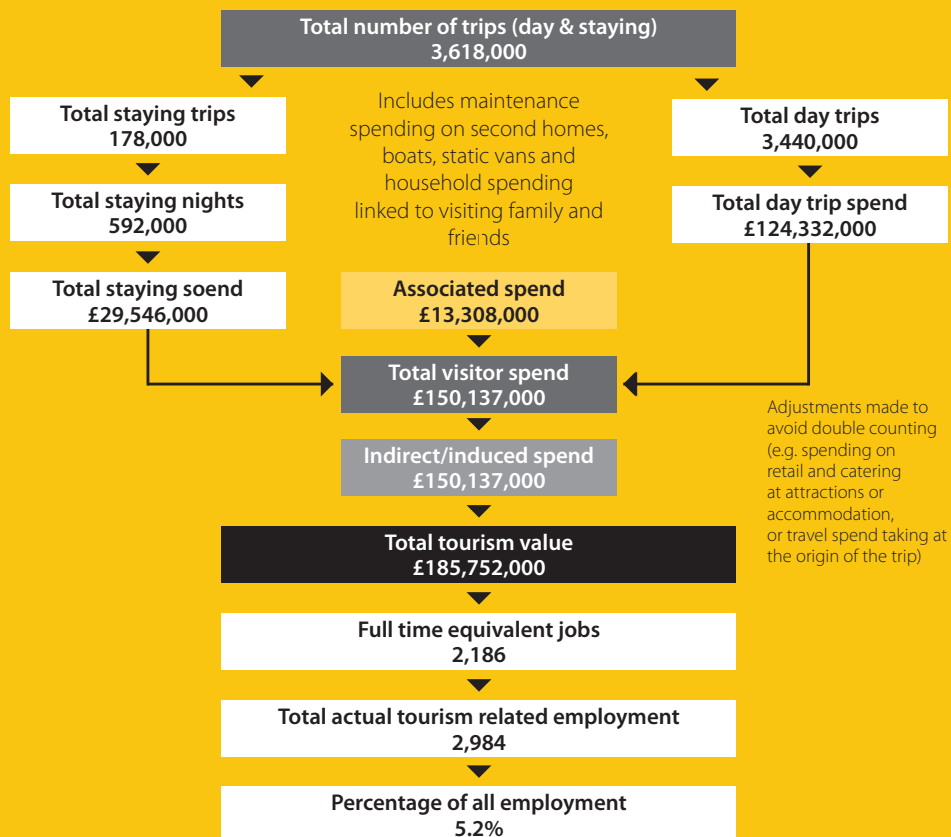
TOURISM PLAN

ECONOMIC IMPACT OF TOURISM VOLUME AND VALUES REPORT

The Council receives an Economic Impact of Tourism Volume and Values Report annually from Visit Essex. The report provides insights into the visitor economy within the district, including;

- Analysis of staying visitors, number of trips, accommodation type, spend, purpose of visit and duration
- Analysis of day visitors, number of trips and spend
- Direct and indirect expenditure associated with tourism
- Employment within the sector

The data indicates a year on year increase in day visits but from 2015-2016 the number of overnight trips has remained static.



Task and Finish Group into Tourism Potential in the Braintree District

In September 2017, a Task and Finish Group of Braintree District Members was formed to explore the tourism potential in the Braintree district. A series of evidence gathering sessions were carried out facilitated by tourism operators and stakeholders.

Evidence was contributed by the following parties;

- A&T Ventures
- Braintree District Council, Head of Planning Policy and Economic Development
- Braintree District Museum
- Haven Gateway Partnership, Executive Director
- Maldon District Council, Tourism and Events Manager
- Visit Essex
- West Street Vineyard
- Witham Town Council

A summary of evidence can be found in the appendices at the end of this document.

From the evidence put forward, Councillors proposed seven recommendations to improve tourism within the district. These recommendations were as follows;

- The Council should establish a tourism strategy to help guide its activities to support tourism businesses and the industry in the district.
- The Council should, as part of the Tourism Strategy, establish a dedicated tourism website to better promote the district externally and increase its digital presence.
- The Council should continue to support the Grape and Grain Trail initiative across the district and consider further external partnerships.
- The Council should consider other, similar, promotional opportunities to the Grape and Grain Trail to raise awareness of the depth of offer within the district.
- The Council needs to better understand its 'bed stock' including quality and promote accordingly.
- To consider sponsorship and charging opportunities across our tourism information to provide a source of ongoing revenue funding.
- Cabinet should consider an increase in staff and financial resources to harness the district's tourism potential for the benefit of economic growth.

Recommendations 1-6 were taken forward by Council and form part of the action plan set out at the end of this document.

TOURISM PLAN

BRAINTREE DISTRICT TOURISM PLAN WORKSHOP

Private sector tourism operators, stakeholders and Members were invited to a workshop to discuss the districts strengths and weaknesses in its current tourism offering. The workshop highlighted the following recurring themes.

ASSETS

Heritage

Market Towns

Historic Villages

Unique Events

Open & Green
Spaces

Local Produce

Railway

Challenges and how we will address them

Wayfinding

- A Council wide review of town centre wayfinding to improve the visitor experience and information availability.

Communication, Perception and Promotion

- Work together with Town Centre Partnerships, Town and Parish Councils and independently run tourist information offices at Freeport and Witham to promote the area.
- Raise the profile of Braintree district by using focussed, well produced information and digital technologies where possible.

Accommodation

- Support the promotion of the tourism offer and experience in Braintree district - including quality food and drink, accommodation, attractions, events and activities. Better understanding of the culture, heritage and landscape of the district and attractive and welcoming environments in the market towns of Braintree, Witham and Halstead which are key visitor destinations.
- Complete a bed stock study of the districts accommodation.

Horizon 120 Business Park – Investment in Infrastructure - PUBLIC		Agenda No: 6b
Portfolio	Economic Development	
Corporate Outcome:	A prosperous district that attracts business growth and provides high quality employment opportunities	
Report presented by:	Councillor Tom Cunningham, Cabinet Member for Economic Development	
Report prepared by:	Aidan Kelly, Interim Commercial Project Director	
Background Papers:		Public Report
5th February 2018 Cabinet Report and Minutes 5th September 2018 Members Delegated Decision		Key Decision: Yes
Executive Summary:		
<p>Following its February 2018 decision, the Council has now completed the purchase of a 63 acre site, at Great Notley, for development for employment purposes. The Council now has both the opportunity and the responsibility to realise the site's potential, achieving what the private sector, working alone, failed to deliver over the preceding 10 years.</p> <p>The site is allocated, in the current and the emerging Local Plan and benefits from the principles established by a previously adopted masterplan. The site has the capacity for up to 700,000ft² employment space, extensive structured landscaped areas and is immediately adjacent to the Great Notley Country Park.</p> <p>A key feature of the site, is that it is accessed from the A131 and has easy access to the A120. This location is exciting interest from companies in the Braintree to Bishops Stortford corridor, including those working with Stansted Airport. However, this location could lead to the site being dominated by logistics and distribution sheds with relatively low levels of skilled employment.</p> <p>During the latter half of 2018, a Members' Reference Group, led by Councillor T Cunningham, has worked with the Strategic Investment Team to develop an understanding of the local market and to crystallise a vision for how the site should be developed. That vision is explored, in more detail, in Section 3 of this report and seeks to strike a balance between commercial return and wider economic development impact.</p> <p>The vision is to create an exemplar business and innovation park attractive to a number of sectors including professional services, research, digital and development sectors and advanced manufacturing. The site is likely to be of particular interest to companies working with Stansted Airport.</p>		

The development will offer bespoke solutions, governed by a contemporary design code focussed on quality, sustainability and with a sense of place created by a “Hub”, which may include ancillary retail, a food outlet, serviced offices/meeting rooms, hotel, restaurant and childcare.

The development will reflect the changing world of work, offering “best in class”, fibre-optic connectivity, Wi-Fi hotspots, electric vehicle charging points and inherently flexible accommodation. It will also benefit from views over open countryside and paths or jogging trails linking to the Great Notley Country Park.

This paper addresses how this vision can be secured and delivered, with the minimum of delay in the currently uncertain commercial environment.

The key points are that:

- The marketing strategy will prioritise those companies and sectors which will offer the optimum number of high calibre career paths and training opportunities for local residents;
- A new masterplan will be developed, respecting the previously agreed principles and identifying zones for compatible development. One objective is to ensure that logistics and distribution companies do not dominate or disrupt the business environment;
- The “Hub”, and sense of place, will be delivered in the early phases of development;
- Investment, to deliver services and infrastructure, in phases, to facilitate the release of up to 20 acres (8.1 hectares) of serviced land, including provision for marketing costs, planning financial contribution, inflation and finance costs;
- Sales, of serviced land;
- Leases, of serviced land or buildings, at an equivalent Net Present Value (NPV);
- A schedule of delegation to facilitate effective decision-making within a commercial timescale;
- A reporting and review mechanism.

Recommended Decision:

That Cabinet approves:

1. The Corporate Director (Sustainable Development), in consultation with the Cabinet Member for Corporate Services and Asset Management and the Corporate Director (Finance) to authorise the disposal of land and the entering into contracts for the provision of utilities, services and as relevant the adoption of highways or other infrastructure, and to enter into legal agreements for the design and construction of infrastructure and site facilities;
2. The Cabinet Member for Asset Management in consultation with the Cabinet Member for Economic Development and the Corporate Director (Sustainable Development) to approve the disposal of up to 1 acre of land either in whole or part in accordance with the scheme of development for the delivery of place shaping facilities including Hotel, Gym, Restaurant / Café, or Nursery / Child Care facilities on the best available commercial terms;
3. The Corporate Director (Sustainable Development) in consultation with the Cabinet Member for Economic Development, the Cabinet Member for Asset Management, the

Cabinet Member for Finance and Performance and the Corporate Director (Finance) to approve the disposal of land in accordance with the development principles set out in the report where the premium for a long lease disposal is in excess of the threshold value per serviced acre and/or leases at an equivalent or better Net Present Value.

4. The Cabinet Member for Asset Management in consultation with the Cabinet Member for Economic Development, the Cabinet Member for Finance and Performance, the Corporate Director (Sustainable Development) and the Corporate Director (Finance) to approve the disposal of land in accordance with the development principles set out in the report where the premium for a long lease disposal is in excess of the threshold value per serviced acre and/or leases at an equivalent or better Net Present Value.
5. The delegations in recommendations 1 to 4 above shall expire on the third anniversary of the approval unless extended by the Cabinet. For the avoidance of doubt any approval given during the duration of the authority can be implemented notwithstanding the passing of this time limit.

That Cabinet recommends to Council that:

1. A budget, be approved to deliver services and infrastructure, in two or more phases, to facilitate the release of up to 20 acres (8.1 hectares), of serviced land, for sale and/or development.
2. That Council notes that funding of the project costs (including those costs previously approved for land acquisition) is to be from prudential borrowing, repayable from the capital receipts generated from serviced land sales and/ or the income from commercial lease arrangements. The level of prudential borrowing required will be subject to the Corporate Director (Finance) reviewing the overall financing of the Council's medium-term capital programme taking into account all the Council's capital resources over the period of the proposed development.

Purpose of Decision:

To enable the Council to:

- Design and construct the infrastructure required to make an initial 20 acres (8.1 hectares) available for sale and/or development;
- Agree sales or leases, of serviced land, on agreed terms, within commercial timescales;
- Generate a return on its initial investment, in acquiring the site.

Any Corporate implications in relation to the following should be explained in detail.

Financial:

A 'Base Case', based on two stages of development, with four phases of serviced land sales, has been modelled.

Receipts from the sale of serviced land would be treated under statutory regulations as capital receipts which can only be used for capital reinvestment and/ or repayment of debt.

The Council will have the option to explore alternative leasing arrangements which could convert gains from the development into a revenue income stream, rather than just capital. Any proposals for this would need to be appraised separately taking into account any additional capital and revenue costs, as well as the estimated lease income and strength of tenant covenant. The report provides an example of such an arrangement based on external advice regarding potential build costs and lease rental rates.

Where the Council expects to borrow for a capital purpose it must consider any requirement to set aside Minimum Revenue Provision (or MRP) which is a charge to the General Fund revenue account. As the base case assumes a 'develop and sale' approach, then, in line with the Council's policy on MRP, no provision needs to be made as the expectation is debt is repaid from the sale of serviced land. In the event that alternative lease arrangements are agreed, then a proportion of MRP will need to be taken into account in the evaluation of such proposals. Should sales of serviced land stall for any reason, e.g. due to a prolonged period of economic downturn, then it would be necessary to commence annual MRP charges to revenue. This would result in additional costs to the General Fund which have no directly associated funding stream.

The base case is modelled on the assumption that any borrowing cost incurred during development is capitalised. Borrowing costs can only be capitalised whilst a development is in progress, therefore there is a risk that if there are extended periods in which there is no active development capitalisation is suspended. This risk could apply where, for example, either the Council defers development, or sales stall due to economic conditions. Where capitalisation is suspended any financing of outstanding borrowing costs would be a charge to the General Fund revenue account.

The report contains a section on sensitivity analysis which presents the impact on the projects financial outcome from

	<p>changes in development costs, serviced land values, interest charged on borrowing, and the timing of serviced land sales. The key variant on the project's success is the value of each serviced land sale. A fall in value of greater than 25% would result in a negative financial outcome.</p> <p>Subject to obtaining further specialist VAT advice, the initial intention is for the Council to opt to tax the whole site in order that VAT on the land acquisition and future construction works and associated costs is fully recoverable by the Council. This will mean any subsequent sales of serviced plots or leases entered into will have VAT added to the amounts charged. The tax position of prospective purchasers and tenants will vary, and whilst it would be expected that most businesses would be able to recover any input VAT incurred, there could be some that are adversely affected by the Council's election to tax the site.</p> <p>Whilst not included in the base case model, the development of businesses on the site will increase the business rate tax-base of the district, the growth from which could be beneficial to the Council's revenue position. This is subject to the scheme arrangements introduced by the Government from April 2020, when it implements the new 75% Business Rate Retention Scheme.</p> <p>The Council's Corporate Investment Evaluation Tool has been completed by the appropriate officers in relation to this project. The scheme was assessed to generate a score of 7.50.</p>
Legal:	<p>The Council has the power to develop and sell commercial land, as set out in the report. This right is subject to the Council's best value duty and needs to be supported by appropriate decision making on individual transactions.</p> <p>As the development progresses, legal agreements will be entered into to support and structure disposals to ensure that the Council can continue to deliver.</p>
Safeguarding:	<p>All members of the professional team and the eventual main construction contractor(s) are required to provide satisfactory safeguarding policies.</p>
Equalities/Diversity:	<p>The new buildings will comply with all relevant disabled access requirements.</p> <p>The needs of those with protected characteristics will be considered in the development of the public realm and the development of the hub. There are no indications that to proceed with this project would have an adverse impact on the protected characteristics of any individuals.</p>

	All members of the professional team and the eventual main construction contractor are required to provide satisfactory equality and diversity policies as a prerequisite for selection.
Customer Impact:	The site has potential for 2,000 jobs thereby offering local residents employment, training and career path opportunities. It will also assist in alleviating the pressure on outwards commuting.
Environment and Climate Change:	Any newly constructed buildings will, as a minimum, need to comply with current environmental and climate change requirements. The development will include 30 allotments which are intended to be transferred to Great Notley Parish Council.
Consultation/Community Engagement:	Community consultation will be required and undertaken during the planning process.
Risks:	The Project Risk Register is appended and is summarised in Section 13 of this report.
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1.0 Background

1.1 In February 2018, Council considered a report recommending the purchase of this site as an effective means of delivering new employment sites in accordance with Corporate Strategy objectives.

1.2 The Great Notley employment site is the largest area of new employment development in the District. The Council had been expecting the site to come forward shortly after its allocation in the 2011 Core Strategy and has been extremely disappointed that the site has not been developed by the market, despite the clear need for new employment land in the District.

1.3 The need for the delivery of new employment land is demonstrated and supported by a number of key documents, from local, regional and national sources:

- **Building a Britain Fit for the Future:**

- The Government published its Industrial Strategy White Paper '*Building a Britain fit for the future*' on 27 November 2017 which aims to make the UK the world's most innovative nation by 2030. The White Paper highlights some 'sector deals' that contain funding opportunities which are likely to be relevant for our area particularly in relation to construction. In addition to taking advantage of the opportunities offered by the Industrial Strategy, North Essex should develop relationships with the London-Stansted-Cambridge and Oxford- Milton Keynes-Cambridge economic corridors.

- **Braintree District Employment Land Needs Assessment (August 2015):**

- The need for employment land is demonstrated by the Braintree District Employment Land Needs Assessment (August 2015), which concluded:
 - The District is projected to see a net growth in demand for employment land over the new Local Plan period, both in terms of office space and industrial space;
 - When considering which clusters to promote the Council should also consider proximity to public transport, links to the strategic road network and access to markets, which allow for more sustainable forms of travel to work, access to amenities, movement of goods and access to markets;
 - Given the projected demand for warehousing and contraction in manufacturing, over time, demand for older premises at industrial estates with poor strategic road access and internal circulation is expected to decline as logistics companies favour premises which offer good quality premises with ease of access, journey reliability and proximity to markets;
 - The demand assessment estimates that, under the medium demand scenario, there will be a net additional requirement for 53,400sqm of B1 floor-space in the District of Braintree over the Local Plan period to 2033. In order to meet this demand requirement, the Council should support the provision and retention of existing B1a/b use classes across the District and, in addition, promote the provision of new B1a/b use class employment land and premises at suitable locations. This includes land to the west of the A131 at Great Notley;

- There is also some evidence of medium sized businesses moving out from competitor locations in the property market area, such as Chelmsford, into medium sized, purpose build office premises in the District.
 - **Braintree Plan for Growth:**
 - The South East Local Enterprise Partnership (SELEP), Essex County Council, the local authorities located across North Essex and Essex University all have a role in developing and implementing an Economic Strategy for North Essex. There is already a rich body of information and analysis available from the Essex Economic Commission led by Dr Andrew Sentence. Whilst it concentrates on Essex as a whole, nevertheless there are some clear pointers for our District in the report entitled '*Enterprising Essex: Opportunities and Challenges*' published in January 2017. In particular, the report highlights that there has been slow historic growth with the prospect of future economic growth being 'constrained' and lower than national average unless some actions are taken especially to create a more attractive commercial offer and to improve the profile of Essex amongst businesses.
 - The Plan for Growth sets out to achieve both indigenous growth and inward investment in the District through identifying projects in three key priority areas; infrastructure and connectivity, business support and skills development. One of the sub-targets within the infrastructure priority is Employment Sites and Premises, which the purchase and development of this site would help to achieve by:
 - Providing a large scale new employment development site in the District with opportunities for clusters of key and emerging employment sectors to develop and expand;
 - Investing in incubation, start-up and grow on space which is not being provided by the open market;
 - Raising the profile of Braintree as a place to do business.
- 1.7 Having considered the report, the Council accepted the recommendations and resolved to approve a total of £5,800,000 plus VAT to fund the acquisition of the site including the access areas. In addition £468,000 was set aside to fund due diligence, on the acquisition, the development of the business case for the site and initial preparatory works for the development of the site.
- 1.8 A key condition, of the acquisitions, was that completion was dependent upon one of the vendors obtaining a satisfactory outline planning permission for development of the site for employment purposes and consistency with the adopted Masterplan. A further condition was that the acquisitions of both the site and the access areas would complete simultaneously.
- 1.9 The delays, which arose, in the application for a planning consent, led to the judgement that an alternative approach was necessary to ensure that the project was delivered before 2021.
- 1.10 Following updated valuation advice, Councillor McKee endorsed a Member's Delegated Decision, on 5th September 2018, to waive the planning and timing conditions. The acquisitions were completed on 21st December 2018.

2.0 The Vision

2.1 The Strategic Investment Team (the Team) has worked with a Members' Reference Group (the Group), chaired by Councillor T Cunningham. The Group also included Councillors F Ricci, D Mann, J Baugh, K Bowers and M Dunn.

2.2 The Group monitored progress, advised the Team on key issues and developed a vision, crystallising the Council's ambitions, for the site, in the context of advice on market conditions, the Council's Corporate Strategy and wider economic development agenda.

2.3 The Group has met on five occasions:

- **16th July 2018:**
 - Reviewed the February 2018 Council decision, progress to date and market conditions;
 - Reviewed objectives and confirmed that the early phases, of development, would be weighted towards recovery of the initial investment.
- **20th August 2018:**
 - Interactive sessions on vision, design brief and brand values;
 - Update on market conditions;
 - Considered criteria for selection of marketing agent.
- **24th September 2018:**
 - Development of brand values and messages
 - Further work on the vision;
 - Reviewed the risk register;
 - Considered a commercial proposal received.
- **22nd October 2018:**
 - Confirmed Horizon 120 as project name;
 - Reviewed progress with acquisition and planning;
 - Considered planning strategy and option of a Local Development Order;
 - Scoped the Business Plan.
- **17th December 2018:**
 - Reviewed report from marketing agent;
 - Reviewed draft Business Plan.

2.4 The Group recognised that the site has the potential to generate up to 2,000 jobs on-site but that that number would not be achieved if logistics and distribution companies were allowed to dominate as appears to have been the case on the nearby Skyline development.

2.5 The main elements of the emerging vision are:

- Exemplar standards of design and sustainability;
- Best available fibre-optic and Wi-Fi connectivity;
- A sense of place based around a hub providing ancillary retail, food outlets, childcare, a gym, a hotel and serviced offices and meeting rooms;
- Extensive, structured landscape providing pedestrian links to the Great Notley Country Park;
- A focus on companies in the advanced manufacturing, research & development, professional services, creative and digital sectors;

- Ideally the inclusion of a major, out-of-district employer, bringing 250+ jobs to Braintree.

3.0 Valuation

3.1 The February 2018 report, to Council, stated:

- *'Following the acquisition of the.....interests, the Council will own a property asset worth in excess of £7million compared to a total cost of £6,268,000 to assemble the site and develop a strategy for its future development'.*

4.0 Planning

- 4.1 The site comprises a gross site area of 25.5 ha. (63 acres) of which approximately 18.5 ha. (45 acres) is developable for B1, B2, B8 (industrial) and C1 (hotel) uses with the remaining 7 ha. (18 acres) required for structural landscaping.
- 4.2 This development site was included in the Core Strategy (2011) under Policy CS4 – Provision of Employment. The level of B8 use was, however, restricted to no more than 40% of the total floor area and the largest unit size was restricted to 7,500m².
- 4.3 At the Local Development Framework Sub-Committee meeting on the 6th February 2012, the Masterplan for the site was approved subject to the approval of an allotment provision within the site (30 allotments).
- 4.4 The Council is not an allotment authority for this area so the allotments would initially be offered to Great Notley Parish Council to own. If the Parish Council or a local community group did not take up this offer then the Council would undertake the management of the allotments.
- 4.5 The allocation of the site was carried forward into the emerging Local Plan in policy LPP2, Location of Employment Land, with the same proposals for the use of the land and the restrictions of B8 uses
- 4.6 After consideration, of the available options, it is now proposed that the Council develops a Local Development Order (LDO) for consideration by the Planning Committee and Council in late 2019. Local Planning Authorities have been able to produce LDOs since the introduction of the Town and Country Planning Act 1990. LDOs include a Design Code and will grant automatic planning permission for specified development, in a defined area, which fully complies with pre-determined criteria: for example on scale, massing, design and landscape treatment. LDOs have been used successfully, by a number of Local Planning Authorities, and are gaining increased importance as the Government encourages Local Authorities to streamline planning in order to increase certainty and reduce delay and cost in delivering sustainable development.

5.0 Due Diligence

5.1 **Legal:** The Council has acquired:

- The unencumbered freehold interest of all the Countryside land between the masterplan land and the A131;
- The freehold interest in the masterplan land subject to:
 - A covenant restricting development to use classes B1, B2, B8 and C1;
 - Two easements, in favour of Eastern Power Network, in respect of underground High Voltage cables along the northern boundary;
 - A Farm Business Tenancy, let to Mr Jack Wheaton, on terms which allow for phased release of land for development;
 - A 21 year time-limited overage agreement, in favour of Mr and Mrs Wheaton, for 50% of any uplift in value, if/when the Council implements a consent for different use classes such as residential;
 - A right for the vendor to connect to the estate road, at a position subject to the council's absolute discretion, on reasonable notice when the estate road is completed or after the 10th anniversary of completion;
 - If the above right is exercised, the Council is required to provide the estate road, to adoptable standards, to within one metre of the boundary;
 - If the above right is exercised, The Council will be entitled to receive a sum equivalent to 25% of the uplift in the retained land's value after deduction of infrastructure costs;
 - 21 year time-limited pre-emption agreement, or right of first refusal, for the Council to match offers received, by Mr and Mrs Wheaton, if/when they, acting with absolute discretion, decide to sell all or part of the "Retained Land" totalling 35.5 acres.

5.2 **Ground conditions:** The Council has been provided with the following reports, which confirm that there are no significant adverse site conditions:

- Geotechnical and land contamination;
- Ecology;
- Transport impact;
- Acoustic impact;
- Landscape;
- Archaeology.

5.3 **Infrastructure and Utilities:** The financial model is based upon a detailed report and cost estimate, provided by Alan Dadswell Construction Consultants and a report, by TriConnex, on the capacity of statutory services, for supply of gas, water, electricity and sewage, the need (if any) for reinforcement and distribution across the site.

6.0 **Development Options**

6.1 Having completed the acquisition unconditionally, the Council is in a position to offer clients a wide range of options.

6.2 However, there is an accepted imperative that the Council will ensure that development, and future re-development, is consistent with the agreed vision and design code. Sales will therefore be restricted to long leases or virtual freeholds, subject to conditions requiring Freeholder consent to development proposals.

- 6.3 The available options are:
- Sale of serviced land to commercial developers:
 - Sale of serviced land to “owner-occupier” businesses:
 - Provision of completed buildings to customer specification:
 - Speculative development of “shell & core” units:

7.0 Options Appraisal

Option	Pros	Cons	Recommended Yes/No
Sell the site on completion of purchase	<ul style="list-style-type: none"> • Profit (before costs of sale). 	<ul style="list-style-type: none"> • Lose control over development; • No long-term investment opportunities; • Limited guarantee of delivery. 	No
Sell the site with planning permission	<ul style="list-style-type: none"> • Profit (before costs of sale). 	<ul style="list-style-type: none"> • Lose control over development; • No long-term investment opportunities; • Limited guarantee of delivery, although greater than selling without planning permission. 	No
Encourage interest from distribution and logistics companies	<ul style="list-style-type: none"> • Would maximise rate of development. 	<ul style="list-style-type: none"> • Would not realise potential for 2,000 jobs; • Would undermine the vision; • May reduce land value. 	No
Sell serviced land to developers	<ul style="list-style-type: none"> • Insulates Council from development risk; • Generates capital receipts; • Utilises established supply chains; • Opportunity for be-spoke solutions in early phases. 	<ul style="list-style-type: none"> • Reduces scope for the Council to secure long-term investment opportunities; • Reduces Council ability to control choice of end-users. 	Yes
Sell serviced land to owner-occupier businesses	<ul style="list-style-type: none"> • Insulates Council from development risk; • Generates capital receipts. 	<ul style="list-style-type: none"> • Reduces Council control of delivery (customer may not be proficient at development); 	Yes

		<ul style="list-style-type: none"> Reduces scope for the Council to generate long-term revenue streams through leases. 	
Sale of completed buildings to customer specification	<ul style="list-style-type: none"> Increased profit opportunity. 	<ul style="list-style-type: none"> Council takes delivery risk and responsibility for supply chain. 	Yes - ideally with a partner developer
Leases of completed buildings to customer specification	<ul style="list-style-type: none"> Long-term revenue profit stream. 	<ul style="list-style-type: none"> Council takes delivery risk and responsibility for supply chain; Council takes lessor risk. 	Yes - ideally with a partner developer
Speculative development of "shell & core" units	<ul style="list-style-type: none"> Opportunity to deliver units for start-up and grow-on, local businesses. 	<ul style="list-style-type: none"> High risk exposure. 	Not recommended in early phases due to the risk exposure

7.1 The above indicates that the least risk, highest profit option would be to secure planning permission and to sell the site. However, this option is not recommended because:

- It is inconsistent with the Council's strategic investment programme and the decision to intervene to ensure delivery where the market has failed to perform previously;
- It would forego the long-term revenue potential offered by opportunities to lease premises to occupiers;
- Any capital profit realised can only be used for debt repayment or for capital expenditure and would not be available to mitigate the revenue deficit;
- It would limit the opportunity to deliver the vision of an exemplar business community.

7.2 The base case assumes that the Council is committed to both the development and long-term management of the Horizon 120 Business Park.

8.0 Financial Strategy

8.1 In February 2018, the Council approved a budget of £6.268 million to fund the land acquisition costs and to develop a strategy for the future development of the site. At the time it was agreed that this would be initially funded by internal borrowing i.e. using the Council's cash balances that are ultimately held for another purpose. As such this approach can only be temporary, with a longer term funding strategy determined as part of the detailed business case.

8.2 A 'Base Case' scenario has been developed against which other alternative options can be benchmarked. This scenario is based on the following key assumptions:

- 44 serviced acres out of a potential total 45 acres are developed for sale;

- The remaining 1 acre is held for the development of a central “Hub”, the delivery cost of which is not included in this appraisal;
- Construction costs have been provided by an external cost consultant, and allowance has been made for inflation at 5% per annum from late 2019;
- Allowances for professional fees, including marketing, sales fees, and internal project management, along with a 10% contingency;
- Construction of infrastructure and services is in two main phases, whilst sales are forecast over four separate phases:

Table: Phasing of Development and Serviced Land Sales		
	<u>From</u>	<u>To</u>
<u>Development Phases:</u>		
Phase 1(a)	Aug-19	Mar-20
Phase 1(b)	Aug-20	Nov-20
Phase 2	Feb-22	Feb-23
<u>Direct Sales</u>		
Phase I	Mar-20	Oct-20
Phase II	Nov-20	Jun-21
Phase III	Sep-22	Aug-23
Phase IV	Feb-23	Feb-24

- 8.3 Development interest is charged and is assumed to be capitalised during the whole period of development. In the event that development stalls then the ability to capitalise interest stops and any financing costs become a charge to the General Fund revenue account;
- 8.4 Where the Council is developing assets for sale and is incurring borrowing, under the Council's current Minimum Revenue Provision (MRP) policy (as agreed by Full Council as part of the overall Treasury Management Strategy), no MRP shall be provided, which would otherwise be an annual charge to the General Fund revenue account based on estimated economic life of the asset(s) involved. Instead, MRP will be met by applying the capital receipts generated from land sales to pay down debt. Should circumstances change, e.g. it is decided to lease plots (either land and/ or with buildings erected), or if sales are likely to be deferred for an extended period, then an MRP charge to revenue will be required.
- 8.5 During the project the Council may have opportunities to take a longer-term investment horizon to generate revenue income rather than just selling serviced land plots, the return from which is capital. This could be through some form of leasehold arrangement, which could include assets as well as the serviced land, which is either developed by a third party and/ or by the Council. Such opportunities will need to be subject to separate financial appraisals, taking into account the associated additional expenditure required by the Council – both capital and revenue; the lease terms being proposed; and the covenant of any prospective tenant. In these circumstances there will be finance interest costs and MRP to be included in any assessment of the impact on the revenue account. The assumption is that such opportunities would only be pursued where they compare favourably against the Base Case scenario in terms of its impact on the Council's capital and/ or revenue position.

9.0 Funding Strategy

- 9.1 The Base Case assumes that any cash flow shortfall is met by prudential borrowing. However, the Council has the option to apply its own capital resources (e.g. any balances of other capital receipts) in order to minimise the amount of external debt incurred. These capital receipts could then be replenished from the sale of serviced land. This scenario would reduce the amount of capitalised interest charged to the project but would also reduce the level of interest earned on cash investments. However given the difference in interest rates for borrowing and short-term investments, this should increase the longer-term capital surplus on the project. What will need to be taken into account is any loss of investment income would have an immediate impact on the revenue account, whereas savings on debt would be a capital gain. The position is subject to many varying factors and, therefore, it is proposed that the financing arrangement needs to be kept under review in light of the Council's overall capital strategy and as such is a matter for the Corporate Director (Finance) to determine.
- 9.2 To assess any alternative long-term options for leasing or similar arrangements will require some feasibility work to be carried in advance of any formal agreement. The resources approved by Full Council in October 2018 to fund the permanent structure for the Strategic Investment Team included a feasibility fund of £200,000 per annum. It is proposed that part of this funding could be utilised on appraisals linked to Horizon 120. However, the position will need to be kept under review should there be a high level of demand coming from interested parties which would require additional resources to be allocated.
- 9.3 **VAT:** Subject to obtaining further specialist VAT advice, the initial intention is for the Council to opt to tax the whole site in order that VAT on the land acquisition and future construction works and associated costs is fully recoverable by the Council. This will mean any subsequent sales of serviced plots or leases entered into will have VAT added to the amounts charged. The tax position of prospective purchasers and tenants will vary, and whilst it would be expected that most businesses would be able to recover any input VAT incurred, there could be some that are adversely affected by the Council's election to tax the site.

10.0 Legal Implications:

- 10.1 The Council has acquired the site under the general powers to acquire land by agreement contained within the Local Government Act 1972. Accordingly it has the power to utilise the land for any related purpose including for use as a business park and ancillary land uses.
- 10.2 The Council has a matching power Section 123 of the Local Government Act 1972 to dispose of land for best consideration, which will be used to enable the sale or leasing of land.
- 10.3 In assessing the best consideration which is reasonably obtainable, the Council must take into account prevailing market conditions, together with reasonable estate management requirements.

- 10.4 Whilst each transaction has to be considered on its merits, a holistic overview of the estate is also relevant to be taken into account. Therefore the Council can choose to adopt a scheme whereby some elements of the overall site may need to have lower initial land values, where these provide wider social, economic, or environmental benefits to the Horizon 120 project or indeed the local area.
- 10.5 Equally in considering the overall best value approach of the whole development, a lower return on one aspect may well support greater returns on other elements.
- 10.6 In assessing individual transactions the Council will have to have regard to valuation advice which will need to indicate that the proposed transaction represents a commercially appropriate arrangement.
- 10.7 The proposed delegations represent flexibility to enable commercially acceptable terms to be implemented in an effective commercially realistic timescale. The approach of setting an initial target return for a decision by the Corporate Director enables effective commercial responses, the lower threshold reserved to Members allows for the consideration of wider factors such as larger scale acquisitions (volume discount) or the ability to attract a key inward investor which supports the wider economy of the district. Where the proposals are still considered to represent a strong proposition, but do not fit the scope of the delegations, the transaction can be referred to Cabinet for consideration, although at that point this report will be a key consideration against which any proposal can be assessed.
- 10.8 The allocation of the limited area of the site for the specific function of creating a sense of place and community facilities will by its very nature require the acceptance of lower initial land value than that attainable on the more commercial areas of the site. The evidence shows that the delivery of these key areas of community facility enable the delivery of higher values within the pure commercial elements of the site, therefore equating to the Council meeting overall best value obligation in addition to the corporate objectives.
- 10.9 The Council is intending to offer long leases, sometimes known as virtual freeholds, the purpose behind which is to ensure that the Council retains a long term interest in the site, as well as landholder control over development. Whilst there is a continued control through the planning system, this is limited to the extent of available national policy. For example recent relaxation in permitted development rights enabled, through the planning process, the conversion of commercial properties to residential. With freeholder leasehold control the Council would be able to block such conversions within the Horizon 120 site. In addition the use of a leasehold arrangement enables the recovery of service charges to ensure that appropriate landscaping and communal facilities are paid for by the users of the estate rather than being part of the Council's general fund.
- 10.10 The introduction of a time limit on the delegations to approve disposals is unusual for this Council. Such time limits are entirely lawful and ensure that the proposals will be brought back for future consideration. In this case the development is expected to take considerably longer than 3 years to be built out

and it is therefore anticipated that the review will enable a reconsideration of the strategy and approach. At the point in time where it is considered again Members will be in a position to either reaffirm the existing approach or set new expectations which reflect the market and relevant priorities which are relevant at the time.

11.0 Risk

11.1 A detailed risk register is held by officers and is summarised below:

Nature of risk	Probability	Effect	Mitigation
Development Risks			
Increases in capital costs	M	Undermines viability May impact on the scale and quality of works undertaken.	Professional advice and fixed price, design and build contracts.
Delays	M	Late completions may lead to breach with purchaser or lessee. Impact on delivery of the sense of place allows the establishment of working patterns which mean it becomes just another site. Failure to attract the right types of businesses.	Robust contractor selection and programme management.
Failure to deliver expected quality standards	M	Leads to customer dissatisfaction and undermines brand.	Robust contractor selection and programme management. Detailed Employers Requirements Robust Design Code within the Local Development Order.
Failure to obtain a satisfactory planning permission free from onerous conditions	L	Leads to delay in development and reduced commercial returns. Undermines ability to respond, to enquiries, within a commercial timescale.	Collaborative approach, with Development Team, to produce a Local Development Order.
Marketing risks			
Failure to secure sales and/or leases on satisfactory terms	L	Delays recovery of initial capital investment leading to higher overall costs.	Avoid speculative development. Seek commitments for Phase 1 before investing in infrastructure.
Development depends upon	M	Undermines the vision of an exemplar business community,	Pro-active marketing strategy targeting

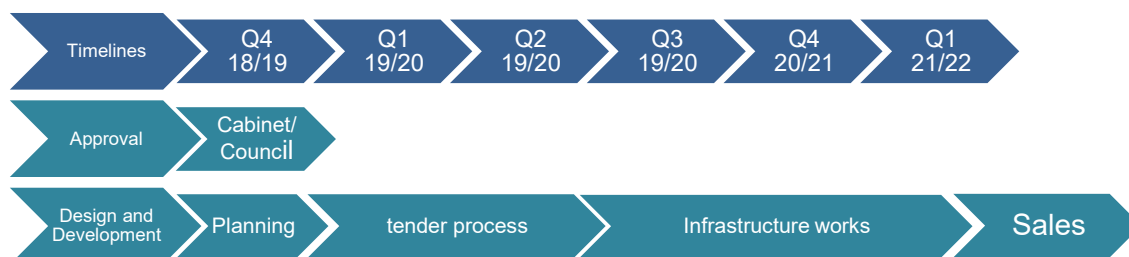
interest from distribution companies		attractive to companies with a skilled workforce.	preferred sectors. Willingness to refuse.
Uncertainty, caused by Brexit or other macroeconomic issues, leads companies to defer investment in new premises	H	Delays recovery of initial capital investment.	Concentrate initially on pent-up local demand from companies needing to expand and/or move on lease expiry..
Operational risks			
Failure to deliver a viable & attractive hub, creating a sense of place	M	Undermines value potential on remainder of site.	Target for marketing strategy to secure required operators. Acknowledge and accept lower values will be generated within the hub The Council may wish to invest to secure this.
Failure to maintain standards on landscape & communal areas	M	Leads to customer dissatisfaction and undermines brand.	Prepare business case for on-site management team. Explore commercial facilities management.
Failure to ensure a secure environment	M	Leads to customer dissatisfaction and undermines brand.	24/7 CCTV system & Secured By Design.
Asset Management Risks			
Failure to control standards of future re-development	H	Undermines the vision of an exemplar business community, attractive to companies with a skilled workforce.	All sales to be on long leases (virtual freeholds) requiring freeholder consent.
Failure to future-proof in medium/long term	H	Leads to a declining and out-dated asset.	Develop an ambitious, proactive asset management strategy.
Failure to optimise return on investment	H	Leads to under-performance of investment.	Enhance asset management systems required.
Displacement of occupiers from existing Council owned properties	M	The Council could have voids within its traditional estate which may lead to loss of revenue and a decline in other areas.	The Council will work proactively to secure tenants for its existing units and to ensure that there is appropriate marketing of these.

12.0 Impact Assessment

Corporate Strategy Objective	Direct Impact of Proposed Scheme
A sustainable environment and a great place to live, work and play.	The development will include extensive, structured landscape with links to the Great Notley Country Park. A Design Code will be developed and will seek to ensure that all buildings exceed basic building regulation requirements and include measures to limit energy consumption. On-site micro-generation will be explored.
A well-connected and growing District with high-quality homes and infrastructure.	A key objective will be to reduce outward commuting, by Braintree residents
A prosperous District that attracts business growth and provides high-quality employment opportunities.	Despite the currently uncertain macro-economic climate, there is clear evidence that the site is attracting local and sub-regional companies seeking to expand
A high performing organisation that delivers excellent value for money.	The site will generate a positive commercial return with a projected, modified IRR of 8.65%. There will be opportunities to convert land sales to leases providing a profitable, long-term income stream thereby helping to address the Council's projected revenue deficit.

13.0 Indicative Programme

13.1 The indicative programme, covering approval, design, planning, procurement and delivery is as follows:



13.2 Subject to Cabinet and Council approval, critical scheme events (planning submission, tender process, letting of build contract) are dependent upon successfully passing the following gateways:

Gateway 1 – Q4 2018/19:	<ul style="list-style-type: none"> Cabinet and Council approval secured for further investment in infrastructure; Start of planning process; Launch of Marketing Strategy.
Gateway 2 – Q1 2019/20:	<ul style="list-style-type: none"> Tender documents for the procurement of a contractor; 6 month notice for part termination of farm business tenancy.
Gateway 3 – Q2 2019/20:	<ul style="list-style-type: none"> Tender report and contract sum for build; Contract let.
Gateway 4 – Q1 2020/21	<ul style="list-style-type: none"> Initial sales agreed.

14.0 Communications and Public Relations

- 14.1 The communications strategy has identified three audience segments and will target messages accordingly. Key project milestones will be promoted through public relations activity and social media and refer back to the 'bigger picture' message around 'our growing district'. The ultimate aim of all communication is that all staff, residents and stakeholders have a clear understanding and a positive perception of our vision, aims and achievements for Horizon 120 Business and Innovation Park.
- 14.2 The identified segments are:
- Business;
 - Public;
 - In-house (Members and staff).
- 14.3 **Business:** Horizon 120 was officially revealed as part of the £100 million investment launch and received positive press coverage. Joscelyne Chase, the Council's appointed marketing agent is developing a marketing strategy and has commenced a programme of direct, informal approaches to the owners and Managing Directors of local businesses and commercial developers. The marketing strategy will identify key marketing opportunities such as MIPIM UK 2019. Marketing material and a website are being developed in readiness for a formal marketing launch in the first half of 2019.
- 14.4 **Public:** A plan has been developed, and kept under regular review, to identify milestones and key events to be supported by media releases, reinforcing the strategic approach being adopted, the progress achieved and the positive impact on the wider community. Care will be taken to clarify that the development will benefit the entire District and not just Braintree.
- 14.5 **In-House:** The above plan will be mirrored by internal communications, also at milestone and key events, to deliver a positive message that the development delivers on the Council's Corporate Objectives, generates revenue to support core services and is not a diversion of energy or resources.

15.0 Displacement

- 15.1 It has been established that the primary market or catchment area, for Horizon 120, will be the A120 corridor, from Braintree to Bishops Stortford. It has also been established that, despite current political and uneconomic uncertainties, there is pent-up demand from local businesses which need room to expand or whose leases are nearing expiry.
- 15.2 There is therefore the probability that businesses, relocating to Horizon 120, will vacate premises, elsewhere in the District, potentially having an adverse economic development impact, in that area, if those premises are not re-let or sold quickly.
- 15.3 The Council has a wider economic development agenda and will be concerned about the wider impact rather than just the financial performance of Horizon 120.

- 15.4 It is therefore recommended that the Council accepts the principle that pragmatic assistance (e.g. with marketing), which can be provided from within existing resources, be offered whenever judged reasonable and appropriate, by the Corporate Director (Sustainable Development). Financial investment will be dependent upon a specific business case being presented to and approved by Cabinet.

16.0 Reporting and review

- 16.1 As this is the largest, current investment, by the Council, it is considered important that there is clarity about both the agreed objectives and the results/progress being achieved.
- 16.2 It is therefore proposed, in addition to the usual monthly management reporting, that the Members Reference Group continues to meet, on a quarterly basis, identifying progress achieved, obstacles encountered, financial projections and an updated Risk Register
- 16.3 Given the scale and critical importance, of the development, it is also proposed that the project be subject to a fundamental review, to be considered by Cabinet, after three years.

17.0 Legacy and stewardship

- 17.1 As outlined in Section 2.0 above, the vision is to create an exemplar business, and innovation, park attractive to a number of sectors including professional services companies, research, digital and development sectors and advanced manufacturing. There is every confidence that the Vision can be achieved through the design, marketing and development processes.
- 17.2 However, it is recognised that, without proactive management in the medium and long-term, Horizon 120 will gradually become outdated and potentially lose its exemplar quality.
- 17.3 It is therefore proposed to develop a business case for an on-site, professional service delivery team and an enhanced asset management strategy. This strategy will address more than letting or re-sale of buildings when they fall vacant, as this, if it is the sole focus, will lead to a declining asset. The strategy will therefore consider how the Council may be able to ensure that Horizon 120 adapts to the changing world of work, market conditions and emerging technologies.

18.0 Summary

- 18.1 Approval of the proposals contained within this report will enable the Council to deliver up to 2,000 jobs; a significant contribution to the Corporate Plan objective of 14,000 jobs.
- 18.2 The proposals will also deliver a positive return on investment including long-term revenue streams helping to mitigate revenue deficits

Cabinet Member Decisions made under delegated powers		Agenda No: 7
Portfolio See body of report Corporate Outcome: Report presented by: Not applicable – report for noting Report prepared by: Chloe Glock, Governance Business Officer		
Background Papers:		Public Report
Cabinet Decisions made by individual Cabinet Members under delegated powers.		Key Decision: No
Executive Summary: All delegated decisions taken by individual Cabinet Members are required to be published and listed for information on next Cabinet Agenda following the decision. Since the last Cabinet meeting the following delegated decisions have been taken (details as at time of decision): Councillor Graham Butland – Leader of the Council. Decision taken on 28th November 2018 Approve the changes to the Constitution of the Police, Fire and Crime Panel for Essex. Councillor Richard van Dulken - Deputy Cabinet Member for Environment and Place. Decision taken on 29th November 2018 That the Council agrees to: i) Enter in to a 10 year Service Level Agreement with Suffolk County Council from 16 th May 2019 to 15 th May 2029 and pay a fee of £1 for each tonne pf Dry Mixed Recycling delivered to their Contractor’s Material Recycling Facility (MRF). ii) Join Suffolk County Council’s Contract for the Provision of Sorting and Marketing Mixed Dry Recyclate for a 10 year period from 16 th May 2019 to 15 th May 2029. Councillor Mrs Wendy Schmitt - Cabinet Member for Environment and Place. Decision taken on 12th December 2018 To approve the amendment of the Disabled Facilities Grant (DFG) policy to allow discretionary funding for stair lifts only, to be installed without the necessity for means testing of the applicant. Should it be determined that funding is likely to be insufficient to		

provide for mandatory DFG's it remains appropriate to withdraw this discretionary provision without further notice.

Councillor Graham Butland – Leader of the Council. Decision taken on 19th December 2018

To agree to amend the Articles of Association to remove the quorate requirement for three directors and replace it with a quorate requirement of two directors, to reflect the actual number of appointed directors to west of Braintree Ltd.

Cabinet Decisions made by individual Cabinet Members under delegated decisions can be viewed on the Access to Information page on the Council's website.

www.braintree.gov.uk

Recommended Decision:

For Cabinet to note the delegated decisions.

Purpose of Decision:

The reasons for decision can be found in the individual delegated decision.

Any Corporate implications in relation to the following should be explained in detail.

Financial:	None arising out of this report.
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Legal:	None arising out of this report.
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Safeguarding:	None arising out of this report.
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Equalities/Diversity:	None arising out of this report.
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Customer Impact:	None arising out of this report.
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Environment and Climate Change:	None arising out of this report.
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Consultation/Community Engagement:	None arising out of this report.
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Risks:	None arising out of this report.
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Officer Contact:	Chloe Glock
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Designation:	Governance Business Officer
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