

# Cabinet

Item  
7(i)

4 September 2019

Report of	Strategic Director of Policy & Place Interim Section 151 Officer Monitoring Officer	Author	Ian Vipond ☎ 282992 Paul Cook ☎ 505861 Andrew Weavers ☎ 282213
Title	North Essex Garden Communities Ltd – Approval of 2019/20 Interim Business Plan and Budget		
Wards affected	All		

## 1. Executive Summary

- 1.1 North Essex Garden Communities Ltd (NEGC Ltd) was established in January 2017 by Colchester Borough, Braintree, and Tendring District and Essex County Councils (the company shareholders) and is the current 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.
- 1.2 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 opportunities, and resources. NEGC Ltd is the largest and most ambitious project in the programme.
- 1.3 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 that are required to ensure the effective operation of the company moving forward.
- 1.4 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 the 2019/20 Interim Business Plan and Budget.
- 1.5 The Board of NEGC Ltd has agreed an Interim Business Plan for 2019-20 for approval by its shareholders setting out the vision, objectives, workstreams and funding requirements for the company in order to continue to support delivery of North Essex Garden Communities. The primary tasks during the year are to assist the North Essex

Authorities with the work required for the Local Plan Section 1 Examination in Public; undertake public engagement to increase awareness and understanding of a range of key topic areas relevant to the garden community principles; evolve the approach to economic development, masterplanning, innovation, programme funding, governance and delivery, including consideration of the transition towards a locally-led development corporation as one of a number of delivery vehicle options for the NEGC project. The potential for the establishment of a Locally-Led Development Corporation will form part of an options appraisal for future delivery of the NEGC programme.

- 1.6 The 2019-20 Interim Business Plan is a precursor to the future preparation at the appropriate time of a 5-year Business Plan, which will be progressed when further progress is made with the Local Plan Section 1. 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.
- 1.7 At the end of March 2019 the council shareholders of NEGC Ltd agreed the following milestones:
- Local Plan (submission of evidence) – October 2019
  - NEGC Public Engagement – October & November 2019
  - Outline Business Case for Delivery Options – initial draft November 2019 and final draft in January for Council approval in February & March 2020
  - NEGC Business Plan 2020/21 & 2021/22 – initial draft November 2019 and final draft in January 2020 for Council approval in February & March 2020
- 1.8 The 2019-20 Interim Business Plan includes a draft budget for 2019/20, which requires agreement of shareholders (as part of agreeing the Interim Business Plan). The draft budget for 2019/20 includes expenditure of £2.131m. The assumed income includes an additional £350,000 phased contribution from each shareholder Council within 2019/20, which is subject to review. The budget currently assumes an additional £600,000 from Government in 2019/20. 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 2019/20 Interim Business Plan so as to mitigate the budget shortfall. In these circumstances Councils will be provided with a further update. The balance of £131,000 will be funded from income received in 2018/19 and carried forward into 2019/20. This report therefore seeks agreement to commit £350,000 from the Council subject to a formal request from NEGC Ltd Board.
- 1.9 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 at some point in the future a significant part of the 2019/20 budget will pass to NEGC Ltd, with the remainder of costs retained within Colchester Borough 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 this allocation will be determined by the shareholder council's Section 151 officers.
- 1.10 Beyond 2019/20 and assuming that Section 1 of the Local Plans has been adopted by the North Essex Authorities, it would then be an appropriate time to move away from public revenue (grant) funding and obtain securitised external finance to fund the progression of detailed planning and set-up of the preferred delivery vehicle. It is envisaged that this set-up process will begin in 2020/21 and take around two years with a budget in the range of £16m to £20m across a two-year period. Depending on the type and nature of external finance obtained it is anticipated that there would be a need for on-going financial undertakings or support from shareholders. Thereafter, it is envisaged

that longer-term finance will be required to support 'on the ground' development activity from 2022/23 onwards, which would also be used to pay back the shorter-term finance required for 2020/21 and 2021/22.

- 1.11 This report also references the importance of the topic of Garden Community stewardship and how detailed consideration of this issue by the Councils will be required in the near future.
- 1.12 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.

## **2. Recommended Decisions**

- 2.1 To approve the 2019/20 Interim Business Plan and Budget (subject to confirmation of government funding) for NEGC Ltd as attached at Appendix A;
- 2.2 To authorise the Section 151 Officers to agree any future allocation of the project funds held by Colchester Borough Council between NEGC Ltd and the North Essex Authorities;
- 2.3 To recommend to Full Council that it approves committing £350,000 already reserved in the 2019/20 Budget and the associated delegations to enable phased drawdowns upon a formal request by way of a NEGC Board resolution in accordance with the agreed milestones;
- 2.4 To note that a report will be considered at a future Cabinet meeting in respect of funding requirements and financing options for 2020/21 and 2021/22.

## **3. Reasons for Recommended Decision**

- 3.1 To seek Cabinet's ongoing support, working together with Braintree and Tendring District Councils, Colchester Borough Council and Essex County Council, to progress the concept of 'garden communities' and to approve the Interim Business Plan for 2019/20 for NEGC Ltd and specific governance arrangements for the project.

## **4. Alternative Options**

- 4.1 No further options are being presented within the context of this report, as the alternative decision would be not to approve the 2019/20 Interim Business Plan and Budget.

## **5. Background Information**

- 5.1 Colchester Borough Council, Braintree District Council, Tendring District Council and Essex County Council (the North Essex Authorities) as Shareholders for NEGC Ltd have for the last four years been working on an agreed strategic approach to the allocation and distribution of large scale, mixed-use developments, including employment opportunities and infrastructure provision, in the form of Garden Communities through the Local Plan process.
- 5.2 As part of this agreed approach, the Cabinets 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 Ltd Shareholder Agreement, with each Authority holding an equal shareholding.

- 5.3 Since this approval, NEGC Ltd was formally established in January 2017 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 has been meeting every two to three months.
- 5.4 In September 2017, the 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 by Members of this approach alongside other delivery vehicle options in the form of an options appraisal.
- 5.5 In November 2018 the Cabinet of each Authority approved the 2018/19 Interim Business Plan and accompanying budget as well as Financial Procedure Rules for NEGC Ltd. Key tasks for 2018/19 were 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 Locally Led Development Corporation will form part of an options appraisal of a range of options for future delivery of the NEGC programme.
- 5.6 In order to enable NEGC Ltd to move forward it is required to adopt a further Interim Business Plan and approve its budget for the 2019/20 financial year. Under the terms of the Shareholders Agreement, NEGC Ltd is permitted to operate under an interim business plan and the board shall determine until such time as a long-term business plan is adopted.
- 5.7 The NEGC Ltd board has recently approved an Annual Review for 2018/19 which provides details of the outcomes in relation to the NEGC programme.

### **2019/20 Interim Business Plan**

- 5.8 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 a 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 for the garden communities.
- 5.9 The Shareholder Agreement requires the Long-Term Business Plan to be submitted to the Shareholders within three months of the full NEGC Ltd Board being appointed. The full Board was established in January 2017. However, the production of the Long-Term Business Plan has not been possible to date, due to ongoing discussions around the future delivery model.
- 5.10 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 17 January 2019 that the Company may operate under an Interim Business Plan for 2019/20

- 5.11 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 2019/20 Interim Business Plan (Appendix A) for NEGC Ltd has been produced for the 2019/20 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 the delivery strategy including a potential locally-led development corporation.
- 5.12 The 2019/20 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 bringing forward a number of priorities during 2019/20 to move the Garden Communities towards the delivery phase. The key operational priorities include:
- Assisting the North Essex Authorities in their planning capacity by carrying out further work in relation to the Local Plan evidence base including: additional infrastructure, delivery and phasing work; employment floorspace forecasting; demonstrating the viability of the Garden Communities; input into the overall Transport work, including proposals for a Rapid Transit System, and supporting the Council's and presenting evidence on deliverability at the re-opened Examination in Public for Part 1 of the Local plan;
  - Continuing with high-level engagement with the existing and proposed new communities on a number of key topics to give them a strong sense of participation in and ownership of the emerging new Garden Communities;
  - Continuing to ensure that the North Essex Economic Strategy maximises benefits to Garden Communities and the area as a whole;
  - Evolving the best approach for delivery strategy including a locally-led Development Corporation(s) in North Essex with Government, including the preparation of a locally – led development corporation operating structure and funding requirements for testing with funders;
  - Working 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 Ltd's directors and shareholders;
  - Continuing to explore approaches to secure an interest in land either via negotiation or compulsory purchase;
  - Working with the Councils and key partners on Stewardship to identify a range of income earning and community assets together with potential management vehicles across the Garden Communities;
  - Developing Masterplans for each of the Garden Communities;
  - Designing local (e.g. transport) and social (e.g. education, health, community facilities etc.) infrastructure required to support each of the garden communities;
  - 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;
  - Exploring options available and delivering a commercial strategy to implement the supporting Infrastructure and utilities required to deliver the Garden Communities;

- Working closely with partner organisations to progress four priority areas identified for innovation (infrastructure, economy & business, living space, health & wellbeing) and develop a formal work plan to progress them;
- Prepare a costed Business Plan for 2020/21 and 2021/22 for approval by the NEGC Board in January 2020.

- 5.13 The primary tasks during the year are to assist the North Essex Authorities with the work required for the Local Plan Section 1 Examination in Public; undertake public engagement to increase awareness and understanding of a range of key topic areas relevant to the garden community principles; evolve the approach to economic development, masterplanning, innovation, programme funding, governance and delivery options, including consideration of the transition towards a locally-led development corporation as one of a number of delivery vehicle options for the NEGC project.
- 5.14 NEGC Ltd will present delivery strategy options to the North Essex Authorities during 2019/20 to consider and decide upon the future operating model(s) for the delivery of the garden communities.
- 5.15 The 2019/20 Interim Business Plan followed by the subsequent 2020/21 & 2021/22 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 following the outcome of the Local Plan Section 1 Examination in Public.
- 5.16 The 2019/20 Interim Business plan sets out the Vision, Strategic Objectives and key operational priorities for NEGC Ltd during 2019/20.
- 5.17 Key activities for each of the workstreams and activities that will be undertaken by NEGC Ltd during 2019/20 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.

## **6. 2019/20 Budget**

- 6.1 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.
- 6.2 The following table sets out a summary of the budget for 2019/20 by workstream which was agreed on a working basis by the North Essex Authorities at the end of March 2019. The budget includes provision for the additional work required to progress the locally-led development corporation proposition in conjunction with Government.

£000's	Q1	Q2	Q3	Q4	Total
<b>Local Plan / DPD</b>					
Staff	£103.8k	£119.6k	£126.5k	£120.8k	<b>£470.7k</b>
Overheads	£27.3k	£33.5k	£36.5k	£30.4k	<b>£127.7k</b>
Supporting studies	£45.5k	£65.1k	£79.5k	£10.5k	<b>£200.6k</b>
Planning	£79.5k	£84.5k	£71.75k	£69.75k	<b>£305.5k</b>
Engagement	£6.0k	£18.0k	£13.3k	£5.5k	<b>£42.8k</b>
Risk/Contingency	£14.0k	£14.0k	£13.8k	£29.6k	<b>£71.4k</b>
<b>Total</b>					<b>£1,218.7k</b>
<b>Delivery Strategy</b>					
Staff	£68.7k	£70.2k	£71.7k	£72.7k	<b>£283.3k</b>
Overheads	£20.8k	£22.3k	£21.3k	£20.8k	<b>£85.2k</b>
Governance	£9.0k	£4.0k	£7.5k	£54.2k	<b>£74.75k</b>
Delivery & Stewardship	£15.3k	£29.4k	£37.6k	£38.5k	<b>£120.8k</b>
Masterplan/Transport	£1.0k	£1.0k	£11.0k	£20.1k	<b>£33.1k</b>
Infrastructure & Utilities	£5.0k	£15.0k	£25.0k	£30.0k	<b>£75.0k</b>
Strategic Business Planning	£31.0k	£61.0k	£81.1k	£44.0k	<b>£217.1k</b>
Risk/Contingency	£6.2k	£5.0k	£5.0k	£6.3k	<b>£22.5k</b>
<b>Total</b>					<b>£911.7k</b>
<b>Overall Total</b>					<b>£2,131k</b>

6.3 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 also included.

#### *Income*

- The budget includes a contribution of £350,000 from each of the North Essex Authorities and an additional £600,000 from Government in 2019/20. A final determination is still awaited on the exact amount of Government support and in the event that this support is less than is assumed, the Councils will be provided with a further report on the implications and any proposed mitigation. The balance of funding in 2019/20 will be from income received in 2018/19 and carried forward into 2019/20.

### **Local Authority Contributions**

6.4 The 2019/20 Interim Business Plan and associated budget includes the assumption that the North Essex Authorities will commit additional funding of £350,000 each in 2019/20. The request from NEGC Ltd is that this funding is set aside by each authority for future drawdown from NEGC Ltd as it is required.

### **Transfer of the Project Budget**

6.5 In February 2016 the shareholder councils agreed to commit £250,000 to support the joint work on the garden communities project. In September 2017 an additional £250,000 from each Authority was approved, followed by a further £100,000 each in November / December 2018 to fund further work undertaken by NEGC Ltd in the development of the project. In addition to the contributions from the Councils, grants from the Government of £3.213m has been received to date to support the project.

- 6.6 To date project funding and spending has mostly taken place through Colchester Borough Council's accounts.
- 6.7 The 2019/20 Interim Business Plan assumes that in future part of the 2019/20 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 this allocation will be determined by the North Essex Authorities Section 151 officers.

## **7. Stewardship**

- 7.1 Long-term stewardship and management of the Garden Communities is a crucial part of the successful legacy of new communities. Recognising that such arrangements need to be in place from the outset to support the delivery model chosen by the Councils, the North Essex Authorities have previously committed to undertake long-term stewardship for the Garden Communities, as detailed in the "Active Local Stewardship" principle in the NEGC Charter that was approved in 2016:

*"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".*

- 7.2 Likewise, within the final draft Section 1 Local Plan, Policies SP8, SP9 and SP10 set out the detailed requirements for each of the proposed Garden Communities and include the following wording:

*"Establishment at an early stage in the development of the garden community, of appropriate and sustainable long-term governance and stewardship arrangements for community assets including green space, public realm areas and community and other relevant facilities; such arrangements to be funded by the development and include community representation to ensure residents have a stake in the long-term development, stewardship and management of their community".*

- 7.3 Such large-scale new communities have significant income generating and community asset (such as green space, community buildings and public realm) opportunities and options to participate in such arrangements will be presented to the Councils for initial consideration in the coming months. For example, the Letchworth Garden Village Heritage Foundation has existed for over 100 years and provides ongoing maintenance of public open space and management of the town centres and industrial buildings, as well as supporting, funding and promoting activities for the benefit of the Garden City and its communities. As at 31 December 2018, Letchworth had an asset portfolio value of £163m with an annual income of £12.2m, a property income of £9.5m and a charitable spend of £7.6m.
- 7.4 Early next year (Q4 19/20) the Councils are scheduled to formally make a decision on the preferred delivery model for the Garden Communities, which will also provide an opportunity for Members to review and comment on the supporting investigative work that will inform the consideration of the stewardship options available to the Councils and enable a clear and collective course of action to be agreed.



## **8. Financial implications**

- 8.1 This report set out the proposed budget for NEGC Ltd for 2019/20 and associated funding. The proposals include the allocation of a further £350,000 in 2019/20.
- 8.2 There is provision in the 2019/20 budget to make the £350,000 contribution.
- 8.3 Future reports will consider any funding requirements for 2020/21 onwards.

## **9. Legal implications**

- 9.1 The General Power of Competence 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 in July 2018, making provision for the local oversight of new town development corporations. Guidance has been issued that outlines the way in which Locally Led New Town Development Corporations (LLNTDC) 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 an 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 LLNTDC's to be designated.

## **10. Risk Management Implications**

### **Local Plan - Section 1**

- 10.1 Before a Local Plan can be formally adopted by a Council, it must be examined by a government-appointed Inspector whose job it is to check that; 1) the plan has been prepared in line with various legal requirements and 2) that the policies and proposals in the plan comply with the 'tests of soundness' contained within the National Planning Policy Framework (NPPF). Examination hearings for the Section 1 Plan took place between January and May 2018; and in June 2018 the Inspector wrote to the North Essex Authorities setting out his initial findings. Whilst he confirmed the legal compliance and soundness of some elements of the plan and praised the North Essex Authorities' innovation and ambition, the Inspector found some of the evidence and justification in support of Garden Communities to be lacking and was therefore unable to pass the Section 1 Plan as sound. The Inspector's specific concerns were reported to Members in October 2018.

- 10.2 In his letter, the Inspector offered the North Essex Authorities advice and options for how best to proceed. Having considered his advice, the North Essex Authorities in October 2018 confirmed that they remained committed to using Garden Communities principles to secure the future housing requirements in North Essex and would produce additional evidence to address each of the Inspector's concerns. On the 10<sup>th</sup> December 2008, the Inspector confirmed that he was satisfied that the proposals for further work on the evidence base satisfactorily responded to the points he had raised as identified issues and paused the examination until the North Essex Authorities further work on the evidence base and an Additional Sustainability Appraisal was completed. Monthly updates have been submitted to the Inspector on the programme timetable as requested.
- 10.3 The additional evidence has now been completed and the findings are detailed within the reports which have been presented to the Local Plan Committee and Council.
- 10.4 The findings of the Additional Sustainability Appraisal indicate that many of the site proposals and alternative spatial strategy options are closely matched when assessed against the sustainability objectives. However, none of the alternative spatial strategies stand out as performing notably stronger than the current strategy in the submitted Section 1 Local Plan. There is consequently nothing arising from this new evidence that would suggest that the current spatial strategy is not justified or needs to change to make way for an alternative approach. The North Essex Authorities have decided to continue promoting the current spatial strategy involving the creation of three new Garden Communities in the locations currently proposed.
- 10.5 The additional evidence requested by the Inspector, supports the current proposals within the Section 1 Local Plan are sound and, when presented to the Planning Inspector, will address his previous concerns.
- 10.6 As well as producing the above evidence in response to the Planning Inspector's concerns about Garden Communities, the North Essex Authorities have also compiled a table of proposed amendments to the Section 1 Plan. These amendments are aimed at addressing certain issues identified by the Inspector, partner organisations and objectors to the Plan and ensuring the plan meets the tests of soundness. Many of the proposed amendments arose from suggestions and discussions at the examination hearings in 2018 and the Inspector's interim findings whereas others arise from the findings of the additional evidence base.
- 10.7 It will be the Inspector's choice whether or not to accept the proposed amendments to the Local Plan through the resumed examination process, in determining whether it satisfies the necessary statutory requirements and is sound.
- 10.8 The additional new evidence base documents and the table of proposed amendments are published for six weeks public consultation between 19<sup>th</sup> August and 30<sup>th</sup> September 2019 before they are submitted, along with any representations received, to the Planning Inspector to enable him to resume the examination. It is expected that the further examination hearings will take place in late 2019 or early 2020.

### **Delivery Mechanisms Options Appraisal:**

- 10.9 The Section 1 Local Plan explains that the North Essex Authorities are committed to ensuring that the new garden communities are as sustainable and high quality as possible and that the infrastructure needed to support them is delivered at the right time. This will require the Councils to work very closely with the relevant landowners using a robust delivery mechanism that ensures a fair and equitable distribution of the costs and land requirements needed to secure the ambitions for the Garden Communities and create a long term legacy appropriate to the scale of the ambition. Given the scale of

complexity of the proposed Garden Communities, it is envisaged that 'Local Delivery Vehicles' (LDVs), with both private and public sector representation, will be used to oversee these developments.

- 10.10 Whilst, in his letter, the Inspector acknowledged that this approach was generally compatible with national planning policy and deploying new models of delivery was a legitimate aspiration, he questioned if other delivery mechanisms could be adopted – suggesting that there was no substantial evidence to show that only new models of delivery were capable of delivering Garden Communities in the way envisaged.
- 10.11 In response to this, the Councils' legal advisors Dentons have produced a specific paper entitled 'Delivery of the Garden Communities' which explains that since the submission of the Local Plan in 2017, the government has placed greater emphasis on local authorities taking a more pro-active role in the delivery of new homes and the delivery of Garden Communities. It also explains that new statutory provisions have been put in place promoting 'Locally Led New Town Development Corporations' (LLNTDCs) as a mechanism by which new development can be delivered. It is proposed that modifications to the Local Plan are made to reflect the potential for Garden Communities to be delivered via LLNTDCs but that it will ultimately be for the Councils to decide whether this is the most appropriate means by which to proceed.
- 10.12 The paper also explains that if LLNTDCs are not used as a vehicle to deliver the Garden Communities and landowners and developers are left to bring the development forward on their own, they will be expected to meet all costs associated with their delivery in accordance with both the policies in the Local Plan and any more detailed requirements set to be included in the new Development Plan Documents (DPDs) for each of the schemes. It also explains that if landowners were unwilling to release their land at a reasonable price which allows for these costs to be met, the NEAs would be willing to use 'Compulsory Purchase Order' (CPO) powers to acquire the land – something that is supported by national planning policy, where necessary.
- 10.13 Dentons' paper will help to explain to the Inspector that whilst a Local Delivery Vehicle or a LLNTDC is the preferred means by which to deliver the Garden Communities, other delivery mechanisms are available and could be employed to ensure that the developments come forward in the way envisaged. When the detailed delivery mechanisms for the Garden Communities are discussed and decided, State Aid issues will be addressed.
- 10.14 A full options appraisal of the Garden Communities delivery options will be prepared to enable members to take future decisions on potential local-led development corporation proposals, with linked oversight arrangements between the North Essex Authorities. The options appraisal will consider the key priorities for the North Essex Authorities, the delivery routes available, risks and the potential scale of any financial commitments and liabilities.

## **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. Strategic Plan References**

12.1 The Strategic Plan sets out the Council's ambitious goals to help make Colchester an even better place to live, work and visit by working with multiple partners to get the best for residents. The Council has identified four key overarching themes, and these are Growth, Responsibility, Opportunity and Wellbeing. Additionally, each of these themes have five priorities, and a number of these relate directly and indirectly to the Garden Communities programme.

- **Growth:**
  - Ensure residents benefit from Colchester's economic growth with skills, jobs and improving infrastructure.
  - Promote inward investment to the borough.
  - Develop jobs, homes, infrastructure and communities to meet the borough's future needs by creating new Garden Communities.
- **Responsibility:**
  - Promote responsible citizenship by encouraging residents to get involved in their communities and to identify solutions to local issues.
  - Encourage re-use and recycling to reduce waste to landfill.
  - Create new routes for walking or cycling and work with partners to make the borough more pedestrian-friendly.
- **Opportunity:**
  - Promote green technologies through initiatives such as SMART Cities.
  - Help business to flourish by supporting infrastructure for start-up businesses and facilitating a Business Improvement District.
  - Ensure a good supply of land available for new homes through our Local Plan
  - Promote initiatives to help residents live healthier lives.
- **Wellbeing:**
  - Encourage belonging, involvement and responsibility in all the borough's communities.
  - Create new social housing by building Council homes and supporting Registered Providers.
  - Help residents adopt healthier lifestyles by enabling the provision of excellent leisure facilities and beautiful green spaces, countryside and beaches.

## **13. Consultation and Publicity Implications, Health, Wellbeing and Community Safety and Implications and Health and Safety Implications**

13.1 No direct implications.

## **List of Appendices**

Appendix A – NEGC Ltd 2019/20 Interim Business Plan

## **List of Background papers**

*Cabinet Report – Establishment of the North Essex Garden Communities Local Delivery Vehicles and funding requirements– 30 November 2016*

*Cabinet Report – North Essex Garden Communities- Progress to date and key developments – 6 September 2017*

*Cabinet report November 2018 – North Essex Garden Communities Ltd – Shareholder Approvals and update*

*NEGC Ltd Board minutes insofar as published <https://www.ne-gc.co.uk/about/>*

# **North Essex Garden Communities Ltd**

## **Interim Business Plan**

### **2019/20, 2020/21 & 2021/22**

(agreed by NEGC Board in June 2019;

to be approved at Local Authority Cabinets & Full Councils by October 2019)

**COMMERCIAL IN CONFIDENCE**



<b>Contents</b>	<b>Page</b>
<b>1 Executive Summary</b>	<b>3</b>
<b>2 Introduction</b>	<b>5</b>
2.1 Introduction to North Essex	5
2.2 The North Essex Garden Communities Programme	5
2.3 North Essex Garden Communities Ltd	7
2.4 Progress so far	8
2.5 The Local Plan Process	11
2.6 Role & Purpose of this document	12
<b>3. Strategic Outline Case</b>	<b>13</b>
3.1 Introduction	13
<b>4. NEGC Vision &amp; Strategic Objectives</b>	<b>16</b>
4.1 Introduction	16
4.2 Mission Statement for North Essex Garden Communities Ltd	16
4.3 Vision for North Essex Garden Communities Ltd	16
4.4 Strategic Objectives for North Essex Garden Communities Ltd	17
4.5 The North Essex Garden Communities Prospectus	18
<b>5. NEGC Strategy</b>	<b>20</b>
5.1 Overarching Strategy	20
5.2 Approach to Masterplanning & Infrastructure	21
5.3 Approach to Delivery & Finance	22
5.4 Approach to Engagement & Communications Economy	22
5.5 Approach to Economy	22
5.6 Approach to Innovation	23
5.7 Approach to Legacy & Stewardship	23
<b>6. Key Priorities &amp; Deliverables for 2019/20</b>	<b>24</b>
6.1 Operational Priorities for 2019/20	24
6.2 Key Workstreams & Activities for 2019/20	27
6.3 Programme timeline & key milestones for 2019/20	31
<b>7. Strategic Milestones for 2020/21 &amp; 2021/22</b>	<b>32</b>
<b>8. Programme Management</b>	<b>34</b>
8.1 Operating Model	34
8.2 Staffing Structure	34
8.3 Governance & Workstreams	35
8.4 Outcome Resourcing	37
<b>9. Finance</b>	<b>39</b>
9.1 Overview	39
9.2 2019/20 Budget	39
9.3 2020/21 and 2021/22 Budget	40
<b>10. Risk</b>	<b>41</b>
10.1 Overview	41
<b>APPENDICES</b>	
A NEGC Priorities & Milestones 2019/20 – 2021/22	42
B Rationale and Business Case Context	43
C NEGC Budget Forecast 2019/20	51

# 1. Executive Summary

---

## *Strategic Context*

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 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, 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) 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 Plan*

This is the second Business Plan that has been produced for NEGC Ltd and is a key step on the journey to delivering the Garden Communities. As such, it builds on the work that was delivered through the revised 2018/19 Interim Business Plan, which included work on revising evidence for the Local Plan together with preparatory work on a potential North Essex Locally-Led Development Corporation to deliver the three Garden Communities. This document sets out a three-year Business Plan for NEGC from 2019/20 to 2021/22.

The first year 2019/20 contains a detailed work programme that focuses on building upon the foundations laid in 2018/19 to deliver the major outcomes for the year and for the programme as a whole, which are obtaining adoption of Section 1 of the Local Plans as well as enabling the shareholder Councils to reach a decision regarding governance and oversight authority arrangements, which could lead to the submission to Government of an application for a mandate for a North Essex Locally-Led Development Corporation as per the proposed direction of travel that was formally supported by the NEGC Board in November 2018. 2019/20 is therefore a crucial year for the programme as without the achievement of those major outcomes it will increase the risk of the Garden Communities not being delivered in the years that follow. Indeed, the delivery of those major



outcomes by the end of 2019/20 would mean that the programme could move to being externally financed and the Councils would then not need to provide further revenue grant contributions.

It also sets out a high-level programme and milestones for 2020/21 and 2021/22 as there are a number of key aspects that will need to be considered during 2019/20 that are anticipated to influence or be dependencies on the approach over the latter two years. As well as delivering the major outcomes, the work programme for 2019/20 will also provide the building blocks for the programme to move into the delivery phase and begin to mobilise during 2020/21 and 2021/22. In particular, the Engagement & Economy as well as the Masterplanning & Transport work elements in 2019/20 will enable the programme to undertake the more detailed design work during the following two years in a manner that ensures the residents and communities can provide input and participate. The Delivery & Finance, Legacy & Stewardship and the Infrastructure & Utilities work elements in 2019/20 will provide the structure for the programme to mobilise and implement the public/private financed development vehicles and structures to deliver the programme during the following two years. In addition, the cross-cutting Innovation work element during 2019/20 and beyond will enable the delivery of the programme to be undertaken in a manner that has a focus on quality and being future-proofed.

Taken together, the elements of this Business Plan will enable the programme to deliver the first homes in the first half of 2023. As such, this Business Plan acts as a precursor to the preparation of a 'Long-Term Business Plan' as defined within the NEGC Shareholders Agreement, which will underpin the operation of the preferred delivery model approach from April 2022 onwards.

## **2. Introduction**

---

### **2.1 Introduction to North Essex**

North Essex is a key location in the UK; it is well connected to London, includes close proximity to the country's largest deep sea freight port at Felixstowe together with its sister 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 around the key existing towns and settlements is already a vibrant hub for innovation and creativity and has seen significant growth in housing, a burgeoning multi-sector economy and highly-skilled employment over recent years and is well-placed for providing further desirable opportunities to live and work in the future.

However, statistically 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 in the Greater South East which includes £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 using the collective 'North Essex Opportunity' identity launched at MIPIM UK in October 2018. The Councils have developed plans to provide a roadmap for its economic ambition by creating what is currently the largest scale housing, employment and infrastructure programme 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.

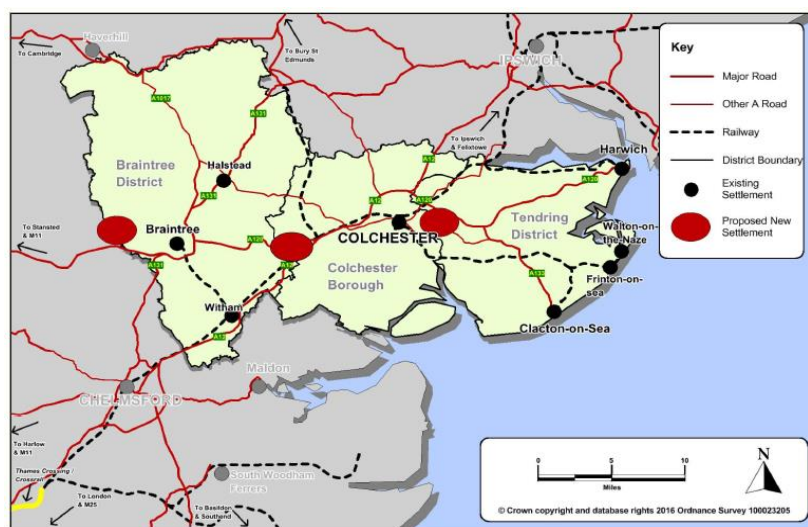
The Garden Communities concept is ideally suited to deliver on this local ambition because it can:

- 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 and 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
- Create a great place to live, work and spend leisure time overall.

Figure 1 shows the location of the three new Garden Communities that are proposed in the North Essex Authorities' Local Plan (2013 – 2033) Section 1, which has been submitted to the Planning Inspectorate and is undergoing the due process, with an Examination anticipated to take place in December 2019. These will accommodate a substantial amount of the housing and employment growth planned for North Essex within the Local Plan period and well into the future (the ranges are taken from the North Essex Authorities' Local Plan (2013 – 2033) Section 1):

- 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 (around 1,400 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 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.

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 also 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) formally established on 30 January 2017 (Company No: 10319743).

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

NEGC 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 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 are currently nominated as:

- Cllr David King (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 Tending District Council in the absence of Cllr Neil Stock OBE);
- Cllr Julie Young (representing Colchester Borough Council in the absence of Cllr David King);
- Cllr David Finch (representing Essex County Council in the absence of Cllr John Spence CBE); and
- Cllr Gabrielle Spray (representing Braintree District Council in the absence of Cllr Graham Butland).

Cllr John Spence OBE currently acts as the Chairman of the NEGC Board, a position that the Board has agreed should continue until the end of the 2019/20 financial year, or until such point as a Development Corporation is established in North Essex. There will therefore be a need for the NEGC Board to formally elect a Chairman for the 2020/21 financial year.

The Purpose of NEGC 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 to explore with Government the potential for creating a locally-led development corporation for North Essex as one potential delivery mechanism. This is currently the primary focus of the work that NEGC will undertake ahead of progressing the Local Delivery Vehicles.

Alongside the Purpose, Schedule 1 of the NEGC Shareholders Agreement also sets out key objectives that a Garden Community should achieve, which are detailed in Section 4.4 of this Business Plan.

NEGC 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 its Business Plans and masterplanning frameworks, which will acknowledge and complement the North Essex Authorities' 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 successfully collaborating over the last few years to effectively plan for long-term growth across the area. NEGC has developed its strategic rationale and operational capacity with the support of its shareholder Councils, the Ministry of Housing, Communities & Local Government (MHCLG) and key national agencies such as Homes England. The role of NEGC has also been 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 programme. 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. Details of the considerable progress NEGC Ltd has made since it was formally established on 30 January 2017 to deliver the garden communities include:

#### *Government Support*

- 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 proposition in the programme. Being part of this programme provides direct access to other Garden Towns with associated learning and knowledge/information sharing opportunities.
- Securing over £3m of Government capacity funding up to and including 2018/9 to support in bringing forward the project management, design, planning, delivery and technical work necessary to evolve and bring forward the proposals. This is in addition to £2.4m of capacity funding that the partner Councils have also contributed to the programme.
- North Essex Garden Communities has to date received more funding than any other Garden City proposal in the UK, and there has been clear recognition by Government of the ground-breaking work that NEGC is undertaking on bringing forward large new communities, and an appreciation for the economic opportunity offered by the North Essex corridor.
- This has also been seen in the officer support with a senior MHCLG officer attending NEGC Steering Group and working group meeting, regular government civil servant site visits and ongoing support from Homes England.

#### *Local Plan*

- Coordinating the Council's approach to Local Plans, including the confirmation, publication and Examination in Public of a joint 'Section 1' of the Local Plans, which sets out a shared strategy for growth in North Essex and preferred locations for new Garden Communities.
- Work to support the Councils to provide further evidence for the ongoing Examination in Public process, including liaison with Homes England, Highways England and other key Government bodies.
- Council preparation and publication of Issues and Options for each Garden Community and support of the consultation events.

#### *Delivery Approach*

- Successful influencing of and high-level engagement with Government to enable the 1981 New Towns legislation to be amended and Guidance to be produced in 2018 to enable locally-led development corporations to be implemented.
- Developing the approach and structure for a locally-led development corporation in North Essex, including strategic masterplanning work to identify a phasing and costings plan, financial modelling, discussions with Institutional Investors and Government over long-term funding.

- Building relationships with land owners and promoters in order to develop necessary structures and commercial agreements to enable delivery to be progressed potentially through a locally-led development corporation.
- Undertaking initial property cost estimate work to identify the overall land and disruption cost for acquisition through CPOs under ‘no scheme’ by a locally-led development corporation.
- Identifying stewardship arrangements for the long-term maintenance of public amenities and potential participation in income earning asset portfolios.

#### *Infrastructure & Utilities*

- Working with ECC to support the initial feasibility and design work for the expansion and realignment of the A12 and A120 schemes in/around Colchester to provide the necessary highways infrastructure to support the garden communities.
- Identifying and enhancing plans in conjunction with ECC for a Rapid Transit Scheme to be implemented across the North Essex corridor to support future economic growth including the garden communities.
- Supporting two Forward Funding Housing Infrastructure Funding bids that were submitted by ECC for approximately £165m in total have made it through to Round 2 which is a period of co-development of a potential business case.
- Undertaking strategic masterplanning work that has identified the key local transport and social (e.g. education, health, community etc.) infrastructure required to support each garden community and developed a high-level phasing plan to ensure that infrastructure is delivered either ahead or alongside the delivery of homes and commercial assets.
- Identifying the scope and nature of the work required to upgrade utilities provision to support the delivery of the garden communities which now enables an option appraisal analysis to be undertaken to establish commercial relationships with the various utility companies.

#### *Economic Growth*

- Developing the key components of a long-term economic strategy for North Essex that is capable of leveraging the future benefits of the garden communities in a manner that would enable North Essex to begin to match the performance of its comparator areas in the Greater South East.
- Identification of the principal workstream elements to put in place the key ‘enablers’ (e.g. future workforce skills development and Research & Development) as well as the inward investment proposition.
- Attendance at MIPIM UK 2018 under the ‘North Essex Opportunities’ banner to promote the future economic growth opportunities in the area and begin to put North Essex on the map, both nationally and internationally with employers and investors. This brought together both public sector bodies and the private sector, supported by the University of Essex and Bosch.

#### *Innovation*

- Holding an Innovation event in May 2018 involving key partners and stakeholders, which has enabled the development of a framework and identification of initial priority workstreams to be progressed to ensure that the garden communities have a focus on quality and are future-proofed from a technological perspective.

- Establishment of a Strategic Health & Wellbeing group led by the local Clinical Commissioners to ensure that best practice can be applied from the national Healthy New Towns programme and from NHS-sponsored research establishments.
- Successfully organised an Innovation in Health & Wellbeing event, hosted by the Hothouse facility at BT and involving public, private and voluntary sector stakeholders, to identify the key local challenges and holistic interventions on which the emerging strategy will be based.

#### *NEGC Ltd Structure*

- Established NEGC Ltd as a separate body to The Councils, resourcing the company with the appropriate expertise to deliver the programme, and undertake the developer work required to bring large-scale developments to fruition.
- Developed operational and employment policies to enable NEGC to function as a company and ensure that it complies with applicable legislation.
- Held the first NEGC Ltd AGM in July 2018, which was open to the public to attend.

#### *Kerslake Review*

A peer review of the programme was undertaken by a team of experts led by Lord Kerslake in 2017. The report's recommendations can be found [here](http://www.essex.gov.uk/News/Documents/Garden_Communities.pdf) [http://www.essex.gov.uk/News/Documents/Garden\_Communities.pdf].

Since the review was conducted, NEGC and The Councils have responded as follows:

- Preparing individual 'concept frameworks' for each community and a 'Prospectus' that sets out the vision and strategic narrative for the programme as a whole.
- Appointed a full-time Group Managing Director for NEGC and a dedicated programme team has been appropriately resourced.
- Strengthened engagement with Government leading to 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 Board.
- Further evidence work for the Local Plan Examination in Public has been undertaken and will be presented to the Inspectorate in Autumn 2019.
- Undertaken informal dialogue with key local stakeholders and developed a three-stage public engagement programme to commence prior to the next Local Plan Examination in Public.

Progress has been made in respect of the delivery strategy including identifying the key phases for each of the three sites and an exploration of key delivery and finance partners.

## **2.5 The Local Plan Process**

The Local Plan process is clearly relevant to the work that NEGC will be undertaking in 2019/20. For the sake of clarity, it is therefore worth setting out the different roles that the North Essex Authorities (NEAs) have in their function as planning authorities and their roles with respect to the operation and ownership of NEGC.

The three NEAs (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 to help to deliver the Vision is consistent with, and will not pre-judge, the outcome of the Local Plan processes. Indeed, the work of NEGC does not propose to adjust or alter the approach to the Local Plan provisions regarding these communities.

Following the conclusion of the Section 1 Local Plans Examination in Public (EiP) hearing sessions, the NEAs received the Inspector's interim findings in June 2018. The Inspector raised a number of issues with the soundness of the Local Plans and the accompanying Sustainability Appraisal. The Inspector also set out options for proceeding with the Examination, including: removing the Garden Communities from the Local Plan; proceeding with the Garden Communities in the Local Plan but with a revised evidence base and Sustainability Appraisal; or withdraw the Local Plan from Examination (and effectively start the process again).

Each of the NEAs considered the three options and agreed to proceed with the Garden Communities in the Local Plan (albeit with additional caveats relating to infrastructure delivery, viability and local engagement), and they are committed to rectifying the evidence base and carrying out an additional Sustainability Appraisal. The timetable for carrying out this work is currently anticipated to result in submission of the evidence base and Sustainability Appraisal in Autumn 2019 following on from public consultation on the documents. This would allow for EiP hearing sessions to recommence by the end of 2019 and Local Plan adoption in Summer 2020.

The planning, transport/infrastructure and viability/delivery work that NEGC will need to do to support the NEAs with progressing the evidence base as well as providing support at the EiP of the Section 1 Local Plans therefore forms a significant part of the 2019/20 Business Plan for NEGC.

On 24 July 2018, the 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). As part of the delivery mechanism options 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 2019/20 Business Plan for NEGC. 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 a Business Plan for NEGC for the 2019/20 financial year to enable it to undertake technical work that will be relevant to the statutory work that the North Essex Authorities are doing in relation to the Local Plan process, appearing at the Examination in Public as a potential delivery body for the Garden Communities, and to develop proposals for a locally-led development corporation in accordance with the NEGC Board's support of the proposed direction of travel for the company. It has been prepared in accordance with the NEGC Shareholders Agreement.

This Business Plan provides an overview of the vision, objectives, necessary workstreams, governance, funding and actions required to deliver NEGC scope of work and bring forward a number of priorities for the next three years to move the Garden Communities towards delivery phase. The

focus for 2019/20 is to work with The Councils to enable Section 1 of the Local Plans to be adopted as well as progressing proposals for delivery of Garden Communities including a potential locally led development corporation. The programme of work identified for the second and third years will enable NEGC to begin to identify and secure external (i.e. non-Council) funding for April 2020 onwards. Given the early stage of the full three-year programme, including a continual evolution of the delivery approach, it is recommended that this document is kept under regular review.

This Business Plan will act as the first 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, including proposals to secure external finance for NEGC, will be submitted to the Board for approval in January 2020 (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

---

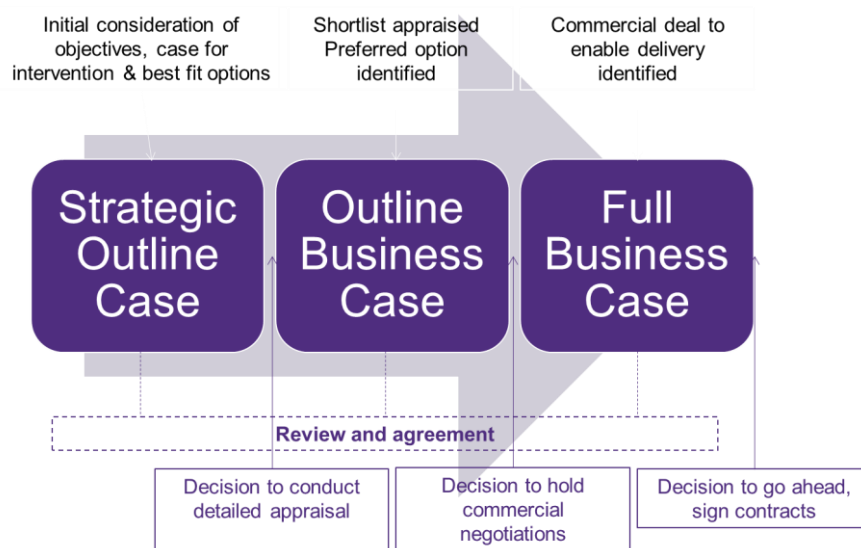
#### 3.1 Introduction

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 as set out in this document, and as required by the Company’s 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, providing an overview of how the programme progresses from outline to full detail stages.

*Figure 2: Business Case Development Process Map*



Activity 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. In essence the programme has effectively completed this stage of the process.

The approach going forward through 2019/20 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 (as appropriate) 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 management plan and procurement.

It is anticipated that the final elements of the work on the Outline Business Case/s would be complete sometime during Year 2 (2020/21) of this Business Plan period.

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 Business Case stage with the main Full Business Case/s (i.e. Locally-Led Development Corporation and initial Delivery Vehicles) anticipated to be complete during Year 3 (2021/22) of this Business Plan period.

**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 2019/20, 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.

### 4.2 Mission Statement for North Essex Garden Communities Limited

The overall Mission Statement for NEGC 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 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 three individual North Essex Garden Communities projects, including those set out in the Local Plan and NEGC Prospectus. The overall Vision Statement for NEGC detailed on the next page is consistent with both 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 is the creation of new Garden Communities where people want to live, work and play.*

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

- ***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;
- ***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; and
- ***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. They have not been set in any order of priority on the basis that the delivery of Garden Communities requires an holistic approach that ensures the key strands are delivered in an inter-connected manner.

The NEGC Ltd 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 (e.g. a range of affordable and rented housing for all ages and income levels to exist alongside outright market sale housing).
- 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 focuses 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 supportive infrastructure, ranging from transport through to green infrastructure, innovation, skills, social and community development.

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

*Strategy 1: “Community Engagement”*

*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: “Good Design” – the very best in Garden Community planning and design*

*Strategy 8: “Active Local Stewardship”*

*Strategy 9: “Strong Corporate and Political Public Leadership”*

*Strategy 10: “Innovative Delivery Structure”*

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



## 5. NEGC Strategy

---

### 5.1 Overarching Strategy

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 through 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 programme's 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, work and play 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 and delivery partners as well as local communities.

From the outset NEGC 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 should explore the establishment of a locally-led Development Corporation (as enabled by the Neighbourhood Planning Act 2017 and the establishment of the formal Regulations in 2018) as one of the delivery mechanism options available. A locally-led Development Corporation has great potential to provide a strong and focused 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 that are designed to deliver the planned communities;
- Either market the development sites and seek the best price achievable in the open market or work in partnership with developers/contractors to build out the plots, both options would be consistent with the achievement of desired design and quality standards, including a range of different tenures of housing (i.e. mix of affordable and market rent and for sale);

- Arrange development agreements including licences with the successful developers/contractors;
- Supervise the construction to ensure the desired design and quality 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. 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 Masterplanning & 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 (with a range of rental and partial sale options), 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 onsite (e.g. roads, utilities, energy, green spaces, education, health, community centres etc.) and off-site (e.g. roads, public transport etc.). 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**

NEGC Ltd will continue to investigate a Development Corporation-based delivery strategy across the three Garden Communities alongside an Options Appraisal of other delivery structures.

The options appraisal will include consideration of a public/private sector-led delivery structure, with responsibility for bringing the Garden Community 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. Such a structure could facilitate the delivery of infrastructure and disposal of serviced plots to house builders/commercial developers potentially in combination with the public/private sector-led delivery structure who could be responsible for physical building construction costs and property sales, within approved design and quality standards. Such an approach would not preclude the opportunity for public sector stakeholders to directly deliver development should they wish; however, it would 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 options. 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 include consideration of an appropriate future funding mix, including opportunities for leveraging in private sector and other sources of funding.

### **5.4 Approach to Engagement & Communications**

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 Economy**

The development of three substantial Garden Communities of up to 43,000 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 of Essex, economic partnerships and NEGC. As this work progresses, key business representatives will also play an important role, ultimately becoming advocates for the strategy.

## **5.6 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 improve the quality of life for both new and existing residents.

Following an NEGC Innovation event in May 2018, a number of priority areas were identified to be explored and developed across the North Essex Garden Communities to ensure they can accommodate and make full advantage of new and modern approaches that can add value. The priority areas or opportunities include: infrastructure, utilities & connectivity; integrated & sustainable transport; place making & economy; promoting healthy lifestyles; stewardship, participation & governance; research & development. Essentially these opportunities 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 continue 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 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 all aspects of the delivery of the Garden Communities.

## **5.7 Approach to Legacy & Stewardship**

Some elements of the Garden Communities will be developed and managed in perpetuity with the direct involvement of their residents and businesses. The initial work undertaken on Legacy & Stewardship has identified two categories or types of assets in the Garden Communities that will require future management – incoming earning and community.

The principal purpose of the income earning assets portfolio will be to provide on-going revenue streams to support the community assets to deliver high levels of quality of place. A range of potential income earning assets will need to be explored and could include: commercial; private rental; affordable housing; older age living; energy & utilities. These income earning assets might be part of management vehicles that include private as well as public investors.

The principal purpose of the community assets portfolio will be to ensure that they support high levels of quality of place in the Garden Communities. A range of potential community assets will need to be explored and could include: parks; allotments; community & local centres; other forms of communal space; schools; health facilities; opportunities for formal and passive recreation. It is likely that residents will be directly engaged in the long-term management and stewardship of the community assets, fostering a shared sense of ownership and identity.

Organisations 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.

## 6. NEGC - Priorities & Deliverables for 2019/20

---

### 6.1 Operational Priorities for 2019/20

The major outcomes for 2019/20 and for the project as a whole are obtaining adoption of Section 1 of the Local Plans and enabling the shareholder Councils to submit to Government an application for a Mandate for a North Essex Locally-Led Development Corporation. Delivery of those major outcomes by the end of 2019/20 would mean that the programme could move to being externally financed and the Councils would then not need to provide further revenue contributions.

In order to achieve those major outcomes in 2019/20, the key operational priorities for NEGC will be:

1. Local Plan
  - Continuing to assist the North Essex Authorities (NEAs) with the work required to progress their Local Plans, including: additional infrastructure, delivery and phasing work; employment floorspace forecasting; demonstrating the viability of the Garden Communities; and input into the overall Transport work, including the Rapid Transit System project.
  - Supporting the NEAs and presenting evidence on the deliverability of the Garden Communities at the reopened Examination in Public for the Section 1 Local Plans.
  - Appear at Uttlesford District Council (UDC) Examination in Public on delivery and viability of the West of Braintree Garden Community site.
2. Engagement
  - Continuing with a high-profile level of engagement with the existing and proposed new communities to give them a strong sense of ownership of the emerging Garden Communities.
3. Economy
  - Active liaison with the North Essex Economic Board to ensure that the North Essex Economic Strategy maximises the benefits to the Garden Communities and the area as a whole, with a particular focus on developing strategic approaches to local upskilling and inward investment.
4. Delivery & Stewardship
  - Evolving the best approach for delivery of Garden Communities in North Essex with Government, including the preparation of operating structures and financing requirements for testing with funders. This will be achieved by undertaking an Options Appraisal and producing an Outline Business Case.
  - Subject to the decisions by The Councils to prepare a Mandate in support of a designation for a locally-led Development Corporation in North Essex that is supported by all NEGC directors and shareholders.
  - Continuing to explore approaches to secure an interest in land, either via negotiation or compulsory purchase.

- Work with The Councils and key partners on Stewardship to identify a range of income earning and community assets together with potential management vehicles for each of these across the Garden Communities.
5. Masterplanning & Transport
    - Developing the masterplans for each of the Garden Communities.
    - Designing the local (e.g. transport) and social (e.g. education, health, community facilities etc.) infrastructure required to support each of the Garden Communities.
  6. Infrastructure & Utilities
    - 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.
    - Exploring the options available and developing a commercial strategy to implement the supporting Infrastructure and Utilities required to deliver the Garden Communities.
  7. Innovation
    - Work closely with partner organisations to progress the four priority areas that have been identified for Innovation (Infrastructure, Living Space, Health & Wellbeing, Economy & Business) and develop a formal work plan to progress these.
  8. NEGC Strategic Business Planning
    - Preparing a costed Business Plan for 2020/21 and 2021/22 for approval by the Board by January 2020 (noting that this may need to be reviewed should a decision be made on whether to proceed with a Locally-Led Development Corporation).

These operational priorities, along with the key Council dates, are set out in the table below. It should be noted that these dates are contingent on the Local Planning Authorities continuing to prepare evidence to support the proposed Garden Communities and that the Garden Communities continue to be included within the respective Local Plans. The milestones are also reliant on the Local Plan process and associated timings as set out below. Should the Local Plan process be delayed then these dates would need to be reviewed.

Similarly, the milestones have also assumed that NEGC continues to consider and investigate delivery models, including a Development Corporation-based delivery strategy across the three Garden Communities. This approach doesn't prejudice the shareholders from needing to formally consider and approve any decision to apply for Development Corporation status but assumes that NEGC continue to lead the necessary preparatory work with Government and the partner Councils on a Development Corporation delivery strategy if that option is decided upon.

	Q1 (Apr-Jun 19)	Q2 (Jul-Sep 19)	Q3 (Oct-Dec 19)	Q4 (Jan-Mar 20)
<b>1. Local Plan / DPD</b>			<b>October – main milestone</b>	
<b>NEA support</b>	Apr: NEA other evidence  May: NEA SA evidence <sup>1</sup>  Jun: NEA committees briefs	Jul: NEA committees  Jul/Aug: NEA consultation  Sep: NEA revised evidence	Oct/Nov: reopened EIP  Dec: review Inspectors report	Jan-Mar: modifications
<b>NEGC evidence</b>	Apr-Jun: NEGC evidence	Jul: NEGC UDC EIP  Jul/Aug: NEGC submissions	Oct/Nov: reopened EIP  Nov/Dec: DPD prep + HIF	Jan-Mar: begin DPD masterplan work for Sequence 2 Q1 2020
<b>Council Decision Making</b>		Jul: Evidence considered by LPCs/Councils & approval to consult		Jan: Approval of consultation for modifications
<b>2. Engagement</b>			<b>October – main milestone</b>	
<b>Sequence 1</b>	Apr-Jun: preparing material	Jul: detailed Board approval  Sep: commence programme	Oct: complete programme	
<b>Sequence 2</b>				Jan-Mar: preparing material
<b>3. Delivery Models</b>			<b>December – main milestone</b>	<b>March – main milestone</b>
<b>(i) Options appraisal</b>	Apr/May: Councils debate			
<b>(ii) Outline Business Case</b>	Jun: begin drafting	Jul/Aug: initial draft for review  Sep: initial NEGC Board paper	Oct/Nov: further Board paper  Oct/Nov: Councils briefing	

<sup>1</sup> Included for completeness as NEGC is not supporting the NEA Sustainability Appraisal workstream  
 NEGC Ltd Interim Business Plan  
 June 2019  
 COMMERCIAL IN CONFIDENCE

	Q1 (Apr-Jun 19)	Q2 (Jul-Sep 19)	Q3 (Oct-Dec 19)	Q4 (Jan-Mar 20)
<b>(iii) Mandate submission</b>	Jun: begin drafting	Jul/Aug: initial draft for review  Sep: initial NEGC Board paper	Oct/Nov: Councils briefing Nov: next NEGC Board paper	
<b>Council Decision Making</b>		Jul/Aug: Delivery Vehicle options and Stewardship key questions		Jan: Councils approval  Mar: Councils submission
<b>4. Business Plan</b>				<b>Jan/Mar – main milestones</b>
<b>Medium Term Funding</b>	Apr-Jun: funding options	Jul-Sep: funding proposals	Oct-Dec: detailed proposals	Jan: NEGC Board approval
<b>Interim Business Plan 20/21 &amp; 21/22</b>		Jul-Sep: initial draft of IBP  Sep: initial NEGC Board paper	Oct: revised draft of IBP  Nov: next NEGC Board paper	Jan: Board to recommend IBP for Council approval
<b>Council Decision Making</b>	Jun: Approval of Interim Business Plan 2019/20	Jul: Approval of Interim Business Plan 2019/20	Oct: Initial budget conversations	Feb: Councils budget approval  Feb/Mar: Councils approve Business Plan

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 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 2019/20

The workstream elements and deliverables for each of the NEGC operational priorities are set out below:

### 1. Local Plan

NEGC has an important role to play in supporting the NEAs to secure the approval of Section 1 of their Local Plans during 2019/20. In particular NEGC can assist in the preparation of specific



evidence that relates to the viability, delivery, employment and infrastructure aspects of the Garden Communities as well as appearing and presenting complementary evidence at the reopened Examination in Public in a developer capacity.

During 2019/20 NEGC will:

- Continue to assist the NEAs with the work required to progress their Local Plans, including: additional infrastructure, delivery and phasing work; employment floorspace; demonstrating the viability of the Garden Communities; and input into the Transport work, including the Rapid Transit System project.
- Presenting evidence on the deliverability and viability of the Garden Communities at the reopened Examination in Public for the Section 1 Local Plans.

## 2. Engagement

Once the revised Sustainability Appraisal has been approved by the NEAs, NEGC can move from the informal engagement strategy that it began in 2018/19 to implement its formal three-sequence engagement plan, which is designed to ensure that residents, businesses and other key partners have the opportunity to play a central role in the development of the masterplanning proposals for the Garden Communities. This will be distinct and separate to The Councils engagement and consultation processes associated with the statutory Local Plan process.

During 2019/20 NEGC will:

- Deliver the first sequence of the formal public engagement programme with the existing and proposed communities to enable stakeholders and other interested parties to provide input and information on the issues and opportunities that the Garden Communities present.
- Continue to lobby the main areas of Government, including MHCLG, Homes England, Department for Transport, Highways England and HM Treasury.
- Create a communications plan to launch the proposed Delivery Model for the North Essex Garden Communities.

## 3. Economy

NEGC, The Councils and key economic Partners (e.g. University of Essex and Haven Gateway) will need to progress the work that was begun in 2018/19 to implement the North Essex Economic Strategy, in particular the key ‘enabling’ workstreams of education & skills development and inward investment. This will enable the North Essex economy to leverage the potential that the Garden Communities provide and attract major businesses and organisations to locate to the area such that North Essex can begin to match the performance of comparator regions across the Greater South East. During 2019/20 NEGC will:

- Work with The Councils and key economic partners to deliver the high-level work plan, including education & skills, to deliver the North Essex Economic Strategy, ensuring that it can leverage the benefits of Garden Communities.

- Work closely with partner marketing and communications teams to ensure that the North Essex Economic Strategy is communicated and marketed using the recently created North Essex Opportunity branding across the region, nationally and internationally as part of the NEGC's approach to inward investment.

#### 4. Delivery and Stewardship

The Councils agreed (through Cabinet resolutions in late 2017) that NEGC should explore the potential for creating a Locally-Led Development Corporation(s) in North Essex. Since that time, NEGC has identified a potential operating/delivery structure and financing arrangements for a Locally-Led Development Corporation in North Essex. This now enables NEGC to begin to work with The Councils to prepare a Mandate submission to Government, which will include a request for those powers to be devolved as part of any designation. Included in that Mandate would be a long-term approach for Stewardship across the Garden Communities. The submission of this Mandate would be subject to Section 1 of the NEAs Local Plans being found sound.

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 2019/20 NEGC will:

- Undertake an options appraisal and produce an Outline Business Case.
- Draft a Mandate submission for a potential Development Corporation(s) on behalf of The Councils that sets out the operating/delivery structure and high-level financing arrangements.
- Continue to engage closely with Government to consider the scope and scale of potential Government support for a Locally-Led Development Corporation in North Essex.
- Continue to liaise with the existing landowners and potential developers to establish whether commercial deals can be agreed that accord with the Development Corporation's objectives.
- Identify a range of income earning and community assets together with potential management vehicles and develop a long-term approach to Stewardship across the Garden Communities.

#### 5. Masterplanning & Transport

The creation of NEGC-led masterplans for each Garden Community will enable the Local Planning Authorities to progress further iterations of the Development Plan Documents for the three Garden Community sites. This masterplanning work will also provide the basis for Local Development Order(s), should the Locally-Lead Development Corporation designation be forthcoming.

Equally extensive work has already been undertaken and will continue to be progressed by Essex County Council, working with Highways England, on the strategic transport infrastructure (e.g. the A12 and A120 enhancements) and also by all four councils on the North Essex Rapid Transit proposals. It is envisaged that this work will be connected to the Masterplanning workstream.

During 2019/20 NEGC will:

- Begin the preparation of masterplans and LDO(s) for each of the new Garden Communities so that work on detailed layout options can commence once the outcome of the Section 1 Examination in Public has been released.
- Prepare key additional evidence base and technical studies necessary to support the masterplans and the progression of the site-specific Development Plan Documents.
- 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 transport opportunities including those presented in relation to the Greater Anglia network.
- Progress the feasibility work for the implementation of the North Essex Rapid Transit System proposals in partnership with The Councils.

## 6. Infrastructure & Utilities

Some initial scoping work has already been undertaken by NEGC to establish the onsite infrastructure and utilities requirements to support the delivery of the Garden Communities. This has provided a baseline of information that will now enable commercial discussions to begin with infrastructure and utility providers and provide significant input to the Masterplanning. Consequently, it is envisaged that this work will be connected to the Masterplanning and Transport workstream outlined above.

During 2019/20 NEGC will:

- Engage with infrastructure and 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.
- Produce a commercial approach to the delivery of the on-site infrastructure and utilities based on the outcome of an options appraisal.

## 7. Innovation

Work is currently underway and will continue throughout 2019/20 to develop an approach to Innovation for the Garden Communities in North Essex. This work will be led by NEGC and involve The Councils as well as other key partners, including education and health research organisations as well as businesses. The approach will aim to ensure that the design and delivery of the Garden Communities embrace leading edge innovative techniques and that the Garden Communities deliver high levels of quality of place.

During 2019/20 NEGC will:

- Develop business plans to progress the four priority areas that have already been identified for Innovation, namely Infrastructure, Living Space, Health & Wellbeing and Economy & Business.
- Facilitate innovation networking events to develop a further understanding of the opportunities for the Garden Communities.

## 8. NEGC Strategic Business Planning

This Business Plan acts as a precursor to the preparation of a financed Long-Term Business Plan as defined at Section 5.2 of the NEGC Shareholders Agreement that will be developed during years 2 and 3 (i.e. 2020/21 and 2021/22) to support the ‘on the ground’ delivery of the Garden Communities.

During 2019/20 NEGC will:

- Prepare a costed Business Plan for the period 2020/21 and 2021/22 that will be submitted to the Board for approval in January 2020 and thereafter to The Councils for their approval.
- Secure external finance to fund the Business Plan for the period 2020/21 and 2021/22.

It is envisaged that the NEGC operating structure will continue to be reviewed through 2019/20 and informed by a number of workstreams, to ensure that an appropriate approach is in place to deliver on the programme’s vision and objectives, and level of local ambition.

For NEGC 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 and these are outlined in Section 9.

### 6.3 Programme Timeline & Key Milestones

This 2019/20 period reflects the current position of the NEGC as a relatively new organisation and the detailed programme set out above includes the workstreams that are required to be developed with engagement with key partners and stakeholders in order to develop longer-term detailed plans. Future business plans will then be able to provide more detailed information on those workstreams, activities, outputs, performance measures and outcomes.

## 7. Strategic Milestones for 2020/21 & 2021/22

### 7.1 Strategic Milestones for 2020/21 & 2021/22

Section 6 of this document sets a Business Plan for NEGC for the 2019/20 financial year, which also includes key milestones for the 2020/21 and 2021/22 financial years. The reason for this approach of including 2020/21 and 2021/22 in the key milestones is to set out the future route map should The Councils decide to pursue a Development Corporation to deliver the Garden Communities, given that the approval of NEGC's role in any potential Development Corporation to deliver the Garden Communities would not be known until later in 2019. In addition, there is considerable reliance on the adoption of the Section 1 Local Plan in relation to NEGC activities from the end of 2019 onwards.

Whilst it is standard practice for a private company to prepare a fully detailed three-year Business Plan, it seems prudent given the uncertainty around various key elements of the NEGC programme and its associated dependencies, to set out a detailed plan for 2019/20 and then the key milestones only for the 2020/21 and 2021/22 financial years.

The priorities for 2020/21 and 2021/22, along with the key Council dates, are set out in the table below. As with the priorities for 2019/20, it should be noted that these dates are contingent on the Local Planning Authorities continuing to prepare evidence to support the proposed Garden Communities and that the Garden Communities continue to be included within the respective Local Plans. The milestones are also reliant on the Local Plan process and associated timings as set out in Paragraph 6.1 being met. Should the Local Plan process be delayed then these dates would need to be reviewed.

Similarly, the milestones have also assumed that NEGC continues to consider and investigate a Development Corporation based delivery strategy across the three Garden Communities. This approach doesn't prejudice the shareholders from needing to formally consider and approve any decision to apply for Development Corporation status but assumes that NEGC continue to lead the necessary preparatory work with Government and The Councils in moving forward with a Development Corporation delivery strategy.

Finally, and as with the priorities for 2019/20, these dates also assume that NEGC would have a long-term role in the setting up, implementing and subsequent structure of any such Development Corporation(s). Again, should this not be the case, then the Business Plan would need to be reviewed accordingly.

Date	Organisation	Planning Activity	Delivery Model Activity
20/21 Q1	NEGC	<ul style="list-style-type: none"><li>• Preparation of masterplan layouts for each Garden Community</li><li>• NEGC Sequence 2 Public Engagement</li></ul>	<ul style="list-style-type: none"><li>• Preparatory phase for establishment of preferred delivery model</li></ul>
	NEAs	<ul style="list-style-type: none"><li>• Inspector's final report on Section 1 Local Plans</li><li>• LDO preparation</li></ul>	<ul style="list-style-type: none"><li>• Should the Development Corporation model be preferred, Local authorities to submit the request for the appointment of the</li></ul>

Date	Organisation	Planning Activity	Delivery Model Activity
			Oversight Authority and designation of Development Corporation for each development corporation, as appropriate
<b>20/21 Q2</b>	NEGC	<ul style="list-style-type: none"> <li>• Delivery of draft masterplan layouts for each Garden Community</li> </ul>	
	NEAs	<ul style="list-style-type: none"> <li>• Adoption of Section 1 Local Plans</li> <li>• LDO preparation</li> </ul>	
<b>20/21 Q3</b>	NEGC	<ul style="list-style-type: none"> <li>• NEGC Sequence 3 Public Engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Designation of Development Corporation, if the preferred delivery vehicle</li> <li>• Appointment by Oversight Authorities of agent</li> <li>• CPO made</li> </ul>
	NEAs	<ul style="list-style-type: none"> <li>• Preferred Options DPD consultation</li> <li>• LDO preparation</li> </ul>	<ul style="list-style-type: none"> <li>• Designation of Development Corporation, if the preferred delivery vehicle</li> <li>• Formal appointment of Dev Corp Board by Oversight Authority and initial financial and governance controls, if the preferred delivery vehicle</li> </ul>
<b>20/21 Q4</b>	NEGC		
	NEAs	<ul style="list-style-type: none"> <li>• LDO preparation</li> </ul>	
<b>21/22 Q1</b>	NEGC		<ul style="list-style-type: none"> <li>• CPO Inquiry</li> </ul>
	NEAs	<ul style="list-style-type: none"> <li>• Draft DPD consultation</li> </ul>	
<b>21/22 Q2</b>	NEGC		
	NEAs	<ul style="list-style-type: none"> <li>• DPD Examination in Public hearing sessions</li> </ul>	
<b>21/22 Q3</b>	NEGC		<ul style="list-style-type: none"> <li>• CPO confirmed</li> </ul>
	NEAs	<ul style="list-style-type: none"> <li>• Inspector's interim findings on DPD</li> <li>• DPD modifications consultation</li> </ul>	
<b>21/22 Q4</b>	NEGC		
	NEAs	<ul style="list-style-type: none"> <li>• Inspector's final report on DPD</li> </ul>	

## 8. Programme Management

---

### 8.1 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:

- Programme and 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 partners, including on planning, legal and financial officers within each of The Councils. A service level agreement has been put in place with Colchester Borough Council 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.

### 8.2 Staffing Structure

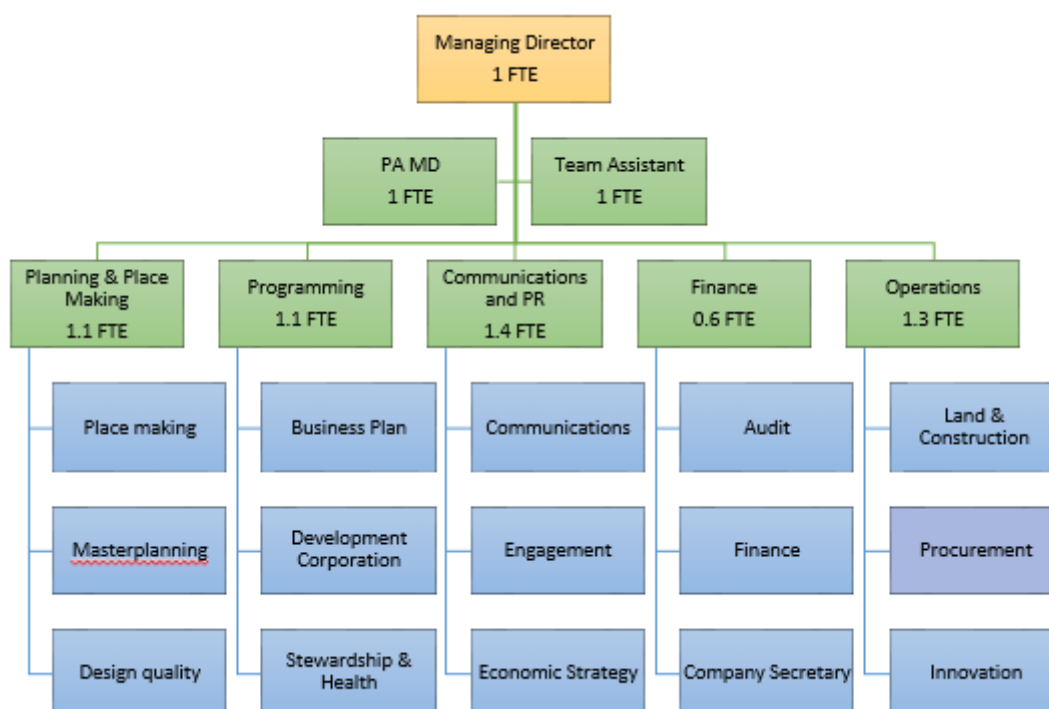
The team scope and remit will evolve and expand as necessary over the next few years as the preferred delivery model structure and individual project vehicles require more detailed support in terms of design and planning, including the need for multi-disciplinary technical inputs.

During the course of 2019/20, the current staff at NEGC (see organisation chart in Figure 3) are likely to remain in place and be supplemented (if required) by specific expert contractors:

- Employees: Group Managing Director (currently directly employed by NEGC); Programme Manager (seconded from Colchester Borough Council); and Communications Manager (seconded from Essex County Council).
- Expert contractors: Operations, Commercial; Procurement; MMC/Construction; Finance; Engagement & Marketing; Place Making & Masterplanning; Administration.
- Consultants: Economic Strategy; Delivery & Financial; Tax; Planning & Property; Legal; Land & Valuation; Masterplanning & Transport; PR & Communications; Company Secretary.

Figure 3: NEGC Programme Team– Total 8.5 FTE)

Note: The orange/green boxes denote the number of positions required and the blue boxes are topic areas



### 8.3 Governance & Workstreams

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

The day-to-day working of NEGC is overseen by the company's Group Managing Director and supported by a dedicated Programme Delivery Team (employees and expert contractors) who coordinate all work and programme-related activity, including overall 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 and key partners across a number of specialist areas.

The Programme workstreams will focus on the following specific areas:

- **Engagement & Economy:** to evolve the economic strategy and manage programme-wide external engagement, communications and public relations activity.
- **Masterplanning & Transport:** to assist the NEAs with their Local Plan Section 1 and to advance masterplanning and transport requirements and dependencies, including the Rapid Transit proposals.
- **Infrastructure & Utilities:** to engage with infrastructure and utility providers to ensure effective partnership working and commercially-focused delivery.



- **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.
- **Stewardship & Innovation:** to evolve an appropriate approach to innovation and a local approach to long term stewardship, including the management and governance of local community assets.

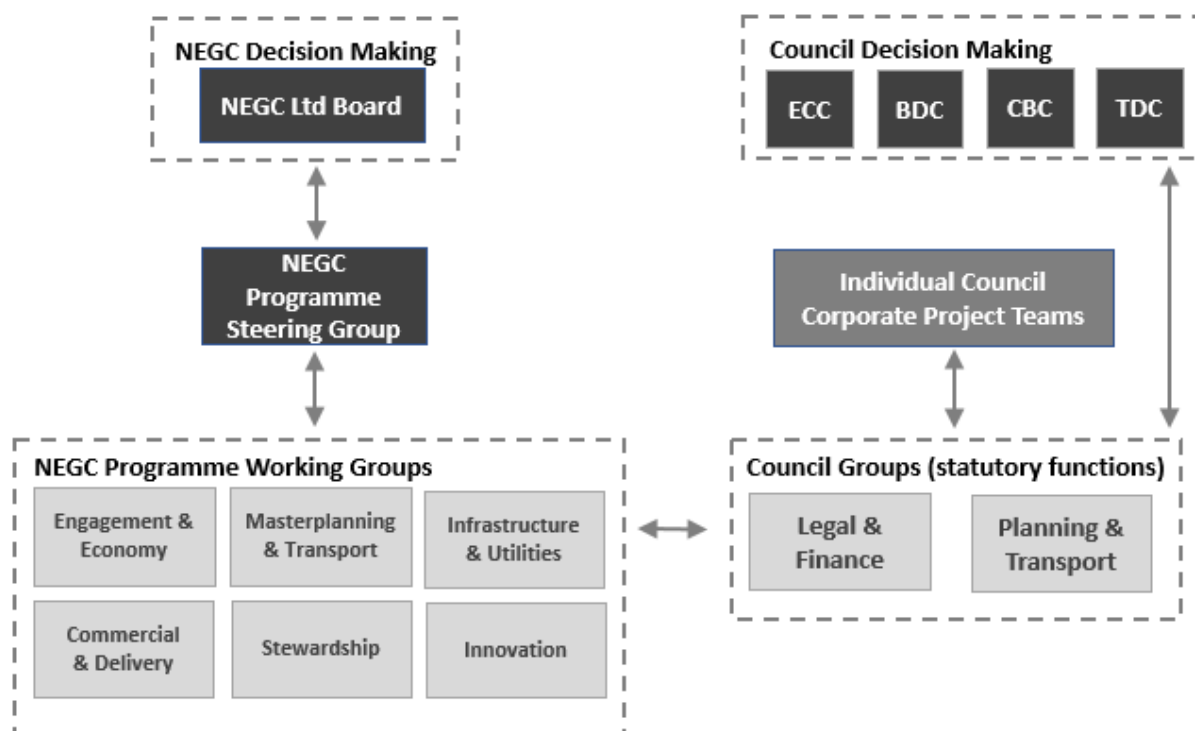
It is anticipated that Task & Finish project groups will be set up, as appropriate, and will report into the workstreams to take forward specific pieces of work. An overarching Steering Group oversees and monitors the outcomes from across the workstreams, including the NEGC business planning and the budget, enabling input into the Board. This is led by the Group Managing Director of NEGC and comprise of Senior Officers from The Councils, together with key staff in NEGC and external stakeholders, including representatives from Homes England and the University of Essex.

Additionally, a number of specialist groups are in place formed by the Council leads on key statutory functions to ensure there is close working between the NEGC programme and the wider statutory functions of The Councils. This approach ensures that there is distinction between the operational activities of NEGC, 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 and The Councils across the following themes:

- **Finance:** to establish regular liaison between the programme and Council finance representatives (Section 151 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.

Figure 4: Workstreams & Governance



## 8.4 Outcome Resourcing

The following table sets out how each of the NEGC key priorities will be delivered by the programme workstreams, the anticipated outcomes of these projects and the resourcing they will require.

Priorities	Workstreams	NEGC Outcomes	Resourcing	
			NEGC Team	Consultancy
1. Local Plan	Statutory Planning & Transport	<ul style="list-style-type: none"> <li>Adopted Section 1</li> </ul>	Place Making, Planning, Programming	Planning, Transport, Delivery & Viability
2. Engagement	Engagement, Stewardship Health	<ul style="list-style-type: none"> <li>Improved 2-way communication with communities</li> <li>Informed stakeholders</li> </ul>	Comms & PR	Masterplanning, Comms & Engagement
3. Delivery & Stewardship	Commercial & Delivery Stewardship Statutory Legal & Finance	<ul style="list-style-type: none"> <li>Mandate for appropriate delivery mechanism</li> <li>Funding options</li> <li>Stewardship strategy</li> <li>Construction strategy (including consideration of a Modern Methods of Construction proposition)</li> </ul>	Operations, Programming, Asset Management	Delivery, Legal, Finance, Cost, Design & Construction

Priorities	Workstreams	NEGC Outcomes	Resourcing	
			NEGC Team	Consultancy
		in partnership with Homes England) • Asset Management Strategy		
4. Economy	Economic North Essex Economic Board	• Skills and Education strategy • Inward investment strategy using “North Essex Opportunity” • Input into wider North Essex Economic Corridor Strategy	Comms & PR	Economic & Employment
5. Masterplanning & Transport	Masterplanning & Transport Statutory Planning & Transport	• Rapid Transit Business Case • HIFs implementation • Opportunities & Issues for the Masterplans of Garden Communities • Forecast Demand Report (including types of demographics & affordability)	Place Making & Planning, Programming	Strategic Place Making & Masterplanning, Housing Demand, Transport
6. Infrastructure & Utilities	Infrastructure & Utilities	• Utilities Capacity Report • Commercial discussions with Utility providers	Operations	Cost, Infrastructure & Utilities
7. Innovation	Innovation	• Infrastructure report – “digital backbone” and future proofing assets for stewardship • Living Space report – optimising design for a Construction strategy and delivering high quality & smart homes • Health & Wellbeing report – innovations to deliver Healthy Garden Communities • Economy & Business report – attract new organisations to locate to North Essex and encourage existing organisations in North Essex to grow	Operations, Programming	Industry/Business partners
8. Strategic Business Planning	NEGC Board Steering Group	• Long-Term Business Plan • Medium and Long-Term Funding	Managing Director, Programming, Finance, Operations	N/A

## 9. Finance

---

### 9.1 Overview

The programme to date has been supported through a combination of MHCLG capacity funding (grant) and additional equal revenue (grant) contributions from each of the four shareholder Councils.

As set out in this document, taking the programme forward during 2019/20 is resource intensive as the workload steps up to fund all necessary technical and design work to progress the Local Plan (Section 1) process, including beginning a three-sequence programme of public engagement whilst also developing a Delivery approach, including a potential Locally-Led Development Corporation proposition, so that the schemes to delivery-ready status. As such, the work during 2019/20 will ensure that the programme is able to get on site as soon as is practically possible after the adoption of the Local Plan progress. Essentially the work in 2019/20 will be a precursor and so enable the more detailed masterplanning work including further public engagement and site-specific infrastructure/utilities planning that will need to be progressed in 2020/21 onwards. In addition, the further supporting work on transport infrastructure and economic growth work plan across the North Essex area during 2019/20 will provide the surface access and employment foundations for the programme to be progressed in 2020/21 onwards. It should be noted that whilst this Business Plan reflects the work that needs to be done by NEGC during 2019/20, The Councils will continue to resource work associated with the Local Plan process and documentation.

### 9.2 2019/20 Budget

In the light of the need to progress the Local Plans (Section 1), it is deemed appropriate that this budget is funded by a mix of council and government funding (subject to a successful bid for grant funding). The level of funding required to deliver the programme workstreams contained in 2019/20 is £2.1m. It is proposed that the £2m is comprised of £1.4m Councils contribution (£350k for each of the four Council shareholders) and the remaining funding from a combination of Government funds (£0.6m) and funds carry forward from 2018/19 (£0.1m). North Essex Garden Communities is the largest programme in the MHCLG Garden Towns and Villages scheme. As at the end of 2018/19, the NEGC programme had received £3.2m Government funding from the MHCLG scheme and £2.4m funding from the Council shareholders. Once the proposed funding splits for 2019/20 are added to those historic amounts it would mean that there would be an equal split of Government MHCLG and the Councils funding for the NEGC programme by the end of 2019/20.

The programme for 2019/20 has been structured to ensure that the Local Plan and Engagement elements are prioritised especially during the first part of the year. During the second part of the year, the Delivery and Business Plan elements are prioritised in order to enable the project to progress the delivery of new homes and employment in the Garden Communities as quickly as possible after the conclusion of the Local Plan EIP. The table below provides an analysis of the main expenditure budget categories for 2019/20 and **Appendix C** sets out further detail on the budget for 2019/20 under each of the main budget categories:

<b>2019/20 - £k</b>	<b>end Jul</b>	<b>end Oct</b>	<b>end Jan</b>	<b>end Mar</b>
<b>Expenditure</b>				
Local Plan	400	723	1,050	1,220
Delivery	200	460	730	911
<b>Total</b>	<b>600</b>	<b>1,183</b>	<b>1,780</b>	<b>2,131</b>

The progress of the activity to deliver the 2019/20 element of this 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 Board meetings. In addition, there will be three formal review milestone dates (end of July, end of October, end of January) where the NEGC Board will receive a report from the Group MD setting out the remaining budget requirements and corresponding expenditure together with a recommendation of how much of the total £1.4m Councils contribution should be drawn down to enable NEGC to progress to the next review milestone date. Consequently, the 2019/20 Interim Business Plan is not predicated on a need to receive the full £1.4m Councils contribution upfront in the year and allows a profile of Councils contributions that can be phased in accordance with the needs of the project.

### **9.3 2020/21 and 2021/22 Budget**

Once Section 1 of the Local Plans has been adopted by The Councils, it is considered an appropriate time to move away from public revenue (grant) funding and obtain securitised external finance to fund the progression of detailed planning and the set-up of the delivery vehicle (potentially a locally-led development corporation) for the Garden Communities. In financial terms, the opportunity to prepare planning applications once the Local Plan is adopted means that there is a reduced level of development risk which in turn would lead to a more acceptable external financing risk for The Councils. These risks are reduced further when land is acquired and/or planning permission obtained.

It is envisaged that the set-up process will begin in 2020/21 and take around two years with a budget in the range of £16m to £20m (£4m-£5m each Council) across that two-year period, which is benchmarked on similar large-scale development projects and a range of funding options will be explored during 2019/20. Thereafter, it is envisaged that longer-term finance will be required to support the Long-Term Business Plan to begin the ‘on the ground’ development activity from 2022/23 onwards. This longer-term finance would be used to pay back the shorter-term finance required for 2020/21 and 2021/22.

Consequently, on the basis that the major outcomes are delivered by the end of 2019/20, it would mean that the programme could move to being externally financed and The Councils would then not need to provide further revenue (grant) contributions. Depending on the type and nature of external finance obtained for the two years 2020/21 and 2021/22, it is anticipated that there would be a need for on-going financial undertakings or support from The Councils.

Should Section 1 of the Local Plans not be adopted in the timescales envisaged in this Business Plan, the NEGC Board will undertake a review of the business plan and supporting budget for 2020/21 onwards.

## 10. Risk

---

### 10.1 Overview

To support the successful delivery of the NEGC Programme, the Programme Team maintains a high-level Strategic Risk Register for the NEGC 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. 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 2019/20**

NEGC PROGRAMME (19/20)														
	PRIORITY	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	
1	Local Plan	Assist the NEAs and UDC with the work required to progress their Local Plans							Appear and present evidence at the EIP for the Section 1 Local Plans					
2	Engagement	Engage closely with and lobby Government to consider the scope/scale of their involvement/support for a LLDC in North Essex												
								Sequence 1 engagement with communities						
3	Economy				Work with The Councils and key economic partners to deliver the high level work plan to deliver the North Essex Economic Strategy									
					Work with partner marketing and communications teams to ensure North Essex Economic Strategy is communicated and ‘marketed’ using the North Essex Opportunity branding									
4	Delivery & Stewardship				Consideration of preferred operating structure and funding requirements for the future delivery of Garden Communities under a Locally-led Development Corporation (Outline Business Case)									
				Initial legal & delivery analysis work	Prepare a draft Mandate for approval of proposed Oversight Authority/Local Authorities				Draft Mandate and outline Business Plan to Board			Final Mandate and Business Plan to Board for approval	Recommendation of Mandate & Business Plan to Councils for approval	
					Evolve corporate delivery and financing structure to best achieve the aims/objectives of The Councils									
		Liaise with the existing landowners and potential developers to establish whether commercial deals can be agreed that accord with the Development Corporation’s objectives									Initial work on CPO (subject to progress with negotiations)			
		Task and Finish working to progress identification of income earning and community assets, and potential management vehicles, developing a long-term stewardship approach												
							Stewardship Vision & update to Board		Completion of Stewardship content for Mandate					
5	Masterplanning & Transport				Prepare for Sequence 1 engagement to support masterplans and DPDs						Prepare key evidence base / technical studies to support the masterplans and DPDs			
					Masterplanning engagement with Stewardship group					Commence the preliminary work for the preparation of masterplans and LDO(s) for each of the new Garden Communities				
		Work with local government & Highways England partners and other relevant stakeholders to advocate for, and assist in, the delivery of the A12 and A120												
		Feasibility work for the implementation of the North Essex Rapid Transit System proposals in partnership with The Councils												
		Engage with Network Rail and other relevant stakeholders to consider and evolve wider transport opportunities including those presented in relation to the Greater Anglia network												
6	Infrastructure & Utilities	Evolve demand and capacity studies for strategic onsite infrastructure works, engaging with Utility providers as required							Produce a commercial approach to the delivery of the on-site infrastructure and utilities based on the outcome of an options appraisal					
7	Innovation	Task and Finish working to progress priority areas and develop topic work plans												
							Infrastructure Workshop			Economy & Business Workshop	Health & Wellbeing Report			
8	NEGC Strategic Business Planning	Work with Councils to consider their ‘hard’ and ‘soft’ ambitions and wider objectives for GCs												
					Prepare a costed Business & Finance Plan for the period 2020/21 and 2021/22						Board to approve 2020/21 & 2021/22 Business Plan			
		Undertake Options Appraisal / Commence Outline Business Case			Evolve Outline Business Cases for funding needs and financing proposals and secure external finance to fund the Business Plan for the period 2020/21 and 2021/22									
NEGC Board Meetings			▲		▲		▲		▲		▲		▲	

## **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 2019/20 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 it supplements and complements 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 “Section 1” component of the plan, together with separate “Section 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 Section 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 NEAs 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 NEAs' 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, programme 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 programme 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 with respect to the potential establishment of a single new locally-led development corporation as one of several delivery model options, 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 30-40 years to deliver; infrastructure which supports the development of the whole programme 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 programme. 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 programme was reviewed by Lord Kerslake in January 2017, which identified a series of recommendations that had an influence over programme 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 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 NEGEC 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: NEGC BUDGET FORECAST 2019/20

£000's	Q1	Q2	Q3	Q4	Total
Local Plan / DPD					
Staff	£103.8k	£119.6k	£126.5k	£120.8k	<b>£470.7k</b>
Overheads	£27.3k	£33.5k	£36.5k	£30.4k	<b>£127.7k</b>
Supporting studies	£45.5k	£65.1k	£79.5k	£10.5k	<b>£200.6k</b>
Planning	£79.5k	£84.5k	£71.75k	£69.75k	<b>£305.5k</b>
Engagement	£6.0k	£18.0k	£13.3k	£5.5k	<b>£42.8k</b>
Risk/Contingency	£14.0k	£14.0k	£13.8k	£29.6k	<b>£71.4k</b>
Total					<b>£1,218.7k</b>
Delivery Strategy					
Staff	£68.7k	£70.2k	£71.7k	£72.7k	<b>£283.3k</b>
Overheads	£20.8k	£22.3k	£21.3k	£20.8k	<b>£85.2k</b>
Governance	£9.0k	£4.0k	£7.5k	£54.2k	<b>£74.75k</b>
Delivery & Stewardship	£15.3k	£29.4k	£37.6k	£38.5k	<b>£120.8k</b>
Masterplan/Transport	£1.0k	£1.0k	£11.0k	£20.1k	<b>£33.1k</b>
Infrastructure & Utilities	£5.0k	£15.0k	£25.0k	£30.0k	<b>£75.0k</b>
Strategic Business Planning	£31.0k	£61.0k	£81.1k	£44.0k	<b>£217.1k</b>
Risk/Contingency	£6.2k	£5.0k	£5.0k	£6.3k	<b>£22.5k</b>
Total					<b>£911.7k</b>
Overall Total					<b>£2,131k</b>