



Cabinet

Item

4 September 2019

Report of	Strategic Director of Policy & Place	Author	Ian Vipond ☎ 282992
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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

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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:

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- 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;

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

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.

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- 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 10th 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 19th August and 30th 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/>