

19 March 2019

Report of	Strategic Director of Policy & Place	Author	Ian Vipond ☎ 282992
Title	North Essex Garden Communities Project		
Wards affected	All		

1. Executive Summary

- 1.1 The North Essex Garden Communities project was created by Braintree, Colchester, Tendring and Essex County Councils to facilitate the Councils' shared ambition to promote, plan and deliver sustainable strategic growth in North Essex in the emerging Local Plans via Garden Communities at a 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 This report provides the Panel with an update on the North Essex Garden Communities project and budget.

2. Action Required

- 2.1 The Panel is asked to consider and note the contents of this report.

3. Background Information

- 3.1 Colchester Borough Council, Braintree District Council, Tendring District Council and Essex County Council have been working collaboratively to facilitate their shared ambition to develop Garden Communities in the district council's emerging local plans and created the North Essex Garden Communities project. Each of the four authorities have contributed equally to the cost of the project. These contributions have been the subject of formal decisions made by the respective Council's Cabinet's or Portfolio Holder. Colchester Borough Council holds and manages the project budget on behalf of the four authorities.
- 3.2 The four authorities established North Essex Garden Communities Ltd (NEGC Ltd). As shareholders for NEGC Ltd the four authorities have been working on an agreed strategic approach to the allocation and distribution of large scale, mixed use development, including employment opportunities and infrastructure provision in the proposed Garden Communities.
- 3.3 As shareholders the four authorities exercise control over NEGC Ltd by means of a required approved business plan for the company. Cabinet at its meeting on 21 November 2018 considered and approved a report entitled "North Essex Garden Communities Ltd – Shareholder Approvals and update" a copy of which is attached to this report at Appendix A. This report also contained the North Essex Garden Communities Limited's Interim Business Plan and budget for 2018 /19 which was also approved by Cabinet.

- 3.4 The Council manages the North Essex Garden Communities project budget on behalf of the four authorities. The project budget will only be transferred from Colchester to NEGC Ltd when the four authorities agree that it is appropriate to do so. Details of the project budget are included at paragraph 5.
- 3.5 NEGC Ltd Board has considered a draft Business Plan for 2019/20 which will be submitted to the four authorities later in the year for them to approve as Shareholders.

4. Strategic Plan References

- 4.1 Strategic planning supports all four of the strategic goals in the 2018-21 Strategic Plan, including Growth, Responsibility, Opportunity and Wellbeing.

5. Financial Implications

5.1 NEGC Project Position for 2018/19

The table below summarises the budget position on the NEGC project for 2018/19 with actuals and accruals to end of January 2019.

This showed that based on forecast spend for the year there will be c£84k left to carry forward into financial year 2019/20.

	Actual	Accruals to end January 2019	Total to date	Forecast for year
BUDGET AREA:	£'000	£'000	£'000	£'000
Delivery Team	340	146	486	575
Legal Support:				
Delivery Vehicle	67	64	131	231
Planning	NIL	86	86	86
Other	242	(185)	57	138
Delivery Support:				
Corporate Finance	243	99	342	410
Project Management	60	12	72	85
External Audit	6	8	14	19
Specialist Delivery Advice	346	76	422	515
Property Consultants	53	93	146	180
Infrastructure	NIL	120	120	146
Other	115	173	288	365
Planning	(23)	90	67	95
Community & Comms	101	88	189	217
Contingency	3	15	18	35
TOTAL EXPENDITURE	1,553	885	2,438	3,097
FUNDED BY:				
Reserves b/fwd	1,526	NIL	1,526	1,526
Government Grant	190	NIL	190	1,190
Contributions from Essex Councils	465	NIL	465	465
TOTAL FUNDING	2,181	NIL	2,181	3,181
Reserves c/fwd	628	(885)	(257)	84

Notes:

- Figures shown are on an accruals basis and not 'cash'.
- Accruals are based on best view of value of work to end of January.
- NEGC have commented that the accruals are prudent.
- The 'Contributions from Essex Councils' are based on amounts invoiced.

5.2 Movement from end of January to end of March 2019

The forecast cost for the remainder of this year is £660k. Of this:-

- c£180k is staff cost (incl. interim operational cost)
- c£250k is for legal and financial consultancy
- c£140k is for consultant support on property

Subject to actual accruals and final cost definition the carry forward to next year could be greater than forecast.

6. Consultation and Publicity Implications, Health, Wellbeing and Community Safety and Implications and Health and Safety Implications

6.1 No direct implications.

List of Appendices

Appendix A – Cabinet report 21 November 2018 and NEGC Ltd Interim Business Plan and Budget 2018/19