

Cabinet AGENDA

Monday, 26th November 2018 at 7:15pm

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

THIS MEETING IS OPEN TO THE PUBLIC
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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

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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 10th September 2018 (copy previously circulated).	
4	Public Question Time (See paragraph above)	
5	HEALTH AND COMMUNITIES	
5a	Fusion Lifestyle Annual Report to Cabinet To receive a presentation from Carl Bentley, Divisional Business Manager.	
6	OVERALL CORPORATE STRATEGY AND DIRECTION	
6a	Leader's Update Leader of the Council to give a brief update on key issue and activities.	
6b	North Essex Garden Communities Ltd – Shareholder Approvals and Update	6 - 81
7	FINANCE AND PERFORMANCE	

7a	Medium-Term Financial Strategy 2019-20 to 2022-23	82 - 122
7b	Second Quarter Performance Management Report 2018-19	123 - 155
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8a	Business Support and Engagement Strategic Plan 2019-2022	185 - 207
9	ENVIRONMENT AND PLACE	
9a	Civil Penalty Charging Policy	208 - 217
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10a	Proposed Development of New Healthcare Facilities on the Premdor Site in Sible Hedingham - PUBLIC	218 - 231
11	Cabinet Member decisions made under delegated powers	232 - 233

AGENDA – PRIVATE SESSION

No	Title and Purpose of Report	Pages
12	CORPORATE SERVICES AND ASSET MANAGEMENT	

**12a Proposed Development of New Healthcare Facilities on the
Premdor Site in Sible Hedingham – PRIVATE**

North Essex Garden Communities Ltd – Shareholder Approvals and Update		Agenda No: 6b
Portfolio	Overall Corporate Strategy and Direction Environment and Place Planning and Housing Economic Development Finance and Performance Corporate Services and Asset Management	
Corporate Outcome:	A sustainable environment and a great place to live, work and play A well connected and growing district with high quality homes and infrastructure A prosperous district that attracts business growth and provides high quality employment opportunities Residents live well in healthy and resilient communities where residents feel supported A high performing organisation that delivers excellent and value for money services Delivering better outcomes for residents and businesses and reducing costs to taxpayers	
Report presented by:	Councillor Graham Butland, Leader of the Council	
Report prepared by:	Jon Hayden, Corporate Director	
Background Papers:	Public Report	
Cabinet report and minutes 4th February 2016 Cabinet report and minutes 29th November 2016 Council report and minutes 12th December 2016 Cabinet report and minutes 5 th September 2017	Key Decision: Yes	
Executive Summary:		
<p>North Essex Garden Communities Ltd (NEGC Ltd) was established in January 2017 by Braintree, Colchester, Tendring and Essex County Councils (the company shareholders) and is the strategic delivery vehicle for the North Essex Garden Communities project. The basis for this is the Councils shared ambition to promote, plan and deliver sustainable strategic growth at scale and over the long-term; providing the housing, employment and necessary supporting infrastructure required to ensure the best outcomes for current and future communities of North Essex.</p> <p>In the period to date NEGC Ltd has developed its strategic rationale and operational capacity with the support of both its' shareholder Councils, the Ministry of Housing, Communities & Local Government (MHCLG) and key national agencies such as Homes England. The North Essex Garden Communities project is part of the national Garden Towns Villages & Cities programme run by MHCLG which provides direct access to other Garden Towns with associated learning and knowledge/information sharing</p>		

opportunities, and resources. NEGC Ltd is the largest and most ambitious project in the programme.

The role of NEGC Ltd has been successfully developed to the point where it is a fully operational company recognised by the public, private sectors, and local communities, as the focal point for the North Essex Garden Communities project. This includes developing a strategic proposition for the North Essex Garden Communities which has gained significant traction with key government departments and the development industry. This report provides an update on overall progress to date and seeks approval of key documents and resources which are required to ensure the effective operation of the company moving forward.

This report overall seeks the Council, as one of the 4 shareholders, to continue to support North Essex Garden Communities Ltd as the strategic delivery vehicle for the North Essex Garden Communities projects through approval of both an Interim Business Plan, Budget and Financial Procedures.

The Board of NEGC Ltd has agreed an Interim Business Plan for 2018-19 for approval by its shareholders setting out the vision, objectives, work streams and funding requirements for the company in order to continue to support delivery of North Essex Garden Communities. Key tasks during the year are to evolve the approach to master-planning, innovation, economic development, programme funding, governance and delivery including consideration of transition towards a locally led development corporation style of approach to delivery of the NEGC project. The potential for the establishment of a Development Corporation will form part of an options appraisal of a range of options for future delivery of the NEGC programme.

The Interim Business Plan is a precursor to the future preparation of a 5 year Business Plan which will be progressed when further progress is made with the Local Plan. This is considered to be the best, and most prudent, approach to ensuring that NEGC Ltd continues to deliver positive outcomes on behalf of shareholders and grant funders as the overall North Essex Garden Communities project progresses.

The Interim Business Plan includes a draft budget for 2018/19 which requires agreement of shareholders (as part of agreeing the Interim Business Plan). The budget is based on an expenditure of £2.967m against an income of £3.216m. The assumed income includes an additional £100k contribution from shareholder Councils within 2018/19.

The budget currently assumes an additional £1m from Government in 2018/19. A final determination is still awaited on the exact amount of Government support; however, in the event that this support is less than is assumed, NEGC Ltd will scale back and/ or cease certain activities contained within the interim business plan, commencing from the beginning of January 2019, so as to mitigate the budget shortfall. In these circumstances Councils will also be provided with a further update.

The forecast end of year balance is £249k which is assumed will be carried forward to future years. This report therefore seeks agreement to commit £100k from the Council subject to a formal request from NEGC Ltd.

To date the funding and spending for NEGC Ltd has mostly taken place through Colchester Borough Council's accounts. The Interim Business Plan assumes that in future is that a significant part of the 2018/19 budget will pass to NEGC Ltd, although

with some project costs being retained within the Council's account. The allocation of costs will be based on assumptions of which costs should be appropriately met by NEGC Ltd. It is proposed that the allocation between the authority accounts and NEGC Ltd will be determined by the shareholder council's Section 151 officers.

Alongside the Interim Business Plan NEGC Ltd is required to conduct its business efficiently and to ensure that it has sound financial management policies in place, which are strictly adhered to. Part of this process is the establishment of Financial Regulations, which set out the framework which NEGC Ltd will use to manage its financial affairs, and this this requires the approval of shareholders.

Recommended Decisions:

1. To approve the implementation of an Interim Business Plan (subject to confirmation of government funding) for NEGC Ltd for 2018/19 including the associated Budget as set out in Appendix A;
2. To approve the Financial Procedure Rules for NEGC Ltd as set out in Appendix B;
3. To authorise the Section 151 Officers to agree any allocation of the project funds held by Colchester Borough Council between NEGC and the North Essex Authorities;
4. That Cabinet recommends to Council that it allocates £100,000 from the balance of unallocated New Homes Bonus to fund the work of NEGC Ltd in the development of the project upon a formal request by way of a NEGC Board resolution.
5. To note that a report will be considered at a future Cabinet and Council meeting in respect of funding assumptions for 2019/20; and
6. To agree the preparation of a full options appraisal of the Garden Communities delivery options to enable members to take future decisions on potential Development Corporation proposals, with linked oversight arrangements between the North Essex Authorities.

Purpose of Decision:

- 1.1 This report provides an update on progress to date and the current position regarding the North Essex Garden Communities Project and seeks the approval of key documents which are necessary to enable North Essex Garden Communities Limited (NEGC Ltd) to operate more effectively.
- 1.2 Note that this report does not, other than for information, address any Local Plan issues. Decisions relating to the Local Plan and any wider planning functions are dealt with separately. Any decisions made in relation to, or by, NEGC Ltd cannot predetermine or prejudge the outcome of the proper Local Plan process.

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

<p>Financial:</p>	<p>The Interim Business Plan for NEGC Ltd for 2018/19 including the associated Budget includes provision for an additional £100,000 contribution from each of the partner authorities, to be paid upon formal request by way of a NEGC Board resolution. Currently, the Council is estimating a balance of £322,000 of unallocated New Homes Bonus at the end of March 2019. It is therefore proposed that the Council's £100,000 contribution is funded from this balance.</p>
<p>Legal:</p>	<p>The Council has the power to pursue the indicated approaches through the Localism Act 2011. However should specific powers be sought or implemented a future report will have to consider the detailed provisions relating to that decision. The updates to the New Town 1981 and associated regulations summarised in the report give opportunities which should be considered fully by the Council.</p> <p>It must be recognised, that this report is considered in the context of the Council as shareholder of the North Essex Garden Communities Limited, the consideration in this context does not define or restrict the Council where it considers the Local Plan or related matters which must be considered in light of the relevant statutory frameworks.</p>
<p>Safeguarding:</p>	<p>No matters arising out of this report.</p>
<p>Equalities/Diversity:</p>	<p>No specific Equality Impact Assessment, has been prepared for this report, however impacts and issues are considered within the report and as part of the ongoing work of the project and NEGC Ltd.</p>
<p>Customer Impact:</p>	<p>The proposals will enable the delivery of sustainable communities which have the delivery of infrastructure as a key requirement ensuring that they are good quality places to live and work.</p>
<p>Environment and Climate Change:</p>	<p>The design and delivery of these communities will take into account garden community principles. This is managed through the Local Plan process and the planning frameworks. By having a strong stake in the delivery of the communities the Council will be in a position to support suitable standards and infrastructure to mitigate impacts.</p>
<p>Consultation/Community Engagement:</p>	<p>The Local Plan process including the master planning processes for these communities enables significant public consultation and engagement. Within the Interim Business</p>

	Plan there are a number of elements of engagement and consultation proposed.
Risks:	The NEGC budget currently assumes an additional £1m to be received from Government in 2018/19. A final determination is still awaited on the exact amount of Government support; however, in the event that this support is less than is assumed, NEGC Ltd will scale back and/ or cease certain activities contained within the Interim Business Plan, commencing from the beginning of January 2019, so as to mitigate any budget shortfall. In these circumstances Councils will also be provided with a further update.
Officer Contact:	Jon Hayden
Designation:	Corporate Director
Ext. No:	2560
E-mail:	Jon.Hayden@braintree.gov.uk

1. BACKGROUND

- 1.1 Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council (the North Essex Authorities) as Shareholders for NEGC Ltd have been working on an agreed strategic approach to the allocation and distribution of large scale, mixed use development, including employment opportunities and infrastructure provision, in the form of Garden Communities.
- 1.2 As part of this agreed approach, Cabinet of each of the Authorities agreed in December 2016 to establish a dedicated delivery structure and special purpose vehicle for the Garden Communities. This included:
 - The setting up of NEGC Ltd, being a corporate entity wholly owned by all the four Authorities; and
 - To approve the NEGC Limited Shareholder Agreement, with each Authority holding an equal shareholding.
- 1.3 Since this approval, NEGC Ltd has been formally established with Directors being appointed by each of the North Essex Authorities. The Board of NEGC Ltd is currently chaired by Essex County Councillor, John Spence and since January 2017 has been meeting regularly.
- 1.4 In September 2017, Cabinet of each Authority supported the approach of NEGC Ltd and its Directors to actively engage with Government to promote the positioning of the NEGC Ltd as a “Responsible Body” for the establishment of a single new locally controlled Development Corporation across all three of the proposed North Essex Garden Communities – subject to the consideration of this approach by Members after the publication of the Regulations.
- 1.5 In order to enable NEGC Ltd to move forward it is required to adopt a number of key documents, procedure rules and approve its budget for the 2018/19 financial year. Under the terms of the Shareholders Agreement, the Shareholders prior written consent is required for a number of reserved matters. This includes the adoption of the Interim Business Plan, Budget and Financial Procedure Rules.

2 INTERIM BUSINESS PLAN

- 2.1 NEGC Ltd is required to have in place a Long-term Business Plan, which is defined within the Shareholder Agreement as including a high level 5 year business plan in relation to NEGC Ltd and that such business plan shall cover, infrastructure requirements, finance, planning and such other matters as NEGC Ltd determines, and take into account the aims and requirements of the Master Plan.
- 2.2 The Shareholder Agreement requires the Long Term Business Plan to be submitted to the Shareholders within three months of the full board being appointed NEGC Ltd. The full Board was established in January 2017. The production of the Long Term Business Plan has not been possible to date, due to ongoing discussions around the future delivery model.

- 2.3 However, the Board are able, in accordance with the Shareholder Agreement, to operate under an Interim Business Plan until such time as a Long-term Business Plan is developed. Accordingly the NEGC Ltd Board determined at its meeting on the 29th March 2018 that the Company may operate under an Interim Business Plan for 2018/2019. The Board approved a revised Interim Business Plan on 16 July 2018.
- 2.4 The Shareholder Agreement does not require the Authorities to provide approval of the Interim Business Plan prior to its adoption by the Board. The proposed Interim Business Plan (Appendix A) for NEGC Ltd has been produced for the 2018/19 financial year largely to enable NEGC Ltd to provide support to the Local Planning authorities in progressing Section 1 of their Local Plans and to develop proposals for a locally led development corporation.
- 2.5 The Interim Business Plan provides an overview of the vision, objectives, necessary work streams, governance, funding and actions required to deliver NEGC Ltd scope of work and bringing forward a number of priorities during 2018/19 to move the Garden Communities towards the delivery phase. The key operational priorities include:
- Continuing to advocate and work with Government for the establishment of a locally led Development Corporation in North Essex including the preparation of a Development Corporation operating structure and funding requirements for testing with Government;
 - Undertaking initial work with the Councils to prepare a mandate in support of a designation for a locally led Development Corporation that is financed and supported by all NEGC directors and shareholders;
 - Stepping up engagement with the existing and proposed new communities to give them a strong sense of ownership of the emerging new Garden Communities;
 - Assisting the Councils as planning authorities by carrying out further work in relation to the Local Plan evidence base including: additional infrastructure, delivery and phasing work; demonstrating the viability of the Garden Communities; and input into the Rapid Transit System work;
 - Assisting in the creation of a North Essex Economic Strategy, and ensuring that it maximises the benefits to Garden Communities;
 - Preparing a costed Business Plan for approval by the Board by January 2019;
 - Exploring the approach to secure an interest in land either via negotiation or compulsory purchase;
 - Evolving the optimum approach to delivery including the corporate delivery and financing structure, exploring finance agreements with potential external funding and delivery partners;
 - Engaging with Infrastructure and Utility providers to confirm anticipated infrastructure demand and how it may be provided

(considering the benefit of public/private ownership options), over the proposed NEGC development period.

- 2.6 Key tasks during the year are to evolve the approach to master-planning, innovation, economic development, programme funding, governance and delivery including consideration of transition towards a locally led development corporation style of approach.
- 2.7 NEGC Ltd will present options to the North Essex Authorities in 2019 to consider and decide upon the future operating model(s) for the delivery of the garden communities.
- 2.8 The Interim Business Plan will act as a precursor to the preparation of a 'Long-term Business Plan', which NEGC Ltd will be in a position to begin preparing once further progress has been made with the Local Plan.
- 2.9 Key activities for each of the work streams and activities that will be undertaken by NEGC Ltd during 2018/19 are included within the document, together with details of its Programme Management. In common with all business plans this document will be kept under review.

3 2018/19 BUDGET

- 3.1 In March 2018 NEGC Ltd altered its financial year to enable it to end on 31st March in each year, rather than 31st August. This allows for NEGC Ltd accounting period to follow that of the North Essex Authorities and will make it easier to administer in the long term. Accordingly, the 2018/19 NEGC Ltd Budget has been produced by NEGC Ltd and is included within the Interim Business Plan.
- 3.2 The Shareholder Agreement provides that the draft Budget must be approved by the Authorities prior to its adoption by NEGC Ltd. It further provides that the Board shall submit any draft Budget to the Authorities no later than two months before the start of each financial period of NEGC Ltd. However, the change to the accounting period occurred immediately prior to the new accounting period commencing and therefore it was not possible for the two months- notice to be provided on this occasion.
- 3.3 The following table sets out a summary of the budget for 2018/19 by work stream, including key sources of funding. The budget includes provision for the additional work required to progress the locally led development corporation proposition in conjunction with Government.

	2018/19
	£'000
Work streams:-	
Project Resource / Delivery Team	689
Legal Support	330
Delivery Support	1,437
Planning	190
Community & Communications	130
Contingency	191

Total expenditure	2,967
Funded by:-	
Assumed balance of funding b/f April 2018	1,526
Local Authority contributions	500
Government Funding	1,190
Total Funding	3,216
End of Year balance (c/f)	249

3.4 There are a number of key assumptions to note in the budget forecast:-

Expenditure

- The project resource and delivery team includes the managing director of NEGC Ltd and staff resources seconded to the project. This budget also includes an allowance for support services provided to NEGC Ltd such as HR, finance, ICT and accommodation.
- Provision for specialist advice and support across legal, finance and land and property matters is included.

Income

- The Government Grant funding includes two amounts:-
- £190k - additional funding received from Government earlier in the 2018/19 financial year.
- The budget currently assumes an additional £1m from Government in 2018/19. A final determination is still awaited on the exact amount of Government support; however, in the event that this support is less than is assumed, NEGC Ltd will scale back and/ or cease certain activities contained within the interim business plan, commencing from the beginning of January 2019, so as to mitigate the budget shortfall. In these circumstances Councils will also be provided with a further update.

Local Authority Contributions

3.5 The Interim Business Plan and associated budget includes the assumption that the North Essex Authorities will commit additional funding of £100,000 each in 2018/19. The request from NEGC Ltd is that this funding is set aside by each authority for future drawdown from NEGC Ltd should it be required. In addition, NEGC Ltd is seeking a further £40,000 from third parties including Uttlesford District Council.

3.6 It should be noted that in total there is a forecast budgeted surplus for 2018/19 and it is currently assumed that this will be carried forward into 2019/20.

Transfer of the Project Budget

3.7 In February 2016 the North Essex Authorities agreed to commit £250,000 to support the joint work on the garden communities project. An additional £250,000 from each North Essex Authority was approved in September 2017 to fund further work undertaken by NEGC Ltd in the development of the project. In

addition to the contributions from the North Essex Authorities grants from the Government of just over £2m have been received to support the project.

- 3.8 To date the funding and spending has mostly taken place through Colchester Borough Council's accounts. At the end of 31 March 2018 the balance held was c£1.526m.
- 3.9 The Interim Business Plan assumes that in future part of the 2018/19 budget will pass to NEGC Ltd, with some costs retained in the Council's accounts. The allocation of costs will be based on assumptions of which costs should be appropriately met by NEGC Ltd. It is proposed that the allocation between the authority accounts and NEGC Ltd will be determined by the NEA Section 151 officers.

4 FINANCIAL PROCEDURE RULES

- 4.1 The Shareholder Agreement identifies the approval of NEGC Ltd's Financial Procedure Rules as a reserved matter, and therefore they must be approved by the Shareholder prior to implementation by NEGC Ltd.
- 4.2 NEGC Ltd is required to conduct its business efficiently and to ensure that it has sound financial management policies in place, which are strictly adhered to. Part of this process is the establishment of Financial Regulations, which set out the framework which NEGC Ltd will use to manage its financial affairs. They set out levels of responsibility and gives clearly identified financial authority to the Board, Group Managing Director and Responsible Finance Officer and are intended to promote good practice in the use of public funds.
- 4.3 The proposed Financial Procedure Rules have been prepared in consultation with the s.151 and Monitoring Officers of each of the North Essex Authorities.
- 4.4 Rule 3.3 of NEGC's Financial Procedure Rules requires the Board to consider and approve its annual budget no later than two months before the start of the financial year. To facilitate the Councils supporting NEGC Ltd, a high level budget will be tabled in October each year which will allow any financial requirements (of the Councils) to be incorporated into the timing of the LA partners budget setting process.

5 LOCALLY LED NEW TOWNS (DEVELOPMENT CORPORATION) ("LLNTDC")

- 5.1 Each of the North Essex Authorities submitted a response to the Government's consultation on the New Town Act 1981 (Local Authority Oversight) Regulations 2018 in December 2017. The new Regulations came into force earlier this year and Guidance has been issued that outlines the way in which LLNTDCs will work.
- 5.2 The 1981 New Towns Act allows the Secretary of State to designate a new town and to incorporate a New Town Development Corporation. Normally the Secretary of State then takes responsibility for all oversight of the Development Corporation. Further detail on the LLNTDCs are included within Appendix C.

6 FUTURE DECISIONS AND WORK PROGRAMME

- 6.1 The North Essex Authorities remain committed to using Garden Community principles to secure the future housing requirements in the North Essex Authorities area. In light of the Inspector's initial comments following the examination in public, the local planning authorities are carrying out further work to ensure that the Local Plan is sound.
- 6.2 One of the issues that the Inspector will be considering will be the deliverability of the proposed garden communities. One of the options for delivery is a Locally Led New Town Development Corporation (LLNTDC) (see **Appendix C**).
- 6.3 No decision has been made about the use of an LLNTDC to deliver garden communities for North Essex. It is recognised that a substantial amount of work is required to review potential options for the Councils to consider proposals at a later date and, if agreed, for a submission to be made to the Secretary of State. One of the substantive tasks for NEGC Ltd is therefore to prepare a full options analysis that can then be considered by the North Essex Authorities.
- 6.4 Throughout the Interim Business Plan reference is made to NEGC working in conjunction with the Councils in a number of areas, this highlights the internal resource requirements over the same period, sharing resources with NEGC where it is reasonable and efficient to do so.
- 6.5 In parallel, but separate to the work required to respond to the outcome of Section 1 of the Local Plan, the Councils will need to consider the form of Oversight Authority arrangements which could be put in place.
- 6.6 The North Essex Authorities will need an agreement in place to regulate their collective operation as an Oversight Authority. The contract will need to be in place ahead of any submission to the Secretary of State to designate the three locations as locally led new towns and to incorporate a development corporation. Consequently, in addition to the work as set out in NEGC Ltd Interim Business Plan, over the forthcoming months, the Councils will have to commence discussions on the potential oversight body arrangements, in readiness for any Development Corporation submission, should the Councils decide to do so.
- 6.7 The following issues will need to be addressed in any agreement between the authorities:
- Agreement of controls on Development Corporation
 - Changes to Development Corporation
 - Delegation of responsibility
 - Local Authority support for Development Corporation
 - Process for terminating Development Corporation
 - Dispute resolution
 - Miscellaneous issues
- 6.8 On the current NEGC Ltd programme timetable the North Essex Authorities will be asked to approve the draft mandate for a Development Corporation following

the Board's recommendation in September 2019. Subject to their approval, the Councils will submit the request for the appointment of the Oversight Authority and designation of Development Corporation in December 2019.

Schedule of milestone – key decisions

SUBJECT	DECISION BODY	TIMESCALE
<p>Local Plan (for information):</p> <ul style="list-style-type: none"> • <i>Review of additional evidence base and Sustainability Appraisal work</i> • <i>Major modifications requiring approval and consultation</i> • <i>Consultation feedback to the Inspector to make final decision following re-examination</i> • <i>Section 1 Adoption in 2019</i> 	<p><i>Local Plan Sub Committee & Council</i></p>	<p><i>February 2019</i></p> <p><i>Section 1 modifications process completed by Summer 2019 after consultation and further examination</i></p>
<p>NEGC longer term Business Plan</p>	<p><i>Cabinet</i></p>	<p><i>February 2019</i></p>
<p>Development Corporation</p> <ul style="list-style-type: none"> • <i>Approval of an agreement between the Councils to work collectively as Oversight Authority</i> • <i>Consideration of preferred structure for the future delivery of Garden Communities</i> - <i>including NEGC recommended option;</i> - <i>Consideration of alternative options, risks and liabilities</i> - <i>Funding decisions</i> 	<p><i>Cabinet & Council</i></p>	<p><i>September to December 2019</i></p>

7 OPTIONS

7.1 No further options are being presented within the context of this report, as the alternative decision would be not to approve the Interim Business Plan, Budget and Financial Procedure Rules.

8 FINANCIAL IMPLICATIONS

8.1 This report set out the proposed budget for NEGC Ltd for 2018/19 and associated funding. The proposals include the allocation of £100,000 in 2018/19.

8.2 Currently, the Council is estimating a balance of £322,000 of unallocated New Homes Bonus at the end of March 2019. It is therefore proposed that the Council's £100,000 contribution is funded from this balance.

- 8.3 It is worth highlighting that it is possible (subject to future option appraisals) that there could be an ongoing commitment by the North Essex Authorities to fund the Oversight Authority arrangements required for a Development Corporation model. This will also be in addition to funding required to develop the project in the medium term before potential alternative private sector funding becomes available. Therefore, the £100,000 should not be viewed in isolation as it is likely that the North Essex Authorities will be required to consider further financial support of the project until such time as a more clear investment opportunity is presented where long term returns are anticipated.
- 8.4 Consideration of this further funding will be made when the NEGC Ltd business plan for 2019/20 is presented to NEAs and will be considered as part of the Council's 2019/20 budget proposals.

9 LEGAL IMPLICATIONS

- 9.1 The General Power of Competence ("the Power") provided for by the Localism Act 2011 was relied upon as the authority for the District/Borough/County Council to establish and subscribe to North Essex Garden Communities Limited. Consequently, a Shareholders Agreement was entered into and the relevant provisions and requirements of the agreement are referred to within the context of this report.
- 9.2 In exercising the General Power of Competence Local Authorities must do so in a way which does not contravene any pre-existing statutory limitations. The actions identified in this report do not contravene any such restrictions.
- 9.3 The New Towns Act 1981 (Local Authority Oversight) Regulations 2018 came into force earlier this year, making provision for the local oversight of new town development corporations. Guidance has been issued that outlines the way in which LLNTDCs will work.
- 9.4 The 2018 Regulations apply where the Secretary of State, pursuant to section 1A(2) of the New Towns Act 1981 ("the Act"), makes an order under section 1 of the Act appointing one or more local authorities to oversee ("an oversight authority") the development of the area as a new town ("locally-led new town").
- 9.5 Further decisions will be required from both Cabinet and Council following consideration of an options appraisal before any request can be made to the Secretary of State for the North Essex Authorities to be appointed as oversight authorities and for LLNTDCs to be designated.

10 OTHER CONSIDERATIONS – RISK:

Local Plan - Section 1

- 10.1 Section 1 was the subject of an Examination in Public for two weeks during January and a further session was heard on 9th May 2018, the Inspector issued a Post-Hearing letter on 8th June 2018 providing advice on the further steps considered necessary in order for the Section 1 Plan to be made sound and legally-compliant.
- 10.2 The Inspector also set out his views on the three main options available to the North Essex Authorities on how to proceed, acknowledging the local planning

authorities will evidently need to take into account of the views, expressed within the letter, on the scope of the main modifications and further work that is needed.

10.3 The North Essex Authorities have decided to undertake further work to address the Inspector's concerns about Garden Communities and complete the examination of Section 1 before proceeding to Section 2. This work follows Full Council's agreed policy for long term housing growth.

10.4 This approach relies on satisfying the Inspector that:

- (i) The timetable for the additional evidence base and Sustainability Appraisal work is considered realistic. Failure to do so risks a delay in the examination process.
- (ii) The Sustainability Appraisal adequately addresses the Inspector's concerns including obtaining initial agreement from the Inspector that the methodology is robust. Failure to do so risks the plan being found not legally compliant; failure to obtain initial agreement on the methodology risks delay in the examination process. There is also a risk that the North Essex Authorities, as planning authorities, decide, in light of the additional Sustainability Appraisal work, to pursue an alternative spatial strategy for large-scale growth.
- (iii) The North Essex Authorities carry out the required work on the evidence base to address the Inspector's concerns including adequately addressing any subsequent concerns raised through consultation and at further hearing sessions. Failure to do so risks the plan being found unsound.

10.5 The above risks to the Local Plan process are being mitigated by the following respective measures:

- (i) The North Essex Authorities have carefully considered the scope of work required to address the Inspector's concerns. This has included working closely with relevant statutory bodies and consultants to devise a work programme which allows sufficient time to secure further commitments from infrastructure providers and the carrying out of further evidence base work (and Sustainability Appraisal work).
- (ii) The North Essex Authorities have been working closely with new Sustainability Appraisal consultants to ensure the Inspector's concerns are adequately addressed and a revised methodology properly takes account of alternative sites and alternative spatial strategies.
- (iii) As above, the North Essex Authorities have carefully considered the Inspector's concerns and have subsequently either commissioned new studies or are amending existing studies to ensure the Local Plan is sound. This mitigation includes working with the relevant statutory bodies and consultants to ensure the North Essex Authorities are suitably represented at further hearing sessions.

10.6 The North Essex Authorities / wrote to the Inspector on 22nd October 2018 to advise him that the Councils remained committed to using Garden Communities principles to secure future housing requirements in the North Essex Authorities areas and will provide further evidence requested by the Inspector. A response from the Inspector is awaited/received to the North Essex Authorities letter but

work has already commenced on the various pieces of evidence required, including the Sustainability Appraisal.

11 EQUALITY AND DIVERSITY IMPLICATIONS

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

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

11.3 The proposals are for the approval of a range of key documents which will enable NEGC Ltd and its Shareholders to create an inclusive community which meets the needs of all residents regardless of whether or not they have a protected characteristic. The differing needs of people, including those with different protected characteristics, will need to be considered during the design and planning stage of the development and kept under review as the project progresses.

12 LIST OF APPENDICES

Appendix A - NEGC Interim Business Plan and Budget 2018/19

Appendix B - NEGC Financial Procedure Rules

Appendix C - Locally Led New Towns (Development Corporation)

North Essex Garden Communities Ltd
Interim Business Plan
(Draft August 2018)

COMMERCIAL IN CONFIDENCE



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1. Executive Summary

North Essex is a key location in the UK, well related to London, with international sea and air connections, as well as links to wider growth corridors across the South East.

Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council have developed a shared vision for the future across North Essex, as set in their emerging Local Plans, The North Essex Garden Communities Charter and Prospectus.

The Councils have a shared desire to promote, plan and deliver sustainable strategic growth at scale and over the long-term; providing the housing, employment and necessary supporting infrastructure required to ensure the best outcomes for current and future communities of North Essex.

The centrepiece of the NEGC Programme is the creation of three new Garden Communities. These new settlements will act as the catalyst for economic growth and address the aspirations of the wider UK's population, making North Essex an attractive place to live, work and spend time for future generations to come.

These proposed Garden Communities will be key to creating a more prosperous North Essex through inclusive economic growth, with new businesses able to compete successfully in national and international markets. The intention is for North Essex to have a diverse and thriving economy, a great choice of job opportunities across many sectors, and growing prosperity and improving life chances for all its citizens, today and into the future.

The Councils have come together to create 'North Essex Garden Communities Ltd' (NEGC Ltd) as a private company wholly owned by The Councils with an overall mission to "lead, create, inspire and develop exemplar self-sustaining Garden Communities across North Essex through working proactively and effectively in partnership with local communities and key stakeholders."

This document has been produced to set an Interim Business Plan for NEGC Ltd for the 2018/19 financial year. It provides an overview of the vision, objectives, necessary workstreams, governance, funding and actions required to deliver NEGC Ltd's scope of work and bring forward a number of priorities for 2018/19 to move the Garden Communities towards delivery phase. A key task during the year will be to evolve the approach to masterplanning, innovation, economic development, programme funding, governance and delivery, including consideration of transition towards a locally led development corporation style of approach.

This Interim Business Plan will act as a precursor to the preparation of a 'Long-Term Business Plan' as defined within the NEGC Shareholders Agreement, which will align with the preferred delivery model approach and preparation of associated business case/s and set the basis for 2019/20 onwards.

2. Introduction

2.1 Introduction to North Essex

North Essex is a key location in the UK; it is well related to London, includes the country's largest deep sea freight port at Harwich and the third-largest air bound freight gateway at London Stansted Airport, as well as being related and linked to the growth areas of Cambridge and the economic growth corridors of Cambridge – Stansted – M11 and Cambridge – Milton Keynes – Oxford.

As a result, the area has seen significant growth in housing and employment over recent years, in particular around the key existing towns and settlements.

However, North Essex is a part of the UK economy that is currently underperforming in the context of the South East of England. Initial research has identified that the current GVA for North Essex is 0.8% pa compared to the UK national level of 1.3%. Furthermore, the North Essex area lags behind comparable GVA per capita in the South East with North Essex currently at £18k compared to at least £25k for comparator areas and £44k for Milton Keynes.

The North Essex Councils (Essex County Council, Braintree District Council, Colchester Borough Council and Tendring District Council – thereafter referred to in the remainder of this document as 'The Councils') are determined to work together to not only reverse this trend but to put North Essex on the international map.

To address this, The Councils have therefore developed plans to provide a catalyst for its economic ambition by creating what is currently the largest scale housing, employment and infrastructure project in the UK.

2.2 The North Essex Garden Communities Programme

The North Essex Garden Communities (NEGC) programme comprises a coalition of The Councils, established because of their shared desire to promote, plan and deliver sustainable strategic growth at scale and over the long-term; providing the housing, employment and necessary supporting infrastructure required to ensure the best outcomes for current and future communities of North Essex.

The centrepiece of the NEGC Programme is the creation of three new Garden Communities. Subject to examination through the Local Plan process, these new settlements will act as the catalyst for economic growth and address the aspirations of the wider UK's population, making North Essex an attractive place to live, work and spend time for future generations to come. This growth will require an appropriate response from The Councils to ensure that a broad range of new homes, employment opportunities, and supporting social and other infrastructure are provided in an effective and timely manner.

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

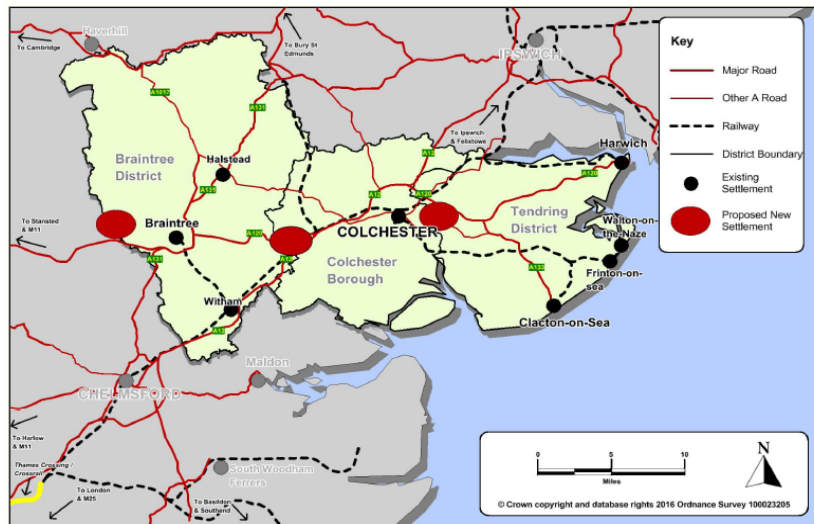
- Respond positively to the context of North Essex - providing the best of town and country;
- Be planned comprehensively with timely delivery of infrastructure;

- Provide a key role in promoting local economic development, both within the Garden Communities but also across the wider North Essex corridor, creating and attracting new jobs and businesses into the area;
- Place the concept and function of community at the heart of place making with active local engagement and long-term stewardship of community assets;
- Enable the provision of integrated and sustainable transport options, reducing reliance on the private car;
- Enable public sector leadership and a long-term approach to investment and community development; and
- Overall create a great place to live, work and spend leisure time.

Figure 1.1 shows the location of the three new Garden Communities that are proposed. These will accommodate a substantial amount of the housing and employment growth planned for North Essex within the Local Plan period, up to 2033, and well into the future:

- Tendring Colchester Borders, a new garden community will deliver between 7,000-9,000 homes (with at least 2,500 homes within the Local Plan period to 2033).
- Colchester Braintree Borders, a new garden community will deliver between 15,000-24,000 homes (with at least 2,500 homes within the Local Plan period to 2033).
- West of Braintree in Braintree DC, a new garden community will deliver between 7,000-10,000 homes (with at least 2,500 homes within the Local Plan period to 2033).

Figure 2.1: North Essex and locations of proposed Garden Communities



Each of the Garden Communities will be holistically planned new settlements that respond directly to their regional, local, and individual site context and opportunities, to create developments underpinned by a series of interrelated principles which are based on the Town and Country Planning Association (TCPA) Garden City Principles, adapted for the specific North Essex context through the NEGC Charter and NEGC Prospectus. Refer to Chapter 3 for further information.

The Garden Communities will be designed and delivered to attract residents and businesses who value innovation, community cohesion and high-quality environment, and who will be keen to take an active role in managing the garden community to ensure its continuing success. Residents will live in

high quality innovatively designed, contemporary homes, accommodating a variety of needs and aspirations. These will be set within a network of leafy streets and green spaces, incorporating and enhancing existing landscape features, and providing areas for leisure and recreation. The level of ambition is set out comprehensively in the ‘North Essex Garden Communities Charter’, produced in 2016 as part of initial work to inform and support the preparation of Local Plans. A North Essex ‘Strategic Narrative’ has subsequently been produced by The Councils to set out the strategic approach and rationale.

2.3 North Essex Garden Communities Ltd

In order to progress the delivery of the programme’s key objectives and ensure the delivery of the three Garden Communities, a new dedicated delivery structure has been put in place to take the proposals forward.

This delivery structure was approved by The Councils’ respective Cabinets and Council Committees in November and December 2016 with North Essex Garden Communities Ltd (NEGC Ltd) formally established on 30th January 2017 (Company No: 10319743).

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

NEGC Ltd was established as a wholly owned public entity between The Councils to act as the body to guide the proposed Garden Communities through the design process and into implementation, providing ultimate oversight and scrutiny of the delivery.

The Shareholders of NEGC Ltd are Essex County Council (Essex), Braintree District Council (Braintree), Colchester Borough Council (Colchester) and Tendring District Council (Tendring) (together referred to as “The Councils”) with each holding a 25% shareholding.

As approved by each of The Councils (as shareholders of the Company), the Directors of NEGC Ltd are currently nominated as:

- Cllr Tim Young (representing Colchester Borough Council);
- Cllr Neil Stock OBE (representing Tendring District Council);
- Cllr John Spence CBE (representing Essex County Council); and
- Cllr Graham Butland (representing Braintree District Council).

In addition to the Directors, there are nominated Alternate Directors in place for each of the shareholders as follows:

- Cllr Carlo Guglielmi (representing Tendring District Council in the absence of Cllr Neil Stock OBE);
- Cllr David King (representing Colchester Borough Council in the absence of Cllr Tim Young);
- Cllr David Finch (representing Essex County Council in the absence of Cllr John Spence CBE); and
- Cllr Lynette Bowers-Flint (representing Braintree District Council in the absence of Cllr Graham Butland).

Cllr John Spence OBE currently acts as the Chairman of the NEGC Ltd Board, a position that the Board has agreed should continue until the end of the 2018/19 financial year, or until such point as a Development Corporation is established in North Essex.

The Purpose of NEGC Ltd is set out in Schedule 1 of the NEGC Shareholders Agreement as follows:

The purpose of the Company is to coordinate the funding of the LDVs and to oversee and hold to account the LDVs in order to develop each of the Properties as Garden Communities, being self-sustaining communities which secures the future stewardship of public assets for community benefit, the design, development and delivery of which is underpinned by local public sector leadership, a strong vision and long term planning and effective engagement.

In addition to the above, and in August and September 2017, all four councils approved the ability for NEGC Ltd to explore with Government the potential for creating a locally led development corporation for North Essex. This is currently the primary focus of the work that NEGC Ltd will undertake ahead of progressing the Local Delivery Vehicles.

Alongside the Purpose, Schedule 1 of the NEGC Shareholders Agreement also sets out 11 objectives that a Garden Community should achieve. Refer to Chapter 3 for further information.

NEGC Ltd will operate to deliver its services in a commercial way, while maintaining high standards of integrity and social purpose. As a private limited company, it is controlled by Board Members who have a duty to promote the success of the company for the benefit of its shareholders as a whole.

The Board has an overall responsibility for overseeing the successful delivery of the Garden Communities across the area in accordance with Business Plans, planning frameworks and Local Plans.

The Board meets at least quarterly to carry out this work and receives regular reports on progress against operational matters and programme budgets.

2.4 Progress so far

The Councils have been working jointly for several years to plan effectively for long-term growth across the area. This has involved joint work prior to NEGC Ltd being formally set up. Considerable progress has therefore been made over recent years, including:

- Council commitment to funding the delivery vehicle to deliver the Garden Communities, (subject to Business Plans being agreed, affordability and value for money)
- Council commitment to leading the delivery of the Garden Communities including approvals for and the subsequent establishment of NEGC Ltd.
- Exploring the potential establishment of a locally led development corporation – which could become the first in the UK.
- In principle support from The Councils to long term public sector funding to enable delivery (subject to future business cases and being able to demonstrate affordability and value for money).

- Becoming part of the Garden Towns Villages & Cities programme run by the Ministry of Housing, Communities & Local Government (MHCLG). North Essex Garden Communities is the largest and most ambitious project in the programme. Being part of this programme provides direct access to other Garden Towns with associated learning and knowledge/information sharing opportunities.
- Since 2015, securing over £2m of capacity funding and support from MHCLG to support in bringing forward the design, planning and technical work necessary to evolve and bring forward the proposals. This is in addition to £2m of capacity funding that the partnership Councils have also contributed to the programme.
- Securing funding and in kind commitment from each of The Councils to provide necessary resources to lead on project management, planning, programming and communications, and evolving work on operational readiness.
- Coordinating the Council's approach to Local Plans, including the confirmation, publication and Examination in Public of a joint 'Part 1' of the Local Plans which sets out a shared strategy to growth in North Essex and preferred locations for new Garden Communities.
- Council preparation of Issues and Options strategic site Development Plan Documents (DPDs) for each Garden Community.
- Building relationships with land owners and promoters and establishing necessary structures to lead on the delivery of the proposals.
- Development of a community engagement programme, including providing community enablers for the benefit of each proposed community.
- Developing stewardship arrangements for the long-term maintenance of public amenities.
- Progressing work on a financial model, initiating discussion with Government over long term funding, soft market testing, and testing finance and scheme funding parameters.
- Increasing and direct high- level engagement with Government on the potential for direct infrastructure investment, the use of new delivery powers such as those enabled via the Neighbourhood Planning Act in respect of locally led development corporations, and opportunities for comprehensive land assembly.
- Two Forward Funding Housing Infrastructure Funding bids that were submitted by ECC for approximately £165m in total have been successful and have made it through to Round 2 which is a period of co-development of a potential business case.

A peer review of the programme has been undertaken by a team of experts led by Lord Kerslake. The report's recommendations can be found here [http://www.essex.gov.uk/News/Documents/Garden_Communities.pdf]. Since the review was conducted NEGC Ltd and The Councils have responded as follows:

- Preparing individual 'concept frameworks' for each community and a 'Prospectus' that sets out the vision for the programme as a whole
- Appointed a full time Group Managing Director for NEGC Ltd and dedicated project team.
- Strengthened engagement with Government including a number of high profile visits from Government officials to North Essex, including the MHCLG Permanent Secretary, Melanie Dawes, and adding Homes England representation to the NEGC Ltd Board

2.5 The Local Plan Process

The Local Plan process is clearly relevant to the work that NEGC Ltd will be undertaking in 2018/19. For the sake of clarity, it is therefore worth setting out the different roles that the Councils have in their function as planning authorities and their roles with respect to the operation and ownership of NEGC Ltd.

The three Local Planning Authorities (Colchester, Tendring and Braintree) are responsible for taking forward their respective Local Plans and are currently promoting the allocation of the Garden Community sites through their Draft Local Plans. The soundness of the Local Plans will ultimately be determined by an independent Inspector appointed by the Secretary of State.

However, it is clear that the work undertaken by NEGC Ltd to help to deliver the Vision is separate to, and will not pre-judge, the outcome of the Local Plan processes. Indeed, the work of NEGC Ltd does not propose to adjust or alter the approach to the Local Plan provisions regarding these communities.

Following the conclusion of the Section 1 Examination in Public (EiP) sessions, the Local Planning Authorities received two letters from the Planning Inspector during the course of June 2018. One letter concluded that the Local Planning Authority's approach to housing need was sound. This first letter set out his considerations and thoughts on the broad matters covered in the Section 1 evidence.

This first letter outlined some areas where the Inspector considers further work would need to be undertaken in order that the Garden Communities proposals contained in Section 1 could be found sound. The Inspector also provided three options for the Local Planning Authorities to consider in terms of moving forward: Option 1 which was to temporarily remove the Garden Communities from Section 1 and proceed with Section 2 Local Plans prior to reinstating Garden Communities proposals in the development plan subject to later decisions by the Local Planning Authorities; Option 2 which was continue with Section 1 and present further evidence for consideration at a future EiP; Option 3 was to start the Local Plan process again.

The Local Planning Authorities have considered those options and all three have decided to proceed by collecting the additional evidence required by the Inspector and asking the Inspector to continue with the Local Plan Examination. The Planning, transport/infrastructure and viability work that NEGC will need to do to support the Local Planning Authorities with progressing the evidence base therefore forms a significant part of the revised 2018/19 Interim Business Plan for NEGC Ltd

At midnight on Tuesday 24 July 2018, New Towns Act 1981 (Local Authority Oversight) Regulations 2018 came into force. In June 2018, MHCLG issued Guidance for the implementation of locally led development corporations. Taken together, these Regulations and Guidance enable Local Authorities to present a proposal to Government for the creation of a locally led development corporation in their area(s). NEGC is undertaking work to evaluate and develop a proposal for a locally led development corporation to deliver the three garden communities in North Essex. This delivery work therefore forms a significant part of the revised 2018/19 Interim Business Plan for NEGC Ltd. The aim is to prepare options for consideration by the Board and the Shareholder Councils during 2019.

2.6 Role & Purpose of this document

This document has been produced to set an Interim Business Plan for NEGC Ltd for the 2018/19 financial year to enable it to provide support to the Local Planning Authorities in progressing Section

1 of their Local Plans and to develop proposals for a locally led development corporation. It has been prepared in accordance with Section 5 of the NEGC Ltd Shareholders Agreement that says:

5.1 Interim Business Plans

Until such time as a Long-term Business Plan is adopted in with this Clause 5, the Company may operate under such business plan as the relevant Board shall determine.

This Interim Business Plan provides an overview of the vision, objectives, necessary workstreams, governance, funding and actions required to deliver NEGC Ltd's scope of work and bring forward a number of priorities for 2018/19 to move the Garden Communities towards delivery phase. Given the early stage of the wider project, and continual evolution of the programme's delivery approach, it is recommended that this document is kept under constant regular review.

This Interim Business Plan will act as a precursor to the preparation of a 'Long-Term Business Plan' as defined at Section 5.2 of the NEGC Shareholders Agreement. It is envisaged that this Long-Term Business Plan will be submitted to the Board for approval in January 2019 (noting that this may need to be reviewed should a decision be made on whether to proceed with a locally led development corporation).

3. Strategic Outline Case

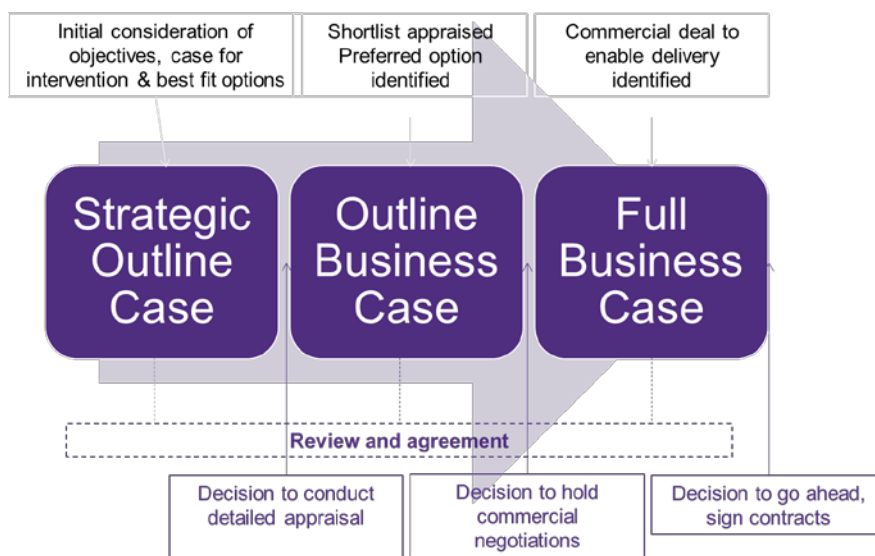
3.1 Introduction

The Councils have been evolving the approach to the NEGC programme for some time, including detailed consideration of the spatial approach to development across the local area (through the preparation of Local Plans), and associated consideration of delivery and implementation mechanisms.

Given the scope and scale of the anticipated public sector role in delivery, potential financing and the wider achievement of garden community ambitions, the approach that is adopted will need to accord with the process of preparing an appropriate ‘Business Case/s’ in line with the HM Treasury Green Book. This will be separate to but closely associated and aligned with wider business planning activity related to the operations of NEGC Ltd as set out in this document, and as required by the Company Articles of Association.

The overall process map relating to the preparation of such HM Treasury Green Book Business Case/s is set out at Figure 2.1, providing an overview of how the project progresses from outline to full detail stages.

Figure 3.1: Business Case Development Process Map



Work undertaken by The Councils to date has advanced work pertaining to several key components of the Strategic Outline Case stage of the process, most notably in defining the strategic need and partner objectives, and beginning to consider the associated management, commercial, financial and economic considerations.

The approach going forward through 2018/19 will further evolve and refine the way forward and lead to the preparation of a subsequent Outline Business Case/s in line with the Green Book methodology. This will enable The Councils and other partners to make decisions on the scope and scale of public sector direct involvement in the delivery process. This will focus on the planning (pre-procurement)

phase to better define the preferred option, value for money assessment, affordability and achievability. It will set out further information across:

- the Strategic Case – further evolving the business strategy aims and objectives;
- the Economic Case – a full review of business options, their economic appraisal (including consideration of benefits, risks and sensitivities);
- the Commercial Case – outlining the envisaged structure/s, key contractual terms/operational and implementation considerations;
- the Financial Case – a detailed analysis of funding needs, affordability and net impacts on income/expenditure and balance sheets; and
- the Management Case – setting out how the scheme will be delivered with an outline of the proposed programme/project management plan and procurement.

The final stage will be to draw together the approach into a Full Business Case/s, which will define and select the preferred service solution, fully define the implementation arrangements and funding requirements. This can follow relatively quickly from the outline stage.

Appendix B provides an overview of the key rationale for intervention and decision making to date, including the strategic context to the proposal, the case for change and an indication of the proposed way forward. It sets out information pertaining to several key components of the ‘Strategic Outline Case’ as per the HM Treasury Green Book and forms the basis of subsequent work in 2018/19, which will feed into the development of the ‘Outline Business Case/s’.

4. NEGC Vision & Strategic Objectives

4.1 Introduction

A mission statement, a vision and a set of objectives provides the strategic framework within which the company will operate and which emerging proposals can be evaluated over time. The strategic context will continue to evolve over time and new influences will undoubtedly emerge. This interim Business Plan for NEGC Ltd therefore represents a ‘starting point’.

4.2 Mission Statement for North Essex Garden Communities Limited

The overall Mission Statement for NEGC Ltd sets out in high level terms what the company will do:

To lead, create, inspire and develop exemplar self-sustaining Garden Communities across North Essex through working proactively and effectively in partnership with local communities and key stakeholders.

4.3 Vision for North Essex Garden Communities Ltd

The overall Vision Statement for NEGC Ltd sets out in high level terms why and how the company is pursuing its mission statement.

There have been a number of vision statements prepared for the individual North Essex Garden Communities projects including those set out in the Local Plan and NEGC Prospectus. The following overall Vision Statement for NEGC Ltd is consistent with both of these documents as well as the NEGC Charter.

Our vision is to establish an area for growth across North Essex that is of strategic national importance. At the heart of our vision are the creation of new Garden Communities where people want to live, work and play.

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

- ***Jobs:*** *to achieve our vision, we will strive to make North Essex an area of inclusive economic growth and prosperity, of strategic importance to the economy of the UK, with businesses capable of competing on a national and international stage. To make this happen we will help North Essex create a diverse and thriving economy, with a great choice of job opportunities across many sectors, and growing prosperity and improving life-chances for all its citizens, today and into the future;*
- ***Communities:*** *sustainable development principles will be at the core of the Garden Communities, balancing social, economic and environmental issues. The garden communities will attract residents and businesses who value innovation, community cohesion and a high quality environment, and who will be provided with opportunities to take an active role in managing the garden community to ensure its continuing success;*
- ***Infrastructure:*** *within the new garden communities, there will be a focus on providing the right level of infrastructure (roads, utilities, education, health, green areas, community and leisure centres etc.) at the right time to in a manner that supports the development of substantial new growth whilst ensuring that the countryside and heritage assets are protected and enhanced. Surrounding the garden communities, there will be a focus on ensuring that improvements to the supporting strategic infrastructure will be planned and implemented alongside the development of the new garden communities.*

4.4 Strategic Objectives for North Essex Garden Communities Ltd

The following strategic objectives have been derived from the objectives as set out in Schedule 1 of the NEGC Shareholders Agreement. They have been designed to deliver the mission statement and vision for NEGC Ltd. They have not been set in any order of priority on the basis that the delivery of Garden Communities requires a holistic approach that ensures the key strands are delivered in an inter-connected manner.

NEGC Ltd.'s overarching mission is to make North Essex a place where people want to live, work and play by delivering new Garden Communities. We will achieve that goal by delivering the following objectives:

- Undertaking consistent and meaningful engagement with existing and proposed communities to ensure they are at the heart of the Garden Communities' evolution.
- Fostering economic development within the Garden Communities in order to create a resilient and self-sustaining economy, and also offering access to a strong local jobs offer in North Essex in order to help achieve a better balance between the location of jobs and housing.
- Providing connectivity to and within the new Garden Communities to be achieved through the timely provision of physical and social infrastructure in an integrated manner to ensure ease of access and movement across the North Essex area.
- Focusing on innovation within the Garden Communities to future proof them by securing the delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities through the application of the highest standards of technology.
- Ensuring that the quality and design of place in the Garden Communities are seen to be exemplar and can create great places to live, work and play with access to great green spaces; in a manner that attracts both existing and future residents in North Essex as well as those from further afield, including the provision of different types of tenure.
- Establish and implement suitable models for the long term stewardship of community and place making assets that are structured and funded in a manner that provides long term management and governance of those assets.
- Achieve sustainability in its widest sense not only because the new Garden Communities are places that excel in their environmental quality and performance including healthy living, but also because the places are commercially sustainable in a manner that supports delivery and is capable of providing ongoing revenue receipts for reinvestment by the respective shareholders.

4.5 The North Essex Garden Communities Prospectus

A prospectus has been produced to set out and illustrate the strategic potential, with an ambition to establish North Essex as a key corridor of growth of national significance. The prospectus focusses on two key strands:

- creating a corridor of economic growth and prosperity, with North Essex having a diverse and thriving economy; and
- securing investment in all supportive infrastructure, ranging from transport through to green infrastructure, innovation, skills and social & community development.

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

- Strategy 1: “Good Design” – the very best in Garden Community planning and design*
- Strategy 2: “Employment Opportunity” – growing the productive economy of North Essex*
- Strategy 3: “Green Infrastructure” – blue and green spaces all*
- Strategy 4: “Integrated and Sustainable Transport” - mobility for all*
- Strategy 5: “Smart and Sustainable Living” – community infrastructure*
- Strategy 6: “Living Environment” – new homes to support growth*
- Strategy 7: “Community Engagement”*
- Strategy 8: “Active Local Stewardship”*
- Strategy 9: “Strong Corporate and Political Public Leadership”*
- Strategy 10: “Innovate Delivery Structure”*

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

5. NEGC approach

5.1 Overarching approach

The delivery of this ambitious vision of the Garden Communities will require a positive and active approach by both the public and private sectors.

Notably, and different from standard development approaches, The Councils are taking a proactive approach to delivery of the Garden Communities – their masterplanning, promotion and development.

The approach reflects an anticipated need for strong public-sector leadership, but with flexibility to integrate appropriate partnership approaches and sharing of project risk and reward where these can deliver on the programmes objectives.

The active involvement of the public sector in supporting the delivery of the Garden Communities will be rewarded not just by the creation of great places for the residents of North Essex to live and work in, but also through unlocking a share of the value created through this endeavour.

For the delivery structure to succeed, deliver on the vision and realise the potential, there will need to be close working between The Councils, Government, landowners, developers, funding & delivery partners as well as local communities.

From the outset NEGC Ltd has been established to oversee and coordinate this activity.

It is also recognised that the delivery structure will need to adapt to local circumstances and adopt the most appropriate structure to deliver on the vision and objectives.

The Councils have agreed that NEGC Ltd should explore the establishment of a locally led new town style ‘Development Corporation’ as enabled by the Neighbourhood Planning Act 2017. A locally led Development Corporation has great potential to provide a strong and focussed body responsible for delivery with wide ranging powers in terms of land acquisition, funding and planning.

- Secure appropriate control and/or take ownership of the land through whatever means necessary (via negotiation or compulsory purchase);
- Bring forward proposals in line with an approved masterplan and secure necessary approvals);
- Undertake pre-development and facilitating works;
- Deliver infrastructure works to meet requirements of the masterplan, planning application/s and conditions;
- Create serviced development plots;
- Market the development sites and seek the best price achievable in the open market, consistent with the achievement of desired design and quality standards;
- Arrange development agreements with the successful bidders;
- Supervise the construction to ensure standards are achieved;
- Distribute the receipts in accordance with the terms of and associated land, funding or delivery partner agreements; and

- Ensure that public facilities and assets are adopted and/or transferred to appropriate bodies to secure their long term stewardship.

Funding arrangements would be agreed for each operational delivery body in liaison with NEGC Ltd. The operational delivery bodies would be responsible for identifying and securing appropriate funding to enable the provision of services and infrastructure at the time when it is needed by the community.

5.2 Approach to Planning & Infrastructure

The proposed Garden Communities will need to be planned carefully, be appropriately located, and accessible by a wide range of sustainable forms of transport. Provision will need to be made to provide the full range of supporting services and facilities. Job creation would need to go hand in hand with population growth to provide new and enhanced economic opportunities for existing and new residents.

Future growth at scale will undoubtedly create demand for additional road and rail use with the associated need for new and upgraded infrastructure, both within and outside the Garden Communities. The education needs of a growing population must also be addressed, requiring careful planning to assess future pupil numbers and address further education needs. Opportunities must be provided for local affordable housing, helping all on to the property ladder. The ageing profile of residents also requires a proactive response to provide the right type and mix of homes, including independent living and supporting services; as well as sufficient healthcare facilities to support both older residents and the population as a whole. It will also be important to ensure a housing mix that encourages older people to live in the Garden Communities from day one.

To facilitate this, NEGC will need to lead a programme of masterplanning work to enable progression once Section 1 of the Local Plan has been agreed. This masterplanning will enable the local Planning Authorities to progress further iterations of the Development Plan Documents for the three sites, a process that could evolve into the preparation of Local Development Order(s) should a Development Corporation designation be forthcoming.

In relation to Infrastructure, the timely delivery of this will be a central element of the work that NEGC will need to undertake in order to ensure effective delivery of well-planned Garden Communities. Infrastructure includes on-site (e.g. roads, utilities, energy, green spaces, education, health, community centres) and off-site (e.g. roads, public transport). The benefit of this 'infrastructure led' approach is that there can be more confidence by existing communities that the appropriate level of supporting infrastructure is planned, delivered and financed at the right times during the phasing of the future development of the Garden Communities.

5.3 Approach to Delivery & Finance

In order to give The District Councils as planning authorities, and the public, confidence that the communities will be delivered as intended, it is proposed that the public sector will take the primary responsibility – setting up and funding the delivery structure and ensuring the Garden Communities can deliver on their ambition.

The proposed approach is one of a public sector led delivery structure as set out above, with responsibility for bringing the projects forward through further design and planning stages, and into

implementation through the direct delivery of infrastructure alongside the generation of income from serviced land sales. The structure would facilitate the delivery of infrastructure and disposal of serviced plots to house builders/commercial developers who would be responsible for physical building construction costs and property sales, within approved design parameters. The approach does not preclude the opportunity for public sector stakeholders to directly deliver development should they wish, however it does enable The Councils and the delivery project vehicles to manage their risks.

In accordance with approved Cabinet decisions across The Councils, ‘in principle’ commitment has been given to consider funding. Subsequent business cases will determine a detailed set of funding requirements; including the scale of funding required and the timescales which will be relevant to each block of funding. This further work will be presented back to The Councils and will consider the appropriate future funding mix including opportunities for leveraging in private sector and other sources of funding.

5.4 Approach to Economy, Engagement & Communications

The development of three substantial Garden Communities amounting to around 45,000 homes requires an ambitious economic strategy for North Essex to ensure that the new settlements don’t just become dormitory towns but more importantly have a catalytic effect in the wider economy. At the heart of the economic offer for the Garden Communities will be the creation of an ambitious economic strategy for North Essex involving The Councils, the university, economic partnerships and NEGC. As this work progresses, key business representatives will also play an important role, ultimately becoming advocates for the strategy.

As NEGC moves more to the delivery phase, it will also need to focus on its PR and Communications activity. In particular, the masterplanning work (including infrastructure aspects as a key theme) will require a more in depth and sophisticated public engagement programme than has taken place to date – moving it away from being a statutory and Local Plan issue. In addition, the North Essex economic strategy will need to be communicated and ‘marketed’ both across the region and internationally.

5.5 Approach to Innovation

Given the long term nature and overall scale of the ambition, it will be important to ensure that the Garden Communities embed a forward thinking approach, including full and active consideration across new and innovative aspects of community life and place management. It will also be important to ensure that opportunities for innovation across the Garden Communities should support Garden City Principles and improves the quality of life for both new and existing residents.

Opportunities for innovation across the North Essex Garden Communities will be explored under three themes of ‘People; Place; & Operation’ to ensure they can accommodate and make full advantage of new and modern approaches that can add value. Opportunities could range from new forms of transport including accommodating future anticipated trends in movement, through to implementing the ‘Smart City’ agenda such as via technology and sensors to ensure the new places and associated utility infrastructure are run effectively and efficiently to achieve sustainability gains.

The approach will need to draw from the very best innovators from local, national and international realms. It will consider key opportunities and involve horizon scanning to ensure that NEGC Ltd is at the forefront of both thinking and implementation.

A key part of the approach will be the need to define the inter-relationships and pre-conditions needed to encourage and facilitate innovation across a variety of topics and themes and ensure these are embedded in the approach to related activity such as masterplanning and economic strategy development.

5.6 Approach to Legacy & Stewardship

The Garden Communities will be developed and managed in perpetuity with the direct involvement of their residents and businesses.

Residents will be directly engaged in the long-term management and stewardship, fostering a shared sense of ownership and identity. The legacy and stewardship approach will develop over many years, but from the outset will be planned to create the conditions needed to place people, community, identity and belonging at the heart of successful and healthy place making.

The development of community assets such as parks, allotments, community centres, other forms of communal space, schools, local centres and opportunities for formal and passive recreation will form guiding principles of the development.

An organisation, such as a community trust, Parish/Town Council or similar, could be set up and funded to maintain and develop community assets over the long term. The new community will be empowered from the start, secure community benefits in perpetuity and be provided with sufficient financial resources to deliver on this role. Although the approach to legacy and stewardship hasn't been settled yet, its remit might include:

- Provision and maintenance of parks, other open space & community assets;
- Generate revenue streams from endowments & community assets;
- Reinvest income for the benefit of the community;
- Advance public education, especially environmental awareness;
- Promote health and wellbeing, provide facilities for leisure and recreation; and
- Lead and coordinate local community development, including community events.

6. NEGC Ltd - Priorities & Deliverables for 2018/19

6.1 Operational Priorities for 2018/19

It is envisaged that the key operational priorities for NEGC Ltd during 2018/19 will be:

- Continuing to advocate and work with Government for the establishment of a locally led Development Corporation(s) in North Essex including the preparation of a Development Corporation operating structure and funding requirements for testing with Government.
- Undertaking some initial work with The Councils to prepare a mandate in support of a designation for a locally led Development Corporation in North Essex that is financed and supported by all NEGC directors and shareholders.
- Stepping up engagement with the existing and proposed new communities to give them a strong sense of ownership of the emerging new Garden Communities.
- Assisting The Councils with work required to progress their Local Plans including: additional infrastructure, delivery and phasing work; demonstrating the viability of the Garden Communities; and input into the Rapid Transit System work.
- Assisting in the creation of a North Essex Economic Strategy, and ensuring that it maximises the benefits to the Garden Communities.
- Preparing a costed Business Plan for approval by the Board by January 2019 (noting that this may need to be reviewed should a decision be made on whether to proceed with a locally led Development Corporation).
- Exploring the approach to secure an interest in land either via negotiation or compulsory purchase.
- Evolving the optimum approach to delivery including the corporate delivery and financing structure, exploring finance agreements with potential external funding and delivery partners.
- Engaging with Infrastructure and Utility providers to confirm anticipated infrastructure demand and how it may be provided (considering the benefit of public/private ownership options), over the proposed NEGC development period.

These priorities, along with the key Council dates, are set out in the table below:

NEGC Date	Council Date	Activity
July 2018	N/A	Development Corporation Regulations Laid in Parliament
Autumn 2018	N/A	Engagement on high level issues and opportunities with existing and proposed communities
September 2018	December 2018	Delivery of North Essex Economic Strategy
November 2018	December 2018 / January 2019	Development Corporation operating structure and funding requirements
January 2019	March 2019	Board to approve NEGC Ltd Full Business Plan with potential land deal(s)

Further detail on the sequencing of these milestones and the NEGC priorities is set out in **Appendix A** of this Business Plan.

Clearly, the creation of the Garden Communities is a long term programme. During the first few years of operation NEGC Ltd will be engaging and working with partners and local communities to further evolve the vision for the area, develop the forward strategy and agree longer term delivery plans.

6.2 Key Workstreams & Activities for 2018/19

It is envisaged that the operating structure will continue to be reviewed through 2018/19 and informed by a number of workstreams, to ensure that an appropriate approach is in place to deliver on the projects vision and objectives, and level of local ambition.

For NEGC Ltd to achieve the objectives, deliverables and targets set out in this document, there will need to be sufficient resources in place to take proposals forward.

Notwithstanding the above, key activities for each of the NEGC workstreams are set out below:

1. Development Corporation Mandate

The Councils agreed (through Cabinet resolutions in late 2017) that NEGC explores the potential for creating a locally led Development Corporation in North Essex. Since that time, NEGC has been helping and advising Government on amendments to the New Towns Act 1981 to facilitate locally led Development Corporations and how that might apply and benefit the North Essex Garden Communities programme. Government laid revised regulations in Parliament in July 2018. This now enables NEGC to develop an operating structure and funding requirements for a potential North Essex Development Corporation(s) and begin to work with The Councils to prepare a ‘mandate’ which will include a request for those powers to be devolved as part of any designation. The submission of this mandate would be subject to Section 1 of the Council’s Local Plans being found sound sometime during 2019.

During 2018/19 NEGC Ltd will:

- Develop an operating structure and funding requirements for a potential locally led Development Corporation in North Essex.
- Undertake some initial work on a draft Mandate for a potential Development Corporation in conjunction with The Councils.
- Continue to engage closely with Government to consider the scope and scale of Government involvement and support for a locally led Development Corporation in North Essex.

2. Business Strategy & Plan

This Interim Business Plan will act as a precursor to the preparation of a financed ‘long-term Business Plan’ as defined at Section 5.2 of the NEGC Shareholders Agreement.

During 2018/19 NEGC Ltd will:

- Work with The Councils to consider their ‘hard’ and ‘soft’ ambitions and wider objectives for the Garden Communities.
- Evolve the corporate delivery and financing structure to best achieve the aims and objectives of The Councils.
- Evolve outline business cases as necessary in relation to funding needs and financing proposals.
- Prepare a costed Long-Term Business Plan that will be submitted to the Board for approval in January 2019 and thereafter to The Councils for their approval.

3. Planning & Transport

- Undertaking Planning and Transport studies that assists The Councils with work required to progress their Local Plans including: additional infrastructure, delivery and phasing work; demonstrating the viability of the Garden Communities; and input into the Rapid Transit System work.

During 2018/19 NEGC Ltd will:

- Continue to provide assistance and advice to The Councils Local Plan teams in relation to the Local Plan (Section 1) process including the preparation of relevant key additional evidence and technical studies such as.
 - additional infrastructure, delivery and phasing work;
 - work to demonstrate the viability of the Garden Communities;
 - input into the Rapid Transit System work.

4. Infrastructure & Utilities

Extensive work has already been undertaken by Essex County Council working with Highways England on the route options for the A12 and A120 and also by all of four councils on the North Essex rapid transit proposals. It is envisaged that this work will be connected to the Planning and Transport workstream outlined above.

During 2018/19 NEGC Ltd will:

- Evolve demand and capacity studies for strategic on site infrastructure works, including opportunities to accelerate infrastructure delivery and benefit from Government funding initiatives.
- Continue to work with Essex County Council, Highways England, the Department for Transport, Government, and other relevant stakeholders to advocate for, and assist in, the delivery of the A12 and A120.
- Engage with Network Rail and other relevant stakeholders to consider and evolve wider infrastructure opportunities such as those presented in relation to access to the Greater Anglia network.

- Evolve the feasibility of the North Essex Rapid Transit System proposals in partnership with The Councils.
- Engage with utility providers to ensure their best co-operation and wherever possible the inclusion within their capital programmes of the relevant infrastructure demand from the proposed NEGC development.

5. Commercial Delivery

As part of the consideration of the locally lead Development Corporation, by both NEGC and The Councils, it will be necessary to consider the optimum approach to delivery, including the corporate delivery structure, funding options and sources to support the programme.

The delivery workstream will also need to consider whether commercial deals that meet the Development Corporation's objectives can be agreed with the existing landowners across the Garden Community sites or, alternatively, whether there is sufficient evidence to progress Compulsory Purchase Orders to gain control of the land once the Development Corporation is in place.

During 2018/19 NEGC Ltd will:

- Consider options for land control and securing appropriate infrastructure to enable a start on site within the required timescale.
- Fully investigate and identify the optimum approach to funding – both for short term revenue needs and longer-term infrastructure/land purchase.
- Fully assess the implications and opportunities offered via fully public sector funded route, including discussions with HMT, MHCLG and the HCA over their potential roles and potential for financial flexibilities.
- Identify and develop proposals for the financing and delivery of the development including infrastructure (e.g. master developer company) to ensure quality and deliver value for money.
- Investigate further the mechanism and opportunities presented by compulsory purchase powers.
- Investigate the potential for collaboration with partners in relation to cost synergies, for example the related commercial opportunities that the Garden Communities could bring to the 'peripherals' of the programme.

6. North Essex Economic Strategy

Work is currently underway and will continue throughout 2018/19 to develop an ambitious economic strategy for North Essex. This work involves NEGC, The Councils, the university, economic partnerships as well as other key economic stakeholders. This Strategy will aim to leverage economic growth from the Garden Communities for the benefit of North Essex as well as seeking to attract major employers to North Essex.

NEGC will play a pivotal role in the evolution and delivery of the North Essex Economic Strategy.

During the 2018/19 NEGC Ltd will:

- Work with The Councils and key partners to deliver the North Essex Economic Strategy, ensuring that it maximises the benefits of Garden Communities.
- Work closely with partner marketing and communications team to ensure that the North Essex Economic Strategy is communicated and ‘marketed’ both across the region, nationally and internationally.

7. Public Relations & Communications Strategy

As NEGC moves into facilitating the delivery of the Garden Communities, it requires an increase in its public relations and communications activity. This will be distinct and separate to The Councils engagement and consultation processes associated with the statutory Local Plan making process.

During 2018/19 NEGC Ltd will:

- Step up engagement with a programme to discuss high level issues and opportunities with the existing and proposed communities.
- Ensure that, the North Essex economic strategy is communicated and ‘marketed’ both across the region and internationally.
- Continue and advance the work already underway with partners and local communities to refresh the vision for the area and develop a strategy to market and deliver it.
- Continue to engage with the main areas of Government including MHCLG, Homes England, Department for Transport, Highways England and HM Treasury.
- Regularly brief and update all affected MPs on the Garden Communities.
- Engage in lobbying within Parliament, especially in relation to the Development Corporation proposal.

8. NEGC Company Matters

Work has been undertaken to enable NEGC Ltd to manage the key workstreams and activities. This work has investigated the potential for NEGC to undertake more of the processing for the financing and procurement activities utilising The Councils finance and procurement systems. This will remove the requirement for NEGC to have to rely exclusively on support from The Councils.

During the period, NEGC Ltd will:

- Create a suite of financial and contract policies to enable NEGC to operate and function more independently.
- Evolve and refine the in-house project management approach to include dedicated contract and budget management resources.
- Establish a NEGC company management structure.

6.3 Programme Timeline & Key Milestones

This 2018/19 period reflects the current position of the NEGC Ltd as a relatively new organisation. Engagement with partners and stakeholders is underway in order to develop a longer term detailed plan. Future long term business plans will provide more detailed information on workstreams, activities, outputs, performance measures and outcomes.

7. Programme Management

7.1 Operating Model

For NEGC to achieve the objectives, deliverables and targets set out in this document, there will need to be sufficient structures and staff resources in place to take proposals forward.

The NEGC operating model is based on a small core team which has responsibilities for:

- Project leadership and vision.
- Business strategy and structure.
- Programme and project management, including the coordination of workstreams and commissioned work.
- Concept development through the evolution of site specific masterplans.
- Planning for infrastructure, identifying and lobbying for funding.
- Evolving the economic strategy and exploring opportunities for innovation.
- Community outreach and engagement to make resources available to local Parish Councils and interest groups to help engagement in the process.
- Communications, engagement and marketing to ensure proposals evolve with local community involvement and are understood by wider audiences.

The operating structure will become more self-sufficient as time goes on but will continue where appropriate to draw on the support of a range of specialists across the other partners, including on planning, legal and financial officers within each of The Councils. A service level agreement will be put in place to provide support services for NEGC such as accommodation, ICT, human resources and payroll. Other specialist services like Planning, Engineering, Architects, Strategic Finance, Tax, Commercial Delivery, and Property Agents will be provided by external consultants.

7.2 Staffing Structure

The team scope and remit will evolve and expand considerably over the first few years as the locally led development corporation structure and individual project vehicles require more detailed support in terms of design and planning, including the need for multi-disciplinary technical inputs.

During the course of 2018/19, the current staff team at NEGC Ltd is likely to remain in place and be supplemented by specific experts, either employed as contractors or through consultancy contracts:

- Employees: Group Managing Director (currently directly employed by NEGC Ltd); Head of Programme; Programme Manager; Communications Manager; Delivery Team Administrator (currently employed by Colchester Borough Council and seconded to NEGC Ltd).
- Expert contractors¹: Commercial; Procurement; MMC/Construction; Finance; Engagement & Marketing.

¹ Rates commensurate to Living Wage levels.

- Consultants: Economic Strategy; Delivery & Financial; Tax; Planning & Property; Legal; Land & Valuation; Masterplanning & Transport; PR & Communications; Company Secretary.

7.3 Governance

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

The day-to-day working of NEGC Ltd will be overseen by the company's Group Managing Director and supported by a dedicated Programme Delivery Team who will coordinate all work and programme-related activity, including overall project programming and budget management.

The work of the core NEGC team will also involve some close joint working with a range of internal and external stakeholders, including officers from The Councils across a number of key areas.

The Programme workstreams will focus on the following specific areas:

- **Planning & Infrastructure:** to advance masterplanning and project infrastructure requirements and dependencies.
- **Commercial & Delivery:** to evolve the commercial delivery and land model, financial analysis, legal and corporate financing and tax considerations, including input to the evolution of associated Business Cases.
- **Economic & Engagement:** to evolve the economic strategy and manage programme-wide external engagement, communications and public relations activity.

It is anticipated that Task & Finish groups will be set up, as appropriate, and will report into the workstreams to take forward specific pieces of work. Other cross cutting related activity, such as Innovation and Legacy/Stewardship, will be integrated into this workstream structure. An overarching Steering Group will oversee and monitor the work across the workstreams, including the budget, on behalf of the NEGC Board. This will be led by the Group Managing Director of NEGC Ltd and comprise of Senior Officers from The Councils, together with key staff in NEGC Ltd and external stakeholders, including representatives from Homes England.

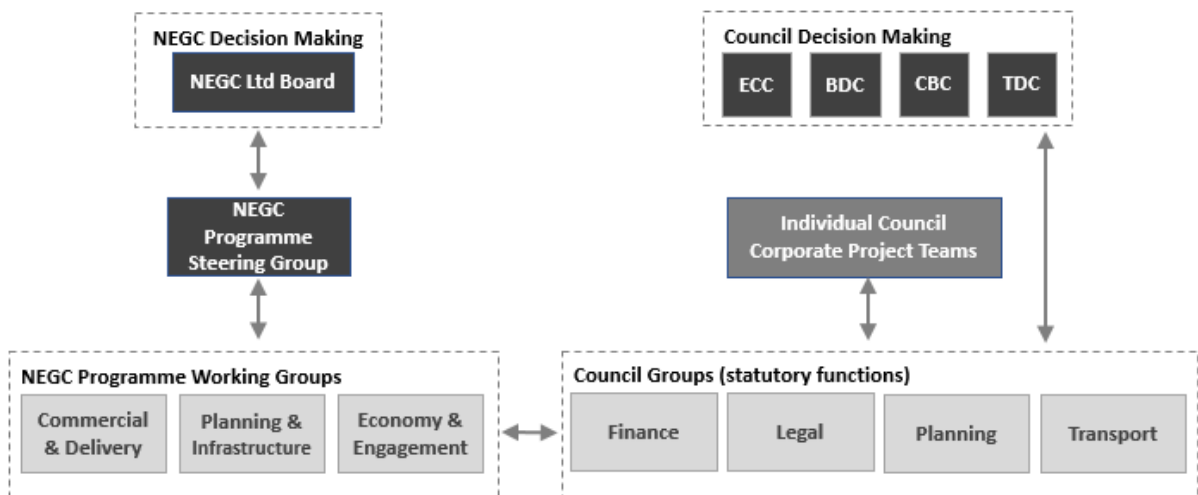
Additionally, a number of specialist Groups formed by the Council leads on key statutory functions will also be in place to ensure there is close working between the NEGC programme and the wider statutory functions of The Councils. This approach will ensure there is distinction between the operational activities of NEGC Ltd, such as in relation to the evolution of land use proposals and its business model, and the statutory functions/duties and wider roles of The Councils. The statutory function groups will enable close communication, regular structured liaison and effective joint working between NEGC Ltd and The Councils across the following themes:

- **Finance:** to establish regular liaison between the programme and Council finance representatives (s151 Officers).
- **Legal:** to establish regular liaison between the programme and Council legal representatives (Monitoring Officers).
- **Planning:** to consider the approach alongside statutory planning functions of The Councils with respect to plan making and development management.

- **Transport:** to consider the approach alongside statutory transport functions and initiatives.

Each Council will also draw together specific inputs to the programme via internal project groups to ensure coordination across separate Council officers who are working with NEGC Ltd.

Figure 7.1: Workstreams & Governance



8. Finance

8.1 Overview

The project to date has been supported through a combination of MHCLG capacity funding (grant) and equal contributions from the four Councils. It is however also clear that The Councils are working within a climate of reducing general financial support, revenue pressures and the need to find savings.

As set out in this document, taking the programme forward during 2018/19 is resource intensive as the workload steps up to fund all necessary technical and design work to progress the Local Plan (Section 1) process and to develop a locally led development corporation proposition including bringing the schemes to delivery ready status. As such, 2018/19 is a year of transition towards the establishment of a locally led development corporation in North Essex. It should be noted that whilst this Interim Business Plan reflects the work that needs to be done by NEGC Ltd during 2018/19, The Councils will separately directly fund work associated with the Local Plan process and documentation.

8.2 2018/19 Budget

Appendix C sets out the budget for 2018/19 by workstream. The expenditure is be funded by a mix of Councils and Government funding. A request has been submitted to Government (specifically the MHCLG Garden Towns Villages Fund) by NEGC Ltd on behalf of all of The Councils for £1.035m capacity funding for 2018/19 to support both the Pre-Development Corporation and Development Corporation activities contained in the budget. The MHCLG Garden Towns Villages fund exists to support local authorities develop Garden Community proposals for their areas and has already provided £2.19m funding to the project. North Essex is the largest project in that programme. The Government funding is expected to be confirmed during Autumn 2018 and if this was not forthcoming then activities will need to be stopped or substantially scaled back from the end of December 2018. Further detail on the budget can be found at Appendix C of this Plan. The progress of the activity to deliver the Interim Business Plan, together with a reconciliation of spend against budget, will be monitored monthly via a programme report and presented as a standing item at future NEGC Ltd Board meetings.

9. Risk

9.1 Overview

To support the successful delivery of the NEGC Programme, the Programme Team maintains a high level Strategic Risk Register for the NEGC Ltd Board.

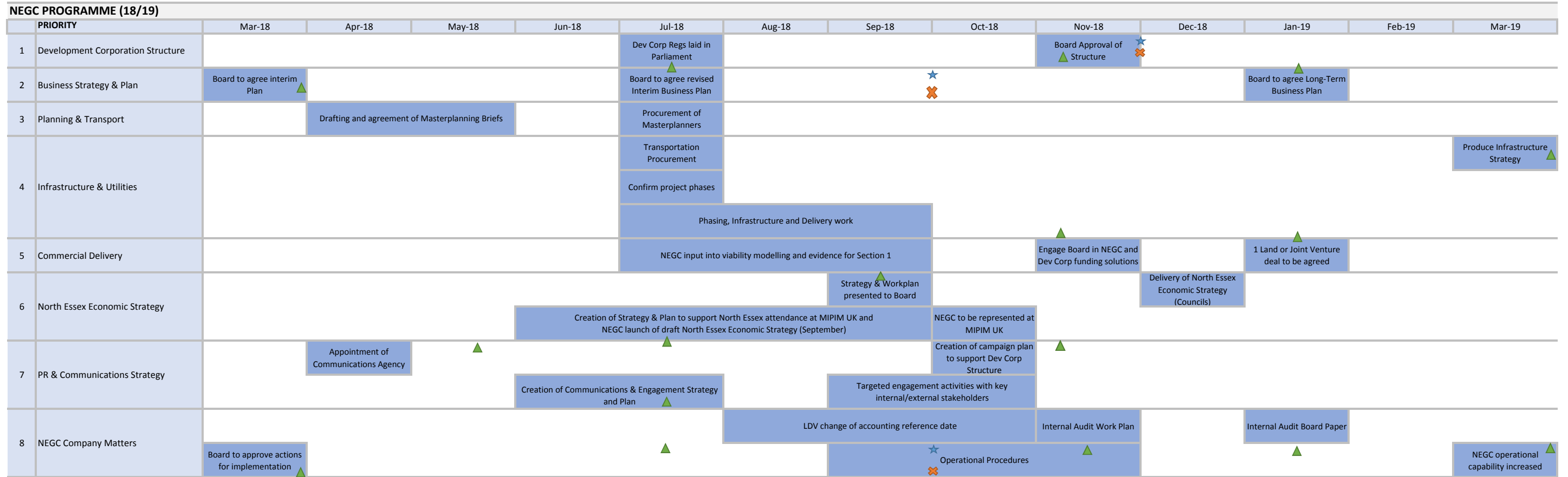
The Strategic Risk Register focuses on the key risks the Board have identified as the most significant areas that need to be monitored and reported to them on a regular basis. These risks are set out in accordance with the Treasury Green Book approach to risk appraisal and are categorised as follows:

- Strategic;
- Economic;
- Commercial;
- Financial Case; and
- Management.

The Register uses a RAG (red, amber, green) rating system to highlight the total score of the recommended probability and impact of these strategic risks and also details the mitigation that has been put in place to manage these concerns. The programme's workstreams have contributed to the validity of these ratings to ensure they reflect the current position.

These key risks will continue to be monitored and updated as the programme progresses and will reflect the impact of the key workstreams and activities of NEGC Ltd. Any changes to the status of each of the risks will be reported to the Board in a timely fashion, as appropriate.

APPENDIX A: NEGC PRIORITIES AND MILESTONES



KEY	
★	Full Council
✘	Cabinet
➤	Local Plan Committees
▲	NEGC Board

APPENDIX B: RATIONALE AND STRATEGIC BUSINESS CASE CONTEXT

This Appendix sets out information pertaining to several key components of the ‘Strategic Outline Case’ as per the HM Treasury Green Book and forms the basis of subsequent work in 2018/19 which will feed into the development of the ‘Outline Business Case/s’.

The Rationale: Key Issues – Opportunities and Challenges

North Essex will be an area of significant growth over the period to 2033 and beyond, embracing positively the need to build well-designed new homes, create jobs and improve and develop infrastructure for the benefit of existing and new communities.

Future growth at scale across North Essex will need to address a number of key issues. It will be challenging and require a robust response to ensure proposals come forward that can meet the overall scale of ambition, vision and a clear set of defined local objectives. Sustainable development principles will be at the core of the strategic area’s response to its growth needs, balancing social, economic and environmental issues.

The future response will need to address the following key components.

Meeting the need for new housing

The North Essex authorities are committed to plan positively for new homes and to significantly boost the supply of housing to meet the needs of the area. To meet the requirements of national policy to establish the number and type of new homes, the authorities commissioned an Objectively Assessed Housing Need Study.

The study has identified the objectively assessed need across the Housing Market Area (which includes Braintree, Colchester, Tendring and Chelmsford) and sets a challenging context to The Councils in needing to plan positively for future growth in a sensible and sustainable manner.

The Councils are also taking a long-term approach to ensure that new development can be planned in a thorough and holistic way to set the basis for future growth and infrastructure planning across North Essex for many years into the future. This in turn helps to consider and define appropriate strategic infrastructure needs in response to the overall scale of growth.

Providing for Employment

A key objective for the area is to strengthen and diversify local economies to provide the capacity and opportunity to enhance and diversify local employment; and to achieve a better balance between the location of jobs and housing, which will reduce the need to travel and promote sustainable growth.

Braintree District’s employment is relatively focused on industrial-type sectors, including construction and manufacturing. London Stansted airport plays a significant role in not only employing residents of the District, but through the indirect economic benefits associated with proximity with such a large employment hub. Retail is the second largest sector by employment and plays an important role in sustaining the District’s three key town centres. The financial and insurance sector, where Braintree District traditionally has a relatively small proportion of employment, has seen some strong employment growth in recent years.

Colchester is the dominant town within the Essex Haven Gateway and will accommodate much of the future growth in the sub-region. It is one of the UK's fastest growing towns and has developed a strong economy, linked to the town's historic character, cultural activities, and its university.

Tendring District has a diverse economy with local employment across a range of activities. Health, retail and education are the largest sectors in terms of the number of jobs and together represent 45% of the District's total employment.

The employment offer will need to provide new opportunities, taking care to ensure that these supplement and complement existing employment areas, settlement hierarchies, and the role and function of existing centres of activity.

Infrastructure and Connectivity

A growing economy requires good accessibility and has impacts on travel demand. The challenge is to provide a sustainable transport system, while providing good access to jobs and services, to support economic growth.

The new Garden Communities will need to be supported by appropriate transport infrastructure. Braintree, Colchester and Tendring will continue to work closely with Essex County Council, Highways England, and other partners to improve roads and public transport and to promote cycling and walking, and to better integrate all forms of transport.

The A12 is set to have major improvements as part of the Government's Roads Investment Strategy (2015-2020) (RIS), with the aim of improving capacity and relieving congestion. The plans were announced in December 2014 and will represent the largest investment in road infrastructure received by Essex.

The A120 is a key east-west corridor across Essex providing access to London Stansted Airport in the west to Harwich Port in the east and serving the economies of Colchester, Tendring and Braintree, with links to Chelmsford via the A130. The road is dualled between the M11 and Braintree, but the section from Braintree to the junction of the A120/A12 is of a low standard with heavy congestion, high accident risk and poor journey reliability. Highways England and Essex County Council are working together to study options for dualling the A120 between Braintree and A12 junction, with the County Council taking the lead.

The aim is to ensure that the work on both the A12 and A120 are directly linked and informed by the planned growth across North Essex through partnership working between all parties. In addition, such projects are essential in enabling planned growth to come forward supported by the necessary strategic infrastructure. The scale of new development envisaged will also need to deliver public transport improvements, including improved rail infrastructure and potential for rapid transit services.

The rail network is heavily used by passenger trains and through freight from the Haven Ports. The Great Eastern Main Line provides services to London Liverpool Street. The Anglia Route Study shows that while capacity varies along the line, capacity to accommodate growth is limited and is particularly constrained in peak times from Chelmsford to London. Improvements are required along the line to accommodate growth and provide a faster more competitive service across the region. A package of improvements will be necessary to respond to the need for increased capacity, which are seen as priorities to enable growth, improve services and journey reliability.

Promoting sustainable transport opportunities

Alternative forms of transport to the private car (walking, cycling and public transport including rapid transit) to travel will be key to managing congestion and to accommodating sustainable growth. By promoting travel by sustainable modes there are wider benefits to local people such as personal health, less pollution and using less resources (including land), and they are cost effective.

The levels of growth will require proactive travel planning and management. Travel planning and smarter choices initiatives will be promoted to ensure that all residents have good access to local jobs, services and facilities, preferably by either walking or cycling. For longer trips and in rural areas where there are fewer local services and employment opportunities, public transport will be promoted.

Education and Healthcare

New development must provide for the educational needs of new communities. A range of educational opportunities will need to be addressed as part of a sustainable growth strategy, including practical vocational training and apprenticeships.

NEGC will need to work with the NHS and key local health providers to ensure the provision of healthcare facilities to support new and growing communities. This will be particularly important given the ageing profile of existing and future residents. There is already a need for more and better quality health care facilities across the region.

Broadband

High quality communications infrastructure is crucial for sustainable growth. The availability of high speed and reliable broadband is a key factor in unlocking new development opportunities and ensuring that people can access services online and work from home. Fast broadband connections and telecommunications are an increasingly important requirement to serve all development. The priority is to secure the earliest availability for universal broadband coverage and fastest connection speeds for all existing and new developments.

Creating Quality Places

New development must reflect high standards of urban and architectural design. It must also be functional and viable. The new Garden Communities will be planned carefully with the use of masterplans and design codes, and potentially independent design panels, to further evolve the approach set out in Local Plans and emerging Concept Frameworks.

This requirement for high design standards will apply to public and private buildings across all scales of development as well as to infrastructure projects. Enhancements to the public realm, landscaping measures and attention to architectural detail will be important features that the authorities will wish to see included in new developments.

At new Garden Communities, there will be a particularly strong emphasis on strategic scale and local green infrastructure, creating a strong natural environment for living, working and leisure whilst also making a vital contribution to quality of place, biodiversity and health outcomes.

The Councils Response: Spatial Planning for North Essex

Local authorities are required to set out the strategic priorities for the area and be ultimately responsible for ensuring such plans come to fruition. The Councils through Local Plans, a North Essex Garden Communities Charter, and Prospectus have come together to establish a strategic context which establishes the case for change and starts to inform a potential way forward.

The approach is being evolved to enable a joined up and effective approach that can:

- Deliver the homes and jobs needed in the area over the long term;
- Secure the provision of infrastructure for transport and telecommunications, education, health, community and cultural infrastructure; and
- Ensure the creation of quality places including the conservation and enhancement of the natural and historic environment, including landscape, together with an affective long term approach to effective local stewardship.

Braintree, Colchester and Tendring have all been evolving new Local Plans which have been brought forward through separate decision-making structures within the respective Councils. Alongside this and in accordance with the Duty to Cooperate, The Councils have worked closely to plan effectively for the long term.

The Local Plan making processes have considered the most appropriate spatial approach to future development, including formal consideration and consultation on initial issues & options, and identification and consultation on preferred options, leading to the proposed joint approach being agreed and submitted to the Planning Inspectorate for examination.

The approach has evolved into the consideration of cross boundary strategic matters (including the potential location of 3 proposed Garden Communities) through a joint “Part 1” component of the plan, together with separate “Part 2” components which address local matters for each separate Council. The Plans are accompanied by a broad evidence base which has informed decision making, have included formal stages of public and stakeholder consultation and strategic environment assessment, which included evaluation of potential alternatives.

The vision for North Essex at a strategic level has been set out by the local planning authorities within Part 1 of the Preferred Option Local Plans. This addresses both an agreed joint spatial vision for the wider area together with the role and significance of the proposed Garden Communities. The vision sets out a clear statement of local ambition and establishes a strategic basis from which to move forward. It enables The Councils to plan positively for the future homes and jobs needed across the area, the provision of high quality infrastructure (transport, telecommunications, education, health, community and cultural infrastructure); and the creation of quality places including the conservation and enhancement of the natural and historic environment, including landscape.

Corporate Consideration of the Delivery Approach

The Local Plans have been brought forward through respective plan making committees and decision making structures, which has considered the spatial approach and evidence underpinning the consideration of options leading to a preferred spatial scenario including the 3 proposed Garden Communities.

Cabinet Meetings for each of the Councils in January/February 2016 specifically considered the progress of joint work relating to Local Plans, with specific reference to the potential for cross-boundary sites to come forward, and the Councils role in their further consideration and potential delivery.

The Councils agreed to formalise the joint working into a joint working governance structure including representation on a Shadow Joint Delivery Board, project Steering Group and topic based working group structures. Initial advice had been provided in respect of potential delivery options and implications, and further advice was to be commissioned. The Shadow Delivery Board was established to provide overall direction in respect of the project and an appropriate delivery structure should the partners decide to progress with strategic cross boundary Garden Communities, subject to the plan-making process.

At the meetings, The Councils agreed to the continued joint working and further consideration of proposals including scope to take an active role in the development and construction of the new proposal Garden Communities. Following this the Council committed resources both in relation to officer time and a financial contribution to support the joint work alongside grant funding secured from the Department for Communities and Local Government to support the evolution of further feasibility studies.

Reports were subsequently brought back to respective Council Cabinets in November/December 2016 to seek approval for The Councils to enter into joint arrangements with the other Councils to create an overarching body to be known as North Essex Garden Communities Limited (NEGC) to coordinate the development of the sites and establish further companies (Local Delivery Vehicles (LDVs) for each proposed garden community. The Councils were asked to give in principle agreement to provide proportionate funding to enable the initiative to proceed.

Further papers were considered at Council Cabinet meetings in August/September 2017 which provided an update on the general approach, and secured endorsement to promote the positioning of NEGC Ltd with respect to the potential establishment of a single new locally led development corporation, as well as support to the principle of using compulsory purchase orders to secure control of land if voluntary agreements could not be achieved in a reasonable time. The Councils committed further revenue contributions to continue working on the initiative.

Importantly, the decisions made clear that the corporate decision relating to delivery did not commit any council to allocate any sites within the Local Plan, as this has been subject to separate decision-making processes in accordance with the statutory requirements and material considerations at the relevant time.

The Commercial Case & Options Considered

The Councils have considered a wide range of alternative delivery mechanisms and structures.

The principal alternative options would be to allow for the development of the settlements, namely:

1. by the private sector under traditional approaches to such development;
2. via some form of public/private partnership/joint venture; or
3. via a public sector led delivery structure.

Current and past experience provides evidence of the difficulty of relying upon a solely private sector approach, and weaknesses in relying purely on planning policy to secure suitable outcomes. Multiple issues have hindered the progress of such large-scale sites, be it due to the nature of land promoters/developers, their ability to deliver and raise suitable finance, and often a reliance on the public sector to ultimately intervene and/or provide some form of funding support. In addition, planning policy can be open to interpretation and a degree of flexibility, most notably in respect of viability concerns, meaning that full policy objectives have potential to not be achieved.

Given the level of local policy and place-making ambition and choice that has been made to bring forward schemes along true ‘Garden City’ principles, their scale and timescale of delivery, complexity and landownership position of the sites being considered, it was considered that neither private sector led or joint public/private approaches (whereby the private sector retains a controlling stake) would offer the same level of confidence that over a development programme of 30 years that the garden community objectives would be met throughout different economic cycles.

The approach has therefore focussed on adopting a positive and proactive public sector leadership role from the outset, with a strong planning policy basis and direct role in delivery. This was considered to offer sufficient certainty about ambition and eventual delivery.

The projects will take in the order of 30 years to deliver; infrastructure which supports the development of the whole project will necessarily have a long payback period, the public sector is well placed to act as a patient investor taking a long-term approach to payback enabling higher levels of investment at early stages.

It was originally envisaged that land would be acquired via the LDV’s in the governance structure created by The Councils and through successful negotiations with existing landowners, or via a CPO made by the planning authorities if necessary. Negotiations have as yet not been able to conclude to a satisfactory outcome.

Changes to the law made by the Neighbourhood Planning Act 2017 has meant that the prospect of a New Town style, locally led Development Corporation (LLDC) with local accountability has emerged as a realistic option for the onward development of the project. Whilst this would change the currently formulated delivery model, it would be based on the same vision and delivery principles as outlined above; particularly early development of infrastructure and it being public sector led.

If a LLDC was created, the use of LLDC planning powers would be supported by land ownership to provide a stronger mechanism than traditional planning agreements or Community Infrastructure Levy (CIL) for the recovery of investment and a safeguard against opportunistic planning applications that are contrary to the agreed plans.

Initial consideration of the key issues indicated that speedy establishment of an LLDC could provide major advantages, both in terms of ensuring effective delivery in line with the aspirations of The Councils through the Vision, and in respect of delivering effective funding arrangements.

The project was reviewed by Lord Kerslake in January 2017, which identified a series of recommendations that have an influence over project resourcing, risk management and appropriate timescales. This has informed the approach. The proposals will enable the Council to have a significant role in ensuring that there is a sustainable environment with strong community facilities

including green spaces. This focus on a sustainable community with strong infrastructure will also include both education and health facilities which meet the needs of all sectors of the community.

Clearly within the proposals there is the potential for a significant investment by The Councils. This would need to be managed in such a way as to ensure that this is viable. The Council's will be looking at this as a long-term investment and therefore there may need to be careful consideration of the details of future funding agreements and their impacts on The Council's budgets, while also recognising affordability within budget envelopes.

Such matters will evolve further and be encapsulated into the progression of related Business Cases, prepared to align with HM Treasury Green Book approaches. This Interim Business Plan sets out information aligned to elements of the initial scoping and Strategic Outline Case stage of the process.

Working with Stakeholders

The existing stakeholder picture is a complex one. NEGC is currently working together with The Councils, along with a number of statutory organisations and local business groups such as the Haven Gateway and South East Local Enterprise Partnership. In addition, the future delivery at the scale envisaged through the NEGC programme interfaces with the expansion plans for many key bodies such as the University of Essex, Stansted Airport, Harwich/Felixstowe ports, and the opportunity and ambition for economic growth as set out in the NEGC Prospectus.

The focus will need to be placed on NEGC having a key focus on delivery, distinct from the wider roles of the founding Councils. This refocussing will provide an opportunity for a wider discussion with key individuals / groups and an emphasis on aligning the work to achieve broader aims and objectives across the North Essex area.

Having a structured approach to stakeholder management will help to identify quick wins to progress or where there are stakeholder issues that may take longer to fix. It can also help to identify issues, where there are gaps in relationship management or where additional support is needed to facilitate new relationships.

An initial list of stakeholder groups is set out below. All will need to continue to be effectively engaged in the programme for it to be a success, and deliver on wider ambitions:

- Political (national/local MPs / Members / parish and town councils);
- Officials (key Government Departments and organisations, Civil Servants / Senior Officers);
- Local Interest & Pressure Groups (national/local);
- Social & Community Groups (local authority area);
- Business Groups (national/local);
- Education & Skills (sub region/local authority area);
- Health (sub region/local authority area);
- Statutory groups (Police/Fire, Transport, Utility, Environment, Heritage etc.);
- Housing & Construction sector (national/local);
- Economic (national/regional (LEPs & corridors)/local).

NEGC will need to continue to interface with key stakeholder groups so that joint initiatives can be progressed and delivered. To do this successfully, responsibilities need to be refined between the key partners and then allocated accordingly.

It is important to recognise that stakeholders directly (or indirectly) interface across a number of relationship owners. For example, they may have an interest in multiple issues or areas of control. Their influence may change over time. Stakeholders can 'wear different hats' for different scenarios and issues (and may behave differently with different situations or audiences). Continuing to be aware of these interfaces and multiple interests is important, plus knowledge of stakeholder networks and cross-connections will be key.

It will be important for NEGC to consider how it expands its existing engagement programme and continues to raise its profile in the future. Further detailed analysis, building on the work done to date, will be undertaken on comprehensive stakeholder mapping as part of a wider approach to publicity and communications and as work on a North Essex Economic Strategy and site specific masterplans begin to take shape.

Stakeholders and relationships will change over time and any stakeholder analysis can only provide a snapshot in time. Therefore, it will be important to continue to regularly monitor and measure stakeholder views, interfaces and associated influencing factors.

APPENDIX C: NEG C SHORT TERM BUDGET FORECAST 2018/19

WORKSTREAM / BUDGET AREA	18-19				18-19
	Q1 Apr-Jun	Q2 Jul-Sept	Q3 Oct-Dec	Q4 Jan-Mar	
Project Resource / Delivery Team					
Sub Total	188.0	163.5	169.5	167.5	688.5
Legal Support	Q1	Q2	Q3	Q4	18-19
Sub Total	75.0	90.0	80.0	85.0	330.0
Delivery Support	Q1	Q2	Q3	Q4	18-19
Sub Total	235.5	519.7	372.3	309.3	1,436.8
Planning	Q1	Q2	Q3	Q4	18-19
Sub Total	0.0	70.0	45.0	75.0	190.0
Community & Communications	Q1	Q2	Q3	Q4	18-19
Sub Total	30.0	40.0	30.0	30.0	130.0
Contingency @ 10% of original budget fixed at £253.4k	0.0	66.8	62.4	62.0	191.2
Total All	528.5	950.0	759.2	728.8	2,966.5
<i>Total Cumulative</i>	<i>528.5</i>	<i>1,478.4</i>	<i>2,237.7</i>	<i>2,966.5</i>	
Total Funding Sources	All 18/19				
MHCLG	1.035				
Local Authorities	500				



Financial Regulations

Author: Richard Bayley, Group Managing Director, NEGC

Version 1.11
September 2018

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1. Introduction

- 1.1. North Essex Garden Communities Ltd (the Company) is required by the Companies Act 2006 (as amended) to conduct its business efficiently and to ensure that it has sound financial management policies in place, which are strictly adhered to. Part of this process is the establishment of Financial Regulations, which set out the financial policies of the Company.
- 1.2. Financial Regulations provide clarity about the accountabilities of individual employees/contractors, the Group Managing Director (GMD), the Responsible Finance Officer (RFO) and the Board.
- 1.3. Employees should link the Financial Regulations with other documents which form part of the Company's Constitution, e.g. Articles and Shareholders Agreement.
- 1.4. These Financial Regulations may only be amended by approval of the Board which in turn requires resolution of its shareholders.
- 1.5. The RFO is responsible to the Board for the overall control of NEGC's financial affairs and the continuous provision of financial information.
- 1.6. The RFO is responsible for maintaining the integrity of the financial control systems of NEGC. He should be consulted, as required, over any proposed change to accounting and financial operations wherever they are performed.
- 1.7. As NEGC is formed of Braintree District Council (BDC), Tendring District Council (TDC), Essex County Council (ECC) and Colchester Borough Council (CBC), NEGC will make use of the existing policies and procedures from CBC as an interim arrangement until such time as NEGC's policies and procedures have been created and are formally approved by the NEGC Board and its shareholders.

2. Internal control

- 2.1. The Board has ultimate responsibility for establishing proper systems of internal control, whether financial or otherwise. Day-to-day responsibility for internal control is delegated to the RFO who shall provide the Board with an annual statement of assurance that the appropriate controls are in place and working effectively.
- 2.2. The RFO is responsible for ensuring that appropriate and effective systems of internal assurance and control (including proper segregation of duties, where applicable) are established, monitored and maintained.

3. Budget preparation, monitoring and control

- 3.1 Preparation of budgets for expected income and expenditure shall be co-ordinated by the RFO.

- 3.2 The budget is to be prepared in a form agreed by the Board in a manner that is consistent with the objectives of NEGC and its Long-Term Business Plan (or Interim Business Plan). When being considered by the Board, the annual budget should be accompanied by recommendations on its acceptability and its impact on overall finances.
- 3.3 The Board will consider and approve the annual budget no later than two months before the start of the financial year. Once approved by the Board and the Shareholders, the annual budget is to be used as the basis for authority to incur expenditure on individual headings up to the agreed levels and for comparisons between budgeted and actual results, until it is revised. To facilitate the Councils supporting NEGC, a high level budget will be tabled in October each year which will allow any financial requirements (of the Councils) to be incorporated into the timing of the LA partners budget setting process.
- 3.4 If, at the end of any financial period, the Budget for the next financial period has not been agreed by the Shareholders, NEGC will operate on the basis of the budget approved for the preceding year until such time the Budget for the next financial period has been approved by the Shareholders.
- 3.5 The GMD has authority to approve virements or transfers between budget headings, up to an amount of £50,000 or such other agreed amount as determined from time to time in consultation with the Chairman (up to a maximum of £100,000) or in consultation with the Board (above £100,000). Any such variations in budget headings initiated by the GMD or the Chairman shall be reported to the next meeting of the Board.
- 3.6 If during the financial year it becomes apparent that expenditure on a budget heading is likely to exceed the approved budget by an amount in excess of any allowable virement, the GMD, in consultation with the Chairman of the Board, will have authority to agree a budget virement or adjustment. Such an adjustment must be limited to a maximum of £100,000 and must be reported to the next meeting of the Board together with an indication of other areas of expenditure where compensatory savings could be made. The total approved budget for the year may not be exceeded without the approval of the Board and the Shareholders.
- 3.7 Nothing in these Financial Regulations will prevent GMD from incurring expenditure that is essential to meet any immediate needs created by an emergency, subject to such action being discussed beforehand with the Chairman of the Board whenever possible and being reported as soon as possible to the Board.
- 3.8 Inclusion of approved budgeted expenditure will constitute authority to incur such expenditure except where the Board has placed a condition on any item.
- 3.9 The RFO will present to the Board a quarterly report on the state of NEGC's finances and will report on the draft accounts of each financial year within one month of the financial year end and provide audited year-end accounts within three months of the year end.
- 3.10 The RFO will provide the Steering Committee with monthly reports as appropriate, of income and expenditure under each heading or approved budget and such other relevant information which is available; for example transaction listings..

4. Business Plan

- 4.1 The GMD will ensure that a business plan covering a period of five years, in accordance with 5.2 of the Shareholders' Agreement, and related financial projections are prepared and are reviewed and updated at least annually before the start of each financial year. The financial projections should be based on the approved budget and incorporate suitable assumptions.
- 4.2 The RFO will arrange for sensitivity testing of the projections and assumptions by reference to key risks identified in the strategic risk analysis. The RFO will arrange for the business plan and projections to be independently audited periodically and if required by the Board, any lender/investor or the Regulator.
- 4.3 The financial projections, including sensitivity testing analysis, will be considered in detail by the Steering Group and Statutory Finance Group before recommendation for approval by the Board. The business plan will be considered by the Board before the start of each financial year. The RFO will prepare a suitable timetable and plan to allow for the budget, business plan and stress testing to be considered and approved appropriately.
- 4.4 The RFO will prepare quarterly monitoring reports of performance against the financial projections.

5. Accounting

- 5.1 The RFO will provide guidance and training on the accounting principles and procedures to be used throughout NEGC by employees in all financial matters.
- 5.2 The RFO, subject to consideration and approval by the Board, will determine all accounting procedures and records of NEGC and its employees in accordance with the requirements of statutory agencies and regulatory authorities. Where appropriate, the RFO will seek guidance from NEGC's auditors or the Shareholders statutory finance officers.
- 5.3 All accounts and accounting records of NEGC shall be compiled under the direction of the RFO, who will be responsible for ensuring their accuracy.
- 5.4 The RFO will make sure that a proper segregation of duties exists between those employees responsible for collection of income or making payments and those employees responsible for providing information or examining and checking transactions relating to income or payments. As such, Contracts shall be signed by the GMD or in the GMD's absence, a NEGC Board member. Invoices will be authorised by the GMD and the NEGC Commercial Manager.

6. Audit requirements

External audit

- 6.1 The Board will appoint external auditors as required by company law and in a way consistent with the requirements of current guidance and codes of practice.
- 6.2 The Board will carry out an annual review of the auditors' performance before any recommendation that the Board reappoint the same auditors for a further period.
- 6.3 The RFO will arrange for the completion of external audits and will liaise with the external auditor. The timetable will make sure that draft accounts are considered by the Board before the Annual General Meeting, and that the financial statements are available for adoption at the Annual General Meeting, which will be held within six months of the end of the financial year.
- 6.4 The external auditors will be invited to present their annual final management letter to the Board and to discuss issues that have arisen during their work, including highlighting areas of concern and recommendations for improved efficiency and control.

Internal audit

- 6.5 The Board has ultimate responsibility for ensuring that an adequate system of internal control is implemented for safeguarding the assets of NEGC. The Board will make sure that adequate and effective internal audit takes place for the governance, financial and operational systems employed in the effective delivery of services.
- 6.6 At the RFO's discretion, an internal audit function may be provided either by any of the Shareholders acting independently or together or procured from an external agency.
- 6.7 Internal and external audit services will not be provided by the same organisation.
- 6.8 The internal and external auditors have direct access to the Chair of the Board to ensure the independence of the audit functions. Similarly, the Chairman of the Board will have a right of access to internal audit where he/she considers this necessary.
- 6.9 Internal auditors shall have authority to:
 - enter at all reasonable times any of NEGC's premises or land
 - have access to all records, documents and correspondence relating to any financial and other transactions of NEGC
 - require and receive without delay such explanations as are necessary concerning any matter under examination
 - require any NEGC employee to produce cash, or any other property under their control.

7. Expenditure authorisations

- 7.1 The Board has delegated authority for the authorisation of expenditure commitments and approving invoices for payment in line with the approved

budget to the GMD. The GMD may from time to time, issue specific delegated responsibilities to another NEGC Officer in accordance with the thresholds set in Appendix E hereto.

- 7.2 The purchase of land or property can only be enacted by the GMD, following approval by the Board.
- 7.3 The purchase of Contractors (Interim Resource) shall be capped at £700 per day up to a maximum of £50,000 per annum at the GMDs discretion. Any engagement valued at between £50,000 and £100,000 per annum will require approval by the Chairman or the Board (above £100,000 per annum).
- 7.4 The GMD may write off bad-debt up to a maximum of £5,000 at his sole discretion. Any bad-debt above £5,000 will however require consultation with the Chairman and Board approval before being considered obsolete and being duly removed from the NEGC accounts.

8. Contracts, Purchase orders and certificates

- 8.1 Official contracts and purchase orders will be issued for all works, goods or services to be supplied to NEGC, except for supplies of public utility services, periodical payments such as rent or rates, petty cash purchases or sundry payments or such other exceptions as the GMD may approve.
- 8.2 Orders will only be raised where there is specific budget provision to cover the estimated cost of the order. The GMD has authority to approve virements or transfers between budget headings, up to an amount up to an amount of £50,000 or such other agreed amount as determined from time to time in consultation with the Chairman (up to a maximum of £100,000) or in consultation with the Board (above £100,000)..
- 8.3 The GMD has NEGC Board Authority to enter into and execute contracts on the NEGC Boards behalf as an authorised signatory and to manage their execution.

9. Purchasing cards

- 9.1 The use of Purchasing cards is not currently permitted and NEGC will instead adopt Colchester Borough Council's Expenses Policy as and when appropriate.

10. Payments of accounts

- 10.1 Each application for payment must be approved by both the GMD and the Commercial Manager Such certification may be in manuscript or by secure electronic authorisation by each employee.
- 10.2 The Commercial Manager is responsible in the application approval for ensuring that:

- the prices, extensions, calculations, trade discounts, other allowances, credits, tax and allocation (i.e. coding) are correct
 - the relevant expenditure has been properly incurred and is within the relevant budget provision
 - appropriate entries have been made and in inventories, store records or stock books as required
 - the account has not been previously passed for payment and is a proper liability of NEGC.
 - the invoice identifies the purchase order or contract certificate to which it relates (which should be marked off against that order)
- 10.3 The GMD is responsible in the application approval for ensuring that:
- the work, goods or services to which the account relates have been received, carried out, examined and approved
- 10.4 The Responsible Finance Officer is responsible for ensuring:
- the expenditure is charged to a financial budget code for which that employee has authority
 - the financial budget codes are correctly stated and appropriate for that expenditure
 - adequate budget remains for the expenditure.
- 10.5 Once accounts have been correctly certified and authorised, they will be processed through NEGC's payments system under the direction of the RFO. The RFO will be entitled to make such enquiries and to receive such information and explanation as he/she may require about any payment.
- 10.6 Incorrect invoices should be resolved with the supplier by the Commercial Officer and either returned for amendment or appropriate credit agreed.
- 10.7 Each Budget Holder that has been delegated authority by the GMD to manage one or more Budget Headings shall, as soon as possible after the financial year end in each year, agree with the RFO any outstanding expenditure in relation to the previous financial year.
- 10.8 Apart from petty cash and other payment from advance accounts, the normal method of payment of money due from NEGC shall be by cheque or electronic transfer drawn on NEGC bank accounts and signed and approved by signatories duly authorised by the Board for the NEGC bank accounts.
- 10.9 The general rule is that invoices are paid within 30 days of receipt or subject to variations as agreed with the individual supplier of goods and services. NEGC will be sensitive to the needs of small local traders in particular.

11. Employment status of suppliers

- 11.1 It is necessary to consider the circumstances of each supplier and determine whether that supplier should be treated as self-employed or as an employee of NEGC. The nature and amount of work that a supplier, typically a sole trader or small unincorporated business, carries out for NEGC can mean that they should be treated as employees of NEGC and taxed accordingly.

- 11.2 An assessment of employment status must be completed for all suppliers before first payment is made. The assessment should be completed by the RFO. The assessment checklist describes features that may indicate self-employed status and the decision will be a balanced judgement based on the evidence collected. Completed assessments will be retained.
- 11.3 Assessments of unincorporated organisations/suppliers that have been assessed as self-employed should be reviewed annually to make sure that this judgement remains appropriate.
- 11.4 If the assessment indicated that a supplier ought to be considered as an employee then the supplier should be informed of the assessment and either invited to become an employee or required to withdraw as a supplier.

12. Salaries, wages and pensions

- 12.1 NEGC pay levels (excluding the GMD) will be consistent with market principles and be kept under review by the GMD
- 12.2 Items to be included in pay (including variable hours, overtime etc.) must be authorised by the GMD. In terms of the GMD remuneration will be set by the NEGC Board.
- 12.3 Employees of NEGC Ltd will be paid on the 28th of each month or, if this is not a banking day, on the immediately preceding banking day. Payments will be made under arrangements approved and controlled by the RFO. Payments will be made by bank transfer to the employee's nominated account unless otherwise agreed by the RFO in exceptional circumstances.

13. Travel and business expenses

- 13.1 All claims for payment of business expenses, travelling and incidental expenses will be approved by the GMD or may be approved by Commercial Manager up to the value of £250. All expense/petty cash claims for payment of travel/business expenses must be in accordance with the NEGC Travel and Expenses Policy.

Expenses claimed on behalf of the GMD may only be authorised for payment by the Chairman of the Board.

- 13.2 All claims for a financial year are to be submitted within one month of the financial year-end.
- 13.3 Employees' claims submitted more than three months after the expenses were incurred will be paid only with the approval of the RFO.

14. Income

- 14.1 The collection of all money due to NEGC will be under the supervision of the RFO.

- 14.2 All employees are responsible for providing the RFO with such information concerning work done, goods supplied or services rendered – including contracts, leases and other agreements – to enable the determination of income due to NEGC.
- 14.3 The RFO will ensure that income due to NEGC is pursued and that all reasonable efforts are made for full recovery.
- 14.4 All money received by employees of NEGC will, without delay, be paid to the RFO or as directed into NEGC bank account. No deduction will be made from the income without authority of the RFO.
- 14.5 No amount can be written off unless all practical procedures for recovery have been tried.

15. Fixed assets

Asset Register

- 15.1 The GMD and Responsible Finance Officer will be responsible for maintaining a fixed asset register for all items above £500, recording an adequate description of furniture, fittings and equipment, plant and machinery and other equipment owned by NEGC.
- 15.2 NEGC's property will not be removed other than in the ordinary course of business.
- 15.3 Employees responsible for individual assets shall ensure that property and equipment is maintained in good working order.

Asset and Liabilities Register

- 15.4 An Asset and Liabilities Register is to be maintained by the RFO.
- 15.5 This will maintain a register of documents, for example, deeds, which will incorporate a record of the location of individual documents.

Disposals

- 15.6 Any fixed asset owned by NEGC may be disposed of or scrapped by the RFO, where he/ she is satisfied that that asset has exceeded its useful economic life or is no longer required for the continuing business.
- 15.7 Where an asset is disposed, the RFO must obtain its current value before agreeing any disposal and must obtain the best value available.
- 15.8 Losses written off as a result of disposal of assets will be reported to the next meeting of the Board.
- 15.9 The RFO will ensure that the Asset Register is updated accordingly.

- 15.10 The RFO is responsible for ensuring that no confidential information is left on the item to be disposed.

16. Control of stocks

- 16.1 If a stock of any item is kept the RFO will ensure that there are proper procedures for the issue and control of the stock, including carrying out regular stock takes.
- 16.2 If a loss arises as a result of a stock take or other stock adjustment, the GMD has delegated authority to write off such losses. Such write offs will be reported to the next meeting of the Board.
- 16.3 All amounts written off must be recorded in the Register of Losses held by the RFO.

17. Investments and borrowings

- 17.1 It is essential that NEGC's investments and borrowing are properly and professionally managed, and to this end NEGC Ltd will follow CIPFA's Treasury Management in the Public Services – Code of Practice and Cross Sectorial Guidance Notes.
- 17.2 A Treasury Management Policy and an annual treasury strategy will be agreed by the Board and the Shareholders, and thereafter its implementation and monitoring will be delegated to the RFO.
- 17.3 All investments of money under its control will be made in the name of NEGC.
- 17.4 All securities which are the property of (or in the name of) NEGC will be held in the custody of NEGC's bankers or custody agents, as appropriate, except where held by a lending authority.
- 17.5 All borrowings will be within the limits authorised and will be effected in the name of NEGC.
- 17.6 The RFO will maintain adequate records of all borrowings of money by NEGC.
- 17.7 The RFO will report to the Board no less than twice in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers that have been delegated.
- 17.8 The RFO will present an annual report to the Board on treasury management within three months of the financial year end.

18. Banking

- 18.1 Bank accounts will only be opened with the approval of the Board. All arrangements with NEGC bankers will be made by the RFO who shall be authorised to operate such bank accounts.

- 18.2 Payments from NEGC's bank accounts can only be made upon the authority of two authorised signatories. Authorised signatories for the issue of cheques and giving of other instructions will be as approved by the Board from time to time.
- 18.3 All blank cheques and cheque books will be ordered only on the authority of the RFO, who will make sure that proper arrangements are made for their safe custody.

19. Control of cash

- 19.1 The RFO will be responsible for maintaining a petty cash float or floats for the reimbursement of minor items of expenditure up to £30 for each item.
- 19.2 The amount of petty cash imprests will be determined by the RFO from time to time.
- 19.3 Receipted vouchers (which should include a VAT registration number) will be needed to support the petty cash forms,
- 19.4 The petty cash float will be agreed at the end of each month and be kept locked in a secure place.

20. Insurances

- 20.1 The RFO will be responsible for procuring and administering all insurances for NEGC, which will be arranged following the approval of the Board. The RFO will be responsible for determining the procedures for the reporting, recording and recovery of insured losses.
- 20.2 Employees must immediately notify the RFO in accordance with the appropriate procedure, of any loss, liability or damage or any event likely to lead to a claim (informing the Police where appropriate unless otherwise directed).
- 20.3 The RFO will be responsible for arranging, no less than annually, a review of all insurance cover and reporting on that review to the Board.
- 20.4 Employees must agree the terms of any indemnity which NEGC is requested to give with the RFO.

21. Taxation

- 21.1 The RFO is responsible for submitting all statutory and other returns to HM Revenue & Customs relating to VAT and other taxation matters, and for obtaining and giving advice and guidance to employees on taxation matters.

22. Security procedures

- 22.1 The RFO is responsible for ensuring that proper security arrangements are maintained at all times for buildings, stocks, furniture, equipment, cash, books and records, and so on.

- 22.2 Every employee has a responsibility to consult the RFO in any case where security is thought to be defective or where special security arrangements may be needed.
- 22.3 The RFO will agree the maximum limits for any cash held, which will not be exceeded without authorisation. All cash held will comply with the limits and other requirements for the time being of NEGC insurers.
- 22.4 Keys to safes or similar containers should be carried by the authorised employee(s) at all times. Loss of any such keys should be reported to the RFO immediately. Duplicate keys will only be issued in exceptional circumstances on satisfaction that all reasonable efforts have been made to recover lost keys. No keys should be marked in such a way as to make them identifiable to any person who is not authorised to hold that key.
- 22.5 The RFO will make sure that suitable arrangements are in place for back-up usage of computer facilities in the event of a serious malfunction.
- 22.6 The RFO will ensure that NEGC is registered with the Information Commissioner under the Data Protection Act 1998 or any other legislation as from time to time enacted

23. Retention of documents

- 23.1 The RFO is responsible for ensuring that all financial and other records are retained for such periods as are required by HMRC and Companies House,

Appendix A – Definitions

In case of conflict between the Financial Regulations and the Shareholders Agreement and the Articles of Association, the order of precedence shall be:-

1. Shareholders Agreement
2. Articles of Association
3. Financial Regulations
4. Other policies as required in clause 1.8

In these Financial Regulations reference to:

Amendment: These financial rules may not be amended, change, altered, waived or, save as provided for in Regulation 3.8, without the consent of the NEGC Board.

Articles of Association means the NEGC **Articles of Association** dated/signed 30th January 2017.

The Board means the full Board of North Essex Garden Communities Limited or any committee of the Board or individual Board Member that the full Board has duly authorised to act for it in the matter under consideration.

The NEGC Budget Headings include the following sections, as approved by the Board:

- Development Corporation Mandate
- Business Strategy and Plan
- Masterplanning
- Infrastructure & Utilities
- Commercial delivery
- North Essex Economic Strategy
- Public Relations & Communications Strategy
- NEGC Company Matters

The NEGC Budget categories that apply within each of the Budget Headings include the following sections, as approved by the Board:

- Project Resource / Delivery Team
- Legal Support
- Delivery Support
- Planning
- Community & Communications
- Contingency

The Council/s refers to either Braintree District Council (BDC), Essex County Council (ECC), Tendring District Council (TDC) and/or Colchester Borough Council (CBC).

Commercial Manager (CM) means the NEGC Commercial Manager or alternate employee as nominated by the GMD, to hold this area of responsibility

Director means a Director of the Company from time to time

Group means NEGC and its subsidiaries from time to time.

Group Managing Director (GMD) means the NEGC Group Managing Director, appointed by the Board from time to time.

NEGC means North Essex Garden Communities Ltd;

NEGC Officer means any employee or consultant of NEGC

Responsible Finance Officer (RFO) means the NEGC Finance officer, appointed to enable the GMD to manage the financial controls effectively; or in the absence of such an appointment, a nominated Council officer appointed by the Board from time to time.

Shareholders Agreement means the Shareholders agreement dated/signed 30th January 2017

Appendix B - Document Control Sheet

Title:	Financial Regulations		
Electronic File Name & location:	NEGC Financial Regulation Sept 2018 v1.11		
Consultation with stakeholders:	Monitoring Officers and section 151 officers from (i) Braintree District Council (BDC), (ii) Essex County Council (ECC), (iii) Tendring District Council (TDC) and (iv) Colchester Borough Council (CBC).		
Approved:	NEGC Board, May 2018		
Circulation Date:	September 2018	Implementation Date:	November/December 2018
Circulation method:	Email		
Next Review date:	TBA		
Equality Impact Assessment:	N/A		

Document amendment history

Version	Type (new/major revisions/minor revisions)	Date	Brief Description of changes
1.10	New	May 2018	Original Document
1.11	Minor revision	Sept 2018	Paragraph 3.3 amended to bring in line with NEGC Ltd Articles of Association & Shareholders Agreement

Appendix C – NEGC Financial Limits / Delegations

The GMD may formally delegate financial authority from time to time, in agreement with the Chairman and / or the Board; where the Chairman's authority is exceeded.

In so doing, formally in writing, the following contract / order thresholds must not be exceeded:

Role	Maximum Financial Authority
NEGC Officer	£1,000 per transaction
NEGC RFO	£5,000 per transaction
NEGC CM	£10,000 per transaction
NEGC GMD	£50,000 per transaction
NEGC Chairman	£100,000 per transaction
NEGC Board	£500,000 per transaction
NEGC Shareholders	Above £500,000 per transaction

APPENDIX C

Locally Led New Towns (Development Corporation) (“LLNTDC”)

The New Town Act 1981 (Local Authority Oversight) Regulations 2018 came into force earlier this year and Guidance has been issued that outlines the way in which LLNTDCs will work.

The 1981 New Towns Act allows the Secretary of State to designate a new town and to incorporate a New Town Development Corporation. Normally the Secretary of State then takes responsibility for all oversight of the Development Corporation.

The 2017 Neighbourhood Planning Act introduced a provision that allowed the Secretary of State, as an alternative, to designate a Locally Led New Town Development Corporation in which the majority of the Secretary of State's functions under the 1981 Act can be transferred to identified local authorities.

An LLNTDC can only be established at the request of a local authority or group of local authorities. The Guidance notes that before designating a new town and incorporating a Development Corporation the Secretary of State will have to be satisfied that it is in the national interest to do so. The Guidance sets out six criteria on which the Secretary of State will need to be satisfied.

The Secretary of State will consult on any proposal. If agreed, an Order will be laid in Parliament for approval of both houses that will both designate the new town and will create the Development Corporation.

If approved, the Secretary of State will then appoint an "Oversight Authority". This will be the local authorities who requested the designation. They will be responsible for managing, monitoring and overseeing the way in which the Development Corporation operates. Before requesting an LLNTDC the authorities will need to agree between themselves how the oversight authority will be managed and the decision making processes.

An Oversight Authority has specific statutory responsibilities to:

- plan for the creation of a high quality settlement which is a sustainable community;
- support sustainable development and good design;
- plan from the outset for:
 - the long term stewardship of the assets and new town;
 - the participation of the community; and
 - the legacy arrangements following the dissolution of the new town.

The Oversight Authority will do this using a number of mechanisms including the appointment of Board members of the Development Corporation, the approval of business plans and debt limits, the approval of masterplans and other specified tasks. A number of powers continue to be reserved to the Secretary of State. Any Compulsory Purchase Order made by the Development Corporation has to be

confirmed by, and any distribution of surpluses needs the consent of, in each case the Secretary of State.

The dissolution of the Development Corporation can only take place on request of the local authority. When making a request there is ability (but not an obligation) to identify the proposed allocation of any assets and surpluses. If a proposal is made then the Secretary of State is bound to implement it. If no proposal is made then the Secretary of State will distribute assets and liabilities as appropriate

If an LLNTDC is used the hierarchical structure could comprise:

1. Oversight Authority - comprising a local authority or group of local authorities (this is the body that the Secretary of State devolves its responsibilities to);
2. Development Corporation(s) - which would act as the master planner body delivering development in the designated areas;
3. Local Delivery Vehicles - which could sit beneath the Development Corporation(s).

Medium-Term Financial Strategy 2019/20 to 2022/23		Agenda No: 7a
Portfolio	Finance and Performance	
Corporate Outcome:	A high performing organisation that delivers excellent and value for money services Delivering better outcomes for residents and businesses and reducing costs to taxpayers	
Report presented by:	Cllr. David Bebb, Cabinet Member for Finance and Performance	
Report prepared by:	Trevor Wilson, Head of Finance	
Background Papers:	Public Report	
<p>Council Budget and Council Tax 2018/19 and Medium-Term Financial Strategy 2018/19 to 2021/22 report to Cabinet 5th February 2018 and Full Council 19th February 2018;</p> <p>Medium-Term Financial Strategy 2018/19 to 2021/22 Update report to Cabinet 10th September 2018;</p> <p>Local government finance settlement 2019 to 2020: technical consultation issued by the Ministry for Housing, Communities and Local Government (MHCLG) on 24th July 2018.</p> <p>MHCLG issued an invitation to local authorities in England to pilot 75% business rates retention in 2019/20 on 24th July 2018.</p>	Key Decision: No	
Executive Summary:		
1. Background and Purpose		
1.1	The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 10 th September 2018, with an initial review of the Medium-Term Financial Strategy (MTFS) 2018/19 to 2021/22; which had been agreed by Council on 19 th February 2018.	
1.2	This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2019/20 to 2022/23; unavoidable cost pressures; and work on identifying options for revenue cost reductions/additional income to meet the anticipated funding shortfalls over the next four years.	
2. Budget Strategy		
2.1	The Council's Budget Strategy is to:	

- Be a low council tax authority;
- Have plans to deliver a balanced budget over the medium-term; and
- Maintain a minimum level of unallocated balances of £1.5million.

2.2 With the period of austerity following the global financial crisis the Council anticipated that the shortfalls in its finances would grow due to: annual reductions in Government grant resulting eventually in no grant being received; annual inflationary pressures; new responsibilities; and increasing demand for services. In October 2013 the Council requested a Peer Challenge to help it formulate an approach to address the anticipated shortfalls over the medium-term.

2.3 The approach has delivered cost reductions and additional income without impacting on customers and service delivery, including:

- Property purchases providing a rental income stream;
- Causeway House shared with mix of four private and public sector organisations producing rental income;
- Responsibility for running the Enterprise Centre, Springwood Industrial Estate, and developed four grow-on units adjacent to the Centre;
- Invested in solar panels on council property reducing energy costs and producing an income;
- Invested monies in pooled funds achieving an improved return over short-term interest rates;
- Service reviews have delivered cost reductions;
- Agreed a District Investment Strategy with development proposals which will deliver benefits over the medium to long-term;

2.4 The Council determined at the inception of the New Homes Bonus scheme, the funding mechanism to support development and delivery of homes, that it would be used for investment in infrastructure projects and affordable homes and not used to support the Council's revenue account.

2.5 Over the period the Council has had and continues to respond to increasing costs not only from inflationary and market pressures but also from increased demand on services and new responsibilities. The Planning service has had to respond to an increase in planning applications, many of which are for major developments, and as a consequence an increase in work on appeals and also the Housing service has recently acquired additional responsibilities under the Homelessness Act.

3. Government Funding

3.1 The Ministry of Housing, Communities and Local Government (MHCLG) published a Technical Consultation on the 2019-20 Local Government Finance Settlement. A response was submitted on behalf of the Council by the Cabinet Member for Finance and Performance.

3.2 The Government in the consultation paper proposes:

- Confirmation of the final year of the four-year offer as set out initially in 2016/17.

- To apply the same referendum principles in 2019/20 as applied in 2018/19. Shire districts in two-tier areas will be allowed increases of up to 3% or up to and including £5.00, whichever is higher.
- To eliminate the negative Revenue Support Grant (RSG) included in the provisional Settlement Funding Assessment for 2019/20 the amount for this Council is £291,482.
- That it will have to increase the New Homes Bonus (NHB) scheme baseline in 2019/20 (from 0.4%) due to the continued upward trend for house building. Also further consultation will be undertaken on the NHB scheme after 2019/20 and whether this is the most effective way to incentivise housing growth.

3.3 MHCLG issued a prospectus inviting local authorities to submit proposals to pilot 75% business rates retention in 2019/20. On 25th September a bid was submitted on behalf of fifteen of the sixteen authorities in Essex. The Cabinet Member for Finance and Performance, in consultation with the Corporate Director (Finance), agreed to this Council's participation.

3.4 The outcome of the consultation and the announcement of the successful bids to pilot 75% Business Rate Retention will be included in the Provisional Funding Settlement Assessment for 2019/20 which MHCLG is aiming to publish on 6th December 2018.

3.5 Local Government funding reforms are due to be introduced from 2020/21, which will include a 75% Business Rate Retention scheme and a reset of Business Rate Baselines as informed by the outcomes of the Fair Funding Review and of the Government's Spending Review 2019.

4. Update on Financial assumptions in the current MTFS

4.1 The Financial Profile, agreed in February 2018, included cost reductions and additional income planned for 2019/20 to 2021/22. These have been reviewed to ensure that they are still deliverable.

4.2 Provision is included for a pay award on 1st April 2019 based on the second year of the two-year pay award agreed in April 2018. The agreement provides for a 2% increase for the majority of the pay points in the grading structure and also a new national pay spine is to be introduced with effect from 1st April 2019 and the assimilation of this is currently being discussed with the unions.

4.3 A schedule detailing the proposed levels of discretionary fees, charges and rents for 2019/20 will be presented in the Finance report to Cabinet on 11th February 2019.

5. Unavoidable Budget Demands and New Investments

5.1 Bids for revenue funding to meet unavoidable budget demands and new investments total £1,480,230, in 2019/20 and £187,730 in 2020/21. Just over half (£787,160) of this is an ongoing requirement and therefore is needed to be added to the base budget. Other requests, totalling £693,070 in 2019/20 and £122,000 in 2020/21, are for one-off budget requirements.

- 5.2 The requests for an addition to base budget include a request from Development Management for additional staff to process and determine the increased volume and complexity of major planning applications. Five additional staff are requested with a budget requirement of £231,560. The additional staff will also enable the use of Planning Performance Agreements and this combined with an anticipated continuation of planning application fee income exceeding the current budget provide funding sufficient to meet the additional budget request.
- 5.3 With qualified planning professionals in short supply it is anticipated that it will take time to fill the new posts and therefore it is requested that Full Council gives early consideration of approving these budget increases (expenditure and income) to allow the recruitment process to be commenced in December/early January.
- 5.4 The unavoidable budget demands include a proposal to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2018/19 of £113,625 between the Town/Parish Councils and this Council. The proportion payable to the Town/Parish Councils is £21,040 and is for 2019/20 only. It is proposed that this is recommended for approval by Full Council in order that the parish/town councils can be notified in sufficient time to enable this resource to be discussed as part of their budget and precept setting for 2019/20. A schedule of the allocations is provided at Appendix A.

6. Cost Reduction/Additional Income Proposals

- 6.1 Senior Managers have reviewed their service budgets to identify possible cost reductions and/or additional income generation, in particular with reference to the projected outturn for the current year.
- 6.2 The review of service budgets has identified budget adjustments with a total of £886,990. These have been agreed by Management Board as they do not have a direct impact on customers or service delivery.
- 6.3 In addition to the agreed budget adjustments there are three proposals for additional income which will either have a potential impact on residents, customers or local organisations or involve policy issues and therefore will require decision by Members. These proposals have a total value of £158,200 in 2019/20 and are as follows:

Environment and Place

- Disabled Facilities Grant (DFG) – proposed increase in the amount taken from the grant allocation to meet the cost of administering the scheme. Current charge is 10% of the value of each grant approved, up to a maximum of £500, it is proposed to increase this to 15% up to a maximum of £750.

Finance & Performance

- Investment returns – an analysis of the Council's cashflow over the next four years shows that there are sufficient funds available to invest a further sum of £2million in pooled funds.

Planning and Housing

- Development Management – proposal to expand the use of Planning Performance Agreements (PPA). A PPA is a bespoke programme agreed with developers to cover all pre-application discussions and a timetable for the determination of the planning application for a ‘premium fee’.

7. Business Rates Retention Scheme and Business Rate Taxbase

- 7.1 The Council has participated in an Essex Business Rates Pool since 2015/16. For the three years, 2015/16 to 2017/18, the Council has received a total of £1.515million from the Essex Pooling arrangements. Fifteen authorities are participating in the Essex Pool for 2018/19. Whilst final shares for 2018/19 will not be determined until early October 2019 it is anticipated that the Council could receive approximately £560,000.
- 7.2 As mentioned, the Council agreed to participate in an Essex bid to be a pilot of 75% Business Rate Retention for 2019/20. If the bid is successful this Council could receive an allocation of £86,000 plus access to a share of £4.26million allocated to the three North Essex councils, of Braintree, Colchester and Tendring. This is in addition to the amount that would be received under a ‘no worse off’ arrangement if an Essex Business Rate Pool was in operation. For this Council the estimated amount receivable from a share of an Essex Business Rate Pool, consisting of the fifteen authorities, is £646,000. If the Essex bid is unsuccessful the fifteen participating authorities have requested that an Essex Pool be approved for 2019/20.
- 7.3 The Business Rates Retention scheme has been in operation in its current form since April 2013. Under the scheme the Government calculates a baseline amount of business rates which it allows local authorities to retain as part of the Government’s funding for local government. The Council’s provisional baseline figure for 2019/20 is £3,428,553 as provided in the updated four-year settlement.
- 7.4 The amount of business rates actually collected in the year will inevitably vary from the baseline: a higher amount collected will increase the amount that the Council is able to retain whilst a lower amount will require the Council to meet the shortfall up to a maximum of 7.5% (5% for 75% Business Rate Retention pilots) of the baseline amount.
- 7.5 The final determination of the Business Rates Taxbase for 2019/20 will be agreed by the Corporate Director (Finance) under delegated authority prior to the deadline of 31st January 2019. The estimate will be determined on the basis that the Government continues to provide grant funding for the additional 50% uplift, to 100%, to the Small Business Rate Relief scheme and for the new relief for retail businesses with a rateable value of less than £51,000 announced by the Chancellor on 29th October 2018.
- 7.6 The estimated figure for Business Rates retained in 2019/20 is £4,726,700. It is assumed that the negative RSG adjustment, of £291,482 for this Council, will not be required as the Government has proposed this should be withdrawn.

8. Local Council Tax Support Scheme

- 8.1 The Council's Local Council Tax Support (LCTS) scheme was introduced on 1st April 2013. The scheme is only applicable to working age claimants and it retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme.
- 8.2 The level of council tax liability on which LCTS awards are based was changed from 80% to 76% for 2016/17 and was made with reference to the Council's financial position over the medium-term and with the aim to limit the frequency of changes thereby providing a degree of stability and continuity in the scheme for claimants.
- 8.3 An analysis of the council tax accounts of working age claimants and specifically the recovery stages shows that the number of requests made for an attachment to benefit as a method of recovering outstanding arrears rose from 271 in 2015/16 to 456 in 2016/17. The weekly amount recovered from ongoing benefit is set nationally (currently £3.70 per week) and only one attachment to benefit can be applied at a time and therefore attachments for subsequent years' council tax liabilities are held as 'pending'. At the end of 2017/18 464 requests for an attachment to benefit were 'pending' and in the current year to 2nd October 402 requests are held as 'pending'.
- 8.4 It is proposed therefore to leave the existing scheme unchanged for a third year. On the basis of there being no changes there is therefore no requirement for consultation.

9. Council Tax – Collection Fund Surplus and Taxbase

- 9.1 The budget setting process includes estimating the amount of council tax expected to be collected. Variation from the estimate results in either a surplus or deficit on the Collection Fund which must be either returned to or requested from council taxpayers in the following year. The surplus or deficit is allocated between the four major preceptors: Essex County Council, Braintree District Council and Essex Police, Fire and Crime Commissioner for Policing & Community Safety and for Fire and Rescue Authority.
- 9.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £888,833. This Council's proportion of the council tax surplus, to be returned to council taxpayers in 2019/20 is £113,625. It is proposed that £21,040 of this surplus is allocated to town and parish councils in 2019/20.
- 9.3 The Council's taxbase for 2019/20 is required to be calculated as at 30th November 2018 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance. However, prior to this determination and for financial planning purposes the council taxbase for 2019/20 is estimated to be 52,500 (increase of 1% over 2018/19 taxbase) and is based on an assessment undertaken as at 10th September 2018 required by the Government.
- 9.4 The council taxbase takes into account estimated allowances for discounts and exemptions; including the local council tax support scheme, single persons discount and for losses on collection.

- 9.5 The Council sets the levels discounts/premia for empty properties and second homes under discretionary powers. It is not proposed to vary any of these levels for 2019/20.
- 9.6 In anticipation of the referendum limit being confirmed by the Government at the current level it is proposed that the council tax increase for 2019/20 be £5.22 (at Band D). This is considered necessary to help address the anticipated budget shortfalls over the medium-term and due to the uncertainty over future changes to Local Government funding. The increases in the level of council tax provided in the Finance Profile for 2019/20 to 2022/23 for planning purposes are:
- 2019/20 – 2.99% providing a Band D level of £179.73;
 - 2020/21 – 1.95% providing a Band D level of £183.24;
 - 2021/22 – 1.96% providing a Band D level of £186.84;
 - 2022/23 – 1.97% providing a Band D level of £190.53.

10. Financial Profile

- 10.1 The updated financial profile 2019/20 to 2022/23 shows for:
- 2019/20 – addition to Balances of £45,098;
 - 2020/21* – shortfall of £507,618;
 - 2021/22* – addition to balances £10,459; and
 - 2022/23* – shortfall of £230,447.
- 10.2 It should be noted that these years* are after the current 4-year Finance Settlement ceases and are likely to be subject to significant changes due to the Fair Funding Review and the Government's decision regarding the proposed new 75% Business Rates Retention scheme.
- 10.3 The position for 2019/20 will be updated following receipt of the Funding Settlement Assessment which is expected on 6th December 2018.
- 10.4 The approach to address the anticipated budget shortfalls will be the delivery of the 'Roadmap to 2020'. Estimated revenue income and expenditure implications of the projects agreed in the Investment Programme are included in the budget and financial profile. Other projects currently outlined in the Investment Programme are being developed and will be included in the budget and financial profile as and when the projects and the cashflow projections are agreed by the Council.

11. Balances and Reserves

- 11.1 A review of the earmarked reserves has identified that two reserves have not been used and after consideration of future need it is proposed that the balances are transferred back to the General Fund unallocated balance. The two reserves are:
- Business Investment Fund created in 2015/16 with £500,000. To provide financial loan support for District businesses who need assistance in growing their business.

- Community Infrastructure Levy created in 2014/15 with £100,000. This was to engage consultants in order to prepare a Community Infrastructure Levy.

11.2 Assuming the above transfers are agreed the Unallocated General Fund balance is estimated to be £5million, as at 31st March 2019.

12. Capital Resources and Investment

12.1 New Homes Bonus – the MHCLG has indicated it will change the scheme baseline from 0.4% for 2019/20.

12.2 The number of dwellings in the District, expressed as Band D equivalent, as at October 2018 is 60,943. This represents an increase of 389 or 0.64% since October 2017. Whether the Council will receive an allocation for year 9 of the scheme will depend on the change to the baseline and this is expected to be included with the Funding Settlement Assessment on 6th December 2018.

12.3 Capital Programme – details of the proposed capital projects are contained in the report. The value of the proposed projects in 2019/20 is £1,878,000 and anticipated requirements for 2020/21 to 2022/23 of £1,928,000 per year.

12.4 Long-Term Investments – Feasibility work continues in respect of the Garden Communities and a Housing Development Company, opportunities which would have significant impacts, both cost and reward, on the Council's finances over the long-term i.e. thirty years plus.

12.5 Brief detail of current funding allocations agreed by the Council for the two opportunities: Garden Community and Housing Development Company are provided. Reports will be presented to Members as the projects progress and decisions on next stages are required to be made.

Recommended Decision:

Cabinet recommends to Full Council to agree that:

- a) A total of £21,040 of the surplus on the Council Tax Collection Fund be allocated to parish/town councils as detailed in Appendix A to this report;
- b) The requested increases, of £231,560, to the staffing and income budgets for Development Management for 2019/20 be agreed to enable the recruitment process to commence in advance of the start of the year (sections 8.2, 9.3 and 9.4 of the attached report refer); and
- c) The balances on the two earmarked reserves (Business Investment Fund and Community Infrastructure Levy), totalling £600,000, be transferred back the General Fund unallocated balance;

Cabinet to agree that:

- d) No changes are proposed to the Local Council Tax Support Scheme for 2019/20 and consequently there is no requirement for consultation to be undertaken; and

e) The Revenue Budget and Capital Programme for 2019/20, as presented in this report, constitute the initial Budget proposals and that views are sought as appropriate.

Purpose of Decision:

Good governance arrangements through the proactive management of the Council's finances over the short and medium term.

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

<p>Financial:</p>	<p>The initial budget proposals provide a balanced budget for 2019/20 which includes: an increase of 2.99% in the level of council tax; additional income and cost reductions of £1.165million; additional spend and reductions in income of £1.642million on unavoidable demands and new investment; provision for inflation increases of £619,890; a withdrawal from balances of £622,000 for one-off expenditure; an addition to balances of £45,000; and the Government's Settlement Funding Assessment at the provisional figure of £3.429million (a reduction of £0.2million over the current year) but excluding the Negative Revenue Support Grant adjustment.</p> <p>The financial position forecast for 2020/21 to 2022/23: shows savings of £507,618 and £230,447 will be required to be found in 2020/21 and 2022/23 respectively. The positions for these years are difficult to predict as there is uncertainty over the outcome of the Fair Funding Review and the Government's plans for 75% Business Rate Retention. The approach to address the shortfalls is to deliver the 'Roadmap to 2020'.</p> <p>The Council is participating in an Essex bid to Pilot 75% Business Rate Retention in 2019/20. The potential benefit for this Council is a share of £2.4million. The Government will announce the successful Pilot areas as part of the Settlement Funding Assessment on 6th December 2018.</p> <p>Capital projects with a total value of £1,878,000 are proposed for inclusion in the 2019/20 Capital Programme. Anticipated projects for 2020/21 to 2022/23 total £1.928million per year.</p> <p>As assessment of available capital resources shows that there will be sufficient to fund the proposed capital programme.</p>
<p>Legal:</p>	<p>None at this stage but legal implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.</p>
<p>Safeguarding:</p>	<p>There are no safeguarding issues raised by this report.</p>
<p>Equalities/Diversity:</p>	<p>It is considered that none of the people with protected characteristics, under the Equalities Act, will be disproportionately impacted by the proposal to continue with the current Local Council Tax Support scheme for 2019/20. The Council will consider retaining the</p>

	<p>Exceptional Hardship Fund, for council taxpayers experiencing financial hardship, at the meeting on 25th February 2019.</p> <p>Equalities and/or diversity implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.</p>
Customer Impact:	Assessment of customer impact, where appropriate, will be included in the savings proposals reported to Cabinet in the Finance report on 11 th February 2019.
Environment and Climate Change:	There are no environmental and Climate Change issues raised by this report.
Consultation/Community Engagement:	The Overview and Scrutiny Committee will examine and consider the budget proposals as contained in this report on 21 st November 2018. The Chairman of the Committee extends an open invitation to all members to attend this meeting.
Risks:	<p>The assumptions made prove to be incorrect resulting in savings not being achieved as planned, costs rising by more than the provision allowed for inflation, increased income budgets not being achieved.</p> <p>The provisional financial settlement figures and other grants for 2019/20 from Government expected on 6th December 2018, are less than the assumptions made in the Financial profile.</p>
Officer Contact:	Trevor Wilson
Designation:	Head of Finance
Ext. No:	2801
E-mail:	Trevor.wilson@braintree.gov.uk

1. Background

1.1 The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 10th September 2018, with an initial review of the Medium-Term Financial Strategy (MTFS) 2018/19 to 2021/22; which had been agreed by Council on 19th February 2018.

1.2 The report to Cabinet included:

- Detail of consultations by Government regarding financial arrangements;
- an initial review of the assumptions contained in the current MTFS;
- the approach on developing the budget for 2019/20 and rolling the MTFS period forward to cover the period 2019/20 to 2022/23;
- approaches to addressing the financial shortfalls;
- Options to participate in either a bid by Essex authorities to be a pilot for the 75% Business Rate Retention scheme or an Essex Business Rates pooling arrangement for 2019/20;
- request for a capital budget required to deliver revenue savings in 2019/20 and an update on capital resources; and
- the timetable to achieve the setting of the council tax and budget for 2019/20 at the meeting of the Full Council on 25th February 2019.

1.3 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2019/20 to 2022/23; unavoidable cost pressures; and work on identifying options for revenue cost reductions/additional income to meet the anticipated funding shortfalls over the next four years.

2. Budget Strategy

2.1 The Council's Budget Strategy is to:

- Be a low council tax authority;
- Have plans to deliver a balanced budget over the medium-term; and
- Maintain a minimum level of unallocated balances of £1.5million.

2.2 With the period of austerity following the global financial crisis the Council anticipated that the shortfalls in its finances would grow due to: annual reductions in Government grant resulting eventually in no grant being received; annual inflationary pressures; new responsibilities; and increasing demand for services. In October 2013 the Council requested a Peer Challenge to help it formulate an approach to address the anticipated shortfalls over the medium-term.

2.3 The approach adopted has been to focus on a number of workstreams:

- Commercialisation and 'Better at Business';
- Grow our economy – increase our share of the business rate pot and secure external funds;
- Finance and Investment Strategy;
- Review contracts and procurement;
- Increase our income;

- Management and Service Reviews; and
- Sharing services or joint work.

2.4 The approach has delivered cost reductions and additional income without impacting on customers and service delivery including:

- Property purchases providing a rental income stream, including: Connaught House, Colchester; property at Church Lane, Braintree for a doctors surgery; offices at 3 & 4 Century Drive, Freeport Office Village; Doctors surgery, Silver End;
- Office accommodation at Causeway House shared with a mix of four private and public sector organisations producing rental income;
- Responsibility for running the Enterprise Centre, Springwood Industrial Estate, and developed four grow-on units adjacent to the Centre;
- Invested in solar panels on council property reducing energy costs and producing an income;
- Invested monies in pooled funds achieving an improved return over short-term interest rates;
- Service reviews have delivered cost reductions. Changes have included the combining of the domestic refuse, recycling and trade waste collections across the District; staff reductions resulting from restructures in a number of service areas; reduction to 49 councillors following Boundary Commission review;
- Agreed a District Investment Strategy with development proposals which will deliver benefits over the medium to long-term; including Manor Street development; Horizon 120 employment site at Great Notley; I-Construct facility at the Enterprise Centre to provide business support programme; Witham Enterprise Centre; Healthcare facility on the former Premdor Site, Sible Hedingham.

2.5 The Council determined at the inception of the New Homes Bonus scheme, the funding mechanism to support development and delivery of homes, that it would be used for investment in infrastructure projects and affordable homes and not used to support the Council's revenue account. This is providing part of the funding for the projects, and associated project management, in the District Investment Strategy.

2.6 Over the period the Council has had and continues to respond to increasing costs not only from inflationary and market pressures but also from increased demand on services and new responsibilities. The Planning service has had to respond to an increase in planning applications, many of which are for major developments, and as a consequence an increase in work on appeals and also the Housing service has recently acquired additional responsibilities under the Homelessness Act. Both services requiring an increase in staffing to deliver and meet service demand.

2.7 The level of unallocated balance has consistently remained above £1.5million: the balance at 31st March 2018 was £2.86million. This will increase as an allocation from the balance was used in April 2017 to pay the Pension Deficit payments for three years in a single payment and will be repaid in 2018/19 and 2019/20 at £1.4million per year. The estimated balance as at 31st March

2019 is £4.407million (based on the second quarter Finance Performance report).

3. Government Funding

- 3.1 The Ministry of Housing, Communities and Local Government (MHCLG) published a [Technical Consultation on the 2019-20 Local Government Finance Settlement](#) on 24th July 2018 with a closing date of 18th September 2018. A response was submitted on behalf of the Council by the Cabinet Member for Finance and Performance.
- 3.2 The Government in the consultation paper proposes:
- Confirmation of the final year of the four-year offer as set out in 2016/17. The indicative figures for 2019/20 (as restated in the 2018-19 Final Settlement) showed that the Settlement Funding Assessment for this Council would be £3.137million, a reduction of £489,570, or 13.5%, over the current year. *The Council's response accepted this proposal;*
 - To apply the same referendum principles in 2019/20 as applied in 2018/19. Shire districts in two-tier areas will be allowed increases of up to 3% or up to and including £5.00, whichever is higher. *The Council's response proposed increases of up to 3% or up to and including £10.00, whichever is higher;*
 - To eliminate the negative Revenue Support Grant (RSG) included in the provisional Settlement Funding Assessment for 2019/20 which would apply to 168 councils including this Council (the amount for this Council is £291,482). *The Council fully supported this proposal; and*
 - That it will have to increase the New Homes Bonus (NHB) scheme baseline in 2019/20 (from 0.4%) due to the continued upward trend for house building. Also further consultation will be undertaken on the NHB scheme after 2019/20 and whether this is the most effective way to incentivise housing growth. *Whilst not a consultation question a response was made that the NHB is a well-understood and tested mechanism and the Council is concerned that a change of approach beyond 2019-20 would lead to further unnecessary uncertainty.*
- 3.3 Alongside this consultation, MHCLG issued a prospectus inviting local authorities to submit proposals to **pilot 75% business rates retention in 2019/20**.
- 3.4 On 25th September a bid was submitted on behalf of fifteen of the sixteen authorities in Essex. The Cabinet Member for Finance and Performance, in consultation with the Corporate Director (Finance), agreed to this Council's participation. If the bid is successful this Council could receive an allocation of £86,000 plus access to a share of £4.26million allocated to the three North Essex councils, of Braintree, Colchester and Tendring. This is in addition to the amount that would be received under a 'no worse off' arrangement if an Essex Business Rate Pool was in operation. For this Council the estimated amount receivable from a share of an Essex Business Rate Pool, consisting of the fifteen authorities, is £646,000.

- 3.5 The outcome of the consultation and the announcement of the successful bids to pilot 75% Business Rate Retention will be included in the Provisional Funding Settlement Assessment for 2019/20 which MHCLG is aiming to publish on 6th December 2018.
- 3.6 The other significant funding stream received from Central Government Departments is administrative subsidies for Local Council Tax Support and Housing Benefit schemes (total of £633,035 in 2018/19). It is expected that the allocations for 2019/20 will be received at or shortly after the announcement on 6th December 2018. The MTFs currently anticipates a reduction of £43,480 per annum to these subsidies.
- 3.7 Local Government funding reforms are due to be introduced from 2020/21, which will include a 75% Business Rate Retention scheme and a reset of Business Rate Baselines as informed by the outcomes of the Government's Fair Funding Review and Spending Review 2019.
- 3.8 Whilst the Government has published a number of consultation papers on some of these areas, on which the Council has responded as appropriate, it is clear that there are many issues outstanding still to be determined before the finalised scheme, funding baselines and transitional arrangements are expected to be published between October 2019 and January 2020.

4. Update on Financial assumptions in the current MTFs

- 4.1 The Financial Profile, agreed in February 2018, included cost reductions and additional income planned for 2019/20 to 2021/22. These have been reviewed to ensure that they are still deliverable.
- 4.2 The values of the planned savings/additional income remain as originally included of £120,010 in 2019/20, £34,530 in 2020/21 and £19,950 in 2021/22.

5. Review of Priority Investments and Unavoidable budget changes identified in previous years

- 5.1 The Financial Profile includes the consequences for 2019/20 of the planned priority investments and unavoidable budget changes which were identified in previous years.
- 5.2 Of the five priority investments, two were one-off budget requests in 2018/19 and these are therefore being removed from the base budget in 2019/20. Details of these two budget requests are:
- Surplus on Council Tax Collection Fund – allocation of part of the 2017/18 surplus to town and parish councils in the Braintree District of £33,170; and
 - Provision of £5,000 for preparations for Member induction following the 2019 District elections.
- 5.3 The total value of these budget reductions to be made in 2019/20 is £38,170.
- 5.4 The three unavoidable budget changes identified for 2019/20 onwards which impact on the base budget are:

- Recycling – income due under the disposal of dry recyclable materials contract in 2016/17, of £240,000, was deferred to be received equally in 2017/18 and 2018/19. As the budget was adjusted by £120,000 for these two years this now needs to be reversed in 2019/20;
- Procurement – the cost of this shared service had been covered in previous years by rebate income received through the use of the Services' framework agreements. However this income has been reducing such that a net cost is now required. Budget increase for 2019/20 is £36,000; and
- Council Tax Support and Housing Benefit Administrative Subsidies – anticipated reduction of £43,480 per annum as caseload will drop as housing benefit claimants, of working age, are migrated across to Universal Credit, administered by the Department for Work and Pensions.

5.5 These budget changes, totalling £199,480 in 2019/20, are included in the Financial Profile.

6. Financial Performance at half-year and predicted Outturn for 2018/19

6.1 Service managers have reviewed their budgets against the monies expended and incomes received during the first half of the current financial year and have used this information to predict the outturn for the year. The prediction takes account of the delivery of the planned cost reductions, efficiencies and additional income, totalling £1,028,900, included in the 2018/19 budget.

6.2 The outcome of the review is a predicted positive variance for the year of £127,000 (0.9% against the net budget of £14.784million): this is due principally to additional income of £415,000 and an underspend against the salaries budget of £94,000 reduced by an overspend on other expenditure budgets of £382,000.

6.3 Details of this predicted outturn for 2018/19 are contained in the Quarterly Performance report; included as a separate item on the agenda of this meeting.

6.4 For some service areas the changes in the levels of income and expenditure are expected to be ongoing and therefore budget adjustments are proposed for 2019/20. These are included in the Cost Reduction/Additional Income at section 9 below.

7. Finance Profile 2018/19 to 2021/22 – Assumptions Update

7.1 Pay

7.1.1 The Financial Profile includes a provision for a pay award on 1st April 2019 based on the second year of the two-year pay award agreed in April 2018. The agreement provides for a 2% increase for the majority of the pay points in the grading structure but higher increases for the lower pay points in order to continue to close the gap with the National Living Wage. Also a new national pay spine is to be introduced with effect from 1st April 2019 and the

assimilation of this is currently being discussed with the unions. An annual increase of 2% has been included for 2020/21 to 2022/23.

7.1.2 Whilst it is not anticipated that the Council will have any financial consequences from the increase in the National Living Wage from April 2019 with regard to its employees, there is potential for increased costs regarding agency staff. An allowance for an increase of 4.85% or 38p per hour (to £8.21) on the agency staff budget has been included for 2019/20 under Pay inflation in the Finance Profile.

7.2 Members Allowances. A provision of 2% per annum has been included in the Finance Profile.

7.3 Pension Fund Contributions

7.3.1 The Triennial Review of the Essex Pension Fund conducted as at 31st March 2016 determined the pension fund assets and liabilities applicable for the Council and set the deficit contribution and employer contribution rate for the three years: 2017/18 to 2019/20.

7.3.2 The Funding Strategy of the Essex Pension Fund endeavours to maintain consistency of overall contributions paid into the fund between triennial reviews. Although the ongoing employer contribution rate increased, the deficit on the Council's part of the Fund was reduced such that the combined elements are only marginally higher than that at the previous review in 2013: total contribution rate of 31.4% compared to 31.3%.

7.3.3 The Council opted to pay the total deficit payment for the 3-year period, of £4,232,683, on 1st April 2017. The accounting requirement for this was that the total payment was accounted for in 2017/18; the consequential impact of this was that two thirds of the payment (re 2018/19 and 2019/20) would be funded from the unallocated balance in 2017/18 with this source being repaid over the two following years.

7.3.4 The ongoing employer contribution rate was set at 16.5%.

7.3.5 An adjustment of £189,810 to the budget in 2020/21 provides for an estimated deficit payment of £1,600,700; which is the notional 2019/20 deficit figure plus an annual uplift of 3.9%. The actual deficit payment for 2020/21 and the two subsequent years will be determined by the Triennial Review to be undertaken as at 31st March 2019.

7.4 Other Expenditure

7.4.1 Allowances for inflationary increases have been provided but only on specific budget headings e.g. business rates, contracts, energy, etc. based on the Office of Budget Responsibility's forecast of the Consumer Prices Index for 2019/20 and forecasts of energy cost increases received from Concept Energy Solutions, an energy management and monitoring company engaged by the Council.

7.5 Fees and Charges, Rents and Third Party Contributions

7.5.1 Fees and Charges

The general principle of the Charging Policy for the Council's discretionary fees and charges is that service users should make a direct contribution to the cost of providing services at their point of use.

The majority of the discretionary fees and charges are reviewed annually and this process is currently in progress. An exception is car parking fees and charges which are reviewed on a minimum of a three-year basis and these were increased for the current financial year.

A schedule detailing the proposed levels of discretionary fees and charges for 2019/20 will be presented in the Finance report to Cabinet on 11th February 2019.

7.5.2 Rents

It is proposed that the housing rents and service charges for the four properties in Bradford Street, Braintree, be changed in line with that prescribed by the Government to Registered Social Landlords. Details of the proposed rents and service charges will be included in the schedule of proposed discretionary fees and charges for 2019/20 to be presented in the Finance report to Cabinet on 11th February 2019.

Increases in rental income from the Council's commercial and industrial properties are determined by rent reviews, as provided within the lease terms. An assessment of the likely increases which can be expected in 2019/20 to 2021/22 are included in section 4.2 above.

7.5.3 Third Party Contributions

A significant amount of income is received from Essex County Council under a number of service level agreements and across a number of service areas.

The Inter Authority Agreement for Waste Management is the most significant at £1.921million (2018/19 budget). Other agreements are for Community Transport (£90,330) and for a council tax sharing arrangement (£440,140).

The agreements are for defined periods:

- Inter Authority Agreement, signed in January 2010, is for a period of 25 years;
- Community Transport – the current 2-year agreement terminates on 31st March 2020;
- Council Tax sharing agreement – the 1 year agreement between the three major preceptors (Essex CC, Essex Police and Essex Fire & Rescue) and each of the Essex borough/district/city councils ceases on 31st March 2019. This single year agreement was to allow a review of the arrangement with a view to agree a new 3 year commencing on 1st

April 2019. The proposed new agreement provides for a reduction in the share to the districts from 16% to 14% in 2019/20 and to 12% for 2020/21 and 2021/22. An estimate of the reduced income to the Council is shown under new demands, section 8.2 below.

8. Unavoidable Budget Demands and New Investments

- 8.1 Bids for revenue funding to meet unavoidable budget demands and new investments total £1,480,230, in 2019/20 and £187,730 in 2020/21. Just over half (£787,160) of this is an ongoing requirement and therefore is needed to be added to the base budget. Other requests, totalling £693,070 in 2019/20 and £122,000 in 2020/21, are for one-off budget requirements.
- 8.2 The bid requests to be added to base for unavoidable budget demands and new investment are:

Environment and Place

- Waste Management – recyclable materials: gate fees charged for disposal are determined quarterly by reference to market indices and these are now higher than the current year budget. Budget request of £176,000;
- Fleet Management – staff restructure creating a new full-time Transport Manager post – net budget request £25,000;
- Streetscene – undertake a 3rd litter pick on the A120 Braintree bypass. Budget request £20,000;
- Fleet – increased cost of diesel fuel anticipated budget overspend in current year. Budget request £50,000;
- Environmental Protection – reduction in level of fees and charges as fewer businesses are subject to regulative inspection – budget reduces from £18,000 to £15,000;

Corporate Services and Asset Management

- Asset Management – staff structure review as a consequence of growth in property portfolio in particular the management requirements of the starter units at the Enterprise Centre, Springwood Industrial Estate. A budget request of £47,870 for additional hours to make two existing posts full-time. This has been agreed by Management Board in the current year and funded from the additional rental income received;
- Governance – Land Charges – significant downturn, of £78,000, in the level of search fee income predicted in the current year. The number of full searches are down and free of charge viewings, mainly by personal search companies, have increased.

Economic Development

- Budget provision of £20,000 to provide business support service as a consequence of taking responsibility for the running of the Enterprise Centre, Springwood Industrial Estate;

Finance and Performance

- Council Tax Sharing Agreement – As mentioned at section 7.5.3 above the agreement is to be revised with a reduction in the share back to

district councils. The budget implication is a reduction of £65,730 in each year: 2019/20 and 2020/21;

- Council tax and business rates – court costs levied are lower than budget in the current year this is due to proactive action to remind taxpayers of overdue payments and reducing the number receiving a court summons and liability order. Budget reduction of £70,000;

Planning and Housing

- Development Management – The service has seen a dramatic increase in activity over recent years, particularly in relation to the number and complexity of major planning applications. This increased activity arises as a result of the combined impact of: the Council's ambitious growth agenda within the District; and the increased number of speculative housing proposals as a result of the lack of an adopted Local Plan and the lack of a 5 year housing land supply.

In order to process and determine the volume and complexity of major planning applications within the service, additional staffing resources are required. A review of the current structure has identified an additional staffing requirement for 1 Principal Planner, 3 Planners and 1 Validation/Admin/ICT Support Officer with a budget request of £231,560. The additional staff will also enable the use of Planning Performance Agreements (see section 9.4 below) and this combined with the anticipated continuation of planning application fee income exceeding the current budget (budget increase included at section 9.3) provide funding sufficient to meet the additional budget request for staffing.

With qualified planning professionals in short supply it is anticipated that it will take time to fill the new posts and therefore it is requested that Full Council gives early consideration of approving these budget increases (expenditure and income) to allow the recruitment process to be commenced in December/early January.

- 8.3 The bid requests for unavoidable budget demands and new investment, which are one-off in nature, are:

Finance and Performance

- Town/Parish Councils – it is proposed to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2018/19, of £113,625, to the Town/Parish Councils. The proportion payable to the Town/Parish Councils is £21,040 and is for 2019/20 only. A schedule of the proposed allocation to each parish and town council is provided at Appendix A. It is proposed that this is recommended for approval by Full Council in order that the parish/town councils can be notified in sufficient time to enable this resource to be discussed as part of their budget and precept setting for 2019/20.

Corporate Services and Asset Management

- Business Solutions – Specialist expertise and support to assist with the implementation of new techniques and products including: 1-Drive, Share-point, cloud services and cyber security. A budget allocation of

£50,000 is requested and will be funded from the ICT earmarked reserve;

Health and Communities

- Town Hall Centre – anticipated reduction in income during the construction of the Manor Street Development. £49,000 per annum for 2019/20 and 2020/21;

Environment and Place

- Car Parks – anticipated reduction in income during the construction of the Manor Street Development. £73,000 per annum for 2019/20 and 2020/21;

Planning and Housing

- Planning Appeal costs – Two provisions, of £300,000, were agreed by Council in February 2015 and November 2017. The latter provision will be fully utilised during the current year. It is anticipated that there will be appeals whilst there is no adopted Local Plan and a lack of a five-year supply it is therefore proposed to replenish the provision with a further sum of £500,000.

It is proposed that the last three requests above, totalling £622,000 in 2019/20 and £122,000 in 2020/21, are funded from the General Fund unallocated balance.

9. Cost Reduction/Additional Income Proposals

9.1 At the meeting of Cabinet on 10th September it was noted that Senior Managers were in the process of reviewing their service budgets to identify possible cost reductions and/or additional income generation, in particular with reference to the projected outturn for the current year.

9.2 The review of service budgets has identified budget adjustments with a total of £886,990. These have been agreed by Management Board as they do not have a direct impact on customers or service delivery.

9.3 A summary of the adjustments is provided in the table below:

Cabinet Portfolio	Business Plan	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Corporate Services & Asset Management	Asset Management	277.61			
	Business Solutions	13.00			
	Human Resources			9.00	14.00
Environment & Place	Environmental Services	7.50			
	Operations	90.50	2.00	1.00	1.00
Finance & Performance	Finance	341.82	(33.00)	(12.00)	(15.00)
Planning & Housing	Sustainable Development	156.56			
	Totals	886.99	(31.00)	(2.00)	0.00

- 9.4 In addition to the agreed budget adjustments there are three proposals for additional income which will either have a potential impact on residents, customers or local organisations or involve policy issues and therefore will require decision by Members. These proposals have a total value of £158,200 in 2019/20 and are as follows:

Environment and Place

- Disabled Facilities Grant (DFG) – proposed increase in the amount taken from the grant allocation to meet the cost of administering the scheme. Current charge is 10% of the value of each grant approved, up to a maximum of £500, it is proposed to increase this to 15% up to a maximum of £750. The estimated additional income raised is £18,200, making the total budget £65,000, which will meet the staffing and management cost of providing this grant service. The value of the allocation from the Better Care Fund for DFG's is £862,000 in 2018/19.

Finance & Performance

- Investment returns – an analysis of the Council's cashflow over the next four years, taking into account the current approved strategic investments, shows that there are sufficient funds available to invest a further sum of £2million in pooled funds. This will take the amount invested to £18million (£20million limit agreed by Council). A net estimated increase in income of £65,000 is expected.

Planning and Housing

- Development Management – proposal to expand the use of Planning Performance Agreements (PPA). A PPA is a bespoke programme agreed with developers to cover all pre-application discussions and a timetable for the determination of the planning application for a 'premium fee'. The service has made little use of these agreements in the past as there is a risk of over promising and under delivering which would inhibit the ability of the service to enter into repeat PPA's with the same developers on future projects. The additional income is therefore dependent on the request for additional staff, see section 8.2 above. Based on the projected number and profile of major applications that are expected to be received over the next year, it is forecast that £75,000 of additional income could be generated.

10. Business Rates – Essex Region pooling arrangement

- 10.1 The Council has participated in an Essex Business Rates Pool since 2015/16. Under this arrangement growth in business rates, above a baseline figure, which would normally be passed to the Government is retained and shared between the authorities in the Essex Pool. For the three years, 2015/16 to 2017/18, the Council has received a total of £1.515million from the Essex Pooling arrangements.
- 10.2 Fifteen authorities are participating in 2018/19. This includes Essex County Council, the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority, Southend Unitary Authority as well as all twelve district councils. This pooling arrangement was the fallback position for the authorities as the bid to pilot 100% Business Rate Retention was unsuccessful.

- 10.3 Whilst final shares for 2018/19 will not be determined until early October 2019 it is anticipated that the Council could receive approximately £560,000. No budget provision has been included in base budget for this, as the shares are dependent on the business rates collected in each of the participating districts and Pooling arrangements are offered for a single year at a time by the MHCLG.
- 10.4 As mentioned at section 3.4 above, the Council agreed to participate in an Essex bid to pilot 75% Business Rate Retention for 2019/20. If the Essex bid is unsuccessful the fifteen participating authorities have requested that an Essex Pool be approved for 2019/20. Based on the proposed sharing arrangement the Council could receive an additional amount of business rates of approximately £646,000.

11. Business Rates Retention Scheme and Business Rate Taxbase

- 11.1 The Business Rates Retention scheme has been in operation in its current form since April 2013. Under the scheme the Government calculates a baseline amount of business rates which it allows local authorities to retain as part of the Government's funding for local government.
- 11.2 The Council's provisional baseline figure for 2019/20 is £3,428,553 as provided in the updated four-year settlement.
- 11.3 The amount of business rates actually collected in the year will inevitably vary from the baseline: a higher amount collected will increase the amount that the Council is able to retain whilst a lower amount will require the Council to meet the shortfall up to a maximum of 7.5% (5% for 75% Business Rate Retention pilots) of the baseline amount: any shortfall greater than these will be met by the Government (under the safety net arrangements) or from either the Essex Pilot arrangement or the Essex Pool (as appropriate).
- 11.4 The final determination of the Business Rates Taxbase for 2019/20 will be agreed by the Corporate Director (Finance) under delegated authority prior to the deadline of 31st January 2019. The estimate will be determined on the basis that the Government continues to provide grant funding for the additional 50% uplift, to 100%, to the Small Business Rate Relief scheme and for the new relief for retail businesses with a rateable value of less than £51,000 announced by the Chancellor on 29th October 2018.
- 11.5 The estimated figure for Business Rates retained in 2019/20 is £4,726,700. It is assumed that the negative RSG adjustment, of £291,482 for this Council, will not be required as the Government has proposed this should be withdrawn (see section 3.2 above).
- 11.6 The estimate of Retained Business Rates for 2020/21 onwards includes a 2% uplift to reflect an anticipated increase in the Rating Multiplier. However, the position for 2020/21 onwards is very difficult to predict as the Government is currently working with Local Government representatives on a Fair Funding Review, which will result in a resetting of the Business Rates Retained Baseline for each authority and also the introduction of the proposed 75%

Business Rate Retention scheme (of which much of the detail is still to be finalised) in 2020/21.

- 11.7 One of the key issues regarding the new 75% Business Rate Retention scheme for this Council will be the amount of growth in business rates, above baseline, which the Council will be able to retain. Since 2013, this has built up to an estimated sum of £1.298million for 2019/20 and is included in the base budget.
- 11.8 The estimated balance on the Business Rates Collection Fund as at 31st March 2019 is a surplus of £585,344. The proportion attributable to this Council is £234,174 and this is included in the Finance Profile. The surplus is to be transferred to the Business Rates Retention Reserve. This reserve is held to equalise variations on the Business Rates Collection Fund between years.

12. Local Council Tax Support Scheme

- 12.1 The Council has operated a Local Council Tax Support (LCTS) scheme since 1st April 2013. The scheme retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme. The main elements of the scheme, which applies to claimants of working age only, are as follows:
- The calculation of support is based on 76% (reduced from 80% for 2015/16) of the Council Tax liability rather than the full amount as under council tax benefit;
 - An upper limit on the council tax banding, on which support will be calculated, is set at Band D;
 - Child Benefit for the first child only will be excluded from the assessment of a claimant's income;
 - The deduction for non-dependants in the household is set at £10.00 per week;
 - The period of backdating a claim (with good cause) is one month;
 - The amount of earnings excluded from a claimant's overall income is set at £40.00 per week with an additional earnings allowance for those claimants in receipt of working tax credit (where working a minimum of 30 hours) set at £5.00 per week;
 - The full amount of War Widows pension is excluded from the assessment of the claimant's income;
 - The limit on savings held by the claimant is £16,000. Savings above this limit precludes the claimant from support under the scheme;
 - Minimum level of income for claimants who are self-employed is set at National Living Wage; and
 - Removal of the Family Premium for new claims after 1st May 2016.
- 12.2 Support given to claimants of pensionable age continues to be calculated using the rules as existed under the former Council Tax Benefit scheme.
- 12.3 The LCTS scheme is accounted for as a discount rather than a benefit: with the Council's council taxbase being reduced by an estimate of the amount of support that will be awarded each year. For 2018/19 this was estimated to be

£6.968million. The variation between the actual and estimated amount awarded is reflected in the balance on the Council Tax Collection Fund at the year-end.

- 12.4 A snap shot of the number of claims, split between claimants of working age and pensioners, and the respective value of LCTS awarded for the year as at 2nd October 2018 is provided in the table below:

	Pensioners		Working Age		Totals
	£		£		£
Local Council Tax Support awarded	3,868,117	56.45%	2,983,849	43.55%	6,851,966
Number of awards	4,137	46.47%	4,765	53.53%	8,902

- 12.5 In previous years the Local Council Tax Support scheme has had to be agreed by Council for the ensuing year by 31st January. This deadline has, however, now been set as 11th March, the same as the deadline for councils to set their budget and council tax.
- 12.6 If any changes to the scheme are proposed then these must be subject of consultation for a minimum of six weeks.
- 12.7 A change in the level of council tax liability on which LCTS awards are based from 80% to 76% was introduced for 2016/17 and was made with reference to the Council's financial position over the medium-term and with the aim to limit the frequency of changes thereby providing a degree of stability and continuity in the scheme for claimants.
- 12.8 An analysis of the council tax accounts of working age claimants and specifically the recovery stages shows that the number of requests made for an attachment to benefit as a method of recovering outstanding arrears rose from 271 in 2015/16 to 456 in 2016/17. The weekly amount recovered from ongoing benefit is set nationally (currently £3.70 per week) and only one attachment to benefit can be applied at a time and therefore attachments for subsequent year's council tax are held as 'pending'. At the end of 2017/18 464 requests for an attachment to benefit were 'pending' and in the current year to 2nd October 402 requests are held as 'pending'.
- 12.9 Taking the above into consideration it is proposed to leave the existing scheme unchanged for a third year. As no changes are proposed to the Council's LCTS scheme for 2019/20 there is therefore no requirement for consultation.

13. Council Tax – Collection Fund – Surplus/Deficit

- 13.1 The budget setting process includes estimating the amount of council tax expected to be collected. Variation from the estimate results in either a surplus or deficit on the Collection Fund which must be either returned to or requested from council taxpayers in the following year. The surplus or deficit is allocated between the four major preceptors: Essex County Council,

Braintree District Council and Essex Police, Fire and Crime Commissioner for Policing & Community Safety and for Fire and Rescue Authority.

13.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £888,833. The surplus will be allocated to:

- Essex County Council – £648,195
- Braintree District Council – £113,625
- Essex Police, Fire and Crime Commissioner– Policing & Community Safety – £89,673
- Essex Police, Fire and Crime Commissioner – Fire and Rescue Authority – £37,340

13.3 This Council's proportion of the council tax surplus, to be returned to council taxpayers in 2019/20 is £113,625. It is proposed that £21,040 of this surplus is allocated to town and parish councils in 2019/20 (see section 8.3 above). This compares to the surplus returned to council taxpayers of £181,609 in 2018/19 (of which £33,170 was returned via payments to the town and parish councils).

14. Council Taxbase

14.1 The Council's taxbase for 2019/20 is required to be calculated as at 30th November 2018 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance. However, prior to this determination and for financial planning purposes the council taxbase for 2019/20 is estimated to be 52,500 (increase of 1% over 2018/19 taxbase) and is based on an assessment undertaken as at 10th September 2018 required by the Government.

14.2 The council taxbase takes into account estimated allowances for discounts and exemptions; including the local council tax support scheme, single persons discount and for losses on collection.

14.3 The Council has exercised its discretionary powers to set the discounts/premia for empty properties and second homes.

14.4 The current levels of these discounts/premia are as follows:

- Properties undergoing extensive repair – 0% discount for twelve months;
- Properties unfurnished – 0% discount for 6 months;
- Second homes – 0% discount;
- Properties which have been unoccupied and substantially unfurnished for two years or more – 50% premium.

At this time it is not proposed to vary any of these levels for 2019/20.

14.5 The Chancellor of the Exchequer in his Autumn 2017 Statement announced that billing authorities would be able to increase the premium charge on long-term empty properties to 100%. At the time of writing, the Rating (Property in

Common Occupation) and Council Tax (Empty Dwellings) Bill 2017-19 is progressing through Parliament.

- 14.6 It is proposed to maintain the allowance for losses on collection at 1% for 2019/20.
- 14.7 The Council also has discretionary power, under section 13A 1c of the Local Government Finance Act 1992, to enable it to reduce council tax liability where statutory discounts, exemptions and reductions do not apply. Current policy is to consider each application on its merit. The cost of an award under the policy has to be met from the General Fund. No changes or amendments to this policy are proposed.
- 14.8 With the anticipated housing growth in the District over the coming years the allowance, included in the financial profile, for growth in the council taxbase is set at 1.5% per annum for 2020/21 onwards. This provides estimated council taxbases of 53,288, 54,087 and 54,898 in 2020/21 to 2022/23 respectively.

15. Council Tax Levels and Referendums

- 15.1 **Council Tax Referendums.** The Localism Act 2011 gives local communities the power to decide whether to accept an excessive council tax increase. The Secretary of State determines the level of increase above which a proposed increase in council tax must be subject to a referendum. For shire district councils the threshold for 2018/19 was set at the higher of 3% or up to and including £5. The Government proposes, in the technical consultation paper on the 2019/20 Local Government Finance Settlement, to keep this threshold the same for 2019/20. An increase of £5.22 on this Council's Band D for 2019/20 equates to a percentage increase of 2.99%.
- 15.2 With regard to Referendum limit and town/parish councils the Government has stated in the technical consultation paper on the 2019/20 Local Government Finance Settlement:

'In 2018-19 the Government decided to defer the setting of referendum principles for town and parish councils for three years. However, this was conditional upon:

- the sector taking all available steps to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for other uses or for "invest to save" projects which will lower on-going costs; and*
- the Government seeing clear evidence of restraint in the increases set by the sector.*

In 2018-19, the average band D parish precept increased by 4.9% (£3.02). This compares to a 6.3% increase (£3.63) in 2017-18, and is the lowest year-on-year increase in parish precepts since 2015-16.

In view of this, the Government intends to continue the deferral of setting referendum principles for town and parish councils, but encourages parish councils to continue this downward trend, and will keep this area under active review'.

15.3 **Council Tax Levels.** In anticipation of the referendum limit being confirmed by the Government at the current level it is proposed that the council tax increase for 2019/20 be £5.22 (at Band D). This is considered necessary to help address the anticipated budget shortfalls over the medium-term and due to the uncertainty over future changes to Local Government funding. The increases in the level of council tax provided in the Finance Profile for 2019/20 to 2022/23 for planning purposes are:

- 2019/20 – 2.99% providing a Band D level of £179.73;
- 2020/21 – 1.95% providing a Band D level of £183.24;
- 2021/22 – 1.96% providing a Band D level of £186.84;
- 2022/23 – 1.97% providing a Band D level of £190.53.

16. Financial Profile 2019/20 to 2022/23

16.1 An updated Financial Profile for 2019/20 to 2022/23 taking account of the proposed savings and revised assumptions is provided at Appendix B.

16.2 The updated financial profile 2019/20 to 2022/23 shows for:

2019/20 – addition to Balances of £45,098;
2020/21* – shortfall of £507,618;
2021/22* – addition to balances £10,459; and
2022/23* – shortfall of £230,447.

*Note: * these years are after the current 4-year Finance Settlement ceases and are likely to be subject to significant changes due to the Fair Funding Review and the Government's decision regarding the proposed new 75% Business Rates Retention scheme.*

16.3 The position for 2019/20 will be updated following receipt of the Funding Settlement Assessment which is expected on 6th December 2018.

16.4 The approach to address the anticipated budget shortfalls will be the delivery of the 'Roadmap to 2020'. The 'Roadmap to 2020' incorporates the Action Plan developed following the Peer Review in October 2013, which was focussed on the Council being grant free over the medium-term.

16.5 The 'Roadmap 2020' encompasses:

Better at Business

- Commercialisation
- Business Awareness & Skills
- Procurement
- Contract Management

Smart Working

- Service Improvements
- Digital Strategy
- Accommodation Review
- Mobile & Flexible working

Investment Programme

- District Investment Strategy
- Asset Management Strategy
- Treasury Management Strategy

16.6 Estimated revenue income and expenditure implications of the projects agreed in the Investment Programme are included in the budget and financial profile. Other projects currently outlined in the Investment Programme are being developed and will be included in the budget and financial profile as and when the projects and the cashflow projections are agreed by the Council.

17. Balances and Reserves

17.1 The Unallocated General Fund balance as at 31st March 2018 was £2.86million.

Agreed and anticipated movements on the balances are:

	£'000
General Fund	
Planned addition to balances in setting 18/19 Budget	228
Anticipated surplus in 2018/19	127
Planned repayment re Pension Deficit	1,411
Supplementary Budget approval	(219)
Proposed transfer from Earmarked Reserves (section 17.3 below refers)	600
Estimated Balance as at 31 st March 2019	<u>5,007</u>
Planned repayment re Pension Deficit	1,411
Estimated Balance as at 31 st March 2020	<u>6,418</u>

17.2 Earmarked reserves are established to either meet specific requirements/ purposes in the future or to make provision for issues that are likely to occur but the timing is not predictable. The total amount of money in earmarked reserves as at 31st March 2018 was £21.482million.

17.3 A review of the earmarked reserves has identified that two reserves have not been used and after consideration of future need it is proposed that the balances are transferred back to the General Fund unallocated balance. The two reserves are:

- Business Investment Fund created in 2015/16 with £500,000. To provide financial loan support for District businesses who need assistance in growing their business. The fund will support businesses through offering capital loan funding for capital investment, where this will lead to job creation and economic growth. Whilst one loan has been agreed, to the Colne Valley Railway, this has not been a call against this reserve as loans are accounted for on the Council's Balance Sheet and the reserve is only required to extent that impairment is required if the borrower defaults.

- Community Infrastructure Levy created in 2014/15 with £100,000. This was to engage consultants in order to prepare a Community Infrastructure Levy (CIL). The Government established a review group to assess the extent to which CIL does or can provide an effective mechanism for funding infrastructure in November 2015 the outcome of the review is awaited. The Council has, however, continued with the use of Section 106 agreements.

17.4 A schedule detailing the planned use of the earmarked reserves over the four-year period of the MTFS will be included in the Finance report to Cabinet on 11th February 2019.

18. New Homes Bonus

- 18.1 The Ministry of Housing, Communities and Local Government referred to the New Homes Bonus (NHB) scheme in the technical consultation paper on the 2019/20 Local Government Finance Settlement suggesting that it will have to increase the scheme baseline in 2019/20 (from 0.4%) due to the continued upward trend for house building. Also further consultation will be undertaken on the NHB scheme after 2019/20 and whether this is the most effective way to incentivise housing growth.
- 18.2 The number of dwellings in the District, expressed as Band D equivalent, as at October 2018 is 60,943. This represents an increase of 389 or 0.64% since October 2017.
- 18.3 Whilst a decision on the scheme baseline for 2019/20 will be included with the Funding Settlement Assessment on 6th December 2018 the table below shows a summary of the monies received up to 31st March 2019 together with allocations agreed and the balance currently unallocated. The shaded areas in the table show the periods when payments will not be made as a consequence of the Government reducing the payment period from 6 to 5 and then to 4 years:

New Homes Bonus Summary - 2011/12 to 2019/20										
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Year 1 (2011/12)	509.0	509.0	509.0	509.0	509.0	509.0				3,054.2
Year 2 (2012/13)		472.6	472.6	472.6	472.6	472.6				2,363.0
Year 3 (2013/14)			606.0	606.0	606.0	606.0	606.0			3,029.8
Year 4 (2014/15)				266.9	266.9	266.9	266.9			1,067.5
Year 5 (2015/16)					247.1	247.1	247.1	247.1		988.6
Year 6 (2016/17)						680.5	680.5	680.5	680.5	2,722.1
Year 7 (2017/18)							328.7	328.7	328.7	986.1
Year 8 (2018/19)								16.2	16.2	32.4
Year 9 (2019/20)									?	-
Total receivable in Year	509.0	981.6	1,587.6	1,854.5	2,101.6	2,782.1	2,129.2	1,272.6	1,025.4	14,243.7
Less:										
Allocations Agreed	79.0	79.0	66.4	32.3	99.7	95.7	70.0	70.0	70.0	662.1
Economic Development & Project Delivery							144.8	144.8	144.8	434.4
Net Resource for Capital	430.0	902.6	1,521.2	1,822.2	2,001.9	2,686.4	1,914.4	1,057.8	810.6	13,147.1
Allocated to District Investment	430.0	152.6	1,521.2	1,822.2	2,001.9	2,572.1				8,500.0
Allocated for Affordable Homes		750.0								750.0
Garden Communities							250.0			250.0
Grow-on Units, Springwood							86.8			86.8
Broadband								356.0		356.0
Premdor site - feasibility								80.0		80.0
Strategic Investment Team								1,991.2		1,991.2
Resource Available	0.0	-	-	0.0	-	0.0	114.3	1,577.6	-1,369.4	810.6

19. Capital Programme and Resources

- 19.1 Details of the proposed capital projects are provided in the schedule at Appendix C. The total value of the projects in 2019/20 is £1,878,000 and £50,000 in 2020/21 and 2021/22.
- 19.2 The schedule also includes anticipated requirements of £963,000 for Housing Services and £965,000 for Other Services in each of the years 2020/21 to 2022/23.
- 19.3 A summary of the capital resources and capital programme for 2018/19 to 2022/23 is provided below:

Capital Summary 2018/19 to 2022/23					
	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
<u>Resources</u>					
Capital Receipts - Balance B/Forward	10.913	12.436	15.120	17.296	16.944
Anticipated Capital Receipts	2.780	5.283	8.356	4.241	1.030
Capital Grants & Contributions - B/Forward	2.718				
Anticipated Grants & contributions	1.276	2.030	0.863	0.863	0.863
Reserves	1.759	6.539	2.500	0.000	0.000
Borrowing	6.854	11.442	3.426	-3.055	0
Total Resources	26.300	37.730	30.265	19.345	18.837
<u>Programme</u>					
Approved:					
Housing Services	0.696	2.627			
Other Services	3.986	0.531	0.000	0.000	1.692
Strategic Investments	8.915	18.270	10.724	0.156	3.000
Capital Salaries	0.267	0.267	0.267	0.267	0.267
Proposed:					
Other services		0.915	0.05	0.05	
Anticipated future bids - Housing			0.963	0.963	0.963
Anticipated future bids - Other Services			0.965	0.965	0.965
Total Programme Expenditure	13.864	22.610	12.969	2.401	6.887
Resources Balance C/Forward	12.436	15.120	17.296	16.944	11.950

19.4 It should be noted that the majority of the anticipated balance of resources (£11.95million) at the end of 2022/23 is dependent on income from planned sales of a number of assets being received, these include: land east of High Street, Halstead; land off Maldon Road, Witham; former Bramston Sports Centre site, Witham; and residential properties on the Manor Street Development.

20. Long-Term Investments

20.1 Feasibility work continues in respect of the Garden Communities and a Housing Development Company, opportunities which would have significant impacts, both cost and reward, on the Council's finances over the long-term i.e. thirty years plus.

20.2 Reports will be presented to Members as the projects progress and decisions on next stages are required to be made. Detail of the current funding allocations agreed by the Council are provided below.

20.3 Garden Communities

20.3.1 The Council is working together with Colchester BC, Tendring DC and Essex CC on the North Essex Garden Communities project. The project is to establish the feasibility and funding requirements of delivering three garden communities across North Essex.

20.3.2 At present each of the four councils has agreed contributions totalling £500,000 toward the cost of the development of the North Essex Garden Communities project. This Council agreed to fund its contribution from New Homes Bonus.

20.3.3 A report on the North Essex Garden Communities – Interim Business Plan and Funding is included as a separate item on this Cabinet agenda. The report includes a request for an additional contribution of £100,000 from each of the four authorities for the current financial year. The Council's contribution could be funded from the unallocated balance of NHB.

20.4 Housing Development Company

20.4.1 A full business case relating to the establishment of a Housing Development Company (HDC) is currently in progress.

20.4.2 A Housing Development Company has the potential to bring forward a robust delivery programme of new homes across the District, to include a range of tenures, such as private sale, affordable rent, private rent, keyworker and starter homes. It would also contribute to wider objectives, including the generation of a financial return, the development of under-utilised Council-owned land and the stimulation of economic growth through the provision of high-quality training and employment opportunities through on-site developments.

20.4.3 An allocation of £130,000 was agreed for the feasibility work. In addition Council on 23rd July 2018 approved a budget of £495,980 for preparatory work to enable design and planning applications for residential development on five Council-owned sites. This enables a twin-track approach, with the potential for the sites to be transferred to a future Council-owned Housing Development Company, subject to Cabinet approval of a full business case. Alternatively, the Council could realise a financial return by selling the sites with the benefit of residential planning permissions.

Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2019

Parish/Town Council	Precept 2018/19 £	Allocation £
Alphamstone and Lamarsh	3,607	37
Ashen	4,408	45
Bardfield Saling	0	0
Belchamp Otten	1,000	10
Belchamp St Paul	3,000	31
Belchamp Walter	5,003	51
Birdbrook	13,245	135
Black Notley	48,000	490
Borley	1,283	13
Bradwell	7,965	81
Bulmer	9,497	97
Bures Hamlet	26,892	274
Castle Hedingham	25,128	256
Coggeshall	154,213	1,574
Colne Engaine	23,514	240
Cressing	37,380	382
Earls Colne	77,174	788
Feering	52,987	541
Finchingfield	40,792	416
Foxearth and Liston	7,000	71
Gestingthorpe	6,400	65
Gosfield	32,473	331
Great Bardfield	32,509	332
Great Maplestead	4,903	50
Great Notley	76,133	777
Great Saling	7,341	75
Great Yeldham	44,189	451

Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2019

Parish/Town Council	Precept 2018/19 £	Allocation £
Greenstead Green	6,573	67
Halstead	172,981	1,766
Hatfield Peverel	60,399	616
Helions Bumpstead	14,296	146
Hennys, Middleton & Twinstead	4,875	50
Kelvedon	100,219	1,023
Little Maplestead	3,442	35
Little Yeldham, Tilbury Juxta Clare & Ovington	6,192	63
Panfield	16,054	164
Pebmarsh	8,149	83
Pentlow	5,000	51
Rayne	40,531	414
Ridgewell	17,028	174
Rivenhall	11,000	112
Shalford	18,126	185
Sible Hedingham	103,485	1,056
Silver End	61,276	625
Stambourne	7,636	78
Steeple Bumpstead	41,139	420
Stisted	12,460	127
Sturmer	7,075	72
Terling & Fairstead	19,225	196
Toppesfield	14,731	150
Wethersfield	29,179	298
White Colne	10,882	111
White Notley and Faulkbourne	11,973	122
Wickham St Paul	10,629	108
Witham	500,776	5,115
Total		21,040

General Fund Revenue Profile 2018/19 to 2022/23

APPENDIX B

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
	£	£	£	£	£
Base Budget brought forward from previous year	16,599,330	12,419,820	13,516,050	14,721,032	15,017,552
<u>Inflation:</u>					
Pay - annual award and incremental progression	415,400	495,300	452,670	419,370	396,370
Other Expenditure Inflation	76,650	111,060	112,050	116,780	122,000
Income Inflation	-13,470	0	0	0	0
Pension Fund and National Insurance contribution adjustments	13,460	13,530	202,380	12,830	13,080
<u>Pension Fund Deficit - Triennial payment adjustment</u>	-4,232,670		1,410,890		
<u>New Demands:</u>					
Allowance for Reduced Income/Increased costs previously profiled	117,120	161,310	43,480	43,480	
Priority Investment - one-off provision	-184,820	672,000	-550,000	-115,000	-2,000
New Budget Pressures	657,720	808,230	44,660	0	0
<u>Reductions:</u>					
Savings/Additional Income agreed previously profiled	-1,028,900	-120,010	-34,530	-19,950	
New Savings/Additional Income - Management		-886,990	31,000	2,000	0
Ongoing net change in income/expenditure identified in 2017/18					
New Savings/Additional Income - Members		-158,200	0	0	0
Manor Street Development				-162,990	155,610
Additional Savings Required	0		-507,618		-230,447
Updated Base Budget	12,419,820	13,516,050	14,721,032	15,017,552	15,472,165
Addition to Balances - Base budget	228,072	45,098		10,459	0
Addition to Balances - Pension Fund Deficit - Triennial payment adjustment	1,410,890	1,410,890			
Contribution from Balances for one-off New Investment		-622,000	-122,000		
Contribution from/to Earmarked reserves	725,670	184,174			

General Fund Revenue Profile 2018/19 to 2022/23

APPENDIX B

	<u>2018/19</u> £	<u>2019/20</u> £	<u>2020/21</u> £	<u>2021/22</u> £	<u>2022/23</u> £
Budget Requirement	14,784,452	14,534,212	14,599,032	15,028,011	15,472,165
Government Grant - Revenue Support Grant	-272,480				
Retained Business Rates - Baseline amount	-3,354,160	-3,428,553	-3,514,267	-3,602,124	-3,692,177
- Growth above baseline	-1,157,378	-1,298,147	-1,298,147	-1,298,147	-1,298,147
Transition and Rural Services grants and returned funding	-22,125	-22,125	-22,125	-22,125	-22,125
Collection Fund Balance - Business Rates (Surplus)/Deficit	-725,670	-234,174			
Collection Fund Balance - Council Tax (Surplus)/Deficit	-181,609	-115,388			
BDC Requirement from Council Taxpayers	9,071,030	9,435,825	9,764,493	10,105,615	10,459,716
Tax base (+1.5% for 2020/21 onwards and collection rate of 99%)	51,980	52,500	53,288	54,087	54,898
Council Tax (Band D)	£174.51	£179.73	£183.24	£186.84	£190.53
Council Tax per week	£3.36	£3.46	£3.52	£3.59	£3.66
Percentage Increase	2.97%	2.99%	1.95%	1.96%	1.97%
Increase per week	£0.20	£0.10	£0.06	£0.07	£0.07

Requests for Capital Funding 2019-20

Date Produced: 10th October 2018

APPENDIX C

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2019/20	2020/21	2021/22	2022/23	
					1	Corporate Services & Asset Management	IDOX Scanners - Replace the main scanners used to input paper mail into the main IDOX repository	The current scanners were installed in May 2011. Although no problems have been reported with them, 8 years is considered to be a long time in the life of these scanners. There are 6 A3 scanners and 2 larger scanners used for scanning of large A0 plans (especially critical for the Planning teams). Scanner failures could result in queues for the working scanners and delay to input of the paper mail to IDOX.	
2	Corporate Services and Asset Management	Computer Equipment - Annual technology replacement programme.	Our hardware and software estate needs to be kept up to date to ensure that it can continue to be supported by our ICT service provider and continues to be fit for purpose.	Hardware and software that meets the needs of users and is up-to-date and secure.	40,000	40,000	40,000	40,000	
3	Corporate Services and Asset Management	Planned Maintenance of Council Properties 2019/20 . The annual investment required to maintain those properties owned, leased and managed by the Council where the Council has a repairing obligation.	The Council reviews and updates the condition surveys relating to those properties where it has a repairing obligation by the 31st August each year. These surveys identify the priority planned maintenance works required to be carried out in following financial year. The identified investment is required to ensure that the Council's properties are maintained to a good standard to support service delivery and sustain or improve the physical condition, rental income and value of the asset.	<ul style="list-style-type: none"> Sustain and improve the rental income achieved from the Council's property investment portfolio to support the delivery of Council services. Income levels can be compared year on year. Ensure that income is maximised to help reduce the Council's revenue deficit and contribute to the corporate target to be financially self-sufficient by 2020. Prevent the build-up of a significant level of backlog maintenance in the future which the Council may not be able to afford to fund. This could result in buildings deteriorating and not being fit for purpose, negatively impact on service delivery and lead to a loss of income. 	425,000	425,000	425,000	425,000	

Requests for Capital Funding 2019-20

Date Produced: 10th October 2018

APPENDIX C

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2019/20	2020/21	2021/22	2022/23	
					4	Planning & Housing	<p>IDOX Mobile Working Apps and IDOX Enterprise. Procurement of the new IDOX Mobile Working Apps for Development Management and Planning Enforcement.</p> <p>Procurement of the IDOX Enterprise system for Development Management.</p>	<p>IDOX Mobile Working Apps and Tablets To enable case officers to undertake site visits (required for all planning applications, applications for listed building consent, and advertisement consent etc.) without having to take a paper file and copies of printed plans/documents on site.</p> <p>To enable officers to take notes, site photographs and annotate plans and documents while on site on a tablet, which can then be synched and uploaded to IDOX DMS on return to the office.</p> <p>To enable officers to attend pre-application meetings and Planning Committee with case files on a tablet, without having to rely on paper files and documents.</p> <p>IDOX Enterprise To automate the system to provide a workflow and performance management solution that enables the service to monitor and balance staff workload and performance to ensure key milestones and deadlines are met. To reduce the reliance on individual officer spreadsheets and paper files.</p>	
5	Environment & Place	<p>Housing Renovation Grant</p>	<p>A proposed minor change to the MHG process will increase the range of funding from heating and hot water systems to include unsafe electrics. This is part of a wider review of the housing grant policy. The current Landlord Grant is not being taken up so a revised grant may be offered following consultation with the Housing department. A request is therefore made to increase HRG from £60k to £100k</p>		100,000	100,000	100,000	100,000	

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					2019/20	2020/21	2021/22	2022/23	
					6	Environment & Place	Disabled Facilities Grant (Better Care Grant funded)	The Council has a legal duty to manage and provide disabled facilities grants in accordance with Part 1 of the Housing Grants, Construction and Regeneration Act 1996. The aim of the grant is to provide financial assistance to the applicant in order to provide suitable adaptations to their properties, as far as is practical, to meet their specific needs.	
7	Environment & Place	Footpath Resurfacing on Public Open Space	Some existing paths and hard-standings at our public open spaces are currently in a condition which only meet the minimum standards for Health and Safety. It is anticipated that a cold winter with ice/snow would have a detrimental impact on these footways and therefore, repair/resurfacing work is required to prevent further deterioration.	The scheme will result in a better and safer environment for visitors to our Open Spaces, Sports Grounds and Cemeteries.	50,000	50,000	50,000		
8	Environment & Place	Play Area Refurbishments	The routine inspection carried out this year has identified the following sites for equipment upgrades and/or enhancement: 1. St. Mary's Road, Rivenhall (last refurbished in 1995); 2. Ashpole Road, Bocking (equipment installed in 2005); 3. Mill Chase, Halstead (last refurbishment in 2004); and 4. Clare Road, Braintree (part refurbished in 2004).	Play equipment and safety surfacing at the sites will comply with current National Playing Field Association standards and European Standards EN 1176 + EN 1177.	80,000				
9	Environment & Place	Public Open Spaces - provision of earth bunds/ditches in conjunction with fencing at the most vulnerable areas to deter and mitigate the risk of further unauthorised access being obtained.	During the summer of 2018, the fencing work at two prominent public open spaces were 'breached' and Section 61 notices served by Essex Police on the illegal encampments to move them on. In other cases action has been taken through Magistrates Courts which has taken time, causing inconvenience to local residents in nearby properties.	Greater security against illegal Traveller encampment. Reduction in property damage and clearing costs. Reduction in inconvenience and disruption for local residents.	50,000				

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	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2019/20	2020/21	2021/22	2022/23	
					10	Environment & Place	Replacement of park benches at various locations	The Council owns and maintains a number of public benches throughout its formal parks, these benches have been in place for a number of years and have on more than one occasion been repaired and are now reaching the end of their life and require replacement.	
11	Environment & Place	Cemetery Memorial Repairs. To commission structural surveys of memorials in our cemeteries and carryout repairs and/or dispose of unsafe structures as appropriate.	Compliance with H&S duty of care to the general public who visit our cemeteries.	Minimise the risk of personal injury claims	25,000				
12	Environment & Place	Artificial Grass Pitch at Gt Notley Country Park. Refurbishment of AGP at Gt Notley Country Park including replacement of the carpet.	The facility was opened in 2009 and the artificial pitch surface had a life expectancy of 10 years, which is due for replacement in 2019. Over the past nine years BDC has received a contribution from Great Notley Football Club of £1.5k pa and has contributed £18k annually to a reserve (sinking) fund to refurbish the AGP including the replace artificial surface. By March 2019 the reserve will stand at £155k.	To ensure the surface/accessories are in good condition for different sports organisations to use the facility and to comply with the various Clubs and League requirements.	155,000				-£155,000 Earmarked Reserve
13		Allowance for bids in future years				500,000	500,000	500,000	
Totals					1,878,000	1,978,000	1,978,000	1,928,000	- 1,018,000

Second Quarter Performance Management Report 2018/19		Agenda No: 7b
Portfolio	Finance and Performance	
Corporate Outcome:	A high performing organisation that delivers excellent and value for money services	
Report presented by:	Councillor David Bebb, Cabinet Member for Finance and Performance	
Report prepared by:	Tracey Headford – Performance and Improvement Manager	
Background Papers: Second Quarter Performance Management Report 2018/19		Public Report
		Key Decision: No
Executive Summary:		
<p>The purpose of the attached report is to summarise the performance of the Council at the end of the second quarter (July 2018 to September 2018).</p> <p>As at the end of the second quarter, 13 projects have been completed, a further 46 projects are on track and progressing well, six projects are experiencing delays which will push back the end dates to the projects and one project has been closed due to a change in the scope of the project for which a new project is required.</p> <p>Nine performance indicators have achieved or exceeded target, two have missed target by less than 5% and four have missed target by more than 5%.</p> <p>The performance indicators that have missed target by less than 5% relate to the Collection rates for Council Tax and Business Rates. Both targets have been marginally missed and it is expected that the shortfall will be made and targets achieved by the end of the year.</p> <p>The performance indicators that have missed target by more than 5% are in relation to the tonnage of residual household waste not recycled, the percentage of waste recycled, call answering times in the Customer Service Centre and the time taken to process housing benefit claim changes.</p> <p>Full reasons for missing targets and action being taken is detailed in the report.</p>		
Financial Performance		
<p>This part of the report provides an updated review of the financial position for the year up to the end of September 2018. It examines the latest forecast for spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital investment projects.</p>		

Summary:

- An overall positive variance for the year of £127,000 (-0.9%) is projected against the budget
- Across all services staffing budgets are forecast to be underspent by £294,000; and after allowing for the corporate efficiency target of £200,000, results in a projected variance of -£94,000.
- Other Expenditure is projected to be overspent by £382,000.
- Income is projected to be overachieved by £415,000.
- The projected variance for the year has improved from the position reported at Q1 which forecast an overall adverse variance of £87,000. This change is mainly due to higher estimated income (+£311,000), partially offset by a net change in the projected variances for Staffing and Other Expenditure (+£97,000).

Recommended Decision:

To note and endorse the report.

Purpose of Decision:

To inform the Cabinet of the performance of the Council.

Any Corporate implications in relation to the following should be explained in detail	
Financial:	An assessment of the Council's financial position against the agreed budget for the year is provided and is based on income and expenditure during the year.
Legal:	There are no legal issues raised by this report.
Safeguarding	There are no safeguarding issues raised by this report.
Equalities/Diversity	Equalities and diversity issues are considered fully in the Council's key projects, where appropriate.
Customer Impact:	Performance of front line services, including Customer Services, Housing Benefits and Planning, for the quarter is provided. A summary of complaints received each quarter is analysed by outcome (justified, partially justified or not justified) is provided.
Environment and Climate Change:	The report provides details of progress in the delivery of the Council's key projects. This will include supporting residents and businesses in lowering the cost of their energy bills and energy consumption , upgrading lighting in our car parks, anti-litter campaigns, expansion of our recycling service and campaigns encouraging recycling.
Consultation/Community Engagement:	Consultation is considered fully in the Council's key projects, as appropriate.
Risks:	Risks regarding the assumptions used in determining the predicted financial outturn for the year are identified.
Officer Contact: Tracey Headford	
Designation: Performance and Improvement Manager	
Ext. No. 2442	
E-mail: Tracey.headford@braintree.gov.uk	



Second Quarter Performance Management Report

1st July 2018 to 30th September 2018

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Section 1: Introduction and Summary






Purpose of the Report

The purpose of the report is to demonstrate the performance of the Council at the end of the second quarter in relation to the publication of the 'Annual Plan 2018/19'. This sets out the key activities and measures used to check our performance for the year and along with the Corporate Strategy 2016-20 sets out the priorities we are working towards. This year we signed up to 'The Future of Essex' which is a vision shared by more than 100 partners, all dedicated to improving the county over the next 18 years. The projects that are supporting this vision are marked with **(E)**. Further detail is given in relation to a set of business performance indicators covering finances, customer focus, our people and health and safety.






This report does not contain details of the numerous activities ongoing in each service area that also contribute to delivering what is important and will make a difference to all in the District. Full details of all projects and local and national indicators used to measure the outcomes are available upon request.

Summary of the Corporate Projects current position for the end of the second quarter

The following table provides updates for the end of the second quarter in relation to the key activities in the 'Annual Plan 2018/19'




Corporate Priorities	Status of projects and actions				
					
Environment and Place	2	8	0	0	0
Strategic Growth and Infrastructure	0	4	5	0	0
Economic Development	3	8	0	0	0
Health and Communities	5	8	0	0	1
Finance and Performance	3	10	0	0	0
Overall Strategy and Direction	0	8	1	0	0
TOTAL	13	46	6	0	1

KEY:




-  Project completed
-  Project on target
-  Project scope/target date requires attention
-  Project requires amendment
-  Project aborted/closed

Summary of the Performance Indicators position for the end of the second quarter

The following table shows the performance for the end of the second quarter in relation to the quarterly and annually reported Performance Indicators that have targets set as defined in the 'Annual Plan 2018/19'.

Corporate Priorities	Status of indicators			
				Data Only
Environment and Place	2	0	2	0
Strategic Growth and Infrastructure	2	0	0	0
Health and Communities	2	0	0	0
Finance and Performance	3	2	2	0
TOTAL	9	2	4	0

KEY:

-  Performance Indicator has achieved target
-  Performance Indicator is up to 5% below target
-  Performance Indicator is 5% or more off target

Summary Position

Progress in the second quarter of the year continues at a steady pace with 13 projects now complete and a further 46 on track and progressing well. Six projects have an amber status due to delays occurring which will push back end dates of the projects and one project has been closed due to the scope of the project changing and is due to be replaced with a new project next year.




Nine performance indicators have met or exceeded target, two performance indicators have missed target by less than 5% and four performance indicators have missed target by more than 5%.

Performance is expected to improve over the year as we strive to deliver our corporate objectives whilst focusing our resources to deal with the challenges the Council faces with constraints on funding.







Environment and Place






Project description and comments	Target Date	Status
Continue to support the Essex Waste Management Partnership to reduce waste, increase recycling and participate in countywide campaigns		
Braintree District Council has led on a county wide framework for street sweeping arisings, generating a reduction of costs per tonne circa £8.00 in the processing of arisings. The contract is in 'infancy' stage, and is closely monitored to ensure we are getting the correct data for recycling credits and we are working closely with partnering authorities and Essex County Council to ensure a beneficial outcome.	March 2019	
(E) Work with other Essex Councils and the University of Essex to better understand people's attitudes towards waste and recycling		
Braintree District Council is working with Essex County Council and the University of Essex to pilot initiatives to increase recycling and reduce waste. The first initiative launched in September involves two versions of the waste calendar which is delivered to Households in September and October. The calendars will feature different recycling messages with the aim to encourage residents to recycle more. Monitoring will take place over the coming months to see if there are any changes to recycling habits.	March 2019	
Offer our commercial customers a more tailored refuse and recycling service that will help them reduce, reuse and recycle their waste		
The Council continues to offer commercial customers bespoke quotations broken down into refuse/recycling options for the customer to consider. This includes container sizing and specification to empower the customer to make the choice of containers appropriate to their business need, alongside our expertise. A customer satisfaction survey is currently being drafted to assist in identifying further improvements.	March 2019	
Continue to protect our larger open spaces from illegal encampments by installing perimeter fencing and lockable bollards to prevent disruption and inconvenience to local residents		
All larger open spaces in the district are now protected from illegal encampments following the installation of perimeter fencing and lockable bollards.	June 2018	
Develop an improved low tariff energy switching scheme for both residents and businesses in the District, improving the customer experience and offering additional benefits and improved rates for residents on pre-paid meters		
A new low tariff energy switching scheme has been introduced that will be taking an active role in engaging with residents. The first auction took place in August and a scheme for discounted solar installations will be introduced in the Autumn.	September 2018	
Increase the electric car charging infrastructure by installing chargers at the three leisure centres across the District		
Visits have taken place at the three leisure centre sites across the District to look at the practicalities of installing the wiring needed for the electric car charging points. We are also liaising with Freeport to install charging points in their car park.	March 2019	
Upgrade the lighting in our car parks with new energy efficient LED lights to reduce costs and benefit the environment		
The contract has been awarded to upgrade the lighting in our car parks and works will commence in the Autumn.	March 2019	

Trial the use of compaction bins in Braintree Town Centre to see if they offer better value for money for the taxpayer		
A demonstration from a compact bin company took place in August and the Council is currently considering its options for locating the compaction bins.	March 2019	
Continue to maintain a focus on investigating and enforcing littering, dog fouling and fly tipping to help keep the District looking clean and tidy		
Since April, a total of 47 fixed penalty notices have been served by the Environmental Services Enforcement Team resulting in nine prosecutions.	March 2019	
Run a car litter campaign to reduce litter and raise awareness of the increase in fines		
'You Melt' campaign launched in August aimed at social media and younger audiences. A further car litter campaign in partnership with McDonalds and KFC, aimed at reducing car litter and to raise awareness of the increase in fines, has been agreed and advertising space is currently being arranged. 'You Melt' campaign will also be adapted to address street-littering and displayed in town centre notice boards.	March 2019	



Strategic Growth and Infrastructure




Project description and comments	Target Date	Status
(E) Complete the examination and adoption of the Local Plan		
The adoption of the Local Plan is reliant on the approval of the plans for Garden Communities which require more work before they can be agreed. A suggested way forward together with a revised timetable will be submitted to the planning inspector in October and once a response has been received, the end date of the project will be revised accordingly.	December 2018	
(E) Continue to work on the development of Garden Communities to provide housing, employment and supporting infrastructure to address our long term housing and community needs		
The plans for a west of Braintree garden community have been reviewed by the planning inspector. Braintree District Council is currently is working with partners to strengthen and improve plans before resubmitting to the planning inspector in October with a suggested way forward and revised timetable. Once a response has been received, the end date of the project will be revised accordingly.	November 2018	
The plans for a west of Colchester garden community have been reviewed by the planning inspector. Braintree District Council is currently is working with partners to strengthen and improve plans before resubmitting to the planning inspector in October with a suggested way forward and revised timetable. Once a response has been received, the end date of the project will be revised accordingly.	November 2018	
(E) Set up a Housing Development Company to deliver new mixed-tenure homes across the District.		
Approval was given at July's Cabinet for funds to develop up to five Council sites to submit planning applications in a twin track approach to run alongside the development of the Business Case for the Development Company. The Strategic Investment Team and Member Reference Groups will review the legal, financial, governance and company advice and the intention is to present the full business case for approval to Cabinet in February 2019. Three Members' Reference Groups have taken place providing guidance to officers	March 2022	

with a further two to take place which will review the governance and financial options of a potential Development Company. The finding of the Reference Groups will help to inform the decision on setting up the Company.		
(E) Secure planning consent to deliver new homes in Braintree Town Centre as part of the Manor Street Regeneration Project		
A detailed planning application was submitted in July 2018 and it is anticipated that the planning application will be determined late October 2018.	March 2019	
(E) Continue to work with partner agencies to drive forward improvements to the Braintree and Witham rail link		
Network Rail were asked to produce a specification and cost for a Governance for Railway Investment Projects (GRIP) 2 study. The cost has been established and work has currently halted as progressing beyond the current GRIP stage is unaffordable and alternative options need to be considered.	March 2019	
(E) Continue to work with Essex County Council to deliver an improvement scheme at Springwood Drive roundabout and Panfield Lane to reduce congestion		
As part of the Braintree Integrated Transport Package, Essex County Council is looking to re-designated lane markings at Springwood Drive to ensure Keep Clears are effective. Essex County Council continue to progress the design for the larger scale improvement schemes which are for capacity improvements including increased entry capacity on all arms as well as increased circulatory, and are looking to secure S106 contribution to fund this.	March 2019	
The employment site is dependent on provision of the Spine Road to Panfield Lane. The planning application is progressing through the planning process including S106 heads of terms which are currently being determined.	March 2019	
(E) Progress the delivery of new slip roads linking the A120 to Millennium way to alleviate the congestion at Galleys corner		
Essex County Council will be leading on the project and a project team has been established and commenced design works. Ecology surveys are continuing and should be completed by October. A planning application will be submitted to Essex County Council in March/April 2019. Construction should start October 2019 with and anticipated build of 15 months. Essex County Council have launched a website which has a flythrough of the proposed scheme. Further information on the A120 Millennium Way scheme will be presented in conjunction with a number of other major schemes proposed in Braintree District as part of the Braintree Integrated Transport Package (ITP) consultation, which commenced on Monday 24th September for a period of 6 weeks. Public exhibitions will take place in October regarding the scheme.	March 2021	






Economic Development









Project description and comments	Target Date	Status
(E) Complete the acquisition of strategic employment land at Great Notley providing additional sites to support business growth		
Following Council approval in February for the acquisition of the employment land at Great Notley, Heads of Terms have been agreed with both the developer and the vendors of the master-plan land. Negotiations to agree the contracts are now close to being finalised. A marketing agent will be appointed to develop a marketing strategy to deliver the emerging vision of an exemplar business community attracting high value companies.	March 2019	
Complete the construction of four new high quality grow-on units at the Braintree Enterprise Centre		
Construction of four new high quality grow-on units and a car-park has completed and handover took place on 17th September 2018.	July 2018	
Develop our business engagement service, supporting businesses to grow and develop		
A business mentoring programme has received 19 referrals and to date five businesses have been successful in their applications. Local businesses are being visited by officers and members to better understand business requirements. A Business Engagement and Support Strategy together with an action plan has been developed and will be submitted to Cabinet in November.	March 2019	
(E) Work in partnership with Essex County Council and the Haven Gateway to secure grant funding to support the delivery of a Construction Innovation Centre		
Braintree District Council has agreed to further invest in the delivery of a Construction Innovation Hub following the withdrawal of Essex County Council to commit funds to the project. The council expects to receive feedback regarding funding from the European Regional Development Fund in October. Procurement is currently underway to procure a contractor who will submit a planning application in the Autumn.	March 2019	
(E) Work with the Braintree Education and Skills board to broker stronger engagement between education providers and businesses to provide a workforce that meets employers' needs		
The annual Braintree District Careers Fair was held at Chelmsford City Racecourse in September. The event saw over 1,000 year 11 students across the district attend and meet over 90 exhibitors promoting post-16 learning and career opportunities. Filming for the Advanced Manufacturing and Engineering career case study video also took place at the racecourse. The first edit has been received and further filming will take place at employer sites.	March 2019	
(E) Commence work on the regeneration of Braintree Town Centre enhancing the appeal of the town to residents and visitors		
A full business case detailing the latest proposals and financial arrangements for the regeneration of Manor Street was approved at Cabinet in May and by Council in June. A planning application was submitted in July and the procurement process has started. It is anticipated that the planning application will be determined late October 2018.	March 2020	
(E) Continue to work in partnership with key community partners to deliver the regeneration schemes in Witham and Halstead		
The spatial plans for improvements to Halstead Town Centre have been prepared and remain with the Highways Authority for a principle decision.	March 2019	
A series of studies and reports have been completed to look at the impact of the Witham Town Centre improvement proposals on the highway network, market rights and other private rights that relate to the site area. A summary	March 2019	




report recommending options to proceed has been prepared for a decision on next steps. Following the success of the street markets in Braintree, the first street market was trialled in Witham in September. The success of this will determine whether future events are secured.		
(E) Support businesses and increase tourism by launching the 'Visit Braintree' website to highlight key events and attractions across the District		
The content of the 'Visit Braintree' website will be taken from the Tourism Plan which will now be presented to Cabinet in November. A meeting with the proposed web developer is scheduled for October to discuss the main objectives of the website and timescales for delivery.	March 2019	
(E) Create an event that celebrates the 90 year anniversary of the opening of the Braintree Town Hall which will enhance the heritage and commercial offer of the Town Hall		
Braintree District residents who share their 90th birthday with Braintree Town Hall were invited to help celebrate the local landmark as part of a special celebration that took place in May. A talk was provided by Julien Courtauld and residents were able to watch a screening of the opening of the town hall with a piece of birthday cake and a cup of tea.	May 2018	
(E) Promote high speed and reliable broadband across the District through the support of phase 4 of the Superfast Essex rollout		
At a Cabinet meeting in May, it was agreed that Braintree District Council will invest £356,000 into the Superfast Essex Phase 4 rollout, run by Essex County Council, to enable an additional 1,668 premises to receive superfast broadband by end of 2020. The £356,000 funding from Braintree District Council will be match-funded by The Department for Digital, Culture, Media and Sport grant. The funding will support the district to reach 99% superfast broadband coverage by end of 2020, which is above the county's average coverage.	June 2018	



Health and Communities

Project description and comments	Target Date	Status
Ensure the football pitches on the Deanery Gardens sports ground and the rugby pitch on King George V playing field are in year round good condition through the installation of a piped drainage system		
Quotations have now been received and the contract has been awarded. The end date for the project has been revised to the end of March 2019 as the first procurement process did not provide any successful tenders.	March 2019	
Continue to invest in our recreational open spaces by enhancing the play equipment at Meadowside and Twelve Acres, Braintree		
The upgrade to the play equipment at Meadowside and Twelve Acres in Braintree has been completed and the outdoors gym equipment has been upgraded at Spa Road in Witham.	December 2018	
(E) Continue to deliver the Livewell child project, working with families and young children providing support and advice on nutrition and healthy activities		
Meetings have taken place with 9 out of the 10 schools involved in the Livewell Child project to present them with a cheque from Tesco's Bags of help funding and to discuss the project with the schools. Christmas events and learning	March 2020	










conferences are being set up to improve parental engagement in the project. The project board is due to meet early October to discuss future funding opportunities and how the project will develop into its final year in 2019.		
Introduce a new programme to encourage junior school children to be more healthy, looking at fitness and eating in a fun and informative way		
Active Essex have agreed to deliver the Fitbods programme in to Livewell schools across the District. This is an Essex County Council initiative where children participate in team games to promote fitness, team skills and healthy competition with children receiving a reward and certificate for the number of sessions they take part in. Teachers received training at the start of the new academic year to deliver the Fitbods programme.	March 2019	
Provide children and parents with activities which gets them to explore the green areas in our three main towns whilst increasing their activity levels during the school holidays		
All the Xplorer events planned for the school holidays have been successfully completed with a total of 421 participants across Braintree, Halstead and Witham.	November 2018	
Improve the outdoor playing experience at Halstead Leisure Centre by installing a new 3G surface		
A consultant has been appointed to put together a capital bid for a contribution towards the costs of a new 3G surface at Halstead Leisure Centre. Secretary of State consent is required and we are currently awaiting their response.	March 2019	
(E) Understand the range of services available to improve mental health and support early interventions for those residents with mental health issues, identifying any areas for improvement		
A mental health workshop took place in July bringing together a range of partners and organisations across the statutory and voluntary sector to gain a better understanding of mental health in the Braintree District. The workshop provided an insight into the issues in the district, how changes are already impacting on services, identified gaps in service provision and provided ideas on what to focus on as well as how we can work together to improve local mental health services. A strategic meeting has been arranged for October to discuss the next steps required in working together to improve the support currently provided.	March 2019	
(E) Implement a winter warmth campaign providing advice on improving energy efficiency, helping vulnerable residents stay warm during the winter months		
A booklet is currently being prepared for publication in November. The focus of the booklet will be on helping residents combat fuel poverty and how to stay healthy during the winter months.	November 2018	
(E) Improve the handyman scheme by expanding the service to help disabled and frail residents lead more independent lives		
The handyman scheme was launched in July to support vulnerable residents providing a contractor to undertake safety improvements to prevent trips or falls, installing energy efficiency measures, security devices and to provide dementia support.	July 2018	
(E) Raise awareness of child exploitation amongst the business community and licensed trades through the use of the 'Spot-it, Stop-it' campaign		
Work is ongoing with Licensing officers from Essex Police and Braintree District Council to organise training and promotion of the 'spot-it, stop-it' campaign with the night time economy including taxi drivers.	March 2019	
(E) Work with Mid Essex Clinical Commissioning Group to see how Braintree District Council can be part of the Home First Programme which ensures residents recuperate in the best environment after receiving hospital treatment		
Following meetings with the Mid Essex Clinical Commissioning Group it has been decided to increase the scope of the project and look at a County wide 'home from hospital' fast track scheme aimed at ensuring the transition from	March 2019	

hospital to home runs smoothly, providing additional support where required. This project has therefore been cancelled and will be replaced with a new project next year.		
(E) Identify and provide opportunities that would benefit those with dementia and their carers through the Braintree District Dementia Alliance and engagement with those living with dementia and their carers		
A number of dementia friendly activities are taking place across the district such as a tea dance, dementia friendly cinema showings, dementia friendly swimming sessions and walks and talks. Attendees continue to enjoy the exercise and friendships that have evolved with people which is also providing peer support and information sharing about services and experiences. The Alzheimer's Society delivered "Step inside Dementia" training to staff, councillors and partners in September, providing an insight into what it may be like to live with or care for someone with dementia and how we can have a better understanding to improve some of the ways we deliver our services.	March 2019	
(E) Support community groups to deliver local projects and activities through the Councillors' Community Grant scheme		
Since April, a total of 28 grants have been awarded across the district for various projects totalling £19,598.	March 2019	
(E) Work with partners across the community to raise awareness and reduce the impact of social isolation and loneliness		
Essex County Council commissioned the young foundation to work with the community to carry out research into social isolation and loneliness through a number of workshops and events held in Halstead. A 'Taking Action' event took place to discuss ideas to address social isolation and loneliness and the feedback from this and other events will be fed into a report. The young foundation provided feedback to the community at an event in September to allow the community to identify follow up activities. Further projects will be set up once the next steps have been agreed.	June 2018	



Finance and Performance

Project description and comments	Target Date	Status
Review our waste service, identifying ways to manage the impact of District growth on the future cost of the service		
There are a number of projects and actions being carried out already reported on under 'Environment and Place' in this report. Additional areas of work include undertaking research on garden waste and the number of local authorities charging for this service, drawing up a specification for replacing food waste vehicles, presenting a business case to Management Board on vehicle maintenance options and a Task and Finish group has been set up with meetings taking place throughout July and August looking at waste minimisation and recycling.	March 2019	








Review options to secure a sustainable future for our Community Transport service		
The Commercial Manager has been working with the Community Transport team to look at alternative models of delivery for the service including meeting with private and social enterprise organisations. Analysis of the Community Transport market and pricing is currently underway and a report will be drafted in the Autumn.	December 2018	
Ensure that our Housing service is resilient to respond to the new demands placed on it through the Homelessness Reduction Act		
The Commercial Manager has been working with the Housing service to identify improvements and address resilience following the introduction of the Homelessness Reduction Act in April 2018, the duty to refer which comes into effect in October 2018 and the increasing number of applicants joining the housing register. A new triage function has been implemented which will act as a first line of support for new applicants allowing the Housing Officers to focus on their case work. New staff will be recruited within the Housing service to accommodate this function and increase resilience of the team. The supply of temporary accommodation has also been increased by three units.	March 2019	
Develop our commercial programme to generate income that can be reinvested in front line services		
An expanded Commercial programme with four elements has been developed. These are increasing income, getting maximum value against third party spend, generating service efficiencies and contract and supplier management. Services have been asked to review their services and identify savings or income opportunities and a service review programme has been agreed. Additional income opportunities identified will be prioritised and scoping activities planned. The Local Government Association (LGA) have approved funding for a leading procurement expert to review the contracts register and provide support in the identification of saving opportunities.	March 2019	
Identify and progress investment opportunities that support us to deliver our corporate strategy whilst providing a return on investment to strengthen our financial independence		
The Council have taken back possession of the Braintree Enterprise Centre and continues to issue new leases and let vacant units, collecting rent and service charge payments. This provides a significant unbudgeted income for the Council. Investments opportunities identified and reported on elsewhere in the report are being progressed.	March 2019	
Ensure the 2017/18 accounts are produced, audited and published by the 31st July 2018		
The external auditors audit results report for the 2017/18 accounts was presented at Governance Committee and published on the 26 th July 2018.	July 2018	
Improve customer focused services by delivering a programme of continuous improvement to achieve the Customer Service Excellence Standard		
The Customer Service Excellence Standard assessment will take place in November 2018. Evidence base is currently being collated.	December 2018	
Prepare the organisation for the changes in data protection legislation due to commence 25th May 2018		
A number of areas of work are now completed to ensure the Council is in a good position following the implementation of the General Data Protection regulations and the Data Protect Act 2018. Privacy notices have been added to our website and forms that collate personal data amended accordingly. All staff received data protection training to ensure they are fully aware of the requirements placed on them regarding processing personal data.	May 2018	
Develop our online booking and payment systems enabling residents to book and pay for more services through our website		
We are currently working with our website providers to develop an on line booking system. The secure card portal has been approved and testing will be taking place in the Autumn.	March 2019	
The payment system to integrate with the new booking system and our on line	March 2019	

forms has now been approved and testing of the system will take place in the Autumn.		
Improve our mobile working technology to allow our staff to be more flexible and customer focused		
A working group has been formed to work with our ICT team to identify different technical opportunities that can be used more effectively to assist staff in their day to day activities. Areas being looked at include remote working, tele-working and home working.	March 2019	▶
Continue to respond to emerging cyber security threats, protecting our network and information by regularly reviewing our approach and training		
All ICT security and usage procedures have been reviewed and updated. The issues identified from the metacompliance exercise are currently being analysed and will be available in October. The ICT team are contacting staff who are not using encrypted USB sticks and encrypting them and a cyber security training module has been rolled out across the Council for all staff to complete.	March 2019	▶
Introduce in-cab technology into our street scene vehicles to improve the efficiency of the service		
Work is continuing on specifications for the implementation of in-cab technology into our street scene vehicles. Testing of the devices will be taking place in October.	March 2019	▶











Overall Strategy and Direction








Project description and comments	Target Date	Status
Work effectively with our partners to deliver the Essex Vision to give communities, groups and businesses in Essex a way to collaborate in planning their future, recognising the collective power of Essex as a whole		
Throughout this report, the actions that reference how we are supporting the Essex Vision are marked with (E) . They provide an update to show how we are dedicated to improving the county by working with partners to deliver the Essex Vision.	March 2019	▶
Ensure that Braintree District Council is financially sustainable and fit for the future by delivering a balanced budget and becoming financially independent by 2020, whilst ensuring we remain a resilient organisation providing effective frontline services through smarter working		
Budget pressures the council face over the next few years were outlined at staff briefings in the first quarter. Services have now been asked to review their services and identify how they can make savings in what they do whilst ensuring the residents of Braintree continue to receive the service they need. As part of the commercial programme, work has begun on identifying income opportunities to bridge the budget gap.	March 2019	▶
(E) Deliver projects under the District Investment Strategy to achieve better outcomes for the District and a return for the taxpayers purse by:		
<ul style="list-style-type: none"> • Working in partnership to improve health provision across the District • Facilitating the need for housing by providing homes and supporting infrastructure • Improving our most congested roads and journeys across the District • Planning for growth by providing 9000 jobs by 2026 by delivering increased opportunities for new businesses and employment • Delivering investment opportunities that support growth and provide a return for the District Council 		

Following close partnership working with the Mid-Essex Clinical Commissioning Group and NHS England, the regeneration of Manor Street has been designed to include a Live Well Hub. The Council is also working with two local GP practices, Mid Essex Clinical Commissioning Group and NHS England to develop proposals to deliver a rural healthcare hub on Council-owned land in Sible Hedingham. Provision of new health care facilities in Witham are progressing and the Clinical Commissioning Group are working on a clinical case for change to demonstrate future patient growth and how the new practice will operate.	March 2019	
The Manor street regeneration project includes the provision of 35 new homes and the business case has been approved by Cabinet and Full Council. A planning application has been submitted and a decision is expected in the Autumn.	March 2019	
Work continues on a number of projects reported under the Strategic Growth and Infrastructure section such as the A120 Millennium Slip roads and improvements to Springwood roundabout and Panfield Lane.	March 2019	
A number of projects and actions are underway to ensure delivery of the Braintree Plan for Growth to provide jobs such as working with developers to bring forward strategic employment land at Great Notley, completing the construction of four grow on units at the Braintree Enterprise Centre and securing funding for the delivery of a Construction Innovation Centre.	March 2019	
There are a number of projects reported under the Strategic Growth and Infrastructure section that provide an update on current investment opportunities under the District Investment Strategy. As and when new opportunities arise, projects will be set up accordingly.	March 2019	
Work with partner authorities (Tendring District Council, Colchester Borough Council and Essex County Council) and other public and private sector organisations to plan for and enable sustainable growth in homes and jobs in the north Essex area		
Braintree District Council continues to work with Tendring District Council, Colchester Borough Council and Essex County Council on the shared part one of the proposed Local Plan. Strategic planning meetings continue to take place with Chelmsford City Council to co-ordinate growth and infrastructure in the region. Meetings are also taking place with Uttlesford on strategic growth matters regarding the West of Braintree Garden Community.	March 2019	
Support Essex County Council in the management and operation of the Country Park to enhance the visitor experience, making full use of the leisure, recreational and natural facilities the park has to offer		
A Joint Governance Partnership Board meeting was held in May, at which the Annual Review of the artificial grass pitch and multi-use games was reviewed by Members. A new Service Level Agreement has been drafted that reflects the partnership with Braintree Town Football Club (Community Iron) to deliver the Football Development Plan.	March 2019	

Section 3: Managing the Business

Our Performance Indicators in Detail

Performance Indicator	2018/19						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Environment and Place							
Percentage of land that falls below cleanliness standards for litter	n/a	6%			6%		Recorded three times a year – July, November and March
Percentage of household waste sent for reuse, recycling and composting	55.19%	48.37%			52.75%		We are awaiting reconciliation of the figures by Essex County Council and they may change if the data for residual waste changes. The recycling outturn is lower in the second quarter due to the unpredictably hot, dry summer resulting in a significant reduction in garden waste. The waste minimisation team are working on a range of activities dedicated to reducing tonnage and increasing recycling.
Tonnage of residual household waste not recycled	121kgs	114Kgs			108kgs		We are awaiting reconciliation of the figures by Essex County Council. Nationally there is an increasing trend in tonnage of residual waste which is being monitored. The ongoing work of the waste minimisation team includes engaging and educating residents in a bid to reverse the current trend.
Number and percentage of non-hazardous fly tips on public land cleared within 24 hours of being reported	100% (170)	100% (211)			100%		
Number of fuel poverty and domestic energy reduction installations carried out	Annually reported indicator					n/a	
Strategic Growth and Infrastructure							
Number of affordable homes delivered	63	35			35		
Number of homes granted planning permission	667	125			100		
Health and Communities							
Average waiting time for applicants on the Disabled Facilities Grant	105 days	59 days			75 days		
Achieve a 2% increase on the contract baseline in participation levels	238,928	279,892			216,417		

Performance Indicator	2018/19						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
across all our sports centres							
Achieve at least a 1% increase in adults being active for 150 minutes per week	Annually reported indicator					n/a	
Finance and Performance							
Average call answer time in the Customer Service Centre	13 seconds	20 seconds			15 seconds		<i>Customer Services were short-staffed during Q2 due to staff sickness which ran alongside pre-booked annual leave. Agency staff were recruited to provide cover during this period, however, a period of training was required prior to going live.</i>
Time taken to process housing benefit/council tax benefit new claims	19.92 days	20 days			22 days		
Time taken to process housing benefit claim changes	7.7 days	7.39 days			6 days		<i>The volume of changes has increased since the introduction of Universal Credit; with over 3,000 changes being received per month. Annual leave during the summer period has also had an impact on performance. A new process enabling the automatic updating of the claim with the change details received from the DWP is currently being tested. Performance is expected to improve when the process is fully operational.</i>
Percentage of Stage 1 complaints responded to within target	94.71%	94.79%			90%		
Collection rate for Council Tax	31.06%	58.80%			59.25%		<i>The target has been missed by less than half a percent and it is expected that the shortfall will be made up over the coming months and the end of year target will be achieved.</i>
Collection rate for Business Rates	31.40%	57.76%			58.07%		<i>Target has been marginally missed and it is expected that the shortfall will be made up over the coming months and the end of year target will be achieved.</i>
Percentage of invoices paid within 30 days of receipt	99.19%	99.26%			99.25%		

Complaints

The quarterly complaints analysis for the second quarter of 2018/19 and the end of the year is detailed below. This is compared with 2017/18 figures shown in brackets. The figures represent all three stages of the complaints process.

Complaint Category	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	TOTAL
Justified	110 (64)	92 (67)	(38)	(60)	(229)
Not Justified	24 (69)	85 (79)	(67)	(81)	(296)
Partially Justified	76 (27)	25 (31)	(22)	(17)	(97)
Not known	0 (0)	1 (1)	(3)	(0)	(4)
Total	210 (160)	203 (178)	(130)	(158)	(626)

Comments

The number of complaints received in the second quarter of 2018/19 is marginally lower than the first quarter. The high number of complaints received are mainly in respect of waste collections.

A recent change to some of the routes across the district has impacted on the number of complaints regarding missed collections due to either collection times changing and residents not presenting their waste at their boundary on time or due to waste operative staff not being familiar with certain collection points. This has settled down in the latter part of the second quarter, but did result in an increase in the complaints received in July. The re-routing exercise will improve service delivery but takes time to embed. The service will continue to monitor missed waste collections.

In the second quarter of 2018/19, of the 203 complaints received:

- 194 are stage one complaints
- 6 are stage two complaints
- 3 is a stage three complaint

A summary of Local Government Ombudsman (LGO) cases:

In the second quarter of 2018/19, the LGO has received one new complaint which it declined to investigate on the grounds that the complaint was prematurely presented to them and the complainant needs to seek a review of the Councils housing decision before pursuing a complaint through the LGO.

The LGO has issued three final decisions on complaints received in previous quarters all relating to planning enforcement. Two complaints were upheld of which one was due to unnecessary delays by the council although this did not cause a significant injustice to the complainant and in respect of the second complaint, the ombudsman has agreed that the council was at fault in the handling of several applications and objections to them and agreed a further payment for the avoidable distress caused to the complainant.

Three further complaints from previous quarters remain under investigation with the LGO.

Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Change on previous period	Yearly Target
Total headcount	469	473			+ 3	-
Total number of posts	485	485			+ 5	-
Number of temporary staff	33	32			-	-
Total staff FTE	425.08	427.45			+ 3.63	-
Level of employee turnover	2.13%	2.96%			+ 0.2%	-
Number of leavers	10	14			+ 1	-
Number of starters	13	18			+ 10	-
Working days lost to sickness per employee	2.07 days	1.71 days			0.13 days	8.0 days
Percentage of staff with nil sickness	78.68%	64.9%			-	-
Number of learning hours	7747	8131			- 1027	-
Number of delegates	602	381			+ 207	-
Number of apprentices **	15	24			- 1	-

Year on Year Headcount Analysis	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	466	478	472	470	464	466

** BDC's apprenticeship programme runs from September each year. The figures reflect level 2, 3 and 4 apprenticeships together with degree apprenticeships.

Health & Safety

The following is a selection of our health and safety performance measures. The data is for information purposes only.

Health and safety is a crucial responsibility of everyone within the organisation. This information is used to improve the management of health and safety of staff, our customers, residents and other non-employees we come into contact with. Monitoring is undertaken by the corporate health and safety committee and action plans will be put in place where necessary.

Health & Safety: Indicators of Performance	Q1	Q2	Q3	Q4	
	(2017/18 figure in brackets)				
Total number of reported accidents/ incidents, calculated from:	10 (10)	6 (10)	(26)	(13)	
<i>Accidents/ incidents to employees</i>	6 (8)	6 (8)	(20)	(12)	
<i>Accidents/ incidents to contractors</i>	0 (1)	0 (2)	(5)	(0)	
<i>Accidents/ incidents to non-employees</i>	1 (1)	0 (0)	(1)	(1)	
Time lost in days due to employee accidents/ incidents	85 (0)	19 (20)	(8)	(28)	Two incidents involved time lost in days. One involved an arm injury to a waste operative and the other incident related to a leg injury to a member of staff within horticulture
Number of reported verbal/ physical incidents to employees	2 (0)	1 (2)	(1)	(0)	A verbal assault was recorded against a member of staff within the planning department
Number of near miss incidents	1 (0)	1 (0)	(0)	(0)	
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	1 (0)	3 (0)	(0)	(0)	
Number of claims settled	0 (0)	0 (0)	(0)	(0)	

Financial Performance

This part of the report provides an updated review of the financial position for the year. It examines the latest forecast for spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital projects.

Background

Full Council approved a budget of £14.784 million for the 2018/19 financial year. This included planned spending across all services totalling £12.144 million; corporate items amounting to £2.840 million; and an overall efficiency target to be achieved in-year of £200,000.

Financing of the budget was to be from a combination of: general government grants (£294,000); business rates (£5.237 million); and Council Tax (£9.253 million).

During the year individual budgets may be updated in accordance with the Council's Budget and Policy Framework Procedure, and against which quarterly performance is monitored.

On 23 July 2018, Full Council approved a supplementary budget of £219,460 to fund the transitional staffing arrangements for the Strategic Investment Team, with the amount to be met by a withdrawal from General Fund balances. Furthermore, Full Council agreed on 8 October 2018, a budget virement of £181,500 between the Planning Application Fees budget and the Development Management Staffing budget. These budget changes have been taken into account for the purposes of this quarter's report.

Summary Financial Position at the Second Quarter (Q2)

- An overall positive variance for the year of £127,000 (-0.9%) is projected against the budget.
- Across all services staffing budgets are forecast to be underspent by £294,000; and after allowing for the corporate efficiency target of £200,000, this results in a projected variance of -£94,000.
- Other Expenditure is projected to be overspent by £382,000.
- Income is projected to be overachieved by £415,000.
- The projected variance for the year has improved from the position reported at Q1 which forecast an overall adverse variance of £87,000. This change is mainly due to higher estimated income (+£311,000), partially offset by a net change in the projected variances for Staffing and Other Expenditure (+£97,000).

Revenue Spending

Service	Updated Budget £'000	Projected Spend £'000	Adverse (Positive) variance against budget				RAG Status
			Staffing	Other Expenditure	Gross Income	Total	
			£'000	£'000	£'000	£'000	
Asset Management	(2,131)	(2,216)	-	87	(172)	(85)	G
Business Solutions	1,985	1,985	(19)	20	(1)	-	G
Community Services	350	348	(4)	(13)	15	(2)	G
Corporate Management	1,249	1,191	(57)	(1)	-	(58)	G
Economic Development	238	238	-	-	-	-	G
Environment & Leisure	844	764	(41)	(8)	(31)	(80)	G
Finance	1,173	683	(189)	(81)	(220)	(490)	G
Governance	922	1,069	81	(12)	78	147	R
Housing Services	799	804	9	(2)	(2)	5	A
Human Resources	346	345	-	(1)	-	(1)	G
Marketing and Communications	544	541	(10)	(4)	11	(3)	G
Operations	5,136	5,258	(47)	193	(24)	122	A

Strategic Investment	231	231	-	-	-	-	G
Sustainable Development	677	806	(17)	215	(69)	128	R
Service Total	12,363	12,046	(294)	392	(415)	(317)	G
Corporate Financing	2,621	2,611	-	(10)	-	(10)	G
Efficiency target	(200)	-	200	-	-	200	
Total	14,784	14,657	(94)	382	(415)	(127)	G

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%
Budget = controllable expenditure budget net of direct service income

Staffing

Staffing budgets include both directly employed staff, and bought-in/ agency staff, the latter being used where additional resources are required to meet increased service demands and/ or the need for specialist skills; to provide cover in cases of absence (e.g. holidays, sickness, maternity etc.); or where in-house staff are assigned to work on other projects and priorities.

Further detail of the projected staffing budget variances is provided in the following table:

Service – Staffing Budgets	Updated Budget	Projected Spend	Adverse/ (Positive) variance	RAG Status
	£'000	£'000	£'000	
Asset Management	265	265	-	G
Business Solutions	1,196	1,177	(19)	G
Community Services	369	365	(4)	G
Corporate Management	1,228	1,171	(57)	G
Economic Development	273	273	-	G
Environment & Leisure	1,557	1,516	(41)	G
Finance	2,390	2,201	(189)	G
Governance	565	646	81	R
Housing Services	870	879	9	A
Human Resources	310	310	-	G
Marketing & Communications	371	361	(10)	G
Operations	5,297	5,250	(47)	G
Strategic Investment	490	490	-	G
Sustainable Development	1,716	1,699	(17)	G
Service Total	16,897	16,603	(294)	G
Corporate Financing	-	-	-	
Efficiency	(200)	-	200	
Total	16,697	16,603	(94)	G

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%

Commentary on staffing variations:

Based on information known at the end of Q2, a number of service areas are projecting underspends on staffing budgets totalling £294,000, an improvement from Q1 of £149,000 on a like-for-like basis. The largest service with a projected underspend is **Finance** (-£189,000). These savings are expected to be achieved from a combination of vacant posts which have now been deleted as there is a gradual reduction in benefits processing required as Universal Credits is being rolled out. Also contracted hours have been reduced, and appointments made at lower grade/ scale points.

Other service areas with projected underspends include: **Corporate Management** (-£57,000) arising from senior management savings; along with vacancies in **Environment & Leisure** (-£41,000) and **Operations** (-£47,000).

Governance is still forecasting overspends for the year (+£80,000) as per Q1. These are projected costs associated with the need for additional capacity for legal work in relation to the Council's strategic growth agenda and projects. The assumption is that temporary additional resources will be required for the remainder of the year, but looking ahead some

additional resourcing has been approved by Full Council from 2019/20 as part of the overall business case on resourcing the Council's strategic growth agenda.

The approved budget provided for a **Corporate Efficiency Target** which in previous years has been achieved from in-year staffing variances. The amount included in the budget for 2018/19 was £200,000, which based on this quarter's review will be achieved, leaving an overall projected staffing underspend for the year of £94,000.

Recharges to capital projects: A number of service areas recharge a proportion of officer time to capital projects which means the costs are not charged against the General Fund revenue account. The extent to which these recharges can be made is dependent upon actual progress of individual projects and the nature of the activities being undertaken. The budget provides for a total of £364,000 to be recharged. Based on actual time allocations combined with future estimates, it is currently anticipated that the overall level of recharges will be in line with budget, with higher recharges now expected from the Strategic Investment Team (£65,000) offsetting a similar reduction in charges from other service areas.

Other Service Expenditure

In total there is a projected overspend against non-staffing expenditure budgets of £382,000. The main service areas contributing to this position are:

- **Asset Management (+£87,000):** Includes increased costs following the transfer back to the Council of the management and operation of the Braintree Enterprise Centre, including a one-off cost to address Energy Performance Compliance requirements. Unbudgeted holding costs are also being incurred in relation to premises held vacant pending works commencing on the Manor Street regeneration scheme. The projected overspend in this service area is more than offset by higher forecast rental income.
- **Operations (+£193,000):** increased costs in Waste Management are forecast on gate fees payable to the Council's material recovery facility (MRF) operator, the price of which is linked to market indices and subject to quarterly review. The budget was set based on an assumed fee of £24.36 per tonne (based on Q3 17/18), whereas the price has been higher for Quarter 1 and Quarter 2 at £58.14 and £40.36 per tonne, respectively. The price for Q3 has recently been set at £38.56 per tonne. The cumulative effect of these price changes has resulted in a projected overspend of £224,000 for the year. In addition, vehicle fuel costs have increased as fuel pump prices have risen leading to a projected additional cost of £66,000 above budget. However, partially offsetting these two issues are savings on the cost of recycling and residual waste sacks (a mix of usage and lower cost); lower operating costs of the clinical waste service; and lower operating costs of the Cordons Farm waste transfer site.
- **Sustainable Development (+£215,000):** The Development Management service is currently experiencing an increased number of planning applications of a type which requires additional specialist support from external providers to carry out viability assessments, provide urban design advice, and undertake landscape impact assessments, resulting in a projected overspend of £35,000. In addition, the service is anticipating a higher number of appeals leading to public inquiries and requiring expert legal support. Consequently, management have assessed the likely cost of planning appeals in the year to be £445,000, which will be partially funded from an existing reserve (£287,000), leaving a balance of £158,000 as an in-year budget variance.
- **Finance (-£81,000):** The budget for the net cost of Housing Benefits to the Council is £389,000, which is calculated from an estimate of payments to individuals of around £39million, and an assumed 99% cost recovery rate through subsidy from the Department for Works and Pensions. The recovery rate is now estimated to be higher at 99.12% based on the outturn for 2017/18, coupled with a revised estimate of payments to

individuals of circa £34million, which is 12% lower than budgeted (10% less than the actual payments for 2017/18). The combined effect of these two factors have resulted in a forecast underspend for the year of £70,000. In addition, the Council continues to make adjustments to benefit entitlements under the previous Council Tax Benefit Scheme (since replaced with the Local Council Tax Support Scheme). Where benefit is reduced an unbudgeted credit is made to the General Fund revenue account which in the current year is estimated to be £10,000.

External Income

A significant proportion of the Council's budget is reliant on external income. Grants and subsidies from government, alongside income from business rates are major elements, totalling over £45 million. These income streams are either fairly predictable as they are determined at the start of the year as part of the annual Local Government Finance Settlement; or variations can be largely offset by commensurate changes in expenditure, e.g. subsidy received on housing benefits is related to the level of payments made.

The amount of business rates ultimately retained by the Council depends on the actual amounts collectable (taking into account changes in the Valuation List, exemptions and reliefs granted, and provisions for non-collection and rating appeals). Variances are accounted for via the Collection Fund and taken into account when determining future budgets and council tax setting. Fluctuations from those elements which have a direct impact on the General Fund revenue account, e.g. the levy payable on growth or grants received from Government to fund certain discretionary reliefs, are managed via the Business Rate Retention reserve.

As a participant in the Essex Business Rates Pool the Council is entitled to a share of the extra business rates retained "locally" which will be rebated against the 2018/19 levy. The final determination and receipt of the actual amount of the Council's share will be made after year-end returns have been collated from each of the participating authorities. At the start of the year it was anticipated that Braintree's share for 2018/19 could be around £560,000. The benefits received from being a member of the Pool have to date been held in the Business Rate Retention reserve.

Other external income for which the Council has budgeted £15.574 million comes from a variety of sources that are subject to external demands and other influences, meaning these are more susceptible to variations against budget. It is currently forecast that services will over achieve against their income budgets by a net £415,000, as shown in the table below:

Service	Updated Budget £000	Joint Financing	Sales, Fees & Charges	Rents	Other Income	Total	RAG Status
		5,381	5,603	2,906	1,684	15,574	
Asset Management	2,992	-	10	(183)	1	(172)	G
Business Solutions	23	(1)	-	-	-	(1)	G
Community Services	208	-	18	-	(3)	15	A
Corporate Management Plan	-	-	-	-	-	-	G
Economic Development	-	-	-	-	-	-	G
Environment & Leisure	1,324	(17)	1	-	(15)	(31)	G
Finance	2,495	6	-	-	(226)	(220)	G
Governance	306	-	78	-	-	78	R
Housing Services	56	-	(2)	-	-	(2)	G
Human Resources	-	-	-	-	-	-	G
Marketing & Communications	130	25	14	-	(28)	11	A
Operations	5,203	(26)	(2)	17	(13)	(24)	G
Strategic Investment	157	-	-	-	-	-	G
Sustainable Development	1,434	-	(69)	-	-	(69)	G

Service Total	14,328	(13)	48	(166)	(284)	(415)	G
Corporate Financing	1,246	-	-	-	-	-	G
Total	15,574	(13)	48	(166)	(284)	(415)	G

RAG Status: G = positive or nil variance, A = up to 5% adverse variance or <£50k, R = adverse variance greater than 5% and >£50k at Individual Business Plan level

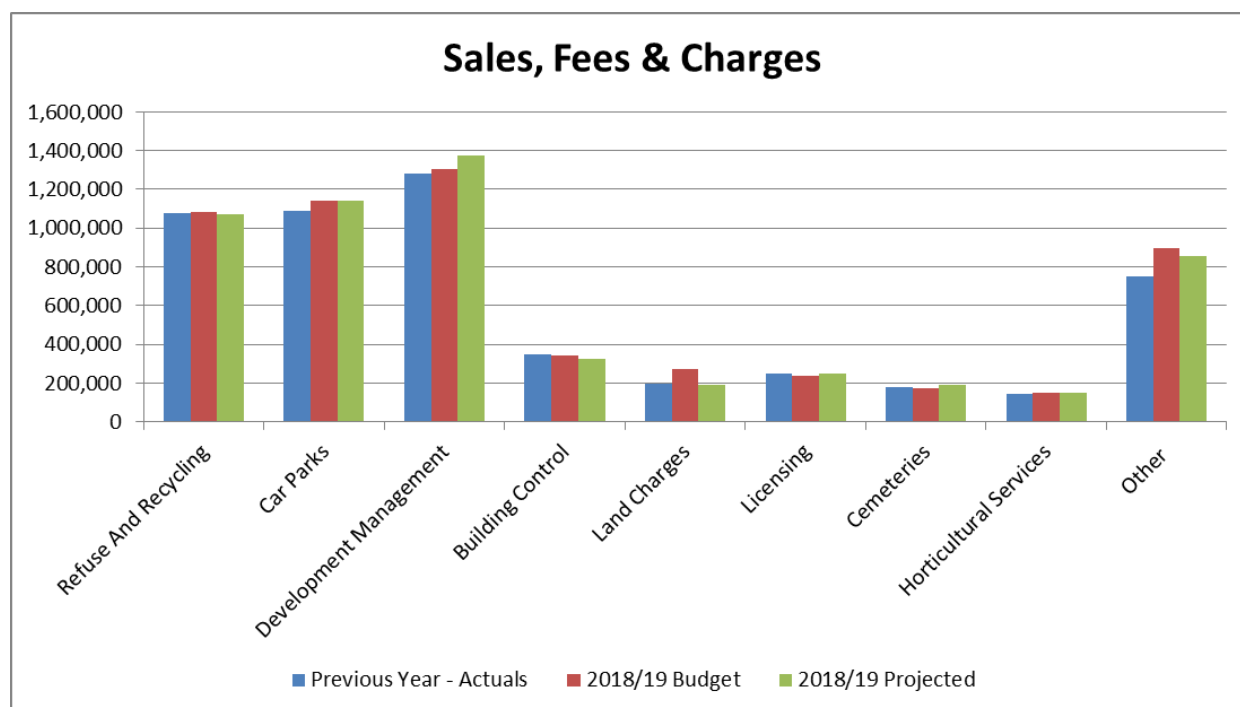
Joint Financing & Other Reimbursements

The total budget for income from joint financing and other reimbursements is £5.381 million, the main sources of which are: Essex County Council contributions towards service costs (£2.374 million); estimated benefit from the Essex Business Rate Pool (£560,000); Council Tax sharing and investment agreement with the major precepting bodies (£625,000); housing benefit overpayment recoveries and local tax costs recovered (£768,000); and subscriptions to the Procurement Hub (£359,000).

At Q2 a variance for the year is predicted of £13,000 across all services.

Sales, Fees & Charges

The budget for income from sales, fees & charges is £5.603 million which is projected to be underachieved by a net £48,000. The following chart shows the main income streams:



Commentary on Fees and Charges:

- **Car Parks:** New tariff charges were introduced with effect from April 2018, and whilst initial figures showed a potential shortfall of £32,000 (Q1) the position has since improved leading to the revised assumption that the budget will now be achieved. However, the position will continue to be monitored over the remainder of the year.
- **Development Management:** Planning application income received up to the end of September was £805,000. Based on historical trends, the projection for the whole of 2018/19 is £1.350 million (last year actual was £1.267 million). The budget for fee income is £1.293million having been increased by a virement of £181,500 approved by Full Council following the Q1 projections. The current position is, therefore, a projected over

achievement of income of £57,000 against the revised budget. In addition, the service is also projecting an overachievement of income on the Street Naming and Numbering service of £12,000.

- **Local Land Charges:** Income from search fees at the end of September was £102,000 which is around 8% lower than last year for the same period despite a price increase of nearly 14%. The number of full searches are down by 13% (899 compared to 1,031), and free of charge viewings, mainly by personal search companies, have increased by 3%. The overall downturn in the number of searches appears to be in line with reduced activity in the housing market. The combined effect is a projection of income of £194,000 compared to the budget of £272,000, a potential shortfall of £78,000. The approved budget included an increase of £50,000 to reflect the price increase introduced to recoup the additional costs faced by the Council for digital enhancement of land search information in preparation for data migration to Land Registry. Whilst there is no set date for this transfer the digital enhancement work is still required, albeit it is progressing at a slower pace and utilising some internal resources, thereby leading to a potential underspend on this work of £10,000 in 2018/19.
- **Other Income - Marketing and Communications:** The total budget for sponsorship and advertising income is £93,000. Currently the post of Sponsorship Officer is vacant and not expected to be filled until January at the earliest. Consequently, a shortfall is currently projected of £51,000 (-£26,000 from sponsorship; and -£25,000 from the sale of advertising). Income generation across a number of the Council's services is one of the work streams currently being reviewed by the Commercial Manager.

Rental Income

The budget for rental income from land & property is £2.906million – comprising the investment & commercial property portfolio, markets, housing properties, and other let properties. The current projected outturn for the year is a net over achievement of £166,000.

Commentary on Rental Income:

- **Asset Management:** Following the closure of Ignite Business in May 2018, the Council has taken back responsibility for the management and letting of the former Ignite House at the Springwood Industrial Estate, as well as the Corner House in Braintree town. With the addition of the grow-on units being developed by the Council at Springwood, along with the anticipated transfer to the Council of Osier House in Sible Hedingham, there is a projected increase in net rental income of £91,000 (after allowing for some additional staffing costs). On the existing commercial portfolio the level of voids in the first six-months of the year has been lower than allowed in the budget, which when combined with the outcome of a number of rent reviews, means a further estimated £50,000 of additional rental income is expected in the year. In addition, following the completion of tenancy agreements last year, Causeway House remains fully let leading to £37,000 of extra income than was originally budgeted.
- **Operations – Markets:** A promotion of reduced rates to market traders has been introduced in an attempt to increase the number of stalls; however, as yet demand does not appear to have increased sufficiently to generate the budgeted level of income (£80,000) leading to a shortfall of income of £15,000 being predicted for the year.

Other Service & Corporate Income

Total budgeted Other Income is £1.684million of which £675,000 is internal recharges including staffing costs that are expected to be charged against capital projects (£364,000). Other external income is projected to be overachieved by £284,000.

Other external income includes the following streams:

- **Investment & Other Interest Income:** The budgeted amount is £843,000, which is expected to be overachieved by £165,000, mainly due to increased money market rates following changes by the Bank of England to the Base Rate, combined with higher levels of cash available for investment than was originally assumed.
- **Solar Panel Feed-in-Tariffs:** the budget provides for an expected £93,000 of income from investment in solar panels at various Council facilities.

Other variances projected include a number of unbudgeted government grants (£61,000) and increased work undertaken by the graphics and reprographics team (£40,000).

Treasury Management

The Council's treasury management activity to the end of the quarter is summarised in the table below:

Amount Invested at start of the year	Activity to the end September		Amount Invested at end of the quarter
	New Investments	Investments Sold or Matured	
£42.26m	£55.82m	£36.75m	£61.33m
Average amount invested for the period			£59.36m
Highest amount invested			£64.50m

The Council has £16 million invested for the long-term spread across a mixture of property and equity funds. Remaining investments have been in short-term instruments including call accounts and term deposits with UK and Non-UK financial institutions, deposits with other local authorities, and Money Market Funds (MMF).

Interest and dividends earned to the end of the quarter total £602,000, which is equivalent to an annualised rate of return of 2.02%:

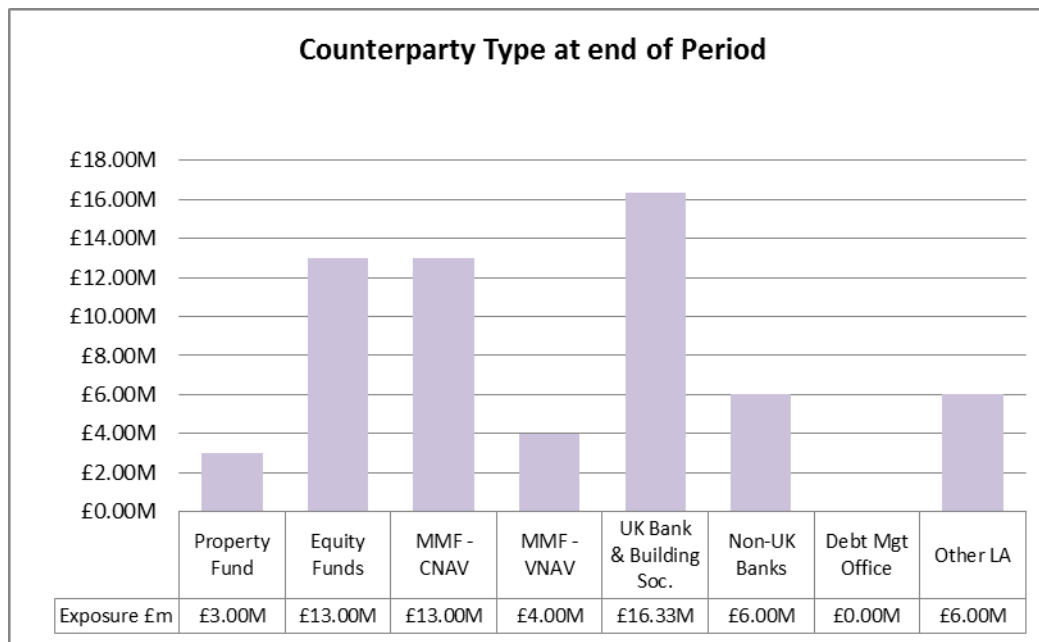
Investments	Average Amount Invested	Interest & Dividends Earned	Annualised Return %
Long-Term Pooled Funds	£16.00m	£467,000	5.83%
Short-Term	£43.36m	£135,000	0.62%
Total	£56.81m	£602,000	2.02%

Investment returns have been increased by the dividend income earned from long-term investments. In addition, being exposed to equities and property, the value of these funds fluctuate based on prevailing market conditions. At the end of the quarter the market valuation for all the long-term pooled funds was £17.978 million, representing an unrealised gain of £1.978 million on the original amounts invested.

Market Commentary

The Financial Times Stock Exchange (FTSE) 100 index has been fairly buoyant over the period, at times exceeding 7800 before falling sharply in September and finished the quarter at 7510. The Bank of England's Monetary Policy Committee (MPC) maintained monetary policy up until its meeting in August at which rates were increased by 0.25% taking the Bank Rate to 0.75%. The increase in Bank Rate resulted in higher money market rates.

At the end of the quarter the Council's investment portfolio comprised the following:



CNAV = Constant Net Asset Value i.e. the Fund value is expected to remain constant
VNAV = Variable Net Asset Value i.e. the Fund value and therefore amounts invested can fluctuate

General Fund Balances

General Fund balances are held for the following reasons:

- As a contingency against unforeseen events
- To meet short-term or non-recurrent one-off costs that are not provided in the base budget and/ or are incurred to achieve future savings and efficiencies.

Based on the projected outturn set out above, the movement on the General Fund balance is estimated to be:

	£'000
Balance at 1 April 2018	2,860
Add:	
Budgeted addition	228
Pension Fund triennial payment	1,411
Projected in-year variance	127
Less:	
Supplementary budget	(219)
Estimated Balance at 31 March 2019	4,407

Movements shown on the General Fund balance are in respect of:

- The budget approved by Council for 2018/19 included an anticipated addition to balances of £228,072, reflecting savings anticipated being made in advance of future years' budget shortfalls.
- The budget for 2017/18 included a one-off payment to the Pension Fund covering the period April 2017 to March 2020, which was in part funded from General Fund balances. A repayment back into balances was expected in 2018/19 and 2019/20.
- The projected outturn variance for the year would mean an additional £127,000 being added to balances.

- An allocation from General Fund balances was approved by Full Council in July 2018 to meet a supplementary budget request for the transitional costs of the Strategic Investment Team.

Risks and Assumptions

The forecasts reflect service managers' "best estimate" of the predicted outturn for the year. The previous year outturn and trends in-year have been considered; however, as always, these are subject to changing circumstances and unforeseen events. Directors and service managers continue to scrutinise all expenditure commitments in light of the planned savings set out in the Medium Term Financial Strategy. External income is inherently difficult to predict as it is substantially demand led and impacted by external factors.

Planning application fee projections are based on the best information available regarding when developers are likely to submit planning applications for growth locations within the district - this could change and income could be significantly higher or lower than projected. Projections are based on historical trends and will be influenced by both the number and type of planning applications received.

The projected costs of planning appeals for the year is currently £445,000 which can be partially funded from the earmarked reserve brought forward at the start of the year (Balance £287,000). On this basis the reserve will be depleted by the end of 2018/19, and with the level of appeals and public inquiries currently being experienced, it is likely that further money will need to be set aside.

Payments made by the Council for processing its recycling material collected from households are subject to quarterly review of market indices. Consequently future gate fees may fluctuate +/-.

The budget assumes that £364,000 of staffing costs can be recharged to capital projects. The actual amount recharged will depend on the extent to which projects progress and staff are working on activities that can properly be treated as capital under accounting rules. The current assumption is that the budgeted level of recharges will be achieved in 2018/19.

Investment income from the Council's long-term pooled funds is budgeted at £760,000 and is derived from quarterly dividend payments. These dividends can fluctuate and are not contractually committed unlike interest on term deposits and loans. The current assumption is that the budget will be achieved.

Capital Investment

Taking into account projects which were in progress and carried forward from earlier years, new projects approved as part of the Budget agreed in February 2018, and the subsequent decisions taken by Council on some major growth and infrastructure projects, the overall capital programme currently totals in excess of £39 million. Delivery of significant projects will span a number of years, therefore, the amount expected to be spent in the current year is £13.104 million. The following table shows how much has been spent to the end of Q2.

	Profiled Spend 2018/19	Actual Spend at Quarter 2	Actual Spend at Quarter 2
	£000	£000	% of 18/19 Profile
Commercial and investment property	8,125	472	6%
Manor Steet regeneration	430	224	52%
Springwood Drive business units and parking	663	538	81%
Planned maintenance to Council premises	533	64	12%
Replacement vehicles and plant	740	164	22%
Information technology systems	573	54	9%
Play areas, parks and open spaces	311	61	20%
Spa Road environmental improvements	282	60	21%
John Ray Park improvement	42	-	0%
Industrial estate improvements	116	-	0%
Museum heating system & ICT upgrade	115	100	87%
Operational equipment	83	45	54%
Sports and leisure facilities improvements	40	-	0%
Cordons Farm waste transfer station	39	-	0%
Grants to registered social landlords	35	12	34%
Disabled facilities grants	613	333	54%
Capital salaries	364	181	50%
Total	13,104	2,308	18%

The programme for 2018/19 has increased by £416,000 since Q1 mainly due to the addition of anticipated spend for initial design work on I-Construct (required as part of the bidding process for European funding); and feasibility work on a proposed new health facility in Sible Hedingham. An additional green waste refuse vehicle has also been included in the programme (funded from the vehicle replacement reserve).

The current programme for 2018/19 includes the proposed acquisition of sites as part of the Council's District Investment Strategy which are subject to exchange and completion of contracts. Excluding these projects actual spend to the end of the quarter represents around 38% of budget.

Capital resources

The main sources of new capital resources anticipated for the year are from the sale of Council owned assets (£3.674 million), preserved right-to-buy (RTB) receipts (£1 million) and the Council's share of the VAT shelter operating in conjunction with Greenfields Community Housing (£250,000).

Whilst the Council has exchanged contracts on a number of sites it is selling, these are still subject to buyers gaining satisfactory planning consents. Consequently, sales are now not expected to complete until at least 2019/20. The Council has, however, received an overage payment of £136,000 relating to a previous sale of Council owned land.

Greenfields has reported that 14 RTB sales have been completed up to the end of Q2 generating approximately £2million for the Council. Greenfields have also advised that a further 47 applications are in progress. Based on the timing and likelihood of progression to completion, experience suggests an estimated total of 25 sales may completed this year generating circa

£3.5million for the Council. This compares to 20 sales completed last year which generated £2.122million for the Council.

Greenfields have also reported two repayments of RTB discounts which provides a further £72,000 to the Council.

VAT shelter monies due to the Council at the end of Q2 were £128,000, which is broadly in line with what could be expected based on the full year estimate.

The Council has received £862,000 grant from the Better Care Fund, which is used to fund the Council's disabled facilities grant scheme. This is an increase of £162,000 over that originally anticipated for the year, although some of this funding is likely to carry over into 2019/20.

Strategic Risk Management		Agenda No: 7c
<p>Corporate Priority: Delivering excellent customer service Portfolio Area: Corporate Services and Asset Management Report presented by: Councillor John McKee, Cabinet Member for Corporate Services and Asset Management Report prepared by: Trevor Wilson, Head of Finance</p>		
<p>Background Papers: Risk Policy, Strategy and Implementation Plan – Council 19th April 2006.</p>		<p>Public Report</p>
		<p>Key Decision: No</p>
<p>Executive Summary: The report provides members with an updated Strategic Risk Register for the Council. The Strategic Risk Register agreed by the Cabinet on 12th March 2018 was reviewed by Members at the Member Development evening on 25th October 2018; the outcome is an updated draft register for approval by Cabinet.</p> <p>The register details the risks which have potential to impact on the delivery of the Corporate Strategy over the medium-term. In addition to undertaking this review of the register the Management Board ensures that the register continues to be current by regularly reviewing and updating the strategic risks, as necessary.</p> <p>The strategic risk register forms one part of the Council’s overall approach to risk management, other facets include:</p> <ul style="list-style-type: none"> • processes for identifying and recording operational risks, • risk registers for major projects, • business continuity planning, and • Emergency planning. <p>Whilst the number of strategic risks identified is still shown as ten the risk rating of three risks have now been assessed at a higher level:</p> <ul style="list-style-type: none"> • Medium-Term Financial Strategy – B2 from C2 • Local Plan – B2 from C2 • Service and Project Delivery – C2 from D2 <p>The narrative for each of the strategic risks has been updated as appropriate. The updated register is attached at Appendix B.</p> <p>The number of risks above the Risk Tolerance Line (See Appendix A) and therefore requiring active management is nine.</p> <p>A summary of the risk ratings made at the reviews are shown in the table below:</p>		

Risk Rating	March 2018	October 2018
B2 (<i>High likelihood/ Critical impact</i>)	0	2
C2 (<i>Significant likelihood/ Critical impact</i>)	7	6
D1 (<i>Low likelihood/ Catastrophic impact</i>)	1	1
D2 (<i>Low likelihood/ Critical impact</i>)	2	1
Total number of risks on Strategic Register	10	10

Management Action Plans for managing each of the eight risks above the risk tolerance line are owned and maintained by a Corporate Director. Details of the risks together with the Management Action Plans are provided at Appendix B.

Decision:

Members are asked to agree the updated Strategic Risk Register and the Action Plans, for managing the high rated risks, as detailed in Appendix B to the report.

Purpose of Decision:

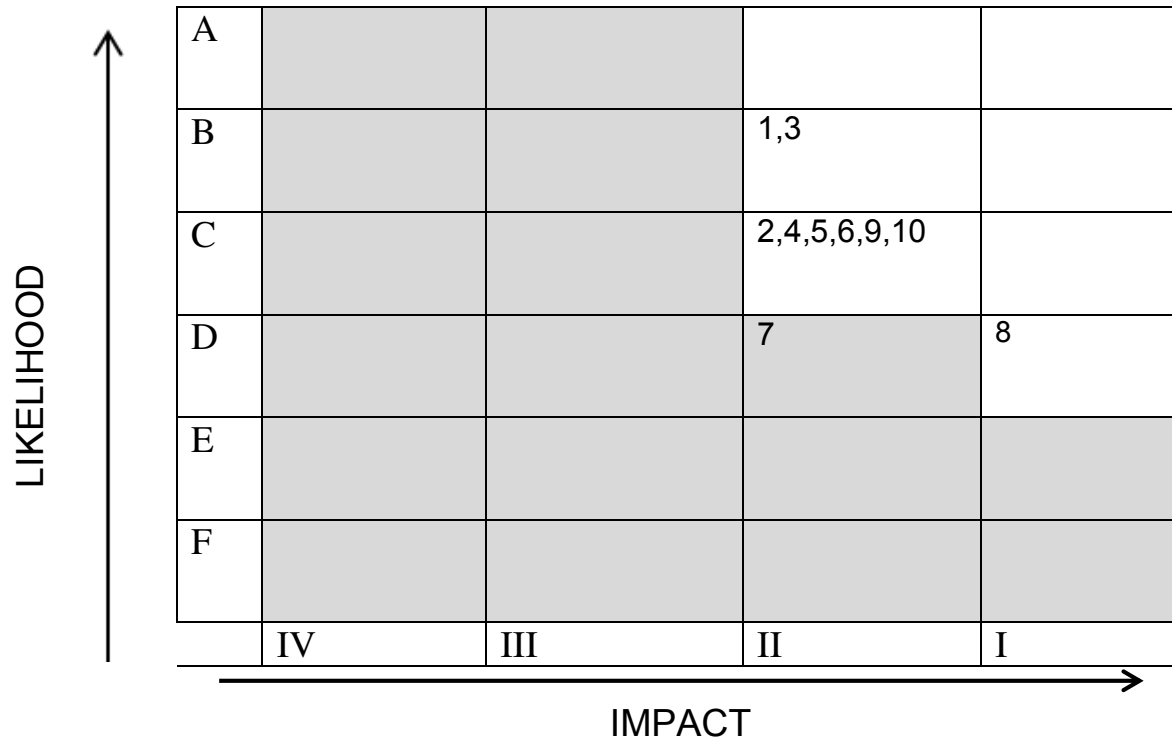
To demonstrate that the Council regularly identifies the strategic risks which may affect the achievement of its objectives and that it actively manages them, as appropriate.

Any Corporate implications in relation to the following should be explained in detail	
Financial:	Risks and associated management action plans concerning the Council's finances are highlighted in risks 1 and 7.
Legal:	There are no specific risks of a legal nature at this time.
Safeguarding	There are no specific risks regarding safeguarding at this time.
Equalities/Diversity	The Council's processes and approach to equalities and diversity are well developed and are not regarded as a risk.
Customer Impact:	The potential impact on a proportion of residents in the district, in particular vulnerable groups, of the Government's Welfare Reforms is identified at risk 4. A management action plan is included detailing the actions taken and planned to reduce the risk.
Environment and Climate Change:	Risk concerning the Council's approach to climate change is identified as an operational risk by the relevant services.
Consultation/Community Engagement:	No specific risk identified concerning consultation and community engagement however these are important elements in a number of the strategic risks on the register e.g. Local Plan and Community Resilience.
Risks:	A robust Risk Management process is an important element of the Council's governance arrangements.
Officer Contact: Trevor Wilson	
Designation: Head of Finance	
Ext. No. 2801	
E-mail: Trevor.wilson@braintree.gov.uk	

STRATEGIC RISK PROFILE

Braintree District Council – Reviewed at Members Development evening 25th October 2018)

APPENDIX A



KEY:

Likelihood:

- A – Very High
- B – High
- C – Significant
- D – Low
- E – Very Low
- F – Almost impossible

Impact:

- I – Catastrophic
- II – Critical
- III – Marginal
- IV – Negligible

Medium-Term Financial Strategy – 1

Risk Rating B2 (C2 March 18)

Management Board Owner – Corporate Director (CF)

Vulnerability	Trigger	Consequence
<p>The Council accepted the Government’s offer of a four-year settlement (2016/17 to 2019/20). The provisional Settlement Funding Assessment (SFA) allocation to the Council for 2018/19 and provisional allocation for 2019/20 were received on 19th December 2017. The reduction between 2016/17 and 2019/20 is £1.65m, or 34.6% and includes the Council receiving no Revenue Support Grant after 2018/19.</p> <p>The New Homes Bonus scheme was changed for 2017/18 which results in local authorities receiving reduced allocations and the Government has announced that it is to review how housing delivery is incentivised after 2019/20. Whilst not using NHB to support revenue this does mean less money for investment in infrastructure and affordable homes across the District.</p> <p>Whilst Local Government has had some certainty over funding for this four-year period there is fundamental change to Local Government funding planned for 2020/21 as the Government proposes to introduce 75% Business Rates Retention and implement the outcomes of the Fair Funding Review and the Government’s 2019 Spending Review which are currently in progress.</p> <p>There is also uncertainty over the impact of the UK leaving the European Union in 2019 on Local Government finances.</p>	<p>The Council’s financial plans are adversely impacted by:</p> <ul style="list-style-type: none"> • Circumstances change which render the planned cost reductions/additional income unachievable • Other financial assumptions prove incorrect. Including significant income budgets not being achieved e.g. interest receivable on £16m invested in equity and property funds. • Other organisations which provide significant contributions to the Council face their own funding pressures and may require greater reductions than expected. • Economic conditions and market fluctuations cause changes at or before contract renewal. • Capital receipts not received as planned and capital resources insufficient to finance capital programme. • Business rates collected less than expected due to successful appeals being greater than the provision made. • Business Rates baseline reset for 2020/21, as determined by the Fair Funding Review, does not enable the Council to retain business rates growth achieved prior to reset. • Future Spending Reviews and Autumn Statement(s) require further savings from local government. 	<ul style="list-style-type: none"> • Shortfall in resources both in year and following years. • Financial savings are not achieved; balances used more than planned. • Priorities and projects are not delivered. • Cuts necessary to services • Rushed decisions to find other savings • Staff unsettled and de-motivated. • Assets not fit for purpose • Satisfaction levels with the Council fall • Section 114 notice issued by the Corporate Director (Finance) that it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Robust budget review and setting process involving Management Board and Cabinet Members developed over a number of years</p> <p>Unallocated balances significantly exceed minimum level of £1.5m.</p> <p>Regular Budgetary Control and monitoring processes.</p> <p>Council policy to use New Homes Bonus to fund infrastructure project delivery and affordable homes.</p> <p>Utilised borrowed monies, of £6m, to fund investments (e.g. commercial property and solar panels) to achieve improved rate of return over the medium-term.</p> <p>Efficiency Plan produced and approved by DCLG.</p> <p>Monitoring of investment counter-parties and returns on investments by Arlingclose, the Council's Treasury Management advisor.</p>	<p>Delivery against the workstreams contained in the Roadmap 2020.</p> <p>Monitor financial viability of key contract partners and commercial property tenants.</p> <p>Participate in consultation as proposals for the new 75% Business Rates Retention scheme and the Fair Funding Review are published.</p> <p>Monitor the disposal of assets against planned timescale for receipt of sale proceeds.</p>	<p>Corporate Director (CF)</p>	<p>Cost reductions and increased income delivered on time and as budgeted.</p> <p>Setting a balanced base budget and having plans to meet funding shortfalls in subsequent years of MTFS.</p> <p>Service and performance levels delivered as planned.</p> <p>Collection rates of council tax and business rates achieve planned levels.</p> <p>Budget variations reported in timely manner with explanation and action plan, where appropriate</p>	<p>Monthly</p>	<p>Feb. 2019 – Full Council sets council tax and budgets for 2019/20</p>	<p>MTFS provided a balanced base budget for 2018/19 including a 2.97% increase in council tax up to £174.51 (Band D).</p> <p>For planning purposes council tax increases in future years are at the referendum threshold, e.g. 2.99% for 2019/20 and 2% for 2020/21 onwards.</p> <p>Planned approach to addressing the estimated shortfalls in 2019/20 to 2021/22.</p> <p>Investment Strategy reviewed with maximum investment in equity and property funds increased to £20m.</p> <p>Member Strategic Investment Group established to consider all proposed investments.</p> <p>An Investment Evaluation Tool used to assess all investment opportunities.</p>

Economic Development – 2

Risk rating C2 (C2 March 18)

Management Board Owner – Corporate Director (CR)

Vulnerability	Trigger	Consequence
<p>The Council has identified Economic Growth as a key Corporate priority for the District as set out in the Corporate Strategy.</p> <p>The Plan for Growth was agreed by Cabinet and includes both a 5 year and rolling 1 year action plan of key priorities. These include infrastructure, business support and skills development projects.</p> <p>Most of the priorities in the action plan require work with partners who may or may not have the same level of commitment to a project as BDC</p> <p>Funding from other partners or government may not be available to support the action plan priorities</p> <p>Brexit and other marcoeconomic uncertainties may cause businesses in the District to make different investment decisions which may not be to the benefit of the District.</p>	<p>Lack of investment in infrastructure prevents business growth and job creation.</p> <p>Shortage of required skills to meet the need of businesses in the District</p> <p>Businesses are not provided with the support necessary to maximise opportunities for growth and development</p> <p>Amount of business rates collected reduced</p>	<ul style="list-style-type: none"> • Reduction in jobs • Fewer new businesses being created • Jobs left unfilled due to lack of skilled employees • Disinvestment by existing businesses • Less investment in infrastructure • Businesses feel disengaged and cannot access support networks • Falling productivity rates in the District • Falling Gross Value Added (GVA) in the District • Loss of revenue / growth in business rates

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Strong working relationship with Essex County Council, Haven Gateway, the South East Local Enterprise Partnership (LEP) on major projects and key priorities</p> <p>District Plan for Growth agreed, setting clear economic priorities over 1 year and 5 year periods has been agreed</p> <p>Braintree Education and Skills board has been established and is progressing projects</p> <p>Braintree Town Centre Partnership has been established and an independent chair appointed</p> <p>Investment in key priorities to secure match funding e.g. Millennium Way Slips project</p> <p>Establishment of the Grape and Grain tour in partnership with Maldon District Council.</p> <p>Tourism Plan to be considered by members in Winter 2018</p>	<p>Continuing to develop our relationship with key stakeholders to ensure shared goals and priorities are met</p> <p>Marketing and promotion of BDC/Partner business support services.</p> <p>Effective implementation of skills projects agreed by the Education and Skills Board</p> <p>Continue to provide appropriate levels of support to the Town Centre Partnership</p> <p>Continue to source local and national funding sources which could provide grants for key projects</p> <p>Continue to work with neighbouring authorities and businesses to support tourism</p> <p>Continuous review of business engagement programme to ensure it is meeting the requirements of businesses.</p>	<p>Chief Executive Corporate Director (CR)</p>	<p>Creation of new jobs</p> <p>New Business start-ups</p> <p>Business growth in the District</p> <p>Inward Investment in the District</p> <p>Investment into District infrastructure</p> <p>Unemployment rate</p> <p>Business funding opportunities explored</p> <p>Empty commercial premises</p> <p>Readership of the Business Bulletin</p> <p>Apprenticeships</p>	<p>Quarterly</p>		<p>Joint project work is underway with the Haven Gateway on the economic strategy for the region and with ECC and the North Essex Authorities on a north Essex economic strategy, including ensuring the opportunities afforded by the garden communities are realized for economic growth</p> <p>District Plan for Growth approved and work is progressing on the targets for year one. to engage</p> <p>Education and skills board has high levels of attendance from schools colleges and employers and has approved funding for several projects which are currently being progressed to aid skills development in the District</p> <p>Braintree Town Centre Partnership has appointed an independent chair and has also set up a business working group and Christmas working group to take projects forward.</p> <p>Funding for infrastructure has been secured from ECC and Highways England and funding for skills projects has been secured through ECC.</p>

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>New Business Engagement and Support Strategy to be considered by members in Winter 2018</p> <p>Working in partnership with education providers to encourage and develop skills training in key sectors, to encourage skill development and employment opportunities through apprenticeships.</p>						<p>Overview and Scrutiny Committee on tourism has provided member guidance into the Tourism Plan which will be need to be approved by Cabinet in the Spring/ Summer 2018</p> <p>Working with the LEADER program to help secure funding and jobs to the rural parts of the District</p> <p>A new look business bulletin, webpage and social media accounts have been activated to share information, news and best practice amongst businesses in the District</p> <p>Braintree District businesses are currently a priority target area for support from the BEST growth hub, providing bespoke and 1-2-1 help and advice to new and growing businesses</p>

Local Plan – 3

Risk Ratings: B2 (C2 March 2018)

Management Board Owner – Corporate Director (JH)

Vulnerability	Trigger	Consequence
<p>Braintree District Council has an adopted Core Strategy and has prepared a new Local Plan which is subject to examination. In line with government policy this will need to deliver a substantially higher target for housing numbers than was set out in the Core Strategy. Part of the strategy is to deliver new standalone garden communities.</p> <p>The Local Plan was submitted for examination in October 2017 and examination sessions were held in 2018, following which the Planning Inspector expressed concerns about the Plan, in particular relation to the Garden Communities. The additional evidence to address this is currently underway. However up the date of adoption the Local Plan only provides limited weight in decision making, depending on its progress and the amount of unresolved objections.</p> <p>Whilst the Local Plan is being produced, the Council may be at risk of being challenged by developers on its housing numbers. Once the Local Plan is adopted, the Council will need to maintain a five-year housing land supply.</p>	<p>Land owners submitting planning applications on unallocated sites.</p> <p>Lack of housing or economic growth leading to failure of allocated sites to deliver.</p> <p>Local Plan being found unsound by the Planning Inspector.</p> <p>Government changes to national policies, guidance or methodologies which have implications for Plan or decision making</p>	<ul style="list-style-type: none"> • Council may have to approve planning applications on sites outside of those proposed resulting in development which conflicts with the agreed spatial strategy • Loss of appeals on planning applications for development on unallocated sites outside of development boundaries. • Infrastructure requirements of new developments may not be sufficiently met. • Lack of new jobs in the District and failure to deliver job target • Inability to attract inward investment or business growth • Inability to attract skilled workers to the District • Council not able to meet its objectively assessed need for housing including affordable housing • Council needing to revise its Local Plan or produce a new Local Plan

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Joint working with other authorities to deliver stand-alone new garden communities which will deliver growth over a longer term period.</p> <p>Good working relationships with Town and Parish Councils and community groups.</p> <p>Core Strategy adopted in 2011.</p> <p>Statement of Community Involvement adopted in 2013.</p> <p>Programme of reporting and decision making through Local Plan Sub-Committee and Council.</p> <p>Strong working relationship with major developers on key housing/commercial sites in the District.</p> <p>A Planning Appeal Cost reserve fund to ensure the Council has sufficient funds to refuse applications which we consider unacceptable.</p>	<p>Work programme keeps to timetable to ensure adoption of the Local Plan in line with the project plan.</p> <p>Close working relationship with major landowners and agents in the District to work together on delivery rather than in opposition.</p> <p>Extensive governance and working relationships in place with North Essex Garden Communities Ltd, Colchester BC, Tendring DC and ECC Councils to progress the garden community project.</p> <p>Infrastructure delivery will be a key part of the new Plan. Emphasis shifting to supporting housing delivery once the Plan is adopted.</p>	<p>Corporate Director (JH)</p>	<p>Ensuring Local Plan process is adopted/ approved on target.</p> <p>Outcome of appeal decisions relating to non-allocated sites.</p>	<p>Quarterly</p>	<p>Ongoing</p>	<p>Local Plan evidence base in place with ongoing work related to garden communities and Recreational Avoidance and Mitigation Strategy.</p> <p>Sustainability Appraisal published in June 2016 and revised in 2017. A revised Sustainability Appraisal for section 1 is currently underway</p> <p>The District Council is working in partnership with 3 other Authorities on the North Essex Garden Communities project and has received funding and support from the MHCLG.</p> <p>Budget provision agreed by this and each of the three other authorities to progress the Garden Communities project.</p> <p>An Issues and Options Consultation was held for Garden Communities Development Plan Documents in January 2018</p>

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>A specific Local Plan budget of £480,000 was agreed in 2015/16 to ensure the funds were available to provide the necessary evidence base documents and other work required to produce the Local Plan in the timescales proposed.</p> <p>The Local Plan is currently in examination, with a suspension whilst further work is undertaken</p>						<p>Accepted Government's offer to implement 20% increase on Planning Application fees in January 2018 and to utilise additional resource in Development Management service.</p>

Community Resilience – 4

Risk Rating C2 (C2 March 2018)

Management Board Owners – Corporate Directors (CF) and (CR)

Vulnerability	Trigger	Consequence
<p>Universal Credit (Full service) is operational for new claims from working age claimants in the Braintree District. Legacy claims of housing benefit (for working age claimants) will be transferred to Universal Credit by 2020.</p> <p>Further changes in the Housing Related Support funding by Essex County Council anticipated in 2019/20 which may mean we will have access to fewer supported housing schemes/bed spaces in the district and also impact on floating support services.</p> <p>The Homelessness Reduction Act 2017(HRA) came into force on the 3 April 2018, it means the Council assists more people, at an earlier stage if they are facing homelessness. Staff now work more intensively and for longer with people to help prevent and relieve their homelessness. Five new staffing appointments have been made across the Housing Team with another anticipated. Funding resources are in place but may not be sufficient in the longer term. Partnership working with other agencies is key to help tackle the sometimes complex reasons why people become homeless.</p> <p>There are a number of deprived areas in the district with children in poverty, health inequalities, lack of skills and higher unemployment.</p> <p>Educational attainment at some schools in the District has been relatively poor but is improving and as a whole the attainment is around the Essex average.</p> <p>There is a growing population of older people, within the district and nationally, a proportion of whom will require public services.</p>	<p>Demand for services from the Council and other public sector organisations increases which exceed supply.</p> <p>Essex County Council implements reduction and contract changes.</p>	<ul style="list-style-type: none"> • Potential increase in people seeking the Council's assistance with their housing problems. Increased demand for temporary accommodation. • Increased demands on the Council's Housing and Customer Services. • Increased health inequalities. • Increase in number of households in fuel poverty • Increase in number of children in poverty. • Requests for Discretionary Housing Payments and/or Exceptional Hardship Fund payments exceed resources allocated. • Housing projects at risk of closure and/or change of access arrangements, which may mean additional temporary housing needs to sourced. • Reductions and changes to supported housing and floating support may impact on other public services, i.e. health and police.

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Partnership working with Citizens Advice, Greenfields CH, Dept. for Work and Pensions and Fusion to assist those affected by the welfare changes.</p> <p>Discretionary Housing Payments allocation from the Government of £242,147 for 2018/19. Short-term assistance available to tenants facing difficulty with their rent.</p> <p>Exceptional Hardship Fund of £13,150 for 2018/19. Short-term support available to council tax support claimants.</p> <p>Continued Liaison with Essex CC regarding future Housing Related Support proposals.</p> <p>Homelessness Strategy 2018 to 2023 and associated Action Plan – approved by Cabinet September 2018.</p>	<p>Regular meetings with partner organisations.</p> <p>Regular reviews of the impact the changes are having on those affected.</p> <p>Work jointly with Job Centre Plus</p> <p>Continued dialogue with Essex CC and housing providers.</p> <p>Exploring alternative funding arrangements to seek to sustain housing projects.</p> <p>Continue to review and implement actions in the Homelessness Strategy.</p>	<p>Corporate Director</p>	<p>Services able to meet increased demand</p> <p>Funding sufficient to support those residents in extreme financial difficulties with council tax and/or rent.</p> <p>Increased number of residents in employment.</p> <p>That a level of supported housing is retained in the district with continued nominations rights available to this Council.</p> <p>Homelessness Reduction Act 2017 – The number of applicants where homelessness has been prevented or relieved.</p>	<p>Quarterly</p>		<p>Grant agreement renewed with Citizens Advice to support their service provision across the district and additional Service Level Agreement to provide money advice service to residents, extended to 31 March 2019. An SLA with Community360.</p> <p>Support residents to be healthy and live well through the work of the Livewell and Livewell Child Boards.</p> <p>Health and Wellbeing Panel for the District established and working with a range of partners.</p> <p>Provide opportunities that benefit those living with dementia through the Braintree District Dementia Alliance.</p> <p>New Government grants and BDC funding to meet the requirements of the new HRA.</p> <p>Awarded grants for community projects through:-</p> <ol style="list-style-type: none"> a) BDC's Councillors' Community Grant Fund b) The Braintree District and Greenfields Community Fund

Service and Project Delivery – 5

Risk Rating C2 (D2 March 2018)

Management Board Owner – Corporate Director (CF)

Vulnerability	Trigger	Consequence
<p>Reduced resources impact on the Council’s ability to deliver good quality services. Service delivery and resilience requires a well-managed and motivated workforce with the capacity and capability to deliver. The Council has recognised the important challenges around workforce planning and talent management for the future.</p> <p>Health & Safety - Breach in processes/ procedures leading to a health and safety or security incident (including an act of terrorism).</p> <p>Service delivery is heavily reliant on the availability of systems.</p> <p>The Council has approved a number of significant projects. It is essential that there is the capability and capacity available to deliver.</p>	<p>Key people leave or are unavailable for work (small teams or specialist areas are most vulnerable).</p> <p>Competitive recruitment markets particularly in relation to the growth agenda.</p> <p>Major incident.</p> <p>Computerised systems unavailable for use for a prolonged period.</p>	<ul style="list-style-type: none"> • The organisation is stretched too far and resulting in service delivery failure • Mistakes made and corners cut • Customer satisfaction falls • Employees are disengaged and demotivated. • Loss of good people. • Increased key person dependency • Loss of corporate memory • Failure to deliver Council’s priorities and Annual Plan • Remaining staff fail to cope • Change programmes difficult to implement • Actual or potential injury or loss of life. • Financial loss / impact on value of assets; • Reputational damage • Data loss

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>People Strategy and Workforce development plans</p> <p>Workforce planning and succession planning included in Business Plans</p> <p>Staff support arrangements include:</p> <ul style="list-style-type: none"> • Employee Wellbeing Strategy • Mental Health & Work related stress policy • Free and confidential Employee counselling service • Free and confidential employee assistance helpline <p>Security policies – regularly reviewed and updated</p> <p>Training/education in cyber security for users</p> <p>Training programme for managers</p> <p>Disaster recovery plan: Emergency generator; Independent resilient network; Alternative accommodation identified – Town Hall</p> <p>Business continuity exercise for senior managers held annually</p> <p>Regular server and workstation upgrades to ensure latest software versions are in use (reduces vulnerability to malware and viruses)</p>	<p>Ensure that there is effective management and change control of all systems to minimise disruptions.</p> <p>Individual disaster recovery arrangements in place for all systems.</p> <p>Review endpoint access to items such as USB memory sticks, CDs, DVDs</p>	<p>Corporate Director (CF)</p>	<p>Computer unavailability is minimised</p> <p>Uninterrupted service delivery</p> <p>No long-term vacancies</p>	<p>Quarterly</p>	<p>Business Plans produced December /January</p>	<p>Funding for the Strategic Investment Team agreed for a four-year period</p> <p>Additional staffing resources agreed for Planning and Housing services</p>

Affordable Housing – 6

Risk rating C2 (C2 March 2018)

Management Board Owner – Corporate Director (JH)

Vulnerability	Trigger	Consequence
<p>As the market has improved and Greenfields has developed many of the sites in its ownership, we are increasingly reliant on market delivery of new homes to facilitate affordable housing provision. In the short-term (3 years or so) delivery of new affordable housing is likely to be good but a downturn in the market could present a serious challenge.</p> <p>The current national political climate is more supportive of rented affordable housing than it has been for several years but we are still challenged continually by developers seeking to:</p> <ul style="list-style-type: none"> • minimise the affordable housing provision; • reduce the size of units; • provide higher proportions of shared ownership or other tenures. <p>The impact of homelessness is being managed locally but relies on continuing funding of support services by Essex County Council. Compared to many other Essex LAs, we have good local provision, so any review of resources is likely to take resources away from the District.</p> <p>In addition, other LAs and in particular London Boroughs, are increasingly looking to place people out of London. Many London Boroughs are actively pursuing opportunities such as office conversions to make nominations outside of their area.</p>	<p>Market downturn</p> <p>Government intervenes to require higher proportions of starter homes or other reduced-cost tenures.</p> <p>Developers push back on the number of affordable homes required on developments.</p>	<ul style="list-style-type: none"> • Affordable housing need not met • Homeless households remain longer in temporary accommodation as fewer rented homes become available for letting through ‘Gateway to Homechoice’ choice based lettings scheme. • Cost to the Council of providing temporary accommodation increases • Young people/key workers leave the district • Some housing associations withdraw from higher-risk accommodation, such as supported housing schemes • Inability to find suitable affordable accommodation for larger families • Unable to provide supported housing in particular for under 35’s, who will not receive enough benefit to cover the rent for self-contained accommodation.

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>New Housing Strategy adopted in 2016/17</p> <p>New Homelessness Strategy adopted in 2018/19</p> <p>Up-to-date viability assessment and updated 'toolkit' to undertake individual assessments.</p> <p>Work with a range of housing associations to ensure that we can meet the varied needs of local residents and make sure we do not miss out on affordable housing opportunities.</p> <p>Underwriting schemes and purchase of land for affordable housing developments as opportunity and finance allow.</p> <p>Working with other providers.</p>	<p>Housing Research and Development Team continues to look for innovative ways of increasing affordable housing with developers and Registered Social Landlords.</p> <p>Use of Stat Nav toolkit to help identify need across the District.</p> <p>Build working relationships with developers to deliver affordable housing through S.106 agreements.</p>	<p>Corporate Director (JH)</p>	<p>Local target for an average 100 dwellings per annum</p>	<p>Quarterly</p>		<p>Local Plan in progress. Affordable Housing Viability Study has been completed.</p> <p>Regular meetings with all housing associations with local development programmes.</p> <p>Stat Nav data updated each year</p> <p>130 completions of new affordable homes expected in 2018/19. We expect 200 completions in 2019-20. This is likely to be the highest delivery for at least the last 25 years.</p> <p>Business case being prepared regarding the creation of a Housing Development Company.</p> <p>Authority delegated to Cabinet Members for Planning and Housing and Finance and Performance to agree acquisitions and funding commitments within the overall affordable housing budget in order to allow timely decisions to be taken and prevent opportunities being lost.</p>

Return on Investments – 7

Risk Rating D2 (D2 March 2018)

Management Board Owner – Corporate Director (CF)

Vulnerability	Trigger	Consequence
<p>The Council has an Investment Strategy which seeks to optimise use of available resources by investing in property, housing and other assets as well as investing surplus monies with financial institutions to achieve a reasonable rate of return and support the Council's revenue account.</p> <p>The security of the money invested is paramount but the Investment Strategy distinguishes between the investment of monies available only in the short-term due to cashflow requirements and monies (core funds) which are available for investment over the medium to long-term.</p> <p>The Council has set a limit of £20million on the amount of funds to be invested in pooled funds (equities and property) with the aim of achieving higher rates of return and capital growth over the medium term (3 to 5 years).</p> <p>The Council has increased its property portfolio where return on investment has been attractive and the quality of the tenant and the tenancy term has been good.</p> <p>The impact of the current economic climate on financial institutions makes the selection of: a strong counterparty, with which to invest, the selection of an asset, to purchase, and the tenant, to occupy and rent property, crucial.</p>	<p>Failure of investment counterparty.</p> <p>Tenant ceases trading leading to void period and requirement to find a new tenant.</p> <p>Collapse in the equity market at a time when the Council needs to release money by selling the equity pooled funds.</p> <p>Funds are needed to be recalled at short notice.</p>	<ul style="list-style-type: none"> • Loss of the principal sum and / or interest due • Loss of rental income and increased costs (e.g. unoccupied business rates) • Impact on the Council's revenue account requiring unplanned service cuts and / or use of balances • Decline in Council reputation

Risk: Emergency Planning – 8

Risk Rating: D1 (D1 March 2018)

Management Board Owner – Corporate Director (CR)

Vulnerability	Trigger	Consequence
<p>Braintree District Council has responsibilities under the Civil Contingencies Act (CCA) 2004a as a Category 1 responder: to plan for and respond to major emergencies working alongside the blue light services. Part 1 of CCA 2004 places legal obligations on emergency services and local authorities to assess the risk of, plan and exercise for emergencies as well as undertake business continuity management.</p> <p>Each service has to be resilient, through planned and tested procedures, to unexpected and potentially long term challenges.</p>	Emergency event both response and recovery	<p>District Wide</p> <ul style="list-style-type: none">• Possible loss of life or serious harm or injury to residents and/or staff.• Loss of physical assets e.g. premises• Ineffective response to an incident causes extended disruption.• Vulnerable residents at risk through lack of core service delivery.• Delays in recovery phase <p>Council</p> <ul style="list-style-type: none">• Lack of preparedness results in the inability to deliver key/critical services e.g. benefits, refuse collection, homelessness applications, food inspections, etc.• Increased short term demand for services e.g. housing - alternative accommodation, repairs, waste team clean-up operation• Major impact on reputation if the Council is perceived to not provide an adequate response.• Council facing Public Inquiry – risk of cost, reputation and public trust• Priorities and projects are not delivered.• Being found wanting at public inquiry.

Actions/controls already in place	Required action/ management control	Responsibility for action	Critical success factors and KPI's	Review frequency	Key dates	Progress to date
<p>A robust, peer reviewed Emergency Plan has been developed.</p> <p>New Communications & Media plan</p> <p>A new Rest Centres plan which sees all Essex local authorities using the same best practice procedures, documentation and equipment.</p> <p>A Members Protocol has been produced setting out guidance for Members during an emergency.</p> <p>Mutual Aid – agreements are in place between authorities BDC is strengthening its procedures to receive Mutual Aid;</p> <p>Services have identified key skeleton staff No.'s only</p>	<p>Bi-yearly review of Emergency Plan</p> <p>Bi-yearly review of Communications and Media Plan</p> <p>Rest Centres plan – run an annual exercise</p> <p>Deliver training programme incl: crisis communication training, Communications training for Management Board, Leader and Deputy Leader.</p> <p>Dialogue with partner organisations</p> <p>Oversee implementation</p> <p>Dialogue with partner organisations</p> <p>Services need to demonstrate the capability and capacity to manage excessive additional demand due the Council's responsibility for response and recovery under the CCA 2004, Housing Act. Local Government Act and other relevant legislation.</p>	<p>Corporate Director</p>	<p>Service and performance levels delivered as planned.</p>	<p>Annual</p>		<p>Training delivered: senior/tactical training, recovery training, loggist training, rest centre training;</p> <p>Peer reviewed training programme for staff involved at all levels, volunteers-tactical-strategic</p> <p>New starters will have a requirement to assist in emergencies detailed in their role profiles.</p> <p>Developing arrangements with our leisure partner Fusion to provide support during an emergency.</p>

Risk: Information Management and Cyber Security – 9
 Risk Rating – C2 (C2 March 2018)
 Management Board Owner – Corporate Director (CF and CR)

Vulnerability	Trigger	Consequence
<p>The Council has been responsive to technology and has used it to shape the way services are delivered, to drive efficiency and improve productivity.</p> <p>With the increased use of technology and larger amounts of information stored comes an increase of the impact created through cyber security threats.</p> <p>It is essential that customer’s information, much of which is sensitive, is kept safe and that the Council ensures business continuity through strong management of its information and systems.</p> <p>The impact of changes in Data Protection legislation potentially impacts our ability to carry out services effectively and creates significant extra work for staff.</p> <p>The exit from the European Union, may impact on Data Protection legislation and the ability of the Council and its partners to manage and transfer personal data.</p>	<p>New Data Protection legislation commenced 25th May 2018, together with updates and ongoing guidance.</p> <p>Cyber attack Hacking Distributed Denial of service Phishing/Spear Phishing Ransomware Emerging threats</p> <p>Information Security or Data Breach incident</p> <p>Loss of computer systems</p> <p>Loss of access to physical or digital information through emergency incident</p> <p>Staff do not manage data effectively</p>	<p>Loss of ability to deliver service/degradation in service</p> <p>Loss of reputation</p> <p>Enforcement from Information Commissioner’s Office with a potentially significant fines and reputational damage</p> <p>Inability to collect/payout money to customers</p> <p>Inability to share customer data with partners</p> <p>The Council cannot meet its requirements under the Data Protection legislation</p> <p>The Council is not able to adequately manage its information, which would then prevent it from being able to carry out services effectively.</p>

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>security policies – regularly reviewed and updated</p> <p>External auditing and challenge on a regular basis against policies and systems as well as regular external penetration testing with action plans created</p> <p>Regular review of technical infrastructure, including firewalls, hardware and software</p> <p>PSN Compliance</p> <p>Training/education in cyber security for users</p> <p>6-weekly meeting of cyber-security sub-group to review all aspects of cyber-security</p> <p>Regular meta-compliance checks for all employees and members</p> <p>Project Plan to deliver and ensure ongoing management of Data Protection legislation.</p>	<p>Continued review of cyber security arrangements</p> <p>Raise awareness of information management and cyber security issues for all staff and members</p> <p>Review resourcing requirements around data protection and information management</p> <p>Targeted training</p> <p>Induction courses for new entrants</p> <p>Software kept up to date</p> <p>End of life hardware replaced as and when necessary</p>	<p>Corporate Director</p>	<p>Up to date Reviews</p> <p>Year on year improvements</p> <p>Number of articles published/ seminars delivered</p> <p>Training demand met</p> <p>New entrants on induction within 2 weeks of joining</p>	<p>Quarterly</p> <p>On completion of the forthcoming Office 365 implementation</p>		<p>Project Plan to deliver and ensure ongoing management of Data Protection legislation.</p>

Strategic Investment - 10

Risk rating C2 (C2 March 2018)

Management Board Owner – Corporate Director (JH)

Vulnerability	Trigger	Consequence
<p>The Council has identified capital investment as a key Corporate priority for the District and approved ring-fenced funding of £28m for the District Investment Strategy.</p> <p>Investment intervention is required to support planned housing and population growth in the District.</p> <p>The District Investment Strategy targets capital investments to support infrastructure improvements, with particular emphasis on: improved healthcare facilities, enhanced town centres, increased employment and business opportunities, improved highways infrastructure.</p> <p>Capital investments must make a positive financial return for BDC.</p> <p>Most of the identified investment opportunities require work with partners who may or may not have the same level of commitment to a project as BDC.</p> <p>Funding from other partners or government may not be available to support the action plan priorities.</p> <p>Changes in central government policy could result in BDC being unable to secure prudential borrowing at preferential rates to support investment.</p> <p>Brexit and other macroeconomic uncertainties may adversely affect BDC's ability to deliver financially viable capital investments: for example, increased construction costs, house price deflation, commercial rent deflation.</p> <p>Failure to secure planning consent on development projects.</p>	<p>Lack of investment in infrastructure acts as a barrier to required housing growth and reduces opportunities for businesses to grow.</p> <p>Inability to secure prudential borrowing at preferential interest rates.</p> <p>Prolonged period (>six months) of house price deflation.</p> <p>Prolonged period (>12 months) of commercial rent deflation.</p> <p>Above inflation increase in construction costs.</p> <p>Projects undeliverable due to refusal of planning consent.</p> <p>Failure to sell/lease newly developed properties.</p>	<ul style="list-style-type: none"> • Lack of infrastructure could inhibit delivery of Local Plan housing numbers • Approved schemes already in development may not achieve required financial return • Potential for existing businesses/jobs relocating outside of District • Fewer new businesses/jobs being created • Falling Gross Value Added (GVA) in the District • Loss of revenue growth in Council Tax and Business Rates

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>£28m District Investment reserve approved and ring-fenced.</p> <p>All investment opportunities rely on cost/value advice provided by expert third party specialists.</p> <p>All investment opportunities appraised via industry-standard development software.</p> <p>Strong working relationship with Essex County Council, Haven Gateway, the South East Local Enterprise Partnership (LEP), Homes England on major projects and key priorities</p> <p>Early engagement with relevant BDC teams (Asset Management, Operations) to ensure early engagement on scheme design to ensure end product is lettable and fit-for-purpose.</p> <p>Procurement of appropriate architects and planning consultants for each scheme.</p> <p>Braintree Education and Skills board has been established and is progressing projects</p>	<p>Continual monitoring of costs and spend.</p> <p>Continued use of expert third parties to provide comprehensive cost estimates and advice of market trends.</p> <p>Consistent modelling to agreed financial parameters.</p> <p>Increased networking and promotion of BDC's investment aspirations with key external stakeholders and potential funders.</p> <p>Continue to source local and national funding sources which could provide grants for key projects.</p> <p>Implementation of timely, high-quality marketing strategies for all development projects.</p> <p>Early engagement with Planning Team and judicious use of the pre-application process.</p> <p>Continue to work with neighbouring authorities and businesses to support tourism</p> <p>Continuous review of business engagement programme to ensure it is meeting the requirements of businesses.</p>	<p>Chief Executive Corporate Director (JH)</p>	<p>Delivery of all projects approved via District Investment Strategy</p> <p>Delivery of all projects to budget and approved financial return</p> <p>Delivery of all projects to budget and approved financial return</p> <p>Leverage of third party funding to support BDC capital projects</p> <p>New Business start-ups</p> <p>Sale/letting of new properties at approved levels and to approved timescales.</p> <p>Achievement of detailed planning consent first time, every time.</p>	<p>Quarterly</p>		<p>Braintree Enterprise Centre Phase 2 projected to complete within approved budget and generate approved level of return.</p> <p>Consistent presentation of detailed costs to all BDC approval bodies. Close joint-working with Finance Team to model financial impact of all opportunities.</p> <p>Acquisition, training and implementation of 'Argus Developer' software.</p> <p>£250k ECC design grant secured on I-Construct and Manor Street projects.</p> <p>£4.95m DoT funding secured on Mill Slips project.</p> <p>Residential site included within Homes England's Accelerated Construction Programme.</p> <p>Procurement of expert commercial and property agents to advise on achievable values, marketing and sales rates.</p> <p>Detailed planning consent secured for Braintree Enterprise Centre Phase 2.</p>

Recommendation from Governance Committee – 24th October 2018 – Treasury Management Mid-Year Report 2018/19		Agenda No: 7d
Portfolio	Finance and Performance	
Corporate Outcome:	A high performing organisation that delivers excellent and value for money services Delivering better outcomes for residents and businesses and reducing costs to taxpayers	
Report presented by:	Councillor David Bebb, Cabinet Member for Finance and Performance	
Report prepared by:	Chloe Glock, Governance and Business Officer	
Background Papers:	Public Report	
Treasury Management Strategy Statement 2018/19 – approved by Full Council on 19 February 2018 as part of the Council’s Budget for 2018/19 Council Budget and Council Tax 2018-19 and Medium-Term Financial Strategy 2018-19 to 2019-20	Key Decision: No	
MINUTE EXTRACT		
GOVERNANCE COMMITTEE – 24th October 2018		
61	<u>TREASURY MANAGEMENT MID-YEAR REPORT 2018-19</u>	
<p>INFORMATION: Members considered a report on the Council’s treasury management activities which were regulated by statutory requirements and by a Code of Practice (“the Code”) issued by the Chartered Institute of Public Finance (CIPFA). The Treasury Management Strategy Statement (TMSS) for the period 2018/19 was approved in February 2018 as part of the overall Budget and Council Tax setting for 2018/19.</p> <p>As part of the mid-year report, an updated economic and market commentary was provided. Members were updated on the following:</p> <ul style="list-style-type: none"> - The increase in the Bank Base Rate by 0.25% to 0.75% had resulted in higher money market rates. With the approach of the expiry of Article 50 on 29th March 2018, Members were advised that there would be a period of economic uncertainty as neither the Withdrawal Agreement between the UK and the European Union or details concerning the shape of the future relationship had 		

been finalised. Gilt yields had displayed marked volatility, whilst the Financial Times Stock Exchange 100 (FTSE100) index had been fairly buoyant.

- Capital spending was forecast to be £13.863million in 2018/19, an increase of over £7million from what was originally anticipated in the TMSS. The increase was attributed to a number of decisions made earlier in 2018 by the Council in respect of projects under the Council's District Investment Strategy. Members were advised that a significant portion of funding toward these projects was to be from internal borrowing.
- The Capital Financing Requirement (CFR) was forecast to be £12.911million at 31st March 2019, which was higher than had been originally estimated (£6.133million) due to increased internal borrowing. The CFR was also expected to reduce by £2million in the year which related to the Braintree Local Authority Mortgage Scheme (LAMS), which was due to end in January 2019. Although borrowing was likely to remain at £6million during the year, it was expected that there would be reductions in other long-term liabilities of £1million which reflected the repayment to Essex County Council of their share of the LAMS funding. As at the end of the year, total borrowing and other long-term liabilities was estimated to be £8.506million.
- Under the Council's investment activity, it was reported that for the period April to September 2018, investments had averaged £59.356million with a high of £64.50million. The present forecast was that investments would average approximately £49million for the year, which was similar to the level assumed in the TMSS of £50million. However, it was anticipated that the investment balances would reduce to approximately £32million by the end of the year. Members were also advised of the main areas where the Council had invested its finances, which included: a mixture of fixed term deposits and call accounts with UK and non-UK financial institutions, money market funds, lending to other local authorities and pooled funds. An area of note was the merging of the Standard Life Liquidity fund, currently used by the Council, with the Aberdeen Standard Investments fund to become part of the Aberdeen Money Market Fund.
- New investments of £55million had been made in the period April to September 2018, and approximately £37million of investments were reported to have matured. It was summarised that as of 30th September 2018, the Council's investments and other cash balances were £61.329million. The recent review of the Council's medium-term cash flow was also remarked upon; the review took into account both approved and pipeline projects under the District Investment Strategy for the purposes of assessing the Council's capacity for increasing the amount held in long-term investments. It was added that the overall limit approved by the Council was £20million and that only £16million of this had currently been utilised.
- The overall return to the end of September was £602,147 or 2.02%, which included dividends received and declared of £467,284, equivalent to an annualised return of 5.83%. Members were also advised that dividends from long-term pooled funds were paid quarterly and could therefore vary between quarters. In respect of short-term investments, the interest earned was

£134,863 which equated to a return of 0.62%, which was higher than last year's outturn of 0.38%.

- As of the end of September, the value of the pooled funds was stated to be £17.979million which represented an unrealised gain of £1.979million against the original sums invested.
- Changes in accounting standards that came into effect from April 2018 involving the market value of pooled funds would potentially need to be accounted for and would impact on the Council's revenue account. The Ministry for Housing, Communities and Local Government (MHCLG) had recognised that this could introduce volatility into Council's budget setting processes and had therefore consulted on statutory overrides which were intended to mitigate the accounting changes. The consultation suggested a time-limited override of three years. The Cabinet Member for Finance and Performance had responded on behalf of the Council and suggested that the override should be permanent and apply to a wider range of pooled funds. It was added that the Government's response to the consultation had yet to be received.
- Investment benchmarking indicated a positive result for the Council in respect of income and total return. The Council's non-treasury investments were also mentioned; the Council held direct property investments with a market value of £34.367million which comprised industrial land and units, shops, offices, and other commercial property. Properties were also leased to third parties which generated rental income for the Council. In 2018/19, the net rental income was expected to be over £2million, representing a return of approximately 6%.
- The outlook for the remainder of the 2018/19 financial year as reported by the Bank of England's Monetary Policy Committee (MPC) was of maintaining expectations of a slow rise in interest rates over the forecast horizon.

In response to questions raised by Members, the following information was provided:

- It was confirmed to Members that the Council's internal borrowing of circa £7million to fund capital expenditure was derived from its own cash balances. Although there was an opportunity cost to the Council for the use of this money due to the loss of interest, the alternative option would be for the Authority to borrow money externally which would likely have resulted in higher associated costs. It was stressed that internal borrowing was not a sustainable long-term solution for funding projects, as the cash used had been set aside for other purposes.
- On the subject of lending money to other Local Authorities, Members were advised that there was a market for Authorities with surplus cash, like that of Braintree Council, to invest this money elsewhere in the form of lending. The rate received from lending between Local Authorities would likely be an improvement compared to the rates that would be available from financial institutions and the Public Works Loan Board (PWLB). It was added that typically, inter-lending between authorities was for short-term funding.

- With regard to the UK's exit from the EU, there was a degree of uncertainty as to the future of the financial market, and there was the possibility of increased volatility, such as in the value of the Council's equity investments. However, any fluctuations that might be experienced would only be pertinent if the Authority had plans to withdraw its funds at this time. It was stressed that the income flow received from the dividends was an area that would be closely monitored.

DECISION: That the Governance Committee recommended to Cabinet that the Treasury Management Mid-Year Report 2018/19 be accepted, prior to its submission to Full Council.

REASON FOR DECISION: The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services which requires the Council to receive at least one mid-year report on its treasury management activities. This report is to be considered first by the Governance Committee before being recommended on to Cabinet and then Full Council.

To note the intention to maintain the Council's classification as professional client for regulated investment activity.

Recommended Decision:

That Cabinet accepts the Treasury Management Mid-Year Report 2018/19, prior to its submission to Full Council

Purpose of Decision:

The Council had adopted the CIPFA Code of Practice for Treasury Management in Public Services, which required that the Council received an annual report on the treasury management function. This report was to be considered first by the Governance Committee in order to exercise its responsibility for scrutiny over treasury management activities. The report will then be considered by Cabinet before submission to Full Council with the benefit of any proposed changes and/or comments of the Governance Committee.

Business Support and Engagement Strategic Plan 2019-2022	Agenda No: 8a
<p>Portfolio Corporate Outcome:</p> <p>Report presented by:</p> <p>Report prepared by:</p>	<p>Economic Development</p> <p>A well connected and growing district with high quality homes and infrastructure</p> <p>A prosperous district that attracts business growth and provides high quality employment opportunities</p> <p>Delivering better outcomes for residents and businesses and reducing costs to taxpayers</p> <p>Cllr Tom Cunningham, Cabinet Member for Economic Development</p> <p>Danielle Putt, Economic Development Officer (Business Engagement)</p>
<p>Background Papers:</p> <p>Business Support and Engagement Strategic Plan 2019-2022</p>	<p>Public Report</p> <p>Key Decision: No</p>
<p>Executive Summary:</p> <p>With more than 10,000 businesses, the Braintree district is the 5th largest business community within the county, which is diverse in its key sectors and growth needs. Responsible for £4billion generated towards the UK economy each year, 930 new businesses were incorporated in the last 12 months, indicating a sustainable environment to start and grow businesses in the district. 22% of our district businesses saw a 5% or more growth in turnover last year, ahead of the county average (21%), and this has in turn, supported the reduction of unemployment rates in the district of 2.4% well below national trends of 4.4%.</p> <p>Through strategically mapping how we can support and build on our economic success through sustainable measures, we can continue to rise against the internal and external challenges that could hinder strong economic growth, whilst using economic growth data to analyse the changing demographics of the districts business community to be responsive to the needs of today, but also establishing continuity and resilience for the future needs of our business community.</p> <p>The landscape of our business community within the district is one that is continually evolving and with increasing challenges in a political and economic environment, a strategic approach is required to maximise the benefits of doing business in the Braintree district, and not only building on the strong competitive advantages our location has to offer, but by also building on the existing and future opportunities locally and nationally.</p>	

Braintree District Council acknowledges that there is a wide range of partners and intermediaries that engage with businesses and provide support services, however maintains a role that strengthens existing services through partnership working, bridging the gap for services with weaker offers and also targeting support at high growth sectors to maximise the economic impact within the district and deliver value for money.

This Business Support and Engagement Strategic Plan provides the background to the key priorities across the next 3 years, exploring the reportable outcomes and how we will achieve them.

The five key priorities to be delivered within this strategy are:

- Business Engagement
- Business Support
- Infrastructure and Connectivity
- Strategic Partnerships
- Business Intelligence

To deliver the key priorities of this three-year strategy, an annual plan which defines our actions against each priority will be reported on through performance indicators within our quarterly business intelligence dashboard.

Recommended Decision:

To agree the Business Support and Engagement Strategic Plan 2019-2022.

Purpose of Decision:

To agree the key priorities and targets of the Business Support and Engagement Strategic Plan that will allow the Council to engage with the business community within the district and provide appropriate support to achieve the corporate Economic Development vision of 'A prosperous district that attracts business growth and provides high quality employment opportunities'.

Any Corporate implications in relation to the following should be explained in detail.	
Financial:	This Strategic Plan will be partly funded by £20,000 and joint partnership working to support business engagement in the District.
Legal:	No matters arising out of this report
Safeguarding:	No matters arising out of this report
Equalities/Diversity:	<p>Basic Equality Impact Assessment</p> <p>There are no matters arising out of the basic Equality Impact Assessment.</p>
Customer Impact:	<p>As a result of delivering the Strategic Plan, businesses within the district will directly benefit from:</p> <p><i>Business Engagement</i> - Promoting economic development activity and business success stories and identifying the needs of the business community, through social and printed media, responding to the growing needs of the business community through consultation and engagement.</p> <p><i>Business Support</i> - Aligning business support to new and existing district businesses through research, review and engagement, encouraging innovative growth and development, signposting to partners for relevant programmes.</p> <p><i>Infrastructure and Connectivity</i> - Improving the availability and quality of business infrastructure, including premises, technology and transportation to support business growth in line with national market requirements.</p> <p><i>Strategic Partnerships</i> - Developing effective internal and external stakeholder relationships to provide the district businesses the opportunity to access additional resources and to develop competitive advantages.</p> <p><i>Business Intelligence</i> - Utilising economic growth data to analyse the changing demographics of the district's business community, being responsive to needs and responding to requirements</p>
Environment and Climate Change:	Delivery of this strategy will promote and encourage take up of the EU funded LoCase , helping businesses tackle and adapt to climate change through cutting emissions and to promoting the opportunities of the low carbon market.

Consultation/Community Engagement:	Feedback has been collected through the business needs assessment and data collected from direct business support enquiries and used to develop this strategy and annual plan. Relevant staff has also provided feedback to inform the development of this Strategy and Plan.
Risks:	<p>The key risk of failing to deliver this strategy and plan will be not delivering the Corporate economic development vision of 'A prosperous district that attracts business growth and provides high quality employment opportunities' and will consequently fail to deliver the Plan for Growth. This would result in, although not exclusively:</p> <ul style="list-style-type: none"> • Decrease in business start-ups • Decrease in business community • Disengaged business community • Reduced partnerships and access to funding, affecting value for money • Decrease in job creation, apprenticeship placements and increase in unemployment rates • Negative opinion of Braintree District Council <p>Non-adoption of the strategy and plan will restrict economic growth within the district.</p>
Officer Contact:	Danielle Putt
Designation:	Economic Development Officer (Business Engagement)
Ext. No:	2585
E-mail:	Danielle.putt@braintree.gov.uk



BUSINESS SUPPORT
AND ENGAGEMENT
STRATEGIC PLAN
2019-2021



FOREWORD

There has never been a better time to do business in our district.

With economic growth and council investment benefiting our 9,500 plus businesses, this Business Support and Engagement Strategic Plan comes at an exciting time.

Our investment in Superfast Broadband will reach up to 99% of the district by 2020, making us one of the most future-proofed and digitally connected areas in Essex. Our investment in the A120 Millennium Way slip roads will tackle congestion at Galleys Corner and has unlocked further funding, meaning that the project can now get underway. Plus partnership work is ongoing to improve the A120 and A12. Through key strategic investments in our infrastructure, the Braintree district has the competitive advantage for businesses to start up and even relocate and grow.

This plan shows how we are supporting existing companies to develop and grow, encouraging people to start up new businesses and attracting firms from outside the district to relocate here.

With the economic influences affecting businesses in our district largely being regional, national and even international, this plan will be resilient and responsive to help navigate any barriers to growth businesses might experience.

Our ability to match businesses up with external funding and support opportunities is already benefiting many of our local businesses and it is something we want to improve further.

Our economy has always remained competitive against our nearest neighbours and our businesses have a proven track record in maintaining a competitive advantage through the quality of their products and skills.

Our businesses contribute to the local economy, promote the district as a tourist destination, create jobs for our residents and provide apprenticeships for our young people. It is our job to help them help our communities.

We want businesses to start up, we want to attract new businesses to the area, we want our exciting businesses to grow and we are unswervingly on the side of those who will this happen.

This authority has a long and distinguished record of being on the side of business and business growth appreciating the massive role our businesses play in our communities in this most enterprising of counties. Never more has the right support from a local authority been needed to face the challenges and opportunities that face the business community. I am very pleased that Braintree District Council can demonstrate a better understanding of our local economy than ever before and is offering meaningful support, relevant to future needs.



*Cabinet Member for Economic Development
Cllr Tom Cunningham*

OUR VISION AND PRINCIPLE

This Strategic Plan underpins and will deliver the key priorities of the Corporate Plan and Plan for Growth, alongside the Marketing and Communications Strategy, supporting these priorities through the following core vision and principles.

The Strategic Plan aims to create a District that is competitive to do business whilst ensuring accountability of public money in delivering Economic Growth is measured in outputs that will create strong and sustainable economic growth. It will also provide clear and focussed guidance on budget commitment for delivering these priorities.

OUR VISION

Our vision is to be a prosperous district that attracts business growth and provides high quality employment opportunities

The district has strong competitive advantages as a destination including:

- Hosting leading sector businesses who engage with the community and emerging businesses for peer to peer support
- An above county-average for turnover growth rate, enhanced by strong established partnerships
- Investment to achieve 99% superfast broadband coverage, ahead of the Essex and national average by 2020
- Access and close proximity to Stansted airport, Harwich ports and London, with planned improvements to the A120 and A12

To achieve our vision, we will build on our competitive advantages and adhere to our core principles of business support and engagement, encouraging strong and sustainable economic growth.



OUR PRINCIPLES

Business engagement and support in the district will be:

- Accessible to all district businesses with a bespoke programme to support key growth sectors
- Responsive to business needs and requirements
- Cost efficient and effective, delivered in partnership with key support providers
- Attractive for new businesses to locate and start up in the district and retain existing businesses

DELIVERING THIS STRATEGIC PLAN

We are an ambitious Local Authority, who works with our private and public sector partners, including SELEP, The Haven Gateway Partnership, BEST Growth Hub, Essex County Council and Superfast Essex to deliver a wide programme of business support. We are also cost effective ensuring a significant return on investment for the district economy. We understand that the successful delivery of our key priorities is dependent on establishing and maintaining strong relationships and working directly with our business community. We acknowledge that delivery of success is more than meeting targets and is contextual to wider economic impacts such as political changes and educational skill development.

This strategic plan has been segmented into 5 key priorities which set out what we will be delivering and how we will achieve them. Due to the uncertainty of external political influences regarding Brexit and the potential impact this will have on the wider national economy, this Strategic Plan will require its core vision and principles updating initially after 3 years to allow a comprehensive analysis of business needs and support, whilst key actions

and performance measures will be updated annually. Actions against each priority will be reported on within monthly portfolio reports and within our Quarterly Business Intelligence Dashboard.

FUNDING

This Strategic Plan will be partly funded with a £20,000 budget to support business engagement in the District and is reliant on strong partnership working to gain access to wider opportunities that will help jointly deliver the key priorities.

1. BUSINESS ENGAGEMENT

Business Engagement – Empowering our business community through consultation and sharing success stories.

It is crucial to communicate effectively to share information in a timely and effective manner as well as obtaining information on business needs. The detail, exchange path and frequency of communication routes are paramount to the way businesses work within a competitive market. It influences marketing and encourages knowledge sharing whilst also exploring new opportunities and supporting recruitment.

Effective communication can help to foster good working relationships between Braintree District Council, businesses and stakeholders, which can improve business growth and efficiency. It can also create a gateway into the Council to encourage businesses to supply their services internally as well as creating the opportunity for the Council to commercialise and sell services and support to the business community.

Historically, the landscape of communications between Braintree District Council and the business community has relied on face to face contact, exploring the benefits of consultative events. Nonetheless, due to cultural changes and the way businesses access social media, face to face communication is now flanked with digital means, strengthening and widening key messages. This has resulted in offering a more inclusive and comprehensive route to capturing and exchanging communications.

We are mindful that outcomes of programmes delivered by the Council are of the public interest and we will therefore be transparent, sharing the successes of interventions, to inspire further take-up.

We are committed to:

- Making businesses better aware of the support we can offer as a local authority and signposting them to partnership support.
- Promoting successful businesses in our district directly to residents and other businesses in our printed publications but also on social media and via the media.
- Promoting the Braintree District as the place to do business.
- Giving businesses in the district the opportunity to have their say on the things that matter to them through consultations.
- Be open and accessible to businesses looking for funding and support.
- Communicating with businesses in a timely and effective manner.
- Making links between businesses and funding and support opportunities.
- Encouraging knowledge sharing between businesses in the district working on the same aims. For example companies who have seen success around the green agenda could share their experience with others.

- Building appropriate relationships between education providers and businesses within the key growth sectors.
- Communicating digitally as well as face to face. Method of contact will be adapted to suit individual businesses.
- Ensuring our business section of our website is up-to-date.

More effective communications and engagement will:

- Help to foster good working relationships between Braintree District Council, businesses and stakeholders, which can improve business growth and efficiency.
- Increase take-up of services
- Increase service satisfaction
- Improve and tailor services

We will achieve an increasingly engaged business community who are able to explore and access support services to help them start up, innovate and grow.

2019/20 ACTIONS

We will do this by:

- Managing content for the business webpages, increasing page views and traffic.
 - Develop the business pages on the Council website to drive more traffic to information including development of a series of good news stories and case studies to encourage support take up and to celebrate business growth success.
- Working with relevant teams and partners to review and manage content for the Business Bulletin newsletter monthly.
 - Increase subscribers through promotion campaigns.
- Developing relevant social media channels to build an online business community of contacts and information dissemination including a Facebook page.
 - Create a Braintree Business Facebook page to promote good news stories, case studies and opportunities as well as need to know information and snap polls for consultation.

- Explore the feasibility of Vlogs and other online video tools to promote advice, guidance and good news stories.
- Capturing and sharing good news stories case studies to promote business engagement and support.
 - Develop a Case Studies webpage on the Council's business section to promote a series of themed case studies to encourage support take up and celebrate business growth success.
- Conducting snap polls, surveys, consultation and collate compliments complaints to improve our programmes and their delivery and to assess business needs
 - Conduct an annual Customer service survey to review the satisfaction of service and programme delivery within the business community.
 - Conduct an annual business needs survey to review the types of support that the business community require to achieve economic growth.
- Conducting monthly business visits covering a range of size, sector and locations to build on service relationships and provide business support.
 - Invite businesses to meet with lead officers and portfolio holders through themes e.g. location, top 20 by turnover, new businesses etc.
 - Work jointly with Planning to identify pipeline business growth/expansion through planning applications incorporate into monthly business visits.
- Facilitating business meetings on key issues eg GDPR, Cyber Security, Business Rates, local issues etc.
- Chair and facilitate the Education and Skills Board with the aim to increase skills and awareness of employment in high growth sectors.

	Baseline	Target 2019/20	Target 2020/21	Target 2021/22
Number of website traffic visitors	1,668	1,701	1,735	1,769
Number of E-Bulletin Subscribers	676	709	780	858
Number of businesses subscribed to the Braintree Business Facebook Group	52	100	120	144
Percentage of businesses satisfied with business support from BDC	33%	34%	35%	36%

FUNDING

Business Needs Survey - Developing and branding an annual business needs and satisfaction survey to monitor key changes within the district economy to inform programme delivery and to build up a positive reputation of the Council through strong regulated engagement and measurable outputs. Estimated cost: £1,000

Video case studies to promote and encourage take up of services. Estimated cost: £3,000

2. BUSINESS SUPPORT

Business Support – Supporting strong and sustainable economic growth.

We acknowledge business support needs are not the same across sector, size or location. We also recognise that business support is not just for early stage businesses or those facing challenges, but is also for businesses looking to innovate and grow to reach their full potential.

We recognise the key high-growth sectors in the district as:

- Advanced Manufacturing and Engineering
- Construction
- Creative and Digital
- Health and Care
- Logistics

All businesses regardless of size or sector will be eligible for business support and we will also deliver a bespoke programme of support to the key high growth sectors to respond to the niche and technical requirements of these businesses to achieve specialist developments.

Effective business support needs to generate high value measurable outcomes. In addition, any support programme needs to be resilient that allows flexibility to meet the needs and demands of the individual business. External uncontrollable factors such as market conditions and competition can affect the needs of businesses and therefore support needs to be flexible to changing demands.

Braintree District Council acknowledges the importance and value of the expertise held within a business itself, and therefore aims to encourage knowledge exchange and peer to peer support amongst the business community. Braintree District Council therefore adopts a signposting role to programmes and opportunities of business support, scanning and facilitating routes to growth.

Access to funding is a crucial pillar of business support as it has the potential to create new jobs, products and routes to market. We will work with businesses to break down barriers to funding opportunities, including signposting and providing advice and guidance on applications.

We will achieve a fully supported business community that meets the needs and requirements to encourage strong and sustainable economic growth within the district.

2019/20 ACTIONS

We will do this by:

- Conducting monthly business visits covering a range of size, sector and locations to build on service relationships and provide business support.
 - Meet businesses from themed portfolios including rural, top 20, new, and those reporting a 5%+ loss in annual turnover.
- Developing partnership-funded support on key growth areas for district businesses.
 - Refer relevant businesses to the LoCase grant funding scheme.
 - Apply for Innovate UK funding to support early stage businesses to develop and grow.
 - Explore underspend from other partners within the LoCase mentoring initiative to ring fence for the Braintree district.
- Refer relevant creative digital businesses to SECCADS grant funding and mentoring programme.
 - Refer relevant Biotech, Artificial Intelligence and Creative Digital businesses to the EIRA Knowledge Transfer Partnership programme.
- Bringing together sector-specific and like-minded businesses, creating a peer to peer support and interest network for key high growth sectors.
 - Create the Manufacturing Excellence Club to encourage peer to peer support within this high growth sector.
- Sharing the opportunities for funding initiatives locally and nationally whilst providing application support.
 - Horizon scan for relevant funding bids
 - Work with key partners and governing bodies to apply for any joint funded partnerships to deliver shared objectives.
- Maximising the accessibility of support delivered by partners, making relevant referrals to business support programmes, services and opportunities.
- Encourage take up of sponsorship opportunities to support business marketing.
- Delivering the Transport and Logistical Efficiencies project, to support Small Medium Enterprises (SMEs) in the Logistics sector to better understand and analyse their data to increase efficiency including cyber security.
- Exploring the feasibility and applying for European Regional Development Funding (ERDF) to build a bespoke building committed to providing support to the construction sector with access to conference and learning facilities.
- Conducting an annual Business Needs Assessment survey to engage with businesses on their support requirements to inform programme delivery.

MEASURING SUCCESS

	Baseline	Target 2019/20	Target 2020/21	Target 2021/22
Number of district businesses applying for funding as a result of a direct referral	N/A	15	20	10
Number of jobs created/safeguarded	19	20	25	15
Number of referrals made for business support	51	60	66	73

FUNDING

Programme of support – There is currently a gap in the national business support market to support new business start ups/early stage businesses. I would like to propose an annual showcase to bring together all the available support for early stage and incubating businesses to take advantage of the available support. This would include venue hire, promotional materials etc. Estimated cost: £5,000

Grant/Loan/Venture Capital scheme for young entrepreneurs to replace the Essex Young Entrepreneurs Network that I headed up at ECC to create 4 amount of new business start ups in the district for 16-30 year olds, assisting with start up costs. Estimated cost: £8,000

3. INFRASTRUCTURE & CONNECTIVITY

Infrastructure & Connectivity - Providing future proofed resources and connectivity to support business growth and expansion.

Braintree District Council is investing in infrastructure through partnered funding bids to create the right mix of connectivity that supports its community and will be an attractive destination to do business in. Initiatives include new and fit for purpose incubation and employment sites, digital infrastructure and industrial site improvements, to future proof the district.

Our message is clear; Braintree District is open for business. We have made continuous commitments to shaping the way we host businesses to encourage long term future prosperity. We realise that our ambitious aspirations for the district cannot be funded and delivered alone, therefore we work with key partners in backing county-wide initiatives that will impact and benefit our own business community. Our infrastructure and improvement plans must reflect the transactions of business that occur outside of the district and therefore must evolve to meet the needs of inbound and outbound movements.

Good infrastructure is not instantaneous and must go through rigorous and controlled processes before any decisions are made to ensure that plans are feasible and will achieve clear positive outputs that are value for money. Consultation and engagement with our residents and business communities aim to inform the decision making of proposed plans and allow us to share updates on project timescales.

We will achieve a district that is market ready and fit to do business in, meeting national standards and building on our competitive advantages to encourage economic growth:

2019/20 ACTIONS

We will do this by:

- Creating new employment sites fit for growth
 - Purchase and development of Great Notley, providing 63 acres of which 45 are developable & will generate 65,000m² of employment space.
 - Delivering the Braintree Enterprise Centre grow on space and securing at least one pre-let tenant from within on of the District's key sectors.
- Working in partnership with Essex County Council and Essex Highways to improve connectivity and widening, offering reliable and safe journeys, consequently enlarging labour markets and boosting productivity.
 - Commence delivery the A120 and A12 Improvements

- Commence delivery the Millenium Way Slips, creating new slip roads addressing capacity issues affecting the road network around Braintree, providing congestion relief and capacity at Galleys Corner.
- Investing in digital infrastructure to ensure new home growth will have the provision to obtain competitive services.
 - Invest £606k reach 99% superfast broadband coverage by 2020
- Improving existing industrial estates and business parks to retain businesses within the District and support business growth.
 - Installment of new signage at Springwood Industrial Estate
 - Supporting Witham Industrial Watch Business Improvement District in submitting a new BID.

MEASURING SUCCESS

	Baseline	Target 2019/20	Target 2020/21	Target 2021/22
Percentage of Superfast Broadband coverage across the district	71%	80%	90%	99%

4. STRATEGIC PARTNERSHIPS

Strategic Partnerships – Strengthening offers of support and access to funding opportunities.

Whilst Braintree District Council has an existing pool of skills and expertise, external partnerships are crucial in delivering business support as they are able to provide niche services that are recognised opportunities or gaps in the existing support landscape. Different partnerships can share the same goals, however they can be delivered differently and this is helpful to a wide and diverse business community such as the Braintree District.

Using partnerships to deliver shared goals is by no means a new concept, however we are becoming smarter in identifying which partnerships are able to deliver high performance outputs for businesses. Braintree District Council will participate in funding bids with partners to achieve business support goals. We control the referrals we make, and initiate the key introductions between named staff, so that referrals are streamlined with clear calls to action. We follow up all referrals to ensure that the partnership is fit for purpose.

Peer to peer partnerships are often the most valuable but the hardest to form as there are no outlets beyond social media and generic networking events for businesses of likeminded sectors, values or interests to initiate meaningful discussions. Braintree District Council see the value in people helping people and are creating a series of Excellence Clubs, hosted by guest businesses, to showcase how they overcome challenges and barriers to growth, sharing best practice in an increasingly competitive market.

Our key partners are:

- **BEST Growth Hub** – Providing access to relevant programmes and services for established businesses through ERDF sources.
- **Invest Essex** – Working to deliver a 'total solution' for businesses relocating or expanding in Essex UK, providing expertise in high growth sectors.
- **Haven Gateway Partnership**- Working with the leading experts in economic growth with local, national and global interests securing appropriate infrastructure to facilitate sustainable growth.
- **Superfast Essex** – Attracting grant funding and investment to improve digital infrastructure.
- **Essex County Council** – Internal teams for advice, guidance and infrastructure development.
- **Economic Development Officer Network** – Countywide expertise for best practice and joint opportunities.

- **South East Local Enterprise Partnership (SELEP)** - making investments and delivering activities to drive growth and create jobs.
- **Universities** – Knowledge Transfer Partnerships and access to funding opportunities.
- **Employment and Skills Board in Essex and Braintree** – High growth sector apprenticeships and skill development.

We will achieve a strengthened offer of business support services and accessing shared funded initiatives to deliver them for cost effectively.

2019/20 ACTIONS

We will do this by:

- Referring businesses to relevant partners to access support programmes.
- Exchanging knowledge and skills to help inform and improve business support services.
- Forming new partnerships to attract funding opportunities.

MEASURING SUCCESS

	Baseline	Target 2019/20	Target 2020/21	Target 2021/22
Amount of Funding Attraction	N/A	£50,000	£100,000	£50,000
Percentage increase in referrals resulting in an outcome focussed intervention	N/A	10%	10% increase from previous year	15% increase from previous year

FUNDING

Research project into exploring all relevant partners and stakeholders and their offers to support to identify new routes to programme and funding support and developing a streamlined and informed referral service for business support enquiries. Estimated cost: £3,000

5. BUSINESS INTELLIGENCE

Business Intelligence – Helping us to help businesses by minimising barriers to economic growth and supporting the needs of businesses.

The landscape of our business community is continually evolving. Braintree District Council is able to access reliable and timely business intelligence data, to monitor the changes in the business community from measurable indicators such as changes in employee numbers, turnover and movement in and out of the district, through to new sector growth and director demographics.

Accessing and analysing this data allows us to be responsive in our support services and delivery models and will allow us to address issues as they come into light. It allows us to increase our on efficiencies and increase productivities as we can identify the needs of our business community and tackle any challenges head on, assessing the market changes in real time.

It can support planning applications which are submitted by businesses, through providing measurable benefits of plans. It can also tailor communications by business demographic to ensure the key messages are distributed accordingly.

Being able to report on the value of our services is vital to the future of such services, for future opportunities and in particular, funding attraction. We are accountable for every pound invested in the economy, and assessing outputs of such investment allows us to review resource allocation and smarter ways of working.

We will achieve smarter working and informed service planning whilst minimising risks to economic growth within the district and tailoring our business support services to the needs of the business community.

2019/20 ACTIONS

We will do this by:

- Providing quarterly dashboards for the district to monitor economic growth trends including business turnover and employee movement to track successes and issues.
- Delivering a resilient model of business support through conducting service reviews to identify new trends and new sector growth.
- Supporting job growth and business expansion.
- Accelerating economic growth through supporting existing businesses and encouraging inward investment and business start-ups.
- Researching key issues that are/will affect businesses and informing business support services from findings.

MEASURING SUCCESS

	Baseline	Target 2019/20	Target 2020/21	Target 2021/22
District business incorporations	247	Data only indicator	Data only indicator	Data only indicator
District businesses	9,669	Data only indicator	Data only indicator	Data only indicator
District Business turnover	£4,031,720,000	Data only indicator	Data only indicator	Data only indicator
Businesses reporting 5%+ growth	1,989	Data only indicator	Data only indicator	Data only indicator
Businesses reporting 5%+ loss	2,319	Data only indicator	Data only indicator	Data only indicator

Business Support and Engagement Strategic Plan 2019-2021

BUSINESS ENGAGEMENT

Empowering our business community

We will:

- Manage and update online business content
- Distribute a business newsletter monthly
- Develop social media channels to build an online business community
- Capture and sharing good news stories/case studies to promote business engagement and support
- Conduct snap polls, surveys, consultation and collate compliments/complaints
- Conduct monthly business visits to build on service relationships
- Facilitate business meetings on key issues

BUSINESS SUPPORT

Supporting strong and sustainable economic growth

We will:

- Conduct monthly business visits to understand support needs
- Develop partnership-funded mentoring support
- Create a peer-to-peer support and interest network
- Share opportunities for funding initiatives locally and nationally
- Make relevant referrals to business support programmes, services and opportunities.
- Support Small/Medium Enterprises (SMEs) in the Logistics sector
- Explore the feasibility to build a bespoke building committed to providing support to the construction sector
- Conduct an annual Business Needs Assessment

INFRASTRUCTURE & CONNECTIVITY

Providing future proofed resources and connectivity to support business growth and expansion

We will:

- Create new employment sites
- Work in partnership to deliver the A120 and A12 Improvements
- Work in partnership to deliver the Millennium Way Slips
- Invest £606k in digital infrastructure to reach 99% superfast broadband coverage
- Deliver the Braintree Enterprise Centre grow on space
- Improve existing industrial estates and business parks

STRATEGIC PARTNERSHIPS

Strengthening offers of support and access to funding

We will:

- Refer businesses to relevant partners to access support programmes
- Exchange knowledge and skills to help inform and improve business support services
- Form new partnerships to attract funding opportunities

BUSINESS INTELLIGENCE

Minimising barriers to economic growth and supporting the needs of businesses

We will:

- Provide dashboards to monitor economic growth trends
- Deliver a resilient model of business support
- Support job growth and business expansion
- Encourage inward investment and business start-ups
- Conduct research on key issues

Civil Penalty Charging Policy		Agenda No:9a
Portfolio	Environment and Place	
Corporate Outcome:	A sustainable environment and a great place to live, work and play	
Report presented by:	Cllr. Mrs Wendy Schmitt, Cabinet Member for Environment and Place	
Report prepared by:	Colin Batchelor, Environmental Health Manager (Housing & Pollution)	
Background Papers:	Public Report	
Housing and Planning Act 2004	Key Decision: No*	
Housing and Planning Act 2016		
Executive Summary:		
<p>The Housing Act 2004 was amended by the Housing and Planning Act 2016 to allow local housing authorities to impose a civil penalty as an alternative to prosecution for certain housing offences:-</p> <ul style="list-style-type: none"> - Failure to comply with an improvement notice (Housing Act 2004 Section 30) - Offences in relation to licensing of HMOs under the Housing Act 2004 Part 2 (Housing Act 2004 Section 72) - Offences in relation to licensing of HMOs under Housing Act Part 3(Housing Act 2004 Section 95) - Offences of contravention of an overcrowding notice (Housing Act 2004 Section 139) - Failure to comply with Management regulations in respect of HMOs (Housing Act 2004 Section 234) <p>The new use of civil penalties, reduces the burden on Magistrates Courts and enables a faster means of imposing sanctions against offenders. This is particularly relevant with the introduction of the new Houses in Multiple Occupation (HMO) licencing requirement which came in to force in October of this year.</p> <p>The legislation now allows the Council to consider whether to prosecute or serve a civil penalty and where the decision is to serve a civil penalty the Council must consider factors which will determine the level of civil penalty.</p> <p>The maximum penalty is set at £30,000 for each relevant offence and this new policy sets out the process and factors which must be considered in determining the level of penalty. The principal behind the policy is that it should not be cheaper to offend than to comply with the law.</p> <p>The level of civil penalty will be set by the case officer in consultation with the Housing and Pollution Manager. Written representation from the proposed recipient of a Penalty</p>		

Notice will be considered and determined by the Housing and Pollution Manager in consultation with the Head of Governance. This is already covered through the Councils Scheme of Delegation.

There is an appeal process through the Residential Property Tribunal and scope to recover costs through the civil Courts if the recipient fails to pay the civil penalty. The policy is attached to this report as Appendix A.

Recommended Decision

To approve the new policy for Civil Penalty Charging.

Purpose of Decision: To ensure the Council has a robust policy in place to enable civil penalty notices to be served as an alternative to prosecution.

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

Financial:	Fines imposed by this policy can be kept by the Council to offset the costs of providing the service but cannot be used as a reliable income stream.
Legal:	The policy must be formally adopted to allow its use and properly constituted.
Safeguarding:	N/A
Equalities/Diversity:	Completed – No adverse effects. Equality Impact Assessment for Civil Penalty Charging Policy 2018.docx
Customer Impact:	Landlord and Property Agents only. Improvement to the standard of properties being rented out.
Environment and Climate Change:	N/A
Consultation/Community Engagement:	Landlords and property managers have been notified of the ability to use civil penalty charging.
Risks:	Legal challenge as to limitations of policy. Challenges to each notice served causing congestion in the RPT and excess workload for Council staff.
Officer Contact:	Colin Batchelor
Designation:	Environmental Health Manager
Ext. No.	2219
E-mail:	colba@braintree.gov.uk

APPENDIX A

CIVIL PENALTY CHARGING POLICY

Civil Penalties under the Housing Act 2004 (as amended by the Housing and Planning Act 2016)

1.0 Introduction

1.1 The Housing Act 2004 was amended by the Housing and Planning Act 2016 to allow local housing authorities to impose a civil penalty as an alternative to prosecution for certain housing offences. Prosecution of offences can be a very long drawn out process which can result in limited fines and significant legal costs for both sides but without resolving the particular issues.

Civil penalties offer a means of dealing with a case quickly and fairly without the offender receiving a criminal record and without incurring significant costs, provided it is properly considered and appropriately apportioned.

1.2 The list of offences that may be dealt with by way of a civil penalty are as follows.

- Failure to comply with an improvement notice (Housing Act 2004 Section 30)
- Offences in relation to licensing of HMOs under the Housing Act 2004 Part 2 (Housing Act 2004 Section 72)
- Offences in relation to licensing of HMOs under Housing Act Part 3 (Housing Act 2004 Section 95)
- Offences of contravention of an overcrowding notice (Housing Act 2004 Section 139)
- Failure to comply with Management regulations in respect of HMOs (Housing Act 2004 Section 234)

1.3 Civil penalty notices can be served on a landlord, or a property agent, or both if they have committed the same offence.

2.0 Factors in deciding whether to Prosecute or issue a civil penalty

2.1 Each case will be decided upon its own merits taking into account all the evidence available.

2.2 Where the Council Considers that a relevant Housing Act offence has been committed, it will determine the most appropriate course of action to take, including whether to prosecute or issue a civil penalty as an alternative to prosecution. A range of factors, including but not limited to the following, will be considered to determine the most appropriate enforcement option:

- The Seriousness of the offence.
- The immediacy of the risk.
- The history of an individual, including any previous non-compliance and convictions.
- Whether prosecution is in the 'public interest'.

- Whether the offence was committed as a result of a genuine mistake or misunderstanding, having regard to the seriousness of the offence.
- The likely 'human impact' the enforcement action will have in preventing future offences.

2.3 As a civil penalty is an 'alternative' to prosecution, the burden of proof test to be applied is that of **beyond all reasonable doubt**. Therefore before issuing a civil penalty the Council will satisfy itself that there would be a realistic prospect of conviction if the case were to be prosecuted in a Magistrates Court. In addition, the Council will endeavour to comply with the Council's prevailing corporate enforcement policy and all other prevailing Codes and Statutory Guides.

2.4 The Council may withdraw from the Civil Penalty Notice process at any time before the issuing of the final notice and proceed with a prosecution should it be deemed appropriate.

3 Factors determining the level of civil penalty

3.1 The law allows a maximum penalty of £30,000.00 to be imposed for each relevant offence.

3.2 When determining the appropriate level of financial penalty the Council will consider multiple factors including the following:

- The severity of the offence: the more serious the offence the higher the penalty.
- The culpability, history and compliance of the offender.
- The harm caused to the tenant/s and other relevant people.
- The 'real term' economic impact that a civil penalty punishment will have on the offender.
- The deterrent value that the civil penalty is likely to have on preventing the offender from repeating the offence or failing to meet their legal obligations in the future.
- The deterrent value that the civil penalty is likely to have on other landlords from committing similar offences.
- Removal of any financial benefits gained by the offender having committed the offence.

3.3 The type of harm will depend on the personal characteristics and circumstances of the victim. Where no actual harm has resulted from the offence the Council will consider the relative danger that persons have been exposed to as a result of the offender's conduct, action or inaction in addition to the likelihood of harm occurring and the gravity of the harm that could have resulted.

3.4 In determining the level of harm arising from an offence, the Council will have regard to any relevant consequences including:

- The harm caused to an individual/s i.e. physical injury, ill health and psychological distress.
- The harm caused to the wider neighbourhood and community i.e. economic loss and harm to public.

3.5 Factors that indicate a higher degree of harm include:

- Multiple victims.
- Serious or long term physiological and/or psychological effect on the victim/s.
- Victim/s vulnerability.

3.6 In determining the culpability of the offender/s, the Council will have regard to a number of factors including whether:

- The offender deliberately and/or intentionally caused harm.
- The offender knew the risk/s, for example they had been set out in a notice and the offender had failed to comply, or the risks would have been obvious to most people.
- The offender was reckless in their actions or failings by not having regard for the potentially harmful consequences of their actions.
- The offender was negligent by failing to take reasonable care or by doing something, or failing to do something that would have been reasonable to do. As for example failing to undertake, or have a competent person undertake, a fire risk assessment or failing to act upon the finding of such an assessment.

3.7 Where a civil penalty is deemed appropriate, to demonstrate transparency, the Case Officer will determine the financial level of the civil penalty by using the matrix and principles in appendix 1 as a starting point. Once the starting point on the matrix is determined the Case Officer may adjust this sum after taking into consideration any aggravating and/or mitigating factors. To ensure a consistency of application of this policy once the financial penalty has been determined by the Case Officer it will be reviewed by the Housing and Pollution manager and amended if deemed necessary.

4.0 Procedure for imposing a civil penalty

4.1 Where it has been determined that it is appropriate to impose a civil penalty as an alternative to prosecution, the council will follow the process set out within the Housing Act 2004. In summary:

- i. A notice of intent shall be served on the person suspected of committing the offence. The notice shall be served no more than six months after the Council has sufficient evidence of the conduct to which the penalty relates.

The notice shall specify

- a) The amount of any proposed financial penalty
- b) The reason for proposing the financial penalty
- c) Information about the right to make a representation to the Council.

- ii. The person to which the notice relates will be given 28 days to make a written representation to the Council about the proposal to impose a financial penalty. The representation may be via any legible written format.

iii. Following the 28 day period the Housing and Pollution Manager will review the case, including any representation, in conjunction with the Head of Governance to determine:-

- a) Whether to impose a civil penalty on the person, and
- b) The final appropriate value of any such penalty imposed.

iv. If the Council decides to impose a civil penalty, a final notice shall be issued imposing that penalty. The final notice will specify:

- a) The amount of the financial penalty
- b) The reason for imposing the penalty
- c) Information about how to pay the penalty
- d) The period for payment of the penalty
- e) Information about rights of appeal to the First Tier Tribunal
- f) The consequences of failure to comply with the notice.

v. A person who receives a final notice may appeal to the First Tier Tribunal against:

- a) The decision to impose the penalty: or
- b) The amount of the penalty.

vi. The Council may, at any time:

- a) Withdraw a notice of intent or final notice; or
- b) Reduce the amount specified in a notice of intent or final notice.

Should the Council decide to take either of the actions above, it will write to the person to whom the notice was served and inform them of the action it has taken.

5.0 Level of Penalty

5.1 The level of the financial penalty is to reflect the extent to which the offender fell below the required standard and the detrimental impact or possible detrimental impact of that failure. The financial penalty is to meet in a fair and proportionate way, the objectives of punishment, deterrence and removal of gain derived through the commission of the offence; **it should not be cheaper to offend than it is to comply.**

6.0 Remedying the offence committed

6.1 The imposition of a financial penalty does not negate in anyway the landlord's responsibility and obligation to ensure that the property meets the required standards should it continue to be let. A failure to undertake the required remedial action may necessitate the Council undertaking works in default for those works specified in an improvement notice, for example. In such instances,

the Council will place a charge on the property through land charges and include a minimum 10% surcharge.

7.0 Payment of a civil penalty

- 7.1 If, after any final determination or withdrawal of an appeal, a person receiving a financial penalty does not pay all or part of the penalty charge, the Council will use any lawful process, including the use of the County Court and bailiffs, to enforce the order and recover the debt. Where appropriate, the Council will also seek to recover from the person on whom the financial penalty was imposed the costs incurred in taking this action.

8.0 Recording the decision.

- 8.1 The reasons for determining to proceed with a civil penalty notice, the reason for determining the level of that penalty and the outcome of any appeal or representation shall be recorded and retained on the working file notes.

9.0 Database of Rogue Landlords

- 9.1 Where a landlord receives two or more civil penalties within a 12 month period, irrespective of the serving Housing Authority, the Council will consider whether or not it would be appropriate to include the licence holder's details in the national database of rogue landlords and property agents.

APPENDIX 1:

Civil Penalty Matrix

Step 1 – Determining the offence category

To determine the financial starting point, the culpability and harm factors in the lists below shall be considered. Where an offence does not fall squarely into a category, individual factors may require a degree of weighting to make an overall assessment.

Culpability

Extreme

- Deliberate failure to comply with legal obligations.

High

- Knew or ought to have known a breach of legal responsibilities exists and/or
- Wilful blindness to the risk of offending and/or
- Non-compliance over a long period and/or
- Ignoring concerns raised by regulators, tenants or others.

Medium

- Offence committed through an act or omission which a person exercising reasonable care would not commit.

Low

Offence committed with little fault, for example, because:

- Significant efforts were made to address the risk although they were inadequate on this occasion.
- Failings were minor and occurred as an isolated incident.

Harm

High

- The property conditions pose a high risk of serious adverse effects to the occupants and/or visitors

Medium

- The property conditions pose medium risk of serious adverse effects to the occupants and/or visitors.

Low

- The property conditions pose a low risk of serious adverse effect to the occupants and/or visitors.

Step 2 – Starting point

Having determined the culpability and harm levels, the appropriate offence matrix will be referred to in order to calculate the starting point for the civil penalty.

HARM

	LOW	MEDIUM	HIGH
LOW	£1000	£2000	£4000
MEDIUM	£2000	£4000	£8000
HIGH	£4000	£8000	£15,000
EXTREME	£10,000	£15,000	£25,000

Step 3 – Consider factors to increase or reduce the civil penalty

The Case Officer will, after taking into account aggravating and mitigating factors, consider whether any adjustments should be made from the starting point. Set out below is a non-exhaustive list of factors that will be considered, either in combination or individually, to determine whether or not a downwards or upwards adjustment will be made from the starting point. The maximum penalty shall not exceed that permissible under the current legislation.

Factors increasing seriousness

Aggravating factors include

- History of failing to comply with obligations.
- Motivated by financial gain.
- Deliberate concealment of illegal nature of activity.
- Established evidence of wider/community impact.
- Obstruction of justice.
- Landlord or agent of multiple properties which may include licensed HMOs.

Factors reducing seriousness or reflecting personal mitigation

- Steps taken to remedy the problem.
- High level of co-operation with the investigation, beyond that which will always be expected.

- A history of good communication and compliance regarding work as a landlord.
- Co-operation and acceptance of responsibility.
- Mental disorder or learning disability, where linked to the commission of the offence.
- Serious medical conditions requiring urgent, intensive or long-term treatment.
- Age and/or lack of maturity where it affects the responsibility of the offender.

Step 4 - Review offender's financial means – Prior to any Final Notice

The level of civil penalty must be proportionate to the seriousness of the offence and the financial circumstances of the offender.

The council may conclude that the offender is able to pay any penalty imposed unless the offender has supplied financial information to the contrary. It is for the offender to disclose to the council such data relevant to his/her financial position.

The Council reserves the right to request further information to support any financial claim, and where this is incomplete or not sufficiently evidenced may determine that the offender is able to pay the financial penalty.

Step 5 – Case and penalty review

After reviewing the offender's financial status and all other relevant information the Council may increase or reduce the proposed financial penalty reached at the end of step four.

Step 6 – Data recording

The reasons for determining to proceed with a civil penalty notice, the reason for determining the level of that penalty and the outcome of any appeal or representation must be recorded and retained on the working file notes.

Proposed Development of New Healthcare Facilities on the Premdor Site in Sible Hedingham		Agenda No: 10a
Portfolio	Asset Management	
Corporate Outcome:	<p>A well connected and growing district with high quality homes and infrastructure Residents live well in healthy and resilient communities where residents feel supported Delivering better outcomes for residents and businesses and reducing costs to taxpayers</p>	
Report presented by:	Councillor John McKee, Portfolio Holder for Corporate Services and Asset Management	
Report prepared by:	Andrew Hull, Head of Strategic Investment	
Background Papers:		Public Report
<p>The relevant Agenda and Minutes for the:</p> <ul style="list-style-type: none"> • Cabinet 9th July 2018 • Cabinet District Investment Strategy Report 23rd May 2016 • Corporate Strategy 2016-2020 		Key Decision: Yes
Executive Summary:		
<p>Under the new District Local Plan (2017-2033) there will be significant housing and employment growth in the District over the Plan period.</p> <p>The adopted Corporate Strategy sets out Council priorities for the period 2016-2020. The Strategy identifies the need to increase the number of homes to meet the needs of our current and future residents, together with supporting our residents to be healthy and live well in the District. The Strategy also identifies that there is a need for the right foundations to be in place to support the growth.</p> <p>The Council's District Investment Strategy recognises the need for the Council to provide investment in infrastructure improvements to support growth across the District and provide a return for the Council. Improved healthcare provision has been identified as a key priority area, both to support growth and replace outdated, unfit-for-purpose existing provision. Through the District Investment Strategy, the Council has already delivered a modern healthcare facility at Church Lane, Braintree and is planning to deliver a Live Well Hub as part of the proposed Manor Street Regeneration.</p> <p>Working in partnership with NHS England, the Council has identified an opportunity to deliver a new healthcare facility on the Premdor site in Sible Hedingham and create a valuable property investment for its commercial portfolio. The existing doctors' surgeries in Sible Hedingham and Castle Hedingham do not meet modern standards and do not</p>		

allow a wider range of healthcare services to be delivered. The NHS is therefore looking at the opportunity to jointly relocate these surgeries into a modern scheme on the Premdor site.

In July 2018, Cabinet approved £80,000 of unallocated New Homes Bonus to enable a fully costed design to be undertaken. Furthermore, the scheme features in the NHS's Sustainability Transformation Plan and the NHS has signed off a Project Initiation Document to enable this project to move forward.

The required level and uncontaminated clean land will be transferred to the Council at nil cost as part of the Section 106 Agreement obligations connected with Bloor Homes' Premdor development.

A high-level financial appraisal has been carried out which indicates that this development scheme should provide a return within the Council's acceptable investment parameters and provide a small annual surplus to support the General Fund.

Recommended Decision:

That Cabinet approves:

1. The principle of the proposed development as set out in the report, and approval for the implementation of the proposed development.
2. The following delegations to the Corporate Director (Sustainable Development) in consultation with the Cabinet Member for Corporate Services and Asset Management to:
 - a. Approve the project key decision gateways outlined in the report.
 - b. Approve the submission of a full planning application, provided that the terms set out in the report are met;
 - c. Approve the commencement of a tender process for construction contracts subject to the planning application being submitted and validated by the planning authority;
 - d. Approve the Agreement for Lease relating to building, land, access and the management of third party interests within the budget for the project and within the agreed gateways;
 - e. Approve entering into an appropriate build contract with the Council's selected contractor, provided the terms set out in the report are met;
 - f. Approve entering into necessary service contracts for ongoing maintenance and management of the site within the budget for the project.
3. The proposal for Braintree District Council to fund and deliver the Healthcare Centre together with a recommendation to Council to approve an overall capital budget towards the project scheme for all professional, construction and associated scheme development costs.

4. Delegation to the Corporate Director (Sustainable Development) in consultation with the Cabinet Member for Corporate Services and Asset Management, to approve revised scheme costs with the ability to vary costs based on a 5.00% variation to the total scheme costs.

That Cabinet recommends to Council:

1. That Council notes the principles of the decisions of Cabinet and approves an overall capital budget towards the project scheme for all professional, construction and associated scheme development costs, and including an allowance for up to 5% cost variation.
2. That Council notes that funding of the project costs (excluding the amount already approved from unallocated New Homes Bonus) is currently proposed to be from prudential borrowing, subject to the Corporate Director (Finance) reviewing the overall financing of the capital programme taking account of the potential availability of the capital balances over the period of the Medium-Term Financial Strategy.

Purpose of Decision:

To enable the Council to facilitate the provision of much needed modern, fit-for-purpose healthcare facilities in Sible Hedingham.

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

Financial:	<p>Approval has already been given to £80,000, funded from unallocated New Homes Bonus, to be spent on the detailed design of the scheme.</p> <p>The financial appraisal assumes that funding for the balance of the scheme's cost is from prudential borrowing, repaid over a period of 40 years. The net impact on the General Fund revenue account is a small surplus of £12,804 per annum (after allowing for non-recoverable management and maintenance costs, and the cost of borrowing, i.e. interest at 2.9% per annum, and minimum revenue provision).</p> <p>The Base Case appraisal excludes inflation but also any potential rental growth arising from the triennial rent reviews which are provided for in the draft Heads of Terms for the lease with the GPs.</p> <p>No future lifecycle capital costs have been included in the financial appraisal, which would be reflected in the Council's overall planned maintenance programme.</p> <p>Forecasts over the medium-term suggest that the Council could have a balance of capital resources available (subject to completion of a number of land sales). These resources could be used in lieu of borrowing and which would improve the General Fund revenue position of the scheme. The Corporate Director (Finance) will keep this position under review as part of the overall capital funding strategy</p> <p>Subject to obtaining further specialist VAT advice, the initial intention is for the Council to opt to tax the development in order that the VAT on the construction works and associated costs is recoverable.</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 6.6.</p>
Legal:	<p>Agreement of all lease documents, determination of Title and agreement of the eventual construction contract are being undertaken by the Council.</p> <p>Transfer of the land under the terms of the relevant Section 106 Agreement is dependent upon Bloor Homes delivering a level, uncontaminated site within the required timescales.</p> <p>All professional team appointments have been made in compliance with the relevant procurement regulations.</p>

	<p>Selection of the eventual main construction contractor will be via a competitive tender process, compliant with all relevant procurement rules. The main contractor will be engaged on the basis of an appropriate and robust design-and-build contract to reflect risk and protect the Council's interests.</p> <p>Members must be mindful that the decision to proceed with this project, including the submission of a planning application, does not determine the approach the Council (through the Planning Committee) will take when determining the application which will be made in relation to relevant planning policy requirements.</p>
Safeguarding:	All members of the professional team and the eventual main construction contractor are required to provide satisfactory safeguarding policies as a prerequisite for selection.
Equalities/Diversity:	<p>The new buildings will comply with all relevant disabled access requirements.</p> <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.</p> <p>There are no indications that to proceed with this project would have an impact on the protected characteristics for any individuals.</p>
Customer Impact:	<p>This scheme will deliver better outcomes for residents.</p> <p>It will provide improved healthcare provision for the patients of the existing Hilton House Surgery in Sible Hedingham and Castle Surgery in Castle Hedingham. This development will also provide a valuable additional source of income which will enable the Council to continue to deliver good quality services to its customers and provide value for money.</p>
Environment and Climate Change:	The new healthcare facilities will comply with all relevant current environmental, energy efficiency and climate change regulations and achieve BREEAM Excellent standard.
Consultation/Community Engagement:	<p>The proposed development by the Council of the new healthcare facilities will be subject to Cabinet and Council approval.</p> <p>The Council is currently consulting with NHS England, Mid Essex CCG and partners from both surgeries regarding the new scheme proposals.</p>

	<p>The development of a detailed scheme design will involve consultation and engagement with all partners and stakeholders.</p> <p>Any planning application for new healthcare facilities on the Premdor site will be subject to public consultation.</p>
Risks:	See Risk Matrix in the main body of this report.
Officer Contact:	Andrew Hull
Designation:	Head of Strategic Investment
Ext. No:	2580
E-mail:	andrew.hull@braintree.gov.uk

1 Background

- 1.1 The Council's Corporate Strategy and its Plan for Growth include a number of objectives:
- Ensuring the District is well-connected, with high-quality homes and infrastructure;
 - Ensuring residents live well in healthy and resilient communities where residents feel supported;
 - Ensuring the Council is a high-performing organisation that delivers excellent, value for money services;
 - Delivering better outcomes for residents and businesses and reducing costs to taxpayers.
- 1.2 Under the terms of a Section 106 Agreement between Braintree District Council and Bloor Homes in respect of the Premdor development site in Sible Hedingham, the Council is due to receive 2,477 m² (0.61 acres) of vacant land to be used for the provision of healthcare. There are no provisions within the Agreement requiring the healthcare land to be handed back to the developer if it is not developed within a specific time period.
- 1.3 According to the terms of the Section 106 Agreement, the healthcare land must be delivered as a level and uncontaminated site, within months of the grant of planning permission, subject to the Council serving the necessary notices on Bloor Homes.
- 1.4 In parallel with the formal mechanism for securing the land outlined above, discussions are ongoing between the Council's Strategic Investment Team and senior management at Bloor Homes. The purposes of these discussions is to expedite the transfer of the site, which could result in the Council securing ownership of the land quicker than would be the case under the formal mechanism.
- 1.5 The Council has been advised that the NHS is exploring the opportunity to jointly relocate the two existing doctors' surgeries situated in Sible Hedingham and Castle Hedingham within a single, modern, facility on the healthcare land allocated on the Premdor site.
- 1.6 This scheme features in the NHS's Sustainability Transformation Plan and the NHS has signed off a Project Initiation Document to enable this project to move forward.
- 1.7 The existing doctors' surgeries do not meet modern standards and do not allow a wider range of healthcare services to be delivered. Currently, the combined target list size of the surgeries is 8,800 patients. The NHS estimate that the proposed facility will deliver capacity to increase the list size to 10,000 patients.
- 1.8 Planning Policy colleagues have confirmed that the completed, consented and allocated sites (2018-2033) are projected to add 126 new homes in the Castle Hedingham and Sible Hedingham parishes.

- 1.9 As with a number of other projects associated with the re-provision of modern healthcare facilities in the District (e.g., Church Lane Surgery and Manor Street Live Well Hub) it would appear appropriate for the Council to become involved in facilitating the delivery of the new healthcare facility on the Premdor site to enable this scheme to move forward as quickly as possible.
- 1.10 Given that the Council will be receiving the allocated healthcare land from Bloor Homes under the terms of the Section 106 Agreement, it is well-placed to fund and deliver the required new premises and also secure a high-quality asset.
- 1.11 Consultants AHR Global, the architects appointed by the Council to design the Manor Street Regeneration scheme, have been appointed to design the healthcare centre. Potter Raper Partnerships (PRP), also part of the Manor Street Regeneration professional team, are acting as cost consultants were both appointed.
- 1.12 In addition, NHS England have agreed in writing to underwrite design fees to planning up to £80,000 and the GPs have written a letter of intent committing to signing the Heads of Terms by the GPs before Cabinet and signing the lease before a contractor starts on site.
- 1.13 The current design is for a circa 700m² single-storey, modern BREEAM Excellent building with nine rooms for treatment and consultation, a 60 seat waiting room, 25 dedicated parking spaces (nine further spaces to be shared with Osier House), room for buggies, separate rooms for storage, admin, record keeping and with room for future expansion. The current design proposes to make more efficient use of the Premdor site by making the car park a shared space between the Health Care Centre and the Osier House business centre.
- 1.14 Once the final design is fixed, the District Valuer will be instructed to undertake a formal valuation. It is expected that the valuation will confirm the rent levels assumed within the financial appraisal, which are based on average rental figures provided by NHS England in October 2018. This will mean the rent and service charge will cover any borrowing costs for the design and build of the centre over 40 years and provide a small annual surplus that can be used to support frontline services.

2 Design Scheme Proposals for Healthcare Centre

2.1 The current design proposals include:

- A state of the art BREEAM Excellent health care centre;
- 746m² gross internal area;
- Nine rooms for treatment and consultation;
- A 60 seat waiting room;
- 25 parking spaces (25 dedicated, 9 shared with Osier House);
- Room for buggies;
- Separate rooms for storage, admin, record keeping;
- Room for future expansion.



- 2.2 **Project Cost and Funding** - The detailed design proposals have been costed by the Council's quantity surveyor, Potter Raper Partnership (PRP). In July 2018, Cabinet approved £80,000, funded from unallocated New Homes Bonus, to enable a fully costed design of the proposed healthcare facility to be undertaken. Current medium term forecasts indicate the potential availability of Council capital resources (subject to completion of a number of land sales) which could be used in lieu of all/ part of this borrowing, and therefore improve the General Fund revenue impact of the scheme. .
- 2.3 **Project Revenue** - The income streams supporting the project are from two sources: rent payable by GPs for the building and rent payable by the GPs for the car parking spaces. At the point that design is fixed, the District Valuer will be instructed to undertake a formal valuation. It is expected that the valuation will confirm the rent levels assumed within the financial appraisal, which are based on average local levels, as advised by NHS England in October 2018. The Draft Heads of Terms for the lease includes provision for triennial upward only rent reviews. The initial rental yield (including parking) equates to 4.8% per annum, before finance, and 1.9% after finance. The GPs will also be responsible for paying a service charge that will cover the majority of all annual maintenance and running costs of the premises.
- 2.4 The Base Case financial appraisal indicates a General Fund net surplus of £12,804 per annum which can be used to support front-line services. This is after making allowance for non-recoverable management and maintenance costs, as well as borrowing costs using an assumed cost of finance of 2.9% per annum, and repayment over an estimated asset life of 40 years. This position could improve in future years as rents are subject to triennial review. The initial lease term proposed for the GPs is 20 years, which does mean there is a future risk on the availability of funding for borrowing costs. The appraisal does not take into account any future lifecycle capital investment which may be assessed as part of the Council's overall planned maintenance programme.

3 Risks and Liabilities

3.1 A full risk plan which considers all risks associated with the project, together with the Council's long-term liabilities in relation to this project, has been completed. All risks are monitored regularly and reported through the District Growth Officers Group and it is proposed that the Council approve key decisions in the three Gateways on funding, design, tender, cost and legal implications before committing to the next stage. The key risks are highlighted below:

Category	Risk Identification	Impact or Implication	Likelihood	Impact	Severity	Current Status	Control Method and or actions	Progress against control actions	Ownership	OPEN / CLOSED?
2.2 Legal and Statutory Controls	Delay in receiving transfer of uncontaminated land.	Cannot develop on site not owned, potential impact on programme	M	H	A	1	Diligent management of legal process, including timely service of notices.	Outstanding	Strategic Investment Team	OPEN
2.3 Legal and Statutory Controls	GPs do not sign Heads of Terms	Delay to cabinet report	M	H	A	1	Draft HoTs circulated for comment	Awaiting feedback from GP legal team	GPs	OPEN
2.4 Legal and Statutory Controls	GPs do not sign Agreement for lease	Delay to issuing contract	M	H	A	2	Draft HoTs circulated for comment	Awaiting feedback from GP legal team	GPs	OPEN
9.1 Financial	Rental values are lower than anticipated	Lower revenue and less profit	M	H	A	1	Need feedback from DV and NHS	Outstanding	Strategic Investment Team	OPEN
9.2 Financial	Build Costs are higher than anticipated	Lower revenue and less profit or additional capital funding required by the Council	M	H	A	1	QS cost plans need to be robust	Cost plans are robust	QS	OPEN

4 Impact Assessment

- 4.1 The scheme design and proposed uses have been developed to align closely with the Council's current Corporate Strategy and the individual objectives contained therein:

Corporate Strategy Objective	Direct Impact of Proposed Scheme
A sustainable environment and a great place to live, work and play.	<ul style="list-style-type: none"> • Delivery of a sustainable healthcare centre, achieving BREEAM Excellent standard; • Modern fit-for-purpose building that can treat patients more effectively and allows for the growth of the community.
A well-connected and growing District with high-quality homes and infrastructure.	<ul style="list-style-type: none"> • The healthcare facility is designed to allow for growth of patients due to the growth of housing.
A prosperous District that attracts business growth and provides high-quality employment opportunities.	<ul style="list-style-type: none"> • Likely increase in clinical and admin staff, due to increase in GP capacity; • Provision of high-quality primary healthcare facilities to assist in meeting needs of growing population.
A high performing organisation that delivers excellent value for money.	<ul style="list-style-type: none"> • Scheme delivers a positive return on investment in the long-term; • Rental income provides a long-term revenue stream and delivers positive effect on annual net General Fund income; • Generation of business rates; • Significant high-quality asset added to Council's portfolio.

5 Consultation

- 5.1 The genesis of the scheme design has been a consultative process, with the Project Team meeting monthly since inception, regular liaison on key operational issues with appropriate Council colleagues and regular updates to District Growth Officer Group Management Board, Portfolio Holders and Cabinet.
- 5.2 There has been regular consultation with the GPs of both surgeries, a specialist surveyor representing the surgeries and NHS England to review the design. The planning process will ensure further consultation with the community.

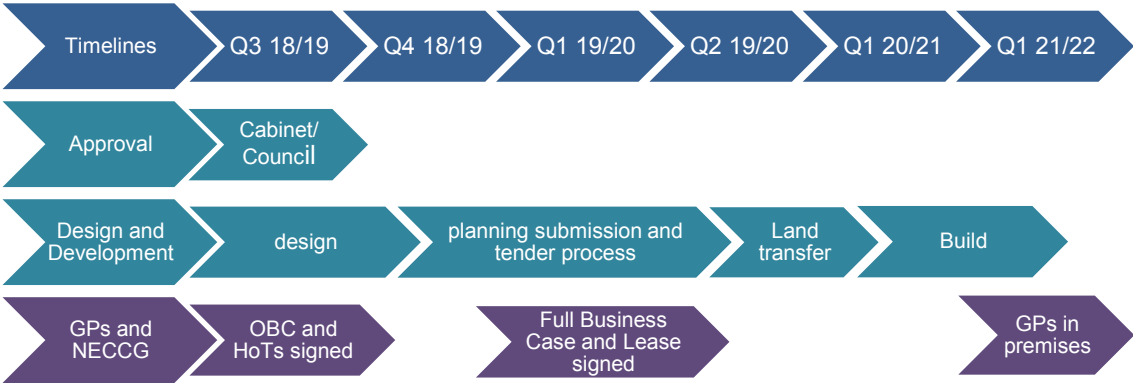
6 Member Engagement

- 6.1 To date there has been regular engagement with the relevant portfolio holders allowing the project to be developed with a strong steer from key Members.

6.2 If this report is approved by Members an application will be submitted for detailed planning permission and determined by Planning Committee. The Committee will consider the application on its planning merits rather than on the basis of any commercial interests that the Council has in the proposed scheme.

7 Programme and Decisions Gateway

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



7.2 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 – Q3 2018/19:	<ul style="list-style-type: none"> • Cabinet and Council approval secured; • Heads of Terms signed by GPs; • Approval of NHS Outline Business Case.
Gateway 2 – Q4 2018/19:	<ul style="list-style-type: none"> • Stage 3 and planning drawings and cost plan and all supporting documents approved by Corporate Director and Cabinet Member for Corporate Services and Asset Management; • Submission of detailed planning application; • District Valuer confirmation of rent levels; • Tender documents for the procurement of a contractor for upload.
Gateway 3 – Q2 2019/20:	<ul style="list-style-type: none"> • Planning consent granted; • Service of land transfer notices; • Agreement for Lease signed by GPs; • Tender report and contract sum for build; • Approval of NHS Full Business Case.
Gateway 4 – Q1 2020/21	<ul style="list-style-type: none"> • Transfer of land to Council-ownership; • Let build contract.

7.3 It should be noted that the above indicative programme and Gateway dates are based on the formal mechanism for the Council securing the land. Should the Council succeed in securing the land through a quicker timeframe, the programme will contract accordingly.

8 Value for Money

- 8.1 Demonstrating that the proposed investment provides the Council with value for money is a key objective of the project.
- 8.2 The Council's procurement procedures have been adhered to in order to appoint appropriate consultants. The eventual main contractor will be selected through a competitive process, assessed on the basis of value for money, alongside appropriate quality measures. As the cost consultant, PRP will be required to assess the tender returns and confirm that the successful return is competitive, reflects prevailing market conditions and represents value for money.

9 Communications and PR

- 9.1 The Council's Communications team are aware that they will need to liaise with the GPs to ensure patient communication is managed effectively.

10 Summary

- 10.1 Approval of the proposals contained within this report will enable the Council to deliver much-needed modern, fit-for-purpose healthcare facilities in Sible Hedingham. The proposals will make a direct, positive impact on Corporate Strategy objectives, whilst generating a small financial return which will assist in underpinning the delivery of services in the long-term.

CABINET
26th November 2018



Cabinet Member Decisions made under delegated powers	Agenda No:11
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:	
<p>All delegated decisions taken by individual Cabinet Members are required to be published and listed for information on next Cabinet Agenda following the decision.</p> <p>Since the last Cabinet meeting the following delegated decisions have been taken (details as at time of decision):</p> <p>Councillor David Bebb - Cabinet Member for Finance and Performance. Decision taken on 27th September 2018</p> <p>To agree the Council submitting a tender for Greenfields Community Housing's Ground maintenance contract and to approve the financial model and Year 1 tender price which annual price uplifts over the following four years of the contract.</p> <p>Councillor Mrs Wendy Schmitt - Cabinet Member for Environment and Place. Decision taken on 12th October 2018</p> <p>To approve the application under Section 42 of the Public Health Acts, Amendment Act 1890 submitted by Birdbrook Parish Council to erect an ornate village sign on the parcel of highway land outside St. Augustine's Church opposite the property known as "Brooklyn", The Street, Birdbrook.</p> <p>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</p>	
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.
Legal:	None arising out of this report.
Safeguarding:	None arising out of this report.
Equalities/Diversity:	None arising out of this report.
Customer Impact:	None arising out of this report.
Environment and Climate Change:	None arising out of this report.
Consultation/Community Engagement:	None arising out of this report.
Risks:	None arising out of this report.
Officer Contact: Chloe Glock	
Designation:	Governance Business Officer
Ext. No:	2615
E-mail:	chloe.glock@braintree.gov.uk