

Extract from the minutes of the Cabinet meeting on 4 September 2019

Councillor King (in respect of his position as a Director of North Essex Garden Communities Ltd) and Councillor J. Young (in respect of her position as an alternate director of North Essex Garden Communities Ltd and a member of Essex County Council) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

377. North Essex Garden Communities Ltd – Approval of 2019/20 Interim Business Plan and Budget

The Strategic Director of Policy and Place submitted a report a copy of which had been circulated to each Member together with draft minute 228 of the Scrutiny Panel meeting of 29 August 2019.

Councillor Davies, Chairman of the Scrutiny Panel, attended and with the consent of the Chairman addressed the Cabinet. The Scrutiny Panel had scrutinised the interim North Essex Garden Communities Ltd (NEGC) business plan and budget at its meeting on 29 August. The meeting had been very positive and there had been cross party agreement on the recommendations to Cabinet. Further context was provided about the recommendations, in particular recommendation (a) which was essentially looking for further evidence of deliverability before Full Council was asked to commit the £350,000 to NEGC Ltd.

Councillor King, Portfolio Holder Business and Communities, was invited to respond to the Scrutiny Panel's recommendations. In respect of recommendation (a) the Cabinet would do all it could to provide further evidence and was committed to working in a spirit of transparency. In respect of recommendation (b), the focus was very much on evidence gathering and communications in response to the Inspector's request, in order to ensure a successful outcome. However, the Cabinet would look to undertake some contingency planning in case the Planning Inspector concluded that Section 1 of the Emerging Local plan was not sound. On recommendation (c), the selection of the delivery model was a matter for the four authorities rather than for NEGC Ltd. Discussions on this were in the early stages and would take some time to resolve. Detailed information could not be provided until these discussions were complete, but Cabinet would look to see if there was information that could be usefully shared now. Full details would be provided when this was available. An assurance was given that the Cabinet was committed to openness and members would be kept abreast of issues on Garden Communities generally, and that quarterly briefings were being considered.

Councillor Dundas attended and with the consent of the Chairman, addressed the Cabinet. He thanked Councillor King and Councillor J. Young for improving the flow

of information. However concerns about the Business Plan remained. The 2019/20 Business Plan had effectively already been implemented and Cabinet should be looking at a forward looking business plan for 2020/2021. There was insufficient information in the Business Plan: for example there were no management accounts. There not enough evidence on which investment decisions could be based. There remained a significant risk that the Council could lose any funding invested and it was noted there was no contingency plan. In view of its low overheads, NEGC Ltd would not collapse if no further funding was invested.

Councillor J, Maclean attended and with the consent of the Chairman, addressed the Cabinet. There was nothing to show for the funding invested so far in NEGC Ltd, and the funding could have been used more effectively on other priorities. There needed to be a better understanding of where the Garden Communities project was going and how public money would be used before further funding was made available.

Councillor Harris attended and with the consent of the Chairman addressed the Cabinet to stress the importance of Garden Communities in providing housing for future generations in well built, well defined communities supported by the necessary infrastructure.

Councillor King responded to members comments and introduced the report. The Business Plan made it clear that the funding was used to maintain a key team of officers to develop and deliver the Garden Communities project. Continuity and momentum were key and there would be little point in stalling or stopping the project now. The potential benefits were very large, for a relatively small investment. Garden Communities would provide housing (including affordable housing), employment, infrastructure, open space and good transport links. The Councils would be able to control the nature of the development and provide ongoing stewardship. The proposals in the report had been subject to rigorous analysis and had been approved by the Section 151 Officer and Monitoring Officer from each authority. Councillor J. Young, Portfolio Holder for Culture and Performance, and Councillor Cory, Leader of the Council and Portfolio Holder for Strategy also expressed their support for the proposals.

RESOLVED that:-

- (a) The 2019/20 Interim Business Plan and Budget (subject to confirmation of government funding) for NEGC Ltd as attached at Appendix A be approved.
- (b) The Section 151 Officers be authorised to agree any future allocation of the project funds held by Colchester Borough Council between NEGC Ltd and the North Essex Authorities;
- (c) It be noted 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.
- (d) Recommendations (a) and (b) contained in minute 228 of the Scrutiny Panel meeting of 29 August 2019 be accepted, and recommendation (c) be accepted

subject to it being amended so that clear details about the preferred delivery model be provided by the four local authorities as soon as practicable.

RECOMMENDED 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.

REASONS

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.

ALTERNATIVE OPTIONS

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