

Scrutiny Panel Meeting

**The Studio Theatre, The Mercury Theatre,
Balkerne Gate, Colchester, CO1 1PT
Tuesday, 19 March 2019 at 18:00**

The Scrutiny Panel examines the policies and strategies from a borough-wide perspective and ensure the actions of the Cabinet accord with the Council's policies and budget. The Panel reviews corporate strategies that form the Council's Strategic Plan, Council partnerships and the Council's budgetary guidelines, and scrutinises Cabinet or Portfolio Holder decisions which have been called in.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published.

Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

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Access

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Scrutiny Panel – Terms of Reference

1. To fulfil all the functions of an overview and scrutiny committee under section 9F of the Local Government Act 2000 (as amended by the Localism Act 2011) and in particular (but not limited to):

- (a) To review corporate strategies;
- (b) To ensure that actions of the Cabinet accord with the policies and budget of the Council;
- (c) To monitor and scrutinise the financial performance of the Council, performance reporting and to make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions;
- (d) To review the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic and Implementation Plans;
- (e) To review the financial performance of the Council and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors;
- (f) To review or scrutinise executive decisions made by Cabinet, the North Essex Parking Partnership Joint Committee (in relation to decisions relating to offstreet matters only) and the Colchester and Ipswich Joint Museums Committee which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (g) To review or scrutinise executive decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (h) To monitor the effectiveness and application of the Call-In Procedure, to report on the number and reasons for Call-In and to make recommendations to the Council on any changes required to ensure the efficient and effective operation of the process;
- (i) To review or scrutinise decisions made, or other action taken, in connection with the discharge of functions which are not the responsibility of the Cabinet;
- (j) At the request of the Cabinet, to make decisions about the priority of referrals made in the event of the volume of reports to the Cabinet or creating difficulty for the management of Cabinet business or jeopardising the efficient running of Council business;

2. To fulfil all the functions of the Council's designated Crime and Disorder Committee ("the Committee") under the Police and Justice Act 2006 and in particular (but not limited to):

- (a) To review and scrutinise decisions made, or other action taken, in connection with the discharge of the responsible authorities of their crime and disorder functions;
- (b) To make reports and recommendations to the Council or the Cabinet with respect to the discharge of those functions.

COLCHESTER BOROUGH COUNCIL
Scrutiny Panel
Tuesday, 19 March 2019 at 18:00

The Scrutiny Panel Members are:

Councillor Beverly Davies	Chairman
Councillor Kevin Bentley	Deputy Chairman
Councillor Phil Coleman	
Councillor Chris Hayter	
Councillor Andrea Luxford Vaughan	
Councillor Lee Scordis	
Councillor Barbara Wood	

The Scrutiny Panel Substitute Members are:

All members of the Council who are not Cabinet members or members of this Panel.

AGENDA
THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING
(Part A - open to the public)

Please note that Agenda items 1 to 5 are normally dealt with briefly.

1 Welcome and Announcements

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

2 Substitutions

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

3 Urgent Items

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

4 Declarations of Interest

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or

participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

5 Minutes of Previous Meeting

The Panel will be invited to confirm that the minutes of the meetings on 11 December 2018, 29 January 2019 and 22 February 2019 are a correct record.

Scrutiny Panel minutes 111218

7 - 12

Scrutiny Panel Minutes 290119

13 - 18

Scrutiny Panel Minutes 220219

19 - 24

6 Have Your Say!

The Chairman will invite members of the public to indicate if they wish to speak or present a petition on any item included on the agenda or any other matter relating to the terms of reference of the meeting. Please indicate your wish to speak at this point if your name has not been noted by Council staff.

7 Decisions taken under special urgency provisions

The Councillors will consider any decisions by the Cabinet or a Portfolio Holder which have been taken under Special Urgency provisions.

8 Cabinet or Portfolio Holder Decisions called in for Review

The Councillors will consider any Cabinet or Portfolio Holder decisions called in for review.

9 Items requested by members of the Panel and other Members

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.

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|----|--|--------------|
| 10 | Review of Colchester Borough Council's Partnership Arrangements with the Mercury Theatre. Colchester Arts Centre and Firstsite | 25 - 104 |
| | The Panel is invited to review the range of programmes delivered by the Mercury Theatre, Colchester Arts Centre and Firstsite and how effectively they support the Council's strategic priorities and provide value for money for the funding provided. | |
| 11 | North Essex Garden Communities Project | 105 -
182 |
| | The Panel will consider a report providing an update on the North Essex Garden Communities project and budget. | |
| 12 | Work Programme 2018-19 | 183 -
194 |
| | The Panel will consider the work programme for 2018-19. | |
| 13 | Exclusion of the Public (Scrutiny) | |
| | In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972). | |

Part B
(not open to the public including the press)

Scrutiny Panel

Tuesday, 11 December 2018

Attendees: Councillor Kevin Bentley, Councillor Phil Coleman, Councillor Beverly Davies, Councillor Chris Hayter, Councillor Andrea Luxford Vaughan, Councillor Lee Scordis, Councillor Barbara Wood
Substitutes: No substitutes were recorded at the meeting
Also Present: Also in attendance: Councillors King and T. Young

193 Minutes of Previous Meeting

RESOLVED that the minutes of the meeting held on 27 November 2018 be confirmed as a correct record.

194 Central Support Futures Review

Councillor King, Portfolio Holder for Resources, and Dan Gascoyne, Assistant Director Policy and Corporate, introduced the report setting out the proposed changes to the Policy and Corporate service area and associated savings, following a review of the Council's Central Support Services.

Councillor King highlighted that whilst one of the drivers behind the review was to identify savings, it was also looking ensure a more efficient and effective organisation. A particular issue that had been highlighted during the course of the review was to build the resilience of the service. It was also important that Council officers felt ownership of the final outcome. The recommendations were not for radical change and the changes proposed were comparatively small in scope. This partly because the degree of flexibility was small but he was satisfied that the proposals were manageable and deliverable.

Dan Gascoyne explained the main features of the review and in particular highlighted the following points:-

- The review had a savings requirement of £200,000 per annum with a 'stretch' target of an additional £50,000 in order to deliver a sustainable budget for Policy and Corporate going forward
- There had been a process of staff consultation and engagement, and consultation with other services, who were the service's key customers. This had identified a number

of themes, which had been combined into a proposed vision for the review:-

“The Central Services Futures Review will provide greater Workforce Resilience, make us more Customer Focussed and Financially Sustainable, and facilitate a Digital by Default approach, so we continue to be Transformation Enabling for the whole Council.”

- The proposals were currently out for consultation with officers and other stakeholders.
- Building resilience was a key issue. Policy and Corporate was already a lean set of services, with little spare capacity and there were existing workload issues. One of the aims of the review was to find a way of alleviating some of the pressures felt by officers and ensuring work was done at the appropriate level.
- The review needed to cover the true costs of the service. Whilst the service did generate some income, the income levels couldn't necessarily be guaranteed.

The Chairman thanked Dan Gascoyne for the clarity and quality of the report submitted to the Panel.

In discussion some questions were raised about the proposals around Change and Performance. In response, it was stressed that change management needed to be led by senior management and was the responsibility of managers across the organisation. This did necessitate a cultural change across the organisation, which was underway. The Panel accepted these arguments but stressed the need for managers to be provided with appropriate training on change management issues. The Panel also explored issues around the resilience of the service.

The Panel also suggested that it would be able to provide more effective scrutiny and better value if it saw proposals for service reviews at an earlier stage, and before formal proposals were made. Whilst it was appreciated that the details were often confidential at an early stage, it could exclude the public if necessary. It was explained that the proposals were currently out for consultation and the Panel's views would be considered as part of the consultation. In addition, the proposals were due to be submitted to Cabinet at its meeting on 30 January 2019 and the Panel could make a recommendation to Cabinet in respect of the proposals, if it saw fit.

A member of the Panel noted the changes proposed to the ICT team and sought a reassurance that the Council had sufficient resources to deal with the ever-changing ICT environment. In response it was explained that the Business Partner model had not worked particularly well in ICT so there was a move away from that and towards the use of ICT advisors. Sharepoint and Office 365 should be fully embedded by March 2019, and this should free up additional resource, although support would still be provided for legacy systems. In addition, the revenue requirements for the next stage in the ICT Strategy were being met through the proposed structure in this review.

RESOLVED that:-

(a) The proposed changes in the Central Support Services Review were scrutinised and the Panel's comments be considered when the proposals were referred to Cabinet;

(b) The financial savings proposed in the Central Support Services Review were scrutinised.

195 Half Year 2018 - 2019 Performance Report including progress on 2018-2021 Strategic Plan Action Plan

Councillor King, Portfolio Holder for Resources, and Dan Gascoyne, Assistant Director Policy and Corporate, introduced the report setting out the performance for the 2018-19 half year, and an update on the Strategic Plan Action Plan.

Councillor King explained that the Key Performance Indicators (KPIs) had been reviewed in view of the Panel's previous comments that some were insufficiently rigorous. The targets in respect of the time taken to process housing benefit claims and changes, and the time taken for local council tax support assessments had been made more challenging. He thanked the Panel for their comments which had proved beneficial. The presentation of the information about the KPIs had also been changed. It was now presented in graph form showing year to date performance and the previous year's performance and target. It also retained the narrative used in previous reports. This would make it easier for the Panel to identify and review trends in performance.

Dan Gascoyne highlighted the Key Performance Indicators where the performance was amber:-

- Processing of major planning applications: There were a comparatively small number of 'major' planning applications, so a small amount missing their target had a disproportionate impact. It was anticipated that performance against the target would improve and it was noted that performance in respect of processing of 'minor' and 'other' applications, which involved a far greater number of applications, was meeting its target.
- Residual waste per household: Notwithstanding that the performance was amber, performance against the target had improved dramatically. It was felt that the target may need to be amended slightly, but he was satisfied that performance was good and at a consistent level.
- Number of missed collections: Performance against this target was improving and it was anticipated that by year end it would be on track.

The only KPI where performance was red was in respect of sickness rates. Whilst rates

of short term sickness were reducing, long term sickness was increasing. This was a matter of concern which was being taken very seriously within the Council. Each case was being looked at and case conferences being held to ensure that the necessary support was in place to facilitate a return to work, and where a return to work was unlikely addressing whether there were better options for the individual and the Council. The trends were not consistent across all the Council service groups and the organisation was looking at those areas where the issues were the most pronounced.

Councillor King stressed the seriousness with which this issue was taken. He was satisfied that the right approach was being taken. It would be difficult to bring the numbers down quickly or easily, in part because the figures were calculated on 12 month rolling period so it takes time for improved performance to be reflected in the figures. The level of change within the organisation and the consequent pressures being put upon staff were likely to be contributing factors. It was important that managers showed empathy and compassion and maintained relationships with those staff who were away from the office because of long term sickness issues and a briefing was being held for managers to reinforce these messages.

The Panel also expressed concern about presenteeism, particularly by those suffering with with mental health, and sought clarification about what training was available to managers to help identify and deal with this. Dan Gascoyne explained that whilst the Council was aware of presenteeism as a potential issue, he did not think it was a major problem partly as a consequence of the Council's flexible working practices. However, the Council was very much aware of the issue of mental health. The Staff Survey was currently being conducted which would provide helpful information about the views and morale of staff.

In discussion on the Strategic Plan Action Plan the Panel raised the following issues:-

- How the information in the report was assessed, amalgamated and reviewed and whether the structure of the report, in concentrating on particular actions, led to an incomplete picture being presented in respect of some issues.
- The timescale for the updated Economic Strategy for the borough. It was also suggested that that this would be a useful item for pre-scrutiny. It was explained that the evidence base was being gathered. Councillor King undertook to provide further information to the Panel about the timescales.
- In respect of theme O5, whether the Council had the ambition to convert all Council vehicles to electric only by a set date, and to make them available to staff via a car share system. It was explained that the conversion of the fleet was being looked at, although it might be more difficult to convert waste collection vehicles.
- In respect of theme W5, why did the Diabetes Support Programme events at Leisure World have a low attendance and whether the Council was pushing health organisations to address diabetes. Pam Donnelly, Strategic Director for Customers and Partnerships, suggested that there may be some benefit in inviting the North Essex Health and Wellbeing Alliance to present their work to the Panel in the next municipal

year.

- In theme R4, clarification was needed about the legal powers referred to and how these related to the legislation specified in the commentary.
- In theme G4, it was suggested the wording of this needed to include a caveat reflecting recent developments in respect of the Local Plan.
- In respect of theme O2, whether the charging points in Priory Street were being pursued given that it was understood that Priory Street would not continue as a car park. There should be a planning policy requiring the installation of charging policies as part of new developments. Councillor King indicated that he would look into these issues.
- In terms of the trial closure of the High Street mentioned at theme O3, the hours of closure were being looked at? Councillor King indicated that he would investigate and respond.

RESOLVED that:-

- (i) The performance set out in the Strategic Plan Action Plan Half Year report April – September 2018, the KPI Half Year report covering April – September 2018 and the Awards and other Performance News be noted.
- (ii) The Reporting Timetable covering 2018-19, specifically the dates for setting KPI targets for 2019-20, be noted.

196 Work Programme 2018-19

Richard Clifford, Democratic Services Officer, introduced the Scrutiny Panel Work Programme for 2018-19.

It was reported that the meeting on 19 March 2019, which was due to scrutinise the Arts Organisations, would be held at the Mercury Theatre. In addition an item relating to the North Essex Garden Communities would be added to the work programme for that meeting. An additional Crime and Disorder meeting had been scheduled for 26 February 2019. There was also a suggestion that the Scrutiny Panel also meet on that date, in order to consider the BID. However, it was noted that the BID were also due to present to the Policy and Public Initiatives Panel, and that the Chairs of the Committee would liaise over the arrangements.

In terms of items for the 2019-20 municipal year, following a suggestion from the Chair, the Panel agreed that it should scrutinise Colchester market, to ensure that it was fit for purpose and was delivering on its objectives. The Panel also welcomed the suggestion that the Panel invite the North Essex Health and Wellbeing Alliance to present to the Panel in the 2019-20 municipal year. It was suggested that it might also be appropriate

to host this at an alternative venue away from the Town Hall, in order to encourage interested parties and members of the public to attend. The Chair explained that she would continue to contact the Deputy Police and Fire Commissioner so that the Panel could look at the Essex Fire Plan.

RESOLVED that the contents of the 2018-19 Scrutiny Panel Work Programme be noted.

SCRUTINY PANEL

29 JANUARY 2019

Present: - Councillor Davies (Chairman), Councillor Bentley,
Councillor Coleman, Councillor Hayter, Councillor Luxford
Vaughan, Councillor Scordis

Substitutions Councillor Willetts for Councillor Wood

Also present:- Councillor Bourne, Councillor Goss, Councillor King

197. Minutes

The Chair asked that the minutes of the meeting on 11 December 2018 be checked to ensure the references to the Economic Growth Strategy were fully reflected in the minutes.

198. Waste and Zones Futures Business Case

The Panel considered a report inviting it to consider the proposed service changes, financial savings and investment in front line services following the review of the existing Recycling, Waste and Fleet Service and Community Zones Service. Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, Councillor Bourne, Portfolio Holder for Housing and Communities and Richard Block, Assistant Director for Environment presented the report and attended to assist the Panel.

Councillor Goss explained the background to the report and presented the key proposals of the Business Case. Potential savings and additional income of £748,000 had been identified over the next three years. It was stressed that although a new management structure would be put in place, there would no reduction in frontline staff. The new structure would fully integrate the Parks and Open Spaces team into the zones structure. In addition, as the Cemetery and Crematorium did not fit well into the zones structure, it would be moved in the Communities team, as would some Zones resources allocated for community development and engagement work. Other elements of the Business Case were a greater focus on enforcement, a greater emphasis on the use of technology and a review of the market.

A key element of the Business Case was further investment in the Shrub End Depot and in the capacity of frontline services in order to ensure there was sufficient capacity to cater for the increase in housing growth in the borough. In addition, a new contract for the processing and sale of dry recyclable material was underway. Due to global market conditions there was no longer a demand for plastic film, plastic bags and plastic wrappers and it was proposed that these no longer be collected as recyclable material. Residents would be advised to include them in their black bag waste. An allowance would be included within the 2019/20 budget to allow for the increased costs that could arise from this.

In summary this was a positive review which would deal with capacity issues in the Waste and Zones services. It would increase the capacity of the service, improve the technology available and also introduce better controls on recycling supplies.

In response to a query from a member of the Panel about the possibilities of increasing the use of multi compartment vehicles, it was explained that this was outside the scope of the review, but a number of efficiencies in collection methods had been identified as part of the review. These issues had been looked at in detail in the review of waste and recycling collection in 2017. It was also confirmed that issues relating to the provision of wheeled bins was outside the scope of this review.

It was suggested that it would be beneficial for ward councillors and parish councils to receive better information about the work of the zones teams to ensure better co-ordination and that processes needed to be put in place to raise the visibility of their work. Councillor Goss responded that there was an efficient internal workflow system in place to ensure that tasks allocated to the zones teams were completed efficiently. Rotas for the Zones teams were made available to parish councils to help avoid duplication. Ward councillors should build effective relationships with their Zones teams and communicate regularly with them to ensure that they were aware of the work they were undertaking. However, work was underway to create an online portal for members to report issues and to improve communication between ward councillors and the Zones teams. Concern was also expressed by a member of the Panel about the consistency of the approach to enforcement by the Zones teams, particularly in respect of items belonging to street homeless individuals. Councillor Bourne and Councillor Goss responded and explained that they believed the Zones teams approached this issue fairly and sensitively.

In respect of the proposed changes to collections of plastic film, bags and wrappers, concern was expressed by a member of the Panel about the resulting increase in waste to landfill. This proposal was counter to the view expressed by Council in the motion on plastic packaging approved by Council in December 2017. Commercial waste and recycling companies were still collecting such products. In addition, the market for recyclables was fluid and could change quickly. Further information was sought about how these changes would be communicated to residents.

In response, Councillor Goss stressed that that this decision was market led. There was no commercial demand for the material. The Council had recently held a market engagement day in advance of tendering for the new contract and this had been the universal view of the suppliers. Even if the material was collected, it would not be recycled, as the recycling companies would remove it when sorting. The key was to pressure the manufacturers and supermarkets from using such materials. In terms of engaging with residents, information would be provided through the recycling calendar. Traditional media and social media channels would also be used, and councillors, including parish councillors, would also play a role in disseminating key messages.

A member of the Panel sought information about the additional cost of this change to collection methods. In response, Richard Block explained that this was not clear, as the cost would be included in the new waste collection contract, which had not been let. However, it was anticipated that costs would reduce, as there would be less contamination of recyclable material, and the costs that resulted from this contamination would no longer be built into the contract.

The Panel also explored what tonnage increase in waste and recyclables was anticipated from the increase in housing growth, in order to justify the acquisition of a further vehicle and crew. This would be provided to the Panel, but it needed to be borne in mind that other factors also had to be taken into consideration, such as the collection run times. It was also stressed that the service was also looking to increase opportunities for recycling, and was looking into collection points for bottle bricks and recycling points for crisp packets.

The Panel also explored some of the staffing issues arising out of the review. It was confirmed that there would be no reduction in frontline staff. There would be a reorganisation of the management structure, and four current management posts would not be included in the new structure. In terms of the transfer of the community development and engagement work. It was estimated that across the borough this amounted to two full time equivalents. This resource would be transferred into the Communities team which would provide a dedicated resource and help ensure a consistent borough wide approach that would be better integrated with the work of the wider Community Enabling team.

RESOLVED that:-

- (a) The contents of the Waste and Zones Futures Business Case be noted;
- (b) The financial savings and the investment in frontline services proposed in the service were scrutinised;
- (c) Further information be provided to the Panel about the tonnage increase in waste and recyclables that was anticipated from the increase in housing growth.

199. 2019-20 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast, Housing Revenue Account Estimates 2019-20 and Housing Investment Programme 2019-20

The Panel considered a report inviting it to review and comment on the 2019-20 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast, Housing Revenue Account Estimates 2019-20 and Housing Investment Programme 2019-20. Councillor David King, Portfolio Holder for Resources, and Sean Plummer, Strategic Finance Manager, attended to assist the Panel.

Councillor King provided the Panel with a brief summary of the report. He highlighted the need for financial prudence and the need to budget conservatively. It was important the budget provided investment in Council services to meet the needs of residents. In the context of reducing government funding, it became more difficult each year to present a balanced budget. An increase in council tax was proposed. It was appreciated that this was an additional charge on residents but the Local Council Tax Support Scheme was in place to protect the vulnerable and those on low incomes. He also highlighted the Capital Strategy and the Medium Term Financial Forecast, which demonstrated the need for continued careful financial management in order to close the identified budget gap in future years.

Sean Plummer provided further detail on the revenue budget. He highlighted that the Council would no longer receive any Revenue Support Grant from central government. Whilst in its place the Council would be able to retain a share of business rates, this was a significant change in the way the Council was funded. He drew attention to the significant cost pressures at Appendix C, which had been identified and built into the budget. These were balanced by the savings and incomes identified at Appendix D. Many of these projects had been considered by the Scrutiny Panel in the course of the municipal year, such as the series of Futures Reviews. The increase in council tax and in the tax base would also make a significant contribution to the budget, although it needed to be borne in mind that an increase in the tax base brought an increasing demand for services. There had been a small reduction in the amount of New Homes Bonus received, despite significant housing growth, due to changes in the scheme. Nevertheless, it remained an important funding stream. It was proposed that balances be maintained at more than the recommended level, in view of potential changes in funding, such as future changes to the way New Homes Bonus was calculated.

The Panel expressed its thanks for a very clear report. In terms of business rate retention, clarification was sought on the level of confidence in the projected surplus. Sean Plummer explained that Colchester had done well from the business rate retention scheme since it had been introduced. However, government was proposing to reset the scheme and amend the baseline. There was considerable uncertainty about the impact of this, and it was less easy to predict than grant based funding. A member of the Panel queried action was being taken to increase the number of medium and large businesses, in order to maximise business rate income. It was explained that this would be addressed in the forthcoming Economic Growth Strategy.

A member of the Panel noted the allocation of £450,000 to Local Plan work and queried how much of this would be used to fund North Essex Garden Communities Ltd (NEGC). In view of the current position on Local Plan further funding of NEGC was unnecessary and raised fears of pre-determination. Councillor King explained that this allocation would ensure that any future work that was necessary would be of sufficient quality to provide certainty and enable the necessary decisions to be taken. It was based on a view of possibilities and what might need to be done, and not based on pre-determined outcomes.

It was the view of the Panel that the report was of good quality and covered the necessary issues in detail. Some concern was expressed by a member of the Panel about the inclusion of some political “spin”, but that this was within acceptable limits. It was considered that the report provided a good basis for political arguments on the proposals at Cabinet and Full Council. Councillor King responded and explained that whilst the report did reflect the administration’s views, it was not politically biased. For example the information about central government funding was objective and factually correct.

RESOLVED that the Panel reviewed and commented on the 2019/20 General Fund Revenue Budget, Capital Programme, Medium Term Financial Forecast, Housing Revenue Account Estimates 2019/20 and Housing Investment Programme 2019/20.

200. Treasury Management Strategy 2019-20

The Panel received a report reviewing the 2019/20 Treasury Management Strategy Statement and associated Prudential Indicators, Minimum Revenue Provision Policy Statement and Annual Investment Strategy prior to their referral to Cabinet. Councillor David King, Portfolio Holder for Resources, and Margaret Donaldson, Interim Finance Manager (Technical) attended to assist the Panel and presented the report to the Panel. The key elements of the Strategy were highlighted, and attention was drawn to the changes to the Investment Strategy at paragraph 5.3 of the report.

In discussion, members of the Panel sought further information as to whether the Council had undertaken any sensitivity testing of the impact on the banking limits should Brexit have a major impact on the UK banking system, or was the Council relying on government advice at the appropriate time. Margaret Donaldson explained that the Council took advice from its Treasury Management advisors, who advised that the Council could still invest in the UK and that it could minimise risk through short term investments. In terms of borrowing, the Council mainly borrowed from the Public Loans Work Board, and only had one commercial loan.

The Panel considered that it would be of benefit for the Panel to receive training in treasury management. This would help it perform effective scrutiny of the Treasury Management Strategy. Sean Plummer, Strategic Finance Manager, explained that this could be provided through the Council's treasury management advisors. It would be important to ensure that this was not too detailed and pitched at an appropriate level to ensure members had the necessary background and knowledge to perform their role effectively. There would also be some benefit in providing this training alongside senior officers.

RESOLVED that: -

(a) The Panel reviewed the 2019/20 Treasury Management Strategy Statement and associated Prudential Indicators, Minimum Revenue Provision Policy Statement and Annual Investment Strategy, prior to its consideration by Cabinet and Full Council.

(b) Arrangements be put in place to provide the Scrutiny Panel with training on treasury management.

201. Corporate Key Performance Indicators 2019-20

The Panel received a report setting out the proposed Corporate Key Performance Indicators (KPIs) for 2019-20. Councillor King, Portfolio Holder for Resources, and Dan Gascoyne, Assistant Director Policy and Corporate, attended to present the report and assist the Panel.

Councillor King explained that the presentation of the KPIs had been improved in order to make trends clearer and he hoped that the Panel found it useful. Of the 19 KPIs, 16 were on target, two were at amber and one was at red. It was proposed to amend two of the targets in order to make them more realistic going forward. This was not unusual: since 2015-16 ten of the targets had been amended and in the majority of cases the target had been made more challenging. The overall picture shown by the KPIs was of high performance.

In discussion, members of the Panel welcomed the improved performance on the targets relating to the collection of waste and recyclable materials and the number of missed collections. A member of the Panel sought clarification on the strategy behind the targets and the balance between a stretching target to improve performance and an unrealistic target that could not be met and which put officers under undue pressure. For example, it was noted that the KPI relating to sickness absence was at red. This had been an issue for many years. The KPI seemed to conflict with the need to make officers strive and despite many initiatives, sustained improvement had not been achieved.

Councillor King accepted that it was a challenging issue but considerable work was going into addressing it. It was important that the Council monitored sickness absence and took appropriate action to reduce it. The Council needed to set the right context and expectations, within which managers could focus on individual cases. This necessitated ensuring that they were given the proper time and resources. The Council did benchmark its figures against other authorities but in doing so needed to ensure it was comparing like with like.

RESOLVED that:

- (a) The proposed Key Performance Indicators for 2019-20 be noted.
- (b) The dates contained in the Reporting Timetable covering 2019-20 be noted.

202. Work Programme 2018-19

The Panel received a report setting out the work programme for the 2018-19 municipal year. The Chair explained that there was also an additional meeting of the Crime and Disorder Committee scheduled for 26 February 2019. As this would be considering a review of the town centre Public Space Protection Order she would not be able to chair this meeting, given her role as a magistrate.

The Panel suggested that an update on the review of bus services be scheduled in the new municipal year.

RESOLVED that the work programme 2018-19 be noted.

SCRUTINY PANEL

22 FEBRUARY 2019

Present: - Councillor Davies (Chair), Councillor Hayter, Councillor Luxford Vaughan, Councillor Scordis, Councillor Wood

Substitutions Councillor Cope for Councillor Coleman
Councillor Willetts for Councillor Bentley

Also present:- Councillors Barber, Cory, Fox, Hazell, Laws, J. Maclean, B. Oxford, G. Oxford, Warnes, T. Young.

203. Cabinet or Portfolio Holder Decisions called in for Review // Recommendation of the Heritage and Tourism Task and Finish Group

The Scrutiny Panel undertook a review of the decision of the Cabinet set out in minute 329 of the Cabinet meeting of 30 January 2019 on the recommendation of the Heritage and Tourism Task and Finish Group in respect of the new strapline.

Will Quince, MP, addressed the Panel pursuant to the provisions of Meetings General Procedure Rule 5(1). He believed that issues around heritage and tourism were vital and that the Council had acted in an arrogant way in its decision on the new strapline. Branding was very important, but there had been no consultation with branding experts. In addition, the new strapline was inconsistent with the branding in the promotional film recently developed. There had been no consultation with residents. The recommendation from the Heritage and Tourism Task and Finish Group, which had been set up to look at these issues, had been ignored. Online polls had shown overwhelming public opposition to the new strapline. He asked the Panel to consider what benefit would result from the new strapline, what analysis and consultation had been undertaken, including with brand and marketing experts, why the recommendation from the Task and Finish Group was ignored, how much it had cost and why the new signs were produced before the decision had been taken.

Dorian Kelly addressed the Panel pursuant to the Panel pursuant to the provisions of Meetings General Procedure Rule 5(i). He considered that it would have been sensible to review the Colchester's marketing in its entirety, rather than just looking at the strapline. He was uneasy about the claim to be Britain's oldest recorded town, as there was evidence that London had a claim to an older record, and also Colchester had never been a town by definition. He felt that the inclusion of the word "First" in the strapline was welcome as Colchester had a history of firsts, and that a marketing campaign could be built on that.

Sir Bob Russell addressed the Panel pursuant to the provisions of Meeting General Procedure Rule 5(1). He had collaborated with Councillor G. Oxford on the signs that had been developed as his Mayoral legacy, and which were to be erected on access points on the boundaries of the historic borough. It had been Council policy to apply for city status,

and bids had been made in 1992, 2000, 2002 and 2012, with no significant political objection. This policy had not been reversed and therefore the signs were in accordance with Council policy. He was disappointed the signs had not been erected: they had been through due planning process and no planning objections had been raised. He noted that that Britain's First City strapline was beginning to be used and had been referred to in a recent Anglia News report.

Councillor G. Oxford attended and with the consent of the Chair addressed the Panel. Signs that he had developed as part of his Mayoral legacy had become linked to issues about the strapline and the call in. This was misleading, as they were separate issues. The signs had been through due process and had received planning permission. Essex County Council had indicated their support. The signs were now ready to be installed., He supported the use of "Britain's First City" as the strapline and had used this on the signs to ensure a consistent message. There had been consultation on the use of the word "city" and he agreed with comments of Sir Bob Russell in respect of city status.

Councillor Crow attended and with the consent of the Chair addressed the Panel. Colchester was not a city. He had considerable marketing and branding expertise and whilst he was not against changing the branding, if this brought benefit, but considered that it was misleading, caused confusion and needed explanation. The Task and Finish Group had spoken to respected local academics and recommended consultation, but this had been ignored. The decision to proceed with "Britain's First City" had been made behind closed doors. There was no evidence that strapline moved matters forward or brought any benefit.

Councillor Fox attended and with the consent of the Chair addressed the Panel. He was a member of the Heritage and Tourism Task and Finish Group. The Group had discussed the issue extensively and had input from internal and external experts. The Portfolio Holder for Business and Culture and the Leader of the Council had attended the meeting and heard the debate. The Group had received advice that brands needed to be authentic and that a strapline needed to be short and simple. He had not been in favour of the recommendation as he felt it was too long, and concentrated on the Roman aspect, when Colchester had much more to offer. Other cabinet members could have spoken at the cabinet meeting, and the strapline was already used in other material. The Council was often told it needed to do more to promote the Colchester's heritage, and this is what the strapline did. It was aimed at attracting an external audience.

Councillor Barber, as the lead signatory to the call in, presented the call in. Many of the comments made by the speakers had related to reason (d) cited on the call-in form relating to "lack of clarity of aims and desired outcomes". He agreed with Councillor Fox's comment that there was an external audience for the strapline. However, there was no evidence that the strapline had been tested for external consumption, nor was there was any evidence that the Council was considering changing the strapline as part of a wider marketing campaign. The Council needed to take a more holistic approach and think about what it was trying to achieve. There was also an internal audience and the Council needed to sell the idea to residents.

In respect of reason b "failure to have regard to due consultation", the comments made since the decision showed that this was an issue on which people felt strongly. It had struck a chord with the public and there was considerable emotion in the debate. A proper consultation was needed, engaging with residents and businesses, who also had a role in

promoting Colchester's brand. A wider group of experts, including marketing experts, should also be engaged. A consultation could be undertaken cost effectively.

In respect of reason (j) "Proper procedures were not followed", it was regrettable that the Task and Finish Group recommendations had not been followed. There was little point in the Task and Finish Group being established and meeting if its recommendations were to be ignored.

Councillor Barber explained that he considered that it was not clear what the Council was seeking to do by changing its strapline: was it seeking to make signs more accurate, promote Colchester or using it for leverage in seeking City Status. Whilst he accepted there were cost implications in consultation, this could be minimised by the use of social media.

Councillor T. Young, Portfolio Holder for Business and Culture, responded to the call in and explained that he was pleased with the debate that the proposed change in the strapline had engendered and that it had generated publicity for Colchester. The previous strapline "Britain's Oldest Recorded Town" was incorrect and therefore needed to change. In terms of the reason (a) "consideration of all available options", the Chair of the Task and Finish Group had asked for the issue to be placed on the agenda. The Task and Finish Group had recommended one option and the recommendation had not been unanimous. It was his view that the proposed wording was too long. He had proposed snappier wording but had used three of the six words suggested by the Group. The wording had been used before in other publications and he considered that it told the story of Colchester better than Britain's Oldest Recorded Town. The recommendation from the Task and Finish Group had been considered: the minutes were included in the Cabinet agenda, The Cabinet was not obliged to discuss every item before them. In terms of alternative options, Britain's Oldest Recorded Town was inaccurate and Britain's First Roman City failed to embrace Colchester 's pre and post Roman history.

In terms of reason (b) "failure to have regard to due consultation", it was the purpose of the Task and Finish Group to undertake consultation. They had consulted with appropriate local experts. Councillor G. Oxford had also undertaken his own consultation before using the strapline on his Mayoral Legacy signs. The Council did undertake considerable consultation on major issues, for instance through the Policy and Public Initiatives Panel. However, the Council was a representative democracy and members were elected to take decisions and were entitled to do so without consultation.

He noted that the reasons cited on predetermination had largely been ruled out by the Monitoring Officer. In terms of cost, the only committed expenditure was approximately £10,000. The strapline was already in use by other organisations and it should be embraced to ensure that it worked and helped ensure that Colchester became a top visitor destination.

In discussion members of the Panel raised a number of issues. In terms of consultation members of the Panel explored, what level of marketing consultation would be deemed acceptable and what this would cost. If public consultation was undertaken how would this be organised and what level of support would be needed in order for a change to be made? Councillor Barber explained that the level and type of consultation would depend on the objectives of the change. If the Council was seeking to address an external audience, it would require consultation and market research. However, the proposed change also concerned residents' identity and therefore consultation with residents was also necessary.

It was also important to seek the views of local businesses so that they support and tie in their promotional work with the Council's message.

Councillor T. Young explained that if the decision was confirmed, he would take the issue of marketing back to the Task and Finish Group and discuss whether it wanted to spend some of its budget on marketing.

It was also noted by a member of the Panel that the Heritage and Tourism Task and Finish Group had made a specific recommendation that an online public consultation be undertaken. It was suggested that whilst it was open to the Cabinet not to agree the recommendation, it had not explained this decision. Reasons should have been given. Whilst Colchester's historical claim to be a city was understood, on four occasions it had been unsuccessful in applying for City Status. Cabinet had failed to explain or given reasons for this inconsistency, and whilst the administration's determination to promote Colchester was appreciated, there needed to be an element of truthfulness in the approach. In response Councillor T. Young explained that he believed that adequate consultation had taken place and further consultation was not necessary. In terms of City Status, this could only be rescinded by the Head of State. As this had never been done, Colchester had an irrefutable claim to be a city.

In response to a question from a member of the Panel Councillor T. Young explained that considerable weight had been given to the views of experts who spoke the Heritage and Tourism Task and Finish group. He had attended the Task and Finish group meeting and listened to the experts. They had explained their views fully. They also had differing opinions. Their views had helped inform the decision on the strapline and distinction needed to be made between the evidence the experts had given to the Task and Finish Group, and the recommendation from the Councillors on the Task and Finish Group. The Terms of Reference of the Task and Finish Group were clear that it was for the Group to make recommendations to Cabinet: it was for Cabinet to consider any recommendations made. There was no obligation on Cabinet to accept them.

A member of the Panel also explained that they considered that the wording used when presenting the new strapline at the Cabinet meeting indicated that this was a fait accompli. Councillor T. Young explained that notwithstanding how the item had been presented, it was open to Cabinet to raise concerns and to reach a different outcome. Whilst there had been some discussion with Leader in advance of the meeting there had been no pre-determination.

After considering the reasons for the call in and the submissions made by Councillor Barber and Councillor T. Young, it was the view of the Panel that concerns remained about reason (j) proper procedures were not followed. The Task and Finish Group had made a clear recommendation that included public consultation. Whilst it was open to Cabinet not to agree to this recommendation, the proper procedure would have been to explain this and give reasons. The Panel was therefore of the view that the decision should be referred back to Cabinet to explain why it chose not to follow the recommendation of the Heritage and Tourism Task and Finish Group. Once that that further explanation was given, proper procedures would have been followed and the Panel would be content for the decision to be implemented.

RESOLVED that the decision set out in minute 329 of the Cabinet meeting on 30 January 2019 be referred back to Cabinet in order for Cabinet to give reasons why it had decided not to follow the recommendation of the Heritage and Tourism Task and Finish Group and

had deemed that an online public consultation as proposed by the Heritage and Tourism Task and Finish Group was not necessary.

Report of	Assistant Director Communities	Author	Claire Taylor ☎ 282655
Title	Review of Colchester Borough Council's partnership arrangements with The Mercury Theatre, Colchester Arts Centre and Firstsite		
Wards affected	Not applicable		

1. Executive Summary

1.1 Review of the partnership arrangements between CBC and organisations in receipt of a Strategic Arts Grant from the Council: The Mercury Theatre, Colchester Arts Centre and Firstsite.

1.2 Representatives from the three organisations will attend and present to the Panel at the meeting:

Mercury Theatre:	Steve Mannix, Executive Director and Tracey Childs, Executive Producer
Colchester Arts Centre:	Anthony Roberts, Director
Firstsite:	Sally Shaw, Director

The Chairs of the respective Boards of Trustees have also been invited to attend.

2. Action Required

2.1 The Panel is invited to review the range of programmes delivered by each organisation and how effectively they support the Council's strategic priorities and provide value for money for the funding provided.

3. Reason for Scrutiny

3.1 Regular reviews of Colchester Borough Council's strategic arts and cultural partners are undertaken by the Panel at their request

4. Background Information

4.1 Introduction

Colchester's leading cultural organisations help make the Borough a vibrant place to live, learn and visit. Together they play a vital role in ensuring a diverse range of experiences and activities are accessible to all, and vulnerable and hard to reach groups have positive ways to engage with their local community and wider society. These organisations are also integral to the creative industries and tourism, priority sectors for economic growth.

In partnership with CBC each is custodian of a key landmark building and community asset. They work closely with the Council to ensure these remain fit for purpose, and crucially to lever in external funding and inward investment to maintain and improve these facilities.

The Mercury Theatre, Colchester Arts Centre and Firstsite are Arts Council England (ACE) National Portfolio Organisations and in receipt of ACE funding in the current cycle 2018-2022. The funding partnership between the Council, the organisations and ACE delivers a strong cultural asset base for Colchester, underpinning the wider creative community.

4.2 The Organisations

The Mercury Theatre

The Mercury engages with over 130,000 people in Colchester and the surrounding area each year, through a broad programme staged across two auditoria and community education partnerships. The organisation has a proven track record of attracting people into theatre for the first time.

With an annual turnover of £3.7m the theatre is a significant local employer and a major driver of the restaurant and hospitality economy in Colchester. Under the Made in Colchester brand, the Mercury reaches audiences and generates critical attention regionally and nationally, helping to raise the profile of Colchester more generally.

The Made in Colchester programme, together with the Community and Education programme and apprenticeships, nurtures new creative talent, providing opportunities and experience for local people looking to forge careers in the performing arts sector.

Backed by the ACE Major Capital Grant Scheme and supported by the Council with £1million of match funding, an £8.9 million project to redevelop the Mercury site is currently underway, and productions will move to a temporary home on Abbey Fields later in 2019 for the duration of the major works. The project will transform facilities on the site and safeguard the building for the community into the future.

Colchester Arts Centre

Housed in St Mary's Church, Colchester Arts Centre reaches over 40,000 people a year with a full and diverse programme across a wide range of contemporary performing arts and popular events. It takes a leading role in the development of live art through commissions and partnerships.

The sheer variety and number of events taking place at the venue, on almost every day of the year, make it a key asset in attracting people into the centre of Colchester.

Backed by the ACE Small Capital Grant scheme and supported by the Council with match funding of £30K, a major project to transform the venue's accessibility for deaf and disabled artists and audiences, as well as improving energy efficiency and technical infrastructure, is currently underway.

Colchester Arts Centre aims to be accessible to the local community in every way, and has recently raised the funds to transform an old London Route Master into a Community Bus which will take a programme of events and activities out and around the local area.

Firstsite

Housed in a landmark building designed by international architect Rafael Viñoly, Firstsite is leading contemporary visual arts organisation presenting free exhibitions of both local and internationally renowned artists, as well as events, activities and workshops that aim to bring art to the heart of the community. The organisation is a national leader in commissioning new art, providing innovative learning opportunities, and supporting the professional development of local and regional artists.

The venue provides an accessible space in the heart of the town centre for diverse individuals and groups to interact and engage in a variety of ways, from participating in outreach and education programmes to relaxing in the café run by social enterprise We Walk The Line. As a unique building and a free attraction is it an important tourism asset for Colchester.

In 2017/18 Firstsite achieved 155,005 visitors, the highest annual attendance since the building opened in 2011 and an increase of 42,005 (37%) on the previous years' attendance, demonstrating the facility's growing importance as a generator of footfall on the eastern side of the town centre, and as anchor for regeneration in the St Botolph's Cultural Quarter.

4.3 Partnership Delivery Arrangements

Annual Funding Agreements are agreed in close consultation with each organisation and set out the activity and targets around delivery. The Funding Agreements for the previous financial year with outcomes and the current agreements for 2018/19 are attached as Appendices.

A Member of Colchester Borough Council is nominated to sit on the Board of each organisation. Currently these are:

Mercury Theatre:	Cllr Lyn Barton
Colchester Arts Centre:	Cllr Theresa Higgins
Firstsite:	Cllr Tim Young

4.4 Financial Arrangements

The Council determines the level of grant funding that will be provided on an annual or bi-annual basis. The funding is agreed by Cabinet and full Council.

The terms and conditions of funding including eligibility criteria and performance monitoring arrangements are set out in the Funding Agreements attached here as Appendices.

Between 1 April 2018 and 31 March 2019, the Council will provide funding of:

- £195,02 to The Mercury Theatre
- £55,950 to Colchester Arts Centre
- £112,450 to Firstsite

5. Equality, Diversity and Human Rights implications

5.1 Not applicable

6. Standard References

6.1 There are no consultation or publicity considerations; or financial; community safety; health and safety or risk management implications of this review.

7. Strategic Plan References

7.1 The relationship between Colchester Borough Council and its arts partners is relevant to the following objectives of the [Strategic Plan 2018-21](#).

Growth:

- Help make sure Colchester is a welcoming place for all residents and visitors
- Ensure residents benefit from Colchester's economic growth with skills, jobs and improving infrastructure
- Work with partners to ensure a shared vision of a vibrant town centre

Opportunity:

- Promote and enhance Colchester Borough's heritage and visitor attractions to increase visitor numbers and support job creation

Appendices

Appendix A	Funding Agreement with The Mercury Theatre 2017/18 outcomes
Appendix B	Funding Agreement with The Mercury Theatre 2018/19
Appendix C	Funding Agreement with Colchester Arts Centre 2017/18 outcomes
Appendix D	Funding Agreement with Colchester Arts Centre 2018/19
Appendix E	Funding Agreement with Firstsite 2017/18 outcomes
Appendix F	Funding Agreement with Firstsite 2018/19

Funding Agreement between Colchester Borough Council and the Mercury Theatre

1.0 Introduction

- 1.1 Colchester's vibrant cultural scene is one of the town's unique selling points, and something that Colchester Borough Council (CBC) is keen to support and sustain. Colchester Arts Centre, firstsite and the Mercury Theatre are central to this, providing the leadership, capacity, creativity and innovative programmes of delivery to make Colchester a great place to live, learn, work and visit.
- 1.2 The Council provides core revenue grants to these organisations, because they deliver on the Council's Strategic Plan, and support delivery of the Creative Colchester Strategy which is a detailed delivery framework for promoting and enhancing the arts in the local economy. In line with the Creative Colchester strategy, the Council continues to work with regional partners to align policy and funding to help deliver key economic and social outcomes through investing in development of the arts.
- 1.3 As part of the Council's commitment to transparency, quality and performance management systems, the arts organisations that receive CBC funding must set out clear objectives and provide performance and sector data so that the service that is provided through partnership working can be measured, evaluated and improved. This document defines the performance targets and monitoring process, and confirms the funding amounts currently agreed.
- 1.4 The Mercury Theatre is one of three arts organisations strategically-funded by CBC in alignment with Arts Council England (ACE). In 2014 the Mercury was successful in their bid to ACE for continued National Portfolio Organisation (NPO) funding from April 2015 for three years. Therefore, the 2017-18 funding agreement with CBC will continue to focus on the Theatre's work towards the goals as set out in the bid, as well as the key areas of performance and delivery required by CBC. Along with Firstsite and the Colchester Arts Centre the Mercury has applied for renewed NPO status from April 2018, the outcome of which will be announced in June 2017.

2.0 Scope and Financial Arrangements

- 2.1 Between 1 April 2016 and 31 March 2017 the Council will fund the Mercury Theatre to the amount of £221,850. This funding was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation as set out in the business and operations plan and to meet the targets for performance set out in section 9 of this Agreement.
- 2.2 Upon signature of this Agreement, the Council will release the funding in quarterly instalments.

- 2.3 Any financial investment that the Council needs to make under its obligations as the owner of the theatre buildings is deemed to be outside of this agreement. However, any tenant responsibilities that the Mercury Theatre holds are considered to be within this agreement.
- 2.4 On signing this Agreement, the Mercury Theatre recognises that it is in receipt of public funding and accepts responsibility for showing proof of eligibility, meeting the targets for performance, and collecting qualitative and quantitative performance data to provide evidence of the service standards. The Theatre also agreed to provide available sector data to assist with monitoring and performance assessment.
- 2.5 Where appropriate and possible within current resources, Colchester Borough Council will provide non-financial support to the Mercury Theatre where it seeks to develop additional services that contribute towards meeting the Council's strategic priorities. If these additional services are developed to a point that requires additional funding, the Mercury Theatre may request such funding formally, and the Council may issue a separate funding agreement if applicable. If this circumstance arises, the services will be deemed to fall outside of this agreement.

3.0 Eligibility and Criteria for Acceptance

- 3.1 In order to be eligible for funding the Mercury Theatre must supply evidence to demonstrate that it is:
 - a. Properly constituted
 - b. Financially viable
 - c. Able to manage its work effectively, monitor and manage risk, and seek necessary professional financial, legal and insurance advice
 - d. Operating with effective policies and procedures in equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - e. Delivering on the current strategic priorities of the Council.

4.0 Performance monitoring framework

- 4.1 The Mercury Theatre must submit an up to date Business Plan and operations information to CBC, including a budget to cover the same period as the funding agreement and a copy of the audited accounts from 2016-17 when available.
- 4.2 As a minimum throughout the term of the agreement, the Mercury Theatre must submit quarterly budget reports if required and invite a Council representative to observe two Board meetings. The organisation will also participate in an annual review meeting, as outlined below.
- 4.3 At the end of the agreement period, the organisation must provide audited accounts and submit performance data to evidence the organisation's

turnover, audience and participation levels as well as contribution to the Council's strategic priorities.

5.0 Bi-annual review process

- 5.1 A review meeting will take place between Colchester Borough Council and Mercury Theatre at least once during the period of the agreement. The meetings shall be attended by the Portfolio Holder (PFH), relevant officer(s) of the Council and Executive staff of the Mercury Theatre.
- 5.2 The Portfolio Holder and Theatre Management may be asked to sit before a Scrutiny Panel to monitor performance and achievements. As such, the bi-annual review process should be seen as an opportunity to ensure that the Portfolio Holder can evidence performance within their area of responsibility.

6.0 Acknowledgement of funding

- 6.1 The Mercury Theatre will acknowledge its financial assistance from CBC in all marketing and communication materials in print, electronic, broadcast and other formats.
- 6.2 The organisation is asked to specify particular steps that it will take within the period of this Agreement to promote the support that it receives from the Council in Section 9.

7.0 General conditions

- 7.1 The funding provided under this agreement may not be assigned to any other person, association or company other than in the course of delivering the Business Plan and agreed performance targets.
- 7.2 This agreement does not constitute the Mercury Theatre as an agent of the Council or otherwise make the Council liable to any person who may take proceedings against the Theatre.
- 7.3 The Council reserves the right to nominate annually a councillor to be a director on the Mercury Board.
- 7.4 Funds will be repayable in full to the Council in the event of any of the following:
 - i. Misuse of payment received from the Council by Mercury Theatre
 - ii. A breach of the law by Mercury Theatre
 - iii. Petitioning the court for the appointment of an administrator
 - iv. Having a receiver appointed over all or any part of the Theatre's assets
 - v. Being the subject of a petition or resolution for the Mercury Theatre's 'winding up'
- 7.5 The Council should be consulted where any change or development in the direction of the organisation's affairs might affect this Agreement.

Colchester Borough Council strategic funding for arts organisations 2017/18

8.0 Breach in agreement

- 8.1 In the event of either the Council or the Mercury Theatre notifying the other in writing of a breach in this agreement, the parties shall meet to discuss the alleged breach within 21 days.
- 8.2 Both the Council and the Mercury Theatre agree that they have an equal responsibility to reach a practical and reasonable solution to the breach, but if after 12 weeks a solution has not been agreed then the parties mutually agree to arbitration.

9.0 Specification of performance targets

- 9.1 The specification of performance targets is developed collaboratively between the Council and the Mercury Theatre. The information provided here substantiates the Council's decision to invest public funds and helps to strengthen the partnership delivery model.
- 9.2 The information is set out in line with the Strategic Plan to help to convey to Members, officers and partners how the Council's financial support is an effective and efficient way to deliver services to meet local identified needs.

9.3 Performance Overview

Target	Outputs/Report
Annual target to put on 400 performances with 115,000 people attending.	423 performances and events achieving a capacity of 69% (against the national average of 58%). Actual audience attendance of 113,644
Collate and report audience feedback about the artistic programme with a minimum of 60% approval rating.	Customer Satisfaction Surveys are carried out following <i>each Made in Colchester</i> Production. Customers currently rate the Mercury as 4.52* out of 5* . This feedback is reviewed daily.
Collate and report press feedback about the artistic programme.	All press reports from local, regional and national papers are collated. Copies are available on request. There were 663 mentions of the Mercury in the press in 2017/18. ★★★★★ "A smart, sharp, scintillating production, guaranteed to help everyone look on the bright side" - The Reviews Hub for Spamalot

	<p>★★★★★ “Despite the subject matter, this beautiful production emphasises tenderness and healing. Perfect theatre.” - BritishTheatre.Com for The Events</p> <p>★★★★★ “A gorgeously atmospheric revival of Conor McPherson’s play” - The Stage for The Weir</p> <p>“Having reviewed the Mercury Theatre’s pantomime for the last 15 or so years, it’s a fairly huge statement when I say this is possibly the best I’ve ever seen.” - Daily Gazette for Snow White and the Seven Dwarfs</p>
At least 50% local audience and 50% audience supporting tourism economy.	<p>52% of our audience was local to Colchester (within Borough postcodes) and 48% from beyond Colchester (the majority from Essex). * System not updated for current ward boundaries, Postcode sectors used instead.</p>
Annual target of 900 community and education sessions with 20,000 participants.	<p>34,422 (including Mercury Voices activity) people took part in our Learning and Participation Programme across 849 sessions.</p>
Continue SLA partnership between CBC, Arts Council England and the Mercury to ensure on-going revenue funding for core stage and community work is maintained.	<p>Revenue funding maintained for 2017/18. The Mercury retains membership of Arts Council England’s National Portfolio. Continued funding from ACE was confirmed during the year for the period 2018-2022.</p> <p>2017/18 was the first year of the withdrawal of Essex County Council’s annual funding.</p>

9.4 Community and Audience Development

Target	Outputs/Report
£ 200,000 to be invested into work in the community.	Total Investment: £196,453 from Mercury core budget, with significant additional project funding from external sources.
Annual target – 900 community and education sessions with 20,000 participants.	Please refer to the above.

Colchester Borough Council strategic funding for arts organisations 2017/18

Maintain rate of 7% of tickets sold to disabled people and carers.	6.7% achieved.
Maintain level of concessionary tickets at 35% .	31% of tickets sold in 2016/17 were concessions.
Maintain level of accessible performances for disabled and deaf people – 18 performances.	<p>15 access performances achieved, including three relaxed performances and a dementia friendly performance.</p> <p>Further development of access provision to continue with additional funding support from D'Oyly Carte Charitable Trust.</p> <p>During the year with support from Essex County Council Community Initiatives Fund, we were able to purchase our own Captioning Unit to enable hard of hearing and D/deaf audience members to access performances, workshops and events. The Unit replaces a previously shared Unit between The New Wolsey and Theatre Royal, Bury. The Unit is the only one based in Essex.</p>
Maintain methods of seeking audience and user feedback – target - monthly audience survey.	An audience experience survey is conducted throughout the year following each of our Made in Colchester productions. Feedback is reviewed daily and actioned throughout the business.

9.5. Governance and Management

Target	Outputs/Report
<p>Mercury Theatre Board of Directors to agree a new three year business plan for the period 2018/19 – 2021/22 to include:</p> <ul style="list-style-type: none"> • Activity Plan • Artistic Programme Financial Projections 	<p>Three Year Business plan agreed with annual reviews each year to agree an Annual Action Plan.</p> <p>Next business plan (for the period 2018-2022) agreed by the Mercury's Board of Directors and Arts Council England during the period.</p> <p>Additional planning for the Decant Period – 2019/20 continues.</p> <p>The Board of Directors receive regular reports on artistic activity and review quarterly management accounts at the full</p>

	meeting and its quarterly Finance and General Purposes Committee.
<p>Mercury Board to review and update all policy statements to include:</p> <ul style="list-style-type: none"> • Equality and Diversity Strategy and action plan • Risk Management • Health and Safety • Sustainability and Environmental Strategy 	<p>All policies have been reviewed annually with appropriate updates.</p> <p>Additional policies and procedures during the year have been introduced to ensure the safety and well-being of our staff including:</p> <ul style="list-style-type: none"> • Employee Confidential Telephone Support Service • Safeguarding • Dignity at Work
<p>Mercury Board and senior staff to continue to progress the capital development of the Mercury Theatre:</p> <ul style="list-style-type: none"> • Tender and procurement processes • Details plans and costings to RIBA Stage D • Financial and fundraising strategy <p>(subject to additional funding being secured).</p>	<p>Our Large Capital Programme continues to progress positively. Stage 2 funding of £3,527,000 has been confirmed from Arts Council England in addition to a further £1 million from SELEP during the period.</p> <p>A further £610,000 was confirmed or pledged from individual donations, Trusts and Foundations and the corporate sector during the year.</p> <p>Confirmed funding at the end of the period of £7.610,000 million against a target of £8.9 million.</p> <p>Further funding bids to the value of £2.4 million have been submitted during the period for decisions early in 2018/19. The project continues to be managed by Colchester Borough Homes on behalf of Colchester Borough Council and the Mercury and will meet all necessary RIBA Stages, tendering and procurement processes.</p> <p>A Joint Working Group continues to meet on a monthly basis between CBC, CBH and ECC.</p> <p>The Mercury's Board of Directors has established a Capital Sub Committee to support the Large Capital Scheme with a further internal Capital Operations Group made up of Senior Management and Heads of Department to manage the associated work streams.</p>

Colchester Borough Council strategic funding for arts organisations 2017/18

	The agreed Fundraising Strategy continues to be implemented to secure the required partnership funding.
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9.6. Diversity

Target	Outputs/Report
<p>Continue to encourage more diverse audiences and participants engage with the Mercury across all equality groups.</p> <p>Target: 3% of audiences</p>	<p>2.9% of our audience self identified as being from a minority ethnic group in 2017/18</p> <p>6.7% of our audience was disabled, deaf or hard of hearing.</p> <p>58.76% of our audience were women.</p> <p>No data is available around sexuality, religion, marital status etc.</p>
<p>Continue to ensure the Mercury recruits and attracts a diverse workforce.</p> <p>Target:</p> <p>70% female 5% disabled 2% minority ethnic 5% lesbian and gay</p>	<p>The Mercury continues to ensure all of its recruitment methods target local diverse communities.</p> <p>Staffing statistics include –</p> <p>88 staff employed across full time, part time and casual</p> <p>97 actors and creatives.</p> <p>Across both groups:</p> <p>66% female 12.5% disabled 4.5% minority ethnic 20% lesbian/gay</p>
<p>Annual review all equality action plans and policies.</p>	<p>The Mercury's Equality Action Plan continues to be implemented across all aspects of the organisation's work.</p> <p>The Plan is reviewed annually by the Board of Directors.</p>
<p>Continue to attract those from lower income and modest income households, proactively engaging with those from disadvantaged backgrounds and deprived areas of Colchester.</p> <p>Target: 10% of users and audiences</p>	<p>Attendance from 2017/18 priority areas – St. Anne's Ward, St Andrew's. Greenstead, Berechurch, Shrub End (CO4 0, CO4 3, CO2 9) was 7,928 which is 7% of the total audience.</p> <p>The above target relates to ticketed events only. An additional 3,410 engaged in community and education events.</p>

9.7. Young People

Colchester Borough Council strategic funding for arts organisations 2017/18

Target	Outputs/Report
Maintain rate of 10% all tickets sold as concessions are for young people.	9.8% achieved.
Deliver 900 community and education sessions attracting 20,000 participants.	Please refer to the above comments.
Target 100 sessions/performances in Schools.	259 sessions and performances in schools in 2017/18.
<p>Maintain Teachers Forums for Primary and Secondary Schools.</p> <p>Target: 40 members schools</p>	<p>The Teachers Network now has 73 active members. We create online video tutorials for teachers which have had 379 views so far.</p> <p>We have delivered 4 CPD opportunities for teachers with a total attendance of 42 teachers including Resilience Training for staff and Mercury Voices History of the Mercury Theatre focus group.</p> <p>A further 3 twilight CPD sessions were programmed but had to be cancelled due to low uptake from school staff</p> <p>The Head of Creative Learning and Talent represents the Mercury Theatre:</p> <ul style="list-style-type: none"> • As a cultural lead on Colchester's Local Cultural Education Partnership maintaining key relationships with ROH Bridge, Essex MeH other cultural organisations and schools • As an Essex Skills and Employability Board Enterprise Adviser for St Helena School, offering up to 8 hours a month of consultancy time to the Senior Leadership Team • At University College Colchester's Employability Board • As a representative of cultural organisations on the University of Essex's Cultural Outreach Steering Group • At Creative Colchester Projects Board Meetings
Continue to create opportunities for access to the arts particularly for children and young people. This includes community involvement in Mercury	<p>Opportunities created for people of all ages:</p> <p>5 – 11 years</p>

<p>Company productions and an ongoing commitment to our overall community activities.</p>	<ul style="list-style-type: none"> • 5-7's and 8-10's Mercury Youth Theatres • Garrison and Shrub End Youth Theatre • Hazelmere Infants and Juniors Afterschool Drama Club • Greenstead Literacy project <p>11 – 18 years</p> <ul style="list-style-type: none"> • 11-13's, 14-16's and 16-18's Youth Theatres • Garrison and Shrub End Youth Theatre • Kingswode Hoe School, Market Field School and Doucecroft School SEND Afterschool Drama Clubs • hACKT digital summer school • Take Flight SEND Summer School • Garrison Summer School • Work Experience Week • 'Lord of the Flies' Youth Theatre Production • 'Pantomime' Junior Chorus <p>16 – 25 years</p> <ul style="list-style-type: none"> • 16-18's Mercury Youth Theatres • '5 Soldiers' Curtain Raiser • Silver and Gold Arts Award qualification courses • Vocational Internships • Youth Assistant roles • Work Experience • Early Career Training Programme <p>18+</p> <ul style="list-style-type: none"> • Act V Drama for Over 50's • Talent Development Programme – including Early Career Development Programme and Associate Artists Scheme • Community Chorus • Mercury Voices Archiving Volunteer Programme • Mercury Voices Exhibitions and talks • Senior Matinees pre show talks <p>Additional workshops have taken place in partnership with organisations such as:</p> <ul style="list-style-type: none"> • Cultural Marquee at Colchester Food and Drink Festival – working with
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	<p>Colchester Chinese Society, Nepalese Society, Arts La Olam, AFiUK and Refugee Action(2058 visitors over 2 days)</p> <ul style="list-style-type: none"> • Nepalese Society Elders Bollywood Film Screenings and Creative English Course • Colchester and Tendring's Womens Refuge • Action for Children • Autism Anglia • Balcerne Gardens Care Home • Army Welfare Services • Colchester Garrison • Essex Music Education Hub <p>Local community involvement in <i>Made in Colchester</i> productions continues. This year community chorus' were used in 3 productions: <i>The Events</i> 30 people, <i>Pantomime</i> 18 young people and <i>Pieces of String</i> 3 people</p>
Maintain level of 145 young people enrolled in youth drama classes.	<p>177 young people enrolled in youth drama classes.</p> <p>We have expanded our Youth Theatre offer to 9 regular groups including a Youth Theatre group for young people with Autism Spectrum Conditions and 2 subsidised Youth Theatre groups for the Garrison and Shrub End Ward in partnership with the Army Welfare Services.</p> <p>All Youth Theatre Groups continue to be based at The Mercury and take place Sunday – Wednesday each week.</p>

9.8. Older People

Target	Outputs/Report
<p>Continue to deliver specific projects and activities for older people to include: Senior Matinees</p> <p>Regular classes and workshops Target: 30 workshops per year 9 senior matinees</p>	<p>1273 older people participated in 37 Act V sessions over the year.</p> <p>Senior Matinees remain popular – there were 4 in the year 2017/18 achieving 689 people in total.</p> <p>At the end of the period ACT V has been transferred to the Headgate Theatre with a small grant as due to the capital project</p>

	it will not be possible to accommodate the group over the next two years.
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9.9. Job Creation, sector skills development and contribution to the local economy

Target	Outputs/Report
Deliver 20 work experience placements during the year.	3 long term (16 week) work experience placements for young people with Autism. 23 school student work experience placements (1 week) 7 student internships ranging from 16 weeks to 12 months 4 Wardrobe Work Experience placements 1 Scenic Workshop Work Experience placements. Total: 38
Deliver 3 apprenticeships across all areas of the Mercury.	<p>Due to the national changes in apprenticeship funding and qualifications, we were unable to offer apprenticeships this financial year.</p> <p>We continue to work in partnership with Colchester Institute and Creative and Cultural Skills to create opportunities in the future.</p> <p>Hosted 7 paid internships supported by the University of Essex sponsored by Santander.</p>
Continue to deliver Technical Theatre Vocational Degree in partnership with Colchester Institute.	The new Technical Theatre Degree Course commenced in September 2017 with 12 students enrolled.
Provide evidence and support for new and emerging regional talent and companies. Target: 6 new local companies and artists 60 participants	<p>During 2017/18 we continued our Talent Development Programmes.</p> <p>Activities included:</p> <p><u>Early Career Training Programme</u></p> <p>Overall applications 48 Number of group members: 21 Number of sessions: 35 Attendees at Stand Up: 150 Sharing Attendees: 50</p> <p><u>Early Career Advanced Programme</u></p> <p>Number of Group Members: 26</p>

	<p>Number of sessions: 20</p> <p><u>Associate Artists 2017-18</u></p> <p>Total Applications: 30 Number of Artists: 6 Additional Collaborators: 12 Sharing Attendees: 20</p> <p><u>Mercury Playwriting Prize 2017</u></p> <p>Total Entrants: 151 Readers: 12 Actors: 17 Directors: 4 Audience Total: 100</p> <p><u>Essex Theatre Artists Network</u></p> <p>Total Members: 636</p>
Target and engage with 20 volunteers during the year.	<p>6 regular volunteers and 28 one-off volunteers for projects such as our Mercury Voices Archive project that launched during the year funded by the Heritage Lottery Fund.</p>
<p>Assist CBC with other initiatives including:</p> <ul style="list-style-type: none"> • Night-time economy • Local employment and skills • Development of creative and cultural industries • Marketing of Colchester as a visitor destination 	<p>The Mercury continues to work in partnership with CBC as follows –</p> <p>Night-time Economy The Mercury are active members of local trade associations such as the CIC – <i>Colchester Presents</i> (our Executive Director is a Board Member).</p> <p>The Mercury's Executive Director sits on the board of <i>Colchester Presents</i> and is a member of the working group to support <i>Purple Flag</i>.</p> <p>The Mercury had a visible presence in the Christmas Lights Switch on.</p> <p>Local Employment and Skills The Mercury continues to work in partnership with a variety of organisations to improve local employment and skills such as –</p> <p>Hosting Essex Chamber of Commerce bi-monthly breakfast briefings and twilight events for local businesses.</p>

	<p>Regular presence at local business and employment events and fairs.</p> <p>Strong partnerships exist with local Job Centre, Colchester Institute and Essex University.</p> <p>Development of Creative and Cultural industries</p> <p>The Mercury is an active member of the Creative Colchester Initiative with representation at Board level (the Mercury's Chair is the Chair of the organisation) and the Project Working Group.</p> <p>Marketing of Colchester as a Visitor Destination</p> <p>The Mercury continues to engage in dialogue with senior officers from CBC about how to promote Colchester as a destination.</p> <p>The Mercury continues to offer ticketing services for key events (such as the annual Fireworks in Castle Park, Summer Screens and Charter Hall). This data will be used to support further campaigns and initiatives to support tourism and the visitor economy for the town.</p> <p>During the year, the Mercury continued to offer support and advice to develop Charter Hall as a venue. This included aspects such as ticketing, Health and Safety, technical skills and equipment and programming. This relationship will be developed further in 2018/19.</p> <p>Through its overall marketing strategies, the Mercury continues to promote Colchester as a destination and through the use of the <i>Made in Colchester</i> brand on tour throughout the UK.</p> <p>The Mercury's Executive Director continues to be a Board Member of <i>Visit Essex</i> and the <i>Haven Gateway Partnership</i>.</p>
Continue to participate in and support	The Mercury will continue to offer as

the ongoing development of the Colchester Comedy Festival.	much support as possible including programming and marketing.
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9.10. Environmental and Economic Sustainability

Target	Outputs/Report
Develop and agree a Sustainability and Environmental Policy and Action Plan.	Completed. In addition to support the new building a comprehensive BREEAM Assessment has been commissioned to support improved sustainability and the environmental impact of the new facilities both during construction and on completion.
Collate and publish targets to reduce carbon footprint and provide evidence of improvement at regular intervals.	Completed.
Monitor the usage of green energy.	Completed. Statistics are collated quarterly and reported internally and to Arts Council England (through our membership of the Julie's Bicycle Scheme).
Strengthen and grow partnership working through joint bids, cross programming and shared activity, including developing a big data approach to audience development across partners.	Achieved. Commitment to the Audience Agency's Audience Finder big data project. During the year The Mercury continued to pilot a data scheme to engage audiences and peers in the sector to define artistic quality. Discussions have continued with CBC and the other NPO's in Colchester about the development of a shared box office for the town. Successful joint funding bids have been achieved once again with community groups including Stage Write and the Colchester Chinese Community. The Mercury offered support and guidance for a further 5 Grants for the Arts Funding Bids to Arts Council England for local artists and companies. All of which were successful. A record amount of inward investment.

9.11. What are the Mercury's particular plans to promote the support that the Council provides during the period of the agreement?

Each year, the Mercury focuses on developing partnerships for the benefit of the community and local economy, for example assisting the Chinese and Nepalese Communities in their annual cultural celebrations, working with Colchester and Tendring Women's Refuge and providing space and support for the Essex Gang Show, Colchester Operatic Society and other school and community groups.

The Theatre continues to develop co-productions to enable **Made in Colchester** shows to tour nationally and where appropriate internationally raising the profile of Colchester. In 2017/18, the Mercury's production of *The Weir* toured extensively with English Touring Theatre, *Spamalot* toured the UK with Selladoor Worldwide Ltd and also played internationally in Dubai and Korea. *Turn of the Screw* toured the UK with Dermot McLaughlin Productions.

The Mercury continues to attend regional and national conferences and events to present and share best practise to those within the arts and creative industries and others acknowledging the support of the Council.

Acknowledgement of the Council's support in **23,000** brochures distributed twice a year. In addition, electronically we distribute a monthly e-newsletter to **43,400** people with more than **321,929** unique visitors to our website in 2017/18. In addition, there was continued steady a growth on Facebook and an increase in Twitter followers.

The Mercury invites civic guests to press/gala evenings each year as a chance to say thank you for the support given and to promote the stage and community work that the funding partnership makes possible. The event includes acknowledgment of the Council's support.

9.12. Please outline the way in which your organisation meets relevant local, regional and national strategies

Local

The Mercury Theatre continues to work proactively with the Council (including Colchester and Ipswich Museums), Firstsite and Colchester Arts Centre to ensure a collective and united vision for Arts, Culture & Heritage promotion and accessibility across Colchester aimed at maximising potential and seeking out opportunities for a more collaborative and sustainable approach. This has included in engaging with the other arts and cultural organisation about joint working models, the benefits of a joint box office and shared data and the joint commissioning of services.

The Mercury Theatre actively contributes to 'The Creative Colchester Strategy' by supporting emerging local talent and providing work experience, supporting cultural tourism initiatives, and working with a range of community service providers such as charities, health providers and voluntary groups to engage and develop communities.

The Mercury is an active member of the Creative Colchester Board (Chair of Mercury Board of Directors Chairs the group) and the Creative Colchester Project Group (Head of Creative Learning and Talent).

The Mercury is an active member of Colchester Presents CIC and contributes to the Christmas Lights Switch On Event and other community events throughout the borough.

The Mercury's Executive Director is a member of the Purple Flag Working Group.

Further partnership agreements are in place with Colchester Institute and Essex University around joint funding bids, skills development and other place-making initiatives.

National

The Mercury Theatre has promoted its collaborative working with other arts providers and Colchester & Ipswich Museums to strategic funders such as Arts Council England and the Heritage Lottery Fund. This has demonstrated a strategic partnership approach to the development of arts and heritage in Colchester which will raise the profile and status of the town as a cultural centre and generate greater efficiencies and value for money.

11.0 Acceptance

- 11.1 Upon signing this agreement, the organisation agrees to the terms and conditions of funding and use reasonable endeavours to meet the performance targets and monitoring framework that have been outlined above.

On behalf of Mercury Theatre	Date	15/5/18
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Signed (Executive Director)



Name (please print) Steve Mannix

STEVE MANNIX

On behalf of Mercury Theatre	Date	15/5/18
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Signed (Chair of the Board)



Name (please print)

KATHLEEN HAMILTON

On behalf of Colchester Borough Council	Date	
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Signed (Portfolio Holder)

Name (please print)

Colchester Borough Council strategic funding for arts organisations 2017/18

On behalf of Colchester Borough Council	Date	
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Signed (Officer) _____

Name (please print) _____

Funding Agreement between Colchester Borough Council and the Mercury Theatre

1.0 Introduction

- 1.1 Colchester's vibrant cultural scene is one of the town's unique selling points, and something that Colchester Borough Council (CBC) is keen to support and sustain. Colchester Arts Centre, firstsite and the Mercury Theatre are central to this, providing the leadership, capacity, creativity and innovative programmes of delivery to make Colchester a great place to live, learn, work and visit.
- 1.2 The Council provides core revenue grants to these organisations, because they deliver on the Council's Strategic Plan, and support delivery of the Creative Colchester Strategy which is a detailed delivery framework for promoting and enhancing the arts in the local economy. In line with the Creative Colchester strategy, the Council continues to work with regional partners to align policy and funding to help deliver key economic and social outcomes through investing in development of the arts.
- 1.3 As part of the Council's commitment to transparency, quality and performance management systems, the arts organisations that receive CBC funding must set out clear objectives and provide performance and sector data so that the service that is provided through partnership working can be measured, evaluated and improved. This document defines the performance targets and monitoring process, and confirms the funding amounts currently agreed.
- 1.4 The Mercury Theatre is one of three arts organisations strategically-funded by CBC in alignment with Arts Council England (ACE). In 2017 the Mercury was successful in their bid to ACE for continued National Portfolio Organisation (NPO) funding from April 2018 for four years. Therefore, the 2018-19 funding agreement with CBC will continue to focus on the Theatre's work towards the goals as set out in the bid, as well as the key areas of performance and delivery required by CBC.

2.0 Scope and Financial Arrangements

- 2.1 Between 1 April 2018 and 31 March 2019 the Council will fund the Mercury Theatre to the amount of £195,025. This funding was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation as set out in the business and operations plan and to meet the targets for performance set out in section 9 of this Agreement.
- 2.2 Upon signature of this Agreement, the Council will release the funding in quarterly instalments.
- 2.3 Any financial investment that the Council needs to make under its obligations as the owner of the theatre buildings is deemed to be outside of this agreement. However, any tenant responsibilities that the Mercury Theatre holds are considered to be within this agreement.

- 2.4 On signing this Agreement, the Mercury Theatre recognises that it is in receipt of public funding and accepts responsibility for showing proof of eligibility, meeting the targets for performance, and collecting qualitative and quantitative performance data to provide evidence of the service standards. The Theatre also agreed to provide available sector data to assist with monitoring and performance assessment.
- 2.5 Where appropriate and possible within current resources, Colchester Borough Council will provide non-financial support to the Mercury Theatre where it seeks to develop additional services that contribute towards meeting the Council's strategic priorities. If these additional services are developed to a point that requires additional funding, the Mercury Theatre may request such funding formally, and the Council may issue a separate funding agreement if applicable. If this circumstance arises, the services will be deemed to fall outside of this agreement.

3.0 Eligibility and Criteria for Acceptance

- 3.1 In order to be eligible for funding the Mercury Theatre must supply evidence to demonstrate that it is:
- a. Properly constituted
 - b. Financially viable
 - c. Able to manage its work effectively, monitor and manage risk, and seek necessary professional financial, legal and insurance advice
 - d. Operating with effective policies and procedures in equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - e. Delivering on the current strategic priorities of the Council.

4.0 Performance monitoring framework

- 4.1 The Mercury Theatre must submit an up to date Business Plan and operations information to CBC, including a budget to cover the same period as the funding agreement and a copy of the audited accounts from 2017-18 when available.
- 4.2 As a minimum throughout the term of the agreement, the Mercury Theatre must submit quarterly budget reports if required and invite a Council representative to observe two Board meetings. The organisation will also participate in an annual review meeting, as outlined below.
- 4.3 At the end of the agreement period, the organisation must provide audited accounts and submit performance data to evidence the organisation's turnover, audience and participation levels as well as contribution to the Council's strategic priorities.

5.0 Bi-annual review process

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- 5.1 A review meeting will take place between Colchester Borough Council and Mercury Theatre at least once during the period of the agreement. The meetings shall be attended by the Portfolio Holder (PFH), relevant officer(s) of the Council and Executive staff of the Mercury Theatre.
- 5.2 The Portfolio Holder and Theatre Management may be asked to sit before a Scrutiny Panel to monitor performance and achievements. As such, the bi-annual review process should be seen as an opportunity to ensure that the Portfolio Holder can evidence performance within their area of responsibility.

6.0 Acknowledgement of funding

- 6.1 The Mercury Theatre will acknowledge its financial assistance from CBC in all marketing and communication materials in print, electronic, broadcast and other formats.
- 6.2 The organisation is asked to specify particular steps that it will take within the period of this Agreement to promote the support that it receives from the Council in Section 9.

7.0 General conditions

- 7.1 The funding provided under this agreement may not be assigned to any other person, association or company other than in the course of delivering the Business Plan and agreed performance targets.
- 7.2 This agreement does not constitute the Mercury Theatre as an agent of the Council or otherwise make the Council liable to any person who may take proceedings against the Theatre.
- 7.3 The Council reserves the right to nominate annually a councillor to be a director on the Mercury Board.
- 7.4 Funds will be repayable in full to the Council in the event of any of the following:
 - i. Misuse of payment received from the Council by Mercury Theatre
 - ii. A breach of the law by Mercury Theatre
 - iii. Petitioning the court for the appointment of an administrator
 - iv. Having a receiver appointed over all or any part of the Theatre's assets
 - v. Being the subject of a petition or resolution for the Mercury Theatre's 'winding up'
- 7.5 The Council should be consulted where any change or development in the direction of the organisation's affairs might affect this Agreement.

8.0 Breach in agreement

- 8.1 In the event of either the Council or the Mercury Theatre notifying the other in writing of a breach in this agreement, the parties shall meet to discuss the alleged breach within 21 days.
- 8.2 Both the Council and the Mercury Theatre agree that they have an equal responsibility to reach a practical and reasonable solution to the breach, but if

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after 12 weeks a solution has not been agreed then the parties mutually agree to arbitration.

9.0 Specification of performance targets

- 9.1 The specification of performance targets is developed collaboratively between the Council and the Mercury Theatre. The information provided here substantiates the Council's decision to invest public funds and helps to strengthen the partnership delivery model.
- 9.2 The information is set out in line with the Strategic Plan to help to convey to Members, officers and partners how the Council's financial support is an effective and efficient way to deliver services to meet local identified needs.

9.3 Performance Overview

Target	Outputs/Report
Annual target to put on 400 performances with 100,000 people attending.	
Collate and report audience feedback about the artistic programme with a minimum of 60% approval rating.	
Collate and report press feedback about the artistic programme.	
At least 50% local audience and 50% audience supporting tourism economy.	
Annual target of 787 community and education sessions with 17,500 participants of which 150 will be undertaken at The new Abbey Field Centre.	
Continue SLA partnership between CBC, Arts Council England and the Mercury to ensure on-going revenue funding for core stage and community work is maintained.	
Launch Abbey Field Centre and establish a process for community hires for local groups.	

9.4 Community and Audience Development

Target	Outputs/Report
£ 175,000 to be invested into work in the community.	
Annual target – 787 community and education sessions with 17,500 participants.	
Maintain rate of 7% of tickets sold to disabled people and carers.	
Maintain level of accessible performances for disabled and deaf people – 14 performances.	
Maintain methods of seeking audience and user feedback – 75 surveyed events per year.	

9.5. Governance and Management

Target	Outputs/Report
<p>Mercury Theatre Board of Directors to agree a new three-year business plan for the period 2018/19 – 2021/22 to include:</p> <ul style="list-style-type: none"> • Activity Plan • Artistic Programme • Financial Projections • Cash Flow 	
<p>Mercury Board to review and update all policy statements to include:</p> <ul style="list-style-type: none"> • Equality and Diversity Strategy and action plan • Digital Plan • Audience Development Plan • Risk Management • Health and Safety • Sustainability and Environmental Strategy 	
Mercury Board and senior staff to continue to progress the capital development of the Mercury Theatre:	

<ul style="list-style-type: none"> • Tender and procurement processes • Details plans and costings to RIBA Stage J • Financial and fundraising strategy <p>(subject to additional capital funding being secured).</p>	
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9.6. Diversity

Target	Outputs/Report
<p>Continue to encourage more diverse audiences and participants engage with the Mercury across all equality groups.</p> <p>Target: 3% of audiences</p>	
<p>Continue to ensure the Mercury recruits and attracts a diverse workforce.</p> <p>Target:</p> <p>70% female 5% disabled 2% minority ethnic 5% lesbian and gay</p>	
<p>Annual review all equality action plans and policies.</p>	
<p>Continue to attract those from lower income and modest income households, proactively engaging with those from disadvantaged backgrounds and deprived areas of Colchester.</p> <p>Target: 10% of users and audiences</p>	

9.7. Young People

Target	Outputs/Report
<p>Maintain rate of 10% all tickets sold as concessions are for young people.</p>	
<p>Deliver 787 community and education sessions attracting 17,500 participants.</p>	

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Maintain Teachers Forums for Primary and Secondary Schools. Target: 40 members schools	
Continue to create opportunities for access to the arts particularly for children and young people. This includes community involvement in Mercury Company productions and an ongoing commitment to overall community activities.	
Maintain level of 145 young people enrolled in youth drama classes.	

9.8. Older People

Target	Outputs/Report
Work with older people will continue during the period through senior matinees and other specific activities. Former ACT V Programme transferred to Headgate Theatre with a small grant for 2018/19. A new programme of work will be developed over the next two years to be launched in 2020.	

9.9. Job Creation, sector skills development and contribution to the local economy

Target	Outputs/Report
Deliver 20 work experience placements during the year.	
Deliver 1 apprenticeship across all areas of the Mercury and 5 internships	
Continue to deliver Technical Theatre Vocational Degree in partnership with Colchester Institute.	
Provide evidence and support for new and emerging regional talent and companies. Target: 60 participants	

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Target and engage with 20 volunteers during the year.	
Assist CBC with other initiatives including: <ul style="list-style-type: none"> • Night-time economy • Local employment and skills • Development of creative and cultural industries • Marketing of Colchester as a visitor destination 	
Continue to participate in and support the ongoing development of the Colchester Comedy Festival.	

9.10. Environmental and Economic Sustainability

Target	Outputs/Report
Develop and agree a Sustainability and Environmental Policy and Action Plan.	
Collate and publish targets to reduce carbon footprint and provide evidence of improvement at regular intervals.	
Monitor the usage of green energy.	
Strengthen and grow partnership working through joint bids, cross programming and shared activity, including developing a big data approach to audience development across partners.	

9.11. What are the Mercury's particular plans to promote the support that the Council provides during the period of the agreement?

Each year, the Mercury focuses on developing partnerships for the benefit of the community and local economy, for example assisting the Chinese and Nepalese Communities in their annual cultural celebrations, working with Colchester and Tendring Women's Refuge and providing space and support for the Essex Gang Show, Colchester Operatic Society and other school and community groups.

During 2018/19, the Mercury have been successful in securing a contract with Acton for Children and Essex County Council for a new programme of work with young people on the autistic spectrum and their families and carers. This programme will

offer a range of after school and holiday workshops and activities, including a monthly club night. This is the first time that these activities have been made available to local residents (Colchester has one of the highest young people with autism in Essex).

The Theatre continues to develop co-productions to enable **Made in Colchester** shows to tour nationally and where appropriate internationally raising the profile of Colchester. In 2018/19, the Mercury's production of *Spamalot* will continue to tour the UK with Selladoor Worldwide Ltd and also played internationally in Dubai Korea. At the same time our production of *Turn of the Screw* will tour the UK with Dermot McLaughlin Productions.

The Mercury continues to attend regional and national conferences and events to present and share best practise to those within the arts and creative industries and others acknowledging the support of the Council.

Acknowledgement of the Council's support in **23,000** brochures distributed twice a year. In addition, electrically we distribute a weekly e-newsletter to **43,400** people with more than **345,000** unique visitors to our website. In addition, there continues to be a steady growth on Facebook and in Twitter followers.

The Mercury invites civic guests to press/gala evenings each year as a chance to say thank you for the support given and to promote the stage and community work that our funding partnership makes possible. The event includes acknowledgment of the Council's support.

Specifically in relation to our Mercury Rising Capital Project, the Mercury will ensure that the support of the Borough is profiled as a key stakeholder in this ambitious project through credits on external hoardings on site (to be erected in early August), press releases and other events during the year.

9.12. Please outline the way in which your organisation meets relevant local, regional and national strategies

Local

The Mercury Theatre continues to work proactively with the Council (including Colchester and Ipswich Museums), Firstsite and Colchester Arts Centre to ensure a collective and united vision for Arts, Culture & Heritage promotion and accessibility across Colchester aimed at maximising potential and seeking out opportunities for a more collaborative and sustainable approach. This has included in engaging with the other arts and cultural organisation about joint working models, the benefits of a joint box office and shared data and the joint commissioning of services.

The Mercury Theatre actively contributes to 'The Creative Colchester Strategy' by supporting emerging local talent and providing work experience, supporting cultural tourism initiatives, and working with a range of community service providers such as charities, health providers and voluntary groups to engage and develop communities.

The Mercury is an active member of the Creative Colchester Board (Chair of Mercury Board of Directors Chairs the Group) and the Creative Colchester Project Group (attended by our Head of Creative Learning and Talent).

The Mercury is an active member of Colchester Presents CIC with our Executive Director as a Board Member. We similarly contribute where we can to other civic events such as the Christmas Lights Switch On and other community events throughout the borough.

The Mercury's Executive Director is a member of the Purple Flag Working Group.

Finally, during 2018/19 the Mercury will open and launch the Abbeyfield Centre as a new community resource for local residents. Alongside our own activities, the Mercury will offer space for local community groups to offer activities year-round.

As agreed, the Mercury will ensure that the space is launched and promoted establishing a clear lettings and management process over the next two years to allow a new tenant to take on the lease.

Regional

Further partnership agreements are in place with Colchester Institute and Essex University around joint funding bids, skills development and other place-making initiatives.

The Mercury's Executive Director is also a Board member of Visit Essex ensuring that Colchester can benefit from county wide and regional campaigns.

The Mercury has been active in SECAS assisting in securing a large regional ERDF Award to support the development of the creative industries across the SELEP Region. In addition, our Executive Director sits on the Regional Tourism Advisory Board for SELEP.

Finally, our Executive Director has recently agreed to become a Colchester Ambassador and assist where he can in the promotion of the town regionally and nationally.

National

The Mercury Theatre has promoted its collaborative working with other arts providers and Colchester & Ipswich Museums to strategic funders such as Arts Council England and the Heritage Lottery Fund. This has demonstrated a strategic partnership approach to the development of arts and heritage in Colchester which will raise the profile and status of the town as a cultural centre and generate greater efficiencies and value for money.

Finally, through our Mercury Rising Capital Project we hope to further increase the profile of Colchester and its arts, heritage and cultural offer. The project is one of only four large regional awards offered by Arts Council England in the last round of funding.

11.0 Acceptance

- 11.1 Upon signing this agreement, the organisation agrees to the terms and conditions of funding and use reasonable endeavours to meet the performance targets and monitoring framework that have been outlined above.

On behalf of Mercury Theatre	Date	
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Signed (Executive Director)

Name (please print)

On behalf of Mercury Theatre	Date	
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Signed (Chair of the Board)

Name (please print)

On behalf of Colchester Borough Council	Date	
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Signed (Portfolio Holder)

Name (please print)

On behalf of Colchester Borough Council	Date	
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Signed (Officer)

Name (please print)

Appendix C

**Funding Agreement between Colchester Borough Council and
Colchester Arts Centre**

1.0 Introduction

- 1.1 Colchester's vibrant cultural scene is one of the town's unique selling points, and something that Colchester Borough Council (CBC) is keen to support and sustain. Colchester Arts Centre, Firstsite and the Mercury Theatre are central to this, providing the leadership, capacity, creativity and innovative programmes of delivery to make Colchester a great place to live, learn, work and visit.
- 1.2 The Council provides core revenue grants to these organisations, because they deliver on the Council's Strategic Plan, and support delivery of the Creative Colchester Strategy which is a detailed delivery framework for promoting and enhancing the arts in the local economy. In line with the Creative Colchester strategy, the Council continues to work with regional partners to align policy and funding to help deliver key economic and social outcomes through investing in development of the arts.
- 1.3 As part of the Council's commitment to transparency, quality and performance management systems, the arts organisations that receive CBC funding must set out clear objectives and provide performance and sector data so that the service that is provided through partnership working can be measured, evaluated and improved. This document defines the performance targets and monitoring process, and confirms the funding amounts currently agreed.
- 1.4 Colchester Arts Centre is one of three arts organisations strategically-funded by CBC in alignment with Arts Council England (ACE). In 2014 the Arts Centre was successful in their bid to ACE for continued National Portfolio Organisation (NPO) funding from April 2015 for three years. Therefore, the 2017-18 funding agreement with CBC will focus on the Arts Centre's work towards the goals as set out in its bid, as well as the key areas of performance and delivery required by CBC. Along with Firstsite and the Mercury Theatre Colchester Arts Centre has applied for renewed NPO status from April 2018, the outcome of which will be announced in July 2017.

2.0 Scope and Financial Arrangements

- 2.1 Between 1 April 2017 and 31 March 2018 the Council will fund Colchester Arts Centre to the amount of £63,650. This funding was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation as set out in the business and operations plan and to meet the targets for performance set out in section 9 of this Agreement.
- 2.2 Upon signature of this Agreement, the Council will release the funding in quarterly instalments.
- 2.3 Any financial investment that the Council needs to make under its obligations as the lease holder of the building is deemed to be outside of this agreement.

However, any tenant responsibilities that Colchester Arts Centre Theatre holds are considered to be within this agreement.

- 2.4 On signing this Agreement, the Arts Centre recognises that it is in receipt of public funding and accepts responsibility for showing proof of eligibility, meeting the targets for performance, and collecting qualitative and quantitative performance data to provide evidence of the service standards. The Arts Centre also agrees to provide available sector data to assist with monitoring and performance assessment.
- 2.5 Where appropriate and possible within current resources, Colchester Borough Council will provide non-financial support to the Arts Centre where it seeks to develop additional services that contribute towards meeting the Council's strategic priorities. If these additional services are developed to a point that requires additional funding, the Arts Centre may request such funding formally, and the Council may issue a separate funding agreement if applicable. If this circumstance arises, the services will be deemed to fall outside of this agreement.

3.0 Eligibility and Criteria for Acceptance

- 3.1 In order to be eligible for funding the Arts Centre must supply evidence to demonstrate that it is:
 - a. Properly constituted
 - b. Financially viable
 - c. Able to manage its work effectively, monitor and manage risk, and seek necessary professional financial, legal and insurance advice
 - d. Operating with effective policies and procedures in equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - e. Delivering on the current strategic priorities of the Council.

4.0 Performance monitoring framework

- 4.1 The Arts Centre must submit an up to date Business Plan and operations information to CBC, including a budget to cover the same period as the funding agreement and a copy of the audited accounts from 2017-18.
- 4.2 As a minimum throughout the term of the agreement, the Arts Centre must submit quarterly budget reports if required and invite a Council representative to observe two Board meetings. The organisation will also participate in annual review meetings, as outlined below.
- 4.3 At the end of the agreement period, the organisation must provide audited accounts and submit performance data to evidence the organisation's turnover, audience and participation levels as well as contribution to the Council's strategic priorities.

5.0 Bi-annual review process

Colchester Borough Council strategic funding for arts organisations 2017/18

- 5.1 A review meeting will take place between Colchester Borough Council and Colchester Arts Centre at least once in the period of the agreement. The meetings shall be attended by the PFH, relevant officer(s) of the Council and Executive staff of the Arts Centre.
- 5.2 The Portfolio Holder and Arts Centre Management may be asked to sit before a Scrutiny Panel to monitor performance and achievements. As such, the annual review process should be seen as an opportunity to ensure that the Portfolio Holder can evidence performance within their area of responsibility.

6.0 Acknowledgement of funding

- 6.1 Colchester Arts Centre will acknowledge its financial assistance from CBC in all marketing and communication materials in print, electronic, broadcast and other formats.
- 6.2 The organisation is asked to specify particular steps that it will take within the period of this Agreement to promote the support that it receives from the Council in Section 9.

7.0 General conditions

- 7.1 The funding provided under this agreement may not be assigned to any other person, association or company other than in the course of delivering the Business Plan and agreed performance targets.
- 7.2 This agreement does not constitute the Colchester Art Centre as an agent of the Council or otherwise make the Council liable to any person who may take proceedings against the Theatre.
- 7.3 The Council reserves the right to nominate annually a councillor to be a director on the Colchester Arts Centre Board.
- 7.4 The Council should be consulted where any change or development in the direction of the organisation's affairs might affect this Agreement.
- 7.5 Funds will be repayable in full to the Council in the event of any of the following:
 - i. Misuse of payment received from the Council by Colchester Arts Centre
 - ii. A breach of the law by Colchester Arts Centre
 - iii. Petitioning the court for the appointment of an administrator
 - iv. Having a receiver appointed over all or any part of the Arts Centre's assets
 - v. Being the subject of a petition or resolution for the Arts Centre's 'winding up'

8.0 Breach in agreement

- 8.1 In the event of either the Council or Colchester Arts Centre's notifying the other in writing of a breach in this agreement, the parties shall meet to discuss the alleged breach within 21 days.

Colchester Borough Council strategic funding for arts organisations 2017/18

- 8.2 Both the Council and the Colchester Arts Centre agree that they have an equal responsibility to reach a practical and reasonable solution to the breach, but if after 12 weeks a solution has not been agreed then the parties mutually agree to arbitration.

9.0 Specification of performance targets

- 9.1 The specification of performance targets is developed collaboratively between the Council and your organisation. The information provided here substantiates the Council's decision to invest public funds and helps to strengthen the partnership delivery model.
- 9.2 The information is set out in line with the Strategic Plan to help to convey to Members, officers and partners how the Council's financial support is an effective and efficient way to deliver services to meet local identified needs.

9.3 Performance/Programme Overview

Target	Outputs/Report
<p>Colchester Arts Centre will promote, present and nurture artistic talent. Through a combination of curatorial expertise, outstanding production values and straightforward commercial nous it will act as a home for artists, a breeding ground for artistic ambition and innovation, and a platform for local, national and international talent. In line with CBC's Strategic Plan, with its broad ranging and risk-taking performance programme Colchester Arts Centre will seek to inspire and nurture creativity in the local community, inspiring artists already on the path and encouraging others to embrace their creativity.</p> <p>Target: In 2017/18 we will present:</p> <ul style="list-style-type: none">• Four pieces of international work.• One major partnership project.• Twelve jazz performances• Thirty Folk gigs• Forty Rock / Indie / Pop gigs• Fifty Comedy Shows• Forty shows specifically for children.• Six World Music performances.• Five Film screenings• Ten Experimental Music Performances	<p>International Work with Mammalian Dance Reflex and Reverend Billy and The Church of Stop Shopping Gospel Choir.</p> <p>Experimental Music 21 Jazz 19 Folk 36 Rock / indie / pop 58 Comedy 49 Children 47 World Music 9 Film Screenings 14 Experimental Music 21</p>

<p>Wonderful Wednesdays – New, challenging, experimental, innovative performance work, made accessible for a regular Colchester audience with a radical pay what you can afford admission structure that makes this work, perhaps more commonly seen as the preserve of the arts elite, truly open to anyone. Personally curated by our Director.</p> <p>We will continue with an accompanying number of Theatre at Breakfast Time shows – these present the same work from the Wednesday night in an early morning setting – a trial run has already proved popular with Parents and children who might find it difficult to get out in the evenings. There's space for buggies, breakfast butties on sale and a more relaxed atmosphere in which people can move around as they need to.</p> <p>For 2017 / 18 we will also experiment with a double bill on a Friday night.</p> <p>Target: 30 performances in the funding period.</p> <p>Target: A double bill performance on a Friday night.</p> <p>Target: 3 breakfast time theatre performances.</p>	<p>34 Wonderful Wednesdays performances.</p> <p>Breakfast time theatre and the Friday Double Bill weren't possible due to artists' availability but are planned again for 2018 / 19.</p>
<p>A dedicated programme of Childrens' Shows and Workshops – programmed by a dedicated booker with specialist knowledge. All show tickets kept at a low, accessible, affordable price of £4.95.</p> <p>Target: 40 Shows and 10 workshops, including a run of special Christmas shows at a low admission price.</p>	<p>47 shows and 6 workshops delivered.</p>

9.4 Community and Audience Development

Target	Outputs/Report
<p>Community Events – we commit to program a number of events focusing on the talents of the local community including:</p>	<p>1 Made In Colchester Art Fair Sixth Form BOTB A successful Rock Prom featuring bands</p>

Colchester Borough Council strategic funding for arts organisations 2017/18

<ul style="list-style-type: none"> Two “Made In Colchester” Art Fairs featuring work from local artists Colchester’s Got Talent Sixth Form College Battle of the Bands Variety Night 2018 in aid of Mayor’s Charities 	from local schools and a sold out Variety Night.
Increase known audience attendance from 42,375 (2016 /17) to 45,000	45,712 achieved
Increase online audience figures This to include the Colchester Arts Centre website and our social media platforms. <ul style="list-style-type: none"> Increase website Unique Browsers from 109,892 to 112,000 Increase number of website page impressions from 612,368 to 620,000 Increase number of website visits from 236,630 to 238,000 Increase Facebook fans from 7999 to 9000 Increase Twitter followers from 10,800 to 12,000 	Website Unique Browsers 122,490 Website Page Impressions 758,340 Website Visits 308,887 Facebook fans 9094 Twitter Followers 11,600
Reinvigorated SMS text list – this has proven to be a hugely effective marketing tool in the past, highly targeted but traditionally rather costly. Improved technology and affordability now make this form of direct marketing more cost effective and worthy of further exploration. List up and running by end of funding period.	List up and running and being maintained. Targets set for 2018 / 19.
Membership / Friends Scheme: Research into establishing the best way forward.	Ongoing.

9.5. Governance and Management

Target	Outputs/Report
Arts Centre Board: Organise a Board retreat.	Group formed to report back on best way forward.
General Manager: We will seek to recruit a General Manager, freeing up the Director to	Joanne Parry Appointed

spearhead fundraising and creative programming.

9.6. Diversity

Target	Outputs/Report
Arts Centre Board: Increase diversity across age and ethnicity. The board currently has a good male / female balance, and representation of disability and older people. Gaps have been identified in representation of younger people, BME and LGBTQA people – we will seek to address these in 2017/18.	Working Group formed to address. Young Peoples' Advisory Board proposed.
Accessible Shows – we will program specific performances made accessible to people with disabilities, beyond our regular venue accessibility offer. Target: <ul style="list-style-type: none"> • Ten relaxed performances • An audio described performance • Ten BSL interpreted performances. 	Audio Described 7 BSL 7 Relaxed Performances 6
Mystery Shoppers – We will forge a relationship with local disability groups to evaluate our accessibility provisions. Targets: Wheelchair users to evaluate 5 performances. 5 Mystery shopper visits in partnership with Autism Anglia.	Deferred while new partners sought following low take-up.
Staff Training – to be ongoing and not merely introductory. Targets: Disability Equality Training for Core staff. Disability Equality Training video to be produced for Volunteers.	Training carried out.
Increase Diversity of Artistic Programme – encouraging diversity to permeate all levels of the organisation, not just within the staff. Target: work with 10 artists with disabilities during the term of the funding agreement.	Co-produced Accessibility on the Fringe event at Edinburgh Fringe Festival, with performances from Laurence Clarke and Lost Voice Guy. Full 10 performances not achieved due to artist availability. Diversity was present throughout the programme in the form of: LGBTQA+ The Vaudevillians, Franko B, Tom Marshman, The Lipsinkers.

	<p>BAME Tunde Jegede, African Salsa Orchestra, Vaudou Game.</p> <p>OLDER PEOPLE Mammalian Diving Reflex, The Warm & Toasty Club</p> <p>DISABILITY Aspergers Are Us, Kills on Wheels, Laurence Clarke.</p>
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9.7. Young People

Target	Outputs/Report
<p>Schools Rock Prom / On For ... – These are dedicated events for young local bands, giving emerging talent the experience of performing in a fully professional venue.</p> <p>Target:</p> <ul style="list-style-type: none"> • One Rock Prom. • One On For 2018 Local Band showcase. <p>Offer support slots to visiting national and international bands to those appearing at the On showcase.</p>	<p>Rock Prom and On showcase delivered.</p>
<p>A Kids Summer Festival with Arts Award Accreditation We will provide two multi-day workshops for children, with the option to gain an Arts Award qualification.</p>	<p>One Multi Day Workshop with Arts Award Qualification. Majestic Kids – It's A Small World - the 4 days of the festival saw children play, create musical instruments, make music, learn dance moves and enjoy drama improvisations and a whole host of arts and crafts in a relaxed, friendly and encouraging environment.</p> <p>There was a performance and an exhibition at the end of the week for parents, produced by the young people during the 4 days.</p>

9.8. Older People

Target	Outputs/Report
<p>Programming – We aim to programme events of particular interest to older people.</p>	<p>Mammalian Diving Reflex – 2 performances from an acclaimed international company. The Warm & Toasty Club – an afternoon of chat and</p>

Colchester Borough Council strategic funding for arts organisations 2017/18

Target: Minimum 6 in the funding period.	reminiscence, plus the all important Biscuit of the Month section.
International Project - Deliver an international project aimed specifically at older people, from acclaimed performance company Mammalian Dance Reflex.	Delivered.

9.9. Job Creation, sector skills development and contribution to the local economy

Target	Outputs/Report
Chamber of Commerce – We have joined in order to forge closer links with local business through sponsorship opportunities and or possible partnerships. Target: <ul style="list-style-type: none"> Update commercial sponsorship brochure. CAC Representative to attend 4 networking events per year. 	2 persons attended Chamber of Commerce meeting.
Volunteers – Volunteering, whilst hugely aiding the operation of the arts centre, also provides a valuable opportunity for work experience and skills development. Target: Increase volunteer numbers by 10% for future-proofing	Volunteer numbers up to 88.
Work Experience – we will provide work experience to secondary school aged students and those seeking internships to cement their skills and experience.	7 Work experience placements delivered.

9.10. Environmental and Economic Sustainability

Target	Outputs/Report
Farmers Markets – in partnership with En Form we will hold 11 monthly Farmers Markets during the funding period, offering a wide range of locally sourced produce. We will regularly consult with En Form to promote the markets and maximise effectiveness.	11 Farmers Markets delivered.
Julie's Bicycle – we will continue our work with this organisation to establish measurement data for use in setting green targets.	Use of IG tools to measure waste and energy use, and monitor staff and audience travel.

Green Team – meeting monthly to improve green credentials across the organisation.	Monthly meetings continued.
Waste Management – regular review of best practice: we commit to constant monitoring of cost effectiveness and green credentials.	Carried out through online IG tools.

9.11. What are your particular plans to promote the support that the Council provides during the period of the agreement?

We acknowledge CBC funding support in our quarterly Events Guide, distributed across the Borough and direct mailed to approximately 20,000 mailing list subscribers.

Funding acknowledgement on website and through social media via re-tweets, facebook re-posts etc.

9.12. Please outline the way in which your organisation meets local, regional and national strategies.

Local

We contribute to CBC's Strategic Plan 2015-18 across the four stated areas:

Vibrant

Colchester Arts Centre enhances the retail mix of the town by hosting Farmers Markets, Art Fairs and other independent trade events, and the leisure mix through the dynamic eclecticism of our events programme. It contributes to a sense of community through its involvement in "grassroots" projects (Annual Variety Night, The Warm & Toasty Club, hosting the long-standing independent Colchester Folk Club...), contributing to the artistic community of the town through collaborations with other venues (space hire, collaborative projects, provision of rehearsal space) and helping to empower people with disabilities through its strong emphasis on accessibility that permeates all levels of the organisation.

Prosperous

Colchester Arts Centre supports its employees through professional development programmes and on spec training when required. The venue has been the starting point for many high-achieving professionals who have gone on to work on projects such as the Latitude Festival, international tour bookers United Talent Agency and Live Nation, and progress to senior positions at other nationally recognised arts institutions. Colchester Arts Centre plays a full part in providing work experience for under 18s, and has participated in various apprenticeship programmes. Its volunteer scheme gives many the chance to cut their teeth in an arts environment, and some have gone on to gain regular employment as a result of their time with us.

Thriving

Promoting Colchester's history and heritage through our Heritage Open Days. The venue recognises it is fortunate to be housed in such a historic building that is of considerable interest to many visitors, including those from overseas and they are welcome to view the space whenever circumstances will allow. Providing young people opportunities to make the best of their potential, via the provision of participatory events like the Schools Rock Prom, On For... Local Bands showcase, and in the earlier years through our Kids Workshops and

Arts Award qualification sessions. The arts centre cares about its environs with regular litter picks and the recent cultivation of new gardens in the entrance area. A specialised Green Team meets monthly to discuss methods of improving environmental sensibilities within the organisation and reducing our carbon footprint.

Welcoming

For Colchester Arts Centre, accessibility runs through the organisation and is an agenda item at every staff and board meeting. The venue has a can-do attitude to accommodate all requests. The performance programme aims to be accessible and inclusive. We are listening to the views of our customers with disabilities through our audience surveys, informal feedback on the night and observations from volunteers. Equal Opportunities is enshrined at the core of the organisation.

Regional

We are a leading and founder member of the South East Disability Action Group.

National

We respond to the targets as laid out within the Arts Council's "Great Art & Culture For Everyone" Ten Year Strategic Framework. We are working and delivering on three of the five stated goals:

Everyone has the opportunity to experience and be inspired by the arts, museums and libraries

Building on our already strong audience, broadening our reach, penetrating areas of low engagement and extending and enhancing our appeal and cultural offer to communities.

Excellence is thriving and celebrated in the arts, museums and libraries

Delivering a cohesive and dynamic arts provision across a multitude of platforms, interventions and scenarios.

Every child and young person has the opportunity to experience the richness of the arts, museums and libraries

Developing a rich programme of events for those in the 3 to 16 yrs age range. Partnership working with educational and schools networks. Partnership working Bridge and Essex Music Hub. A Summer Festival with Arts Award Accreditation. Engagement with Schools Artsmark Award. Commissioning of new work.

11.0 Acceptance

- 11.1 Upon signing this agreement, the organisation agrees to the terms and conditions of funding and use reasonable endeavours to meet the performance targets and monitoring framework that have been outlined above.

On behalf of Colchester Arts Centre

Signed (Director)

Name (please print)

Colchester Borough Council strategic funding for arts organisations 2017/18

On behalf of Colchester Arts Centre

Signed(Chair of the Board)

Name (please print)

On behalf of Colchester Borough Council

Signed (Portfolio Holder)

Name (please print)

On behalf of Colchester Borough Council

Signed (Officer)

Name (please print)

Appendix D

**Funding Agreement between Colchester Borough Council and
Colchester Arts Centre**

1.0 Introduction

- 1.1 Colchester's vibrant cultural scene is one of the town's unique selling points, and something that Colchester Borough Council (CBC) is keen to support and sustain. Colchester Arts Centre, firstsite and the Mercury Theatre are central to this, providing the leadership, capacity, creativity and innovative programmes of delivery to make Colchester a great place to live, learn, work and visit.
- 1.2 The Council provides core revenue grants to these organisations, because they deliver on the Council's Strategic Plan, and support delivery of the Creative Colchester Strategy which is a detailed delivery framework for promoting and enhancing the arts in the local economy. In line with the Creative Colchester strategy, the Council continues to work with regional partners to align policy and funding to help deliver key economic and social outcomes through investing in development of the arts.
- 1.3 As part of the Council's commitment to transparency, quality and performance management systems, the arts organisations that receive CBC funding must set out clear objectives and provide performance and sector data so that the service that is provided through partnership working can be measured, evaluated and improved. This document defines the performance targets and monitoring process, and confirms the funding amounts currently agreed.
- 1.4 Colchester Arts Centre is one of three arts organisations strategically-funded by CBC in alignment with Arts Council England (ACE). In 2017 the Arts Centre was successful in their bid to ACE for continued National Portfolio Organisation (NPO) funding from April 2018 for three years. Therefore, the 2018-19 funding agreement with CBC will focus on the Arts Centre's work towards the goals as set out in its bid, as well as the key areas of performance and delivery required by CBC.

2.0 Scope and Financial Arrangements

- 2.1 Between 1 April 2018 and 31 March 2019 the Council will fund Colchester Arts Centre to the amount of £55,950. This funding was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation as set out in the business and operations plan and to meet the targets for performance set out in section 9 of this Agreement.
- 2.2 Upon signature of this Agreement, the Council will release the funding in quarterly instalments.
- 2.3 Any financial investment that the Council needs to make under its obligations as the lease holder of the building is deemed to be outside of this agreement. However, any tenant responsibilities that Colchester Arts Centre holds are considered to be within this agreement.

- 2.4 On signing this Agreement, the Arts Centre recognises that it is in receipt of public funding and accepts responsibility for showing proof of eligibility, meeting the targets for performance, and collecting qualitative and quantitative performance data to provide evidence of the service standards. The Arts Centre also agrees to provide available sector data to assist with monitoring and performance assessment.
- 2.5 Where appropriate and possible within current resources, Colchester Borough Council will provide non-financial support to the Arts Centre where it seeks to develop additional services that contribute towards meeting the Council's strategic priorities. If these additional services are developed to a point that requires additional funding, the Arts Centre may request such funding formally, and the Council may issue a separate funding agreement if applicable. If this circumstance arises, the services will be deemed to fall outside of this agreement.

3.0 Eligibility and Criteria for Acceptance

- 3.1 In order to be eligible for funding the Arts Centre must supply evidence to demonstrate that it is:
- a. Properly constituted
 - b. Financially viable
 - c. Able to manage its work effectively, monitor and manage risk, and seek necessary professional financial, legal and insurance advice
 - d. Operating with effective policies and procedures in equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - e. Delivering on the current strategic priorities of the Council.

4.0 Performance monitoring framework

- 4.1 If requested the Arts Centre must submit an up to date Business Plan and operations information to CBC, including a budget to cover the same period as the funding agreement.
- 4.2 Throughout the term of the agreement, the Arts Centre must submit quarterly budget reports if required and a Council representative may request to observe a Board meeting during the period of the agreement. The organisation will also participate in annual review meetings, as outlined below.
- 4.3 At the end of the agreement period, the organisation must provide audited accounts and submit performance data to evidence the organisation's turnover, audience and participation levels as well as contribution to the Council's strategic priorities.

5.0 Annual review process

- 5.1 A review meeting will take place between Colchester Borough Council and Colchester Arts Centre at least once in the period of the agreement. The meetings shall be attended by the PFH, relevant officer(s) of the Council and Executive staff of the Arts Centre.
- 5.2 The Portfolio Holder and Arts Centre Management may be asked to sit before a Scrutiny Panel to monitor performance and achievements. As such, the annual review process should be seen as an opportunity to ensure that the Portfolio Holder can evidence performance within their area of responsibility.

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- 7.3 The Council reserves the right to nominate annually a councillor to be a director on the Colchester Arts Centre Board.
- 7.4 The Council should be consulted where any change or development in the direction of the organisation's affairs might affect this Agreement.
- 7.5 Funds will be repayable in full to the Council in the event of any of the following:
- i. Misuse of payment received from the Council by Colchester Arts Centre
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 - iii. Petitioning the court for the appointment of an administrator
 - iv. Having a receiver appointed over all or any part of the Arts Centre's assets
 - v. Being the subject of a petition or resolution for the Arts Centre's 'winding up'

8.0 Breach in agreement

Colchester Borough Council strategic funding for arts organisations 2018/19

- 8.1 In the event of either the Council or Colchester Arts Centre's notifying the other in writing of a breach in this agreement, the parties shall meet to discuss the alleged breach within 21 days.
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<p>Colchester Arts Centre will promote, present and nurture artistic talent. Through a combination of curatorial expertise, outstanding production values and straightforward commercial nous it will act as a home for artists, a breeding ground for artistic ambition and innovation, and a platform for local, national and international talent. With its broad ranging and risk-taking performance programme the venue will seek to inspire and nurture creativity in the local community, inspiring artists already on the path and encouraging others to embrace their creativity.</p> <p>Target: In 2018/19 we will present:</p> <ul style="list-style-type: none">• Two pieces of international work.• One major partnership project.• Twelve jazz performances• Thirty Folk gigs• Forty Rock / Indie / Pop gigs• Fifty Comedy Shows• Forty shows specifically for children.• Six World Music performances.• Five Film screenings• Ten Experimental Music Performances	

<p>Wonderful Wednesdays – New, challenging, experimental, innovative performance work, made accessible for a regular Colchester audience with a radical pay what you can afford admission structure that makes this work, often regarded as the preserve of the arts elite, truly open to anyone. Personally curated by the Director.</p> <p>We will seek to re-introduce a number of Theatre at Breakfast Time shows – these present the same work from the Wednesday night in an early morning setting – this has already proved popular with Parents and children who might find it difficult to get out in the evenings. There's space for buggies, breakfast butties on sale and a more relaxed atmosphere in which people can move around as they need to.</p> <p>For 2018 / 19 we will also experiment with a double bill on a Friday night – dedicating a prime night of the week to our core work, emphasising our commitment and hopefully attracting the attention of new audiences. Not a typical Colchester Friday night out!</p> <p>Target: 30 performances in the funding period.</p> <p>Target: A double bill performance on a Friday night.</p> <p>Target: 3 breakfast time theatre performances.</p>	
<p>A dedicated programme of Childrens' Shows and Workshops – programmed by a dedicated booker with specialist knowledge. All show tickets kept at a low, accessible, affordable price of £5.95.</p> <p>Target: 40 Shows and 10 workshops, including a run of special Christmas shows at a low admission price.</p>	

9.4 Community and Audience Development

Target	Outputs/Report
Community Events – we commit to program a number of events focusing on the talents of the local community including: <ul style="list-style-type: none"> • A “Made In Colchester” Art Fair featuring work from local artists • Sixth Form College Battle of the Bands Variety Night 2019 in aid of Mayor’s Charities 	
Increase known audience attendance from 45, 712 (2017 /18) to 47,000	
Increase online audience figures This to include the Colchester Arts Centre website and our social media platforms. <ul style="list-style-type: none"> • Increase website Unique Browsers from 122,490 to 125,000 • Increase number of website page impressions from 758,340 to 760,000 • Increase number of website visits from 308,887 to 310,000 • Increase Facebook fans from 9094 to 11,000 • Increase Twitter followers from 11,600 to 12,500 	
Reinvigorated SMS text list – this has proven to be a hugely effective marketing tool in the past, highly targeted but traditionally rather costly. We will increase sign ups from 3000 to 3500.	
Membership / Friends Scheme: Research into establishing the best way forward.	

9.5. Governance and Management

Target	Outputs/Report
Arts Centre Board: Organise a Board retreat.	
Senior Management Team The creation of this grouping to work closely with the Director on all aspects,	

particularly Business Plan creation and setting of targets.	
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9.6. Diversity

Target	Outputs/Report
Arts Centre Board: Increase diversity across age and ethnicity. The board currently has a good male / female balance, and representation of disability and older people. Gaps have been identified in representation of younger people, BME and LGBTQA people – we will seek to address these in 2018/19, starting with the creation of a Young Peoples' Advisory Panel.	
Accessible Shows – we will program specific performances made accessible to people with disabilities, beyond our regular venue accessibility offer. Target: <ul style="list-style-type: none"> • Ten relaxed performances • An audio described performance • Ten BSL interpreted performances. 	
Mystery Shoppers – We will forge a relationship with local disability groups to evaluate our accessibility provisions. Targets: Wheelchair users to evaluate 5 performances.	
Staff Training – to be ongoing. Targets: Disability Equality Training for Core staff. Disability Equality Training video to be produced for Volunteers.	
Increase Diversity of Artistic Programme – encouraging diversity to permeate all levels of the organisation, not just within the staff. Target: work with 10 artists with disabilities during the term of the funding agreement.	

9.7. Young People

Target	Outputs/Report
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<p>Schools Rock Prom / On For ... – These are dedicated events for young local bands, giving emerging talent the experience of performing in a fully professional venue.</p> <p>Target:</p> <ul style="list-style-type: none"> • One Rock Prom. • One On For 2019 Local Band showcase. <p>Offer support slots to visiting national and international bands to those appearing at the On showcase.</p>	
<p>A Kids Summer Festival with Arts Award Accreditation We will provide two multi-day workshops for children, with the option to gain an Arts Award qualification.</p>	

9.8. Older People

Target	Outputs/Report
<p>Programming – We aim to programme events of particular interest to older people.</p> <p>Target: Minimum 6 in the funding period.</p>	
<p>The Warm & Toasty Club We will continue our association with this excellent project working with older people in Colchester, hosting 2 Memory Afternoons.</p>	

9.9. Job Creation, sector skills development and contribution to the local economy

Target
<p>Chamber of Commerce – We have joined in order to forge closer links with local business through sponsorship opportunities and or possible partnerships.</p> <p>Target:</p> <ul style="list-style-type: none"> • Update commercial sponsorship brochure. • CAC Representative to attend 4 networking events per year.
<p>Volunteers – Volunteering, whilst hugely aiding the operation of the arts centre, also provides a valuable opportunity for work experience and skills development.</p> <p>Target: Increase volunteer numbers by 10% for future-proofing</p>
<p>Work Experience – we will provide work experience to secondary school aged students and those seeking internships to cement their skills and experience.</p>

9.10. Environmental and Economic Sustainability

Target	Outputs/Report
Farmers Markets – in partnership with En Form we will hold 11 monthly Farmers Markets during the funding period, offering a wide range of locally sourced produce. We will regularly consult with En Form to promote the markets and maximise effectiveness.	
Julie's Bicycle – we will continue our work with this organisation to establish measurement data for use in setting green targets.	
Green Team – meeting monthly to improve green credentials across the organisation.	
Waste Management – regular review of best practice: we commit to constant monitoring of cost effectiveness and green credentials.	

9.11. What are your particular plans to promote the support that the Council provides during the period of the agreement?

We acknowledge CBC funding support in our quarterly Events Guide, distributed across the Borough and direct mailed to approximately 20,000 mailing list subscribers.

Funding acknowledgement on website and through social media via re-tweets, facebook re-posts etc.

9.12. Please outline the ways in which your organisation meets local, regional and national strategies including the Council's Strategic Plan 2018-21

LOCAL

Our mission is intertwined with the objectives as set out in CBC's GROW theme:

GROWTH

Ensuring all residents benefit from the growth of the borough

We have ambitious plans with our capital bid, to expand the capability and reach of the venue in line with CBC's vision for the growth of the borough.

RESPONSIBILITY

Encouraging everyone to do their bit to making our borough even better

The venue will demonstrate a clear commitment to Green responsibility, diversity and inclusion (Relaxed Performances, BSL, Audio Description, Artists representative of the protected characteristics).

OPPORTUNITY

Promoting and improving Colchester and its environment

Bringing internationally renowned talent to Colchester, both the big names and the innovative new

talents. Improving the building's outside spaces and keeping our celebrated building of the Church of St Mary At The Walls open to the public and bustling with activity.

WELLBEING

Making Colchester an even better place to live and supporting those who need most help.

Championing work for and by those with disabilities. Enshrining accessibility as a priority that permeates all levels of the organisation. Encouraging Green sensibilities, and the arts as a tool for mindfulness, self development and combating loneliness.

Regional

We are a leading and founder member of the South East Disability Action Group.

National

We respond to the targets as laid out within the Arts Council's "Great Art & Culture For Everyone" Ten Year Strategic Framework. We are working and delivering on three of the five stated goals:

Everyone has the opportunity to experience and be inspired by the arts, museums and libraries

Building on our already strong audience, broadening our reach, penetrating areas of low engagement and extending and enhancing our appeal and cultural offer to communities.

Excellence is thriving and celebrated in the arts, museums and libraries

Delivering a cohesive and dynamic arts provision across a multitude of platforms, interventions and scenarios.

Every child and young person has the opportunity to experience the richness of the arts, museums and libraries

Developing a rich programme of events for those in the 3 to 16 yrs age range. Partnership working with educational and schools networks. Partnership working Bridge and Essex Music Hub. A Summer Festival with Arts Award Accreditation. Engagement with Schools Artsmark Award. Commissioning of new work.

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11.0 Acceptance

- 11.1 Upon signing this agreement, the organisation agrees to the terms and conditions of funding and use reasonable endeavours to meet the performance targets and monitoring framework that have been outlined above.

On behalf of Colchester Arts Centre

Signed (Director)

Name (please print)

On behalf of Colchester Arts Centre

Signed(Chair of the Board)

Name (please print)

On behalf of Colchester Borough Council

Signed (Portfolio Holder)

Name (please print)

On behalf of Colchester Borough Council

Signed (Officer)

Name (please print)

Appendix E

**Funding Agreement between Colchester Borough Council and
Firstsite**

1.0 Introduction

- 1.1 Colchester's vibrant cultural scene is one of the town's unique selling points, and something that Colchester Borough Council (CBC) is keen to support and sustain. Firstsite, Colchester Arts Centre, and the Mercury Theatre are central to this, providing the leadership, capacity, creativity and innovative programmes of delivery to make Colchester a great place to live, learn, work and visit.
- 1.2 The Council provides core revenue grants to these organisations, because they deliver on the Council's Strategic Plan, in particular they are fundamental to supporting delivery of the Creative Colchester Strategy and Action Plan which is a detailed delivery framework for promoting and enhancing the arts in the local economy. In line with the Creative Colchester strategy, the Council continues to work with regional partners to align policy and funding to help deliver key economic and social outcomes through investing in development of the arts.
- 1.3 As part of the Council's commitment to transparency, quality and performance management systems, the arts organisations that receive CBC funding must set out clear objectives and provide performance and sector data so that the service that is provided through partnership working can be measured, evaluated and improved. This document defines the performance targets and monitoring process, and confirms the funding amounts currently agreed.

2.0 Scope and Financial Arrangements

- 2.1 Between 1 April 2017 and 31 March 2018 the Council will fund Firstsite to the amount of £127,925. This funding was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation as set out in the business and operations plan and to meet the targets for performance set out in section 9 of this Agreement.
- 2.2 Upon signature of this Agreement, the Council will release the funding in quarterly instalments.
- 2.3 Any financial investment that the Council needs to make under its obligations as the owner of the building is deemed to be outside of this agreement. However, any tenant responsibilities that Firstsite holds are considered to be within this agreement.
- 2.4 On signing this Agreement, Firstsite recognises that it is in receipt of public funding and accepts responsibility for showing proof of eligibility, meeting the targets for performance, and collecting qualitative and quantitative performance data to provide evidence of the service standards. Firstsite also agrees to

provide available sector data to assist with monitoring and performance assessment.

Where appropriate and possible within current resources, Colchester Borough Council will provide non-financial support to Firstsite where it seeks to develop additional services that contribute towards meeting the Council's strategic priorities. If these additional services are developed to a point that requires additional funding, Firstsite may request such funding formally, and the Council may issue a separate funding agreement if applicable. If this circumstance arises, the services will be deemed to fall outside of this agreement.

3.0 Eligibility and Criteria for Acceptance

- 3.1 In order to be eligible for funding Firstsite must supply evidence to demonstrate that it is:
- a. Properly constituted
 - b. Financially viable
 - c. Able to manage its work effectively, monitor and manage risk, and seek necessary professional financial, legal and insurance advice
 - d. Operating with effective policies and procedures in equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - e. Delivering on the current strategic priorities of the Council.

4.0 Performance monitoring framework

- 4.1 Firstsite must submit an up to date Business Plan and operations information to CBC, including a budget to cover the same period as the funding agreement and a copy of the audited accounts from 2016-17.
- 4.2 As a minimum throughout the term of the agreement, Firstsite must submit quarterly budget reports and invite a Council representative to observe two Board meetings. The organisation will also participate in two bi-annual review meetings, as outlined below.
- 4.3 At the end of the agreement period, the organisation must provide audited accounts and submit performance data to evidence the organisation's turnover, audience and participation levels as well as contribution to the Council's strategic priorities.

5.0 Bi-annual stakeholder review process

- 5.1 A review meeting will take place between Colchester Borough Council, Essex County Council, Arts Council England and Firstsite twice in the period of the agreement. The meetings shall be attended by the relevant officer(s) of the Council and partner stakeholders and Executive staff of Firstsite
- 5.2 The Portfolio Holder and Firstsite Management may be asked to sit before a Scrutiny Panel to monitor performance and achievements. As such, the bi-

Colchester Borough Council strategic funding for arts organisations 2017/18

annual review process should be seen as an opportunity to ensure that the Portfolio Holder can evidence performance within their area of responsibility.

6.0 Acknowledgement of funding

- 6.1 Firstsite will acknowledge its financial assistance from CBC in all marketing and communication materials in print, electronic, broadcast and other formats.
- 6.2 The organisation is asked to specify particular steps that it will take within the period of this Agreement to promote the support that it receives from the Council in Section 9.

7.0 General conditions

- 7.1 The funding provided under this agreement may not be assigned to any other person, association or company other than in the course of delivering the Business Plan and agreed performance targets.
- 7.2 This agreement does not constitute Firstsite as an agent of the Council or otherwise make the Council liable to any person who may take proceedings against Firstsite.
- 7.3 The Council reserves the right to nominate annually a councillor to be a director on the Firstsite Board.
- 7.4 Funds will be repayable in full to the Council in the event of any of the following:
 - i. Misuse of payment received from the Council by Firstsite
 - ii. A breach of the law by Firstsite
 - iii. Petitioning the court for the appointment of an administrator
 - iv. Having a receiver appointed over all or any part of Firstsite's assets
 - v. Being the subject of a petition or resolution for Firstsite's 'winding up'
- 7.5 The Council should be consulted where any change or development in the direction of the organisation's affairs might affect this Agreement.

8.0 Breach in agreement

- 8.1 In the event of either the Council or Firstsite notifying the other in writing of a breach in this agreement, the parties shall meet to discuss the alleged breach within 21 days.
- 8.2 Both the Council and Firstsite agree that they have an equal responsibility to reach a practical and reasonable solution to the breach, but if after 12 weeks a solution has not been agreed then the parties mutually agree to arbitration.

9.0 Specification of performance targets

- 9.1 The specification of performance targets is developed collaboratively between the Council and Firstsite. The information provided here substantiates the Council's decision to invest public funds and helps to strengthen the partnership delivery model.

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- 9.2 Information provided should be set out in line with the Strategic Plan to help to convey to Members, officers and partners how the Council's financial support is an effective and efficient way to deliver services to meet local identified needs.

9.3 Performance Overview

Target	Outputs/Report
Deliver four seasons of exhibitions Target: Met.	Firstsite delivered four seasons of exhibitions – a total of 16 exhibitions were presented within the period. Exhibitions included the work of more than 240 artists and 10 external curators from local, national and international contexts. The Grayson Perry exhibition achieved the highest ever attendance for an exhibition in Firstsite's history with over 51,000 visitors.
Deliver between 125,000 and 150,000 visitors Target: Met.	Firstsite achieved 155,005 visitors. This is the highest annual attendance since the building opened in 2011 and an increase of 42,005 (37%) on the previous years' attendance.
Deliver a Film programme with approximate 20%* occupancy from October 2017 onwards (based on Curzon success measure) Target: Met.	Film @ Firstsite delivered a total of 527 screenings with a total attendance of 14,372. Average Ticket price for a screening was £7.00 and the average ticket price for a broadcast was £13. Total ticket yield for screenings and live broadcasts was £124,784 which was over target. Average attendance was 27 per screening (14% capacity in the 188 seat Cinema)
Deliver a comprehensive programme of events and learning activities that engage a broad range of audiences reflecting Colchester's key demographics with regards to Diversity, Disability, Age, Gender, Sexuality, Affluence. Target: Partially Met	Firstsite delivered 557 Learning & Education sessions over the year. These engaged directly with or attracted the following levels diverse audiences: BAME - 40 sessions (390 attendance) Disability - 0 Older People – 37 (417 attendance) Gender – 0 Sexuality – 1 (2536 attendance) Socio-economic – 52 (5516 attendance) Health / wellbeing – 103 (894 attendance)

9.4 Community and Audience Development

Target	Outputs/Report
Produce an Audience Development plan with a view to engaging x10 new communities in Firstsite activities across the year. Target: Met.	Firstsite's Community engagement programme is primarily delivered through the events and hires programme. In 2017/18 a total of 1120 Community events were delivered. New communities to the gallery included: the Nepalese community, Chinese community and Holi Festival. These communities produced their own events in collaboration with Firstsite who provide venue space at no or low cost. This represents £36,000 of support in kind.
Deliver x1 major Community event per quarter Target: Met.	Major community events across the year were The Great Get Together, Big Sunday, Pride, The Festival of Rice and Spice and Holi. Most of these events fell in summer with the exception of Holi which was in March 2018.
Hold 1:2:1 consultation meetings with x10 hard to reach community groups with a view to developing long-term collaborative relationships. Target: Met.	Firstsite continued to consult with a broad range of community groups and for the first time arranged a Community Leaders Forum in February 2018 to which x20 Community Leaders were invited to share their work, challenges and ideas for Firstsite.
Establish Volunteer pool and build to include x70 continuous Volunteers by end of financial year. Target: Partially met.	Firstsite maintained a volunteer pool of x40 volunteers over the year. Our significant achievement in this area is that Firstsite has now established a partnership with Community 360 to co-deliver the volunteer programme meaning an expanded pool of 100+ volunteers can be accessed, trained and supported through bespoke provision.

9.5. Governance and Management

Target	Outputs/Report
Draft and sign off an appropriate Business Plan for the period 2018-22 involving all key stakeholders in draft and consultation. Target: Met.	Firstsite's Business Plan has been written and signed off by the Board of Trustees in January 2018. The consultation and drafting process included all three major stakeholders at several stages.
Complete a new ACE NPO funding agreement including milestones which can be adapted to suit CBC and ECC service level agreements for 2018-2022.	Firstsite has been successful in applying to the Arts Council for long-term core funding. The new agreement represents £3.2m spread across four years from 2018-22.

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Target: Met.	
Complete x4 Board Meetings with a focus on Operations and Communications, Vision & Strategy, Diversity & Inclusion, Income Generation & Sustainability. Target: Met	Firstsite completed x5 Board meetings and x3 Special Board meetings covering the Main Strategic Objectives
Appoint new Board Members to focus on Income Generation and Audience Development Target: Met	Firstsite appointed three new Board members in October 2018. Atul Shah and Richard Polom were both appointed for the Financial Management and Accountancy backgrounds and have joined the Finance and Enterprise Group Committee. Richard Polom has taken over as Chair of the Finance & Enterprise Committee, replacing Bob Surman in December 2017. Cllr Mark Durham joined the Board as the new elected Board member for Essex County Council

9.6. Diversity

Target	Outputs/Report
Deliver against our Diversity Action Plan at least one exhibition per year with an artist sharing protected characteristics. Target: met.	93.64% of Firstsite's total exhibition days within the artistic programme were dedicated to work made by or curated by people from the protected characteristic groups. The top three represented groups were: BAME: 51.93% Disabled People: 18.96% And older people: 12.59%
Explore and design a major Equality Project via the 'John Ball Project Group'. Target: met	John Ball day was delivered on 15 th July 2017. 872 people attended. The evening panel discussion was chaired by David Isaac chair of the Equality and Human Rights Commission and panel members include Shami Chakrabarti and Professor Pamela Cox. Outcomes from the day included an audience survey indicating that perception of those attending suggests that the biggest barrier to equality in Colchester is wealth and the one thing most attendees would want to change to improve access to equality is education.

	These themes have become the cornerstones of Firstsite's Learning & Education Programme.
Increase audience diversity by 1% over the year Target: Partially met	In terms of overall volume, Firstsite's visitor attendance increased across all the protected characteristic groups we measure. However, proportionately, Firstsite's audience became less diverse with proportionate decreases in most areas including disabled visitors, mixed, Asian or Asian British visitors and visitors aged below 44 years old. There were small proportionate increases in Black, Black British and Other ethnic background visitors.
Appoint x2 new Board members from BAME backgrounds Target: Partially met	Firstsite appointed one new Board member with a BAME background.

9.7. Children and Young People

Target	Outputs/Report
Attract 2-3 schools to Firstsite per week on average. 100 school visits in total over the financial year. From across Essex, with specific focus on Garrison Schools and Schools in areas of economic disadvantage. Target: met	Firstsite delivered 491 sessions for children and young people and worked with 50 schools who made 159 visits in total. This is an average of 2.29 visits per week. This is an increase in one additional school to the portfolio and a 37% increase in overall visits. The Holiday Hunger project in the summer holidays generated 4548 participants and 394 meals for children who would normally receive free school meals during term time.
Engage x20 Young Artists and Curators in 1 st hand exhibition experience each over the course of the financial year. Target: met	Firstsite's YAK programme engaged x18 young artists and curators over the financial year. They researched and produced two exhibitions: We, You, Me which was curated by young curators from the region and involved work by emerging artists and Chip Night as part of the Britishness Project which enabled artists to curate works from the Koestler Trust annual, national prisoners artworks competition.
Attract 25% of Volunteers with age range under 25. Target: met	Firstsite engaged x44 volunteers over the period. X26 of these volunteers were below the age of 25 achieving 59% over double the 25% target.
Deliver major Young People project in conjunction with Garfield Weston	Firstsite delivered 8 months of workshops and activities in schools across Colchester and North Essex

Colchester Borough Council strategic funding for arts organisations 2017/18

Foundation and Coode-Adams Firstsite Trust Target: met	delivered by artists commissioned through the Britishness project. These workshops and activities generated artworks and outputs that were presented as part of a three month long exhibition at Firstsite.
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9.8. Older People

Target	Outputs/Report
Attract 20% of Volunteers with age range 60+ Target: Partially met	Firstsite engaged x44 volunteers over the period. X6 of these volunteers were above the age of 60 achieving 17.14% just below the 20% target.
Attract 10% of audiences with age range 60+ Target: met	Firstsite's audiences attracted 56,982 visitors over the age of 60. This represents 36% of its overall audience attendance.
Deliver x3 events through the 'Community Events Programme' targeted at Older People including a lunch for Veterans on 12 th November 2017. Target: met	Firstsite delivered the following events targeted at older people: <ul style="list-style-type: none"> • Will Quince's Older People's Fair • Veterans' lunch • Age concern conference

9.9. Job Creation, sector skills development and contribution to the local economy

Target	Outputs/Report
Deliver x3 Work Experience Placements over the financial year Target: met	Firstsite delivered x3 work experience placements with the University of Essex. They worked in the finance and programme teams from January to March 2018. One has continued on at Firstsite as a Gallery and Project Assistant.
Deliver x1 Internship supported by the Firstsite Collector's Group Target: met	Firstsite delivered one 4 month internship supported by the Firstsite Collectors' group to support the delivery of the Grayson Perry Gala dinner

9.10. Environmental and Economic Sustainability

Target	Outputs/Report
Complete Building Review and establish Environmental sustainability and action Plan Target: Partially met	Firstsite has completed a comprehensive building review and has identified one major new project for 2018/19 to replace the lighting system that will significantly improve our carbon footprint.
Collate and publish targets to reduce carbon footprint and provide evidence	Firstsite has not collated and published its targets to reduce its carbon footprint.

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of improvement at regular intervals Target: not met	This has been rescheduled for the new financial year.
Establish two new major partnership projects with NPOs in Colchester and SE region that lead to new sources of income to Firstsite, Colchester and the region. Target: met	Firstsite has developed its partnership with Colchester and Ipswich Museums Services to deliver x3 new presentations over the financial year. Firstsite collaborated extensively with the Mercury Theatre to re-locate the venue to Firstsite in 2019/20. However, the project was eventually unsuccessful due to the scheduled building works adjacent to Firstsite.
Deliver one major income generation project designed to raise firstsite's profile amongst potential supporters as well as creating new unrestricted income Target: met	Firstsite delivered the successful, well attended and well received Grayson Perry Gala Dinner and lecture as part of the solo presentation of the Turner Prize-winner's solo presentation. The event generated £25,000 of unrestricted funding.

9.11. What are Firstsite's particular plans to promote the support that the Council provides during the period of the agreement?

- 9.11.1 CBC Logo and acknowledgement of support will appear on all promotional material including x15,000 exhibition guides, new website, fortnightly e-bulletins and social media posts.
- 9.11.2 Firstsite will continue to deliver a Community events programme which proactively seeks to offer its facilities to specific communities who will benefit from our support such as Colchester Refugee Action, Civic Alliance, Big Sunday etc
- 9.11.4 Firstsite will regularly present at conferences and events locally and nationally to raise the profile of CBC's investment in culture.
- 9.11.5 Firstsite will attend Independent Advisory Group meetings, Creative Colchester meetings, SECEN meetings and University of Essex Digital Programming Advisory Group meetings to continue to support strategic activities in the area

9.12. Please outline the way in which your organisation meets relevant local, regional and national strategies.

Local

9.12.1 Firstsite will enter into a Memorandum of Understanding between itself, The Mercury Theatre, Colchester Art Centre and Colchester & Ipswich Museums in order to better facilitate inter-organisational collaboration at all levels of our activities including sharing training opportunities, agreeing data sharing methods and shared box office systems.

9.12.2 Firstsite will take a proactive leading role in the delivery of project outcomes for the Creative Colchester Strategy and Board.

9.12.3 Firstsite is now a member of the Visit Essex Consortium, the One Colchester Volunteer strategy group and University of Essex LGBT Action Group

9.12.4 Firstsite is taking a proactive role in supporting the Business community of Colchester by developing the conversation around the Our Town project lead by Newsquest and Fenwick.

Regional

9.12.5 Firstsite is collaborating on an Ambition for Excellence project with Arts Council support to increase levels of regional cultural activity. The project is in collaboration with Wysing Arts Centre and Kettles Yard in Cambridge.

National

9.12.6 Firstsite is a member of the +Tate network of galleries that regularly meet to share best practice and collaborative opportunities as well as visiting other organisations to see first hand activity in other regions of the UK.

9.12.7 Firstsite is proactively drawing high profile exhibitions and projects such as the forthcoming Raqs Media Collective and Gillian Wearing Suffragist exhibitions in collaboration with 14/18NOW both of which will generate national news coverage for Firstsite and Colchester.

11.0 Acceptance

11.1 Upon signing this agreement, the organisation agrees to the terms and conditions of funding and use reasonable endeavours to meet the performance targets and monitoring framework that have been outlined above.

On behalf of Firstsite	Date	
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Signed (Executive Director)

Name (please print)

On behalf of Firstsite	Date	
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Signed (Chair of the Board)

Name (please print)

On behalf of Colchester Borough Council	Date	
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Colchester Borough Council strategic funding for arts organisations 2017/18

Signed (Portfolio Holder)

Name (please print)

On behalf of Colchester Borough Council
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Date

Signed (Officer)

Name (please print)

Funding Agreement between Colchester Borough Council and Firstsite

1.0 Introduction

- 1.1 Colchester's vibrant cultural scene is one of the town's unique selling points, and something that Colchester Borough Council (CBC) is keen to support and sustain. Firstsite, Colchester Arts Centre, and the Mercury Theatre are central to this, providing the leadership, capacity, creativity and innovative programmes of delivery to make Colchester a great place to live, learn, work and visit.
- 1.2 The Council provides core revenue grants to these organisations, because they deliver on the Council's Strategic Plan, in particular they are fundamental to supporting delivery of the Creative Colchester Strategy and for promoting and enhancing the arts in the local economy. In line with the Creative Colchester strategy, the Council continues to work with regional partners to align policy and funding to help deliver key economic and social outcomes through investing in development of the arts.
- 1.3 As part of the Council's commitment to transparency, quality and performance management systems, the arts organisations that receive CBC funding must set out clear objectives and provide performance and sector data so that the service that is provided through partnership working can be measured, evaluated and improved. This document defines the performance targets and monitoring process, and confirms the funding amounts currently agreed.
- 1.4 Firstsite is one of three arts organisations strategically-funded by CBC in alignment with Arts Council England (ACE). In 2017 Firstsite was successful in their bid to ACE for National Portfolio Organisation (NPO) funding from April 2018 for three years. Therefore, the 2018-19 funding agreement with CBC will focus on Firstsite's work towards the goals as set out in its bid, as well as the key areas of performance and delivery required by CBC.

2.0 Scope and Financial Arrangements

- 2.1 Between 1 April 2018 and 31 March 2019 the Council will fund Firstsite to the amount of £112,450. This funding was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation as set out in the business and operations plan and to meet the targets for performance set out in section 9 of this Agreement.
- 2.2 Upon signature of this Agreement, the Council will release the funding in quarterly instalments.
- 2.3 Any financial investment that the Council needs to make under its obligations as the owner of the building is deemed to be outside of this agreement.

However, any tenant responsibilities that Firstsite holds are considered to be within this agreement.

- 2.4 On signing this Agreement, Firstsite recognises that it is in receipt of public funding and accepts responsibility for showing proof of eligibility, meeting the targets for performance, and collecting qualitative and quantitative performance data to provide evidence of the service standards. Firstsite also agrees to provide available sector data to assist with monitoring and performance assessment.

Where appropriate and possible within current resources, Colchester Borough Council will provide non-financial support to Firstsite where it seeks to develop additional services that contribute towards meeting the Council's strategic priorities. If these additional services are developed to a point that requires additional funding, Firstsite may request such funding formally, and the Council may issue a separate funding agreement if applicable. If this circumstance arises, the services will be deemed to fall outside of this agreement.

3.0 Eligibility and Criteria for Acceptance

- 3.1 In order to be eligible for funding Firstsite must supply evidence to demonstrate that it is:
- a. Properly constituted
 - b. Financially viable
 - c. Able to manage its work effectively, monitor and manage risk, and seek necessary professional financial, legal and insurance advice
 - d. Operating with effective policies and procedures in equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - e. Delivering on the current strategic priorities of the Council.

4.0 Performance monitoring framework

- 4.1 Firstsite must submit an up to date Business Plan and operations information to CBC, including a budget to cover the same period as the funding agreement and a copy of the audited accounts from 2017-18.
- 4.2 As a minimum throughout the term of the agreement, Firstsite must submit quarterly budget reports and invite a Council representative to observe two Board meetings. The organisation will also participate in two bi-annual review meetings, as outlined below.
- 4.3 At the end of the agreement period, the organisation must provide audited accounts and submit performance data to evidence the organisation's turnover, audience and participation levels as well as contribution to the Council's strategic priorities.

5.0 Stakeholder review process

- 5.1 Review meetings will take place between Colchester Borough Council, Essex County Council, Arts Council England and Firstsite in the period of the agreement. The meetings shall be attended by the relevant officer(s) of the Council and partner stakeholders and Executive staff of Firstsite
- 5.2 The Portfolio Holder and Firstsite Management may be asked to sit before a Scrutiny Panel to monitor performance and achievements. As such, the bi-annual review process should be seen as an opportunity to ensure that the Portfolio Holder can evidence performance within their area of responsibility.

6.0 Acknowledgement of funding

- 6.1 Firstsite will acknowledge its financial assistance from CBC in all marketing and communication materials in print, electronic, broadcast and other formats.
- 6.2 The organisation is asked to specify particular steps that it will take within the period of this Agreement to promote the support that it receives from the Council in Section 9.

7.0 General conditions

- 7.1 The funding provided under this agreement may not be assigned to any other person, association or company other than in the course of delivering the Business Plan and agreed performance targets.
- 7.2 This agreement does not constitute Firstsite as an agent of the Council or otherwise make the Council liable to any person who may take proceedings against Firstsite.
- 7.3 The Council reserves the right to nominate annually a councillor to be a director on the Firstsite Board.
- 7.4 Funds will be repayable in full to the Council in the event of any of the following:
 - i. Misuse of payment received from the Council by Firstsite
 - ii. A breach of the law by Firstsite
 - iii. Petitioning the court for the appointment of an administrator
 - iv. Having a receiver appointed over all or any part of Firstsite's assets
 - v. Being the subject of a petition or resolution for Firstsite's 'winding up'
- 7.5 The Council should be consulted where any change or development in the direction of the organisation's affairs might affect this Agreement.

8.0 Breach in agreement

- 8.1 In the event of either the Council or Firstsite notifying the other in writing of a breach in this agreement, the parties shall meet to discuss the alleged breach within 21 days.

Colchester Borough Council strategic funding for arts organisations 2018/19

- 8.2 Both the Council and Firstsite agree that they have an equal responsibility to reach a practical and reasonable solution to the breach, but if after 12 weeks a solution has not been agreed then the parties mutually agree to arbitration.

9.0 Specification of performance targets

- 9.1 The specification of performance targets is developed collaboratively between the Council and Firstsite. The information provided here substantiates the Council's decision to invest public funds and helps to strengthen the partnership delivery model.
- 9.2 Information provided should be set out in line with the Strategic Plan to help to convey to Members, officers and partners how the Council's financial support is an effective and efficient way to deliver services to meet local identified needs.

9.3 Performance Overview

Target	Outputs/Report
Deliver four seasons of exhibitions	
Deliver between 125,000 and 150,000 visitors	
Deliver a Film programme with approximate 20%* occupancy from October 2017 onwards (based on Curzon success measure)	
Deliver a comprehensive programme of events and learning activities that engage a broad range of audiences which reflect Colchester's key demographics with regards to Diversity, Disability, Age, Gender, Sexuality, Affluence and Migrant status.	

9.4 Community and Audience Development

Target	Outputs/Report
Produce an Audience Development plan with a view to engaging x5 new communities in Firstsite activities across the year	
Deliver x1 major Community event per quarter	
Hold 1:2:1 consultation meetings with x10 hard to reach community groups with a view to developing long term collaborative relationships	
Establish Volunteer pool and build to include x50 continuous Volunteers by end of financial year.	

9.5. Governance and Management

Draft and sign off an appropriate short form Business Plan for the period 2019-20 involving all key stakeholders in draft and consultation.	
Complete a new ACE NPO funding agreement including milestones which can be adapted to suit CBC and ECC service level agreements for 2018-2022	
Complete x4 Board Meetings with a focus on Operations and Communications, Vision & Strategy, Diversity & Inclusion, Income Generation & Sustainability.	
Complete a Governance and Policy Review to reflect new Business Plan	

9.6. Diversity

Target	Outputs/Report
Deliver against our Diversity Action Plan at least one exhibition per year with an artist sharing protected characteristics.	
Increase audience diversity by 1% over the year	
Appoint x2 new Board members from BAME backgrounds	

9.7. Children and Young People

Target	Outputs/Report
Attract 50 schools in total over the financial year. From across Essex, with specific focus on Garrison Schools and Schools in areas of economic disadvantage	
Engage x5 Young Artists and Curators in 1 st hand exhibition experience each over the course of the financial year	
Attract 25% of Volunteers with age range under 25.	
Re-establish the YAK Programme with artists from protected characteristic groups	

9.8. Older People

Target	Outputs/Report
Attract 20% of Volunteers with age range 60+	
Attract 10% of audiences with age range 60+	
Deliver x1 event through the 'Community Events Programme' targeted at Older.	

9.9. Job Creation, sector skills development and contribution to the local economy

Target	Outputs/Report
Deliver x3 Work Experience Placements over the financial year	

9.10. Environmental and Economic Sustainability

Target	Outputs/Report
Identify funding to replace lighting system with LEDs and if possible within year, replace the system	
Collate and publish targets to reduce carbon footprint and provide evidence of improvement at regular intervals	
Establish one new major partnership project with another NPO in Colchester and SE region that lead to new sources of income to Firstsite, Colchester and the region.	
Significantly improve Firstsite's commercial activities to meet and exceed targets for the year.	

9.11. What are Firstsite's particular plans to promote the support that the Council provides during the period of the agreement?

9.11.1 CBC Logo and acknowledgement of support will appear on all promotional material including x15,000 exhibition guides, new website, fortnightly e-bulletins and social media posts.

9.11.2 Firstsite will continue to deliver a Community events programme which proactively seeks to offer its facilities to specific communities who will benefit from our support such as Colchester Refugee Action, Civic Alliance, Big Sunday etc

9.11.4 Firstsite will regularly present at conferences and events locally and nationally to raise the profile of CBC's investment in culture.

9.11.5 Firstsite will attend Independent Advisory Group meetings, Creative Colchester meetings, SECEN meetings and University of Essex Digital Programming Advisory Group meetings to continue to support strategic activities in the area

9.12. Please outline the way in which your organisation meets relevant local, regional and national strategies including the Council's Strategic Plan 2018-21

Local

9.12.1 Firstsite will enter into a Memorandum of Understanding between itself, The Mercury Theatre, Colchester Art Centre and Colchester & Ipswich Museums in order to better facilitate inter-organisational collaboration at all levels of our activities including sharing training opportunities, agreeing data sharing methods and shared box office systems.

9.12.2 Firstsite will take a proactive leading role in the delivery of project outcomes for the Creative Colchester Strategy and Board.

9.12.3 Firstsite is now a member of the Visit Essex Consortium, the One Colchester Volunteer strategy group and University of Essex LGBT Action Group

Regional

9.12.4 Firstsite is collaborating on an Ambition for Excellence project with Arts Council support to increase levels of regional cultural activity. The project is in collaboration with Wysing Arts Centre and Kettles Yard in Cambridge.

National

9.12.5 Firstsite is a member of the +Tate network of galleries that regularly meet to share best practice and collaborative opportunities as well as visiting other organisations to see first hand activity in other regions of the UK.

9.12.6 Firstsite is proactively drawing high profile exhibitions and projects such as the forthcoming 14/18NOW commission and Bronze Age in collaboration with Hauser & Wirth Gallery both of which will generate national news coverage for Firstsite and Colchester.

9.12.7 Firstsite is a commissioning partner in the 1st ever statue of a woman by a woman for Parliament Square. Other commissioning partners are the Mayor of London and HM Government.

11.0 Acceptance

- 11.1 Upon signing this agreement, the organisation agrees to the terms and conditions of funding and use reasonable endeavours to meet the performance targets and monitoring framework that have been outlined above.

On behalf of Firstsite

Signed (Executive Director)

Name (please print)

On behalf of Firstsite

Signed (Chair of the Board)

Name (please print)

On behalf of Colchester Borough Council

Signed (Portfolio Holder)

Name (please print)

On behalf of Colchester Borough Council

Signed (Officer)

Name (please print)

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

21 November 2018

Report of	Strategic Director of Policy & Place	Author	Ian Vipond ☎ 282992
	Section 151 Officer		Sean Plummer ☎ 282347
	Monitoring Officer		Andrew Weavers ☎ 282213
Title	North Essex Garden Communities Ltd – Shareholder Approvals and update		
Wards affected	All		

1. Executive Summary

- 1.1 North Essex Garden Communities Ltd (NEGC Ltd) was established in January 2017 by Braintree, Colchester, Tendring and Essex County Councils (the company shareholders) and is the strategic delivery vehicle for the North Essex Garden Communities project. The basis for this is the Councils shared ambition to promote, plan and deliver sustainable strategic growth at scale and over the long-term; providing the housing, employment and necessary supporting infrastructure required to ensure the best outcomes for current and future communities of North Essex.
- 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 which 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 both an Interim Business Plan, Budget and Financial Procedures.

- 1.5 The Board of NEGC Ltd as agreed an Interim Business Plan for 2018-19 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. Key tasks during the year are to evolve the approach to master-planning, innovation, economic development, programme funding, governance and delivery including consideration of transition towards a locally led development corporation style of approach to delivery of the NEGC project. The potential for the establishment of a Development Corporation will form part of an options appraisal of a range of options for future delivery of the NEGC programme.
- 1.6 The Interim Business Plan is a precursor to the future preparation of a 5 year Business Plan which will be progressed when further progress is made with the Local Plan. This is considered to be the best, and most prudent, approach to ensuring that NEGC Ltd continues to deliver positive outcomes on behalf of shareholders and grant funders as the overall North Essex Garden Communities project progresses.
- 1.7 The Interim Business Plan includes a draft budget for 2018/19 which requires agreement of shareholders (as part of agreeing the Interim Business Plan). The budget is based on an expenditure of £2.967m against an income of £3.216m. The assumed income includes an additional £100k contribution from shareholder Councils within 2018/19. The budget currently assumes an additional £1m from Government in 2018/19. A final determination is still awaited on the exact amount of Government support; however, in the event that this support is less than is assumed, NEGC Ltd will scale back and/ or cease certain activities contained within the interim business plan, commencing from the beginning of January 2019, so as to mitigate the budget shortfall. In these circumstances Councils will also be provided with a further update. The forecast end of year balance is £249k which is assumed will be carried forward to future years. This report therefore seeks agreement to commit £100k from the Council subject to a formal request from NEGC Ltd.
- 1.8 To date the funding and spending for NEGC Ltd has mostly taken place through Colchester Borough Council's accounts. The Interim Business Plan assumes that in future is that a significant part of the 2018/19 budget will pass to NEGC Ltd, although with some project costs being retained within the Council's account. The allocation of costs will be based on assumptions of which costs should be appropriately met by NEGC Ltd. It is proposed that the allocation between the authority accounts and NEGC Ltd will be determined by the shareholder council's Section 151 officers.
- 1.9 Alongside the Interim Business Plan NEGC Ltd is required to conduct its business efficiently and to ensure that it has sound financial management policies in place, which are strictly adhered to. Part of this process is the establishment of Financial Regulations, which set out the framework which NEGC Ltd will use to manage its financial affairs, and this requires the approval of shareholders.
- 1.10 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 implementation of an Interim Business Plan (subject to confirmation of government funding) for NEGC Ltd for 2018/19 including the associated Budget as set out in Appendix A;
- 2.2 To approve the Financial Procedure Rules for NEGC Ltd as set out in Appendix B;
- 2.3 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;
- 2.4 To approve committing £100k from the Garden Communities Budget upon a formal request by way of a NEGC Board resolution.
- 2.5 To note that a report will be considered at a future Cabinet meeting in respect of funding assumptions for 2019/20; and
- 2.6 To agree the preparation of a full options appraisal of the Garden Communities delivery options to enable members to take future decisions on potential Development Corporation proposals, with linked oversight arrangements between the North Essex Authorities.

3. Reasons for Recommended Decision

- 3.1 To seek Cabinet's on-going support, working together with Braintree District Council, Essex County Council and Tendring District Council, to progress the concept of 'garden communities' and to approve the interim business plan for 2018/19 for NEGC Ltd and 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 Interim Business Plan, Budget and Financial Procedure Rules.

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 been working on an agreed strategic approach to the allocation and distribution of large scale, mixed use development, including employment opportunities and infrastructure provision, in the form of Garden Communities.
- 5.2 As part of this agreed approach, Cabinet of each of the Authorities agreed in December 2016 to establish a dedicated delivery structure and special purpose vehicle for the Garden Communities. This included:
 - The setting up of NEGC Ltd, being a corporate entity wholly owned by all the four Authorities; and
 - To approve the NEGC Ltd Shareholder Agreement, with each Authority holding an equal shareholding.

- 5.3 Since this approval, NEGC Ltd has been formally established with Directors being appointed by each of the North Essex Authorities. The Board of NEGC Ltd is currently chaired by Essex County Councillor, John Spence and since January 2017 has been meeting regularly.
- 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 of this approach by Members after the publication of the Regulations.
- 5.5 In order to enable NEGC Ltd to move forward it is required to adopt a number of key documents, procedure rules and approve its budget for the 2018/19 financial year. Under the terms of the Shareholders Agreement, the Shareholders prior written consent is required for a number of reserved matters. This includes the adoption of the Interim Business Plan, Budget and Financial Procedure Rules.

Interim Business Plan

- 5.6 NEGC Ltd is required to have in place a Long-term Business Plan, which is defined within the Shareholder Agreement as including a high level 5 year business plan in relation to NEGC Ltd and that such business plan shall cover, infrastructure requirements, finance, planning and such other matters as NEGC Ltd determines, and take into account the aims and requirements of the Master Plan.
- 5.7 The Shareholder Agreement requires the Long Term Business Plan to be submitted to the Shareholders within three months of the full board being appointed NEGC Ltd. The full Board was established in January 2017. The production of the Long Term Business Plan has not been possible to date, due to ongoing discussions around the future delivery model.
- 5.8 However, the Board are able, in accordance with the Shareholder Agreement, to operate under an Interim Business Plan until such time as a Long-term Business Plan is developed. Accordingly the NEGC Ltd Board determined at its meeting on the 29th March 2018 that the Company may operate under an Interim Business Plan for 2018/2019. The Board approved a revised Interim Business Plan on 16 July 2018.
- 5.9 The Shareholder Agreement does not require the Authorities to provide approval of the Interim Business Plan prior to its adoption by the Board. The proposed Interim Business Plan (Appendix A) for NEGC Ltd has been produced for the 2018/19 financial year largely to enable NEGC Ltd to provide support to the Local Planning Authorities in progressing Section 1 of their Local Plans and to develop proposals for a locally led development corporation.
- 5.10 The 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 2018/19 to move the Garden Communities towards the delivery phase. The key operational priorities include:
- Continuing to advocate and work with Government for the establishment of a locally led Development Corporation in North Essex including the preparation of a Development Corporation operating structure and funding requirements for testing with Government;

- Undertaking initial work with the Councils to prepare a mandate in support of a designation for a locally led Development Corporation that is financed and supported by all NEGC Ltd's directors and shareholders;
- Stepping up engagement with the existing and proposed new communities to give them a strong sense of ownership of the emerging new Garden Communities;
- Assisting the Councils as planning authorities by carrying out further work in relation to the Local Plan evidence base including: additional infrastructure, delivery and phasing work; demonstrating the viability of the Garden Communities; and input into the Rapid Transit System work;
- Assisting in the creation of a North Essex Economic Strategy, and ensuring that it maximises the benefits to Garden Communities;
- Preparing a costed Business Plan for approval by the Board by January 2019;
- Exploring the approach to secure an interest in land either via negotiation or compulsory purchase;
- Evolving the optimum approach to delivery including the corporate delivery and financing structure, exploring finance agreements with potential external funding and delivery partners;
- Engaging with Infrastructure and Utility providers to confirm anticipated infrastructure demand and how it may be provided (considering the benefit of public/private ownership options), over the proposed NEGC development period.

5.11 Key tasks during the year are to evolve the approach to master-planning, innovation, economic development, programme funding, governance and delivery including consideration of transition towards a locally led development corporation style of approach.

5.12 NEGC Ltd will present options to the North Essex Authorities in 2019 to consider and decide upon the future operating model(s) for the delivery of the garden communities.

5.13 The Interim Business Plan will act as a precursor to the preparation of a 'Long-term Business Plan', which NEGC Ltd will be in a position to begin preparing.

5.14 The Interim Business plan sets out the Vision, Strategic Objectives and key operational priorities for NEGC Ltd during 2018/19:

5.15 Key activities for each of the work streams and activities that will be undertaken by NEGC Ltd during 2018/19 are included within the document, together with details of its Programme Management. In common with all business plans this document will be kept under review.

6. 2018/19 Budget

6.1 In March 2018 NEGC Ltd altered its financial year to enable it to end on 31st March in each year, rather than 31st August. This allows for NEGC Ltd's accounting period to follow that of the North Essex Authorities and will make it easier to administer in the long

term. Accordingly, the 2018/19 NEGC Budget has been produced by NEGC Ltd and is included within the Interim Business Plan.

- 6.2 The Shareholder Agreement provides that the draft Budget must be approved by the Authorities prior to its adoption by NEGC Ltd. It further provides that the Board shall submit any draft Budget to the Authorities no later than two months before the start of each financial period of NEGC Ltd. However, the change to the accounting period occurred immediately prior to the new accounting period commencing and therefore it was not possible for the two months' notice to be provided on this occasion.
- 6.3 The following table sets out a summary of the budget for 2018/19 by work stream, including key sources of funding. The budget includes provision for the additional work required to progress the locally led development corporation proposition in conjunction with Government.

	2018/19
	£'000
Workstreams:-	
Project Resource / Delivery Team	689
Legal Support	330
Delivery Support	1,437
Planning	190
Community & Communications	130
Contingency	191
Total expenditure	2,967
Funded by:-	
Assumed balance of funding b/f April 2018	1,526
Local Authority contributions	500
Government Funding	1,190
Total Funding	3,216
End of Year balance (c/f)	249

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

Expenditure

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

Income

The Government Grant funding includes two amounts:-

- £190k – additional funding received from Government earlier in the 2018/19 financial year.

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

Local Authority Contributions

- 6.5 The Interim Business Plan and associated budget includes the assumption that the North Essex Authorities will commit additional funding of £100,000 each in 2018/19. The request from NEGC Ltd is that this funding is set aside by each authority for future drawdown from NEGC Ltd should it be required. In addition, NEGC Ltd is seeking a further £40k from third parties including Uttlesford District Council.
- 6.6 It should be noted that in total there is a forecast budgeted surplus and it is assumed that this will be carried forward into 2019/20.

Transfer of the Project Budget

- 6.7 In February 2016 the North Essex Authorities agreed to commit £250,000 to support the joint work on the garden communities project. An additional £250,000 from each North Essex Authority was approved in September 2017 to fund further work undertaken by NEGC Ltd in the development of the project. In addition to the contributions from the North Essex Authorities grants from the Government of just over £2m have been received to support the project.
- 6.8 To date the funding and spending has mostly taken place through Colchester Borough Council's accounts. At the end of 31 March 2018 the balance held was c£1.526m.
- 6.9 The Interim Business Plan assumes that in future part of the 2018/19 budget will pass to NEGC Ltd, with some costs retained in the Council's accounts. The allocation of costs will be based on assumptions of which costs should be appropriately met by NEGC Ltd. It is proposed that the allocation between the authority accounts and NEGC Ltd will be determined by the North Essex Authorities Section 151 officers.

7. Financial Procedure Rules

- 7.1 The Shareholder Agreement identifies the approval of NEGC Ltd's Financial Procedure Rules as a reserved matter, and therefore they must be approved by the Shareholders prior to implementation by NEGC Ltd.
- 7.2 NEGC Ltd is required to conduct its business efficiently and to ensure that it has sound financial management policies in place, which are strictly adhered to. Part of this process is the establishment of Financial Regulations, which set out the framework which NEGC Ltd will use to manage its financial affairs. They set out levels of responsibility and gives clearly identified financial authority to the Board, Group Managing Director and Responsible Finance Officer and are intended to promote good practice in the use of public funds.

- 7.3 The proposed Financial Procedure Rules have been prepared in consultation with the S.151 and Monitoring Officers of each of the North Essex Authorities.
- 7.4 Rule 3.3 of NEGC Ltd.'s Financial Procedure Rules requires the Board to consider and approve its annual budget no later than two months before the start of the financial year. To facilitate the Councils supporting NEGC Ltd, a high level budget will be tabled in October each year which will allow any financial requirements (of the Councils) to be incorporated into the timing of the LA partners budget setting process.

8. Locally Led New Towns (Development Corporation) ("LLNTDC")

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

9. Future Decisions and work programme

- 9.1 The North Essex Authorities remain committed to using Garden Community principles to secure the future housing requirements in the North Essex Authorities area. In light of the Inspector's initial comments following the examination in public, the local planning authorities are carrying out further work to ensure that the Local Plan is sound.

One of the issues that the Inspector will be considering will be the deliverability of the proposed garden communities. One of the options for delivery is a Locally Led New Town Development Corporation (LLNTDC) (see Appendix C)

No decision has been made about the use of an LLNTDC to deliver garden communities for North Essex. It is recognised that a substantial amount of work is required to review potential options for the Councils to consider a proposal at a later date and, if agreed, for a submission to be made to the Secretary of State. One of the substantive tasks for NEGC Ltd is therefore to prepare a full options analysis that can be considered by the North Essex Authorities.

- 9.2 Throughout the Interim Business Plan reference is made to NEGC Ltd working in conjunction with the Councils in a number of areas, this highlights the internal resource requirements over the same period, sharing resources with NEGC Ltd where it is reasonable and efficient to do so.
- 9.3 In parallel, but separate to the work required to respond to the outcome of the Section 1 of the Local Plan, the Councils will need to consider the form of Oversight Authority arrangements which could be put in place.
- 9.4 The North Essex Authorities will need an agreement in place to regulate their collective operation as an Oversight Authority. The contract will need to be in place ahead of any request to the Secretary of State to designate the three locations as locally led new towns and to incorporate a development corporation. Consequently, in addition to the work as set out in NEGC's Ltd.'s Interim Business Plan, over the forthcoming months, the

Councils will have to commence discussions on the potential oversight body arrangements, in readiness for any submission to request a Development Corporation, should the Councils decide to do so.

9.5 The following issues will need to be addressed in any agreement between the authorities:

- Agreement of controls on Development Corporation
- Changes to Development Corporation
- Delegation of responsibility
- Local Authority support for Development Corporation
- Process for terminating Development Corporation
- Dispute resolution
- Miscellaneous issues

9.6 On the current NEGC Ltd programme timetable the North Essex Authorities will be asked to approve the draft mandate for a Development Corporation following the Board's recommendation in September 2019. Subject to their approval, the Councils will submit the request for the appointment of the Oversight Authority and designation of Development Corporation in December 2019.

Schedule of milestone – key decisions

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

10. Financial implications

- 10.1 This report set out the proposed budget for NEGC Ltd for 2018/19 and associated funding. The proposals include the allocation of £100,000 in 2018/19.
- 10.2 A budget carry forward of £43k was made into 2018/19 in relation to early garden communities work and this is available to part fund the required contribution. In addition, an allocation of £100k made in respect of land acquisition funded from New Homes Bonus is no longer required as the matter has been dealt with through Section 106 funding and therefore it is proposed that the balance of funding of £57k is funded in this way.
- 10.3 It is worth highlighting that based on current assumptions there is likely to be an ongoing commitment by the North Essex Authorities to fund the Oversight Authority arrangements required for a Development Corporation model. This will also be in addition to funding required to develop the project in the medium term before potential alternative private sector funding becomes available. Therefore, the £100,000 should not be viewed in isolation as it is likely that the North Essex Authorities will be required to consider further financial support of the project until such time as a more clear investment opportunity is presented where long term returns are anticipated.
- 10.4 Consideration of this further funding will be made when the NEGC Ltd.'s business plan for 2019/20 is presented to the North Essex Authorities and will be considered as part of the Council's 2019/20 budget proposals.

11. Legal implications

- 11.1 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.
- 11.2 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.
- 11.3 The New Towns Act 1981 (Local Authority Oversight) Regulations 2018 came into force earlier this year, making provision for the local oversight of new town development corporations. Guidance has been issued that outlines the way in which LLNTDCs will work.
- 11.4 The 2018 Regulations apply where the Secretary of State, pursuant to section 1A(2) of the New Towns Act 1981 ("the Act") makes and 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").
- 11.5 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.

12. Risk Management Implications

Local Plan - Section 1

- 12.1 Section 1 was the subject of an Examination in Public for two weeks during January and a further session was heard on 9th May 2018, the Inspector issued a Post-Hearing letter on 8th June 2018 providing advice on the further steps considered necessary in order for the Section 1 Plan to be made sound and legally-compliant. 12.2. The Inspector also set out his views on the three main options available to the North Essex Authorities on how to proceed, acknowledging the local planning authorities will evidently need to take into account of the views, expressed within the letter, on the scope of the main modifications and further work that is needed.
- 12.3 The North Essex Authorities have decided to undertake further work to address the Inspector's concerns about Garden Communities and complete the examination of Section 1 before proceeding to Section 2. This work follows Full Council's agreed policy for long term housing growth.
- 12.4 This approach relies on satisfying the Inspector that:
- (i) The timetable for the additional evidence base and Sustainability Appraisal work is considered realistic. Failure to do so risks a delay in the examination process.
 - (ii) The Sustainability Appraisal adequately addresses the Inspector's concerns including obtaining initial agreement from the Inspector that the methodology is robust. Failure to do so risks the plan being found not legally compliant; failure to obtain initial agreement on the methodology risks delay in the examination process. There is also a risk that the North Essex Authorities, as planning authorities, decide, in light of the additional Sustainability Appraisal work, to pursue an alternative spatial strategy for large-scale growth.
 - (iii) The North Essex Authorities carry out the required work on the evidence base to address the Inspector's concerns including adequately addressing any subsequent concerns raised through consultation and at further hearing sessions. Failure to do so risks the plan being found unsound.
- 12.5 The above risks to the Local Plan process are being mitigated by the following respective measures:
- (i) The North Essex Authorities have carefully considered the scope of work required to address the Inspector's concerns. This has included working closely with relevant statutory bodies and consultants to devise a work programme which allows sufficient time to secure further commitments from infrastructure providers and the carrying out of further evidence base work (and Sustainability Appraisal work).
 - (ii) The North Essex Authorities have been working closely with new Sustainability Appraisal consultants to ensure the Inspector's concerns are adequately addressed and a revised methodology properly takes account of alternative sites and alternative spatial strategies.
 - (iii) As above, the North Essex Authorities have carefully considered the Inspector's concerns and have subsequently either commissioned new studies or are amending existing studies to ensure the Local Plan is sound. This mitigation includes working with the relevant statutory bodies and consultants to ensure the North Essex Authorities are suitably represented at further hearing sessions.
- 12.6 The North Essex Authorities / wrote to the Inspector on 22nd October 2018 to advise him that the Councils remained committed to using Garden Communities principles to secure

future housing requirements in the North Essex Authorities areas and will provide further evidence requested by the Inspector. A response from the Inspector is awaited/received to the North Essex Authorities letter but work has already commenced on the various pieces of evidence required, including the Sustainability Appraisal.

13. Equality and Diversity Implications

- 13.1 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.
- 13.2 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).
- 13.3 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.

14. Strategic Plan References

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

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

- 15.1 No direct implications.

List of Appendices

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

Appendix B - NEGC Ltd Financial Procedure Rules

Appendix C - Locally Led New Towns (Development Corporation)

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

North Essex Garden Communities Ltd

Interim Business Plan

(Draft August 2018)



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1. Executive Summary

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

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

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

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

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

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

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

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

2. Introduction

2.1 Introduction to North Essex

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

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

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

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

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

2.2 The North Essex Garden Communities Programme

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

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

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

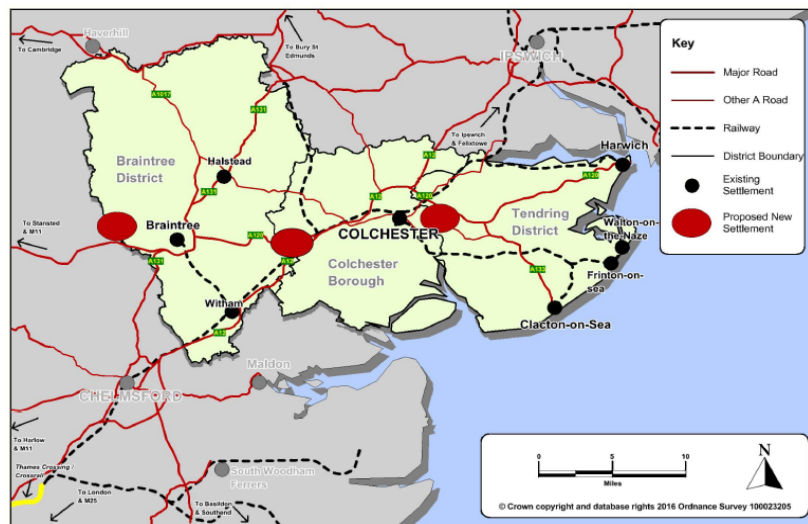
- Respond positively to the context of North Essex - providing the best of town and country;
- Be planned comprehensively with timely delivery of infrastructure;

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

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

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

Figure 2.1: North Essex and locations of proposed Garden Communities



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

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

NEGC Ltd Interim Business Plan
Draft – August 2018

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

2.3 North Essex Garden Communities Ltd

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.4 Progress so far

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

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

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

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

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

2.5 The Local Plan Process

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

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

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

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

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

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

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

2.6 Role & Purpose of this document

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

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

5.1 Interim Business Plans

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

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

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

3. Strategic Outline Case

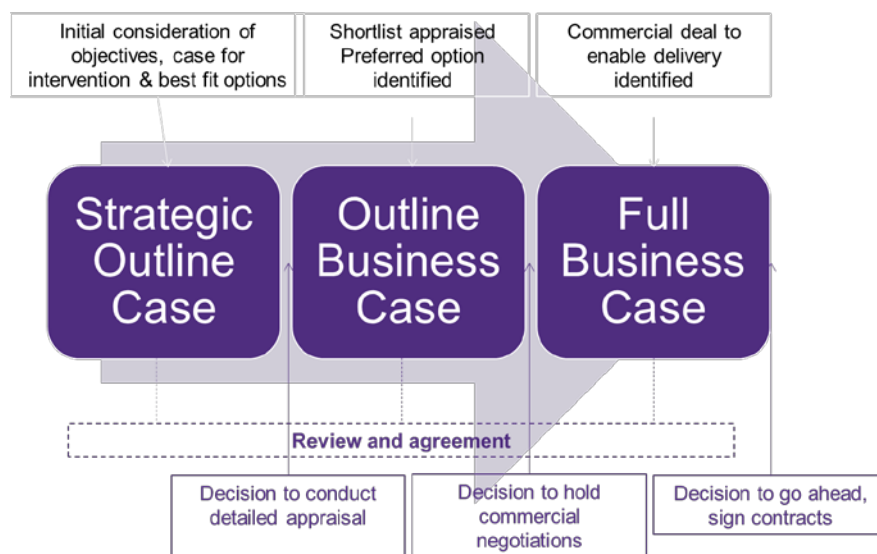
3.1 Introduction

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

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

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

Figure 3.1: Business Case Development Process Map



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

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

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

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

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

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

4. NEGC Vision & Strategic Objectives

4.1 Introduction

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

4.2 Mission Statement for North Essex Garden Communities Limited

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

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

4.3 Vision for North Essex Garden Communities Ltd

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

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

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

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

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

4.4 Strategic Objectives for North Essex Garden Communities Ltd

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

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

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

4.5 The North Essex Garden Communities Prospectus

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

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

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

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

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

5. NEGC approach

5.1 Overarching approach

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

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

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

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

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

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

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

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

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

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

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

5.2 Approach to Planning & Infrastructure

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

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

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

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

5.3 Approach to Delivery & Finance

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

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

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

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

5.4 Approach to Economy, Engagement & Communications

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

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

5.5 Approach to Innovation

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

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

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

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

5.6 Approach to Legacy & Stewardship

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

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

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

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

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

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

6.1 Operational Priorities for 2018/19

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

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

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

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

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

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

6.2 Key Workstreams & Activities for 2018/19

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

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

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

1. Development Corporation Mandate

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

During 2018/19 NEGC Ltd will:

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

2. Business Strategy & Plan

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

During 2018/19 NEGC Ltd will:

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

3. Planning & Transport

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

During 2018/19 NEGC Ltd will:

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

4. Infrastructure & Utilities

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

During 2018/19 NEGC Ltd will:

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

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

5. Commercial Delivery

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

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

During 2018/19 NEGC Ltd will:

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

6. North Essex Economic Strategy

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

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

During the 2018/19 NEGC Ltd will:

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

7. Public Relations & Communications Strategy

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

During 2018/19 NEGC Ltd will:

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

8. NEGC Company Matters

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

During the period, NEGC Ltd will:

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

6.3 Programme Timeline & Key Milestones

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

7. Programme Management

7.1 Operating Model

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

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

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

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

7.2 Staffing Structure

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

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

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

¹ Rates commensurate to Living Wage levels.

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

7.3 Governance

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

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

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

The Programme workstreams will focus on the following specific areas:

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

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

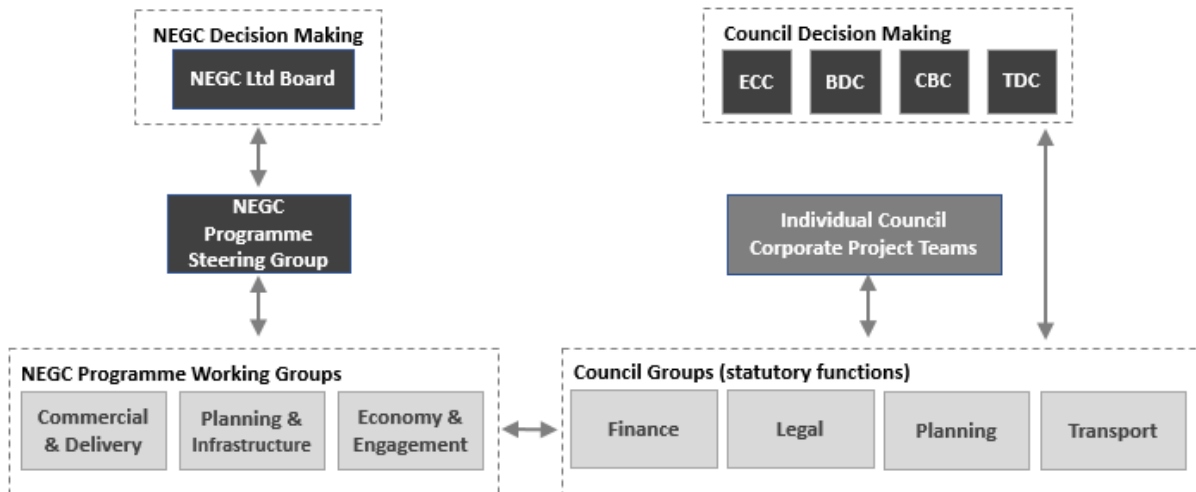
Additionally, a number of specialist Groups formed by the Council leads on key statutory functions will also be in place to ensure there is close working between the NEGC programme and the wider statutory functions of The Councils. This approach will ensure there is distinction between the operational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

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

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

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

Figure 7.1: Workstreams & Governance



8. Finance

8.1 Overview

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

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

8.2 2018/19 Budget

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

9. Risk

9.1 Overview

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

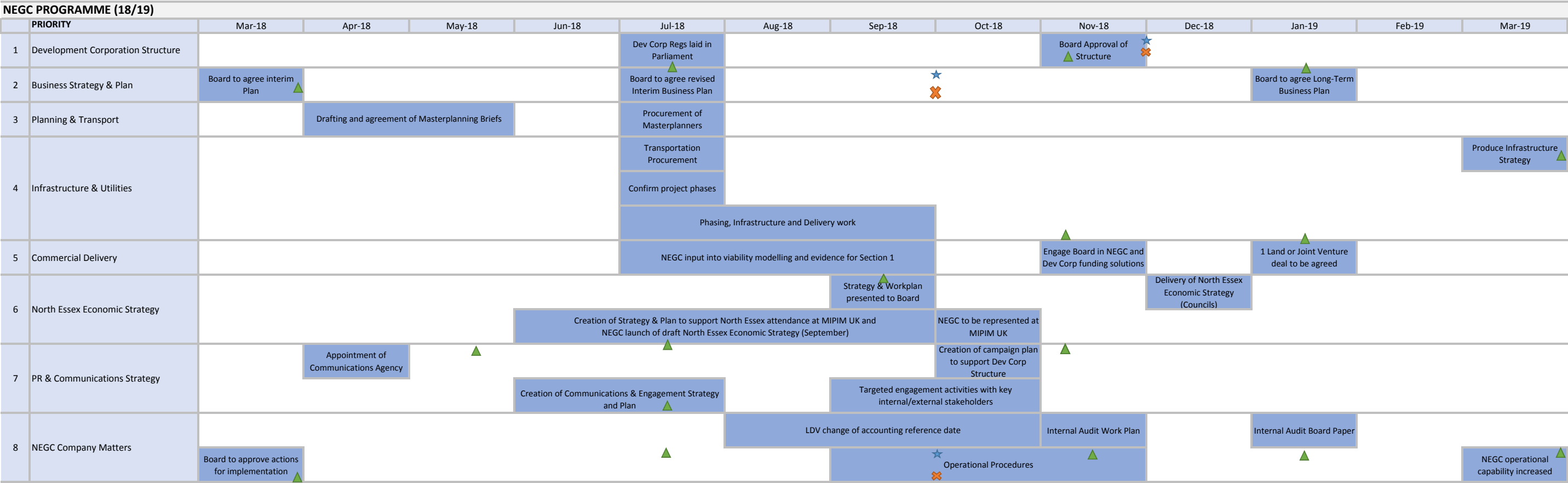
The Strategic Risk Register focuses on the key risks the Board have identified as the most significant areas that need to be monitored and reported to them on a regular basis. These risks are set out in accordance with the Treasury Green Book approach to risk appraisal and are categorised as follows:

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

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

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

APPENDIX A: NEGC PRIORITIES AND MILESTONES



KEY

- ★ Full Council
- ✕ Cabinet
- Local Plan Committees
- ▲ NEGC Board

APPENDIX B: RATIONALE AND STRATEGIC BUSINESS CASE CONTEXT

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

The Rationale: Key Issues – Opportunities and Challenges

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

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

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

Meeting the need for new housing

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

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

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

Providing for Employment

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

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

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

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

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

Infrastructure and Connectivity

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

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

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

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

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

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

Promoting sustainable transport opportunities

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

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

Education and Healthcare

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

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

Broadband

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

Creating Quality Places

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

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

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

The Councils Response: Spatial Planning for North Essex

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

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

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

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

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

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

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

Corporate Consideration of the Delivery Approach

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

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

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

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

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

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

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

The Commercial Case & Options Considered

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Working with Stakeholders

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

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

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

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

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

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

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

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

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

APPENDIX C: NEGC SHORT TERM BUDGET FORECAST 2018/19

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



Financial Regulations

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1. Introduction

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

2. Internal control

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

3. Budget preparation, monitoring and control

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

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

4. Business Plan

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

5. Accounting

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

6. Audit requirements

External audit

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

Internal audit

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

7. Expenditure authorisations

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

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

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

8. Contracts, Purchase orders and certificates

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

9. Purchasing cards

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

10. Payments of accounts

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

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

11. Employment status of suppliers

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

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

12. Salaries, wages and pensions

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

13. Travel and business expenses

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

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

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

14. Income

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

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

15. Fixed assets

Asset Register

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

Asset and Liabilities Register

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

Disposals

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

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

16. Control of stocks

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

17. Investments and borrowings

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

18. Banking

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

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

19. Control of cash

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

20. Insurances

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

21. Taxation

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

22. Security procedures

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

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

23. Retention of documents

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

Appendix A – Definitions

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

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

In these Financial Regulations reference to:

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

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

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

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

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

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

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

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

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

Director means a Director of the Company from time to time

Group means NEGC and its subsidiaries from time to time.

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

NEGC means North Essex Garden Communities Ltd;

NEGC Officer means any employee or consultant of NEGC

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

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

Appendix B - Document Control Sheet

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

Document amendment history

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

Appendix C – NEGC Financial Limits / Delegations

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

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

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

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

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

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

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

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

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

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

An Oversight Authority has specific statutory responsibilities to:

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

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

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

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

If an LLNTDC is used the hierarchical structure could comprise:

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

19 March 2019

Report of	Assistant Director of Policy and Corporate	Author	Richard Clifford ☎ 507832
Title	Work Programme 2018-19		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the Work Programme 2018-2019 for the Scrutiny Panel. This provides details of the reports that were scheduled for each meeting during the municipal year.

2. Action Required

- 2.1 The Panel is asked to consider and note the contents of Work Programme for 2018-19.

3. Background Information

- 3.1 The Panel's work programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the work programme to be reviewed and, if necessary, amended according to current circumstances.
- 3.2 The Chairman of the Scrutiny Panel requested the inclusion of the Forward Plan of Key Decisions as part of the work programme for the Scrutiny Panel, and this is included an **Appendix A**.
- 3.3 Looking forward to 2019-20, the Scrutiny Panel will need to agree a new work programme for 2019-20 at the start of the new municipal year. Items that have been for 2019-20 work programme include Colchester market and the North Essex Health and Social Care Alliance, plus an update on the Bus Review. Further consideration of these items can be given at the start of the first meeting of the Panel in 2019-20.

4. Standard References

- 4.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications.

5. Strategic Plan References

- 5.1 Governance is integral to the delivery of the Strategic Plan's priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing.
- 5.2 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self governance

provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

Appendices

Appendix A – Forward Plan of Key Decisions – 1 April 2019 – 31 July 2019

Work Programme for 2018/19

Scrutiny Panel meeting - 12 June 2018
Scrutiny Panel Chairman's briefing – 7 June 2018
<ol style="list-style-type: none"> 1. Financial Monitoring Report End of Year – 2017/18 2. Capital Expenditure Monitor 2017/18
Scrutiny Panel meeting - 17 July 2018
Scrutiny Panel Chairman's briefing – 12 July 2018
<ol style="list-style-type: none"> 1. 2019/20 Budget Strategy, Medium Term Financial Forecast and Budget Timetable 2. Treasury Management – Annual Report 3. Environment and Communities Futures Business Case 4. Implementation Plan to Plastic Recycling Collection from Flats 5. Annual Scrutiny Report
Scrutiny Panel meeting -21 August 2018
Scrutiny Panel Chairman's briefing – 13 August 2018
<ol style="list-style-type: none"> 1. Update on Implementation of Plastic Recycling Collections to Flats 2. Locality Budgets 3. Year End 2017/18 Performance Report including the Strategic Plan Action Plan 2018-21 4. Strategic Plan Spending Priorities 5. Bus Review Letter – Further Questions to Bus Companies
Scrutiny Panel (Crime and Disorder Committee) - 11 September 2018
Scrutiny Panel Chairman's briefing – 10 September 2018
<ol style="list-style-type: none"> 1. Safer Colchester Partnership (Crime and Disorder Committee)
Scrutiny Panel – 16 October 2018
Scrutiny Panel Chairman's Briefing – 9 October 2018
<ol style="list-style-type: none"> 1. Colchester Borough Homes Performance 2017-18 2. Homelessness and Rough Sleepers 3. Local Council Tax Support – Year 18/19
Scrutiny Panel meeting - 27 November 2018
Scrutiny Panel Chairman's briefing – 20 November 2018
<ol style="list-style-type: none"> 1. Strategic Plan Spending Priorities 2. 2018-19 Revenue Monitor, period April – September 3. 2018-19 Capital Monitor, period April – September
Scrutiny Panel meeting - 11 December 2018
Scrutiny Panel Chairman's briefing – 5 December 2018

<ol style="list-style-type: none"> 1. Central Support Futures Review 2. Half Year 2018 - 2019 Performance Report including progress on Strategic Plan Action Plan
Scrutiny Panel meeting - 29 January 2019
Scrutiny Panel Chairman's briefing – 24 January 2019
<ol style="list-style-type: none"> 1. 2019-20 Revenue Budget, Capital Programme, Medium Term Financial Forecast, Housing Revenue Accounts Estimate and Housing Investment Programme (Pre-scrutiny of Cabinet Decision) 2. Treasury Management Investment Strategy 3. Waste and Zones Futures Review 4. Proposed Key Performance Indicator Targets 2019-20
Scrutiny Panel meeting - 19 March 2019 (to be held at the Mercury Theatre)
Scrutiny Panel Chairman's briefing – 18 March 2019
<ol style="list-style-type: none"> 1. Arts Organisations 2. North Essex Garden Communities

COLCHESTER BOROUGH COUNCIL

FORWARD PLAN OF KEY DECISIONS 1 April 2019 – 31 July 2019

During the period from 1 April 2019 – 31 July 2019* Colchester Borough Council intends to take 'Key Decisions' on the issues set out in the following pages. Key Decisions relate to those executive decisions which are likely to either:

- result in the Council spending or saving money in excess of £500,000; or
- have a significant impact on communities living or working in an area comprising two or more wards within the Borough of Colchester.

This Forward Plan should be seen as an outline of the proposed decisions and it will be updated on a monthly basis. Any questions on specific issues included on the Plan should be addressed to the contact name specified in the Plan. General queries about the Plan itself should be made to Democratic Services (01206) 507832 or email democratic.services@colchester.gov.uk

The Council invites members of the public to attend any of the meetings at which these decisions will be discussed and the documents listed on the Plan and any other documents relevant to each decision which may be submitted to the decision taker can be viewed free of charge although there will be a postage and photocopying charge for any copies made. *All decisions will be available for inspection at the Library and Community Hub, Colchester Central Library, 21 Trinity Square, Colchester and they are also published on the Council's website, www.colchester.gov.uk*

If you wish to request details of documents regarding the 'Key Decisions' outlined in this Plan please contact the individual officer identified.

If you wish to make comments or representations regarding the 'Key Decisions' outlined in this Plan please submit them, in writing, to the Contact Officer highlighted two working days before the date of the decision (as indicated in the brackets in the date of decision column). This will enable your views to be considered by the decision taker.

Contact details for the Council's various service departments are incorporated at the end of this plan.

If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, 21 Trinity Square, Colchester or telephone (01206) 282222 or textphone users dial 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

*The Forward Plan also shows decisions which fall before the period covered by the Plan but which have not been taken at the time of the publication of the Plan.

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Delegation of responsibility for agreeing the Corporate Office, Sheltered Housing and Homelessness cleaning contract to the Portfolio Holder for Resources and Housing and Communities	Yes	13 March 2019	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Geoff Beales Client Services Manager Geoff.beales@colchester.gov.uk 01206 506514
Northern Gateway Heat Network: Capital Project Update	Yes	13 March 2019	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Andrew Tyrrell Client and Business Manager andrew.tyrrell@colchester.gov.uk 01026 282390

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Waste and Zones Futures review	No	13 March 2019	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Richard Block Assistant Director Environment Richard.block@colchester.gov.uk 01206 282632
Updated 2018-2021 Business Plan for the Council's Companies	Yes	13 March 2019	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Andrew Tyrrell Client and Business Manager andrew.tyrrell@colchester.gov.uk 01026 282390

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION BE TAKEN TO	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Approval of 19/20 Business Plan for North Essex Garden Communities Limited	No	5 June 2019	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Andrew Weavers Strategic Governance Manager & Monitoring Officer Andrew.weavers@colchester.gov.uk 01206 282213

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