

# Cabinet Meeting

**Grand Jury Room, Town Hall, High Street,  
Colchester, CO1 1PJ  
Wednesday, 30 November 2016 at 18:00**

**The Cabinet** deals with the implementation of all Council services, putting into effect the policies agreed by Full Council and making recommendations to Full Council on policy issues and the budget.

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**COLCHESTER BOROUGH COUNCIL**  
**Cabinet**  
**Wednesday, 30 November 2016 at 18:00**

**Members:**

Leader and Chairman      Councillor Paul Smith (Liberal Democrats)  
                                    Councillor Tina Bourne (Labour)  
                                    Councillor Mark Cory (Liberal Democrats)  
                                    Councillor Annie Feltham (Liberal Democrats)  
                                    Councillor Dominic Graham (Liberal Democrats)  
                                    Councillor Mike Lilley (Labour)  
                                    Councillor Beverley Oxford (The Highwoods Group)  
                                    Councillor Tim Young (Labour)

**AGENDA - Part A**  
(open to the public including the press)

**Members of the public may wish to note that Agenda items 1 to 5 are normally brief.**

**1      Welcome and Announcements**

- a)    The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.
- (b)   At the Chairman's discretion, to announce information on:
- action in the event of an emergency;
  - mobile phones switched to silent;
  - the audio-recording of meetings;
  - location of toilets;
  - introduction of members of the meeting.

**2      Urgent Items**

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent, to give reasons for the urgency and to indicate where in the order of business the item will be considered.

**3      Declarations of Interest**

The Chairman to invite Councillors to declare individually any interests they may have in the items on the agenda. Councillors should consult Meetings General Procedure Rule 7 for full guidance on the registration and declaration of interests. However Councillors

may wish to note the following:-

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgement of the public interest, the Councillor must disclose the existence and nature of the interest and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

#### **4 Minutes**

To confirm as a correct record the minutes of the meeting held on 12 October 2016

**Minutes 12-10-16**

7 - 14

#### **5 Have Your Say!**

a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter relating to the terms of reference of the Committee/Panel not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter relating to the terms of reference of the Committee/Panel not on this agenda.

6	<b>Call-In Procedure</b>	
	To consider any items referred by the Scrutiny Panel under the call-in procedure. At the time of the publication of this agenda, there were none.	
7	<b>Strategy</b>	
7(i)	<b>Establishment of the North Essex Garden Communities Local Delivery Vehicles and Funding Requirements</b>	15 - 176
	See report by the Strategic Director, Section 151 Officer and Monitoring Officer	
8	<b>Resources</b>	
8(i)	<b>2017/18 Revenue Budget, Fees and Charges, Capital Programme and Financial Reserves</b>	177 - 314
	See report by the Assistant Chief Executive	
8(ii)	<b>Local Council Tax Support 2017-18</b>	315 - 332
	See report by the Head of Customer Services	
8(iii)	<b>Officer Pay Policy Statement 2017/18</b>	333 - 348
	See report by the Assistant Chief Executive	
9	<b>Culture and Regeneration/Business, Leisure and Opportunities/Resources</b>	
9(i)	<b>Colchester Northern Gateway (North) Sports Development Proposal</b>	349 - 366
	See report by the Strategic Director, Commercial and Place	
10	<b>Housing and Public Protection</b>	
10(i)	<b>Gas Servicing and Associated Repairs Contract</b>	367 - 370
	See report by the Assistant Chief Executive	
11	<b>General</b>	

- 11(i) **Nomination of Deputy Mayor 2017/18**  
To consider any nominations for Deputy Mayor of the Borough of Colchester 2017/18 for recommendation to Council
- 11(ii) **Progress of Responses to the Public** 371 -  
To note the contents of the Progress Sheet 374
- 12 **Exclusion of the Public (Cabinet)**  
In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example 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)

- 13 **Culture and Regeneration/Business, Leisure and Opportunities/Resources (Part B)**
- 13(i) **Colchester Northern Gateway (North): Sports Development Proposal (Part B)**  
See report by the Strategic Director, Commercial and Place
- 14 **Housing and Public Protection (Part B)**
- 14(i) **Gas Servicing and Associated Repairs Contract**  
See report by the Assistant Chief Executive

## **CABINET**

### **12 October 2016**

*Present:* - Councillor Smith (Chairman)  
Councillors Bourne, Cory, Feltham, Graham, Lilley, B. Oxford and T. Young

*Also in attendance:* - Councillors Buston, Coleman, Davies, Hazell, Laws and G. Oxford and Willetts

#### **106. Minutes**

*RESOLVED* that the minutes of the meeting held on 9 September 2016 be confirmed as a correct record.

#### **107. Have Your Say!**

Alderman Lewis addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) on behalf of Lexden History Group. Memorial plaques had been placed on the Avenue of Remembrance when it was opened in 1933. These had subsequently been removed. Lexden History Group had managed to locate 31 of the plaques, but she requested that as Colchester Museum service began to prepare to move its stock from the Museum Resource Centre, it should look out for more of the plaques. A suitable home for the plaques should be found in Colchester.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, thanked Alderman Lewis for her comments. He would ensure that if any further plaques were found, they would be preserved and looked after. As the centenary of the end of the First World War was approaching, he would welcome the input of the Lexden History Group into suitable commemorative events.

Councillor Laws attended and with the consent of the Chairman addressed the Cabinet. He endorsed Alderman Lewis' comments and indicated that the memorial wall on Colne Bank Avenue was suffering from weathering and needed some attention. There was a CCTV black spot in the area around Jumbo and if new CCTV cameras were to be installed, the opportunity should be taken to install cabling that would allow Jumbo to be lit in the future. In addition, the opening times of the Tourist Information Office needed to be reviewed to ensure it was open at times of peak demand and on occasions such as the Heritage Open Day.

Councillor T. Young, Portfolio Holder for Culture and Regeneration, confirmed that the opening hours of the Tourist Information Office were already under review and further proposals would be made in due course. He would look into the suggestion made about cabling.

Mark Goacher addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to express concern about Colchester library. The removal of the Crucifixion of Mankind was symptomatic of wider issues with the library. The book stock was also decreasing and he feared this was part of move to convert the library to a Council office by stealth. Colchester Borough Council should use its influence to ensure the library remained as a library. Concern was also expressed about the state of the streets in New Town, which were not cleaned weekly. Particular concern was expressed about Morant Road and Brook Street.

Councillor Lilley, Portfolio Holder for Safer Communities and Licensing, explained that he would look into the issues raised about New Town. Councillor Annie Feltham, as ward councillor for Christchurch and New Town, indicated that problems with parked cars often made access to the roads difficult, but she had arranged a meeting with the Zone Leader to address the issue. Councillor B. Oxford, Portfolio Holder for Customers, stressed that the way to retain libraries was to work together with Essex County Council. By locating Council services in the library, footfall had increased which justified its continued presence in the town centre.

Christopher Lee addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). He contrasted the funding provided by the Council to arts organisations such as the Mercury and Firstsite with that provided to charities such as the Women's Refuge, Age UK and the Night Shelter, who received considerably less.

Councillor T. Young, Portfolio Holder for Culture and Regeneration, responded and stressed that the funding provided to the Mercury Theatre was returned many times over in spend to the local economy. Considerable support was given to other charities and he considered the administration had the balance of its support to charities and the voluntary sector right. The funding provided to the Arts Centre for a Treasure Hunt had been allocated through a democratic ballot.

Other members of the Cabinet responded and stressed the support the Council gave to the voluntary and charitable sector. The Council provided core funding to a number of charities and supported others with grants and other one-off funding. A service level agreement was put in place with those who received core funding to ensure the funding was put to good use. However, funding was not always the solution and the Council had a track record of working with voluntary sector organisation to find innovative solutions to problems. Initiatives such as the Rent Guarantee Scheme were highlighted and the Council also had a strong Welfare Rights Team. In addition £200,000 had been allocated to improve opportunities for residents in line with the "Think Global, Act Local" principles.

Nick Chilvers addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). He highlighted that on-street litter bins did not encourage recycling as they did not provide for waste to be effectively separated. Concern was also expressed about the state of the streets in the St Botolph's area. Street Services needed better support and more funding so that it could purchase more advanced equipment. In respect



of the proposals for changes in domestic waste collection, he sought clarification on the role of ward councillors in the decision making process.

Councillor Lilley, Portfolio Holder for Safer Communities and Licensing, explained that options for town centre waste collection and street cleaning were being looked into. Split bins for litter had not worked as well as hoped. He stressed the need for communities to talk to their ward councillors about the waste collection proposals so they could ensure their views were taken into consideration.

Councillor Graham, Portfolio Holder for Waste and Sustainability, explained that in terms of waste collection as far as possible the administration wanted to give communities what they wanted. They would consult with ward councillors as representatives of their communities and he urged residents to put their views forward. Every ward councillor had been written to and invited to submit their views. These would inform the proposals that would be put forward to Cabinet to consider.

### **108. Colchester Borough Council Events Policy**

The Chief Operating Officer submitted a report a copy of which had been circulated to each Member.

Councillor Feltham, Portfolio Holder for Business, Leisure and Opportunities, introduced the Events Policy. It was built on the Council's experience of managing events and would help bring a greater commercial focus.

James Young, Operations Manager – Events, made a presentation to Cabinet which set out the huge potential of the Council's venues. The Events Policy would help secure events of national significance and build Colchester's reputation. It would enable a diverse range of events to be attracted to Colchester. This would generate income for the Council and also bring wider economic benefits to the borough as a whole. The policy would be implemented by a new Colchester Events Company which would be launched on 17 October

**RESOLVED** that the new Colchester Borough Council Events Policy attached at Appendix 1 to Chief Operating Officer's report be approved and adopted.

#### **REASONS**

To ensure that Commercial Services and the Events Management Team deliver events to the requirements of the Policy

#### **ALTERNATIVE OPTIONS**

To not approve the policy. However, this would mean that the Commercial Services and the Events Management Team would be working without the benefit of an agreed policy, which would impact on the efficiency and effectiveness of the service.

**Councillor Davies (in respect of her employment by the Rural Community Council for Essex) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).**

## **109. Rural Skills Training**

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

Councillor Davies attended and with the consent of the Chairman addressed the Cabinet to welcome the Council's support for the rural skills training set out in the Assistant Chief Executive's report.

*RESOLVED* that the progress providing rural skills training through section 106 funding in Colchester be noted.

### *REASONS*

The Council's Strategic Plan includes a priority to support people to develop their skills for employment.

In 2009, Northumbrian Water Group Ltd was granted planning permission to extend the Abberton reservoir to meet increased demand for water supplies. As part of this agreement, the Council signed a 'Section 106' agreement with Northumbrian Water requiring them to provide financial and other forms of support for the provision of training for people from the borough in rural skills.

Since then the Council has been working with partners to implement this agreement and to secure the desired training.

### *ALTERNATIVE OPTIONS*

The principal alternative to this decision would be to cease to support this work. However, the section 106 funding can only be used for this purpose and so this money cannot be redirected to other priorities.

## **110. 2017/8 Revenue Budget Update**

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

Councillor Davies attended and with the consent of the Chairman addressed the Cabinet to ask that any consultancy work arising out of the "Think Global, Act Local" campaign be advertised and sourced locally and to suggest also that the campaign be considered by the Scrutiny Panel.

Councillor Willetts attended and with the consent of the Chairman, addressed the Cabinet. He broadly supported the approach set out in the budget but that expenditure should be trimmed further and the budget rebalanced to meet the real needs of the borough. Balances should be kept at a minimum so that essential public services were properly supported. A zero based approach should be taken to budgeting. The categorisation of the locality budget and the reduced use of New Homes Bonus as growth items was misleading. The offer of support with alternative budget proposals was welcomed. The Conservative Group would wish to submit an alternative budget as a motion to Council in its own right,

rather than as an amendment to the administration's budget proposal.

Councillor Cory, Portfolio Holder for Resources responded and introduced the report. No cuts to funding were proposed in the report. Income was increasing and efficiencies were being found through the Outturn Review. Officers and Councillors were working hard to close the budget gap. The growth items had been properly identified and categorised and therefore the report was not misleading. The funding for work in support of the "Think Global, Act Local" initiative would be used to tackle economic inequalities. Work had already been done identifying these inequalities and a further report would be submitted to Cabinet in due course, which could also be looked at by the Scrutiny Panel.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, Councillor T. Young, Portfolio Holder for Culture and Regeneration and Councillor Graham, Portfolio Holder for Waste and Sustainability, also indicated their support for the proposals. In particular the changes to procurement processes to make it easier for local firms to bid for Council work were stressed.

*RESOLVED* that:-

- (a) £200k be used as shown in section 5 of the Assistant Chief Executive's report and it be noted that a further detailed report will be submitted to Cabinet.
- (b) It be noted that officers are working towards delivering a balanced budget and that progress has been made to identify savings to assist with the delivery of the budget strategy and that the budget gap currently stands at £325k.
- (c) The cost pressures and growth items be included in the 2017/18 budget forecast.
- (d) The provisional savings be included in the 2017/18 budget forecast.
- (e) The main 2017/18 budget forecast variables and risks set out in Section 11 of the Assistant Chief Executive's report be noted.
- (f) It be noted that Colchester will remain in the Essex business rates pool in 2017/18.

## *REASONS*

The Council is required to approve a budget strategy and timetable in respect of the year. This report relates to the budget update and business rate pooling.

## *ALTERNATIVE OPTIONS*

There are different options that could be considered and as the budget progresses changes and further proposals will be made and considered by Cabinet and in turn Full Council.

## **111. 2015/16 Year End Review of Risk Management**

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

Councillor Davies attended and with consent of the Chairman addressed the Cabinet. In view of the recent problems with the Council's telephony system, risk 6e needed to be reviewed and its probability scoring increased to five.

Councillor Mark Cory, Portfolio Holder for Resources, explained that Councillor Davies concerns would be considered when the risk register was next reviewed. The reduced probability in risk 6c – inability to deliver the budget strategy as planned - was highlighted.

*RESOLVED* that:-

- (a) The risk management work undertaken during 2015/16 be noted.
- (b) The current strategic risk register be noted.
- (c) The proposed risk management strategy for 2016/17 be approved and *RECOMMENDED TO COUNCIL* that it be included in the Council's Policy Framework.

#### *REASONS*

Cabinet has overall ownership of the risk management process and is responsible for endorsing its strategic direction. Therefore the risk management strategy states that Cabinet should receive an annual report on progress and should formally agree any amendments to the strategy itself.

During the year progress reports are presented to the Governance and Audit Committee detailing work undertaken and current issues. This report was presented to the Governance and Audit Committee on 26 July 2016, where they approved its referral to this meeting.

The Risk Management Strategy is one of the key corporate governance documents that supports the Constitution of the Council and forms part of the Policy Framework. Accordingly any amendments have to be approved by Full Council.

#### *ALTERNATIVE OPTIONS*

Not to approve the risk management strategy or to approve it with amendments.

### **112. North Essex Parking Partnership – Extension of Joint Committee Agreement**

The Head of Operational Services submitted a report a copy of which had been circulated to each Member.

Councillor Lilley, Portfolio Holder Safer Communities and Licensing, highlighted the success of the North Essex Parking Partnership. The financial position of the Partnership had been turned around and a number of local improvements had been implemented. Body Worn Cameras had been introduced for Civil Enforcement Officers in order to reduce violent and aggressive incidents. He paid tribute to the work of the Partnership's officers.

*RESOLVED* that authority be delegated to the Portfolio Holder for Safer Communities and

Licensing to sign up to the four-year extension to the Joint Committee Agreement (JCA) offered by Essex County Council (ECC) at the NEPP Joint Committee meeting in December 2016 thereby extending the agreement until March 2022.

### *REASONS*

To agree the Council's position in relation to the four-year extension to the JCA offered by Essex County Council.

### *ALTERNATIVE OPTIONS*

The Council can choose not to sign up to the four-year extension. However, if other authorities do, and a new lead authority is identified, then on-street enforcement services would still continue in the Borough and the Council would not be able to influence priorities and request new schemes.

### **113. Contract Award for Liquid Fuels**

The Head of Operational Services submitted a report a copy of which had been circulated to each Member.

Councillor Willetts attended and with the consent of the Chairman, addressed the Cabinet and stressed the need to move towards more environmentally friendly fuels such as bio-fuels.

Councillor Graham, Portfolio Holder for Waste and Sustainability, explained that the figure at paragraph 4.1 of the report should read £1,800,000. The proposals would enable the Council to obtain the best possible deal for its fuel, which would enable the fleet to continue to operate and support the Council's services. Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, stressed that the Council was one of the best performing Council's in the country in terms of carbon emissions. Whilst the Council did look to secure the most environmentally friendly vehicles, there was still a need for diesel and this would ensure that the best possible deal for this was secured.

*RESOLVED* that a contract be awarded to Certas for the supply of liquid fuels (diesel, gas oil and 'adblue' diesel) to be supplied to Shrub End depot for use by the range of vehicles that make up the Council's fleet, across a range of services, for the period 1 November 2016 – 31 October 2019.

### *REASONS*

The current contract for the supply of fuel to the Shrub End Depot for use by the Council's fleet vehicles is due to expire on 1 November 2016 and therefore a new contractual arrangement needs to be put in place. The supply of fuel is critical to the day to day operation of many of the Council services in particular frontline services.

It is proposed to award the contract to Certas, under the National ESPO Liquid Fuels Framework.

### *ALTERNATIVE OPTIONS*

A more time-consuming Official Journal of the European Union (OJEU) compliant tender would be required if the Council did not use the framework agreement.

#### **114. Progress of Responses to the Public**

The Assistant Chief Executive submitted a progress sheet a copy of which had been circulated to each Member.

*RESOLVED* that the contents of the Progress Sheet be noted.

#### *REASONS*

The progress sheet was a mechanism by which the Cabinet could ensure that public statements and questions were responded to appropriately and promptly.

#### *ALTERNATIVE OPTIONS*

No alternative options were presented to the Cabinet.

**30 November 2016**

<b>Report of</b>	<b>Strategic Director</b>	<b>Author</b>	<b>Ian Vipond</b>
	<b>Section 151 Officer</b>		<b>☎ 282992</b>
	<b>Monitoring Officer</b>		<b>Sean Plummer</b>
			<b>☎ 282347</b>
			<b>Andrew Weavers</b>
			<b>☎ 282213</b>
<b>Title</b>	<b>Establishment of the North Essex Garden Communities Local Delivery Vehicles and funding requirements</b>		
<b>Wards affected</b>	<b>All</b>		

### **Executive Summary**

Colchester Borough Council, Braintree District Council, Essex County Council and Tendring District Council are collaborating to identify an agreed strategic approach to the allocation and distribution of large scale housing led, mixed use development, including employment opportunities and infrastructure provision, in the form of Garden Communities.

The Councils have collaborated closely on the preparation of their Local Plans, with the draft Part 1 – which sets out the approach to Garden Communities across North Essex from a planning perspective – being identical in all three Plans.

This report sets out proposals whereby the Councils can take a much more direct approach to ensuring that the proposed Garden Communities are delivered and that they meet the high standards expected of them – in terms of housing quality and design, open space provision, roads, schools, healthcare facilities and sustainable transport systems.

The key elements in the approach are:

- A company – North Essex Garden Communities Limited - owned equally by the four Councils to oversee the project across North Essex and to drive the delivery of the three planned communities.
- Legally binding deals with local landowners to secure a share in the land value which will arise from the development in return for the Local Delivery Vehicles providing early infrastructure for the developments (with the infrastructure costs being paid for in due course from the land sales).
- A Local Delivery Vehicle for each of the planned Garden Communities with Council, landowner and independent membership and with the clear purpose of delivering the Garden Communities. (Colchester Braintree Borders Limited and Tendring Colchester Borders Limited).
- Clear Masterplans for each Garden Community to be developed.

The issues associated with a project of this scale and complexity are many and varied and are detailed in this report.

### **1. Decisions Required**

- 1.1 To note the external legal advice received that these decisions cannot and do not prejudice the outcome of any future decisions that the Council may make about the Local Plan to be made by Council in relation to the allocation of any Garden Community.
- 1.2 Note that it is proposed that, if appropriate terms can be agreed, the Local Delivery Vehicles will need to enter into legal agreements with landowners to enable the delivery of the proposed schemes.

#### North Essex Garden Communities Limited

- 1.3 In line with the resolution contained at minute 60 of the Cabinet Meeting of 27 January 2016, Cabinet agrees to set up and subscribe to North Essex Garden Communities Limited in accordance with the terms set out in the report and Appendix 2.
- 1.4 To approve the North Essex Garden Communities Limited shareholder agreement between the Local Authorities in accordance with the terms set out in the report and Appendix 3.
- 1.5 To appoint Councillor Paul Smith in his capacity as Leader of the Council to represent the Council as a Director on the Board of North Essex Garden Communities Limited.

#### Tendring Colchester Borders Limited

- 1.6 In line with the resolution contained at minute 60 of the Cabinet Meeting of 27 January 2016, Cabinet endorses the formation of Tendring Colchester Borders Limited by North Essex Garden Communities Limited in accordance with the terms set out in the report and Appendix 4.
- 1.7 To approve the Tendring Colchester Borders Limited shareholder agreement between the Local Authorities in accordance with the terms set out in the report and Appendix 5.
- 1.8 To appoint Ian Vipond to represent the Council as a Director on the Board of Tendring Colchester Borders Limited, and gives Delegated Authority to the Chief Executive to undertake any future appointments.
- 1.9 That in principle it agrees to provide an appropriate proportion of necessary funding to Tendring Colchester Borders Limited (by a combination of loan or equity) subject to a satisfactory business case setting out the full terms of the arrangement, which will need to accord with the approved Business Plans and masterplans for the project and the funding options available at the time any funding is required by the LDV. Such commitment to be subject to Council approval.

#### Colchester Braintree Borders Limited

- 1.10 In line with the resolution contained at minute 60 of the Cabinet Meeting of 27 January 2016, Cabinet endorses the formation of Colchester Braintree Borders Limited by North Essex Garden Communities Limited in accordance with the terms set out in the report and Appendix 6.
- 1.11 To approve the Colchester Braintree Borders Limited shareholder agreement between the Local Authorities in accordance with the terms set out in the report and Appendix 7.
- 1.12 To appoint Ian Vipond to represent the Council as a Director on the Board of Colchester Braintree Borders Limited, and gives Delegated Authority to the Chief Executive to undertake any future appointments.



- 1.13 That in principle it agrees to provide an appropriate proportion of necessary funding to Colchester Braintree Borders Limited (by an appropriate combination of loan or equity) subject to a satisfactory business case setting out the full terms of the arrangement, which will need to accord with the approved Business Plans and masterplans for the project and the funding options available at the time any funding is required by the LDV. Such commitment to be subject to Council approval.

**Cabinet Recommends to Council that it:**

- 1.14 Notes the decision of the Cabinet to set up and subscribe to the North Essex Garden Communities Limited.
- 1.15 Notes the Cabinets endorsement of the formation of Tendring Colchester Borders Limited and Colchester Braintree Borders Limited.
- 1.16 Endorses the in principle decision of Cabinet to provide an appropriate proportion of necessary funding to Tendring Colchester Borders Limited (by an appropriate combination of loan or equity) subject to a satisfactory business case setting out the full terms of the arrangement, which will need to accord with the approved Business Plans and masterplans for the project and the funding options available at the time any funding is required by the LDV.
- 1.17 Endorses the in principle decision of Cabinet to provide an appropriate proportion of necessary funding to Colchester Braintree Borders Limited (by an appropriate combination of loan or equity) subject to a satisfactory business case setting out the full terms of the arrangement, which will need to accord with the approved Business Plans and masterplans for the project and the funding options available at the time any funding is required by the LDV.
- 1.18 Notes the external legal advice received that these decisions cannot and do not prejudice the outcome of any future decisions that the Council may make about the Local Plan to be made by Council in relation to the allocation of any Garden settlement.

**2. Reasons for Decision**

- 2.1 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 governance arrangements for the project.

**3. Alternative Options**

- 3.1 No alternative options are presented.

**4. Background Information**

- 4.1 In the work being carried by Braintree District Council, Colchester Borough Council and Tendring District Council on their respective Local Plans, the potential for new major developments in the form of new 'garden communities' has been identified by the Councils as planning authority as a means of meeting future growth requirements. These include three potential new settlements. One crossing the administrative boundary of Tendring and Colchester in the vicinity of the University. The second crossing the administrative boundary of Colchester and Braintree at Marks Tey. The third site is on land to the West of Braintree on the Uttlesford District Council border.

- 4.2 In accordance with the duty to cooperate, the District Councils are working closely with each other and are at similar stages in their respective Local Plan preparation, to plan

effectively for the long term. All three councils are also working with Essex County Council. As part of this process, all four Councils are thinking strategically, are not being restricted by current local plan making time horizons and are considering whether Garden Communities could address some of this long term need both within the plan period and beyond.

- 4.3 As part of the development of their Local Plans the three District Planning Authorities have included the three projects as areas of search within their Preferred Options Consultations under the Local Plan. These consultations occurred over the summer and will lead to recommendations to the respective Councils in January / February 2017.
- 4.4 At its meeting on 27 January 2016 Cabinet agreed to the continued joint working and development of proposals for the four Councils to take an active role in the development and construction of the new garden settlements. Following this Council has committed a further £250,000 to support the joint work and funding was agreed together with a grant from the Department for Communities and Local Government ("DCLG") of £640,000.
- 4.5 This joint working has continued with the work undertaken by the Shadow Delivery Board and the Steering Group, these structures will be superseded by the arrangements in this report once they come into effect. Officers from the four Councils will continue to meet during the early stages of implementation as partnership officer groups to aid transition and ensure continuity.
- 4.6 Separate negotiations have occurred with landowners and developers with interests in the three sites, this has been supported by consultants engaged jointly by the four Councils.
- 4.7 This report seeks Cabinet approval for the Council 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. NEGC will establish a further company (a Local Delivery Vehicle (LDV) for each proposed garden community. The Council is asked to give in principle agreement that it will provide proportionate funding to the LDVs in its area. This funding will be used to pay for delivery of the infrastructure in a more timely and co-ordinated way which is not available in a traditional development. The cost of infrastructure will be repaid out of land value as the scheme is developed (referred to as a "waterfall repayment" on which more information is provided under the financial section of this Report).
- 4.8 The decisions in this report do not commit any Council to allocate any sites within the Local Plan. A separate decision making process will be undertaken by the three Local Planning Authorities in accordance with the statutory requirements and material considerations at the relevant time.

## **5. Vision & Objectives**

- 5.1 Addressing growth at any spatial scale must be founded on a clear vision of how and where change should occur. Braintree, Colchester and Tendring are all in the process of evolving new Local Plans to address future need with Preferred Options published by all three Councils in summer 2016. The Councils are thinking strategically for the long term, and are not being restricted by current plan making time horizons or administrative boundaries.

- 5.2 The vision for North Essex at a strategic level has been set out by the Councils within Part 1 of the Preferred Option Local Plans. This addresses both the 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.
- 5.3 Figure 1 illustrates the vision for North Essex as set in Part 1 of the emerging Local Plans. This provides a key part of the rationale underpinning the strategy going forward.

Figure 1: The North Essex Strategic Vision

*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 its infrastructure for the benefit of existing and new communities.*

*Sustainable development principles will be at the core of the strategic area's response to its growth needs, balancing social, economic and environmental issues. Green infrastructure and new and expanded education and health care facilities will be planned and provided; while the countryside and heritage assets will be protected and enhanced.*

*At the heart of our strategic vision for North Essex are new garden communities. The garden communities will attract residents and businesses who value innovation, community cohesion and a high quality environment, and who will be keen to take an active role in managing the garden community to ensure its continuing success. Residents will live in high quality, innovatively designed, contemporary homes, accommodating a variety of needs and aspirations. There will be a network of leafy streets and green spaces, incorporating and enhancing existing landscape features. This will provide safe and attractive routes and sustainable drainage solutions, as well as excellent opportunities for people to play. Open spaces will be attractive areas which offer leisure and recreation opportunities for residents of the garden communities. All Garden City principles will be positively embraced including new approaches to delivery and partnership working and sharing of risk and reward for the benefit of the new communities.*

- 5.4 Alongside the vision are a set of related objectives, designed to help achieve the vision for the area and to provide a basis for achieving the necessary outcomes. The objectives include:

- **Delivering for local communities** – to ensure the highest standard of community and stakeholder involvement from the early evolution of proposals, through to the creation of assets of local community value with active local ownership and stewardship;
- **Providing New Homes** – to provide for a level and quality of new homes to meet the needs of a growing and ageing population in North Essex;
- **Fostering Economic Development** – to strengthen and diversify local economies to provide more jobs; these jobs will be across a wide range of new industries reflecting the changes and trends of the 21<sup>st</sup> century, as well as existing sectors exploiting the opportunities of the A120 growth corridor; and to achieve a better balance between

the location of jobs and housing, which will reduce the need to travel and promote sustainable growth.

- **Providing New and Improved Infrastructure** – to make efficient use of existing transport infrastructure and to ensure sustainable transport opportunities are promoted in all new development. Where additional capacity is required in the form of new or upgraded transport infrastructure to support new development, to ensure this is provided when it is needed. The approach must also include addressing education and healthcare needs – to provide good quality educational opportunities and health facilities as part of a sustainable growth strategy, together with the provision of upgraded broadband infrastructure and services.
- **Ensuring High Quality Outcomes** – to secure the highest standards of urban and built design which creates attractive places where people want to spend time.
- **Managing change effectively** – through a genuine and pro-active partnership approach between the public and private sectors, where risk and reward is shared and community empowerment enabled.
- **Long Term Stewardship** – appropriate arrangements to secure the management and long term delivery of community infrastructure and facilities.

5.5 In addition, a 'North Essex Garden Communities Charter' has been prepared by the Councils and published alongside the evidence base supporting Local Plans. This sets out a series of interlined principles to underpin the evolution of further proposals and provides more detail across 3 key themes including:

- **Place & integration:** including the approach to green infrastructure, the living environment and quality, sustainable place making;
- **Community:** including approach to community engagement & long term stewardship);
- **Delivery:** including the need for strong and proactive public leadership and innovation in delivery).

5.6 The vision and objectives have been encapsulated in the Purpose of the delivery structures and are intrinsic to the Articles of the NEGC and the LDVs.

## 6. Planning Background

6.1 As part of the new Local Plan, Members will be aware that standalone new settlements are likely to be part of the picture to deliver growth in this Plan period and beyond. This has led to the creation of areas of search in each of the preferred options consultations.

6.2 New stand-alone communities are being considered only where they can meet garden city principles and where the Councils are confident that they can and will be delivered. Garden communities (cities) as described by the Town and Country Planning Association (TCPA) as; *"holistically planned new settlements which enhance the natural environment and offer high quality affordable housing and locally accessible work in beautiful, healthy and sociable communities."* If proposals do not meet these standards then they cannot properly be supported as meeting the aspirations for development.

6.3 Standalone settlements must have a critical mass of new homes to ensure that all the facilities necessary can be provided within the new community. This would include education facilities, including a secondary school, health, retail facilities and other 'town centre' type uses such as restaurants and banks, indoor and outdoor recreation facilities, community buildings and facilities such as halls and doctor's surgeries and significant employment opportunities. The design of a new community is intended to prioritise walking and cycling journeys within the community, and public transport options for journeys further afield, (although it is noted of course that some people will still use their cars to travel to work in other areas or high order shopping areas etc.). The new

community buildings must meet high standards of design, enhance and inhabit the local landscape and environment and deliver an inclusive community.

- 6.4 The approval of the Local Plan has its own statutory process. Each of the Local Planning Authorities will be considering the Pre-Submission Draft of the Local Plan in the New Year.
- 6.5 As noted below it is proposed that the Councils will be supporting the LDV to act as a developer in the schemes through the structures set out in this report. Importantly the Councils will always have a critical role in controlling development and setting the standards which will be applicable through the statutory plan and development management processes for the three Local Planning Authorities and Essex County Council through its statutory planning powers.
- 6.6 It is intended that any garden community taken forward under the Local Plan will be a partnership between the Local Authorities, County Council, and the private sector, with the public sector taking a key role. The public sector role is intended to provide confidence that the communities will be delivered in accordance with the Local Plan requirements: that infrastructure and social and community facilities that are needed to support the new development will be there from the very start of the community; and that housing and employment can be released more quickly to ensure that there are homes and jobs available for people when they need them.

## **7. Delivery Models**

- 7.1 In order to give the 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 a local development vehicle that will enter into agreements with landowners and secure the necessary infrastructure.
- 7.2 It is accepted that delivery in this way and at this scale is untested since the delivery of New Towns. However, the Councils have taken advice which has confirmed that the approach is feasible, viable and lawful.
- 7.3 The Councils have considered a wide range of alternative delivery mechanisms and structures.
- 7.4 The principal alternatives would be to allow for the development of the settlements by the private sector or as part of a public/ private joint venture. Neither alternative approach can offer the same level of confidence that over a development programme of 30 years that the garden community objectives will be met throughout different economic cycles.
- 7.5 The proposed approach offers sufficient certainty about ambition and delivery to justify the identification of the broad locations for, and size of, the proposed garden communities. On the basis of the present evidence the other approaches cannot offer a similar level of confidence and are therefore not being pursued.
- 7.6 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.

## **8. Control of Land**

- 8.1 The significant majority of the land within the project areas is not currently in the control of the Councils. The Councils have jointly worked to build working relationships with the

relevant landowners and promoters of the sites with a view to securing a controlling interest in the land.

- 8.2 The land deal will be entered into between the relevant landowners / developers and the LDV with the view that the LDV will then have the rights to control the delivery of the scheme ensuring that the delivery is undertaken on Garden Community principles.
- 8.3 The commercial negotiations for the land deals is currently ongoing; although reasoned assumptions about the outcomes of these negotiations in respect of the base value of land have been included within the modelling.
- 8.4 Although the LDV will only be in a position to deliver the project if it makes a suitable deal in relation to the land, there is no obligation on the LDV (or the Councils) to accept a deal on any terms. If it becomes unviable for the proposed development to proceed then the LDV has the ability to decline to take the offered deal. Should a commercially realistic deal which meets the Garden Community principles not be achieved then this will create risk for the landowner in showing that the site can be viably delivered under the Local Plan resulting in it not being included in the final adopted plan.

## **9. Conflicts of Interest**

- 9.1 It has been raised by some responders to the local plan consultations that they consider there is a potential conflict between the Council's role as planning authority and its role with respect to the LDV. Given that the councils will be playing a significant role in the delivery of garden communities within their area it has been suggested that this could prejudice proper decision making.
- 9.2 This position has been carefully considered and external legal advice has been obtained. Decision making procedures and arrangements can be put in place that prevent any conflict arising that would justify a successful challenge to decisions. It will, however, be equally important to manage the perception of such conflicts.
- 9.3 Clearly care will need to be taken to ensure that the roles, and decision making processes, are kept separate. As reports for decision are being prepared this will always need to be monitored to ensure clarity of approach.

## **10. Proposed governance structure**

- 10.1 The Garden Communities Joint Shadow Delivery Board endorsed the proposed arrangements for the structure of Delivery Vehicles for the Garden Communities on which the Term Sheets appended to this report have been based. The corporate structure consists of an overarching body – North Essex Garden Communities Limited – with a separate Local Delivery Vehicle ("LDV") for each of the Garden Community areas proposed. A diagram showing the interrelationship between the four local authorities and the new companies is attached as Appendix 1 to this report.
- 10.2 The LDVs will have a high level of autonomy to deliver the development and ensure that a commercially appropriate approach is taken to delivery within the context of the proposal and the Garden Community Principles. The key control mechanism outside of the planning process will be the approval by the Councils / NEGC of the business plans and budgets.
- 10.3 The key elements of the companies' constitutions (governance structures) have been drafted as "Term Sheets" (Heads of Terms) which are attached as Appendices to this report for information. The companies have now been created but are not yet owned by

local authorities pending the approval of this report. A summary of the key elements is set out in the following table:

**North Essex Garden Communities Limited (NEGC):**

Draft Term Sheet and Shareholder Agreement are attached as Appendix 2 and 3 respectively

- NEGC will hold the main shares (called 'A shares') in the LDV companies (see below), which oversee and hold to account the LDVs in order to develop each of the locations as garden communities, and co-ordinate funding of the LDV's.
- The shareholders of NEGC will be 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 hold a 25% shareholding in NEGC.
- Each of the Councils will have the right to appoint or remove a director (a Nominated Director) who will be a Cabinet Member to the NEGC Board. Up to a further 3 Independent Directors can also be appointed to the Board by the NEGC.
- Board Quorum: at least 3 Nominated Directors need to be present. If not, the meeting will be adjourned, and at the adjourned meeting at least 2 Nominated Directors need to be present.
- On any board decision a majority in favour is required, including all Nominated Directors. However, where a decision relates to one LDV only, the Nominated Director of a Council that does not hold B Shares in that LDV (see below) shall not be entitled to vote.
- Business Plan: the directors will from time to time produce a business plan (the Long -term Business Plan for the life of the project conform to the requirements of the Master Plan (the adopted planning policy document for each LDV). This will be refreshed every 5 years and will set out detailed objectives for the following 5 years. The Board will also from time to time produce a budget. Both the Long -term Business Plan and the budget (and any changes) require the approval of each of the relevant Councils through the Cabinet or Cabinet Member.
- Reserved Matters: there are certain matters that require the consent of all of the Councils through the Cabinet process – these include any changes to the structure of the group, and any significant deviation from the Long-term Business Plan or budget.
- Shares can only be transferred with the prior written consent of each of the Councils through the by the Cabinet or Cabinet Member.
- The Council will have a limited liability to the value of the share capital purchased. Unless additional agreements are entered into there are no liabilities accruing to the Council from holding these shares.

**Local Delivery Vehicles:**

The Term Sheet for each LDV are broadly similar and supported by Shareholder Agreements

Names: 3 LDVs have been incorporated with working names of:

- (a) Tendring Colchester Borders Limited (relevant Term Sheet is attached as Appendix 4 and Shareholder Agreement as Appendix 5)
- (b) Colchester Braintree Borders Limited (relevant Term Sheet is attached as Appendix 6 and Shareholder Agreement as Appendix 7)

(c) West of Braintree Limited (relevant Term Sheet is attached as Appendix 8 and Shareholder Agreement as Appendix 9)

- The LDV is the operational arm of the structure whose Purpose is to secure the development of the relevant area of land as a garden community. The LDV will be responsible for leading on the preparation of the masterplan and funding the provision of the infrastructure. The LDV will either seek planning permissions for sites or control the sale and planning application process through site specific development agreements.
- The LDV will recover its infrastructure costs an appropriate time in accordance with the relevant land agreement with the landowner.
- Shareholders: NEGC will hold 100 A Shares in each LDV. The A Shares will have voting rights on most issues but not rights to a dividend. Each Council investing in the LDV will also hold B Shares (see below). The B Shares will be non-voting (except in exceptional circumstances, principally a breach of any funding agreement) but will carry rights to a dividend. There are no formal requirements for the Councils to hold B Shares or for any to be issued in order for the LDV to deliver the projects.
- Funding arrangements are to be agreed for each LDV. The expectation is that the LDV will fund the provision of infrastructure at the time when it is needed by the community rather than waiting for development to be completed prior to infrastructure being delivered. In order to do this the LDV will need access to finance. This finance will be repaid from land receipts as the scheme develops. Subject to approvals, the LDVs will be able to obtain finance from any source, but in practice the cheapest way of borrowing is likely to be from local authorities, if they are prepared to lend money to the LDV.
- There are two main ways in which the councils can provide funding to the LDV:
  - (i) Debt (by way of a funding agreement) which is repayable at a fixed or variable interest rate at a time set out in the agreement.
  - (ii) Equity funding whereby funding is provided in exchange for B Shares which attract a dividend, with the shares being repaid when the company no longer has the requirement for the funding and is able to do so. Investment via equity will have more risk but potentially more reward, depending on the financial performance of the LDV
- Each of the Councils involved in the LDV have the right to appoint or remove a director (Council Director) who will be an officer of the Council appointed by the Chief Executive. There may also be appointed [2-4] Independent Directors. Landowners/Option-holders can also appoint the same number of directors as the combined Council Directors. The Council Directors will be in a minority on the board.
- An independent chair will be appointed (one of the Independent Directors).
- Board Quorum: at least 3 directors need to be present (one of each category). If not, the meeting will be adjourned, and at the adjourned meeting at least 1 Council Director needs to be present.
- On any board decision a majority in favour is required.
- Business Plan: the directors will from time to time produce a business plan (the Short-term Business Plan). This will conform to the requirements of the Long-term Business Plan and the Master Plan. The board will also produce a budget. These key documents require NEGC approval.



- Reserved Matters: there are certain matters that require the consent of either all of the Councils (acting through the Cabinet or Cabinet Member) or NEGC – these include any changes to the structure of the LDV, and any significant deviation from the Short-term Business Plan or budget.
- Share Transfers: shares can only be transferred with the prior written consent of each of the relevant Councils.
- The Council will have a limited liability to the value of the share capital purchased. Unless additional agreements are entered into there are no liabilities accruing to the Council from the formation of the LDV.
- The LDV to take a leading role in the preparation of the Master Plan.

## 11. Summary of the Financial Model

- 11.1 The project has developed a detailed financial model of the proposed schemes. This enables early consideration of the viability of the projects and an understanding of the likely scope of funding required.
- 11.2 The model was originally created by the Advisory Team for Large Applications in the Homes & Communities Agency and provides a basis to assess the long term financial performance of the emerging projects. Given the extent of input required to maintain and manage the models, the Councils have secured ongoing direct support from Hyas Associates to provide direct capacity support to the Finance Working Group and continue to manage and evolve the modelling process. This resource is embedded within the project team and working directly with key finance managers and analysts from each of the Councils.
- 11.3 Separate models have been created for each of the proposed Garden Communities. Over recent months these have been reviewed, updated and evolved in light of the outcomes of the 'Garden Communities Concept Feasibility Study' commissioned by the Councils to assess the feasibility and deliverability of the potential sites. This work was undertaken by a consultant team of AECOM (international consultancy in design, planning & engineering) and Cushman & Wakefield (property advisors) and has provided further technical evidence to inform decision making on the Local Plans. For each site, the work has involved assessing the feasibility and deliverability of proposals, and costing all infrastructure requirements including transport, utilities, education, community, open space, etc.
- 11.4 Local property markets have also been reviewed, including the market context for housing and employment alongside a range of broader scheme viability considerations and assumptions. This information has been reviewed and transferred into the financial modelling process and provides the basis to the assessments undertaken to date.
- 11.5 The Councils have also appointed Price Waterhouse Coopers (PWC) to provide additional corporate finance support to the project. Their work has included an integrity check of the financial modelling process undertaken to date to ensure it is appropriate and fit for purpose, a commercial review of the delivery structure and consideration of optimum approaches to project financing, including key sources of funding and capital/revenue issues.
- 11.6 In addition, further consultancy advice has been commissioned from Cushman & Wakefield to consider in more detail the nature of local property markets and behaviour of landowners and developers, to further inform the approach to landowner negotiations.

- 11.7 The financial model incorporates assumptions on the cost and phasing of all necessary infrastructure, not only to ensure that new communities are supported by necessary infrastructure, but also to ensure that they can deliver on garden city principles. Particularly in relation to the timely delivery of infrastructure to support development.
- 11.8 The Concept Feasibility work has helped to further refine the nature of the schemes being considered, but it will be for LDVs to take on ultimate responsibility for detailed site specific master planning. It will then be possible to better understand detailed scheme cost and value implications and as such costs and values are working assumptions at this stage in the absence of more work and technical testing. All assumptions will be subject to continual refinement.
- 11.9 It should be noted that the approach taken is one of a 'master developer' (the LDV/s) undertaking the infrastructure delivery, disposing of serviced plots to house builders/commercial developers who would be responsible for physical building construction costs and property sales. Thus the gross costs and values in relation to all built development activity will be far higher than indicated in the modelling overall, generating broader employment and economic impacts across the construction and other local service industries. The approach does not preclude the opportunity for public sector stakeholders to directly deliver development should they wish, however it does enable the LDVs to manage their risks.
- 11.10 It should also be noted that the current assumptions include some contributions towards strategic infrastructure upgrades (such as towards the creation of new bus/tram rapid transit systems and delivery of an upgraded A120). Such items will however serve broader needs and objectives beyond individual sites, and thus will require additional funding (such as through Central Government, Department for Transport) to be fully realised. Ongoing lobbying for Government grant support in the delivery of key infrastructure will be an ongoing and key part of subsequent processes, especially to present the scale of the opportunity and commitment being shown by the Councils to deliver through innovative means.
- 11.11 All modelling has been done on present day costs and values without any modelling for inflation in the cost of borrowing, construction, wages, land value or house prices. It must therefore be anticipated that these will be subject to change. Figures presented in this report illustrate a base case position, and a number of sensitivity tests have also been undertaken to consider changes to the most significant variables including alternative infrastructure costs, house values, levels of affordable housing provision and the impact of cost inflation and house price changes over time.
- 11.12 Inflation will be a key factor in the changes to the actual position, as against the working assumptions of the model. Historically it has been the case that house prices have increased at a greater rate than costs. This would increase overall returns to the proposed schemes as against the modelled sums. Given the long term nature of the projects and the potential variability in inflation and costs it is not possible to give a detailed accurate assessment; however it is anticipated that the outcome would be favourable on the testing done with likely future rates.
- 11.13 The financial models are reliant upon a broad range of input assumptions and calculations. They are highly sensitive to changes and will always only present a picture based upon the best available information and evidence. In order to better understand the potential range of positions, a number of sensitivity tests have been undertaken to consider changes to the most significant variables such as:

- **House values:** to assess baseline house prices being either 10% under or over present day values. The latter could illustrate a potential garden community premium based upon the high quality nature of the environment to be created;
- **Infrastructure costs:** the base case includes a 5% contingency allowance on infrastructure costs. Scenario tests have been run to consider lower infrastructure costs, a zero contingency rate, and a 10% contingency rate (with contingency being used as a proxy for higher or lower costs);
- **Inflation:** the base case has been created on present day costs and values. Three scenarios have been run. 2% cost and 2% value inflation – this is to represent things changing as per Bank of England target, with no assumption that house values outpace costs; 2% cost and 4% value – as above but to make allowance for potential house prices outpacing cost inflation; and 3.4% cost and 6% value – based upon historic trends over past 30 years (1985-2015- Bank of England inflation data and Halifax house price index data).

11.14 The financial models are reliant upon a broad range of input assumptions and calculations. They are highly sensitive to changes and will always only present a picture based upon the best available information and evidence. Despite these caveats we are confident that the proposed garden community developments are viable and deliverable.

## 12. Short term requirements & revenue budget implications

12.1 An initial project budget was agreed in December 2015 and updates were brought to the Shadow Delivery Board in May and July 2016. This primarily related to the original grant funding secured from the DCLG (£640,000) as well as an additional contribution from Essex County Council (£15,000) in 2015/16 alongside forecast expenditure across a series of key workstreams.

12.2 A positive working relationship is being maintained with DCLG with a view to further support being provided as the project advances. Following further discussions with DCLG officials it is anticipated that a further £648,000 will be transferred in the current financial year. It is also anticipated that further funding would be available from DCLG for the remaining years of the Spending Review period, but any such amounts would be subject to HM Treasury approvals on a year by year basis. The Councils have also committed to contribute a £250,000 (each) to ensure the work can continue, and have been allocating significant officer time and resource to the project with particular pressures on planning, legal and financial staff together with senior management.

12.3 In total, a project budget of circa £2.3m has been committed, of which by the end of 2016/17 circa £1m will have been spent and/or allocated resulting in a residual of circa £1.3m to be carried forward into 2017/18. To date activity has focussed across the following key workstreams:

- **Project Resources:** dedicated support for project and programme management and a range of focussed inputs to planning, transport, infrastructure, funding and legal topics;
- **Legal Support:** External legal support with respect to the planning process, establishment of LDV/s and evolution of legal agreements with landowners;
- **Corporate Financial Support:** Commissioned work to investigate corporate financing, funding opportunities, and tax implications;
- **Planning and Infrastructure:** Concept feasibility work and subsequent evolution of concept frameworks for each of the sites, infrastructure planning including transport modelling, property market advice, together with wider evidence gathering to support plan examinations;
- **Others:** Other communications and consultation activities, secretariat services to the Shadow Delivery Board, Steering Group and project Working Groups.

- 12.4 Moving forward, the approach is to establish a dedicated delivery structure through the creation of NEGC and individual site focussed Local Delivery Vehicles (LDVs). These bodies will be responsible for bringing the projects forward through further design and planning stages, and into implementation through the direct delivery of infrastructure alongside the disposal of serviced plots to developers.
- 12.5 NEGC and each of the LDVs will require access to sufficient budget to create sufficient capacity (staff and support) as well as initiate more detailed design and planning consultancy activities over the first few years of operations. These will be required well in advance of potential land sales and the generation of income.
- 12.6 The extent of work required during the next year will involve further evolution of the approach, community engagement, evidence gathering and LDV business planning. The proposed model of resourcing the approach is based upon the creation of a dedicated technical 'Joint Delivery Team' with senior leadership and experience in project management, development and quality place-making to service NEGC and the LDVs from the outset prior to preparation of business plans which will set out the requirements for the next phases of work. It is proposed that the Joint delivery team will continue to be hosted by Colchester Borough Council in the interim whilst the local plans are considered at the Preferred Options Stage, with a view to preparing detailed transition plans and structures which will be implemented no later than the adoption of the Local Plans by Councils. This transition will be subject to further consideration by the Councils.
- 12.7 Initial estimates on resourcing requirements indicate costs of circa £850,000 in 2017/18 to fund the team and associated consultancy budgets. This is well within the anticipated carry over budget (£1.3m), and excludes any future assumptions on further grant support from DCLG. It is therefore not anticipated that there will be a requirement for further financial contributions by the Councils in 2017/18.
- 12.8 From 2018/19 onwards the projects will enter a new phase and require more significant funding to start to prepare proposals for planning and all necessary consents. The extent to which such costs can be appropriately covered will be explored as part of the LDVs' business planning process including consideration on how to address the revenue requirements in light of the forecast time lag between upfront expenditure and income from land sales. The overall approach is to ensure that all costs are included in the overall financial model, and paid back during the course of the project.
- 12.9 Figure 2 illustrates the anticipated overall revenue cost implications for the initial five year period from 2017/18 to 2021/22 based upon the establishment of a Joint Delivery Team and initiation of site specific masterplanning by each LDV.

*Figure 2: Programme Revenue Budget Implications*

	17/18	18/19	19/20	20/21	21/22	Total
<b>Revenue</b>						
Joint Delivery Team	0.8	1.0	1.1	1.1	1.1	5.1
Tendring Colchester Borders LDV		0.6	0.6	0.6	1.5	3.3
West of Braintree LDV			0.8	0.8	0.8	2.4
Colchester Braintree Borders LDV			1	1	1	3
Sub Total: Revenue Expenditure	0.8	1.6	3.5	3.5	4.4	13.8
Budget carry over from previous	(1.3)	(0.5)				

<b>Net Revenue Expenditure</b>	<b>(0.5)</b>	<b>1.1</b>	<b>3.5</b>	<b>3.5</b>	<b>4.4</b>	<b>12</b>
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### 13. Proposals for Tendring Colchester Borders Limited

#### *Scheme Overview*

- 13.1 A detailed financial model has been based created to assess the costs, income and overall viability of the Tendring Colchester Borders proposal. The modelling has been based upon Option 1 of the AECOM Concept Feasibility work, which delivers circa 6,600 residential units together with employment space, social infrastructure (including 4 new primary schools and 1 new secondary school, health and community facilities), local retail, and generous amounts of open space to accord to Garden City principles. The total site area is circa 300 hectare, located between the A133 to the south, Bromley Road to the north and the A120 to the east.
- 13.2 The Concept Feasibility set out several options in this location, with growth potentially running northwards up to and beyond the railway line and onto to the boundary of Severalls industrial area. For the time being Option 1 provides a baseline scenario for testing but any increase in scheme size will have associated impacts on the scale of costs and values.
- 13.3 The precise details of the development will be subject to ongoing evolution and refinement as proposals are further considered through work that has recently been commissioned to prepare a Concept Framework for the site, and on into subsequent planning policy making and eventual planning applications in due course. All future stages will involve further community and stakeholder engagement, to ensure proposals deliver on the level of ambition as set out in the current Garden Communities Charter and vision as established in Part 1 of Preferred Option Local Plans. As such both the quantum of development and scale of land is subject to further change; although it must be recognised that some key infrastructure requirements will drive a need for a certain minimum scale to ensure viability.

#### *Financial Modelling Headlines*

- 13.4 Financial modelling indicates that the scheme is viable overall, generating a positive residual surplus of £10m after accounting for all strategic infrastructure costs, set against income from land sales. Importantly, this is based upon a base case scenario based upon high level assumptions and present day costs and values. Figure 3 sets out the base case financial headlines relating to the scheme:

Figure 3: Base Case Financial Headlines

	<b>Tendring Colchester Borders</b>
Houses	6,608
Jobs <sup>1</sup>	2,253
Total Scheme Costs <sup>2</sup>	£583m
Total Scheme Income <sup>3</sup>	£593m
Residual <sup>4</sup>	£10m
Residual equivalent per hectare <sup>5</sup>	£283k
Start on Site	2021/22
Years to complete	26
Year cashflow goes positive	2046/47
Peak Debt	£122m

<sup>1</sup> Jobs forecast from B1, B2, B8 and retail uses only. There will be considerable additional job opportunities created in social infrastructure, community facilities and a broad range of home based employment activities. The aspiration

- is for there to be 1 job per household within the community or within a sustainable commuting distance.
- 2 Scheme costs relate to all strategic infrastructure costs, enabling works, purchasing of land at minimum price provisions, professional fees, contingency and LDV running costs but exclude direct building construction.
- 3 Scheme values relate to disposals of serviced land to plot developers.
- 4 Residual is the balance between costs and income and illustrates viability.
- 5 Residual spread over total gross site area.

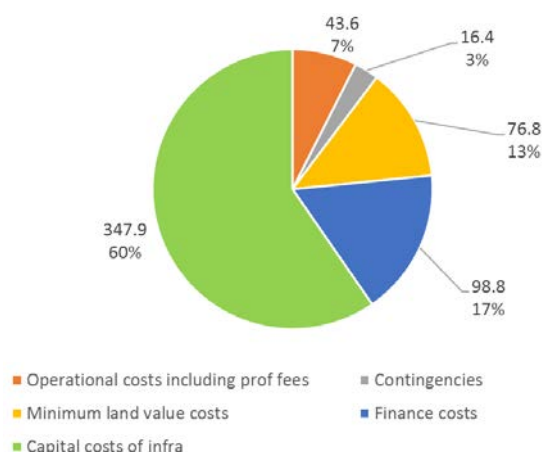
13.5 Figure 4 sets out further detail around the breakdown of costs included within the financial modelling. The analysis has been broken down to:

- **Operational costs:** including all cost related to operations such as LDV running costs (staff, administration, engagement & communications, business support, etc); professional fees (scheme wide masterplanning & planning applications, infrastructure design, project management, legal fees, property disposal fees);
- **Minimum land values:** to allow for contractual obligations to pay minimum land values as land is acquired, serviced and sold on for development.;
- **Capital costs of infrastructure:** All physical infrastructure required to deliver serviced development plots (including utilities, transport, schools, community space, open space, etc);
- **Contingencies** to allow for uncertainties and potential cost overruns; and
- **Finance costs:** interest costs on negative cash balances. Work is ongoing to assess the optimum approach to project financing. It is anticipated that the rate of finance levied on the LDVs will include a margin above the rates such finance could be secure.

13.6 As illustrated in Figure 4 the majority of costs relate to the physical provision of infrastructure (60%). Minimum land value payments will also form a sizeable proportion, and the rate of finance will have a key impact on both the scale of interest charges and overall scheme viability.

Figure 4: Scheme Cost breakdown by cost heading

Type	Tendring Colchester Borders
Operational costs	£44m
Land costs	£77m
Capital costs of infrastructure	£348m
Contingencies	£16m
Finance costs	£99m
Total Costs	£584m



### Key infrastructure

13.7 A key aspect of the Garden Communities approach is to secure the delivery of a full range of infrastructure in a timely manner to ensure new communities are served by a full and extensive range of services and facilities at the point of need. This is a key component of the delivery model and underpins part of the rationale for the Councils engaging more directly in the process to secure positive outcomes for local communities.

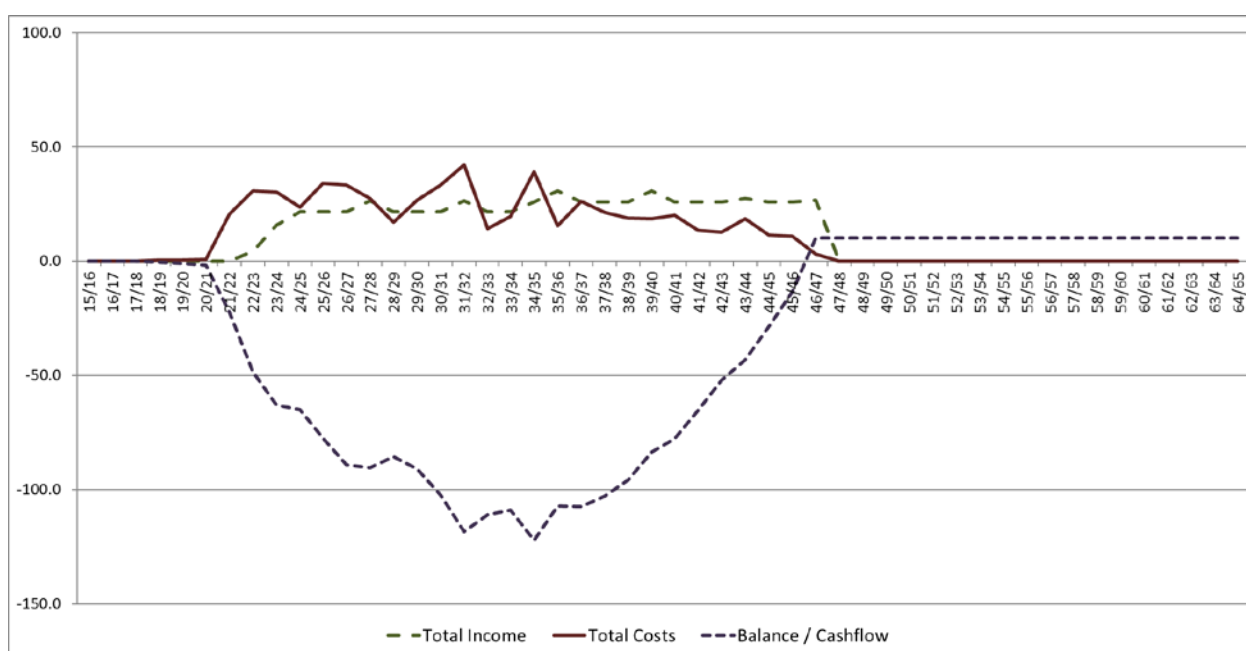
13.8 The financial modelling for the Tendring Colchester Borders Garden Community includes allowances to address a broad range of needs including but not limited to:

- **Education Facilities:** including the provision of 4 Primary Schools, 1 Secondary School and 10 Early Years Facilities (overall totalling circa £60m);
- New Community & health centres (£15m);
- **Leisure & Sports** facilities (£18m);
- New **Country Park** with facilities (£10m);
- Sustainable **transport (travel plan) measures, bus service subsidies, new on site** public transport hub, & contribution to strategic public transit system (£28m);
- New **link road** between A133 and A120 (£17m);
- Upgraded **pedestrian & cycle links** including greenways & bridge over A133 (£6m)

### *Phasing & Cashflow*

- 13.9 The approach to the delivery of large scale strategic sites generally involves early, upfront delivery of infrastructure followed by a steady disposal of plots to housebuilders/developers enabling them to deliver houses to the market. Delivery of the Garden Communities will accord to this profile, as illustrated in Figure 5 which illustrates the scale of costs and returns on an annual basis throughout the course of the delivery of the Tendring Colchester Borders Garden Community.
- 13.10 As indicated in Figure 5, the net funding requirement will quickly rise to a potential peak debt position of circa £120m. As income from land sales outpace costs, the debt would reduce to get to a cashflow positive position towards the end of the development period.
- 13.11 As indicated across the various figures in this report, the costs will build up over time with the LDVs requiring access to substantial funding via equity/loan finance to enable them to deliver the necessary infrastructure (and all other related costs). Whilst it will be for the LDVs to source the optimum funding arrangements (which could be a blend of public and private finance/equity).
- 13.12 Clearly not all funding will be needed from the outset of the project, and requirements will closely relate to key project stages and milestones and the scale and type of activity that will be undertaken, in the following general sequence:
- 2017/18 to 2021/22: design and planning stage, mainly requiring funding to prepare planning applications (site wide and initial infrastructure) and secure related approvals;
  - 2021/22: first phase acquisition of land and on site implementation of capital works in utilities and site access (initial outlay of circa £25m);
  - 2022/23 onwards: ongoing land purchases and implementation of infrastructure delivery, partly offset by income from serviced land sales to the market. The debt would rise over time to circa £75m in 2025/26, £100m by 2030/31, and peaking at £120m in 2033/34.
  - 2033/34 debt would be reducing to circa £100m in 2037/38, £75m in 2040/41 and £25m in 2044/45.

Figure 5: Tendring Colchester Borders Cashflow



### Sensitivity Tests

- 13.13 The sensitivity test indicate that a careful approach will be required to affordable housing, and that if house prices were to fall or infrastructure cost overrun then viability will become challenging. However, the impact of inflation would be significant under all scenarios, potentially considerably boosting the residual surplus and bringing down peak debt and the timescale for the scheme to go cashflow positive.

## 14. Proposals for Colchester Braintree Borders Limited

### Scheme Overview

- 14.1 A detailed financial model has been based created to assess the costs, income and overall viability of the Colchester Braintree Borders proposal. The modelling has been based upon Option 1 of the AECOM Concept Feasibility work, which delivers circa 17,000 residential units together with employment space, social infrastructure (including 11 new primary schools, 2 new secondary schools, health and community facilities), local retail, and generous amounts of open space to accord to Garden City principles. The total site area is circa 800 hectares, located in an arc around Marks Tey, North, West & South of the existing community.
- 14.2 The Concept Feasibility work revealed that a number of development options could be evolved in the location, potentially providing up to a maximum of circa 28,000 residential units. For the time being Option 1 provides a baseline scenario for testing but any increase in size will have associated impacts on the scale of scheme costs and values.
- 14.3 Precise details of the development will be subject to ongoing evolution and refinement as proposals are further considered through the preparation of a Concept Framework for the site, and on into subsequent planning policy making and eventual planning applications in due course. All future stages will involve further community and stakeholder engagement, to ensure that proposals deliver on the level of ambition as set out in the Garden Communities Charter and vision as established in Part 1 of Preferred Option Local Plans. As a result, both the quantum of development and scale of land will be subject to change.



- 14.4 Financial modelling indicates that the scheme is viable overall, generating a positive residual surplus of circa £69m after accounting for all strategic infrastructure costs, set against income from land sales. Importantly, this is based upon a base case scenario based upon high level assumptions and present day costs and values. Figure 6 sets out the base case financial headlines relating to the scheme:

Figure 6: Base Case Financial Headlines

	Colchester Braintree Borders
Houses	16,858
Jobs <sup>1</sup>	3,190
Total Scheme Costs <sup>2</sup>	£1,425m
Total Scheme Income <sup>3</sup>	£1,494m
Residual <sup>4</sup>	£69m
Residual equivalent per hectare <sup>5</sup>	£338k
Start on Site (infrastructure)	2022/23
Years to complete	45
Year cashflow goes positive	2062/63
Peak Debt	£210m

<sup>1</sup> Jobs forecast from B1, B2, B8 and retail uses only. There will be considerable additional job opportunities created in social infrastructure, community facilities and a broad range of home based employment activities. The aspiration is for there to be 1 job per household within the community or within a sustainable commuting distance.

<sup>2</sup> Scheme costs relate to all strategic infrastructure costs, enabling works, purchase of land at minimum price provisions, professional fees, contingency and LDV running costs but exclude direct building construction.

<sup>3</sup> Scheme values relate to disposals of serviced land to plot developers.

<sup>4</sup> Residual is the balance between costs and income and illustrates viability.

<sup>5</sup> Residual spread over total gross site area.

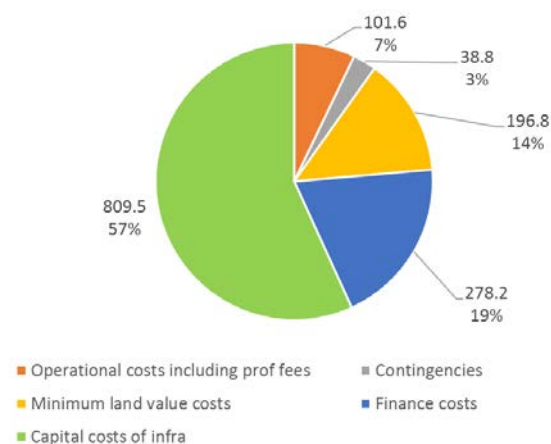
- 14.5 Figure 7 sets out further detail around the breakdown of costs included within the financial modelling. The analysis has been broken down to:

- **Operational costs:** including all cost related to operations such as LDV running costs (staff, administration, engagement & communications, business support, etc); professional fees (scheme wide masterplanning & planning applications, infrastructure design, project management, legal fees, property disposal fees);
- **Minimum land values:** to allow for contractual obligations to pay minimum land values as land is acquired, serviced and sold on for development.;
- **Capital costs of infrastructure:** All physical infrastructure required to deliver serviced development plots (including utilities, transport, schools, community space, open space, etc);
- **Contingencies** to allow for uncertainties and potential cost overruns; and
- **Finance costs:** interest costs on negative cash balances. Work is ongoing to assess the optimum approach to project financing. It is anticipated that the rate of finance levied on the LDVs will include a margin above the rates such finance could be secure.

- 14.6 As illustrated in Figure 7 the majority of costs relate to the physical provision of infrastructure (57%). Minimum land value payments will also form a sizeable proportion, and the rate of finance will have a key impact on both the scale of interest charges and overall scheme viability.

Figure 7: Scheme Cost breakdown by cost heading

Type	Colchester Braintree Borders
Operational costs	£102m
Land costs	£197m
Capital costs of infrastructure	£810m
Contingencies	£39m
Finance costs	£278m
Total Costs	£1,425



### Key infrastructure

- 14.7 A key aspect of the Garden Communities approach is to secure the delivery of a full range of infrastructure in a timely manner to ensure new communities are served by a full and extensive range of services and facilities at the point of need. This is a key component of the delivery model and underpins part of the rationale for the Councils engaging more directly in the process to secure positive outcomes for local communities.
- 14.8 The financial modelling for the Colchester Braintree Borders Garden Community includes allowances to address a broad range of needs including but not limited to:
- **Education Facilities:** including the provision of 11 Primary Schools, 2 Secondary Schools and 24 Early Years Facilities (overall totalling circa £152m);
  - **New Community & health centres** (£38m);
  - **Leisure & Sports** facilities (£46m);
  - **New Country Park** with facilities (£10m);
  - **Sustainable transport** including travel plan measures (car clubs, etc), bus service subsidies, new on site public transport hub, contribution towards improvements at Marks Tey rail station & contribution to strategic public transit system (£71m);
  - **Local highways improvements** including junction upgrades and contribution towards delivery of an upgraded A120 (£60m);
  - **Upgraded pedestrian & cycle links** including greenways & bridge over A120 (£17m)

### Phasing & Cashflow

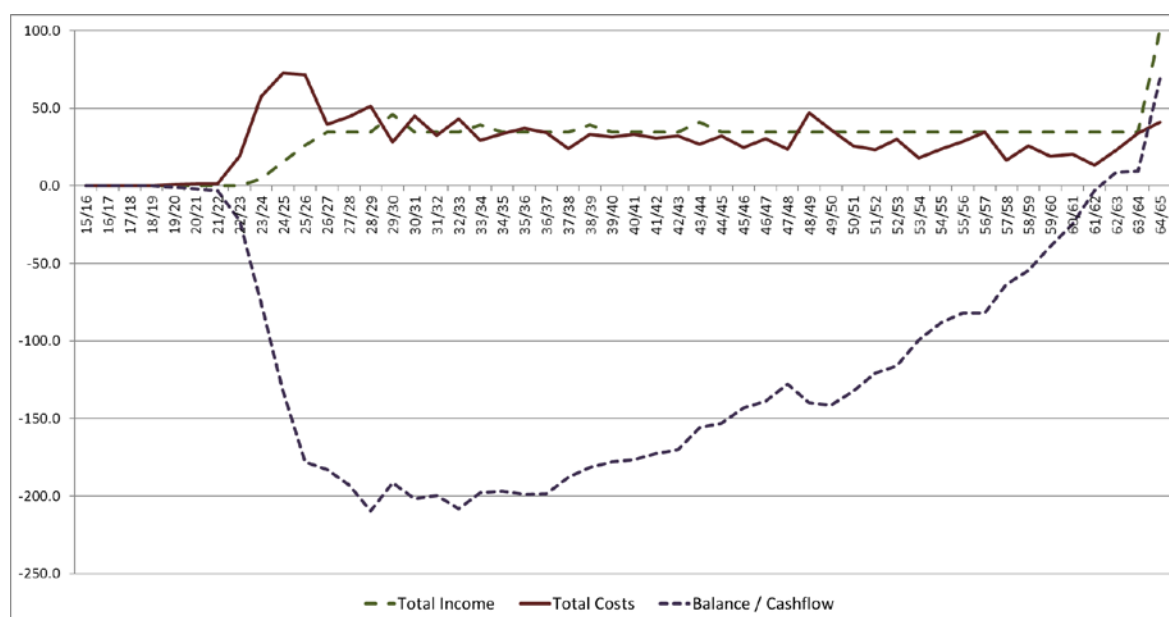
- 14.9 The approach to the delivery of large scale strategic sites generally involves early, upfront delivery of infrastructure followed by a steady disposal of plots to housebuilders/developers enabling them to deliver houses to the market. Delivery of the Garden Communities will accord to this profile, as illustrated in Figure 8 which illustrates the scale of costs and returns on an annual basis throughout the course of the delivery of the Colchester Braintree Borders Garden Community.
- 14.10 As indicated in Figure 8, the net funding requirement will quickly rise to a potential **peak debt position of circa £210m**. As income from land sales outpace costs, the debt would reduce to get to a cashflow positive position towards the end of the development period.

14.11 As indicated across the various figures in this report, the costs will build up over time with the LDVs requiring access to substantial funding via equity/loan finance to enable them to deliver the necessary infrastructure (and all other related costs). It will be for the LDVs to source the optimum funding arrangements at the point of need (which could involve a blend of public and private finance/equity).

14.12 Clearly not all funding will be needed from the outset of the project, and requirements will closely relate to key project stages and milestones, and the scale and type of activity that will be undertaken, in the following general sequence:

- 2018/19 to 2022/23: design and planning stage, mainly requiring funding to prepare planning applications (site wide and initial infrastructure) and secure related approvals;
- 2022/23: first phase acquisition of land and on site implementation of capital works in utilities and site access (initial outlay of circa £25m);
- 2022/23 onwards: ongoing land purchases and implementation of infrastructure delivery, partly offset by income from serviced land sales to the market. Given the scale of potential early contributions to transport infrastructure, the debt would rise quickly over time to its peak of £210m in 2028/29.
- 2028/29 up to 2036/37: the debt remains around the £200m mark;
- 2037/38 debt begins to reduce as incomes exceed costs, reducing to circa £150m in 2044/45, £100m in 2053/54 and £50m in 2058/59.

Figure 8: Colchester Braintree Borders Cashflow



### Sensitivity Tests

14.13 The sensitivity test indicate that a careful approach will be required to affordable housing, and that if house prices were to fall or infrastructure cost overrun then viability will become challenging. However, the impact of inflation would be significant under all scenarios, potentially considerably boosting the residual surplus and bringing down peak debt and the timescale for the scheme to go cashflow positive.

## 15. Proposals for West of Braintree Limited

### Scheme Overview

- 15.1 A detailed financial model has been based created to assess the costs, income and overall viability of the West of Braintree proposal. The modelling has been based upon Option 1 of the AECOM Concept Feasibility work, which delivers circa 10,000 residential units together with employment space, social infrastructure (including 6 new primary schools, 1 new secondary school, health and community facilities), local retail, and generous amounts of open space to accord to Garden City principles. The total site area is circa 570 hectares, located to the north of the A120 between Stebbing Green, Rayne, going northwards towards Great Salling.
- 15.2 The Concept Feasibility set out two potentially options in this location. Option 2 included land in Uttlesford District Council, which would increase the site's capacity to circa 13,000 residential units. For the time being Option 1 provides a baseline scenario for testing but should Uttlesford District Council select the site for growth in its Local Plan, an increase in scheme size will have associated impacts on the scale of costs and values.
- 15.3 Precise details of the development will be subject to ongoing evolution and refinement as proposals are further considered through the preparation of a Concept Framework for the site, and on into subsequent planning policy making and eventual planning applications in due course. All future stages will involve further community and stakeholder engagement, to ensure that proposals deliver on the level of ambition as set out in the Garden Communities Charter and vision as established in Part 1 of Preferred Option Local Plans. As a result, both the quantum of development and scale of land will be subject to change.

#### *Financial Modelling Headlines*

- 15.4 Financial modelling indicates that the scheme is viable overall, generating a positive residual surplus of circa £190m after accounting for all strategic infrastructure costs, set against income from land sales. Importantly, this is based upon a base case scenario based upon high level assumptions and present day costs and values. Figure 9 sets out the base case financial headlines relating to the scheme:

Figure 9: Base Case Financial Headlines

	West of Braintree
Houses	9,729
Jobs <sup>1</sup>	3,688
Total Scheme Costs <sup>2</sup>	£890m
Total Scheme Income <sup>3</sup>	£1,075m
Residual <sup>4</sup>	£186m
Residual equivalent per hectare <sup>5</sup>	£579k
Start on Site (infrastructure)	2022/23
Years to complete	35
Year cashflow goes positive	2048/49
Peak Debt	£149m

<sup>1</sup> Jobs forecast from B1, B2, B8 and retail uses only. There will be considerable additional job opportunities created in social infrastructure, community facilities and a broad range of home based employment activities. The aspiration is for there to be 1 job per household within the community or within a sustainable commuting distance.

<sup>2</sup> Scheme costs relate to all strategic infrastructure costs, enabling works, purchasing of land at minimum price provisions, professional fees, contingency and LDV running costs but exclude direct building construction.

<sup>3</sup> Scheme values relate to disposals of serviced land to plot developers.

<sup>4</sup> Residual is the balance between costs and income and illustrates viability.

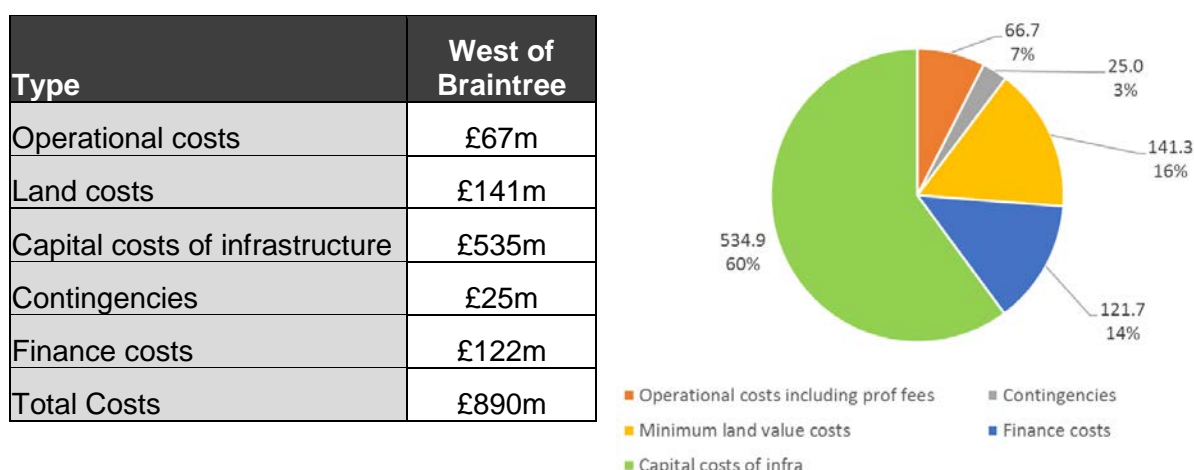
<sup>5</sup> Residual spread over total gross site area.

- 15.5 Figure 10 sets out further detail around the breakdown of costs included within the financial modelling. The analysis has been broken down to:

- **Operational costs:** including all cost related to operations such as LDV running costs (staff, administration, engagement & communications, business support, etc); professional fees (scheme wide masterplanning & planning applications, infrastructure design, project management, legal fees, property disposal fees);
- **Minimum land values:** to allow for contractual obligations to pay minimum land values as land is acquired, serviced and sold on for development.;
- **Capital costs of infrastructure:** All physical infrastructure required to deliver serviced development plots (including utilities, transport, schools, community space, open space, etc);
- **Contingencies** to allow for uncertainties and potential cost overruns; and
- **Finance costs:** interest costs on negative cash balances. Work is ongoing to assess the optimum approach to project financing. It is anticipated that the rate of finance levied on the LDVs will include a margin above the rates such finance could be secure.

15.6 As illustrated in Figure 10 the majority of costs relate to the physical provision of infrastructure (60%). Minimum land value payments will also form a sizeable proportion, and the rate of finance will have a key impact on both the scale of interest charges and overall scheme viability.

Figure 10: Scheme Cost breakdown by cost heading



### Key infrastructure

15.7 A key aspect of the Garden Communities approach is to secure the delivery of a full range of infrastructure in a timely manner to ensure new communities are served by a full and extensive range of services and facilities at the point of need. This is a key component of the delivery model and underpins part of the rationale for the Councils engaging more directly in the process to secure positive outcomes for local communities.

15.8 The financial modelling for the West of Braintree Garden Community includes allowances to address a broad range of needs including but not limited to:

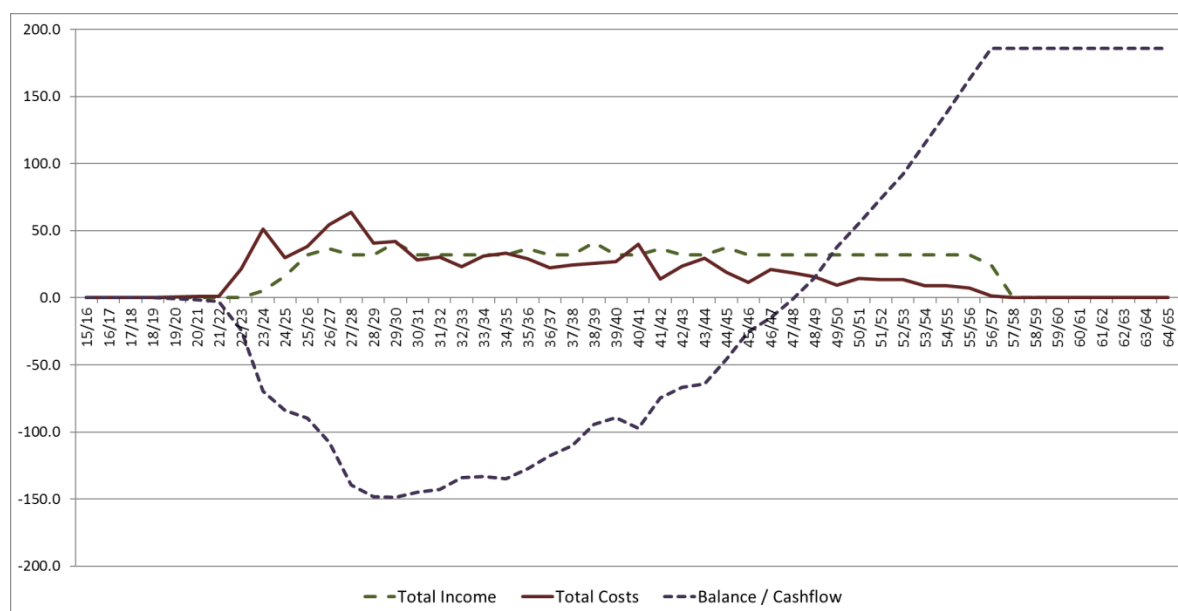
- **Education Facilities:** including the provision of 6 Primary Schools, 1 Secondary School and 14 Early Years Facilities (overall totalling circa £88m);
- **New Community & health centres** (£22m);
- **Leisure & Sports** facilities (£27m);
- **New Country Park** with facilities (£10m);
- **Sustainable transport** including travel plan measures (car clubs, etc), bus service subsidies, new on site public transport hub & contribution to strategic public transit system (£40m);
- **Local highways improvements** including junction upgrades and contribution towards delivery of an upgraded A120 (£75m);

- Upgraded **pedestrian & cycle links** including greenways & bridge connections over A120 (£13m).

### *Phasing & Cashflow*

- 15.9 The approach to the delivery of large scale strategic sites generally involves early, upfront delivery of infrastructure followed by a steady disposal of plots to housebuilders/developers enabling them to deliver houses to the market. Delivery of the Garden Communities will accord to this profile, as illustrated in Figure 11 which illustrates the scale of costs and returns on an annual basis throughout the course of the delivery of the West of Braintree Garden Community.
- 15.10 As indicated in Figure 11, the net funding requirement will quickly rise to a potential **peak debt position of circa £150m**. As income from land sales outpace costs, the debt would reduce to get to a cashflow positive position towards the end of the development period.
- 15.11 As indicated across the various figures in this report, the costs will build up over time with the LDVs requiring access to substantial funding via equity/loan finance to enable them to deliver the necessary infrastructure (and all other related costs). It will be for the LDVs to source the optimum funding arrangements at the point of need (which could involve a blend of public and private finance/equity).
- 15.12 Clearly not all funding will be needed from the outset of the project, and requirements will closely relate to key project stages and milestones, and the scale and type of activity that will be undertaken, in the following general sequence:
- 2018/19 to 2022/23: design and planning stage, mainly requiring funding to prepare planning applications (site wide and initial infrastructure) and secure related approvals;
  - 2022/23: first phase acquisition of land and on site implementation of capital works in utilities and site access (initial outlay of circa £25m);
  - 2022/23 onwards: ongoing land purchases and implementation of infrastructure delivery, partly offset by income from serviced land sales to the market. Given the scale of potential early contributions to transport infrastructure, the debt would rise quickly over time to its peak of £150m in 2028/29.
  - 2028/29 up to 2035/36: the debt remains within the £130-150m mark;
  - 2036/37 debt begins to reduce as incomes exceed costs, reducing to circa £75m in 2041/42, and £25m in 2045/46.

*Figure 11 West of Braintree Cashflow*



## Sensitivity Tests

15.13 The sensitivity test indicates that the scheme remains viable under the majority of scenarios with the exception of a 10% fall in baseline house values. However, whilst macro-economic factors cannot be prevented, the design approach to deliver a quality living environment should mitigate against this risk materialising. The impact of inflation would be significant under all scenarios, potentially considerably boosting the residual surplus and bringing down peak debt and the timescale for the scheme to go cashflow positive.

## 16. Funding principles for the LDVs

16.1 The four Councils have been working on the basis of equal partnership in the delivery of the projects; it is proposed that this approach is maintained at this stage.

16.2 The decision in principle to fund each of the LDVs does not create a formal legally binding agreement with the LDVs that the Council will fund them. This will be a separate decision for Cabinet and Council at a later stage once there has been further development of the business case and the detailed funding requirements. The decision before Members is to commit to being a proactive funding provider to the schemes within its area, providing that the schemes meet appropriate business case and viability thresholds.

16.3 In light of the information set out in Sections 13 to 15 of this report, and the relative cashflow and peak debt funding needs of each of the proposals, Figure 12 sets out one potential scenario for the order of magnitude which proportionate funding may require from each of the Councils. This is based upon equal apportionment of requirements based upon the geographic location of each of the proposed Garden Community, and the relevant Councils for them. The scenario is based on the Councils being the only funder, without recourse to any third party funding.

Figure 12: Proportionate share of peak debt

Tending Colchester	Colchester Braintree Borders	West of Braintree Limited	Total
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	<b>Borders Limited</b>	<b>Limited</b>		
<b>Braintree District Council</b>		1/3 of total = £70m	1/2 of total =£75m	£145m
<b>Colchester Borough Council</b>	1/3 of total =£40m	1/3 of total =£70m		£110m
<b>Essex County Council</b>	1/3 of total =£40m	1/3 of total =£70m	1/2 of total =£75m	£185m
<b>Tendring District Council</b>	1/3 of total =£40m			£40m
<b>Total</b>	£120m	£210m	£150m	£480m

Note: Where a Council is involved in more than one scheme, the actual peak debt may be different across the combined schemes due to the combination of separate cashflows.

- 16.4 Each LDV is a separate legal entity with its own financial requirements and delivery aims and objectives. The principle is that each Council will make available funding in equal amounts for the schemes in which it is a partner.
- 16.5 At this stage the Councils are providing an in principle commitment to providing funding. The LDV will in determining its own business plans develop a detailed set of funding requirements; including the scale of funding required and the timescales which will be relevant to each block of funding. It is unlikely that it will seek to borrow the whole amount required in a single funding allocation, the information from specialists indicates that it will be advantageous to split borrowing requirements into phases and deal with these as required. It must be noted that as per the cashflows presented for each project, funding requirements will be phased over the life time of the projects, and reflect the timing and scale of necessary costs, set against the phasing of land sales driving income.
- 16.6 In addition, the Councils will also need to address short term revenue funding implications of the initial planning and design work related to both the operations of the Joint Delivery Team and individual LDVs, as set out at Figure 2 of this report. Work is ongoing to further consider the optimum approach to addressing such costs with support from Price Waterhouse Coopers, and financial officers across each of the Councils concerned. This will form a key part of the evolution of more detailed business plans during 2017/18 so as to create suitable funding arrangements and minimise impacts on Council revenue budgets.
- 16.7 Whilst it will be open for the Council to seek a range of funding sources depending on the detailed financial position at the time funding is requested it is likely that if needed the majority of the funding will be in the form of borrowing by the Council. Should the Council borrow funds then this will be subject to the prudential borrowing code requirements and subject to a detailed decision of the Council the relevant time. The Council would expect to borrow at rates which are preferential to those obtainable by the LDV, given its status as a local government body, in order to comply with State Aid rules the lending to the LDV would be on commercial terms; therefore, the Council would expect to receive a margin between the rate at which it borrows and that at which it is repaid, this margin would represent a gain to the Council; in part offsetting the risk that it is taking in providing funding.
- 16.8 Detailed considerations about the accounting treatment for the loans and the capitalisation of costs is being developed and would form the basis of subsequent detailed decision making.



- 16.9 In terms of affordability there are expected to be opportunities to control costs through changes to the assumptions in the funding model to react to changing circumstances as the project develops and any decisions made by Councils to provide funding to the LDVs will be made with regard to the Prudential Code as explained in the Legal Powers Section of this report.
- 16.10 It must also be noted that the LDV will have the right to seek to secure funding from other sources as against the Councils. This could be from independent financial institutions, the developers or landowners within a scheme or other funding sources. Should the LDV do this it would reduce the amount sought from the Councils, reducing the call on the Councils' finances. This would however reduce the scope for the Councils to obtain a financial return from the project. Any determination of funding will be determined by prevailing market conditions and the needs of the LDV for any given element.

## **17. Legal Powers**

- 17.1 The General Power of Competence ("the Power") provided for by the Localism Act 2011 is relied upon as the authority for the District/Borough/County Council to establish and subscribe to North Essex Garden Communities Limited and to subscribe for B shares in relevant Local Delivery Vehicles.
- 17.2 In exercising the General Power of Competence local authorities must do so in a way which does not compromise any pre-existing statutory limitations, and the actions identified in this report do not compromise those restrictions. Any activity which local authorities wish to take for a commercial purpose must be undertaken via a company, given the need for the LDVs to act in a commercially aware way and to develop the projects commercially (although within the requirements of the Garden Community principles the use of a company structure enables reliance on the General Power of Competence in this respect).
- 17.3 Deciding to establish a company, in the context of this report, being North Essex Garden Community is an Executive Function in accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended). The 'in principle' funding decisions are in accordance with the Council's Budget and Policy Framework, (subject to Council approval as set out in the recommendations).
- 17.4 The statutory framework for local authority borrowing and investments is set out in Chapter 1 of the Local Government Act 2003, supplemented by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended).
- 17.5 A local authority may borrow money or invest (a) for any purpose relevant to its functions under any enactment, or (b) for the purposes of prudent management of its financial affairs. All money borrowed by a local authority, together with any interest on the money borrowed, shall be charged indifferently on all the revenues of the authority.
- 17.6 Local authorities must determine and keep under review how much money it can afford to borrow which is set by each Council as an "Authorised Limit". This borrowing limit cannot be exceeded without the approval of full Council. (In the event that the Council agrees to provide funding to the LDV's as illustrated in paragraph 16.3 then its borrowing limits will need to be revised accordingly).
- 17.7 In setting its borrowing limit, Regulations require a local authority to have regard to the Prudential Code for Capital Finance in Local Authorities (the Prudential Code) published by the Chartered Institute of Public Finance and Accountancy. The Prudential Code has been developed as a professional code of practice to support local authorities in taking decisions on capital investment which can be affordable, prudent, and sustainable.

These requirements will need to be demonstrated through the business case developed for each of the Garden Communities.

## **18. Risk Assessment**

- 18.1 The project has developed a strategic risk assessment profile. This is attached as Appendix 10.
- 18.2 At the present time there are a significant number of risks, many of which are inherently uncertain given the timescales over which the project will develop. Officers have considered the risks carefully and recommend that these are broadly reflective of the risk profile associated with any project of this scale.
- 18.3 The project has a number of break points particularly the development of the detailed business case. Should this demonstrate a scenario which provides an unacceptable commercial viability, or other significant uncontrolled risk, then it is open to the partner Councils to terminate the project at that juncture.
- 18.4 The two largest risks relate to Land Control and Local Plan. Both of these have the potential to halt progress on a particular scheme. Should landowner agreements not be reached by the time the Pre Submission Draft is agreed by the Council, then this will represent a key change to the relationship between the landowners and the Councils / LDV; the underlying assumptions in the agreements would then need to be reconsidered and are not able to be implemented in the form indicated in this report. Equally if a scheme is not included in the Pre Submission Draft of the Local Plan on the basis of appropriate planning Policy determination, then it would not be possible for the LDV to pursue any development and accordingly it would be wound up.

## **19. Equalities Impact Assessment**

- 19.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires the local authority to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Equality Act 2010. 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.
- 19.2 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 (a) or (b) although it is relevant for (c).
- 19.3 The proposals are to create an inclusive community which meets the needs of all residents regardless of whether or not they have a protected characteristic. The intention is to provide housing and facilities for all. By participating in the development in the way proposed the local authorities will have a greater influence over the content and layout than a development undertaken in a traditional way. The differing needs of people with different protected characteristics will need to be considered during the design and planning of the development and kept under review as the scheme progresses.

## **20. Implementation**

- 20.1 The project is currently seeking the support of the four relevant Councils in order to form the North Essex Garden Communities Limited, and it will then set up the constituent LDV's. It is anticipated that the LDV's will enter into legal agreements with landowners / developers before the end of the year.
- 20.2 The three local planning authorities are publishing the pre-submission versions of the Local Plans in the New Year. Should any of the proposed project sites not receive support in the local planning process this will be a critical point in the project; effectively closing it and the relevant LDV will be wound up.
- 20.3 For clarity the outline timetable for the project is set out in the following table:

25 November 2016	Tendring District Council; Cabinet
29 November 2016	Braintree District Council; Cabinet
29 November 2016	Tendring District Council; Council
30 November 2016	Colchester Borough Council; Cabinet
8 December 2016	Colchester Borough Council; Council
12 December 2016	Braintree District Council; Council
13 December 2016	Essex County Council; Cabinet
14 December 2016	Councils sign Shareholder Agreements and subscribe to NEGC
Prior to determination of the Local Plan Pre Submission draft.	NEGC Board meet and agree the subscription of LDVs including appointment of Directors
Prior to determination of the Local Plan Pre Submission draft.	Each of the LDVs Boards meet and agree the Landowner Agreements.
Prior to determination of the Local Plan Pre Submission draft.	Landowner Agreements completed.
January 2017	Local Plan Pre-Submission Draft Published for Committee Consideration
January / February 2017	Council meetings to approve Local Plan Pre-Submission Draft
March 2017	Relevant LDVs either wound up on basis of non-allocation; Or continues the development of the schemes.

## **20. Strategic Plan References**

- 20.1 The Strategic Plan Action Plan includes a commitment to make Colchester a vibrant, prosperous, thriving and welcoming place. The new Local Plan will contribute to the attainment of this commitment through new development, conservation and regeneration.

## **21. Financial Considerations**

- 21.1 See sections 12 to 16 of this report above.

## **22. Equality, Diversity and Human Rights Implications**

- 22.1 See section 19 of this report above.

## **23. Consultation and Publicity Implications**

- 23.1 The concept of new settlements crossing the boundary of Colchester and Tendring has already been the subject of public consultation both through the Colchester Issues and

Options consultation and the recent Tendring Issues and Options consultation. Braintree District Council also made reference to Garden Settlements in their Issues and Options consultation.

## **24. Community Safety, Health and Safety and Implications**

24.1 No direct implications.

## **25. Risk Management Implications**

25.1 See section 18 of this report above.

### **Summary of Appendices:**

1	Diagram showing Corporate Structure
2	Draft Term Sheet North Essex Garden Communities Limited
3	Shareholders Agreement North Essex Garden Communities Limited
4	Draft Term Sheet Tendring Colchester Borders Limited
5	Shareholders Agreement Tendring Colchester Borders Limited
6	Draft Term Sheet Colchester Braintree Borders Limited
7	Shareholders Agreement Colchester Braintree Borders Limited
8	Draft Term Sheet West of Braintree Limited
9	Shareholders Agreement West of Braintree Limited
10	Risk Assessments

## **Appendices – Garden Communities Committee**

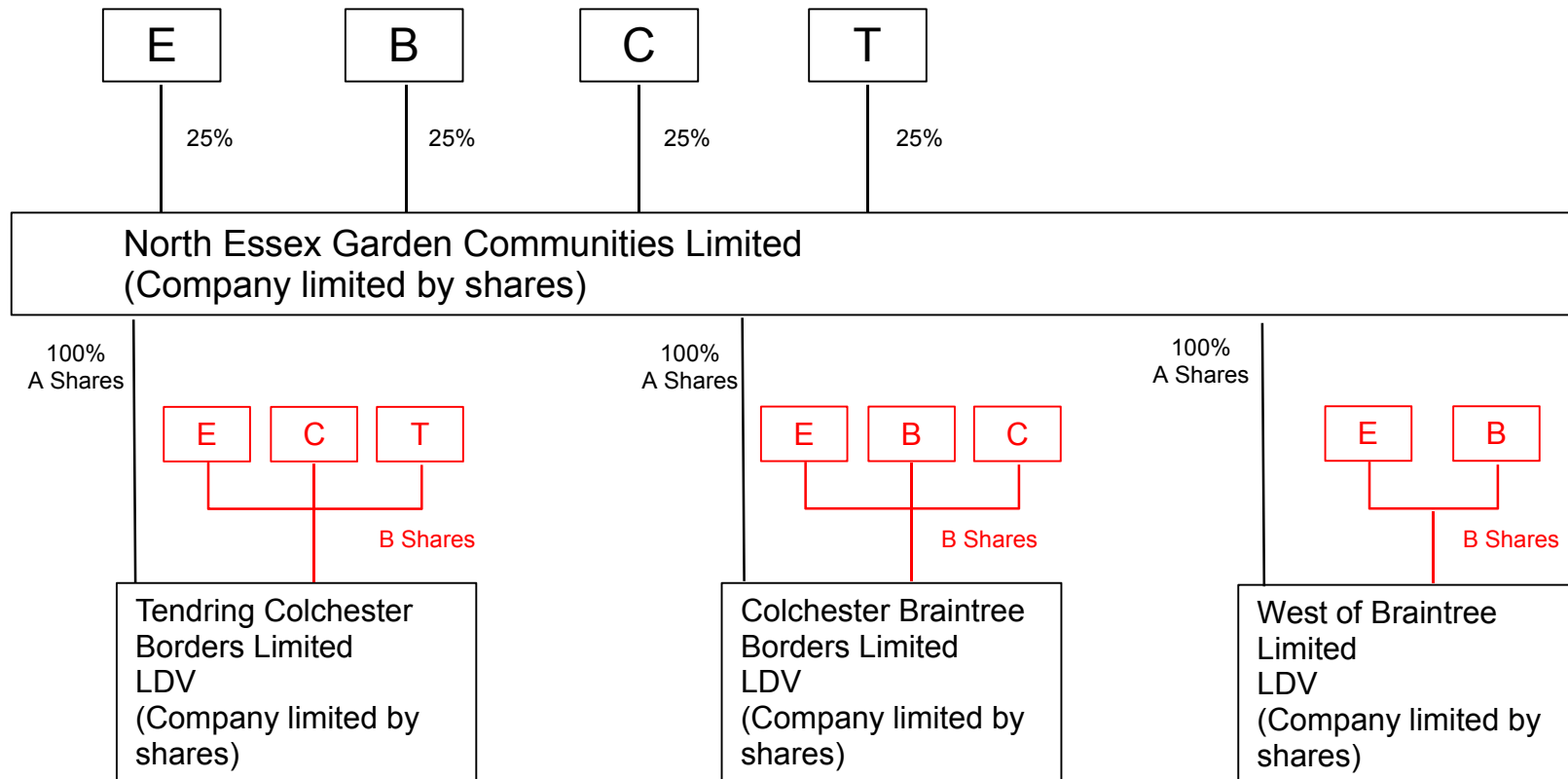
### **Cabinet Report 30 November 2016**

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7	Shareholders Agreement Colchester Braintree Borders Limited
8	Draft Term Sheet West of Braintree Limited
9	Shareholders Agreement West of Braintree Limited
10	Strategic Risk Assessment Profile

## Appendix 1:

### Diagram showing Corporate Structure:



A Shares - voting shares; no right to dividend

B Shares - non-voting shares; right to dividends; principal right to capital return

## Appendix 2

### DRAFT TERM SHEET

#### North Essex Garden Communities Limited

<b>1. Definitions</b>	<p><b>Articles</b> means the articles of association of the Company from time to time</p> <p><b>B Share</b> means a B share of nominal value £1 in the capital of an LDV</p> <p><b>B Shareholder</b> means a holder of B Shares</p> <p><b>Board</b> means the board of Directors</p> <p><b>Braintree</b> means Braintree District Council</p> <p><b>Budget</b> means a budget (including revenues, operating and capital expenditures, and cash flow) of the Company for a relevant financial period</p> <p><b>Colchester</b> means Colchester Borough Council</p> <p><b>Company</b> means North Essex Garden Communities Limited, a joint strategic private company entity which is owned equally by each Local Authority</p> <p><b>Director</b> means a director of the Company</p> <p><b>Director Letter</b> means an engagement letter to be entered into between the Company and each Director</p> <p><b>Essex</b> means Essex County Council</p> <p><b>Financial Procedure Rules</b> means the financial procedure rules adopted by the Company from time to time<sup>1</sup></p> <p><b>Funding Agreement</b> means any funding agreement entered into from time to time between (1) Essex, Braintree, Colchester or Tendring as lender, and (2) the Company as borrower<sup>2</sup></p> <p><b>Independent Director</b> means a director who is not a Nominated Director</p> <p><b>LDV</b> means each of:</p> <ul style="list-style-type: none"> <li>(i) Tendring Colchester Borders Limited</li> <li>(ii) Colchester Braintree Borders Limited; and</li> <li>(iii) West of Braintree Limited</li> </ul>
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<sup>1</sup> Set of financial procedures to be drafted.

<sup>2</sup> How will NEGC be funded?

	<p>each a private company limited by shares</p> <p><b>LDV Budget</b> means a budget (including revenues, operating and capital expenditures, and cashflow) of an LDV for a relevant financial period</p> <p><b>LDV Business Plan</b> means a 2 year business plan as adopted and amended by each LDV (with the approval of the Company) from time to time; such business plan covering delivery of the Project and such other matters as the board of directors of the LDV determines, and consistent with the aims and requirements of the Master Plan and the Long-term Business Plan.</p> <p><b>Local Authority</b> means each of Essex, Braintree, Colchester or Tendring</p> <p><b>Long-term Business Plan</b> means a business plan for the lifetime of the Project (with a higher level of detail for the next 5 years) as adopted by the Company from time to time; such business plan covering infrastructure requirements, finance, planning and such other matters as the Board determines, and consistent with the aims and requirements of the Master Plans</p> <p><b>Master Plan</b> means the planning policy document adopted in relation to each property which set out proposals for buildings, spaces, movement strategy and land use in three dimensions and matches these proposals to a delivery strategy and development programme</p> <p><b>Nominated Director</b> means a Director appointed by Essex, Braintree, Colchester or Tendring</p> <p><b>Project</b> means the development of the Properties as garden community in accordance with the Purpose</p> <p><b>Property</b> means each of the properties [<i>location descriptions</i>], each of which is approximately identified in the plan attached in Schedule 2</p> <p><b>Purpose</b> has the meaning given in paragraph 2 below</p> <p><b>Share</b> means an ordinary share of nominal value £1 in the capital of the Company</p> <p><b>Shareholder</b> means a holder of Shares</p> <p><b>Shareholders' Agreement</b> means the shareholders' agreement to be entered into in relation to the business and operation of the Company between Essex, Braintree, Colchester, Tendring and the Company</p> <p><b>Tendring</b> means Tendring District Council</p>
<b>2. Purpose</b>	<ul style="list-style-type: none"> <li>The purpose of the Company is (i) to hold shares in the LDVs, and (ii) to co-ordinate funding of the LDVs, and to oversee and hold to account the LDVs as set out in Schedule 1 (the <b>Purpose</b>)</li> </ul>



	<ul style="list-style-type: none"> <li>• The Purpose (as set out in Schedule 1) will be included in the following documents: <ul style="list-style-type: none"> <li>– the Shareholders' Agreement</li> <li>– the Articles (perhaps in an abbreviated form)</li> <li>– the Director Letters</li> </ul> </li> <li>• The Purpose can only be changed with the prior consent of all of the Local Authorities</li> </ul>
<b>3. Shares</b>	<p><b>Initial Shareholders:</b> At closing each Local Authority will subscribe for 25 Shares at £1 each</p> <p><b>Voting:</b> The Articles should be drafted so that in relation to any decision of the Shareholders or Board specifically affecting one LDV only, the Local Authorities (or their Nominated Directors) who do not hold B Shares in that LDV shall not be entitled to vote on that decision</p>
<b>4. Directors</b>	<p><b>Appointment/Removal:</b> The directors shall be appointed as follows:</p> <ul style="list-style-type: none"> <li>• Each of Essex, Braintree, Colchester and Tendring have the right to appoint and remove a Director (each a <b>Nominated Director</b>)</li> <li>• The Board shall be entitled, if it feels it is appropriate to do so (e.g. in order to introduce any required skills, experience or expertise to the Board), to appoint up to a further three independent Directors (each an <b>Independent Director</b>)</li> <li>• Any Director other than a Nominated Director may be removed by notice sent by a majority of the Shareholders to the Company</li> <li>• On appointment, each Director and the Company will enter into a Director Letter</li> </ul> <p><b>Chair:</b> The Board will appoint a chair from amongst the Directors. Any such appointment will be for a maximum 2 year term. The Chair shall not have a casting vote.</p> <p><b>Operation:</b> The Directors will manage the business of the Company to achieve the Purpose and in accordance with the requirements of the Business Plans (other than the Short-term Business Plans).</p> <p><b>Board Meetings:</b> It is expected that Board meetings will be held four times a year, or more frequently as the Board may decide</p> <p><b>Notice:</b> There will be seven days' notice of any Board meeting (or shorter notice if agreed by a majority of the Directors)</p> <p><b>Quorum:</b> The quorum for Board meetings will be at least three Nominated Directors. If the quorum is not present at the appointed time for the meeting, an adjourned meeting will be called. At that adjourned meeting, at least two Nominated Directors need to be present for a quorum</p>

	<p><b>Voting:</b> On any Board decision a majority in favour is required including all Nominated Directors, save that where a decision relates to one LDV only, the Nominated Directors appointed by a Local Authority who does not hold B Shares in that LDV shall not be entitled to vote</p> <p><b>Conflicts:</b> In relation to a Director's conflict:</p> <ul style="list-style-type: none"> <li>• The Director is obliged to declare his or her conflict at the beginning of any Board meeting</li> <li>• If that declaration indicates a dispute or possible dispute, the Board may decide whether or not the conflicted Director should withdraw from all or part of that meeting</li> </ul> <p><b>Alternate Directors:</b> It is expected that each Director will make every effort to attend Board meetings, and will only miss Board meetings in exceptional circumstances. Each Director Letter will name an alternate to attend, speak and vote in Board meetings in the appointing Director's absence</p> <p><b>Indemnity:</b> The Articles will contain a standard permission to allow a Director to receive the benefit of an indemnity from the Company</p>
<b>5. Business Plan<sup>3</sup></b>	<p>The Company's business will be operated in accordance with, and to achieve the aims set out in, the Business Plans (other than the Short-term Business Plans). The initial Mid-term Business Plan will be attached to the Shareholders' Agreement. The Board will be responsible for (i) preparing the Mid-term Business Plan and Budget and (ii) monitoring progress against the Mid-term Business Plan and Budget, and may suggest changes to the Mid-term Business Plan and Budget from time to time. Any Mid-term Business Plan or Budget, and any changes to either must be approved by all of the Local Authorities. In addition, any such changes need to be consistent with the Project Plan, the Master Plans and the Purpose. If there are any changes made to the Project Plan, the Master Plans or the Purpose, the Board will meet to discuss whether any changes are required to the Mid-term Business Plan and Budget, subject to the Local Authorities' approval</p> <p>If the Company undertakes any business which is outside the remit of the Mid-term Business Plan, Project Plan or Master Plans, or incurs any expenditure or liability that means the Company will breach the budget, or is likely to be in breach of the Budget, the Board will promptly notify the Local Authorities in writing</p>
<b>6. Reserved Matters</b>	<p>Schedule 3 contains a number of reserved matters. Subject to interpolated voting, before the Company undertakes any of the reserved matters in Schedule 3, it needs the prior written approval of each of the Local Authorities (save that where the matter relates to one LDV only, a Local Authority who does not hold B Shares in that LDV shall not be required to provide its prior written approval).</p>

<sup>3</sup> The intention is to give NEGC, through flexible drafting of the Mid-term Business Plan and the Budget (in the context of the Financial Procedures Rules), sufficient operational freedom.

<b>7. Share Transfers</b>	No Shares may be transferred without the prior written consent of each of the Local Authorities, save that Shares may be transferred to successor bodies (including any new town development corporation)
<b>8. Termination</b>	<p>The Company shall continue until such time as:</p> <ul style="list-style-type: none"> <li>• The Purpose has been achieved; or</li> <li>• The Company is wound up pursuant to a statutory process</li> </ul> <p>On a termination, any assets of the Company may transfer to a successor (or other appropriate) body (including any new town development corporation)</p>
<b>9. Disputes</b>	If there is any dispute in relation to the Company, either at Board or Shareholder level, any party may call a meeting of the CEOs/Leaders of each Local Authority to try to resolve that dispute. If the dispute is still unresolved 21 days after that meeting any party may refer the matter to mediation. If the dispute is still unresolved 42 days after that meeting, any party may refer the matter to arbitration
<b>10. Documentation</b>	<p>Following the agreement of this term sheet, Dentons will prepare the following documentation:</p> <ul style="list-style-type: none"> <li>• Shareholders' Agreement – in addition to the provisions referred to above, that agreement will also contain provisions in relation to: <ul style="list-style-type: none"> <li>– set-up arrangements</li> <li>– business housekeeping (company books, insurance etc)</li> <li>– information provision to the Local Authorities</li> <li>– confidentiality and announcements</li> </ul> </li> <li>• Articles</li> <li>• Director Letters – in addition to the provisions referred to above, each letter will also contain the following details: <ul style="list-style-type: none"> <li>– the period of the appointment</li> <li>– name of alternate director</li> <li>– costs and expenses</li> <li>– indemnity</li> </ul> </li> </ul>

## Schedule 1 – Purpose

To co-ordinate 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, inclusive and long term planning and effective engagement.

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A garden community should:

- Be implemented using new models of delivery with the public and private sectors sharing risk and reward and ensuring that the cost of achieving the following is borne by those promoting development of the communities: (i) a high quality of place-making; (ii) timely delivery of both on-site and off-site infrastructure needed to address the impact of the new community; (iii) a mechanism for future stewardship, management, maintenance and renewal of community infrastructure and assets;
- Be planned and delivered in conjunction with a masterplan and other design guidance that have been developed through innovative community engagement;
- Be designed and executed to achieve the highest quality of place-making and design, structuring the new community to create an appropriate hierarchy of centres and walkable neighbourhoods that accommodate strong local cultural, recreational, leisure and retail facilities that underpin community life and relate to the wider urban context, as well as establishing environments that promote health, happiness and well-being;
- Have an appropriate mechanism and funding for community governance and empowerment as well as the long term stewardship of community assets;
- Provide beautifully and imaginatively designed homes with easy access to great green spaces, combining the very best of town and country living;
- Provide development that will contribute to building a balanced and inclusive community including a range of mixed-tenure homes and housing types that are affordable – including to rent – for local people including provision of self- and custom-build, co-ownership and affordable homes;
- Contribute to the creation of a resilient & self-sustaining local economy through offering access to a strong local jobs offer, including within the community itself, that provide a variety of employment opportunities within easy commuting distance of homes;
- Ensure provision of generous green space that builds on existing natural assets and is linked to the wider natural environment, with well-connected and biodiversity-rich public parks, a mix of public and private networks of well-managed, high quality gardens, allotments, tree-lined streets and open spaces;
- Provide in a timely fashion to meet the needs of the growing community, a range of great local schools & education facilities catering for all age groups, needs & skills development, health facilities and other services needed to underpin community life;
- Promote and deliver a step change in sustainable and integrated local transport with excellent walking, cycling and public transport systems fully integrated with land use at its heart, encouraging and incentivising more sustainable active travel patterns overall;
- Secure delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities to secure the highest standards of technology to reduce the impact of climate change, water efficiency with the aim of being water-neutral, energy efficiency and local energy generation, net gains in biodiversity, efficient management of utilities, excellent access to information technology networks and sustainable waste and mineral management.

## **Schedule 2 – Property Plan**

*To be included in the final Term Sheet.*

## **Schedule 3 – Reserved Matters**

- 1      Passing any resolution or presenting any petition for the Company's winding up (unless the Company is insolvent).
- 2      Issuing or allotting any share or other capital or reducing, converting, sub-dividing, cancelling or otherwise reorganising, or altering any rights attaching to, any Shares.
- 3      Registering any transfer or allotment of Shares.
- 4      Granting any share option or right to subscribe, acquire or convert into Shares or implementing or varying any incentive, bonus or commission arrangement.
- 5      Ceasing, or making any material change in the nature of, the Company's business, the Purpose or establishing any new business.
- 6      Altering the Company's Articles.
- 7      Changing the Company's auditors.
- 8      Changing the Company's accounting reference date or accounting policies.
- 9      Adopting or approving the Company's annual accounts.
- 10     Approving the Long-term Business Plan or Budget, or amending the Long-term Business Plan or Budget.
- 11     Approving or amending the Financial Procedure Rules.
- 12     Transferring the whole or any material part of the undertaking of the Company.
- 13     Save as set out in the Long-term Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring or disposing of (whether by one or more transactions) any assets, entering into any commitment, or incurring any expenditure.
- 14     Save as set out in the Long-term Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring, disposing of, surrendering or assigning any freehold or leasehold property.
- 15     Save as set out in the Long-term Business Plan or Budget, forming any subsidiary, acquiring or disposing of any interest in any business or company, participating in any partnership, joint venture or profit/revenue sharing arrangement or entering into any scheme of arrangement or merger.
- 16     Save as set out in the Long-term Business Plan or Budget, and subject to the Financial Procedure Rules, incurring any borrowings or creating any encumbrance upon or in respect of the whole or part of the business or the Company's assets.

- 17 Entering into any agreement not on bona fide arms' length terms, or (same as set out in the Mid-term Business Plan or the Budget) any agreement with any director or with any Shareholder or with any associate of a Shareholder.
- 18 Other than as set out in the Long-term Business Plan, entering into, or varying, any agreement.
- 19 Save as set out in the Long-term Business Plan or Budget, making any loan or providing any surety or security arrangement in respect of any loan or third party obligation whatsoever.
- 20 Save as set out in the Long-term Business Plan or Budget, granting any service or consultancy agreement to any employee or varying or terminating any such agreement.
- 21 Paying any Directors' remuneration, fees or expenses other than pursuant to a Director Letter.
- 22 Save as set out in the Long-term Business Plan or Budget, initiating or settling any litigation or arbitration which will, or is likely to, have:
  - (i) a material impact on the reputation of the Local Authorities, the Company or any LDV, or
  - (ii) the ability of the Company to achieve the Purpose.
- 23 Opening any bank account or signing or varying any bank mandate, in each case other than in accordance with the Financial Procedure Rules.
- 24 Giving any approval for and on behalf of the Company required under Part A of Schedule 3 of each LDV term sheet.<sup>4</sup>

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<sup>4</sup> This will cover the NEGC consent matters set out in the list of reserved matters for each LDV. Is any more required? Will there be anything else in the LDV term sheet/shareholders' agreement/articles that required a reference here? In relation to each LDV what NEGC consents are expected, and which of these also need Local Authority consent?

## Appendix 3:



### Shareholders' agreement in relation to North Essex Garden Communities Limited

#### Dated

**Essex County Council**  
(Essex)

**Colchester Borough Council**  
(Colchester)

**Tendring District Council**  
(Tendring)

**Braintree District Council**  
(Braintree)

**North Essex Garden Communities Limited**  
(The Company)

Dentons UKMEA LLP  
One Fleet Place  
London EC4M 7WS  
United Kingdom  
DX 242

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# Shareholders' Agreement

## Dated

## Between

- (1) **Essex County Council (Essex)** of County Hall, Market Road, Chelmsford, CM1 1QH;
- (2) **Colchester Borough Council (Colchester)** of Rowan House, 33 Sheepen Road, Colchester, Essex, CO3 3WG;
- (3) **Tendring District Council (Tendring)** of Town Hall, Station Road, Clacton-On-Sea, Essex, CO15 1SE;
- (4) **Braintree District Council (Braintree)** of Causeway House, Bocking End, Braintree, Essex, CM7 9HB;  
and
- (5) **North Essex Garden Communities Limited (the Company)** a company incorporated in England and Wales with registered number 10319743 having its registered office at \*\* .

## Recitals

- A. The Company is a joint strategic entity which is equally owned by each Local Authority.
- B. The parties have agreed to incorporate the LDV's which will develop the Properties in accordance with the Purpose, through the Company and the LDVs.

## It is agreed

### 1 Definitions and Interpretation

#### 1.1 Definitions

In this Agreement the following definitions shall apply.

**Act** means the **Companies Act 2006**.

**Articles** means the articles of association of the Company in the agreed form and as subsequently amended time to time in accordance with this Agreement.

**Board** means the board of Directors.

**Borrowings** means [bank and other loans, and finance provided under hire purchase, factoring, leasing acceptance credits and similar arrangements.]

**Budget** means a budget (including revenues, operating and capital expenditures and cash flow) of the Company for a relevant financial period.

**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for the transaction of general business.

**Chair** means the chair from time to time of the Board.

**Completion** means completion of the matters specified in Clause 3.

**Director** means a director of the Company from time to time.

**Director's Letter** means an engagement letter in the agreed form to be entered into between the Company and each Director.

**Encumbrance** means any mortgage, charge, pledge, hypothecation, lien, assignment by way of security, title retention, option, right to acquire, right of pre-emption, right of set-off, counterclaim, trust arrangement or other security, preferential right or agreement to confer security, or any equity or restriction (but excluding liens arising by operation of law) and **Encumber** shall be construed accordingly.

**Financial Procedure Rules** means the financial procedure rules in the agreed form adopted by the Board [with the approval of the Shareholders] (as amended from time to time).

**Funding Agreement** means any debt funding agreement entered into from time to time between a Local Authority (as lender) and the Company (as borrower).

**Independent Director** means a director who is not a Nominated Director, such director being appointed by the Board.

**Intellectual Property** means patents, trade marks, service marks, trade names, domain names, rights in designs, semiconductor topography rights, database rights of unfair extraction and reutilisation, copyrights (including rights in computer software), rights in know-how and other intellectual or industrial property rights (whether registered or unregistered and including applications for the registration of any of the foregoing) and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world.

**Joint Delivery Group** means a joint delivery group established by the Company to provide the Services

**LDV** means Tendring Colchester Borders Limited, Colchester Braintree Borders Limited and West of Braintree Limited.

**LCIA Rules** means the LCIA Arbitration Rules 2014.

**Local Authority** means Essex, Braintree, Colchester or Tendring.

**Long-term Business Plan** means a business plan for the lifetime of the Project (with a higher level of detail for the next 5 years in relation to the Company as adopted from time to time by the Company with the prior consent of Essex, Braintree, Colchester and Tendring; such business plan covering, infrastructure requirements, finance, planning and such other matters as the Company determines, and consistent with the aims and requirements of the Master Plan.

**Master Plan** means a document in relation to the Project as adopted by the relevant local planning authority that sets out proposals for land uses buildings, spaces, access and movement and other spatial components and sets the basis for planning applications.

**New Town Development Corporation** means a corporation established under section 1 of the New Towns Act 1981 or similar future legislation, as amended from time to time.

**Nominated Director** means a Director appointed by a Local Authority.

**Project** means the development of each of the Properties as a garden community in accordance with the Purpose.

**Property** means each of the properties which are approximately identified in the plans attached in Schedule 4.

**Purpose** has the meaning given in Clause 2.1 below.

**Senior Employee** means an employee whose total annual remuneration exceeds or is likely to exceed £75,000.

**Services** means management and technical support and such other support and services the LDVs may require, and the Company may provide, from time to time.

**Share** means an ordinary share of £1 each in the capital of the Company.

**Shareholder** means a holder of Shares.

## 1.2 Interpretation

In this Agreement, unless otherwise specified:

- (a) the index and headings are for ease of reference only and shall not be taken into account in construing this Agreement;
- (b) references to this Agreement or any other document shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented or replaced from time to time;
- (c) references to any recital, clause, paragraph or Schedule are to those contained in this Agreement, and all Schedules to this Agreement are an integral part of this Agreement;
- (d) the expression **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole clause (not merely the sub-clause, paragraph or other provision) in which the expression occurs;
- (e) references to a **party** mean a party to this Agreement including that party's successors in title and assigns or transferees permitted in accordance with the terms of this Agreement provided that the relevant property, right or liability has been properly assigned or transferred to such person;
- (f) references to a **director** shall, where the context allows, include reference to the alternate of such director;
- (g) references to a **subsidiary** shall include reference to a subsidiary and a subsidiary undertaking, each as defined in the Act, but on the basis that a company is to be treated as a member of another company for the purposes of subsections 1159(1)(b) and (c) of the Act even if its shares in that other company are registered in the name of:
  - (i) its nominee or any other person acting on its behalf, or
  - (ii) another person by way of security over those shares;

- (h) a document is in the **agreed form** if it is in the form of a draft agreed between and initialled by or on behalf of the Shareholders on or before the date of this Agreement;
- (i) references to any gender shall include the others; and words in the singular include the plural and vice versa;
- (j) references to **legislation** include any statute, bye-law, regulation, rule, subordinate or delegated legislation or order; and reference to any **legislation** is to such legislation as amended, modified or consolidated from time to time and to any legislation replacing it or made under it;
- (k) references to a **person** (or to a word importing a person) shall be construed so as to include:
  - (i) an individual, firm, partnership, trust, joint venture, company, corporation, body corporate, unincorporated body, association, organisation, any government, or state or any agency of a government or state, or any local or municipal authority or other governmental body (whether or not in each case having separate legal personality); and
  - (ii) that person's successors in title and assigns or transferees permitted in accordance with the terms of this Agreement provided that the relevant property, right or liability has been properly assigned or transferred to such person;
- (l) the words and expressions defined in sections 250, 390, 391, 471, 540, and 1173 of the Act have the same meanings;
- (m) **in writing** includes any communication made by letter, e-mail or other forms of electronic communication;
- (n) the words **include**, **including** and **in particular** shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words; and
- (o) the words **other** and **otherwise** shall not be construed ejusdem generis with any foregoing words where a wider construction is possible.

## 2 Purpose of the Company

- 2.1 The parties hereby agree that the purpose of the Company is to hold shares in each of the LDVs, to coordinate funding of the LDVs and to oversee and hold to account the LDVs as set out in Schedule 1.
- 2.2 The Company will set up a Joint Delivery Group to provide services to the LDVs.
- 2.3 The Purpose can only be amended with the prior written consent of all of the Local Authorities.

## 3 Completion arrangements

### 3.1 Completion

Completion shall take place immediately following signature of this Agreement at [*insert relevant address*].

### **3.2 Completion Obligations**

At Completion:

- (a) the parties shall procure that:
  - (i) the Company is established, organised and financed as detailed in Schedule 3;
  - (ii) the Company adopts the Articles; and
  - (iii) **[others?]**.
- (b) the Company shall, and the Shareholders shall procure that the Company shall, enter into the following:
  - (i) Director's Letters;
  - (ii) [Any other contracts to be entered into at Completion];
- (c) Each [LDV/Local Authority] shall enter into the following agreements:
  - (i) [list]

### **3.3 No partial Completion**

No party shall be obliged to complete its obligations under Clause 3.2 unless all of the obligations listed in Clause 3.2 are completed with simultaneous effect.

## **4 The Board**

### **4.1 Decisions to be referred to the Board**

- 4.1.1 The Board will manage the business of the Company to achieve the Purpose and in accordance with the requirements of the Long-term Business Plan.
- 4.1.2 All policy and management decisions of the Company (including the matters set out in Clause 8) shall be referred to the Board before implementation.

### **4.2 Action by the Board**

The Board shall act by majority vote, except in relation to any matter listed out in Clause 8 in which case no decision or action shall be taken unless any prior written consent required under Clause 8 has been received by the Company and if such consent is so received each of the Directors shall, unless otherwise constrained by their fiduciary duties, vote in favour of such matter.

### **4.3 Nominated Directors**

Each Local Authority shall have the exclusive right to appoint, remove or replace a Nominated Director.

### **4.4 Independent Director**

The Board shall have the right to appoint up to three Independent Directors if it feels it is appropriate to do so.

#### **4.5 Alternate Directors**

It is expected that each Director will make every effort to attend Board meetings, and shall only miss Board meetings in exceptional circumstances. Each Director's Letter will contain details of an alternate to attend, speak and vote in Board meetings in the appointing Director's absence.

#### **4.6 Chair**

The Board will appoint a chair from amongst the Directors. Any such appointment will be for a maximum 2 year term.

#### **4.7 Board meetings**

Board meetings shall be held at such location as a quorum of the Directors agree at intervals of not more than three months. Save as otherwise agreed by a majority of the Directors:

- (a) Board meetings shall be convened by any Director by not less than 7 days' notice, or where the particular circumstances require a shorter period, such shorter period as the circumstances reasonably require, if agreed by a majority of Directors;
- (b) each notice shall be sent to each Director to the address, and/or e-mail address notified to the Company for these purposes, and if notice is required to be sent by e-mail a copy of such notice shall also be sent by post (and air mail if the address is overseas);
- (c) each notice of a Board meeting shall be accompanied by a full agenda and supporting papers;
- (d) each Board meeting shall only deal with the business set out in the agenda which accompanied the notice convening that Board meeting; and
- (e) minutes of each meeting of the Board shall be taken and kept by the company secretary in the books of the Company. Copies of the minutes of each such meeting shall be delivered to each member of the Board as soon as practicable. If a member has not been present at the meeting copies of all papers considered by the Board at the meeting shall be sent to him with the minutes.

#### **4.8 Quorum**

The quorum for a Board meeting shall be at least three Nominated Directors present in person or by his alternate (but so that not less than three individuals shall constitute the quorum). If within 30 minutes of the time appointed for a Board meeting there is no quorum, the Director(s) present shall adjourn the meeting to a place and time not less than five Business Days later provided that at such adjourned meeting the requirement that such Director(s) shall be present shall not apply, and two Nominated Directors present and shall constitute a quorum and may conduct the business of the meeting.

#### **4.9 Voting at Board meetings**

- 4.9.1 At each Board meeting the Directors present shall be entitled to cast one vote on each issue put to a vote.
- 4.9.2 On any Board decision a majority (including all Nominated Directors) in favour is required for the vote to pass, save that:
- (a) where a decision relates to Tendring Colchester Borders Limited only, any Nominated Director appointed by Braintree shall not be entitled to vote, and shall not be required in the majority for the vote to pass;
  - (b) where a decision relates to Colchester Braintree Borders Limited only, any Nominated Director appointed by Tendring shall not be entitled to vote, and shall not be required in the majority for the vote to pass;
  - (c) where a decision relates to West of Braintree Limited only, any Nominated Director appointed by Colchester or Tendring shall not be entitled to vote, and shall not be required in the majority for the vote to pass; and
  - (d) where a decision relates to Tendring Colchester Borders and West of Braintree Limited but not Colchester Braintree Borders Limited, any Nominated Director appointed by Tendring shall not be entitled to vote, and shall not be required in the majority for the vote to pass.

#### **4.10 Compliance with Agreement**

The Company shall procure that any person who is appointed a Director after the date of this Agreement shall immediately upon becoming a Director of the Company enter into a Director's Letter with the Company to comply with and implement the terms of this Agreement.

#### **4.11 Shareholders to procure Director's resignation**

If a Shareholder ceases to be a Shareholder, it shall procure that every Director appointed by it under this Clause 4 is removed.

#### **4.12 Indemnity**

Each Shareholder shall procure that any Director appointed by it who vacates his office as director (whether by virtue of being removed by that Shareholder or otherwise) shall do so without cost to the Company. That Shareholder shall indemnify the Company and any other Shareholder from and against all claims, demands and rights which any such Director may have against the Company in respect of removal, dismissal, redundancy or otherwise.

#### **4.13 Directors may pass information to their appointor**

A Director may from time to time disclose to the Party who appointed him and its representatives such information as he has regarding the Company.

#### **4.14 Removal of a director**

Any Independent Director may be removed by notice sent by a majority of the Shareholders to the Company.



## **5 Business Plans and Budget**

### **5.1 Interim business plans**

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

### **5.2 Business plans**

5.2.1 Within three months of a full Board being appointed (being at least four Directors) the Company shall, subject to the approval of the Local Authorities, formally adopt an Long-term Business Plan.

5.2.2 The Board shall submit any draft Long-term Business Plan to the Local Authorities no later than two months before the end of the period to which the then current Long-term Business Plan relates. Such draft Long-term Business Plan shall not be adopted by the Company until such time as the Local Authorities' approval has been received.

5.2.3 Any amendments to a Long-term Business Plan or Budget must first be approved in writing by the Local Authorities. In order to obtain the Local Authorities' written approval, the Board shall submit to the Local Authorities in writing the Long-term Business Plan or Budget together with a proposal setting out the amendments, and an explanation for the amendments. Any such amendments need to be consistent with the Master Plan and the Purpose.

5.2.4 Subject always to the Local Authorities' approval, if there are any amendments made to the Master Plan or the Purpose, the Board will meet to discuss whether any amendments are required to the Long-term Business Plan and Budget.

5.2.5 If the Company undertakes any business which is outside the remit of the Long-term Business Plan or Master Plan, or incurs any expenditure or liability that means the Company will breach or exceed the Budget, or is likely to be in breach of the Budget, the Board will promptly notify the Local Authorities in writing. Such notification will provide:

- (a) detailed information in relation to such expenditure or liability, including an explanation of the circumstances; and
- (b) suggested remedial action.

### **5.3 Budget**

5.3.1 The Board shall submit any draft Budget to the Local Authorities no later than two months before the start of each financial period of the Company. Such Budget shall not be adopted by the Company until such time as the Local Authorities' approval has been received.

5.3.2 If, at the end of any financial period, the Budget for the next financial period has not been agreed, the Company should comply with the requirements of the Financial Procedure Rules until such time as the relevant Budget has been approved by the Local Authorities.

## **6 Financing the Company**

### **6.1 Financing**

The Company shall be financed through the moneys subscribed for issued shares and lent under any Funding Agreement, or otherwise as the Shareholders may agree.

## **6.2 Borrowing limit**

The parties shall procure that the Company does not exceed any borrowing limit contained in the Budget or Financial Procedure Rules.

## **6.3 No Shareholder obligations to fund**

No Shareholder shall be obliged to advance any loan to the Company except in accordance with a Funding Agreement.

# **7 Information and Operation of the Company**

## **7.1 Information**

The Company shall provide to each Shareholder and Director and where requested, to their representatives, the following:

- (a) a profit and loss account estimate for the Company within 10 Business Days of the end of each month;
- (b) unaudited management accounts for the Company within 20 Business Days from the end of each month including a profit and loss account for that month and for the financial year to date (in each case measured against the budget for the relevant period) and 12 month forecast cash flows;
- (c) audited statutory accounts for the Company within 60 Business Days from the end of the financial year;
- (d) access to the Company's books, records and auditors at such times as may reasonably be requested; and
- (e) such other information relating to the Company as any Shareholder may reasonably request from time to time,

and without prejudice to the foregoing, the Company shall keep the Shareholders fully and promptly informed of all material developments regarding the Company's financial and business affairs and all significant events (including any litigation or arbitration) which will or may affect the Company.

## **7.2 Operation of the Company**

The Company shall, and the Shareholders shall procure that the Company, shall:

- (a) carry on and conduct its business on a commercial basis in a proper lawful and efficient manner for its own benefit;
- (b) transact all business on arm's length terms;

- (c) ensure that all its business other than routine business is undertaken or supervised by the Directors;
- (d) obtain and maintain all necessary licences and approvals required in order to carry on the business; and
- (e) observe and perform its obligations under each contract referred to in Clause 3.2(b).

## **8 Reserved matters**

The Company agrees so far as it lawfully may, and the Shareholders agree to procure, so far as is within their powers as Shareholders, that before the Company undertakes any of the matters listed in Schedule 4 the prior written consent of each of the Local Authorities is required, save that where the matter relates to one LDV only, a Local Authority who does not hold B ordinary shares in the relevant LDV shall not be required to provide its prior written consent.

## **9 Transfer of Shares**

No Shareholder shall assign, transfer, exchange, encumber or otherwise dispose of any of the Shares held by it or any interest in them without the prior written consent of the other Shareholders. Save that Shares may be transferred to successor bodies (including any New Town Development Corporation).

## **10 Protection of Name: Intellectual Property**

### **10.1 Shareholders' rights to their intellectual property**

The Shareholders hereby acknowledge and agree that all Intellectual Property Rights used in the Business but owned or provided by a Shareholder or any associate of a Shareholder (not being the Company) shall unless specifically otherwise agreed in writing remain the property of that Shareholder, shall be deemed licensed to the Company on such terms as agreed by the Shareholder and the Company, or if there is no agreement on a non-exclusive royalty-free basis for so long as the party remains a Shareholder.

### **10.2 Company's rights to its intellectual property**

Any Intellectual Property Rights which arise in the course of the Company's activities and are developed by the Company, its Directors, employees or agents shall belong to the Company and shall be deemed licensed to each of the Shareholders on such terms as are agreed by the Company and the relevant Shareholder or if there is no agreement, on a non-exclusive royalty-free basis for so long as the relevant Shareholder remains a Shareholder.

## **11 Freedom of Information**

The parties acknowledge that the parties to this Agreement may be subject to the Freedom of Information Act 2000 and/or the Environmental Information Regulations 2004 and may be required to disclose information in response to requests within the terms of that legislation. Where appropriate the relevant party shall rely on any applicable exemptions in that legislation to justify not disclosing such information. Each party agrees to consult with the other parties to this Agreement as soon as reasonably practicable after receiving any such request and before disclosing any information concerning the Company.

## **12 Announcements and Confidentiality**

### **12.1 No announcements without agreement**

Save as required by law or with the prior written consent of the other parties no statement or announcement of any nature relating to the subject matter of or the transaction referred to in this Agreement or the establishment or operations of the Company shall be made to the public, the press or otherwise unless in a form previously agreed between the Shareholders.

### **12.2 Shareholders' confidentiality obligations**

12.2.1 Subject to Clause 11 each Shareholder shall (and shall procure that their representatives shall) at all times keep confidential and shall not use (other than for the benefit of the Company) any confidential information which it or they may have or acquire in relation to the business, finances, assets or affairs of the Company or any other party, save for any information:

- (a) which is publicly available or becomes publicly available otherwise than as a result of a breach of this Clause12;
- (b) which is disclosed to that party by a third party which did not acquire the information under an obligation of confidentiality;
- (c) which is required to be disclosed by law or the rules of any recognised investment exchange (as that term is used in section 285 of the Financial Services and Markets Act 2000) to which that Shareholder.

12.2.2 No Shareholder shall use any confidential information acquired in relation to another Shareholder pursuant to the performance of this Agreement for any purpose without the prior consent in writing of that Shareholder.

### **12.3 Company's confidentiality obligations**

The Company shall observe a similar obligation of confidence to that set out in Clause 12.2.1 in favour of each Shareholder.

### **12.4 Duration of confidentiality obligations**

The obligations in this Clause 12 shall continue to apply after termination of this Agreement and after any party has ceased to be party to this Agreement without limit in time.

## **13 Relationship between Shareholders and the Company**

### **13.1 Shareholders' procurement obligation**

Each of the Shareholders agrees it shall exercise its rights hereunder and as a Shareholder in the Company in such manner as could reasonably be expected to prevent, and shall not exercise those rights in any manner which could reasonably be expected to result in, a breach by the Company of any of its obligations under this Agreement or any Funding Agreement or any restrictions imposed upon it under its Articles (whether or not enforceable against the Company itself).

### **13.2 No partnership**

Nothing in this Agreement, and no action taken under this Agreement, shall create a partnership or establish a relationship of principal and agent between any of the parties or (save as otherwise stated herein) otherwise authorise any party to bind any other party for any purpose.

## **14 Entire Agreement and Severance**

### **14.1 Entire agreement**

This Agreement together with the documents referred to in it sets out the entire agreement between the parties, and supersedes any previous agreement between them in relation to the subject matter of this Agreement and those documents.

### **14.2 Acknowledgment by parties**

Each party acknowledges that:

- (a) in entering into this Agreement and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any representation (whether negligent or otherwise) made to it by any person (whether a party to this Agreement or not) which is not expressly set out or referred to in this Agreement;
- (b) the only remedy available to it in respect of any representation or warranty expressly set out or referred to in this Agreement shall be for breach of contract in respect of that term of this Agreement; and
- (c) nothing in this Clause 14 shall operate to exclude or restrict any liability for fraudulent misrepresentation.

### **14.3 Conflict with the Articles**

The parties intend that the provisions of this Agreement shall prevail over the Articles in the event of conflict and, accordingly, the Shareholders shall, if necessary, exercise all voting and other rights and powers available to them as Shareholders or under this Agreement to procure any amendment to the Articles required to give effect to the provisions of this Agreement.

### **14.4 Severance**

If any provision of this Agreement or part thereof is rendered void, illegal or unenforceable in any respect (whether against all or only some of the parties), the validity, legality and enforceability of the remaining provisions (and such aforesaid provision against the other parties) shall not in any way be affected or impaired thereby.

## **15 Amendments**

This Agreement may not be amended, changed, altered, waived or, save as provided in Clause 20, terminated without the written consent of the parties.

## **16 No assignment**

No party may assign its rights under this Agreement without the prior written consent of all other parties.

## **17 Remedies and Waivers**

### **17.1 No waiver or discharge**

No default by any party in the performance of or compliance with any provision of this Agreement shall be waived or discharged except with the express written consent of all other parties.

### **17.2 Saving for future waivers**

No waiver by any party of any default by another party in the performance of or compliance with any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default whether of a like or different character.

### **17.3 Failure to exercise etc. not a waiver**

No failure to exercise, nor delay or omission by any party in exercising, any right, power or remedy conferred on it under this Agreement or provided by law:

- (a) affect that right, power or remedy; or
- (b) operate as a waiver of it.

No single or partial exercise by any party of any right, power or remedy shall prevent any further exercise of that right, power or remedy or the exercise of any other right, power or remedy.

### **17.4 Rights and remedies cumulative**

The rights, powers and remedies conferred on the parties by this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law or otherwise.

## **18 Third party rights**

The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

## **19 Costs**

Each party shall bear the costs and expenses incurred by it in connection with the preparation and implementation of this Agreement.

## **20 Termination**

### **20.1 The Company shall continue until such time as:**

- a) the Purpose has been achieved; or

b) the Company is wound-up pursuant to a statutory process.

20.2 If the Purpose is achieved a Board meeting shall be called to decide whether the Company should ask the Shareholders to liquidate the Company.

20.3 On termination of this Agreement, any assets of the Company may transfer to a successor (or other appropriate) body, including a New Town Development Corporation.

## **21 Duration**

The rights and obligations of each Shareholder shall continue and be enforceable by or against it only while it is a Shareholder of the Company save for rights and obligations in respect of antecedent breaches of this Agreement or the Articles.

## **22 Notices**

### **22.1 Service**

22.1.1 Any notice or other communication to be given under this Agreement shall be in writing and shall be delivered by hand, sent by prepaid first class, recorded delivery or registered post, and shall be addressed to the party to be served in the case of:

- (a) a company at its registered office for the time being;
- (b) Essex's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**];
- (c) Colchester's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**];
- (d) Braintree's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**]; and
- (e) Tendring's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**].

22.1.2 Any claim form, application notice, judgment, order, or other notice of legal process relating to this agreement may be served on a Local Authority by posting it first-class to the address for service specified above, or to such other address for service within England as the relevant party may notify to the other parties from time to time.

### **22.2 Receipt**

Any notice or other communication under this Agreement shall only be effective when received.

## **23 Disputes**

23.1 In the event of a dispute in relation to the Company, or arising out of or relating to this Agreement (including any question regarding its existence, validity or termination) either at the Board or between

the Shareholders, any party shall be entitled to call a meeting of the CEOs/Leaders of each Local Authority with the aim of resolving the dispute (**CEO Meeting**).<sup>1</sup>

- 23.2 If the dispute is not settled within 21 days of the CEO Meeting to resolve the dispute, any party may refer the matter to mediation in accordance with the LCIA Mediation Rules, which are deemed to be incorporated by reference into this Clause 23.
- 23.3 If the dispute is not settled by mediation within 42 days of the CEO Meeting or such further period as the parties to the dispute shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the LCIA Rules, which are deemed to be incorporated by reference into this Clause 23.
- 23.4 In any arbitration commenced pursuant to this Clause 23,
- (a) the number of arbitrators shall be one;
  - (b) the seat, or legal place, of arbitration shall be London, England; and
  - (c) the language to be used in the arbitral proceedings shall be English.

## **24 Governing Law and Jurisdiction**

### **24.1 Governing law**

This Agreement is governed by and is to be construed in accordance with English law.

### **24.2 Jurisdiction**

Subject to Clause 23 the parties agree to submit to the exclusive jurisdiction of the English courts as regards any claim or matter arising out of or in connection with this Agreement.

## **25 Execution of different copies**

The parties may execute this Agreement in any number of copies and on separate copies. Each executed copy counts as an original of this Agreement and all the executed copies form one instrument.

**Signed** on the date appearing at the beginning of this Deed.

## **Schedule 2 – The Purpose**

The purpose of the Company is to co-ordinate 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, inclusive and long term planning and effective engagement.

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<sup>1</sup> RB: Should we include further provisions in respect of such meeting e.g. every LA must have a representative present, notice etc.



A garden community should:

1. be implemented using new models of delivery with the public and private sectors sharing risk and reward and ensuring that the cost of achieving the following is borne by those promoting development of the communities: (i) a high quality of place-making; (ii) timely delivery of both on-site and off-site infrastructure needed to address the impact of the new community; (iii) a mechanism for future stewardship, management, maintenance and renewal of community infrastructure and assets;
2. be planned and delivered in conjunction with a masterplan and other design guidance that have been developed through innovative community engagement;
3. be designed and executed to achieve the highest quality of place-making and design, structuring the new community to create an appropriate hierarchy of centres and walkable neighbourhoods that accommodate strong local cultural, recreational, leisure and retail facilities that underpin community life and relate to the wider urban context, as well as establishing environments that promote health, happiness and well-being;
4. have an appropriate mechanism and funding for community governance and empowerment as well as the long term stewardship of community assets;
5. provide beautifully and imaginatively designed homes with easy access to great green spaces , combining the very best of town and country living;
6. provide development that will contribute to building a balanced and inclusive community including a range of mixed-tenure homes and housing types that are affordable – including to rent – for local people including provision of self- and custom-build, co-ownership and affordable homes;
7. contribute to the creation of a resilient & self-sustaining local economy through offering access to a strong local jobs offer, including within the community itself, that provide a variety of employment opportunities within easy commuting distance of homes;
8. ensure provision of generous green space that builds on existing natural assets and is linked to the wider natural environment, with well-connected and biodiversity-rich public parks, a mix of public and private networks of well-managed, high quality gardens, allotments, tree-lined streets and open spaces;
9. provide in a timely fashion to meet the needs of the growing community, a range of great local schools & education facilities catering for all age groups, needs & skills development, health facilities and other services needed to underpin community life;
10. promote and deliver a step change in sustainable and integrated local transport with excellent walking, cycling and public transport systems fully integrated with land use at its heart, encouraging and incentivising more sustainable active travel patterns overall; and
11. secure delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities to secure the highest standards of technology to reduce the impact of climate change, water efficiency with the aim of being water-neutral, energy efficiency and local energy generation, net gains in biodiversity, efficient management of utilities, excellent access to information technology networks and sustainable waste and mineral management.

## Schedule 3 - Particulars of the Company<sup>2</sup>

<b>Name:</b>	North Essex Garden Communities Limited			
<b>Registered Number:</b>	10319743			
<b>Registered office:</b>	**			
<b>Directors:</b>				
Nominated Directors:	**	**	**	**
Independent Director:	**	**	**	
<b>Company Secretary:</b>	**			
<b>Share Capital:</b>	25 Shares Essex			
	25 Shares Braintree			
	25 Shares Colchester			
	25 Shares Tendring			
No. and type of Shares subscribed:	100 Shares			
Total subscription price (including any premium)	£100			
<b>Auditors:</b>	**			
<b>Accounting Reference Date:</b>	**			
<b>Bankers:</b>	**		**	

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<sup>2</sup> All to be confirmed.

## Schedule 4 – Property Plans

*To be included in the final Shareholders' Agreement.*

## Schedule 5 – Reserved Matters

- 1 Passing any resolution or presenting any petition for the Company's winding up (unless the Company is insolvent).
- 2 Issuing or allotting any share or other capital or reducing, converting, sub-dividing, cancelling or otherwise reorganising, or altering any rights attaching to, any Shares.
- 3 Registering any transfer or allotment of Shares.
- 4 Granting any share option or right to subscribe, acquire or convert into Shares or implementing or varying any incentive, bonus or commission arrangement.
- 5 Ceasing, or making any material change in the nature of, the Company's business, the Purpose or establishing any new business.
- 6 Altering the Company's Articles.
- 7 Changing the Company's auditors.
- 8 Changing the Company's accounting reference date or accounting policies.
- 9 Adopting or approving the Company's annual accounts.
- 10 Approving the Long-term Business Plan or Budget, or amending the Long-term Business Plan or Budget.
- 11 Approving or amending the Financial Procedure Rules.
- 12 Transferring the whole or any material part of the undertaking of the Company.
- 13 Save as set out in the Long-term Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring or disposing of (whether by one or more transactions) any assets, entering into any commitment, or incurring any expenditure.
- 14 Save as set out in the Long-term Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring, disposing of, surrendering or assigning any freehold or leasehold property.
- 15 Save as set out in the Long-term Business Plan or Budget, forming any subsidiary, acquiring or disposing of any interest in any business or company, participating in any partnership, joint venture or profit/revenue sharing arrangement or entering into any scheme of arrangement or merger.
- 16 Save as set out in the Long-term Business Plan or Budget, and subject to the Financial Procedure Rules, incurring any Borrowings or creating any Encumbrance upon or in respect of the whole or part of the business or the Company's assets.

- 17 Entering into any agreement not on bona fide arms' length terms, or (same as set out in the Long-term Business Plan or the Budget) any agreement with any director or with any Shareholder or with any associate of a Shareholder.
- 18 Other than as set out in the Long-term Business Plan, entering into, or varying, any Agreement.
- 19 Save as set out in the Long-term Business Plan or Budget, making any loan or providing any surety or security arrangement in respect of any loan or third party obligation whatsoever.
- 20 Save as set out in the Long-term Business Plan or Budget, granting any service or consultancy agreement to any Senior Employee or varying or terminating any such agreement.
- 21 Paying any Directors' remuneration, fees or expenses other than pursuant to a Director's Letter.
- 22 Save as set out in the Long-term Business Plan or Budget, initiating or settling any litigation or arbitration which will, or is likely to, have:
  - (i) a material impact on the reputation of the Local Authorities, the Company or any LDV, or
  - (ii) the ability of the Company to achieve the Purpose.
- 23 Opening any bank account or signing or varying any bank mandate, in each case other than in accordance with the Financial Procedure Rules.
- 24 Giving any approval for or on behalf of the Company required under Part A Schedule 4 (Reserved Matters) of each LDVs shareholders' agreement.

**Signed by \*\*** authorised )  
for **ESSEX COUNTY COUNCIL** )

**Signed by \*\*** authorised )  
for **COLCHESTER** )  
**BOROUGH COUNCIL** )

**Signed by \*\*** authorised )  
for **TENDRING DISTRICT COUNCIL** )

**Signed by \*\*** authorised )  
for **BRAINTREE DISTRICT COUNCIL** )  
)

**Signed by \*\*** authorised )  
for **NORTH ESSEX** )  
**GARDEN COMMUNITIES LIMITED** )

## Appendix 4:

### DRAFT TERM SHEET

North Essex Garden Communities: LDV1

Tendring Colchester Borders Limited

<p><b>1. Definitions</b></p>	<p><b>A Share</b> means an A share of nominal value £1 in the capital of the Company.</p> <p><b>A Shareholder</b> means a holder of A Shares.</p> <p><b>Articles</b> means the articles of association of the Company from time to time.</p> <p><b>B Share</b> means a B share of nominal value £1 in the capital of the Company.</p> <p><b>B Shareholder</b> means a holder of B Shares.</p> <p><b>Board</b> means the board of Directors.</p> <p><b>Braintree</b> means Braintree District Council.</p> <p><b>Budget</b> means a budget (including revenues, operating and capital expenditures, and cash flow) of the Company for a relevant financial period.</p> <p><b>Chair</b> means Chair of the Board.</p> <p><b>Colchester</b> means Colchester Borough Council.</p> <p><b>Company</b> means Tendring Colchester Borders Limited, a private company limited by shares.</p> <p><b>Director</b> means a director of the Company.</p> <p><b>Director Letter</b> means an engagement letter to be entered into between the Company and each Director.</p> <p><b>Essex</b> means Essex County Council.</p> <p><b>Financial Procedure Rules</b> means the financial procedure rules adopted by the Company from time to time with the approval of NEGC.<sup>1</sup></p> <p><b>Funding Agreement</b> means any funding agreement entered into from time to time between (1) Essex, Colchester or Tendring as lender, and (2) the Company as borrower.</p> <p><b>Independent Director</b> means a director who is not a Nominated Director or a Landowner Director.</p>
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<sup>1</sup> Set of financial procedures to be drafted.

	<p><b>Landowner/Optionholder</b> means [ ] (for so long as [it/they] [has/have] any interest in the Property), and/or such other person as NEGC determines.</p> <p><b>Landowner Directors</b> means a person nominated by the Landowner/Optionholder and appointed as a Director.</p> <p><b>LDV Business Plan</b> means a 2 year business plan as adopted and amended by the Board (with the approval of the Shareholders) from time to time; such business plan covering delivery of the Project and such other matters as the Board may determine, and consistent with the aims and requirements of the Master Plan and the Long-term Business Plan.</p> <p><b>Local Authority</b> means Essex, Braintree, Colchester or Tendring.</p> <p><b>Long-term Business Plan</b> means a business plan for the lifetime of the Project (with a higher level of detail for the next 5 years) as adopted by NEGC from time to time; such business plan covering infrastructure requirements, finance, planning and such other matters as NEGC determines, and consistent with the aims and requirements of the Master Plan.</p> <p><b>Master Plan</b> means the planning policy document adopted by the relevant local planning authority in relation to the Property which set out proposals for buildings, spaces, movement strategy and land use in three dimensions and matches these proposals to a delivery strategy and development programme.</p> <p><b>NEGC</b> means North Essex Garden Communities Limited, a joint strategic entity which is owned equally by each Local Authority.</p> <p><b>Nominated Director</b> means a Director appointed by Essex, Colchester or Tendring.</p> <p><b>Project</b> means the development of the Property as a garden community in accordance with the Purpose.</p> <p><b>Property</b> means the property [<i>location description</i>] which is approximately identified in the plan attached in Schedule 2.</p> <p><b>Purpose</b> has the meaning given in paragraph 2 below.</p> <p><b>Senior Employee</b> means an employee whose total annual remuneration exceeds or is likely to exceed £75,000.</p> <p><b>Share</b> means an A Share or a B Share.</p> <p><b>Shareholder</b> means an A Shareholder or a B Shareholder.</p> <p><b>Shareholders' Agreement</b> means the shareholders' agreement to be entered into in relation to the business and operation of the Company between NEGC, Essex, Colchester, Tendring and the Company.</p> <p><b>Tendring</b> means Tendring District Council.</p>
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<b>2. Purpose</b>	<ul style="list-style-type: none"> <li>• The purpose of the Company is to secure the development of the Property in accordance with the Project Plan, the Master Plan and the principles set out in Schedule 1 (the <b>Purpose</b>)</li> <li>• The Purpose (as set out in Schedule 1) will be included in the following documents: <ul style="list-style-type: none"> <li>– the Shareholders' Agreement</li> <li>– the Articles (perhaps in an abbreviated form)</li> <li>– the Director Letters</li> </ul> </li> <li>• The Purpose can only be changed with the prior consent of all of the Local Authorities</li> </ul>
<b>3. Shares</b>	<p><b>Initial Shareholders:</b> At closing:</p> <ul style="list-style-type: none"> <li>• NEGC will subscribe for 100 A Shares at £1 each</li> <li>• Essex will subscribe for • B Shares at £• each</li> <li>• Colchester will subscribe for • B Shares at £• each</li> <li>• Tendring will subscribe for • B Shares at £• each</li> </ul> <p><b>A Share rights:</b> The A Shares shall have the following rights:</p> <ul style="list-style-type: none"> <li>• Each A Share will entitle the holder to one vote on any Shareholder resolution</li> <li>• The A Shares will carry no right to receive dividends</li> <li>• On a return of capital, the A Shares will entitle the holder to a return of nominal value, but no more</li> </ul> <p><b>B share rights<sup>2</sup>:</b> The B Shares shall have the following rights:</p> <ul style="list-style-type: none"> <li>• The B Shares will carry no right to vote save that each B share shall carry the right to 2 votes on any vote which: <ul style="list-style-type: none"> <li>– materially affects, or is likely to materially affect, the delivery of the Project, or the infrastructure for the Project, in accordance with the timetable set out in the Business Plans; or</li> <li>– materially affects, or is likely to materially affect, the Company's ability to repay any sums due under any Funding Agreement when due; or</li> <li>– is likely to result in a material breach of any Funding Agreement by the Company</li> </ul> </li> <li>• The B Shares shall carry a right to receive dividends</li> </ul>

<sup>2</sup> It may also be that B Shares are issued to an external funder

	<ul style="list-style-type: none"> <li>The B Shares shall be entitled to receive (on a pro-rata basis) any capital return to Shareholders (subject to the A Share rights mentioned above)</li> </ul> <p><b>Interpolated voting:</b> The NEGC constitution should be drafted so that in relation to any decision of the NEGC shareholders or board specifically affecting the Company only, only Essex, Colchester and Tendring shall be entitled to vote on that decision.</p>
<b>4. Directors</b>	<p><b>Appointment/Removal:</b> The directors shall be appointed as follows:</p> <ul style="list-style-type: none"> <li>Each of Essex, Colchester and Tendring have the right to appoint and remove a Director (each a <b>Nominated Director</b>)</li> <li>The Landowner/Optionholder shall have a right to appoint up to 3 Directors; provided that any replacement Director must be approved by NEGC before they are appointed (each a <b>Landowner Director</b>). If a Landowner/Optionholder ceases to have any interest in the Property, the Landowner Director nominated by that Landowner/Optionholder shall (unless NEGC otherwise requires) immediately resign as a Director</li> <li>NEGC shall be entitled to appoint a further 3 independent Directors (each an <b>Independent Director</b>)</li> <li>Any Director other than a Nominated Director may be removed by notice sent by NEGC to the Company</li> <li>On appointment, each Director and the Company will enter into a Director Letter</li> </ul> <p><b>Chair:</b> The Board will either (i) appoint an appropriate person as Chair (and Independent Director) or (ii) appoint a chair from amongst the Directors with the expectation that an Independent Director will be elected. If the proposed Chair is not an Independent Director the approval of all Nominee Directors will be needed for the appointment. Any such appointment will be for a maximum 2 year term. The Chair shall not have a casting vote.</p> <p><b>Operation:</b> The Directors will manage the business of the Company to achieve the Purpose and in accordance with the requirements of the LDV Business Plan and the Long-term Business Plan.</p> <p><b>Board Meetings:</b> It is expected that Board meetings will be held four times a year, or more frequently as the Board may decide.</p> <p><b>Notice:</b> There will be seven days' notice of any Board meeting (or shorter notice if agreed by a majority of the Directors).</p> <p><b>Quorum:</b> The quorum for Board meetings will be at least one Nominated Director, one Landowner Director, and one Independent Director. If the quorum is not present at the appointed time for the meeting, an adjourned meeting will be called. At that adjourned meeting, at least one Nominated Director needs to be present for a quorum.</p>



	<p><b>Conflicts:</b> In relation to a Director's conflict:</p> <ul style="list-style-type: none"> <li>• The Director is obliged to declare his or her conflict at the beginning of any Board meeting</li> <li>• If that declaration indicates a dispute or possible dispute, the Board may decide whether or not the conflicted Director should withdraw from all or part of that meeting</li> </ul> <p><b>Alternate Directors:</b> It is expected that each Director will make every effort to attend Board meetings, and will only miss Board meetings in exceptional circumstances. Each Director Letter will name an alternate to attend, speak and vote in Board meetings in the appointing Director's absence.</p> <p><b>Indemnity:</b> The Articles will contain a standard permission to allow a Director to receive the benefit of an indemnity from the Company.</p>
<b>5. Business Plan<sup>3</sup></b>	<p>The Company's business will be operated in accordance with, and to achieve the aims set out in, the Long-term Business Plan and the LDV Business Plan. The Board will be responsible for (i) preparing the LDV Business Plan and Budget and (ii) monitoring progress against the LDV Business Plan and Budget, and may suggest changes to the LDV Business Plan and Budget from time to time. Any LDV Business Plan or Budget, and any changes to either must be approved by NEGC. In addition, any such changes need to be consistent with the Long-term Business Plan, Master Plan and the Purpose. If there are any changes made to the Long-term Business Plan, Master Plan or the Purpose, the Board will meet to discuss whether any changes are required to the LDV Business Plan and Budget, subject to NEGC approval.</p> <p>If the Company undertakes any business which is outside the remit of the Long-term Business Plan or the LDV Business Plan, or incurs any expenditure or liability that means the Company will breach the Budget, or is likely to be in breach of the Budget, the Board will promptly notify NEGC in writing.</p>
<b>6. Reserved Matters</b>	<p>Schedule 3 contains a number of reserved matters. Before the Company undertakes any of the reserved matters in Part A of Schedule 3, it needs the prior written approval of Essex, Colchester and Tendring. Before the Company undertakes any of the reserved matters in Part B of Schedule 3, it needs the prior written approval of NEGC.</p>
<b>7. Share Transfers</b>	<p>No Shares may be transferred without the prior written consent of Essex, Colchester and Tendring, save that Shares may be transferred to successor bodies (including any new town development corporation).</p>
<b>8. Termination</b>	<p>The Company shall continue until such time as:</p> <ul style="list-style-type: none"> <li>• The Purpose has been achieved; or</li> <li>• The Company is wound up pursuant to a statutory process</li> </ul>

<sup>3</sup> The intention is to give the LDV, through flexible drafting of the LDV Business Plan and the Budget (in the context of the Financial Procedure Rules), sufficient operational freedom

	On a termination, any assets of the Company may transfer to a successor (or other appropriate) body (including any new town development corporation).
<b>9. Disputes</b>	If there is any dispute in relation to the Company, either at Board or Shareholder level, that dispute will be escalated to the NEGC board. If the dispute is still unresolved 21 days after the NEGC board has met to discuss, Essex, Colchester or Tendring may refer the matter to mediation. If the dispute is still unresolved 42 days after the NEGC board has met to discuss, Essex, Colchester or Tendring may refer the matter to arbitration.
<b>10. Documentation</b>	<p>Following the agreement of this term sheet, Dentons will prepare the following documentation:</p> <ul style="list-style-type: none"> <li>• Shareholders' Agreement – in addition to the provisions referred to above, that agreement will also contain provisions in relation to: <ul style="list-style-type: none"> <li>– set-up arrangements</li> <li>– business housekeeping (company books, insurance etc)</li> <li>– information provision to NEGC, Essex, Colchester and Tendring</li> <li>– confidentiality and announcements</li> </ul> </li> <li>• Articles</li> <li>• Director Letters – in addition to the provisions referred to above, each letter will also contain the following details: <ul style="list-style-type: none"> <li>– the period of the appointment</li> <li>– name of alternate director</li> <li>– remuneration (if any)</li> <li>– costs and expenses</li> <li>– indemnity</li> </ul> </li> </ul>

## Schedule 1 – Purpose

To secure the development of the Property to create a garden community, being a self-sustaining community 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, inclusive and long term planning and effective engagement.

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A garden community should:

- Be implemented using new models of delivery with the public and private sectors sharing risk and reward and ensuring that the cost of achieving the following is borne by those promoting development of the communities: (i) a high quality of place-making; (ii) timely delivery of both on-site and off-site infrastructure needed to address the impact of the new community; (iii) a mechanism for future stewardship, management, maintenance and renewal of community infrastructure and assets;
- Be planned and delivered in conjunction with a masterplan and other design guidance that have been developed through innovative community engagement;
- Be designed and executed to achieve the highest quality of place-making and design, structuring the new community to create an appropriate hierarchy of centres and walkable neighbourhoods that accommodate strong local cultural, recreational, leisure and retail facilities that underpin community life and relate to the wider urban context, as well as establishing environments that promote health, happiness and well-being;
- Have an appropriate mechanism and funding for community governance and empowerment as well as the long term stewardship of community assets;
- Provide beautifully and imaginatively designed homes with easy access to great green spaces, combining the very best of town and country living;
- Provide development that will contribute to building a balanced and inclusive community including a range of mixed-tenure homes and housing types that are affordable – including to rent – for local people including provision of self- and custom-build, co-ownership and affordable homes;
- Contribute to the creation of a resilient & self-sustaining local economy through offering access to a strong local jobs offer, including within the community itself, that provide a variety of employment opportunities within easy commuting distance of homes;
- Ensure provision of generous green space that builds on existing natural assets and is linked to the wider natural environment, with well-connected and biodiversity-rich public parks, a mix of public and private networks of well-managed, high quality gardens, allotments, tree-lined streets and open spaces;
- Provide in a timely fashion to meet the needs of the growing community, a range of great local schools & education facilities catering for all age groups, needs & skills development, health facilities and other services needed to underpin community life;
- Promote and deliver a step change in sustainable and integrated local transport with excellent walking, cycling and public transport systems fully integrated with land use at its heart, encouraging and incentivising more sustainable active travel patterns overall;
- Secure delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities to secure the highest standards of technology to reduce the impact of climate change, water efficiency with the aim of being water-neutral, energy efficiency and local energy generation, net gains in biodiversity, efficient management of utilities, excellent access to information technology networks and sustainable waste and mineral management.

## Schedule 2 - Property Plan

*To be included in the final Term Sheet.*

## Schedule 3 – Reserved Matters

### Part A

- 1 Passing any resolution or presenting any petition for the Company's winding up (unless the Company is insolvent).
- 2 Issuing or allotting any share or other capital or reducing, converting, sub-dividing, cancelling or otherwise reorganising, or altering any rights attaching to, any Shares.
- 3 Registering any transfer or allotment of Shares.
- 4 Granting any share option or right to subscribe, acquire or convert into Shares or implementing or varying any incentive, bonus or commission arrangement.
- 5 Ceasing, or making any material change in the nature of, the Company's business, the Purpose or establishing any new business.
- 6 Altering the Company's Articles.

### Part B

- 1 Changing the Company's auditors.
- 2 Changing the Company's accounting reference date or accounting policies.
- 3 Adopting or approving the Company's annual accounts.
- 4 Approving the LDV Business Plan or Budget, or amending the LDV Business Plan or Budget.
- 5 Approving or amending the Financial Procedure Rules.
- 6 Transferring the whole or any material part of the undertaking of the Company.
- 7 Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring or disposing of (whether by one or more transactions) any assets, entering into any commitment, or incurring any expenditure.
- 8 Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring, disposing of, surrendering or assigning any freehold or leasehold property.
- 9 Save as set out in the LDV Business Plan or Budget, forming any subsidiary, acquiring or disposing of any interest in any business or company, participating in any partnership, joint venture or profit/revenue sharing arrangement or entering into any scheme of arrangement or merger.

- 10 Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, incurring any borrowings or creating any encumbrance upon or in respect of the whole or part of the business or the Company's assets.
- 11 Entering into any agreement not on bona fide arms' length terms, or (same as set out in the LDV Business Plan or the Budget) any agreement with any director or with any Shareholder or with any associate of a Shareholder.
- 12 Other than as set out in the LDV Business Plan, entering into, or varying, any Agreement.
- 13 Save as set out in the LDV Business Plan or Budget, making any loan or providing any surety or security arrangement in respect of any loan or third party obligation whatsoever.
- 14 Save as set out in the LDV Business Plan or Budget, granting any service or consultancy agreement to any Senior Employee or varying or terminating any such agreement.
- 15 Paying any Directors' remuneration, fees or expenses other than pursuant to a Director Letter.
- 16 Save as set out in the LDV Business Plan or Budget, initiating or settling any litigation or arbitration which will, or is likely to, have:
  - (i) a material impact on the reputation of the Local Authorities, NEGC or the Company, or
  - (ii) the ability of the Company to achieve the Purpose.
- 17 Opening any bank account or signing or varying any bank mandate, in each case other than in accordance with the Financial Procedure Rules.

## Appendix 5:



### Shareholders' agreement in relation to Tendring Colchester Borders Limited

#### Dated

**North Essex Garden Communities Limited**  
(NEGC)

**Essex County Council**  
(Essex)

**Colchester Borough Council**  
(Colchester)

**Tendring District Council**  
(Tendring)

**Tendring Colchester Borders Limited**  
(The Company)

Dentons UKMEA LLP  
One Fleet Place  
London EC4M 7WS  
United Kingdom

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	<b>List of Agreed Form Documents</b>	
-	Articles (Clause 3.2(a))	
-	Financial Procedure Rules	
-	Director's Letter (Clause 3.2(b))	
-	Landowners' Agreement	



# Shareholders' Agreement

## Dated

## Between

- (1) **North Essex Garden Communities Limited (NEGC)** a company incorporated in England and Wales with registered number 10319743 having its registered office at \*\* ;
- (2) **Essex County Council (Essex)** of County Hall, Market Road, Chelmsford, CM1 1QH ;
- (3) **Colchester Borough Council (Colchester)** of Rowan House, 33 Sheepen Road, Colchester, Essex, CO3 3WG;
- (4) **Tendring District Council (Tendring)** of Town Hall, Station Road, Clacton-On-Sea, Essex, CO15 1SE; and
- (5) **Tendring Colchester Borders Limited (the Company)** a company incorporated in England and Wales with registered number 10320201 having its registered office at \*\* .

## Recitals

- A. NEGC is a joint strategic entity which is equally owned by each Local Authority.
- B. The parties have agreed to develop the Property in accordance with the Purpose through the Company.

## It is agreed

### 1 Definitions and Interpretation

#### 1.1 Definitions

In this Agreement the following definitions shall apply.

**A Share** means an ordinary share of £1 each in the capital of the Company.

**A Shareholder** means a holder of A Shares.

**Act** means the Companies Act 2006.

**Articles** means the articles of association of the Company in the agreed form and as subsequently amended from time to time in accordance with this Agreement.

**B Share** means a B ordinary share of £1 each in the capital of the Company.

**B Shareholder** means a holder of B Shares.

**Board** means the board of Directors.

**Borrowings** means [bank and other loans, and finance provided under hire purchase, factoring, leasing acceptance credits and similar arrangements.]

**Budget** means a budget (including revenues, operating and capital expenditures and cash flow) of the Company for a relevant financial period.

**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for the transaction of general business.

**Chair** means the chair from time to time of the Board.

**Completion** means completion of the matters specified in Clause 3.

**Director** means a director of the Company from time to time.

**Director's Letter** means an engagement letter in the agreed form to be entered into between the Company and each Director.

**Encumbrance** means any mortgage, charge, pledge, hypothecation, lien, assignment by way of security, title retention, option, right to acquire, right of pre-emption, right of set-off, counterclaim, trust arrangement or other security, preferential right or agreement to confer security, or any equity or restriction (but excluding liens arising by operation of law) and **Encumber** shall be construed accordingly.

**Financial Procedure Rules** means the financial procedure rules in the agreed form adopted by the Company with the approval of NEGC (as amended from time to time).

**Funding Agreement** means any debt funding agreement entered into from time to time between a Local Authority and the Company.

**Independent Director** means a director who is not a Nominated Director or a Landowner Director, such director being appointed by NEGC.

**Initial Shareholders** means together NEGC, Essex, Colchester and Tendring.

**Intellectual Property** means patents, trade marks, service marks, trade names, domain names, rights in designs, semiconductor topography rights, database rights of unfair extraction and reutilisation, copyrights (including rights in computer software), rights in know-how and other intellectual or industrial property rights (whether registered or unregistered and including applications for the registration of any of the foregoing) and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world.

**Joint Delivery Group** means a joint delivery group established by NEGC to provide the Services.

**Landowner** means [each of ][\*\* ] (for so long as [it/they] [has/have] any interest in the Property), and/or such other person as NEGC may determine.<sup>1</sup>

**Landowners' Agreement** means an agreement [in the agreed form] entered into from time to time between each of the [Landowners] [Optionholders] and the Company.

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<sup>1</sup> TBD

**Landowner Director** means a person nominated by the [Landowner/Optionholder] and appointed as a Director.

**LCIA Rules** means the LCIA Arbitration Rules 2014.

**LDV Business Plan** means a 2 year business plan as adopted and amended by the Board (with the approval of NEGC) from time to time; such business plan covering delivery of the Project, a detailed short-term action plan and such other matters as the Board may determine, and consistent with the aims and requirements of the Master Plan and the Long-term Business Plan.

**Local Authority** means Essex, Braintree District Council, Colchester or Tendring.

**Long-term Business Plan** means a business plan for the lifetime of the Project (with a higher level of detail for the next 5 years) relation to the Company as adopted from time to time by NEGC with the prior consent of Essex, Colchester and Tendring; such business plan covering, infrastructure requirements, finance, planning and such other matters as NEGC determines, and consistent with the aims and requirements of the Master Plan.

**Master Plan** means a document in relation to the Project as adopted by the relevant local planning authority that sets out proposals for land uses buildings, spaces, access and movement and other spatial components and sets the basis for planning applications.

**New Town Development Corporation** means a corporation established under section 1 of the New Towns Act 1981 or similar future legislation, as amended from time to time.

**Nominated Director** means a Director appointed by Essex, Colchester or Tendring.

**[Optionholder]** means [each of ][\*\* ] (for so long as [it/they] [has/have] an option in respect of the Property), and/or such other person as NEGC may determine.]

**Project** means the development of the Property as a garden community in accordance with the Purpose.

**Property** means the property [*location description*] which is approximately identified in the plan attached in Schedule 4.

**Purpose** has the meaning given in Clause 2.1 below.

**Senior Employee** means an employee whose total annual remuneration exceeds or is likely to exceed £75,000.

**Services** means management and technical support and such other support and services the Company may require, and NEGC may provide, from time to time.

**Share** means an A Share or a B Share in the share capital of the Company.

**Shareholder** means an A Shareholder or a B Shareholder.

## 1.2 Interpretation

In this Agreement, unless otherwise specified:

- (a) the index and headings are for ease of reference only and shall not be taken into account in construing this Agreement;
- (b) references to this Agreement or any other document shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented or replaced from time to time;
- (c) references to any recital, clause, paragraph or Schedule are to those contained in this Agreement, and all Schedules to this Agreement are an integral part of this Agreement;
- (d) the expression **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole clause (not merely the sub-clause, paragraph or other provision) in which the expression occurs;
- (e) references to a **party** mean a party to this Agreement including that party's successors in title and assigns or transferees permitted in accordance with the terms of this Agreement provided that the relevant property, right or liability has been properly assigned or transferred to such person;
- (f) references to a **director** shall, where the context allows, include reference to the alternate of such director;
- (g) references to a **subsidiary** shall include reference to a subsidiary and a subsidiary undertaking, each as defined in the Act, but on the basis that a company is to be treated as a member of another company for the purposes of subsections 1159(1)(b) and (c) of the Act even if its shares in that other company are registered in the name of:
  - (i) its nominee or any other person acting on its behalf, or
  - (ii) another person by way of security over those shares;
- (h) a document is in the **agreed form** if it is in the form of a draft agreed between and initialled by or on behalf of the Shareholders on or before the date of this Agreement;
- (i) references to any gender shall include the others; and words in the singular include the plural and vice versa;
- (j) references to **legislation** include any statute, bye-law, regulation, rule, subordinate or delegated legislation or order; and reference to any **legislation** is to such legislation as amended, modified or consolidated from time to time and to any legislation replacing it or made under it;
- (k) references to a **person** (or to a word importing a person) shall be construed so as to include:
  - (i) an individual, firm, partnership, trust, joint venture, company, corporation, body corporate, unincorporated body, association, organisation, any government, or state or any agency of a government or state, or any local or municipal authority or other governmental body (whether or not in each case having separate legal personality); and

- (ii) that person's successors in title and assigns or transferees permitted in accordance with the terms of this Agreement provided that the relevant property, right or liability has been properly assigned or transferred to such person;
- (l) the words and expressions defined in sections 250, 390, 391, 471, 540, and 1173 of the Act have the same meanings;
- (m) **in writing** includes any communication made by letter, e-mail or other forms of electronic communication;
- (n) the words **include**, **including** and **in particular** shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words; and
- (o) the words **other** and **otherwise** shall not be construed ejusdem generis with any foregoing words where a wider construction is possible.

## **2 Purpose of the Company**

- 2.1 The parties hereby agree that the purpose of the Company is to secure the development of the Property in accordance with the Master Plan and the principles set out in Schedule 2.
- 2.2 The Purpose can only be amended with the prior written consent of all of the Local Authorities.

## **3 Completion arrangements**

### **3.1 Completion**

Completion shall take place immediately following signature of this Agreement at [*insert relevant address*].

### **3.2 Completion Obligations**

At Completion:

- (a) the parties shall procure that:
  - (i) the Company is established, organised and financed as detailed in Schedule 3;
  - (ii) the Company adopts the Articles; and
  - (iii) [*others?*].
- (b) the Company shall, and the Shareholders shall procure that the Company shall, enter into the following:
  - (i) Director's Letters;
  - (ii) [Any other contracts to be entered into at Completion];
- (c) NEGC shall enter into the following agreements:

(i) [list]

(d) Each of Essex, Colchester and Tendring shall enter into the following agreements:

(i) [list]

### **3.3 No partial Completion**

No party shall be obliged to complete its obligations under Clause 3.2 unless all of the obligations listed in Clause 3.2 are completed with simultaneous effect.

### **3.4 Shareholders' services**

Any Services reasonably required by the Company shall, at the discretion of the board of directors of NEGC, be delivered by the Joint Delivery Group at rates to be agreed between the parties.

## **4 The Board**

### **4.1 Decisions to be referred to the Board**

4.1.1 The Board will manage the business of the Company to achieve the Purpose and in accordance with the requirements of the Long-term Business Plan and the LDV Business Plan.

4.1.2 All policy and management decisions of the Company (including the matters set out in Clause 8) shall be referred to the Board before implementation.

### **4.2 Action by the Board**

The Board shall act by majority vote, except in relation to any matter listed out in Clause 8 in which case no decision or action shall be taken unless any prior written consent required under Clause 8 has been received by the Company and if such consent is so received each of the Directors shall, unless otherwise constrained by their fiduciary duties, vote in favour of such matter.

### **4.3 Nominated Directors**

4.3.1 Each of Essex, Colchester and Tendring shall have the exclusive right to appoint, remove or replace a Nominated Director.

4.3.2 The Directors at the date of Completion shall be as specified in Schedule 3.

### **4.4 Landowner Director<sup>2</sup>**

4.4.1 The [Landowner/Optionholder] shall have the right to appoint up to three Landowner Directors. If any of the initial Landowner Directors ceases to be a Director, any replacement Landowner Director can only be appointed following receipt by the Company of the prior written consent of NEGC.

4.4.2 In the event a [Landowner][Optionholder] ceases to have any interest in the Property, the Landowner Director shall, unless NEGC otherwise requires, immediately resign as a Director of the Company.

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<sup>2</sup> We will need to reflect this in the Landowners' Agreement.

#### **4.5 Independent Director**

NEGC shall have the exclusive right to appoint up to three Independent Directors.

#### **4.6 Alternate Directors**

It is expected that each Director will make every effort to attend Board meetings, and shall only miss Board meetings in exceptional circumstances. Each Director's Letter will contain details of an alternate to attend, speak and vote in Board meetings in the appointing Director's absence.

#### **4.7 Chair**

##### **4.7.1 The Board will either:**

- (a) appoint an appropriate person as Chair (being an Independent Director); or
- (b) appoint a chair from amongst the Directors with the expectation that an Independent Director will be elected.

Any such appointment will be for a maximum 2 year term.

##### **4.7.2 If the proposed Chair is not an Independent Director the approval of all Nominated Directors will be needed for the appointment. The Chair shall not have a second or casting vote.**

#### **4.8 Board meetings**

Board meetings shall be held at such location as a quorum of the Directors agree at intervals of not more than three months. Save as otherwise agreed by a majority of the Directors:

- (a) Board meetings shall be convened by any Director by not less than 7 days' notice, or where the particular circumstances require a shorter period, such shorter period as the circumstances reasonably require, if agreed by a majority of Directors;
- (b) each notice shall be sent to each Director to the address, and/or e-mail address notified to the Company for these purposes, and if notice is required to be sent by e-mail a copy of such notice shall also be sent by post (and air mail if the address is overseas);
- (c) each notice of a Board meeting shall be accompanied by a full agenda and supporting papers;
- (d) each Board meeting shall only deal with the business set out in the agenda which accompanied the notice convening that Board meeting; and
- (e) minutes of each meeting of the Board shall be taken and kept by the company secretary in the books of the Company. Copies of the minutes of each such meeting shall be delivered to each member of the Board as soon as practicable. If a member has not been present at the meeting copies of all papers considered by the Board at the meeting shall be sent to him with the minutes.

#### **4.9 Quorum**

The quorum for a Board meeting shall be at least one Nominated Director, one Landowner Director (if any are appointed) and one Independent Director (if any are appointed) present in person or by his alternate (but so that not less than three individuals shall constitute the quorum). If within 30 minutes of the time appointed for a Board meeting there is no quorum, the Director(s) present shall adjourn the meeting to a place and time not less than five Business Days later provided that at such adjourned meeting the requirement that such Director(s) shall be present shall not apply, and one Nominated Director present and shall constitute a quorum and may conduct the business of the meeting.

#### **4.10 Voting at Board meetings**

At each Board meeting the Directors present shall be entitled to cast one vote on each issue put to a vote.

#### **4.11 Compliance with Agreement**

The Company shall procure that any person who is appointed a Director after the date of this Agreement shall immediately upon becoming a Director of the Company enter into a Director's Letter with the Company to comply with and implement the terms of this Agreement.

#### **4.12 Shareholders to procure Director's resignation**

If a Shareholder ceases to be a Shareholder, it shall procure that every Director appointed by it under this Clause 4 is removed.

#### **4.13 Indemnity**

Each Shareholder shall procure that any Director appointed by it who vacates his office as director (whether by virtue of being removed by that Shareholder or otherwise) shall do so without cost to the Company. That Shareholder shall indemnify the Company and any other Shareholder from and against all claims, demands and rights which any such Director may have against the Company in respect of removal, dismissal, redundancy or otherwise.<sup>3</sup>

#### **4.14 Directors may pass information to their appointor**

A Director may from time to time disclose to the Party who appointed him and its representatives such information as he has regarding the Company.

#### **4.15 Removal of a director**

Any director may be removed by notice sent by NEGC to the Company.

### **5 Business Plans and Budget**

#### **5.1 Interim business plans**

Until such time as an LDV Business Plan is adopted by the Company in accordance with this Agreement, the Company may operate under such business plan as the Board shall determine

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<sup>3</sup> Do we need the Landowner to sign up to a similar provision in the Landowners' Agreement?



(provided that such business plan is not in conflict with any Long-term Business Plan adopted by NEGC at that time).

## **5.2 Business plans**

5.2.1 Within three months of a full Board being appointed (being three Nominated Directors and at least three other Directors) the Company shall, subject to NEGC approval, formally adopt an LDV Business Plan.

5.2.2 The Company's business will also be operated in accordance with, and to achieve the aims set out in, the Long-term Business Plan.

5.2.3 The Board shall be responsible for, amongst other things:

- (a) preparing the LDV Business Plan and Budget; and
- (b) monitoring progress against the LDV Business Plan and Budget,

and may suggest amendments to the LDV Business Plan and Budget from time to time.

5.2.4 In addition, the Board shall submit any draft LDV Business Plan to NEGC no later than two months before the end of the period to which the current LDV Business Plan relates. Such LDV Business Plan shall not be adopted by the Company until such time as NEGC approval has been received.

5.2.5 Any amendments to the LDV Business Plan or Budget must first be approved in writing by NEGC. In order to obtain NEGC written approval, the Board shall submit to NEGC in writing the LDV Business Plan or Budget together with a proposal setting out the amendments, and an explanation for the amendments. Any such amendments need to be consistent with the Long-term Business Plan, Master Plan and the Purpose.

5.2.6 If there are any amendments made to the Long-term Business Plan, Master Plan or the Purpose, the Board will meet to discuss whether any amendments are required to the LDV Business Plan and Budget, subject always to NEGC's approval.

5.2.7 If the Company undertakes any business which is outside the remit of the Long-term Business Plan or LDV Master Plan, or incurs any expenditure or liability that means the Company will breach or exceed the Budget, or is likely to be in breach of the Budget, the Board will promptly notify NEGC in writing. Such notification will provide:

- (i) detailed information in relation to such expenditure or liability, including an explanation of the circumstances; and
- (ii) suggested remedial action.

5.2.8 Where there is any amendment to the Long-term Business Plan, Master Plan or the Purpose, the Board shall ensure that any corresponding amendments necessary to the remaining LDV Business Plan are also made.

## **5.3 Budget**

- 5.3.1 The Board shall submit any draft Budget to NEGC no later than two months before the start of each financial period of the Company. Such Budget shall not be adopted by the Company until such time as NEGC approval has been received.
- 5.3.2 If, at the end of any financial period, the Budget for the next financial period has not been agreed, the Company should comply with the requirements of the Financial Procedure Rules until such time as the relevant Budget has been approved by the NEGC.

## **6 Financing the Company**

### **6.1 Financing**

The Company shall be financed through the moneys subscribed for issued shares and lent under any Funding Agreement, or otherwise as the Shareholders may agree.

### **6.2 Borrowing limit**

The parties shall procure that the Company does not exceed any borrowing limit contained in the Budget or the Financial Procedure Rules.

### **6.3 No Shareholder obligations to fund**

No Shareholder shall be obliged to advance any loan to the Company except pursuant to any Funding Agreement.

## **7 Information and Operation of the Company**

### **7.1 Information**

The Company shall provide to each Shareholder and Director and where requested, to their representatives, the following:

- (a) a profit and loss account estimate for the Company within 10 Business Days of the end of each month;
- (b) unaudited management accounts for the Company within 20 Business Days from the end of each month including a profit and loss account for that month and for the financial year to date (in each case measured against the budget for the relevant period) and 12 month forecast cash flows;
- (c) audited statutory accounts for the Company within 60 Business Days from the end of the financial year;
- (d) access to the Company's books, records, Senior Employees and auditors at such times as may reasonably be requested; and
- (e) such other information relating to the Company as any Shareholder may reasonably request from time to time,

and without prejudice to the foregoing, the Company shall keep the Shareholders fully and promptly informed of all material developments regarding the Company's financial and

business affairs and all significant events (including any litigation or arbitration) which will or may affect the Company.

## **7.2 Operation of the Company**

The Company shall, and the Shareholders shall procure that the Company, shall:

- (a) carry on and conduct its business on a commercial basis in a proper lawful and efficient manner for its own benefit;
- (b) transact all business on arm's length terms;
- (c) ensure that all its business other than routine business is undertaken or supervised by the Directors;
- (d) obtain and maintain all necessary licences and approvals required in order to carry on the business; and
- (e) observe and perform its obligations under each contract referred to in Clause 3.2(b).

## **8 Reserved matters**

The Company agrees, so far as it lawfully may, and the Shareholders agree to procure, so far as is within their powers as Shareholders, that the matters listed in:

- (a) Part A of Schedule 5 in relation to the Company shall require and shall only be implemented if the Company shall have received the prior written consent of Essex, Colchester and Tendring; and
- (b) Part B of Schedule 5 in relation to the Company shall require and shall only be implemented if the Company shall have received the prior written consent of NEGC.

## **9 Transfer of Shares**

No Shareholder shall assign, transfer, exchange, encumber or otherwise dispose of any of the Shares held by it or any interest in them without the prior written consent of the other Shareholders.

## **10 Protection of Name: Intellectual Property**

### **10.1 Shareholders' rights to their intellectual property**

The Shareholders hereby acknowledge and agree that all Intellectual Property Rights used in the Business but owned or provided by a Shareholder or any associate of a Shareholder (not being the Company) shall unless specifically otherwise agreed in writing remain the property of that Shareholder, shall be deemed licensed to the Company on such terms as agreed by the Shareholder and the Company, or if there is no agreement on a non-exclusive royalty-free basis for so long as the party remains a Shareholder.

### **10.2 Company's rights to its intellectual property**

Any Intellectual Property Rights which arise in the course of the Company's activities and are developed by the Company, its Directors, employees or agents shall belong to the Company

and shall be deemed licensed to each of the Shareholders on such terms as are agreed by the Company and the relevant Shareholder or if there is no agreement, on a non-exclusive royalty-free basis for so long as the relevant Shareholder remains a Shareholder.

## **11 Freedom of Information**

The parties acknowledge that the parties to this Agreement may be subject to the Freedom of Information Act 2000 and/or the Environmental Information Regulations 2004 and may be required to disclose information in response to requests within the terms of that legislation. Where appropriate the relevant party shall rely on any applicable exemptions in that legislation to justify not disclosing such information. Each party agrees to consult with the other parties to this Agreement as soon as reasonably practicable after receiving any such request and before disclosing any information concerning the Company.

## **12 Announcements and Confidentiality**

### **12.1 No announcements without agreement**

Save as required by law or with the prior written consent of the other parties no statement or announcement of any nature relating to the subject matter of or the transaction referred to in this Agreement or the establishment or operations of the Company shall be made to the public, the press or otherwise unless in a form previously agreed between the Shareholders.

### **12.2 Shareholders' confidentiality obligations**

12.2.1 Subject to Clause 11 each Shareholder shall (and shall procure that their representatives shall) at all times keep confidential and shall not use (other than for the benefit of the Company) any confidential information which it or they may have or acquire in relation to the business, finances, assets or affairs of the Company or any other party, save for any information:

- (a) which is publicly available or becomes publicly available otherwise than as a result of a breach of this Clause<sup>12</sup>;
- (b) which is disclosed to that party by a third party which did not acquire the information under an obligation of confidentiality;
- (c) which is required to be disclosed by law or the rules of any recognised investment exchange (as that term is used in section 285 of the Financial Services and Markets Act 2000) to which that Shareholder.

12.2.2 No Shareholder shall use any confidential information acquired in relation to another Shareholder pursuant to the performance of this Agreement for any purpose without the prior consent in writing of that Shareholder.

### **12.3 Company's confidentiality obligations**

The Company shall observe a similar obligation of confidence to that set out in Clause 12.2.1 in favour of each Shareholder.

#### **12.4 Duration of confidentiality obligations**

The obligations in this Clause 12 shall continue to apply after termination of this Agreement and after any party has ceased to be party to this Agreement without limit in time.

### **13 Relationship between Shareholders and the Company**

#### **13.1 Shareholders' procurement obligation**

Each of the Shareholders agrees it shall exercise its rights hereunder and as a Shareholder in the Company in such manner as could reasonably be expected to prevent, and shall not exercise those rights in any manner which could reasonably be expected to result in, a breach by the Company of any of its obligations under this Agreement or any Funding Agreement or any restrictions imposed upon it under its Articles (whether or not enforceable against the Company itself).

#### **13.2 No partnership**

Nothing in this Agreement, and no action taken under this Agreement, shall create a partnership or establish a relationship of principal and agent between any of the parties or (save as otherwise stated herein) otherwise authorise any party to bind any other party for any purpose.

### **14 Entire Agreement and Severance**

#### **14.1 Entire agreement**

This Agreement together with the documents referred to in it sets out the entire agreement between the parties, and supersedes any previous agreement between them in relation to the subject matter of this Agreement and those documents.

#### **14.2 Acknowledgment by parties**

Each party acknowledges that:

- (a) in entering into this Agreement and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any representation (whether negligent or otherwise) made to it by any person (whether a party to this Agreement or not) which is not expressly set out or referred to in this Agreement;
- (b) the only remedy available to it in respect of any representation or warranty expressly set out or referred to in this Agreement shall be for breach of contract in respect of that term of this Agreement; and
- (c) nothing in this Clause 14 shall operate to exclude or restrict any liability for fraudulent misrepresentation.

#### **14.3 Conflict with the Articles**

The parties intend that the provisions of this Agreement shall prevail over the Articles in the event of conflict and, accordingly, the Shareholders shall, if necessary, exercise all voting and other rights and powers available to them as Shareholders or under this Agreement to

procure any amendment to the Articles required to give effect to the provisions of this Agreement.

#### **14.4 Severance**

If any provision of this Agreement or part thereof is rendered void, illegal or unenforceable in any respect (whether against all or only some of the parties), the validity, legality and enforceability of the remaining provisions (and such aforesaid provision against the other parties) shall not in any way be affected or impaired thereby.

#### **15 Amendments**

This Agreement may not be amended, changed, altered, waived or, save as provided in Clause 20, terminated without the written consent of the parties.

#### **16 No assignment**

No party may assign its rights under this Agreement without the prior written consent of all other parties.

#### **17 Remedies and Waivers**

##### **17.1 No waiver or discharge**

No default by any party in the performance of or compliance with any provision of this Agreement shall be waived or discharged except with the express written consent of all other parties.

##### **17.2 Saving for future waivers**

No waiver by any party of any default by another party in the performance of or compliance with any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default whether of a like or different character.

##### **17.3 Failure to exercise etc. not a waiver**

No failure to exercise, nor delay or omission by any party in exercising, any right, power or remedy conferred on it under this Agreement or provided by law:

- (a) affect that right, power or remedy; or
- (b) operate as a waiver of it.

No single or partial exercise by any party of any right, power or remedy shall prevent any further exercise of that right, power or remedy or the exercise of any other right, power or remedy.

##### **17.4 Rights and remedies cumulative**

The rights, powers and remedies conferred on the parties by this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law or otherwise.

## **18 Third party rights**

The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

## **19 Costs**

Each party shall bear the costs and expenses incurred by it in connection with the preparation and implementation of this Agreement.

## **20 Termination**

20.1 The Company shall continue until such time as:

- a) the Purpose has been achieved; or
- b) the Company is wound-up pursuant to a statutory process.

20.2 If the Purpose is achieved a Board meeting shall be called to decide whether the Company should ask the Shareholders to liquidate the Company.

20.3 On termination of this Agreement, any assets of the Company may transfer to a successor (or other appropriate) body, including a New Town Development Corporation.

## **21 Duration**

The rights and obligations of each Shareholder shall continue and be enforceable by or against it only while it is a Shareholder of the Company save for rights and obligations in respect of antecedent breaches of this Agreement or the Articles.

## **22 Notices**

### **22.1 Service**

22.1.1 Any notice or other communication to be given under this Agreement shall be in writing and shall be delivered by hand, sent by prepaid first class, recorded delivery or registered post, and shall be addressed to the party to be served in the case of:

- (a) a company at its registered office for the time being;
- (b) Essex's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**];
- (c) Colchester's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**]; and
- (d) Tendring's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**].

22.1.2 Any claim form, application notice, judgment, order, or other notice of legal process relating to this agreement may be served on Essex, Colchester or Tendring by posting it first-class to the address for

service specified above, or to such other address for service within England as the relevant party may notify to the other parties from time to time.

## **22.2 Receipt**

Any notice or other communication under this Agreement shall only be effective when received.

## **23 Disputes**

- 23.1 In the event of a dispute in relation to the Company, or arising out of or relating to this Agreement (including any question regarding its existence, validity or termination) either at the Board or between the Shareholders, the dispute will be escalated to the NEGC board of directors to make a decision.
- 23.2 If the dispute is not settled within 21 days of the NEGC board of directors having met to resolve the dispute, Essex, Colchester or Tendring may refer the matter to mediation in accordance with the LCIA Mediation Rules, which are deemed to be incorporated by reference into this Clause 23.
- 23.3 If the dispute is not settled by mediation within 42 days of the NEGC board of directors' meeting referred to in Clause 23.1, or such further period as the parties to the dispute shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the LCIA Rules, which are deemed to be incorporated by reference into this Clause 23.
- 23.4 In any arbitration commenced pursuant to this Clause 23,
- (a) the number of arbitrators shall be one;
  - (b) the seat, or legal place, of arbitration shall be London, England; and
  - (c) the language to be used in the arbitral proceedings shall be English.

## **24 Governing Law and Jurisdiction**

### **24.1 Governing law**

This Agreement is governed by and is to be construed in accordance with English law.

### **24.2 Jurisdiction**

Subject to Clause 23 the parties agree to submit to the exclusive jurisdiction of the English courts as regards any claim or matter arising out of or in connection with this Agreement.

## **25 Execution of different copies**

The parties may execute this Agreement in any number of copies and on separate copies. Each executed copy counts as an original of this Agreement and all the executed copies form one instrument.

**Signed** on the date appearing at the beginning of this Deed.



## Schedule 1 – The Purpose

The purpose of the Company is to secure the development of the Property to create a garden community, being a self-sustaining community 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, inclusive and long term planning and effective engagement.

A garden community should:

1. be implemented using new models of delivery with the public and private sectors sharing risk and reward and ensuring that the cost of achieving the following is borne by those promoting development of the communities: (i) a high quality of place-making; (ii) timely delivery of both on-site and off-site infrastructure needed to address the impact of the new community; (iii) a mechanism for future stewardship, management, maintenance and renewal of community infrastructure and assets;
2. be planned and delivered in conjunction with a masterplan and other design guidance that have been developed through innovative community engagement;
3. be designed and executed to achieve the highest quality of place-making and design, structuring the new community to create an appropriate hierarchy of centres and walkable neighbourhoods that accommodate strong local cultural, recreational, leisure and retail facilities that underpin community life and relate to the wider urban context, as well as establishing environments that promote health, happiness and well-being;
4. have an appropriate mechanism and funding for community governance and empowerment as well as the long term stewardship of community assets;
5. provide beautifully and imaginatively designed homes with easy access to great green spaces, combining the very best of town and country living;
6. provide development that will contribute to building a balanced and inclusive community including a range of mixed-tenure homes and housing types that are affordable – including to rent – for local people including provision of self- and custom-build, co-ownership and affordable homes;
7. contribute to the creation of a resilient & self-sustaining local economy through offering access to a strong local jobs offer, including within the community itself, that provide a variety of employment opportunities within easy commuting distance of homes;
8. ensure provision of generous green space that builds on existing natural assets and is linked to the wider natural environment, with well-connected and biodiversity-rich public parks, a mix of public and private networks of well-managed, high quality gardens, allotments, tree-lined streets and open spaces;
9. provide in a timely fashion to meet the needs of the growing community, a range of great local schools & education facilities catering for all age groups, needs & skills development, health facilities and other services needed to underpin community life;
10. promote and deliver a step change in sustainable and integrated local transport with excellent walking, cycling and public transport systems fully integrated with land use at its heart, encouraging and incentivising more sustainable active travel patterns overall; and
11. secure delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities to secure the highest standards of technology to reduce the impact of climate change, water efficiency with the aim of being water-neutral, energy efficiency and local energy generation, net gains in biodiversity, efficient management of utilities, excellent access to information technology networks and sustainable waste and mineral management.

## Schedule 2 - Particulars of the Company<sup>4</sup>

<b>Name:</b>	Tendring Colchester Borders Limited	
<b>Registered Number:</b>	10320201	
<b>Registered office:</b>	**	
<b>Directors:</b>		
[Nominated Directors: ]	**	**
[Landowner Director: ]	**	
Independent Director:	**	
<b>Company Secretary:</b>	**	
<b>Share Capital:</b>	100 A Shares	[** ] B Shares
	<b>NEGC</b>	<b>Essex, Colchester, Tendring</b>
No. and type of Shares subscribed:	100 A Shares	[** ] B Shares
Total subscription price (including any premium)	£100	£**
<b>Auditors:</b>	**	
<b>Accounting Reference Date:</b>	**	
<b>Bankers:</b>	**	**

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<sup>4</sup> All to be confirmed.

## Schedule 3 – Property Plan

*To be included in the final Shareholders' Agreement.*

## Schedule 4 – Reserved Matters

### Part A

- 1 Passing any resolution or presenting any petition for the Company's winding up (unless the Company is insolvent).
- 2 Issuing or allotting any share or other capital or reducing, converting, sub-dividing, cancelling or otherwise reorganising, or altering any rights attaching to, any Shares.
- 3 Registering any transfer or allotment of Shares.
- 4 Granting any share option or right to subscribe, acquire or convert into Shares or implementing or varying any incentive, bonus or commission arrangement.
- 5 Ceasing, or making any material change in the nature of, the Company's business, the Purpose or establishing any new business.
- 6 Altering the Company's Articles.

### Part B

1. Changing the Company's auditors.
2. Changing the Company's accounting reference date or accounting policies.
3. Adopting or approving the Company's annual accounts.
4. Approving the LDV Business Plan or Budget, or amending the LDV Business Plan or Budget.
5. Approving or amending the Financial Procedure Rules.
6. Transferring the whole or any material part of the undertaking of the Company.
7. Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring or disposing of (whether by one or more transactions) any assets, entering into any commitment, or incurring any expenditure.
8. Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring, disposing of, surrendering or assigning any freehold or leasehold property.
9. Save as set out in the LDV Business Plan or Budget, forming any subsidiary, acquiring or disposing of any interest in any business or company, participating in any partnership, joint venture or profit/revenue sharing arrangement or entering into any scheme of arrangement or merger.

10. Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, incurring any Borrowings or creating any Encumbrance upon or in respect of the whole or part of the business or the Company's assets.
11. Entering into any agreement not on bona fide arms' length terms, or (save as set out in the LDV Business Plan or the Budget) any agreement with any director or with any Shareholder or with any associate of a Shareholder.
12. Other than as set out in the LDV Business Plan, entering into, or varying, any Agreement.
13. Save as set out in the LDV Business Plan or Budget, making any loan or providing any surety or security arrangement in respect of any loan or third party obligation whatsoever.
14. Save as set out in the LDV Business Plan or Budget, granting any service or consultancy agreement to any Senior Employee or varying or terminating any such agreement.
15. Paying any Directors' remuneration, fees or expenses other than pursuant to a Director's Letter.
16. Save as set out in the LDV Business Plan or Budget, initiating or settling any litigation or arbitration which will, or is likely to, have:
  - (i) a material impact on the reputation of the Local Authorities, NEGC or the Company, or
  - (ii) the ability of the Company to achieve the Purpose.
17. Opening any bank account or signing or varying any bank mandate, in each case other than in accordance with the Financial Procedure Rules.

**Signed by \*\*** authorised )  
 for **NORTH ESSEX** )  
**GARDEN COMMUNITIES LIMITED** )

**Signed by \*\*** authorised )  
 for **ESSEX COUNTY COUNCIL** )

**Signed by \*\*** authorised )  
 for **COLCHESTER** )  
**BOROUGH COUNCIL** )

**Signed by \*\*** authorised )  
 for **TENDRING DISTRICT COUNCIL** )

**Signed by \*\*** authorised )  
 for **TENDRING COLCHESTER BORDERS** )  
**LIMITED** )

## Appendix 6:

### DRAFT TERM SHEET

#### North Essex Garden Communities: LDV2

#### Colchester Braintree Borders Limited

<p><b>1. Definitions</b></p>	<p><b>A Share</b> means an A share of nominal value £1 in the capital of the Company.</p> <p><b>A Shareholder</b> means a holder of A Shares.</p> <p><b>Articles</b> means the articles of association of the Company from time to time.</p> <p><b>B Share</b> means a B share of nominal value £1 in the capital of the Company.</p> <p><b>B Shareholder</b> means a holder of B Shares.</p> <p><b>Board</b> means the board of Directors.</p> <p><b>Braintree</b> means Braintree District Council.</p> <p><b>Budget</b> means a budget (including revenues, operating and capital expenditures, and cash flow) of the Company for a relevant financial period.</p> <p><b>Chair</b> means Chair of the Board.</p> <p><b>Colchester</b> means Colchester Borough Council.</p> <p><b>Company</b> means Colchester Braintree Borders Limited, a private company limited by shares.</p> <p><b>Director</b> means a director of the Company.</p> <p><b>Director Letter</b> means an engagement letter to be entered into between the Company and each Director.</p> <p><b>Essex</b> means Essex County Council.</p> <p><b>Financial Procedure Rules</b> means the financial procedure rules adopted by the Company from time to time with the approval of NEGC.<sup>1</sup></p> <p><b>Funding Agreement</b> means any funding agreement entered into from time to time between (1) Essex, Braintree or Colchester as lender, and (2) the Company as borrower.</p> <p><b>Independent Director</b> means a director who is not a Nominated Director or a Landowner Director.</p>
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<sup>1</sup> Set of financial procedures to be drafted.

	<p><b>Landowner/Optionholder</b> means [ ] (for so long as [it/they] [has/have] any interest in the Property), and/or such other person as NEGC determines.</p> <p><b>Landowner Directors</b> means a person nominated by the Landowner/Optionholder and appointed as a Director.</p> <p><b>Local Authority</b> means Essex, Braintree, Colchester or Tendring.</p> <p><b>LDV Business Plan</b> means a 2 year business plan as adopted and amended by the Board (with the approval of the Shareholders) from time to time; such business plan covering delivery of the Project and such other matters as the Board may determine, and consistent with the aims and requirements of the Master Plan and the Long-term Business Plan.</p> <p><b>Long-term Business Plan</b> means a business plan for the lifetime of the Project (with a higher level of detail for the next 5 years) as adopted by NEGC from time to time; such business plan covering infrastructure requirements, finance, planning and such other matters as NEGC determines, and consistent with the aims and requirements of the Master Plan.</p> <p><b>Master Plan</b> means the planning policy document adopted by the relevant local planning authority in relation to the Property which set out proposals for buildings, spaces, movement strategy and land use in three dimensions and matches these proposals to a delivery strategy and development programme.</p> <p><b>NEGC</b> means North Essex Garden Communities Limited, a joint strategic entity which is owned equally by each Local Authority.</p> <p><b>Nominated Director</b> means a Director appointed by Essex, Braintree or Colchester.</p> <p><b>Project</b> means the development of the Property as a garden community in accordance with the Purpose.</p> <p><b>Property</b> means the property [<i>location description</i>] which is approximately identified in the plan attached in Schedule 2.</p> <p><b>Purpose</b> has the meaning given in paragraph 2 below.</p> <p><b>Senior Employee</b> means an employee whose total annual remuneration exceeds or is likely to exceed £75,000.</p> <p><b>Share</b> means an A Share or a B Share.</p> <p><b>Shareholder</b> means an A Shareholder or a B Shareholder.</p> <p><b>Shareholders' Agreement</b> means the shareholders' agreement to be entered into in relation to the business and operation of the Company between NEGC, Essex, Braintree or Colchester and the Company.</p> <p><b>Tendring</b> means Tendring District Council.</p>
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<b>2. Purpose</b>	<ul style="list-style-type: none"> <li>• The purpose of the Company is to secure the development of the Property in accordance with the Project Plan, the Master Plan and the principles set out in Schedule 1 (the <b>Purpose</b>)</li> <li>• The Purpose (as set out in Schedule 1) will be included in the following documents: <ul style="list-style-type: none"> <li>– the Shareholders' Agreement</li> <li>– the Articles (perhaps in an abbreviated form)</li> <li>– the Director Letters</li> </ul> </li> <li>• The Purpose can only be changed with the prior consent of all of the Local Authorities</li> </ul>
<b>3. Shares</b>	<p><b>Initial Shareholders:</b> At closing:</p> <ul style="list-style-type: none"> <li>• NEGC will subscribe for 100 A Shares at £1 each</li> <li>• Essex will subscribe for • B Shares at £• each</li> <li>• Colchester will subscribe for • B Shares at £• each</li> <li>• Braintree will subscribe for • B Shares at £• each</li> </ul> <p><b>A Share rights:</b> The A Shares shall have the following rights:</p> <ul style="list-style-type: none"> <li>• Each A Share will entitle the holder to one vote on any Shareholder resolution</li> <li>• The A Shares will carry no right to receive dividends</li> <li>• On a return of capital, the A Shares will entitle the holder to a return of nominal value, but no more</li> </ul> <p><b>B share rights<sup>2</sup>:</b> The B Shares shall have the following rights:</p> <ul style="list-style-type: none"> <li>• The B Shares will carry no right to vote save that each B share shall carry the right to 2 votes on any vote which: <ul style="list-style-type: none"> <li>– materially affects, or is likely to materially affect, the delivery of the Project, or the infrastructure for the Project, in accordance with the timetable set out in the Business Plans; or</li> <li>– materially affects, or is likely to materially affect, the Company's ability to repay any sums due under any Funding Agreement when due; or</li> <li>– is likely to result in a material breach of any Funding Agreement by the Company</li> </ul> </li> </ul>

<sup>2</sup> It may also be that B Shares are issued to an external funder

	<ul style="list-style-type: none"> <li>• The B Shares shall carry a right to receive dividends</li> <li>• The B Shares shall be entitled to receive (on a pro-rata basis) any capital return to Shareholders (subject to the A Share rights mentioned above)</li> </ul> <p><b>Interpolated voting:</b> The NEGC constitution should be drafted so that in relation to any decision of the NEGC shareholders or board specifically affecting the Company only, only Essex, Braintree and Colchester shall be entitled to vote on that decision.</p>
<b>4. Directors</b>	<p><b>Appointment/Removal:</b> The directors shall be appointed as follows:</p> <ul style="list-style-type: none"> <li>• Each of Essex, Braintree and Colchester have the right to appoint and remove a Director (each a <b>Nominated Director</b>)</li> <li>• The Landowner/Optionholder shall have a right to appoint up to 3 Directors; provided that any replacement Director must be approved by NEGC before they are appointed (each a <b>Landowner Director</b>). If a Landowner/Optionholder ceases to have any interest in the Property, the Landowner Director nominated by that Landowner/Optionholder shall (unless NEGC otherwise requires) immediately resign as a Director</li> <li>• NEGC shall be entitled to appoint a further 3 independent Directors (each an <b>Independent Director</b>)</li> <li>• Any Director other than a Nominated Director may be removed by notice sent by NEGC to the Company</li> <li>• On appointment, each Director and the Company will enter into a Director Letter</li> </ul> <p><b>Chair:</b> The Board will either (i) appoint an appropriate person as Chair (and Independent Director) or (ii) appoint a chair from amongst the Directors with the expectation that an Independent Director will be elected. If the proposed Chair is not an Independent Director the approval of all Nominee Directors will be needed for the appointment. Any such appointment will be for a maximum 2 year term. The Chair shall not have a casting vote.</p> <p><b>Operation:</b> The Directors will manage the business of the Company to achieve the Purpose and in accordance with the requirements of the LDV Business Plan and the Long-term Business Plan.</p> <p><b>Board Meetings:</b> It is expected that Board meetings will be held four times a year, or more frequently as the Board may decide.</p> <p><b>Notice:</b> There will be seven days' notice of any Board meeting (or shorter notice if agreed by a majority of the Directors).</p> <p><b>Quorum:</b> The quorum for Board meetings will be at least one Nominated Director, one Landowner Director, and one Independent Director. If the quorum is not present at the appointed time for the meeting, an adjourned meeting will be</p>



	<p>called. At that adjourned meeting, at least one Nominated Director needs to be present for a quorum.</p> <p><b>Conflicts:</b> In relation to a Director's conflict:</p> <ul style="list-style-type: none"> <li>• The Director is obliged to declare his or her conflict at the beginning of any Board meeting</li> <li>• If that declaration indicates a dispute or possible dispute, the Board may decide whether or not the conflicted Director should withdraw from all or part of that meeting</li> </ul> <p><b>Alternate Directors:</b> It is expected that each Director will make every effort to attend Board meetings, and will only miss Board meetings in exceptional circumstances. Each Director Letter will name an alternate to attend, speak and vote in Board meetings in the appointing Director's absence.</p> <p><b>Indemnity:</b> The Articles will contain a standard permission to allow a Director to receive the benefit of an indemnity from the Company.</p>
<b>5. Business Plan<sup>3</sup></b>	<p>The Company's business will be operated in accordance with, and to achieve the aims set out in, the Long-term Business Plan and the LDV Business Plan. The Board will be responsible for (i) preparing the LDV Business Plan and Budget and (ii) monitoring progress against the LDV Business Plan and Budget, and may suggest changes to the LDV Business Plan and Budget from time to time. Any LDV Business Plan or Budget, and any changes to either must be approved by NEGC. In addition, any such changes need to be consistent with the Long-term Business Plan, Master Plan and the Purpose. If there are any changes made to the Long-term Business Plan, Master Plan or the Purpose, the Board will meet to discuss whether any changes are required to the LDV Business Plan and Budget, subject to NEGC approval.</p> <p>If the Company undertakes any business which is outside the remit of the Long-term Business Plan or the LDV Business Plan, or incurs any expenditure or liability that means the Company will breach the Budget, or is likely to be in breach of the Budget, the Board will promptly notify NEGC in writing.</p>
<b>6. Reserved Matters</b>	<p>Schedule 3 contains a number of reserved matters. Before the Company undertakes any of the reserved matters in Part A of Schedule 3, it needs the prior written approval of Essex, Braintree and Colchester. Before the Company undertakes any of the reserved matters in Part B of Schedule 3, it needs the prior written approval of NEGC.</p>
<b>7. Share Transfers</b>	<p>No Shares may be transferred without the prior written consent of Essex, Braintree and Colchester, save that Shares may be transferred to successor bodies (including any new town development corporation).</p>
<b>8. Termination</b>	<p>The Company shall continue until such time as:</p>

<sup>3</sup> The intention is to give the LDV, through flexible drafting of the LDV Business Plan and the Budget (in the context of the Financial Procedure Rules), sufficient operational freedom.

	<ul style="list-style-type: none"> <li>• The Purpose has been achieved; or</li> <li>• The Company is wound up pursuant to a statutory process</li> </ul> <p>On a termination, any assets of the Company may transfer to a successor (or other appropriate) body (including any new town development corporation).</p>
<b>9. Disputes</b>	<p>If there is any dispute in relation to the Company, either at Board or Shareholder level, that dispute will be escalated to the NEGC board. If the dispute is still unresolved 21 days after the NEGC board has met to discuss, Essex, Braintree or Colchester may refer the matter to mediation. If the dispute is still unresolved 42 days after the NEGC board has met to discuss, Essex, Braintree or Colchester may refer the matter to arbitration.</p>
<b>10. Documentation</b>	<p>Following the agreement of this term sheet, Dentons will prepare the following documentation:</p> <ul style="list-style-type: none"> <li>• Shareholders' Agreement – in addition to the provisions referred to above, that agreement will also contain provisions in relation to: <ul style="list-style-type: none"> <li>– set-up arrangements</li> <li>– business housekeeping (company books, insurance etc)</li> <li>– information provision to NEGC, Essex, Braintree and Colchester</li> <li>– confidentiality and announcements</li> </ul> </li> <li>• Articles</li> <li>• Director Letters – in addition to the provisions referred to above, each letter will also contain the following details: <ul style="list-style-type: none"> <li>– the period of the appointment</li> <li>– name of alternate director</li> <li>– remuneration (if any)</li> <li>– costs and expenses</li> <li>– indemnity</li> </ul> </li> </ul>

## Schedule 1 – Purpose

To secure the development of the Property to create a garden community, being a self-sustaining community 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, inclusive and long term planning and effective engagement.

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A garden community should:

- Be implemented using new models of delivery with the public and private sectors sharing risk and reward and ensuring that the cost of achieving the following is borne by those promoting development of the communities: (i) a high quality of place-making; (ii) timely delivery of both

on-site and off-site infrastructure needed to address the impact of the new community; (iii) a mechanism for future stewardship, management, maintenance and renewal of community infrastructure and assets;

- Be planned and delivered in conjunction with a masterplan and other design guidance that have been developed through innovative community engagement;
- Be designed and executed to achieve the highest quality of place-making and design, structuring the new community to create an appropriate hierarchy of centres and walkable neighbourhoods that accommodate strong local cultural, recreational, leisure and retail facilities that underpin community life and relate to the wider urban context, as well as establishing environments that promote health, happiness and well-being;
- Have an appropriate mechanism and funding for community governance and empowerment as well as the long term stewardship of community assets;
- Provide beautifully and imaginatively designed homes with easy access to great green spaces, combining the very best of town and country living;
- Provide development that will contribute to building a balanced and inclusive community including a range of mixed-tenure homes and housing types that are affordable – including to rent – for local people including provision of self- and custom-build, co-ownership and affordable homes;
- Contribute to the creation of a resilient & self-sustaining local economy through offering access to a strong local jobs offer, including within the community itself, that provide a variety of employment opportunities within easy commuting distance of homes;
- Ensure provision of generous green space that builds on existing natural assets and is linked to the wider natural environment, with well-connected and biodiversity-rich public parks, a mix of public and private networks of well-managed, high quality gardens, allotments, tree-lined streets and open spaces;
- Provide in a timely fashion to meet the needs of the growing community, a range of great local schools & education facilities catering for all age groups, needs & skills development, health facilities and other services needed to underpin community life;
- Promote and deliver a step change in sustainable and integrated local transport with excellent walking, cycling and public transport systems fully integrated with land use at its heart, encouraging and incentivising more sustainable active travel patterns overall;
- Secure delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities to secure the highest standards of technology to reduce the impact of climate change, water efficiency with the aim of being water-neutral, energy efficiency and local energy generation, net gains in biodiversity, efficient management of utilities, excellent access to information technology networks and sustainable waste and mineral management.

## **Schedule 2 – Property Plan**

*To be included in the final Term Sheet.*

## Schedule 3 – Reserved Matters

### Part A

- 1 Passing any resolution or presenting any petition for the Company's winding up (unless the Company is insolvent).
- 2 Issuing or allotting any share or other capital or reducing, converting, sub-dividing, cancelling or otherwise reorganising, or altering any rights attaching to, any Shares.
- 3 Registering any transfer or allotment of Shares.
- 4 Granting any share option or right to subscribe, acquire or convert into Shares or implementing or varying any incentive, bonus or commission arrangement.
- 5 Ceasing, or making any material change in the nature of, the Company's business, the Purpose or establishing any new business.
- 6 Altering the Company's Articles.

### Part B

- 1 Changing the Company's auditors.
- 2 Changing the Company's accounting reference date or accounting policies.
- 3 Adopting or approving the Company's annual accounts.
- 4 Approving the LDV Business Plan or Budget, or amending the LDV Business Plan or Budget.
- 5 Approving or amending the Financial Procedures Rules.
- 6 Transferring the whole or any material part of the undertaking of the Company.
- 7 Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring or disposing of (whether by one or more transactions) any assets, entering into any commitment, or incurring any expenditure.
- 8 Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring, disposing of, surrendering or assigning any freehold or leasehold property.
- 9 Save as set out in the LDV Business Plan or Budget, forming any subsidiary, acquiring or disposing of any interest in any business or company, participating in any partnership, joint venture or profit/revenue sharing arrangement or entering into any scheme of arrangement or merger.
- 10 Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, incurring any borrowings or creating any encumbrance upon or in respect of the whole or part of the business or the Company's assets.

- 11 Entering into any agreement not on bona fide arms' length terms, or (same as set out in the LDV Business Plan or the Budget) any agreement with any director or with any Shareholder or with any associate of a Shareholder.
- 12 Other than as set out in the LDV Business Plan, entering into, or varying, any Agreement.
- 13 Save as set out in the LDV Business Plan or Budget, making any loan or providing any surety or security arrangement in respect of any loan or third party obligation whatsoever.
- 14 Save as set out in the LDV Business Plan or Budget, granting any service or consultancy agreement to any Senior Employee or varying or terminating any such agreement.
- 15 Paying any Directors' remuneration, fees or expenses other than pursuant to a Director Letter.
- 16 Save as set out in the LDV Business Plan or Budget, initiating or settling any litigation or arbitration which will, or is likely to, have:
  - (i) a material impact on the reputation of the Local Authorities, NEGC or the Company, or
  - (ii) the ability of the Company to achieve the Purpose.
- 17 Opening any bank account or signing or varying any bank mandate, in each case other than in accordance with the Financial Procedure Rules.

### Shareholders' agreement in relation to Colchester Braintree Borders Limited

#### **Dated**

**North Essex Garden Communities Limited**  
(NEGC)

**Essex County Council**  
(Essex)

**Colchester Borough Council**  
(Colchester)

**Braintree District Council**  
(Braintree)

**Colchester Braintree Borders Limited**  
(The Company)

Dentons UKMEA LLP  
One Fleet Place  
London EC4M 7WS  
United Kingdom

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#### **List of Agreed Form Documents**

- Articles (Clause 3.2(a))
- Financial Procedure Rules
- Director's Letter (Clause 3.2(b))
- Landowners' Agreement



# Shareholders' Agreement

## Dated

## Between

- (1) **North Essex Garden Communities Limited (NEGC)** a company incorporated in England and Wales with registered number 10319743 having its registered office at \*\* ;
- (2) **Essex County Council (Essex)** of County Hall, Market Road, Chelmsford, CM1 1QH ;
- (3) **Colchester Borough Council (Colchester)** of Rowan House, 33 Sheepen Road, Colchester, Essex, CO3 3WG;
- (4) **Braintree District Council (Braintree)** of Causeway House, Bocking End, Braintree, Essex, CM7 9HB; and
- (5) **Colchester Braintree Borders Limited (the Company)** a company incorporated in England and Wales with registered number 10320360 having its registered office at \*\* .

## Recitals

- A. NEGC is a joint strategic entity which is equally owned by each Local Authority.
- B. The parties have agreed to develop the Property in accordance with the Purpose through the Company.

## It is agreed

### 1 Definitions and Interpretation

#### 1.1 Definitions

In this Agreement the following definitions shall apply.

**A Share** means an ordinary share of £1 each in the capital of the Company.

**A Shareholder** means a holder of A Shares.

**Act** means the Companies Act 2006.

**Articles** means the articles of association of the Company in the agreed form and as subsequently amended from time to time in accordance with this Agreement.

**B Share** means a B ordinary share of £1 each in the capital of the Company.

**B Shareholder** means a holder of B Shares.

**Board** means the board of Directors.

**Borrowings** means [bank and other loans, and finance provided under hire purchase, factoring, leasing acceptance credits and similar arrangements.]

**Budget** means a budget (including revenues, operating and capital expenditures and cash flow) of the Company for a relevant financial period.

**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for the transaction of general business.

**Chair** means the chair from time to time of the Board.

**Completion** means completion of the matters specified in Clause 3.

**Director** means a director of the Company from time to time.

**Director's Letter** means an engagement letter in the agreed form to be entered into between the Company and each Director.

**Encumbrance** means any mortgage, charge, pledge, hypothecation, lien, assignment by way of security, title retention, option, right to acquire, right of pre-emption, right of set-off, counterclaim, trust arrangement or other security, preferential right or agreement to confer security, or any equity or restriction (but excluding liens arising by operation of law) and **Encumber** shall be construed accordingly.

**Financial Procedure Rules** means the financial procedure rules in the agreed form adopted by the Company with the approval of NEGC (as amended from time to time).

**Funding Agreement** means any debt funding agreement entered into from time to time between a Local Authority and the Company.

**Independent Director** means a director who is not a Nominated Director or a Landowner Director, such director being appointed by NEGC.

**Initial Shareholders** means together NEGC, Essex, Colchester and Braintree.

**Intellectual Property** means patents, trade marks, service marks, trade names, domain names, rights in designs, semiconductor topography rights, database rights of unfair extraction and reutilisation, copyrights (including rights in computer software), rights in know-how and other intellectual or industrial property rights (whether registered or unregistered and including applications for the registration of any of the foregoing) and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world.

**Joint Delivery Group** means a joint delivery group established by NEGC to provide the Services.

**Landowner** means [each of ][\*\* ] (for so long as [it/they] [has/have] any interest in the Property), and/or such other person as NEGC may determine.<sup>1</sup>

**Landowners' Agreement** means an agreement [in the agreed form] entered into from time to time between each of the [Landowners] [Optionholders] and the Company.

**Landowner Director** means a person nominated by the [Landowner/Optionholder] and appointed as a Director.

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<sup>1</sup> TBD

**LCIA Rules** means the LCIA Arbitration Rules 2014.

**LDV Business Plan** means a 2 year business plan as adopted and amended by the Board (with the approval of NEGC) from time to time; such business plan covering delivery of the Project, a detailed short-term action plan and such other matters as the Board may determine, and consistent with the aims and requirements of the Master Plan and the Long-term Business Plan.

**Local Authority** means Essex, Braintree, Colchester or Tendring District Council,

**Long-term Business Plan** means a business plan for the lifetime of the Project (with a higher level of detail for the next 5 years) in relation to the Company as adopted from time to time by NEGC with the prior consent of Essex, Colchester and Braintree; such business plan covering, infrastructure requirements, finance, planning and such other matters as NEGC determines, and consistent with the aims and requirements of the Master Plan.

**Master Plan** means a document in relation to the Project as adopted by the relevant local planning authority that sets out proposals for land uses buildings, spaces, access and movement and other spatial components and sets the basis for planning applications.

**New Town Development Corporation** means a corporation established under section 1 of the New Towns Act 1981 or similar future legislation, as amended from time to time.

**Nominated Director** means a Director appointed by Essex, Colchester or Braintree.

**[Optionholder** means [each of ][\*\* ] (for so long as [it/they] [has/have] an option in respect of the Property), and/or such other person as NEGC may determine.]

**Project** means the development of the Property as a garden community in accordance with the Purpose.

**Property** means the property [*location description*] which is approximately identified in the plan attached in Schedule 4.

**Purpose** has the meaning given in Clause 2.1 below.

**Senior Employee** means an employee whose total annual remuneration exceeds or is likely to exceed £75,000.

**Services** means management and technical support and such other support and services the Company may require, and NEGC may provide, from time to time.

**Share** means an A Share or a B Share in the share capital of the Company.

**Shareholder** means an A Shareholder or a B Shareholder.

## 1.2 Interpretation

In this Agreement, unless otherwise specified:

- (a) the index and headings are for ease of reference only and shall not be taken into account in construing this Agreement;

- (b) references to this Agreement or any other document shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented or replaced from time to time;
- (c) references to any recital, clause, paragraph or Schedule are to those contained in this Agreement, and all Schedules to this Agreement are an integral part of this Agreement;
- (d) the expression **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole clause (not merely the sub-clause, paragraph or other provision) in which the expression occurs;
- (e) references to a **party** mean a party to this Agreement including that party's successors in title and assigns or transferees permitted in accordance with the terms of this Agreement provided that the relevant property, right or liability has been properly assigned or transferred to such person;
- (f) references to a **director** shall, where the context allows, include reference to the alternate of such director;
- (g) references to a **subsidiary** shall include reference to a subsidiary and a subsidiary undertaking, each as defined in the Act, but on the basis that a company is to be treated as a member of another company for the purposes of subsections 1159(1)(b) and (c) of the Act even if its shares in that other company are registered in the name of:
  - (i) its nominee or any other person acting on its behalf, or
  - (ii) another person by way of security over those shares;
- (h) a document is in the **agreed form** if it is in the form of a draft agreed between and initialled by or on behalf of the Shareholders on or before the date of this Agreement;
- (i) references to any gender shall include the others; and words in the singular include the plural and vice versa;
- (j) references to **legislation** include any statute, bye-law, regulation, rule, subordinate or delegated legislation or order; and reference to any **legislation** is to such legislation as amended, modified or consolidated from time to time and to any legislation replacing it or made under it;
- (k) references to a **person** (or to a word importing a person) shall be construed so as to include:
  - (i) an individual, firm, partnership, trust, joint venture, company, corporation, body corporate, unincorporated body, association, organisation, any government, or state or any agency of a government or state, or any local or municipal authority or other governmental body (whether or not in each case having separate legal personality); and
  - (ii) that person's successors in title and assigns or transferees permitted in accordance with the terms of this Agreement provided that the relevant property, right or liability has been properly assigned or transferred to such person;

- (l) the words and expressions defined in sections 250, 390, 391, 471, 540, and 1173 of the Act have the same meanings;
- (m) **in writing** includes any communication made by letter, e-mail or other forms of electronic communication;
- (n) the words **include**, **including** and **in particular** shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words; and
- (o) the words **other** and **otherwise** shall not be construed ejusdem generis with any foregoing words where a wider construction is possible.

## **2 Purpose of the Company**

- 2.1 The parties hereby agree that the purpose of the Company is to secure the development of the Property in accordance with the Master Plan and the principles set out in Schedule 2.
- 2.2 The Purpose can only be amended with the prior written consent of all of the Local Authorities.

## **3 Completion arrangements**

### **3.1 Completion**

Completion shall take place immediately following signature of this Agreement at **[insert relevant address]**.

### **3.2 Completion Obligations**

At Completion:

- (a) the parties shall procure that:
  - (i) the Company is established, organised and financed as detailed in Schedule 3;
  - (ii) the Company adopts the Articles; and
  - (iii) **[others?]**.
- (b) the Company shall, and the Shareholders shall procure that the Company shall, enter into the following:
  - (i) Director's Letters;
  - (ii) **[Any other contracts to be entered into at Completion]**;
- (c) NEGC shall enter into the following agreements:
  - (i) **[list]**
- (d) Each of Essex, Colchester and Braintree shall enter into the following agreements:

- (i) [list]

### **3.3 No partial Completion**

No party shall be obliged to complete its obligations under Clause 3.2 unless all of the obligations listed in Clause 3.2 are completed with simultaneous effect.

### **3.4 Shareholders' services**

Any Services reasonably required by the Company shall, at the discretion of the board of directors of NEGC, be delivered by the Joint Delivery Group at rates to be agreed between the parties.

## **4 The Board**

### **4.1 Decisions to be referred to the Board**

4.1.1 The Board will manage the business of the Company to achieve the Purpose and in accordance with the requirements of the Long-term Business Plan and the LDV Business Plan.

4.1.2 All policy and management decisions of the Company (including the matters set out in Clause 8) shall be referred to the Board before implementation.

### **4.2 Action by the Board**

The Board shall act by majority vote, except in relation to any matter listed out in Clause 8 in which case no decision or action shall be taken unless any prior written consent required under Clause 8 has been received by the Company and if such consent is so received each of the Directors shall, unless otherwise constrained by their fiduciary duties, vote in favour of such matter.

### **4.3 Nominated Directors**

4.3.1 Each of Essex, Colchester and Braintree shall have the exclusive right to appoint, remove or replace a Nominated Director.

4.3.2 The Directors at the date of Completion shall be as specified in Schedule 3.

### **4.4 Landowner Director<sup>2</sup>**

4.4.1 The [Landowner/Optionholder] shall have the right to appoint up to three Landowner Directors. If any of the initial Landowner Directors ceases to be a Director, any replacement Landowner Director can only be appointed following receipt by the Company of the prior written consent of NEGC.

4.4.2 In the event a [Landowner][Optionholder] ceases to have any interest in the Property, the Landowner Director shall, unless NEGC otherwise requires, immediately resign as a Director of the Company.

### **4.5 Independent Director**

NEGC shall have the exclusive right to appoint up to three Independent Directors.

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<sup>2</sup> We will need to reflect this in the Landowners' Agreement.

#### **4.6 Alternate Directors**

It is expected that each Director will make every effort to attend Board meetings, and shall only miss Board meetings in exceptional circumstances. Each Director's Letter will contain details of an alternate to attend, speak and vote in Board meetings in the appointing Director's absence.

#### **4.7 Chair**

4.7.1 The Board will either:

- (a) appoint an appropriate person as Chair (being an Independent Director); or
- (b) appoint a chair from amongst the Directors with the expectation that an Independent Director will be elected.

Any such appointment will be for a maximum 2 year term.

4.7.2 If the proposed Chair is not an Independent Director the approval of all Nominated Directors will be needed for the appointment. The Chair shall not have a second or casting vote.

#### **4.8 Board meetings**

Board meetings shall be held at such location as a quorum of the Directors agree at intervals of not more than three months. Save as otherwise agreed by a majority of the Directors:

- (a) Board meetings shall be convened by any Director by not less than 7 days' notice, or where the particular circumstances require a shorter period, such shorter period as the circumstances reasonably require, if agreed by a majority of Directors;
- (b) each notice shall be sent to each Director to the address, and/or e-mail address notified to the Company for these purposes, and if notice is required to be sent by e-mail a copy of such notice shall also be sent by post (and air mail if the address is overseas);
- (c) each notice of a Board meeting shall be accompanied by a full agenda and supporting papers;
- (d) each Board meeting shall only deal with the business set out in the agenda which accompanied the notice convening that Board meeting; and
- (e) minutes of each meeting of the Board shall be taken and kept by the company secretary in the books of the Company. Copies of the minutes of each such meeting shall be delivered to each member of the Board as soon as practicable. If a member has not been present at the meeting copies of all papers considered by the Board at the meeting shall be sent to him with the minutes.

#### **4.9 Quorum**

The quorum for a Board meeting shall be at least one Nominated Director, one Landowner Director (if any are appointed) and one Independent Director (if any are appointed) present in person or by his alternate (but so that not less than three individuals shall constitute the quorum). If within 30 minutes of the time appointed for a Board meeting there is no quorum,

the Director(s) present shall adjourn the meeting to a place and time not less than five Business Days later provided that at such adjourned meeting the requirement that such Director(s) shall be present shall not apply, and one Nominated Director present and shall constitute a quorum and may conduct the business of the meeting.

**4.10 Voting at Board meetings**

At each Board meeting the Directors present shall be entitled to cast one vote on each issue put to a vote.

**4.11 Compliance with Agreement**

The Company shall procure that any person who is appointed a Director after the date of this Agreement shall immediately upon becoming a Director of the Company enter into a Director's Letter with the Company to comply with and implement the terms of this Agreement.

**4.12 Shareholders to procure Director's resignation**

If a Shareholder ceases to be a Shareholder, it shall procure that every Director appointed by it under this Clause 4 is removed.

**4.13 Indemnity**

Each Shareholder shall procure that any Director appointed by it who vacates his office as director (whether by virtue of being removed by that Shareholder or otherwise) shall do so without cost to the Company. That Shareholder shall indemnify the Company and any other Shareholder from and against all claims, demands and rights which any such Director may have against the Company in respect of removal, dismissal, redundancy or otherwise.<sup>3</sup>

**4.14 Directors may pass information to their appointor**

A Director may from time to time disclose to the Party who appointed him and its representatives such information as he has regarding the Company.

**4.15 Removal of a director**

Any director may be removed by notice sent by NEGC to the Company.

**5 Business Plans and Budget**

**5.1 Interim business plans**

Until such time as an LDV Business Plan is adopted by the Company in accordance with this Agreement, the Company may operate under such business plan as the Board shall determine (provided that such business plan is not in conflict with any Long-term Business Plan adopted by NEGC at that time).

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<sup>3</sup> Do we need the Landowner to sign up to a similar provision in the Landowners' Agreement?



## **5.2 Business plans**

- 5.2.1 Within three months of a full Board being appointed (being three Nominated Directors and at least three other Directors) the Company shall, subject to NEGC approval, formally adopt an LDV Business Plan.
- 5.2.2 The Company's business will also be operated in accordance with, and to achieve the aims set out in, the Long-term Business Plan.
- 5.2.3 The Board shall be responsible for, amongst other things:
- (a) preparing the LDV Business Plan and Budget; and
  - (b) monitoring progress against the LDV Business Plan and Budget,
- and may suggest amendments to the LDV Business Plan and Budget from time to time.
- 5.2.4 In addition, the Board shall submit any draft LDV Business Plan to NEGC no later than two months before the end of the period to which the current LDV Business Plan relates. Such LDV Business Plan shall not be adopted by the Company until such time as NEGC approval has been received.
- 5.2.5 Any amendments to the LDV Business Plan or Budget must first be approved in writing by NEGC. In order to obtain NEGC written approval, the Board shall submit to NEGC in writing the LDV Business Plan or Budget together with a proposal setting out the amendments, and an explanation for the amendments. Any such amendments need to be consistent with the Long-term Business Plan, Master Plan and the Purpose.
- 5.2.6 If there are any amendments made to the Long-term Business Plan, Master Plan or the Purpose, the Board will meet to discuss whether any amendments are required to the LDV Business Plan and Budget, subject always to NEGC's approval.
- 5.2.7 If the Company undertakes any business which is outside the remit of the Long-term Business Plan or LDV Master Plan, or incurs any expenditure or liability that means the Company will breach or exceed the Budget, or is likely to be in breach of the Budget, the Board will promptly notify NEGC in writing. Such notification will provide:
- (i) detailed information in relation to such expenditure or liability, including an explanation of the circumstances; and
  - (ii) suggested remedial action.
- 5.2.8 Where there is any amendment to the Long-term Business Plan, Master Plan or the Purpose, the Board shall ensure that any corresponding amendments necessary to the remaining LDV Business Plan are also made.

## **5.3 Budget**

- 5.3.1 The Board shall submit any draft Budget to NEGC no later than two months before the start of each financial period of the Company. Such Budget shall not be adopted by the Company until such time as NEGC approval has been received.

- 5.3.2 If, at the end of any financial period, the Budget for the next financial period has not been agreed, the Company should comply with the requirements of the Financial Procedure Rules until such time as the relevant Budget has been approved by the NEGC.

## **6 Financing the Company**

### **6.1 Financing**

The Company shall be financed through the moneys subscribed for issued shares and lent under any Funding Agreement, or otherwise as the Shareholders may agree.

### **6.2 Borrowing limit**

The parties shall procure that the Company does not exceed any borrowing limit contained in the Budget or the Financial Procedure Rules.

### **6.3 No Shareholder obligations to fund**

No Shareholder shall be obliged to advance any loan to the Company except pursuant to any Funding Agreement.

## **7 Information and Operation of the Company**

### **7.1 Information**

The Company shall provide to each Shareholder and Director and where requested, to their representatives, the following:

- (a) a profit and loss account estimate for the Company within 10 Business Days of the end of each month;
- (b) unaudited management accounts for the Company within 20 Business Days from the end of each month including a profit and loss account for that month and for the financial year to date (in each case measured against the budget for the relevant period) and 12 month forecast cash flows;
- (c) audited statutory accounts for the Company within 60 Business Days from the end of the financial year;
- (d) access to the Company's books, records, Senior Employees and auditors at such times as may reasonably be requested; and
- (e) such other information relating to the Company as any Shareholder may reasonably request from time to time,

and without prejudice to the foregoing, the Company shall keep the Shareholders fully and promptly informed of all material developments regarding the Company's financial and business affairs and all significant events (including any litigation or arbitration) which will or may affect the Company.

## **7.2 Operation of the Company**

The Company shall, and the Shareholders shall procure that the Company, shall:

- (a) carry on and conduct its business on a commercial basis in a proper lawful and efficient manner for its own benefit;
- (b) transact all business on arm's length terms;
- (c) ensure that all its business other than routine business is undertaken or supervised by the Directors;
- (d) obtain and maintain all necessary licences and approvals required in order to carry on the business; and
- (e) observe and perform its obligations under each contract referred to in Clause 3.2(b).

## **8 Reserved matters**

The Company agrees, so far as it lawfully may, and the Shareholders agree to procure, so far as is within their powers as Shareholders, that the matters listed in:

- (a) Part A of Schedule 5 in relation to the Company shall require and shall only be implemented if the Company shall have received the prior written consent of Essex, Colchester and Braintree; and
- (b) Part B of Schedule 5 in relation to the Company shall require and shall only be implemented if the Company shall have received the prior written consent of NEGC.

## **9 Transfer of Shares**

No Shareholder shall assign, transfer, exchange, encumber or otherwise dispose of any of the Shares held by it or any interest in them without the prior written consent of the other Shareholders.

## **10 Protection of Name: Intellectual Property**

### **10.1 Shareholders' rights to their intellectual property**

The Shareholders hereby acknowledge and agree that all Intellectual Property Rights used in the Business but owned or provided by a Shareholder or any associate of a Shareholder (not being the Company) shall unless specifically otherwise agreed in writing remain the property of that Shareholder, shall be deemed licensed to the Company on such terms as agreed by the Shareholder and the Company, or if there is no agreement on a non-exclusive royalty-free basis for so long as the party remains a Shareholder.

### **10.2 Company's rights to its intellectual property**

Any Intellectual Property Rights which arise in the course of the Company's activities and are developed by the Company, its Directors, employees or agents shall belong to the Company and shall be deemed licensed to each of the Shareholders on such terms as are agreed by

the Company and the relevant Shareholder or if there is no agreement, on a non-exclusive royalty-free basis for so long as the relevant Shareholder remains a Shareholder.

## **11 Freedom of Information**

The parties acknowledge that the parties to this Agreement may be subject to the Freedom of Information Act 2000 and/or the Environmental Information Regulations 2004 and may be required to disclose information in response to requests within the terms of that legislation. Where appropriate the relevant party shall rely on any applicable exemptions in that legislation to justify not disclosing such information. Each party agrees to consult with the other parties to this Agreement as soon as reasonably practicable after receiving any such request and before disclosing any information concerning the Company.

## **12 Announcements and Confidentiality**

### **12.1 No announcements without agreement**

Save as required by law or with the prior written consent of the other parties no statement or announcement of any nature relating to the subject matter of or the transaction referred to in this Agreement or the establishment or operations of the Company shall be made to the public, the press or otherwise unless in a form previously agreed between the Shareholders.

### **12.2 Shareholders' confidentiality obligations**

12.2.1 Subject to Clause 11 each Shareholder shall (and shall procure that their representatives shall) at all times keep confidential and shall not use (other than for the benefit of the Company) any confidential information which it or they may have or acquire in relation to the business, finances, assets or affairs of the Company or any other party, save for any information:

- (a) which is publicly available or becomes publicly available otherwise than as a result of a breach of this Clause12;
- (b) which is disclosed to that party by a third party which did not acquire the information under an obligation of confidentiality;
- (c) which is required to be disclosed by law or the rules of any recognised investment exchange (as that term is used in section 285 of the Financial Services and Markets Act 2000) to which that Shareholder.

12.2.2 No Shareholder shall use any confidential information acquired in relation to another Shareholder pursuant to the performance of this Agreement for any purpose without the prior consent in writing of that Shareholder.

### **12.3 Company's confidentiality obligations**

The Company shall observe a similar obligation of confidence to that set out in Clause 12.2.1 in favour of each Shareholder.

### **12.4 Duration of confidentiality obligations**

The obligations in this Clause 12 shall continue to apply after termination of this Agreement and after any party has ceased to be party to this Agreement without limit in time.

### **13 Relationship between Shareholders and the Company**

#### **13.1 Shareholders' procurement obligation**

Each of the Shareholders agrees it shall exercise its rights hereunder and as a Shareholder in the Company in such manner as could reasonably be expected to prevent, and shall not exercise those rights in any manner which could reasonably be expected to result in, a breach by the Company of any of its obligations under this Agreement or any Funding Agreement or any restrictions imposed upon it under its Articles (whether or not enforceable against the Company itself).

#### **13.2 No partnership**

Nothing in this Agreement, and no action taken under this Agreement, shall create a partnership or establish a relationship of principal and agent between any of the parties or (save as otherwise stated herein) otherwise authorise any party to bind any other party for any purpose.

### **14 Entire Agreement and Severance**

#### **14.1 Entire agreement**

This Agreement together with the documents referred to in it sets out the entire agreement between the parties, and supersedes any previous agreement between them in relation to the subject matter of this Agreement and those documents.

#### **14.2 Acknowledgment by parties**

Each party acknowledges that:

- (a) in entering into this Agreement and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any representation (whether negligent or otherwise) made to it by any person (whether a party to this Agreement or not) which is not expressly set out or referred to in this Agreement;
- (b) the only remedy available to it in respect of any representation or warranty expressly set out or referred to in this Agreement shall be for breach of contract in respect of that term of this Agreement; and
- (c) nothing in this Clause 14 shall operate to exclude or restrict any liability for fraudulent misrepresentation.

#### **14.3 Conflict with the Articles**

The parties intend that the provisions of this Agreement shall prevail over the Articles in the event of conflict and, accordingly, the Shareholders shall, if necessary, exercise all voting and other rights and powers available to them as Shareholders or under this Agreement to procure any amendment to the Articles required to give effect to the provisions of this Agreement.

#### **14.4 Severance**

If any provision of this Agreement or part thereof is rendered void, illegal or unenforceable in any respect (whether against all or only some of the parties), the validity, legality and enforceability of the remaining provisions (and such aforesaid provision against the other parties) shall not in any way be affected or impaired thereby.

#### **15 Amendments**

This Agreement may not be amended, changed, altered, waived or, save as provided in Clause 20, terminated without the written consent of the parties.

#### **16 No assignment**

No party may assign its rights under this Agreement without the prior written consent of all other parties.

#### **17 Remedies and Waivers**

##### **17.1 No waiver or discharge**

No default by any party in the performance of or compliance with any provision of this Agreement shall be waived or discharged except with the express written consent of all other parties.

##### **17.2 Saving for future waivers**

No waiver by any party of any default by another party in the performance of or compliance with any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default whether of a like or different character.

##### **17.3 Failure to exercise etc. not a waiver**

No failure to exercise, nor delay or omission by any party in exercising, any right, power or remedy conferred on it under this Agreement or provided by law:

- (a) affect that right, power or remedy; or
- (b) operate as a waiver of it.

No single or partial exercise by any party of any right, power or remedy shall prevent any further exercise of that right, power or remedy or the exercise of any other right, power or remedy.

##### **17.4 Rights and remedies cumulative**

The rights, powers and remedies conferred on the parties by this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law or otherwise.

## **18 Third party rights**

The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

## **19 Costs**

Each party shall bear the costs and expenses incurred by it in connection with the preparation and implementation of this Agreement.

## **20 Termination**

20.1 The Company shall continue until such time as:

- a) the Purpose has been achieved; or
- b) the Company is wound-up pursuant to a statutory process.

20.2 If the Purpose is achieved a Board meeting shall be called to decide whether the Company should ask the Shareholders to liquidate the Company.

20.3 On termination of this Agreement, any assets of the Company may transfer to a successor (or other appropriate) body, including a New Town Development Corporation.

## **21 Duration**

The rights and obligations of each Shareholder shall continue and be enforceable by or against it only while it is a Shareholder of the Company save for rights and obligations in respect of antecedent breaches of this Agreement or the Articles.

## **22 Notices**

### **22.1 Service**

22.1.1 Any notice or other communication to be given under this Agreement shall be in writing and shall be delivered by hand, sent by prepaid first class, recorded delivery or registered post, and shall be addressed to the party to be served in the case of:

- (a) a company at its registered office for the time being;
- (b) Essex's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**];
- (c) Colchester's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**]; and
- (d) Braintree's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**].

22.1.2 Any claim form, application notice, judgment, order, or other notice of legal process relating to this agreement may be served on Essex, Colchester or Braintree by posting it first-class to the address for

service specified above, or to such other address for service within England as the relevant party may notify to the other parties from time to time.

## **22.2 Receipt**

Any notice or other communication under this Agreement shall only be effective when received.

## **23 Disputes**

- 23.1 In the event of a dispute in relation to the Company, or arising out of or relating to this Agreement (including any question regarding its existence, validity or termination) either at the Board or between the Shareholders, the dispute will be escalated to the NEGC board of directors to make a decision.
- 23.2 If the dispute is not settled within 21 days of the NEGC board of directors having met to resolve the dispute, Essex, Colchester or Braintree may refer the matter to mediation in accordance with the LCIA Mediation Rules, which are deemed to be incorporated by reference into this Clause 23.
- 23.3 If the dispute is not settled by mediation within 42 days of the NEGC board of directors' meeting referred to in Clause 23.1, or such further period as the parties to the dispute shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the LCIA Rules, which are deemed to be incorporated by reference into this Clause 23.
- 23.4 In any arbitration commenced pursuant to this Clause 23,
- (a) the number of arbitrators shall be one;
  - (b) the seat, or legal place, of arbitration shall be London, England; and
  - (c) the language to be used in the arbitral proceedings shall be English.

## **24 Governing Law and Jurisdiction**

### **24.1 Governing law**

This Agreement is governed by and is to be construed in accordance with English law.

### **24.2 Jurisdiction**

Subject to Clause 23 the parties agree to submit to the exclusive jurisdiction of the English courts as regards any claim or matter arising out of or in connection with this Agreement.

## **25 Execution of different copies**

The parties may execute this Agreement in any number of copies and on separate copies. Each executed copy counts as an original of this Agreement and all the executed copies form one instrument.

**Signed** on the date appearing at the beginning of this Deed.



## Schedule 1 – The Purpose

The purpose of the Company is to secure the development of the Property to create a garden community, being a self-sustaining community 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, inclusive and long term planning and effective engagement.

A garden community should:

1. be implemented using new models of delivery with the public and private sectors sharing risk and reward and ensuring that the cost of achieving the following is borne by those promoting development of the communities: (i) a high quality of place-making; (ii) timely delivery of both on-site and off-site infrastructure needed to address the impact of the new community; (iii) a mechanism for future stewardship, management, maintenance and renewal of community infrastructure and assets;
2. be planned and delivered in conjunction with a masterplan and other design guidance that have been developed through innovative community engagement;
3. be designed and executed to achieve the highest quality of place-making and design, structuring the new community to create an appropriate hierarchy of centres and walkable neighbourhoods that accommodate strong local cultural, recreational, leisure and retail facilities that underpin community life and relate to the wider urban context, as well as establishing environments that promote health, happiness and well-being;
4. have an appropriate mechanism and funding for community governance and empowerment as well as the long term stewardship of community assets;
5. provide beautifully and imaginatively designed homes with easy access to great green spaces , combining the very best of town and country living;
6. provide development that will contribute to building a balanced and inclusive community including a range of mixed-tenure homes and housing types that are affordable – including to rent – for local people including provision of self- and custom-build, co-ownership and affordable homes;
7. contribute to the creation of a resilient & self-sustaining local economy through offering access to a strong local jobs offer, including within the community itself, that provide a variety of employment opportunities within easy commuting distance of homes;
8. ensure provision of generous green space that builds on existing natural assets and is linked to the wider natural environment, with well-connected and biodiversity-rich public parks, a mix of public and private networks of well-managed, high quality gardens, allotments, tree-lined streets and open spaces;
9. provide in a timely fashion to meet the needs of the growing community, a range of great local schools & education facilities catering for all age groups, needs & skills development, health facilities and other services needed to underpin community life;
10. promote and deliver a step change in sustainable and integrated local transport with excellent walking, cycling and public transport systems fully integrated with land use at its heart, encouraging and incentivising more sustainable active travel patterns overall; and
11. secure delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities to secure the highest standards of technology to reduce the impact of climate change, water efficiency with the aim of being water-neutral, energy efficiency and local energy generation, net gains in biodiversity, efficient management of utilities, excellent access to information technology networks and sustainable waste and mineral management.

## Schedule 2 - Particulars of the Company<sup>4</sup>

<b>Name:</b>	Colchester Braintree Borders Limited	
<b>Registered Number:</b>	10320360	
<b>Registered office:</b>	**	
<b>Directors:</b>		
[Nominated Directors: ]	**	**
[Landowner Director: ]	**	
Independent Director:	**	
<b>Company Secretary:</b>	**	
<b>Share Capital:</b>	100 A Shares	[** ] B Shares
	<b>NEGC</b>	<b>Essex, Colchester, Braintree</b>
No. and type of Shares subscribed:	100 A Shares	[** ] B Shares
Total subscription price (including any premium)	£100	£**
<b>Auditors:</b>	**	
<b>Accounting Reference Date:</b>	**	
<b>Bankers:</b>	**	**

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<sup>4</sup> All to be confirmed.

## Schedule 3 – Property Plan

*To be included in the final Shareholders' Agreement.*

## Schedule 4 – Reserved Matters

### Part A

- 1 Passing any resolution or presenting any petition for the Company's winding up (unless the Company is insolvent).
- 2 Issuing or allotting any share or other capital or reducing, converting, sub-dividing, cancelling or otherwise reorganising, or altering any rights attaching to, any Shares.
- 3 Registering any transfer or allotment of Shares.
- 4 Granting any share option or right to subscribe, acquire or convert into Shares or implementing or varying any incentive, bonus or commission arrangement.
- 5 Ceasing, or making any material change in the nature of, the Company's business, the Purpose or establishing any new business.
- 6 Altering the Company's Articles.

### Part B

1. Changing the Company's auditors.
2. Changing the Company's accounting reference date or accounting policies.
3. Adopting or approving the Company's annual accounts.
4. Approving the LDV Business Plan or Budget, or amending the LDV Business Plan or Budget.
5. Approving or amending the Financial Procedure Rules.
6. Transferring the whole or any material part of the undertaking of the Company.
7. Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring or disposing of (whether by one or more transactions) any assets, entering into any commitment, or incurring any expenditure.
8. Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring, disposing of, surrendering or assigning any freehold or leasehold property.
9. Save as set out in the LDV Business Plan or Budget, forming any subsidiary, acquiring or disposing of any interest in any business or company, participating in any partnership, joint venture or profit/revenue sharing arrangement or entering into any scheme of arrangement or merger.

10. Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, incurring any Borrowings or creating any Encumbrance upon or in respect of the whole or part of the business or the Company's assets.
11. Entering into any agreement not on bona fide arms' length terms, or (save as set out in the LDV Business Plan or the Budget) any agreement with any director or with any Shareholder or with any associate of a Shareholder.
12. Other than as set out in the LDV Business Plan, entering into, or varying, any Agreement.
13. Save as set out in the LDV Business Plan or Budget, making any loan or providing any surety or security arrangement in respect of any loan or third party obligation whatsoever.
14. Save as set out in the LDV Business Plan or Budget, granting any service or consultancy agreement to any Senior Employee or varying or terminating any such agreement.
15. Paying any Directors' remuneration, fees or expenses other than pursuant to a Director's Letter.
16. Save as set out in the LDV Business Plan or Budget, initiating or settling any litigation or arbitration which will, or is likely to, have:
  - (i) a material impact on the reputation of the Local Authorities, NEGC or the Company, or
  - (ii) the ability of the Company to achieve the Purpose.
17. Opening any bank account or signing or varying any bank mandate, in each case other than in accordance with the Financial Procedure Rules.

**Signed by \*\*** authorised )  
 for **NORTH ESSEX** )  
**GARDEN COMMUNITIES LIMITED** )

**Signed by \*\*** authorised )  
 for **ESSEX COUNTY COUNCIL** )

**Signed by \*\*** authorised )  
 for **COLCHESTER** )  
**BOROUGH COUNCIL** )

**Signed by \*\*** authorised )  
 for **BRAINTREE DISTRICT COUNCIL** )

**Signed by \*\*** authorised )  
 for **BRAINTREE COLCHESTER BORDERS** )  
**LIMITED** )

## Appendix 8:

### DRAFT TERM SHEET

North Essex Garden Communities: LDV3

West of Braintree Limited

<p><b>1. Definitions</b></p>	<p><b>A Share</b> means an A share of nominal value £1 in the capital of the Company.</p> <p><b>A Shareholder</b> means a holder of A Shares.</p> <p><b>Articles</b> means the articles of association of the Company from time to time.</p> <p><b>B Share</b> means a B share of nominal value £1 in the capital of the Company.</p> <p><b>B Shareholder</b> means a holder of B Shares.</p> <p><b>Board</b> means the board of Directors.</p> <p><b>Braintree</b> means Braintree District Council.</p> <p><b>Budget</b> means a budget (including revenues, operating and capital expenditures, and cash flow) of the Company for a relevant financial period.</p> <p><b>Chair</b> means Chair of the Board.</p> <p><b>Colchester</b> means Colchester Borough Council.</p> <p><b>Company</b> means West of Braintree Limited, a private company limited by shares.</p> <p><b>Director</b> means a director of the Company.</p> <p><b>Director Letter</b> means an engagement letter to be entered into between the Company and each Director.</p> <p><b>Essex</b> means Essex County Council.</p> <p><b>Financial Procedure Rules</b> means the financial procedure rules adopted by the Company from time to time with the approval of NEGC.<sup>1</sup></p> <p><b>Funding Agreement</b> means any funding agreement entered into from time to time between (1) Essex or Braintree as lender, and (2) the Company as borrower.</p> <p><b>Independent Director</b> means a director who is not a Nominated Director or a Landowner Director.</p>
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<sup>1</sup> Set of financial procedures to be drafted.

	<p><b>Landowner/Optionholder</b> means [ ] (for so long as [it/they] [has/have] any interest in the Property), and/or such other person as NEGC determines.</p> <p><b>Landowner Directors</b> means a person nominated by the Landowner/Optionholder and appointed as a Director.</p> <p><b>LDV Business Plan</b> means a 2 year business plan as adopted and amended by the Board (with the approval of the Shareholders) from time to time; such business plan covering delivery of the Project and such other matters as the Board may determine, and consistent with the aims and requirements of the Master Plan and the Long-term Business Plan.</p> <p><b>Local Authority</b> means Essex, Braintree, Colchester or Tendring.</p> <p><b>Long-term Business Plan</b> means a business plan for the lifetime of the Project (with a higher level of detail for the next 5 years) as adopted by NEGC from time to time; such business plan covering infrastructure requirements, finance, planning and such other matters as NEGC determines, and consistent with the aims and requirements of the Master Plan.</p> <p><b>Master Plan</b> means the planning policy document adopted by the relevant local planning authority in relation to the Property which set out proposals for buildings, spaces, movement strategy and land use in three dimensions and matches these proposals to a delivery strategy and development programme.</p> <p><b>NEGC</b> means North Essex Garden Communities Limited, a joint strategic entity which is owned equally by each Local Authority.</p> <p><b>Nominated Director</b> means a Director appointed by Essex or Braintree.</p> <p><b>Project</b> means the development of the Property as a garden community in accordance with the Purpose.</p> <p><b>Property</b> means the property [<i>location description</i>] which is approximately identified in the plan attached in Schedule 2.</p> <p><b>Purpose</b> has the meaning given in paragraph 2 below.</p> <p><b>Senior Employee</b> means an employee whose total annual remuneration exceeds or is likely to exceed £75,000.</p> <p><b>Share</b> means an A Share or a B Share.</p> <p><b>Shareholder</b> means an A Shareholder or a B Shareholder.</p> <p><b>Shareholders' Agreement</b> means the shareholders' agreement to be entered into in relation to the business and operation of the Company between NEGC, Essex, Braintree and the Company.</p> <p><b>Tendring</b> means Tendring District Council.</p>
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<b>2. Purpose</b>	<ul style="list-style-type: none"> <li>• The purpose of the Company is to secure the development of the Property in accordance with the Project Plan, the Master Plan and the principles set out in Schedule 1 (the <b>Purpose</b>)</li> <li>• The Purpose (as set out in Schedule 1) will be included in the following documents: <ul style="list-style-type: none"> <li>– the Shareholders' Agreement</li> <li>– the Articles (perhaps in an abbreviated form)</li> <li>– the Director Letters</li> </ul> </li> <li>• The Purpose can only be changed with the prior consent of all of the Local Authorities</li> </ul>
<b>3. Shares</b>	<p><b>Initial Shareholders:</b> At closing:</p> <ul style="list-style-type: none"> <li>• NEGC will subscribe for 100 A Shares at £1 each</li> <li>• Essex will subscribe for • B Shares at £• each</li> <li>• Braintree will subscribe for • B Shares at £• each</li> </ul> <p><b>A Share rights:</b> The A Shares shall have the following rights:</p> <ul style="list-style-type: none"> <li>• Each A Share will entitle the holder to one vote on any Shareholder resolution</li> <li>• The A Shares will carry no right to receive dividends</li> <li>• On a return of capital, the A Shares will entitle the holder to a return of nominal value, but no more</li> </ul> <p><b>B share rights<sup>2</sup>:</b> The B Shares shall have the following rights:</p> <ul style="list-style-type: none"> <li>• The B Shares will carry no right to vote save that each B share shall carry the right to 2 votes on any vote which: <ul style="list-style-type: none"> <li>– materially affects, or is likely to materially affect, the delivery of the Project, or the infrastructure for the Project, in accordance with the timetable set out in the Business Plans; or</li> <li>– materially affects, or is likely to materially affect, the Company's ability to repay any sums due under any Funding Agreement when due; or</li> <li>– is likely to result in a material breach of any Funding Agreement by the Company</li> </ul> </li> <li>• The B Shares shall carry a right to receive dividends</li> <li>• The B Shares shall be entitled to receive (on a pro-rata basis) any capital return to Shareholders (subject to the A Share rights mentioned above)</li> </ul>

<sup>2</sup> It may also be that B Shares are issued to an external funder

	<p><b>Interpolated voting:</b> The NEGC constitution should be drafted so that in relation to any decision of the NEGC shareholders or board specifically affecting the Company only, only Essex and Braintree shall be entitled to vote on that decision.</p>
<b>4. Directors</b>	<p><b>Appointment/Removal:</b> The directors shall be appointed as follows:</p> <ul style="list-style-type: none"> <li>• Each of Essex and Braintree have the right to appoint and remove a Director (each a <b>Nominated Director</b>)</li> <li>• The Landowner/Optionholder shall have a right to appoint up to 2 Directors; provided that any replacement Director must be approved by NEGC before they are appointed (each a <b>Landowner Director</b>). If a Landowner/Optionholder ceases to have any interest in the Property, the Landowner Director nominated by that Landowner/Optionholder shall (unless NEGC otherwise requires) immediately resign as a Director</li> <li>• NEGC shall be entitled to appoint a further 2 independent Directors (each an <b>Independent Director</b>)</li> <li>• Any Director other than a Nominated Director may be removed by notice sent by NEGC to the Company</li> <li>• On appointment, each Director and the Company will enter into a Director Letter</li> </ul> <p><b>Chair:</b> The Board will either (i) appoint an appropriate person as Chair (and Independent Director) or (ii) appoint a chair from amongst the Directors with the expectation that an Independent Director will be elected. If the proposed Chair is not an Independent Director the approval of all Nominee Directors will be needed for the appointment. Any such appointment will be for a maximum 2 year term. The Chair shall not have a casting vote.</p> <p><b>Operation:</b> The Directors will manage the business of the Company to achieve the Purpose and in accordance with the requirements of the LDV Business Plan and the Long-term Business Plan.</p> <p><b>Board Meetings:</b> It is expected that Board meetings will be held four times a year, or more frequently as the Board may decide.</p> <p><b>Notice:</b> There will be seven days' notice of any Board meeting (or shorter notice if agreed by a majority of the Directors).</p> <p><b>Quorum:</b> The quorum for Board meetings will be at least one Nominated Director, one Landowner Director, and one Independent Director. If the quorum is not present at the appointed time for the meeting, an adjourned meeting will be called. At that adjourned meeting, at least one Nominated Director needs to be present for a quorum.</p> <p><b>Conflicts:</b> In relation to a Director's conflict:</p>



	<ul style="list-style-type: none"> <li>• The Director is obliged to declare his or her conflict at the beginning of any Board meeting</li> <li>• If that declaration indicates a dispute or possible dispute, the Board may decide whether or not the conflicted Director should withdraw from all or part of that meeting</li> </ul> <p><b>Alternate Directors:</b> It is expected that each Director will make every effort to attend Board meetings, and will only miss Board meetings in exceptional circumstances. Each Director Letter will name an alternate to attend, speak and vote in Board meetings in the appointing Director's absence.</p> <p><b>Indemnity:</b> The Articles will contain a standard permission to allow a Director to receive the benefit of an indemnity from the Company.</p>
<b>5. Business Plan<sup>3</sup></b>	<p>The Company's business will be operated in accordance with, and to achieve the aims set out in, the Long-term Business Plan and the LDV Business Plan. The Board will be responsible for (i) preparing the LDV Business Plan and Budget and (ii) monitoring progress against the Short-term Business Plan and Budget, and may suggest changes to the LDV Business Plan and Budget from time to time. Any LDV Business Plan or Budget, and any changes to either must be approved by NEGC. In addition, any such changes need to be consistent with the Long-term Business Plan, Master Plan and the Purpose. If there are any changes made to the Long-term Business Plan, Master Plan or the Purpose, the Board will meet to discuss whether any changes are required to the LDV Business Plan and Budget, subject to NEGC approval.</p> <p>If the Company undertakes any business which is outside the remit of the Long-term Business Plan or the LDV Business Plan, or incurs any expenditure or liability that means the Company will breach the Budget, or is likely to be in breach of the Budget, the Board will promptly notify NEGC in writing.</p>
<b>6. Reserved Matters</b>	<p>Schedule 3 contains a number of reserved matters. Before the Company undertakes any of the reserved matters in Part A of Schedule 3, it needs the prior written approval of Essex and Braintree. Before the Company undertakes any of the reserved matters in Part B of Schedule 3, it needs the prior written approval of NEGC.</p>
<b>7. Share Transfers</b>	<p>No Shares may be transferred without the prior written consent of Essex and Braintree, save that Shares may be transferred to successor bodies (including any new town development corporation).</p>
<b>8. Termination</b>	<p>The Company shall continue until such time as:</p> <ul style="list-style-type: none"> <li>• The Purpose has been achieved; or</li> <li>• The Company is wound up pursuant to a statutory process</li> </ul>

<sup>3</sup> The intention is to give the LDV, through flexible drafting of the LDV Business Plan and the Budget (in the context of the Financial Procedure Rules), sufficient operational freedom.

	On a termination, any assets of the Company may transfer to a successor (or other appropriate) body (including any new town development corporation).
<b>9. Disputes</b>	If there is any dispute in relation to the Company, either at Board or Shareholder level, that dispute will be escalated to the NEGC board. If the dispute is still unresolved 21 days after the NEGC board has met to discuss, Essex or Braintree may refer the matter to mediation. If the dispute is still unresolved 42 days after the NEGC board has met to discuss, Essex or Braintree may refer the matter to arbitration.
<b>10. Documentation</b>	<p>Following the agreement of this term sheet, Dentons will prepare the following documentation:</p> <ul style="list-style-type: none"> <li>• Shareholders' Agreement – in addition to the provisions referred to above, that agreement will also contain provisions in relation to: <ul style="list-style-type: none"> <li>– set-up arrangements</li> <li>– business housekeeping (company books, insurance etc)</li> <li>– information provision to NEGC, Essex and Braintree</li> <li>– confidentiality and announcements</li> </ul> </li> <li>• Articles</li> <li>• Director Letters – in addition to the provisions referred to above, each letter will also contain the following details: <ul style="list-style-type: none"> <li>– the period of the appointment</li> <li>– name of alternate director</li> <li>– remuneration (if any)</li> <li>– costs and expenses</li> <li>– indemnity</li> </ul> </li> </ul>

## Schedule 1 – Purpose

To secure the development of the Property to create a garden community, being a self-sustaining community 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, inclusive and long term planning and effective engagement.

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A garden community should:

- Be implemented using new models of delivery with the public and private sectors sharing risk and reward and ensuring that the cost of achieving the following is borne by those promoting development of the communities: (i) a high quality of place-making; (ii) timely delivery of both on-site and off-site infrastructure needed to address the impact of the new community; (iii) a mechanism for future stewardship, management, maintenance and renewal of community infrastructure and assets;
- Be planned and delivered in conjunction with a masterplan and other design guidance that have been developed through innovative community engagement;

- Be designed and executed to achieve the highest quality of place-making and design, structuring the new community to create an appropriate hierarchy of centres and walkable neighbourhoods that accommodate strong local cultural, recreational, leisure and retail facilities that underpin community life and relate to the wider urban context, as well as establishing environments that promote health, happiness and well-being;
- Have an appropriate mechanism and funding for community governance and empowerment as well as the long term stewardship of community assets;
- Provide beautifully and imaginatively designed homes with easy access to great green spaces, combining the very best of town and country living;
- Provide development that will contribute to building a balanced and inclusive community including a range of mixed-tenure homes and housing types that are affordable – including to rent – for local people including provision of self- and custom-build, co-ownership and affordable homes;
- Contribute to the creation of a resilient & self-sustaining local economy through offering access to a strong local jobs offer, including within the community itself, that provide a variety of employment opportunities within easy commuting distance of homes;
- Ensure provision of generous green space that builds on existing natural assets and is linked to the wider natural environment, with well-connected and biodiversity-rich public parks, a mix of public and private networks of well-managed, high quality gardens, allotments, tree-lined streets and open spaces;
- Provide in a timely fashion to meet the needs of the growing community, a range of great local schools & education facilities catering for all age groups, needs & skills development, health facilities and other services needed to underpin community life;
- Promote and deliver a step change in sustainable and integrated local transport with excellent walking, cycling and public transport systems fully integrated with land use at its heart, encouraging and incentivising more sustainable active travel patterns overall;
- Secure delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities to secure the highest standards of technology to reduce the impact of climate change, water efficiency with the aim of being water-neutral, energy efficiency and local energy generation, net gains in biodiversity, efficient management of utilities, excellent access to information technology networks and sustainable waste and mineral management.

## Schedule 2 – Property Plan

*To be included in the final Term Sheet.*

## Schedule 3 – Reserved Matters

### Part A

- 1 Passing any resolution or presenting any petition for the Company's winding up (unless the Company is insolvent).
- 2 Issuing or allotting any share or other capital or reducing, converting, sub-dividing, cancelling or otherwise reorganising, or altering any rights attaching to, any Shares.
- 3 Registering any transfer or allotment of Shares.
- 4 Granting any share option or right to subscribe, acquire or convert into Shares or implementing or varying any incentive, bonus or commission arrangement.
- 5 Ceasing, or making any material change in the nature of, the Company's business, the Purpose or establishing any new business.

6 Altering the Company's Articles.

Part B

1 Changing the Company's auditors.

2 Changing the Company's accounting reference date or accounting policies.

3 Adopting or approving the Company's annual accounts.

4 Approving the LDV Business Plan or Budget, or amending the LDV Business Plan or Budget.

5 Approving or amending the Financial Procedure Rules.

6 Transferring the whole or any material part of the undertaking of the Company.

7 Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring or disposing of (whether by one or more transactions) any assets, entering into any commitment, or incurring any expenditure.

8 Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring, disposing of, surrendering or assigning any freehold or leasehold property.

9 Save as set out in the LDV Business Plan or Budget, forming any subsidiary, acquiring or disposing of any interest in any business or company, participating in any partnership, joint venture or profit/revenue sharing arrangement or entering into any scheme of arrangement or merger.

10 Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, incurring any borrowings or creating any encumbrance upon or in respect of the whole or part of the business or the Company's assets.

11 Entering into any agreement not on bona fide arms' length terms, or (same as set out in the LDV Business Plan or the Budget) any agreement with any director or with any Shareholder or with any associate of a Shareholder.

12 Other than as set out in the LDV Business Plan, entering into, or varying, any Agreement.

13 Save as set out in the LDV Business Plan or Budget, making any loan or providing any surety or security arrangement in respect of any loan or third party obligation whatsoever.

14 Save as set out in the LDV Business Plan or Budget, granting any service or consultancy agreement to any Senior Employee or varying or terminating any such agreement.

15 Paying any Directors' remuneration, fees or expenses other than pursuant to a Director Letter.

16 Save as set out in the LDV Business Plan or Budget, initiating or settling any litigation or arbitration which will, or is likely to, have:

- (i) a material impact on the reputation of the Local Authorities, NEGC or the Company, or
- (ii) the ability of the Company to achieve the Purpose.

- 17 Opening any bank account or signing or varying any bank mandate, in each case other than in accordance with the Financial Procedure Rules.

## Appendix 9:



### Shareholders' agreement in relation to West of Braintree Limited

#### Dated

**North Essex Garden Communities Limited**  
(NEGC)

**Essex County Council**  
(Essex)

**Braintree District Council**  
(Braintree)

**West of Braintree Limited**  
(The Company)

Dentons UKMEA LLP  
One Fleet Place  
London EC4M 7WS  
United Kingdom

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# Shareholders' Agreement

## Dated

## Between

- (1) **North Essex Garden Communities Limited (NEGC)** a company incorporated in England and Wales with registered number 10319743 having its registered office at \*\* ;
- (2) **Essex County Council (Essex)** of County Hall, Market Road, Chelmsford, CM1 1QH ;
- (3) **Braintree District Council (Braintree)** of Causeway House, Bocking End, Braintree, Essex, CM7 9HB; and
- (4) **West of Braintree Limited (the Company)** a company incorporated in England and Wales with registered number 10319844 having its registered office at \*\* .

## Recitals

- A. NEGC is a joint strategic entity which is equally owned by each Local Authority.
- B. The parties have agreed to develop the Property in accordance with the Purpose through the Company.

## It is agreed

### 1 Definitions and Interpretation

#### 1.1 Definitions

In this Agreement the following definitions shall apply.

**A Share** means an ordinary share of £1 each in the capital of the Company.

**A Shareholder** means a holder of A Shares.

**Act** means the Companies Act 2006.

**Articles** means the articles of association of the Company in the agreed form and as subsequently amended from time to time in accordance with this Agreement.

**B Share** means a B ordinary share of £1 each in the capital of the Company.

**B Shareholder** means a holder of B Shares.

**Board** means the board of Directors.

**Borrowings** means [bank and other loans, and finance provided under hire purchase, factoring, leasing acceptance credits and similar arrangements.]

**Budget** means a budget (including revenues, operating and capital expenditures and cash flow) of the Company for a relevant financial period.

**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for the transaction of general business.

**Chair** means the chair from time to time of the Board.

**Completion** means completion of the matters specified in Clause 3.

**Director** means a director of the Company from time to time.

**Director's Letter** means an engagement letter in the agreed form to be entered into between the Company and each Director.

**Encumbrance** means any mortgage, charge, pledge, hypothecation, lien, assignment by way of security, title retention, option, right to acquire, right of pre-emption, right of set-off, counterclaim, trust arrangement or other security, preferential right or agreement to confer security, or any equity or restriction (but excluding liens arising by operation of law) and **Encumber** shall be construed accordingly.

**Financial Procedure Rules** means the financial procedure rules in the agreed form adopted by the Company with the approval of NEGC (as amended from time to time).

**Funding Agreement** means any debt funding agreement entered into from time to time between a Local Authority and the Company.

**Independent Director** means a director who is not a Nominated Director or a Landowner Director, such director being appointed by NEGC.

**Initial Shareholders** means together NEGC, Essex and Braintree.

**Intellectual Property** means patents, trade marks, service marks, trade names, domain names, rights in designs, semiconductor topography rights, database rights of unfair extraction and reutilisation, copyrights (including rights in computer software), rights in know-how and other intellectual or industrial property rights (whether registered or unregistered and including applications for the registration of any of the foregoing) and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world.

**Joint Delivery Group** means a joint delivery group established by NEGC to provide the Services.

**Landowner** means [each of ][\*\* ] (for so long as [it/they] [has/have] any interest in the Property), and/or such other person as NEGC may determine.<sup>1</sup>

**Landowners' Agreement** means an agreement [in the agreed form] entered into from time to time between each of the [Landowners] [Optionholders] and the Company.

**Landowner Director** means a person nominated by the [Landowner/Optionholder] and appointed as a Director.

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<sup>1</sup> TBD

**LCIA Rules** means the LCIA Arbitration Rules 2014.

**LDV Business Plan** means a 2 year business plan as adopted and amended by the Board (with the approval of NEGC) from time to time; such business plan covering delivery of the Project, a detailed short-term action plan and such other matters as the Board may determine, and consistent with the aims and requirements of the Master Plan and the Long-term Business Plan.

**Local Authority** means Essex, Braintree, Colchester Borough Council or Tendring District Council.

**Long-term Business Plan** means a business plan for the lifetime of the Project (with a higher level of detail for the next 5 years) in relation to the Company as adopted from time to time by NEGC with the prior consent of Essex and Braintree; such business plan covering, infrastructure requirements, finance, planning and such other matters as NEGC determines, and consistent with the aims and requirements of the Master Plan.

**Master Plan** means a document in relation to the Project as adopted by the relevant local planning authority that sets out proposals for land uses buildings, spaces, access and movement and other spatial components and sets the basis for planning applications.

**New Town Development Corporation** means a corporation established under section 1 of the New Towns Act 1981 or similar future legislation, as amended from time to time.

**Nominated Director** means a Director appointed by Essex or Braintree.

**[Optionholder** means [each of ][\*\* ] (for so long as [it/they] [has/have] an option in respect of the Property), and/or such other person as NEGC may determine.]

**Project** means the development of the Property as a garden community in accordance with the Purpose.

**Property** means the property [*location description*] which is approximately identified in the plan attached in Schedule 4.

**Purpose** has the meaning given in Clause 2.1 below.

**Senior Employee** means an employee whose total annual remuneration exceeds or is likely to exceed £75,000.

**Services** means management and technical support and such other support and services the Company may require, and NEGC may provide, from time to time.

**Share** means an A Share or a B Share in the share capital of the Company.

**Shareholder** means an A Shareholder or a B Shareholder.

## 1.2 Interpretation

In this Agreement, unless otherwise specified:

- (a) the index and headings are for ease of reference only and shall not be taken into account in construing this Agreement;

- (b) references to this Agreement or any other document shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented or replaced from time to time;
- (c) references to any recital, clause, paragraph or Schedule are to those contained in this Agreement, and all Schedules to this Agreement are an integral part of this Agreement;
- (d) the expression **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole clause (not merely the sub-clause, paragraph or other provision) in which the expression occurs;
- (e) references to a **party** mean a party to this Agreement including that party's successors in title and assigns or transferees permitted in accordance with the terms of this Agreement provided that the relevant property, right or liability has been properly assigned or transferred to such person;
- (f) references to a **director** shall, where the context allows, include reference to the alternate of such director;
- (g) references to a **subsidiary** shall include reference to a subsidiary and a subsidiary undertaking, each as defined in the Act, but on the basis that a company is to be treated as a member of another company for the purposes of subsections 1159(1)(b) and (c) of the Act even if its shares in that other company are registered in the name of:
  - (i) its nominee or any other person acting on its behalf, or
  - (ii) another person by way of security over those shares;
- (h) a document is in the **agreed form** if it is in the form of a draft agreed between and initialled by or on behalf of the Shareholders on or before the date of this Agreement;
- (i) references to any gender shall include the others; and words in the singular include the plural and vice versa;
- (j) references to **legislation** include any statute, bye-law, regulation, rule, subordinate or delegated legislation or order; and reference to any **legislation** is to such legislation as amended, modified or consolidated from time to time and to any legislation replacing it or made under it;
- (k) references to a **person** (or to a word importing a person) shall be construed so as to include:
  - (i) an individual, firm, partnership, trust, joint venture, company, corporation, body corporate, unincorporated body, association, organisation, any government, or state or any agency of a government or state, or any local or municipal authority or other governmental body (whether or not in each case having separate legal personality); and
  - (ii) that person's successors in title and assigns or transferees permitted in accordance with the terms of this Agreement provided that the relevant property, right or liability has been properly assigned or transferred to such person;

- (l) the words and expressions defined in sections 250, 390, 391, 471, 540, and 1173 of the Act have the same meanings;
- (m) **in writing** includes any communication made by letter, e-mail or other forms of electronic communication;
- (n) the words **include**, **including** and **in particular** shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words; and
- (o) the words **other** and **otherwise** shall not be construed ejusdem generis with any foregoing words where a wider construction is possible.

## **2 Purpose of the Company**

- 2.1 The parties hereby agree that the purpose of the Company is to secure the development of the Property in accordance with the Master Plan and the principles set out in Schedule 2.
- 2.2 The Purpose can only be amended with the prior written consent of all of the Local Authorities.

## **3 Completion arrangements**

### **3.1 Completion**

Completion shall take place immediately following signature of this Agreement at **[insert relevant address]**.

### **3.2 Completion Obligations**

At Completion:

- (a) the parties shall procure that:
  - (i) the Company is established, organised and financed as detailed in Schedule 3;
  - (ii) the Company adopts the Articles; and
  - (iii) **[others?]**.
- (b) the Company shall, and the Shareholders shall procure that the Company shall, enter into the following:
  - (i) Director's Letters;
  - (ii) **[Any other contracts to be entered into at Completion]**;
- (c) NEGC shall enter into the following agreements:
  - (i) **[list]**
- (d) Each of Essex and Braintree shall enter into the following agreements:
  - (i) **[list]**

### **3.3 No partial Completion**

No party shall be obliged to complete its obligations under Clause 3.2 unless all of the obligations listed in Clause 3.2 are completed with simultaneous effect.

### **3.4 Shareholders' services**

Any Services reasonably required by the Company shall, at the discretion of the board of directors of NEGC, be delivered by the Joint Delivery Group at rates to be agreed between the parties.

## **4 The Board**

### **4.1 Decisions to be referred to the Board**

4.1.1 The Board will manage the business of the Company to achieve the Purpose and in accordance with the requirements of the Long-term Business Plan and the LDV Business Plan.

4.1.2 All policy and management decisions of the Company (including the matters set out in Clause 8) shall be referred to the Board before implementation.

### **4.2 Action by the Board**

The Board shall act by majority vote, except in relation to any matter listed out in Clause 8 in which case no decision or action shall be taken unless any prior written consent required under Clause 8 has been received by the Company and if such consent is so received each of the Directors shall, unless otherwise constrained by their fiduciary duties, vote in favour of such matter.

### **4.3 Nominated Directors**

4.3.1 Each of Essex and Braintree shall have the exclusive right to appoint, remove or replace a Nominated Director.

4.3.2 The Directors at the date of Completion shall be as specified in Schedule 3.

### **4.4 Landowner Director<sup>2</sup>**

4.4.1 The [Landowner/Optionholder] shall have the right to appoint up to two Landowner Directors. If any of the initial Landowner Directors ceases to be a Director, any replacement Landowner Director can only be appointed following receipt by the Company of the prior written consent of NEGC.

4.4.2 In the event a [Landowner][Optionholder] ceases to have any interest in the Property, the Landowner Director shall, unless NEGC otherwise requires, immediately resign as a Director of the Company.

### **4.5 Independent Director**

NEGC shall have the exclusive right to appoint up to two Independent Directors.

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<sup>2</sup> We will need to reflect this in the Landowners' Agreement.

#### **4.6 Alternate Directors**

It is expected that each Director will make every effort to attend Board meetings, and shall only miss Board meetings in exceptional circumstances. Each Director's Letter will contain details of an alternate to attend, speak and vote in Board meetings in the appointing Director's absence.

#### **4.7 Chair**

4.7.1 The Board will either:

- (a) appoint an appropriate person as Chair (being an Independent Director); or
- (b) appoint a chair from amongst the Directors with the expectation that an Independent Director will be elected.

Any such appointment will be for a maximum 2 year term.

4.7.2 If the proposed Chair is not an Independent Director the approval of all Nominated Directors will be needed for the appointment. The Chair shall not have a second or casting vote.

#### **4.8 Board meetings**

Board meetings shall be held at such location as a quorum of the Directors agree at intervals of not more than three months. Save as otherwise agreed by a majority of the Directors:

- (a) Board meetings shall be convened by any Director by not less than 7 days' notice, or where the particular circumstances require a shorter period, such shorter period as the circumstances reasonably require, if agreed by a majority of Directors;
- (b) each notice shall be sent to each Director to the address, and/or e-mail address notified to the Company for these purposes, and if notice is required to be sent by e-mail a copy of such notice shall also be sent by post (and air mail if the address is overseas);
- (c) each notice of a Board meeting shall be accompanied by a full agenda and supporting papers;
- (d) each Board meeting shall only deal with the business set out in the agenda which accompanied the notice convening that Board meeting; and
- (e) minutes of each meeting of the Board shall be taken and kept by the company secretary in the books of the Company. Copies of the minutes of each such meeting shall be delivered to each member of the Board as soon as practicable. If a member has not been present at the meeting copies of all papers considered by the Board at the meeting shall be sent to him with the minutes.

#### **4.9 Quorum**

The quorum for a Board meeting shall be at least one Nominated Director, one Landowner Director (if any are appointed) and one Independent Director (if any are appointed) present in person or by his alternate (but so that not less than three individuals shall constitute the quorum). If within 30 minutes of the time appointed for a Board meeting there is no quorum,

the Director(s) present shall adjourn the meeting to a place and time not less than five Business Days later provided that at such adjourned meeting the requirement that such Director(s) shall be present shall not apply, and one Nominated Director present and shall constitute a quorum and may conduct the business of the meeting.

#### **4.10 Voting at Board meetings**

At each Board meeting the Directors present shall be entitled to cast one vote on each issue put to a vote.

#### **4.11 Compliance with Agreement**

The Company shall procure that any person who is appointed a Director after the date of this Agreement shall immediately upon becoming a Director of the Company enter into a Director's Letter with the Company to comply with and implement the terms of this Agreement.

#### **4.12 Shareholders to procure Director's resignation**

If a Shareholder ceases to be a Shareholder, it shall procure that every Director appointed by it under this Clause 4 is removed.

#### **4.13 Indemnity**

Each Shareholder shall procure that any Director appointed by it who vacates his office as director (whether by virtue of being removed by that Shareholder or otherwise) shall do so without cost to the Company. That Shareholder shall indemnify the Company and any other Shareholder from and against all claims, demands and rights which any such Director may have against the Company in respect of removal, dismissal, redundancy or otherwise.<sup>3</sup>

#### **4.14 Directors may pass information to their appointor**

A Director may from time to time disclose to the Party who appointed him and its representatives such information as he has regarding the Company.

#### **4.15 Removal of a director**

Any director may be removed by notice sent by NEGC to the Company.

### **5 Business Plans and Budget**

#### **5.1 Interim business plans**

Until such time as an LDV Business Plan is adopted by the Company in accordance with this Agreement, the Company may operate under such business plan as the Board shall determine (provided that such business plan is not in conflict with any Long-term Business Plan adopted by NEGC at that time).

#### **5.2 Business plans**

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<sup>3</sup> Do we need the Landowner to sign up to a similar provision in the Landowners' Agreement?



- 5.2.1 Within three months of a full Board being appointed (being three Nominated Directors and at least three other Directors) the Company shall, subject to NEGC approval, formally adopt an LDV Business Plan.
- 5.2.2 The Company's business will also be operated in accordance with, and to achieve the aims set out in, the Long-term Business Plan.
- 5.2.3 The Board shall be responsible for, amongst other things:
- (a) preparing the LDV Business Plan and Budget; and
  - (b) monitoring progress against the LDV Business Plan and Budget,
- and may suggest amendments to the LDV Business Plan and Budget from time to time.
- 5.2.4 In addition, the Board shall submit any draft LDV Business Plan to NEGC no later than two months before the end of the period to which the current LDV Business Plan relates. Such LDV Business Plan shall not be adopted by the Company until such time as NEGC approval has been received.
- 5.2.5 Any amendments to the LDV Business Plan or Budget must first be approved in writing by NEGC. In order to obtain NEGC written approval, the Board shall submit to NEGC in writing the LDV Business Plan or Budget together with a proposal setting out the amendments, and an explanation for the amendments. Any such amendments need to be consistent with the Long-term Business Plan, Master Plan and the Purpose.
- 5.2.6 If there are any amendments made to the Long-term Business Plan, Master Plan or the Purpose, the Board will meet to discuss whether any amendments are required to the LDV Business Plan and Budget, subject always to NEGC's approval.
- 5.2.7 If the Company undertakes any business which is outside the remit of the Long-term Business Plan or LDV Master Plan, or incurs any expenditure or liability that means the Company will breach or exceed the Budget, or is likely to be in breach of the Budget, the Board will promptly notify NEGC in writing. Such notification will provide:
- (i) detailed information in relation to such expenditure or liability, including an explanation of the circumstances; and
  - (ii) suggested remedial action.
- 5.2.8 Where there is any amendment to the Long-term Business Plan, Master Plan or the Purpose, the Board shall ensure that any corresponding amendments necessary to the remaining LDV Business Plan are also made.
- 5.3 **Budget**
- 5.3.1 The Board shall submit any draft Budget to NEGC no later than two months before the start of each financial period of the Company. Such Budget shall not be adopted by the Company until such time as NEGC approval has been received.
- 5.3.2 If, at the end of any financial period, the Budget for the next financial period has not been agreed, the Company should comply with the requirements of the Financial Procedure Rules until such time as the relevant Budget has been approved by the NEGC.

## **6 Financing the Company**

### **6.1 Financing**

The Company shall be financed through the moneys subscribed for issued shares and lent under any Funding Agreement, or otherwise as the Shareholders may agree.

### **6.2 Borrowing limit**

The parties shall procure that the Company does not exceed any borrowing limit contained in the Budget or the Financial Procedure Rules.

### **6.3 No Shareholder obligations to fund**

No Shareholder shall be obliged to advance any loan to the Company except pursuant to any Funding Agreement.

## **7 Information and Operation of the Company**

### **7.1 Information**

The Company shall provide to each Shareholder and Director and where requested, to their representatives, the following:

- (a) a profit and loss account estimate for the Company within 10 Business Days of the end of each month;
- (b) unaudited management accounts for the Company within 20 Business Days from the end of each month including a profit and loss account for that month and for the financial year to date (in each case measured against the budget for the relevant period) and 12 month forecast cash flows;
- (c) audited statutory accounts for the Company within 60 Business Days from the end of the financial year;
- (d) access to the Company's books, records, Senior Employees and auditors at such times as may reasonably be requested; and
- (e) such other information relating to the Company as any Shareholder may reasonably request from time to time,

and without prejudice to the foregoing, the Company shall keep the Shareholders fully and promptly informed of all material developments regarding the Company's financial and business affairs and all significant events (including any litigation or arbitration) which will or may affect the Company.

### **7.2 Operation of the Company**

The Company shall, and the Shareholders shall procure that the Company, shall:

- (a) carry on and conduct its business on a commercial basis in a proper lawful and efficient manner for its own benefit;

- (b) transact all business on arm's length terms;
- (c) ensure that all its business other than routine business is undertaken or supervised by the Directors;
- (d) obtain and maintain all necessary licences and approvals required in order to carry on the business; and
- (e) observe and perform its obligations under each contract referred to in Clause 3.2(b).

## **8 Reserved matters**

The Company agrees, so far as it lawfully may, and the Shareholders agree to procure, so far as is within their powers as Shareholders, that the matters listed in:

- (a) Part A of Schedule 5 in relation to the Company shall require and shall only be implemented if the Company shall have received the prior written consent of Essex and Braintree; and
- (b) Part B of Schedule 5 in relation to the Company shall require and shall only be implemented if the Company shall have received the prior written consent of NEGC.

## **9 Transfer of Shares**

No Shareholder shall assign, transfer, exchange, encumber or otherwise dispose of any of the Shares held by it or any interest in them without the prior written consent of the other Shareholders.

## **10 Protection of Name: Intellectual Property**

### **10.1 Shareholders' rights to their intellectual property**

The Shareholders hereby acknowledge and agree that all Intellectual Property Rights used in the Business but owned or provided by a Shareholder or any associate of a Shareholder (not being the Company) shall unless specifically otherwise agreed in writing remain the property of that Shareholder, shall be deemed licensed to the Company on such terms as agreed by the Shareholder and the Company, or if there is no agreement on a non-exclusive royalty-free basis for so long as the party remains a Shareholder.

### **10.2 Company's rights to its intellectual property**

Any Intellectual Property Rights which arise in the course of the Company's activities and are developed by the Company, its Directors, employees or agents shall belong to the Company and shall be deemed licensed to each of the Shareholders on such terms as are agreed by the Company and the relevant Shareholder or if there is no agreement, on a non-exclusive royalty-free basis for so long as the relevant Shareholder remains a Shareholder.

## **11 Freedom of Information**

The parties acknowledge that the parties to this Agreement may be subject to the Freedom of Information Act 2000 and/or the Environmental Information Regulations 2004 and may be required to disclose information in response to requests within the terms of that legislation. Where appropriate the relevant party shall rely on any applicable exemptions in that

legislation to justify not disclosing such information. Each party agrees to consult with the other parties to this Agreement as soon as reasonably practicable after receiving any such request and before disclosing any information concerning the Company.

## **12 Announcements and Confidentiality**

### **12.1 No announcements without agreement**

Save as required by law or with the prior written consent of the other parties no statement or announcement of any nature relating to the subject matter of or the transaction referred to in this Agreement or the establishment or operations of the Company shall be made to the public, the press or otherwise unless in a form previously agreed between the Shareholders.

### **12.2 Shareholders' confidentiality obligations**

12.2.1 Subject to Clause 11 each Shareholder shall (and shall procure that their representatives shall) at all times keep confidential and shall not use (other than for the benefit of the Company) any confidential information which it or they may have or acquire in relation to the business, finances, assets or affairs of the Company or any other party, save for any information:

- (a) which is publicly available or becomes publicly available otherwise than as a result of a breach of this Clause<sup>12</sup>;
- (b) which is disclosed to that party by a third party which did not acquire the information under an obligation of confidentiality;
- (c) which is required to be disclosed by law or the rules of any recognised investment exchange (as that term is used in section 285 of the Financial Services and Markets Act 2000) to which that Shareholder.

12.2.2 No Shareholder shall use any confidential information acquired in relation to another Shareholder pursuant to the performance of this Agreement for any purpose without the prior consent in writing of that Shareholder.

### **12.3 Company's confidentiality obligations**

The Company shall observe a similar obligation of confidence to that set out in Clause 12.2.1 in favour of each Shareholder.

### **12.4 Duration of confidentiality obligations**

The obligations in this Clause 12 shall continue to apply after termination of this Agreement and after any party has ceased to be party to this Agreement without limit in time.

## **13 Relationship between Shareholders and the Company**

### **13.1 Shareholders' procurement obligation**

Each of the Shareholders agrees it shall exercise its rights hereunder and as a Shareholder in the Company in such manner as could reasonably be expected to prevent, and shall not exercise those rights in any manner which could reasonably be expected to result in, a breach by the Company of any of its obligations under this Agreement or any Funding Agreement or

any restrictions imposed upon it under its Articles (whether or not enforceable against the Company itself).

### **13.2 No partnership**

Nothing in this Agreement, and no action taken under this Agreement, shall create a partnership or establish a relationship of principal and agent between any of the parties or (save as otherwise stated herein) otherwise authorise any party to bind any other party for any purpose.

## **14 Entire Agreement and Severance**

### **14.1 Entire agreement**

This Agreement together with the documents referred to in it sets out the entire agreement between the parties, and supersedes any previous agreement between them in relation to the subject matter of this Agreement and those documents.

### **14.2 Acknowledgment by parties**

Each party acknowledges that:

- (a) in entering into this Agreement and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any representation (whether negligent or otherwise) made to it by any person (whether a party to this Agreement or not) which is not expressly set out or referred to in this Agreement;
- (b) the only remedy available to it in respect of any representation or warranty expressly set out or referred to in this Agreement shall be for breach of contract in respect of that term of this Agreement; and
- (c) nothing in this Clause 14 shall operate to exclude or restrict any liability for fraudulent misrepresentation.

### **14.3 Conflict with the Articles**

The parties intend that the provisions of this Agreement shall prevail over the Articles in the event of conflict and, accordingly, the Shareholders shall, if necessary, exercise all voting and other rights and powers available to them as Shareholders or under this Agreement to procure any amendment to the Articles required to give effect to the provisions of this Agreement.

### **14.4 Severance**

If any provision of this Agreement or part thereof is rendered void, illegal or unenforceable in any respect (whether against all or only some of the parties), the validity, legality and enforceability of the remaining provisions (and such aforesaid provision against the other parties) shall not in any way be affected or impaired thereby.

## **15 Amendments**

This Agreement may not be amended, changed, altered, waived or, save as provided in Clause 20, terminated without the written consent of the parties.

## **16 No assignment**

No party may assign its rights under this Agreement without the prior written consent of all other parties.

## **17 Remedies and Waivers**

### **17.1 No waiver or discharge**

No default by any party in the performance of or compliance with any provision of this Agreement shall be waived or discharged except with the express written consent of all other parties.

### **17.2 Saving for future waivers**

No waiver by any party of any default by another party in the performance of or compliance with any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default whether of a like or different character.

### **17.3 Failure to exercise etc. not a waiver**

No failure to exercise, nor delay or omission by any party in exercising, any right, power or remedy conferred on it under this Agreement or provided by law:

- (a) affect that right, power or remedy; or
- (b) operate as a waiver of it.

No single or partial exercise by any party of any right, power or remedy shall prevent any further exercise of that right, power or remedy or the exercise of any other right, power or remedy.

### **17.4 Rights and remedies cumulative**

The rights, powers and remedies conferred on the parties by this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law or otherwise.

## **18 Third party rights**

The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

## **19 Costs**

Each party shall bear the costs and expenses incurred by it in connection with the preparation and implementation of this Agreement.

## **20 Termination**

### **20.1 The Company shall continue until such time as:**

- a) the Purpose has been achieved; or

- b) the Company is wound-up pursuant to a statutory process.
- 20.2 If the Purpose is achieved a Board meeting shall be called to decide whether the Company should ask the Shareholders to liquidate the Company.
- 20.3 On termination of this Agreement, any assets of the Company may transfer to a successor (or other appropriate) body, including a New Town Development Corporation.

## **21 Duration**

The rights and obligations of each Shareholder shall continue and be enforceable by or against it only while it is a Shareholder of the Company save for rights and obligations in respect of antecedent breaches of this Agreement or the Articles.

## **22 Notices**

### **22.1 Service**

- 22.1.1 Any notice or other communication to be given under this Agreement shall be in writing and shall be delivered by hand, sent by prepaid first class, recorded delivery or registered post, and shall be addressed to the party to be served in the case of:

- (a) a company at its registered office for the time being;
- (b) Essex's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**];and
- (c) Braintree's address for service under this Clause 22 is [**address**, England]. Items served at this address must be marked for the personal attention of [**name** and **name**].

- 22.1.2 Any claim form, application notice, judgment, order, or other notice of legal process relating to this agreement may be served on Essex or Braintree by posting it first-class to the address for service specified above, or to such other address for service within England as the relevant party may notify to the other parties from time to time.

### **22.2 Receipt**

Any notice or other communication under this Agreement shall only be effective when received.

## **23 Disputes**

- 23.1 In the event of a dispute in relation to the Company, or arising out of or relating to this Agreement (including any question regarding its existence, validity or termination) either at the Board or between the Shareholders, the dispute will be escalated to the NEGC board of directors to make a decision.
- 23.2 If the dispute is not settled within 21 days of the NEGC board of directors having met to resolve the dispute, Essex or Braintree may refer the matter to mediation in accordance with the LCIA Mediation Rules, which are deemed to be incorporated by reference into this Clause 23.

- 23.3 If the dispute is not settled by mediation within 42 days of the NEGC board of directors' meeting referred to in Clause 23.1, or such further period as the parties to the dispute shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the LCIA Rules, which are deemed to be incorporated by reference into this Clause 23.
- 23.4 In any arbitration commenced pursuant to this Clause 23,
- (a) the number of arbitrators shall be one;
  - (b) the seat, or legal place, of arbitration shall be London, England; and
  - (c) the language to be used in the arbitral proceedings shall be English.

## **24 Governing Law and Jurisdiction**

### **24.1 Governing law**

This Agreement is governed by and is to be construed in accordance with English law.

### **24.2 Jurisdiction**

Subject to Clause 23 the parties agree to submit to the exclusive jurisdiction of the English courts as regards any claim or matter arising out of or in connection with this Agreement.

## **25 Execution of different copies**

The parties may execute this Agreement in any number of copies and on separate copies. Each executed copy counts as an original of this Agreement and all the executed copies form one instrument.

**Signed** on the date appearing at the beginning of this Deed.

## **Schedule 1 – The Purpose**

The purpose of the Company is to secure the development of the Property to create a garden community, being a self-sustaining community 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, inclusive and long term planning and effective engagement.

A garden community should:

1. be implemented using new models of delivery with the public and private sectors sharing risk and reward and ensuring that the cost of achieving the following is borne by those promoting development of the communities: (i) a high quality of place-making; (ii) timely delivery of both on-site and off-site infrastructure needed to address the impact of the new community; (iii) a mechanism for future stewardship, management, maintenance and renewal of community infrastructure and assets;
2. be planned and delivered in conjunction with a masterplan and other design guidance that have been developed through innovative community engagement;
3. be designed and executed to achieve the highest quality of place-making and design, structuring the new community to create an appropriate hierarchy of centres and walkable neighbourhoods that



accommodate strong local cultural, recreational, leisure and retail facilities that underpin community life and relate to the wider urban context, as well as establishing environments that promote health, happiness and well-being;

4. have an appropriate mechanism and funding for community governance and empowerment as well as the long term stewardship of community assets;
5. provide beautifully and imaginatively designed homes with easy access to great green spaces , combining the very best of town and country living;
6. provide development that will contribute to building a balanced and inclusive community including a range of mixed-tenure homes and housing types that are affordable – including to rent – for local people including provision of self- and custom-build, co-ownership and affordable homes;
7. contribute to the creation of a resilient & self-sustaining local economy through offering access to a strong local jobs offer, including within the community itself, that provide a variety of employment opportunities within easy commuting distance of homes;
8. ensure provision of generous green space that builds on existing natural assets and is linked to the wider natural environment, with well-connected and biodiversity-rich public parks, a mix of public and private networks of well-managed, high quality gardens, allotments, tree-lined streets and open spaces;
9. provide in a timely fashion to meet the needs of the growing community, a range of great local schools & education facilities catering for all age groups, needs & skills development, health facilities and other services needed to underpin community life;
10. promote and deliver a step change in sustainable and integrated local transport with excellent walking, cycling and public transport systems fully integrated with land use at its heart, encouraging and incentivising more sustainable active travel patterns overall; and
11. secure delivery of a smart and sustainable approach to the design and management of services, infrastructure and utilities to secure the highest standards of technology to reduce the impact of climate change, water efficiency with the aim of being water-neutral, energy efficiency and local energy generation, net gains in biodiversity, efficient management of utilities, excellent access to information technology networks and sustainable waste and mineral management.

## Schedule 2 – Particulars of the Company<sup>4</sup>

<b>Name:</b>	West of Braintree Limited	
<b>Registered Number:</b>	10319844	
<b>Registered office:</b>	**	
<b>Directors:</b>		
[Nominated Directors: ]	**	**
[Landowner Director: ]	**	
Independent Director:	**	
<b>Company Secretary:</b>	**	
<b>Share Capital:</b>	100 A Shares	[** ] B Shares
	<b>NEGC</b>	<b>Essex, Braintree</b>
No. and type of Shares subscribed:	100 A Shares	[** ] B Shares
Total subscription price (including any premium)	£100	£**
<b>Auditors:</b>	**	
<b>Accounting Reference Date:</b>	**	
<b>Bankers:</b>	**	**

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<sup>4</sup> All to be confirmed.

## Schedule 3 – Property Plan

*To be included in final Shareholders' Agreement.*

## Schedule 4 – Reserved Matters

### Part A

- 1 Passing any resolution or presenting any petition for the Company's winding up (unless the Company is insolvent).
- 2 Issuing or allotting any share or other capital or reducing, converting, sub-dividing, cancelling or otherwise reorganising, or altering any rights attaching to, any Shares.
- 3 Registering any transfer or allotment of Shares.
- 4 Granting any share option or right to subscribe, acquire or convert into Shares or implementing or varying any incentive, bonus or commission arrangement.
- 5 Ceasing, or making any material change in the nature of, the Company's business, the Purpose or establishing any new business.
- 6 Altering the Company's Articles.

### Part B

1. Changing the Company's auditors.
2. Changing the Company's accounting reference date or accounting policies.
3. Adopting or approving the Company's annual accounts.
4. Approving the LDV Business Plan or Budget, or amending the LDV Business Plan or Budget.
5. Approving or amending the Financial Procedure Rules.
6. Transferring the whole or any material part of the undertaking of the Company.
7. Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring or disposing of (whether by one or more transactions) any assets, entering into any commitment, or incurring any expenditure.
8. Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, acquiring, disposing of, surrendering or assigning any freehold or leasehold property.
9. Save as set out in the LDV Business Plan or Budget, forming any subsidiary, acquiring or disposing of any interest in any business or company, participating in any partnership, joint venture or profit/revenue sharing arrangement or entering into any scheme of arrangement or merger.

10. Save as set out in the LDV Business Plan or Budget, and subject to the Financial Procedure Rules, incurring any Borrowings or creating any Encumbrance upon or in respect of the whole or part of the business or the Company's assets.
11. Entering into any agreement not on bona fide arms' length terms, or (save as set out in the LDV Business Plan or the Budget) any agreement with any director or with any Shareholder or with any associate of a Shareholder.
12. Other than as set out in the LDV Business Plan, entering into, or varying, any Agreement.
13. Save as set out in the LDV Business Plan or Budget, making any loan or providing any surety or security arrangement in respect of any loan or third party obligation whatsoever.
14. Save as set out in the LDV Business Plan or Budget, granting any service or consultancy agreement to any Senior Employee or varying or terminating any such agreement.
15. Paying any Directors' remuneration, fees or expenses other than pursuant to a Director's Letter.
16. Save as set out in the LDV Business Plan or Budget, initiating or settling any litigation or arbitration which will, or is likely to, have:
  - (i) a material impact on the reputation of the Local Authorities, NEGC or the Company, or
  - (ii) the ability of the Company to achieve the Purpose.
17. Opening any bank account or signing or varying any bank mandate, in each case other than in accordance with the Financial Procedure Rules.

**Signed by \*\*** authorised )  
 for **NORTH ESSEX** )  
**GARDEN COMMUNITIES LIMITED** )

**Signed by \*\*** authorised )  
 for **ESSEX COUNTY COUNCIL** )

**Signed by \*\*** authorised )  
 for **BRAINTREE DISTRICT COUNCIL** )

**Signed by \*\*** authorised )  
 for **WEST OF BRAINTREE** )  
**LIMITED** )

## Strategic Risk Assessment Profile

Risk Description	Score			RAG Rating / Consequence	Mitigation	Owner
	P	I	O			
1. PLANNING						
1.1 A scheme is not included in the Pre-Submission Draft Local Plan on the basis of appropriate planning policy determination.	1	4	4	<b>GREEN</b>  It would not be possible for the LDV to pursue any development and accordingly it would be wound up.	Dentons engaged to provide planning policy advice. M&IWG will actively work to ensure the planning viability of all 3 Garden Communities.	M&IWG Dentons
1.2 Part 1 not considered robust enough and is not approved by PINS.	2	4	8	<b>AMBER</b>  Part 1 doesn't provide a sufficiently robust policy justification for the Garden Communities.	Dentons engaged to provide planning policy advice. M&IWG will monitor and ensure appropriate evidence-based research is commissioned as part of fortnightly meetings.	M&IWG
1.3 Action groups / Parish Councils successfully lobby Members and/or MPs requesting for the programme to be halted.	3	4	12	<b>AMBER</b>  This could cause a delay to the timescales for the Pre-Submission Draft Local Plan and Examination in Public. Confidence in programme could be reduced.	The Marketing & Comms Plan includes specific reference to proactively engaging with Action Groups and Parish Councils. Consideration is being given to "Community Enablers" to positively assist Parish Councils as part of this process.	M&IWG / PR & Marketing Manager
1.4 The "infrastructure first" principle of the NEGC ambition is not able to be sufficiently achieved in order to support the early sustainability of the communities.	3	4	12	<b>AMBER</b>  This would impact on the sustainability and connectivity of the communities as well as undermine confidence in the programme.	All workstreams of the programme will actively work with relevant stakeholders to ensure the timely delivery of the infrastructure required by the communities.	M&IWG / TWG / FWG
2. LANDOWNER AGREEMENT / ENGAGEMENT						
2.1 Landowner agreements are not reached before the Pre-Submission Draft Local Plan is approved by Councils.	3	4	12	<b>AMBER</b>  This would represent a key change to the relationship between the landowners and the Councils / LDV; the underlying assumptions in the agreements would then need to be reconsidered.	Dentons will support the LWG in the positive negotiation and implementation of the landowner agreements in order to meet the programme timescales.	LWG / Dentons
3. DELIVERY VEHICLE EVOLUTION						
3.1 NEGC Ltd / LDV Board breakdown and being unable to take decisions and/or reach agreement.	2	3	6	<b>AMBER</b>  This could affect the successful delivery of the objectives as set out in the respective business plans for the Garden Communities.	Comprehensive governance processes will be set out in the Articles of Association and Shareholders Agreement.	LWG / Dentons

Risk Description	Score			RAG Rating / Consequence	Mitigation	Owner
	P	I	O			
4. FINANCIAL						
4.1 Commercial imperatives override wider vision.	2	4	8	<b>AMBER</b> May not deliver on broader ambition. May cede too much control / safeguards to satisfy landowner expectations.	Ensure vision and objectives underpin all workstreams.	SDB & SG
4.2 Sharing of rewards offer poor value for money to Councils.	3	3	9	<b>AMBER</b> Reward to Councils does not reflect extent of risk – balance too far in landowner favour.	Legal negotiations to be fully cognisant of financial positions and reflect risk exposure.	SDB, SG, LWG & FWG
4.3 Inaccurate financial modelling.	3	4	12	<b>AMBER</b> Scheme could be unviable leading to loss of investment, no/lower capital repayment or longer pay-back period.	Ongoing analysis of all assumptions and further evolution of modelling approach.	FWG
4.4 Projects unviable.	2	5	10	<b>AMBER</b> Loss of investment, no/lower capital repayment.	Ensure further design & planning work achieves viable schemes.	FWG & MIWG
4.5 Unable to raise sufficient finance.	2	3	6	<b>AMBER</b> Limits scope for funding options, may restrict to Council funding only.	Ensure approach is sufficiently attractive to the wide market through derisking and clear Council backing.	LWG & FWG
4.6 Impact on Council revenue budgets.	3	3	9	<b>AMBER</b> Impact on monies available for other Council services or need to raise further monies locally.	Ensure prudent approach. Consult auditors. Consider scope for capitalisation.	FWG
5. PROGRAMME						
5.1 The development of the NEGC Ltd Business Case leads to the conclusion that the programme is commercially unviable or involves a high level of uncontrollable risks.	2	5	10	<b>AMBER</b> The partner Councils will have the option to terminate the programme at this juncture.	Effective programme management and the active involvement of all key stakeholders will endeavour to ensure that the viability of this programme is maximised as much as possible.	SDB
5.2 The programme is not sufficiently resourced, both in terms of the necessary skills or capacity, and does not have a comprehensive contingency strategy in place in the event of the unexpected absence/ departure of key project officers and/or internal/external partners.	5	3	15	<b>AMBER</b> The lack of a sufficiently resourced team will significantly impact upon the function and timely support, co-ordination and delivery of the programme and LDVs.	The delivery team will undertake a comprehensive analysis of the resourcing and contingency required for achieving delivery of the programme's objectives. Sufficient budget will be made available to recruit to any vacant positions and the workforce needs of the programme will be regularly reviewed to respond to any changes in these requirements.	Delivery Team / Steering Group

Risk Description	Score			RAG Rating / Consequence	Mitigation	Owner
	P	I	O			
6. EXTERNAL FACTORS						
6.1 Changes to Central Government policy (e.g. Housing Bill).	3	3	12	<b>AMBER</b>  Could impact on Central Government support for the programme and/or ability to attract additional funding.	All workstreams will monitor the legislation applicable to their specialisms and will provide proactive support to the governance arrangements should changes to the programme approach be required to respond to the new environment.	LWG / FWG / M&IWG / TWG

## Explanatory Key

A risk is something that **could** happen in the future and have an impact on the completion or outcome of the Programme.

All programmes have an element of risk; all new risks will be recorded as soon as they are identified and all risks will be updated when a change (positive or negative) occurs. This is to ensure that the programme can demonstrate how it will deal with potential problems or varying severity in a controlled manner.

Risk is calculated according to the probability (P) of it happening and the impact (I) of this occurrence, based on a scale of 1 (very low) and 5 (very high) for each element of the calculation. A RAG rating is then assigned to the total score (i.e. the outcome, which is calculated by multiplying the probability score and the impact score:  $P \times I = O$ ).

## Definition of Scores

	1 (Very Low)	2 (Low)	3 (Medium)	4 (High)	5 (Very High)
<b>Probability</b>	Unlikely 0-10%	Low 11-30%	Possible 31-50%	Probable 51-80%	Definite 81-100%
<b>Impact</b>	Minimal (no interruption to programme delivery)	Minor (temporary interruption to programme delivery)	Significant (lasting interruption to programme delivery)	Severe (complete interruption to programme delivery)	Catastrophic (programme will fail unless risk urgently mitigated/resolved)

RAG Status	Score	Definition	Action
<b>Green (Low)</b>	1-4	The programme is meeting expectations.	No action required.
<b>Amber (Medium)</b>	5-15	The programme is not meeting expectations. There are mitigating circumstances in most cases and improvement is likely but risks need to be flagged to the programme team.	The programme team should be notified at the earliest opportunity; mitigation action will be explored at the appropriate governance level and implemented, as appropriate.
<b>Red (High)</b>	16-25	There are significant problems with the programme and it is not meeting expectations to date. Corrective action is required to meet business objectives. The problem cannot be handled solely by the programme team.	The matter should be escalated to the programme team immediately for consideration/resolution at the appropriate governance level.







## Cabinet

30 November 2016

Item  
8(i)

Report of

Assistant Chief Executive

Author

Sean Plummer

☎ 282347

Darren Brown

☎ 282891

Title

2017/18 Revenue Budget, Fees and Charges and Financial Reserves

Wards  
affected

Not applicable

**This report provides an update on the 2017/18 Revenue Budget,  
Fees and Charges and Financial Reserves**

### 1. Decisions Required

#### 1.1. Cabinet is requested to:

**Re: Overall Budget position and changes**

- (a) Note the current 2017/18 revenue budget forecast which at this stage shows a budget gap of £325k and the forecast variables and risks.
- (b) Note the action being taken to finalise the budget.
- (c) Agree that the 2017/18 taxbase will be agreed by the Section 151 Officer in consultation with the Portfolio Holder for Business and Resources

**Re: Specific budget decisions**

- (d) Approve the distribution of revenue grants to Parish, Town and Community Councils for 2017/18 as set out at Appendix B.
- (e) Approve the funding for voluntary welfare organisations and arts grants as set out in Appendix C and D.
- (f) Agree all fees and charges as set out in Appendix G and to continue to delegate to Heads of Service the authority to vary fees and charges in-year as set in section 12 of this report.

### 2. Reasons for Decisions

- 2.1 The Council is required to approve a budget strategy and timetable in respect of the year 2017/18.
- 2.2 This report relates to the budget update and a review of balances. This report also includes decisions in respect of fees and charges and certain specific budget changes to ensure that these can be reflected in the final budget.

### 3. Alternative Options

- 3.1 There are different options that could be considered and as the budget progresses changes and further proposals will be made and considered by Cabinet and in turn Full Council. The separate appendices showing specific decisions include alternative options where relevant.

### 4. Background

- 4.1. The timetable for the 2017/18 budget process (see Appendix A) was agreed at Cabinet on 13 July 2016
- 4.2. An updated 2017/18 budget forecast was presented and agreed at the Cabinet meeting on 12 October 2016. This showed a budget gap of c£325k

## 5 In year Budget Review – 2016/17

- 5.1. The Scrutiny Panel reviewed the current year's budget position on 8 November 2016. This showed a forecast net underspend of £207k and a net shortfall in income of £447k giving a combined forecast overspend of £240k.
- 5.2. Whilst there remains a number of risk and variables that will affect the forecast it is viewed as reasonable to assume that the final outturn is delivered 'on budget' and this is considered as part of the assessment of balances.

## 6. Local Government Finance Settlement and other Government Grants

### *Government Funding & Business Rates*

- 6.1. The 2016/17 Finance Settlement included the announcement of an "offer" of a four year funding settlement. Cabinet agreed on 7 September 2016 to "apply to accept" this offer. This was done by the deadline and a formal response is still awaited. As part of this an efficiency statement was published.
- 6.2. The following table sets out the four year figures for 2016/17 to 2019/20. These show a total reduction of £2.1million (35%) from April 2017 with a reduction next year of almost £1m (17%).

	<b>Actual</b>	<b>Provisional allocations</b>			
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revenue Support Grant	(1,978)	(920)	(275)	446	
Business Rates Baseline	(3,960)	(4,038)	(4,157)	(4,290)	
<i>Settlement Funding Assessment (SFA)</i>	<i>(5,938)</i>	<i>(4,958)</i>	<i>(4,432)</i>	<i>(3,844)</i>	
Reduction (£'000)		980	526	588	2,094
Reduction (%)		-17%	-11%	-13%	-35%

- 6.3. The provisional figures are reflected in the budget forecast and confirmation of this grant will be provided in the 2017/18 finance settlement.

### *New Homes Bonus*

- 6.4. Alongside the announcement of the Finance Settlement we expect to receive confirmation of the New Homes Bonus. The Government published a consultation paper on changes to the New Homes Bonus: "New Homes Bonus: Sharpening the Incentive" and to date there has been no communication as to how the scheme will change.
- 6.5. The 2017/18 budget forecast and MTF includes the New Homes Bonus at the current level. This is only *indicative* as the future sums will change depending on the outcome of the consultation and actual housing numbers. However, recognising the risk that the level of NHB will reduce further, the budget forecast shows a planning assumption that £150k less of the NHB in each year will be used to support the base budget. It is also assumed that the annual contribution of £250k to the RIF (Revolving Investment Fund) is maintained. It is still expected

that there will be a sum in excess of £1million which will be available to support one off projects and it should be noted that Cabinet has previously agreed to allocate a second tranche of £500k towards the Mercury Theatre project in the 2017/18 budget

## 7. Summary of 2017/18 Budget Forecast

- 7.1 The 2017/18 budget forecast reported to Cabinet in October showed a forecast gap of 325k as set out below:

	Reported in October
	2017/18
	£'000
<b>Base Budget</b>	23,959
Adjustment for one off items	(548)
Cost Pressures	1,116
Growth Items	252
Savings	(1,600)
<b>Forecast Base Budget</b>	<b>23,179</b>
<i>Funded By:</i>	
Revenue Support Grant	(920)
Business Rates Baseline	(4,038)
<i>Settlement funding</i>	<i>(4,958)</i>
Increase in NNDR / taxbase above baseline	(900)
New Homes Bonus	(5,714)
<b>Total Gov't grants</b>	<b>(11,572)</b>
Council Tax	(11,010)
Use of Reserves	(272)
<b>Total Funding</b>	<b>(22,854)</b>
<b>Budget gap</b>	<b>325</b>

- 7.2 Detailed budget setting work is continuing and at this stage no specific changes are proposed to the forecast, however, updates are provided on a number of current issues below.

### *Pension costs*

- 7.3 We have received the outcome of the triennial actuarial review of the pension fund. In summary the resulting impact is an increase in the annual percentage pension contribution and options that would reduce the deficit funding payment A number of different options for the Council to consider how the fund deficit can be paid for have been provided and we are seeking some further alternatives. These are all being considered and a proposal will be made within the final budget report. The budget forecast includes an allowance of £250k for the combined impact and at this moment we expect that this will not all be required.

### *Service savings and cost pressures*

- 7.4. Service budget are being produced and all savings and income plans scrutinised. There are a number of emerging issues which are currently being examined and whilst no changes are proposed at this stage, there will be changes to the budget assumptions required in the final budget report.

### *Grant funding proposals*

- 7.5. As is usual at this stage in the budget process proposals in respect of grants to parish grants and community and arts organisations are set out in this report at Appendix B, C and D

## **8. Council Tax**

- 8.1. In the final Settlement the Government announced that all district councils would be allowed to increase their Council Tax by the higher of £5 or 2%. For Colchester the limit is therefore £5 which would currently equate to an increase of 2.85%. The budget forecast includes a planning assumption that the Band D tax rate will increase by £5.
- 8.2. The Council is required to agree the taxbase and notify precepting authorities between 1<sup>st</sup> December and the 30<sup>th</sup> January. As has been the case in previous years it is proposed to delegate the agreement of the taxbase to the Section 151 officer in consultation with the Portfolio Holder for Business and Resources. The taxbase will be reflected in the final budget report and Full Council report on the Council Tax setting.

## **9. Summary and Risk and variables**

- 9.1. As is common at this stage in the budget setting process there remain a number of key budget risks which include areas where information has not yet been released. The following table sets out the key issues and the current assumption used.

<b>Risk / Variable</b>	<b>Current Budget Assumption</b>	<b>Comment / Timing</b>
Grant Settlement / NNDR retention	Cash reduction in SFA of 17% (£980k)  Current increase assumed in NNDR figures of £100k.	Announcement expected middle / end of December  NNDR projections to be produced for final report. The 2017/18 figures will reflect the impact of the revaluation exercise.
Collection fund position for Council Tax and NNDR	Nil assumed	Projections currently being produced. A deficit is expected for NNDR given impact of changes to appeals provision in 2015/16, however, it is assumed that this will be funded from the business rates reserve.
Other Government grants e.g.:- Benefit Admin grant  New Homes Bonus	No reduction assumed  Grant of £5.7m included but expected to be lower based on reforms to the scheme which have still not yet been confirmed by Government.	Figures should be confirmed alongside Settlement.
Proposed use of New Homes Bonus	Assumed that £1.633m is used to support the base	As above, this will first be dependent on confirmation of the grant for 2017/18 and then

<b>Risk / Variable</b>	<b>Current Budget Assumption</b>	<b>Comment / Timing</b>
	budget with the balance to support one off projects. It has previously been agreed that £500k will be allocated to the Mercury Theatre project from the 2017/18 NHB grant.	consideration of any proposals for how it is used.
Confirmation of budget savings	As set out in report	Ongoing risk assessment and detailed consideration of proposed savings.
Consideration of any potential recurring pressures and savings identified in the review of 2016/17 budget to date.	Some issues reflected in existing budget forecast. Other areas subject to review.	Work continuing as part of detailed budget setting and critical analysis of budget issues.
Completion of detailed budgets / Housing Revenue Account (HRA) recharges	Assumed all delivered as per budget allocation. No adverse impact on the charge to HRA.	Detailed budgets to be finalised and recharges calculated in December.
Confirmation of potential one off costs arising from budget proposals	Nil included in budget (sum separately held in balances)	Assessment of costs following confirmation of proposed budget savings.
Forecast balances position at 31 March 17	Current position shows a surplus of £0.6m above the current recommended level of £1.9million.	Continue monitoring of current year budget and forecasting of end of year position. Review position in December and report in January.
Proposed use of reserves / balances	Proposals to use £20k of earmarked reserves.	Review as part of final budget proposals.
Links to capital programme	Budget proposals based on current programme.	Assess revenue impact of any proposed changes to capital programme.
Council Tax Rate	Planning assumption of an increase of £5 in the Band D taxrate.	Consider implication of final Council Tax proposal.
Taxbase calculated	Increase assumed in line with draft figures.	Taxbase determined in December. Will be impacted by Local Council Tax Support Scheme and changes to assumptions.

9.2. The above highlights the key risks and variables that may affect the budget forecast. Senior Management Team (SMT) and Leadership Team will continue to review these areas to minimise any potential impact and identify remedial action.

9.3. In summary, there remains a budget gap. SMT and Leadership Team are continuing to work through the outstanding areas of work and consideration of options to deliver a balanced budget will be detailed in the final budget report. These proposals will include an update of the Medium

Term Financial Forecast (MTFF) which will reflect any impact in future years arising from proposals to balance the 2017/18 budget.

## **10. Revenue Balances**

### ***Recommended Level of Balances***

- 10.1 The Local Government Act 2003 places a specific duty on the Chief Financial Officer (Section 151 Officer) to report on the adequacy of the proposed financial reserves when the budget is being considered. This will be covered in full within the final budget report with an initial review in this and the following section.
- 10.2 The Council is required to maintain a prudent level of revenue balances in order to ensure sufficient funding is available to meet cash flow requirements and urgent or emergency issues that may arise during a financial year.
- 10.3 The minimum level of revenue balances is determined through a Risk Management Analysis based on criteria recommended by the Chartered Institute of Public Finance and Accountancy. For 2016/17 this level was agreed at £1.9million.
- 10.4. This detailed risk analysis for the financial year 2017/18 will be completed and reported within the final budget report. The proposal on the recommended level of balances will consider any issues arising from:-
  - the Finance Settlement,
  - assumption in respect of business rates
  - Council Tax base (including collection rate assumptions)
  - budget savings and other variables

### ***Forecast Balances Position - Update***

- 10.5 The current balances position is set out at Appendix E. This shows a current surplus of unallocated balances of £0.6million. This reflects a number of decisions made by Cabinet during 2016/17.
- 10.6. As shown reported at paragraph 5.2 the latest forecast outturn for the current year is a deficit of £240k. A number of variables remain that could affect this position, both favourably and adversely. As part of the final budget report in January the current year position will be reviewed and the impact on balances will be considered. It is currently assumed that the final outturn will be on budget.

## **11. Earmarked Reserves and Provisions**

- 11.1. The Council maintains a number of earmarked reserves and provisions, which allows it to prudently plan for future expenditure requirements. As at 31 March 2017 we are currently forecasting earmarked reserves to total £19.7m and provisions of £4.3m.
- 11.2. As part of the budget process an initial review has been undertaken into the level and appropriateness of earmarked reserves and provisions. No changes are currently proposed and it is considered that the reserves and provisions detailed in Appendix F remain appropriate and at a broadly adequate level. The appendix shows that 88% of the earmarked reserves are committed or allocated to various spending plans. Further detailed work is on-going to confirm this assumption and the position will be considered as part of the final budget report.

- 11.3. It is currently assumed that we will use £20k from these reserves to specifically support the budget as set out below:-  
(a) *Use of the S106 reserve to support costs (£20k)*  
We continue to use the S106 reserve to support costs of staff involved in monitoring S106 agreements, however, it should be noted that the current balance is reducing and may therefore not be sustainable over the short to medium term.

## **12. Fees and Charges**

- 12.1. Proposals in respect of fees and charges are set out at Appendix H with relevant supporting information.
- 12.2. The Council agreed a pricing framework to reflect the Council taking a more commercial approach to service delivery that requires managers to behave in a more commercial manner and to be able to respond more quickly to market forces. This can mean responding to periods of lower demand by reducing prices or offering promotions, or increasing prices where demand exceeds supply and there is clear competition for services. It is proposed that the Council continues this approach with its wide range of fees and charges. Clearly this only applies to those charges where the Council has discretion to alter prices, and statutory fees and charges are outside of this approach.

## **13. Consultation**

- 13.1. The Council is required to consult on its budget proposals. A consultation exercise took place as part of the production of the Strategic Plan agreed by Council in February 2015.
- 13.2. The budget strategy and timetable aims to ensure that information is available for scrutiny and input from all Members on proposals in the process. The aim is that detailed information will be available prior to the final budget report being submitted to Cabinet and approval by Council in February.
- 13.3. As has been the case in previous years the opportunity remains open for the leader of the opposition to meet with officers to assist with consideration of any alternative budget proposals.
- 13.4. Furthermore, we will continue with the statutory consultation with business ratepayers and communicate with parish councils in respect of grant funding.

## **14. Financial implications**

- 14.1 As set out in the report.

## **15. Risk Management Implications**

- 15.1 The strategic risks of the authority are being considered in developing the 2017/18 budget and all forecast savings/new income options are being risk assessed as part of the budget process.

## **16. Other Standard References**

- 16.1 Having considered publicity, equality, diversity and human rights, community safety and health and safety implications, there are none that are significant to the general matters in this report. Where issues have been considered as part of fees and charges proposals or other budget changes these are detailed in the relevant appendix.

## **Background Papers**

Report to Cabinet 13 July 2016, 7 September 2016 and 12 October 2016.



<b>2017/18 Budget Timetable</b>	
<b>Budget Strategy</b>	
<b>March – June (SMT and Budget Group)</b>	Budget Group Meetings Agreed Update MTFF /Budget Strategy Review potential cost pressures, growth and risks Consider approach to budget Initial budget reviews started
<b>Cabinet – 13 July 16</b>	<ul style="list-style-type: none"> <li>Review 15/16 outturn</li> <li>Report on updated budget strategy / MTFF</li> <li>Timetable approved</li> </ul>
<b>Scrutiny Panel – 19 July 16</b>	Review Cabinet report
<b>Detailed Budget preparation and Budget Setting Consultation</b>	
<b>Budget Group / Leadership Team regular sessions on progress / budget options now - December</b>	Review budget tasks Consider delivery of existing budget savings Complete outturn review
<b>Cabinet – 7 September 16 and /or 12 October 16</b>	<ul style="list-style-type: none"> <li>Budget Update</li> <li>Consider “4 year settlement”</li> <li>Review of capital resources / programme</li> </ul>
<b>Cabinet – 30 November 16</b>	<ul style="list-style-type: none"> <li>Budget update</li> <li>Reserves and balances</li> <li>Agree fees and charges / budget changes</li> <li>Government Finance settlement (if available)</li> <li>Review in year budget position</li> </ul>
<b>Scrutiny Panel – 31 January 17</b>	Budget position (Detailed proposals)
<b>Cabinet – 1 February 17</b>	Revenue and Capital budgets recommended to Council
<b>Council – 22 February 17</b>	Budget agreed / capital programme agreed / Council Tax set



**Revenue Grants to Parish, Town and Community Councils 2017/18****1 Decision Required**

- 1.1. To approve the distribution of Revenue grant to Parish, Town and Community Councils for 2017/18 as set out.

**2. Reasons for Decision**

- 2.1 It is necessary to set the level of Revenue grant to Parish, Town and Community Councils now in order that they may set their precepts for next year.

**3. Alternative Options**

- 3.1 The level of revenue grant could remain at the current level.
- 3.2 Alternative methods of distribution were also considered. However, feedback from an earlier consultation with Parish, Town and Community Councils had shown opposition to an element of the grant being subject to a bidding process.

**4. Supporting Information**

- 4.1 For 2013/14 allocations of revenue grant were discontinued, other than a base figure of £500 for each Parish, Town and Community Council to provide an equal level of support. No changes are proposed to this allocation for 2016/17.
- 4.2 The Portfolio Holder for Housing wrote to Parish, Town and Community Councils on 14 December 2012 to explain the impact of Local Council Tax Support (LCTS) on the tax base of Local Councils. The Government had advised of an indicative funding of £120k for Parish, Town and Community Councils in our area, and this was allocated based on calculations of what would achieve a 'neutral' impact on each Council.
- 4.3 The Portfolio Holder's letter advised that Colchester Borough Council had no control over the level of the grant in future years, it was unlikely that it would be separately identified in the overall funding figures, and that the allocation to Parish, Town and Community Councils would reduce in line with the overall grant from Government.
- 4.4 Colchester Borough Council's overall settlement funding allocation for 2017/18 is reducing by 17%. It is therefore proposed that this element of the 2017/18 grant to Parish, Town and Community Councils is reduced in accordance with this assumption.
- 4.5 The cost of Parish, Town and Community Council revenue grants set out in this report is £77.8k. The final approval of this sum is subject to the Council's internal scrutiny process and the approval of the overall budget by full Council in February 2017.
- 4.6. Implications for equality and diversity have been considered in respect of all changes proposed as part of the budget process, including this decision. It is not for the Borough Council to specify what the grants are spent on and for that reason it is not possible to be specific about any impacts, it will be the responsibility of the Parishes themselves to consider equality and diversity requirements when spending or allocating the funds. As such there is no Equality Impact Assessment associated with this report or link included.

## Proposed Grants for 2017/18

<b>Parish</b>	<b>LCTS Grant 16/17 £</b>	<b>17% Reduction £</b>	<b>Revenue Grant £</b>	<b>Total Grant 17/18 £</b>
Abberton & Langenhoe	579	(98)	500	981
Aldham	661	(112)	500	1,049
Birch	1,005	(171)	500	1,334
Boxted	1,253	(213)	500	1,540
Chappel	915	(156)	500	1,259
Copford	1,087	(185)	500	1,402
Dedham	1,762	(300)	500	1,962
East Donyland	5,049	(858)	500	4,691
East Mersea	661	(112)	500	1,049
Eight Ash Green	1,844	(313)	500	2,031
Fingringhoe	579	(98)	500	981
Fordham	2,098	(357)	500	2,241
Great Horkesley	579	(98)	500	981
Great Tey	751	(128)	500	1,123
Langham	751	(128)	500	1,123
Layer Breton	0	0	0	0
Layer de la Haye	661	(112)	500	1,049
Layer Marney	0	0	0	0
Little Horkesley	242	(41)	500	701
Marks Tey	2,010	(342)	500	2,168
Messing cum Inworth	579	(98)	500	981
Mount Bures	242	(41)	500	701
Myland	4,121	(701)	500	3,920
Stanway	7,575	(1,288)	500	6,787
Tiptree	13,140	(2,234)	500	11,406
Wakes Colne	413	(70)	500	843
West Bergholt	2,265	(385)	500	2,380
West Mersea	14,233	(2,420)	500	12,313
Winstred Hundred	661	(112)	500	1,049
Wivenhoe	10,188	(1,732)	500	8,956
Wormingford	413	(70)	500	843
<b>Total</b>	<b>76,317</b>	<b>(12,973)</b>	<b>14,500</b>	<b>77,844</b>

## Funding for voluntary welfare organisations 2017/18

### Proposal

1. To freeze the revenue grant made to voluntary sector organisations

### Reason for decision

Continued support for the voluntary sector is important to the Council and as such the grants will be maintained in 2017/18. However given the ongoing reductions in Government grant to the Council over the last few years an inflationary increase for revenue grants is not being made. All organisations supported in 2016/17 will continue to be supported to the same level in 2017/18.

The following groups will receive funding:

Organisation	Amount
Age UK	£11,000
Colchester Citizens Advice Bureau	£101,800
Colchester Community Voluntary Service	£45,000
Colchester and Tendring Women's Refuge (accommodation)	£7,750
Colchester and Tendring Women's Refuge (outreach)	£21,500
Emergency Night Shelter	£9,000
Grassroots	£1,350
Rural Community Council of Essex	£700
Shake Trust	£12,400
<b>Total amount</b>	<b>£210,500</b>

Service Level Agreements will be agreed for each grant that meets the CBC Strategic Plan so the Council is assured of the impact it has.

### Equality, Diversity and Human Rights Implications

We have fully considered the equality and diversity impacts by undertaking Equality Impact Assessments (EQIAs) and conclude there are no adverse impacts that cannot be mitigated.

To view the EQIAs please use this link to the Council's website:

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=19487&p=0>

## Strategic Arts Grants 2017/2018

Colchester Borough Council awards annual grants to Firstsite, the Mercury Theatre and the Colchester Arts Centre.

This annual CBC funding combines with that awarded by Arts Council England and Essex County Council, as well as other public, private and commercial sources of income, to enable the organisations to contribute towards the Creative Colchester Strategy as well as the broader aims of the Council's Strategic Plan, and to run a wide range of targeted community and outreach activities. It also acts as an important stream of match funding to unlock additional external grants.

Performance is monitored against annual service level agreements and the organisations appear before the Scrutiny Panel on a regular basis. Cabinet nominates a Member to represent the Council on the Boards of all three organisations.

Between 2014/15 and 2015/16 the grant to Firstsite was reduced by a total of 15%; the grant to the Mercury Theatre by 10%; and the grant to the Arts Centre by 5%. These reductions were made in consultation with the organisations and in recognition of the pressures on the Council's budget during this period.

In 2016/17 the grants were frozen with no inflationary increase and for 2017/18 it is proposed to again retain the current level of grant funding to Colchester Arts Centre, The Mercury Theatre and Firstsite with no inflationary increase;

	<b>16/17</b>	<b>17/18</b>
Mercury Theatre	221,850	221,850
Firstsite	127,925	127,925
Colchester Arts Centre	63,650	63,650

Balances					
	Allocated	Risk allocations	Unallocated	Total	Note
	£'000	£'000	£'000	£'000	
<b>Opening balance 1/4/16</b>	<b>(6,985)</b>	<b>(863)</b>	<b>(2,514)</b>	<b>(10,362)</b>	per 15/16 accounts
<b><i>Budget Carry Forwards:-</i></b>					
Service Budget c/fs	1,475			1,475	
New Homes Bonus	1,008			1,008	
New allocations agreed Cabinet	128			128	Agreed by Cabinet – November 2015
Colchester & Ipswich Museum Service (CIMS)	188			188	Use of balances subject to decisions made by joint Committees.
North Essex Parking Partnership (NEPP)	179			179	
Council Tax Sharing agreement	271			271	Includes carry forward sum from previous years
Funding allocation for Borough Investment For All	143			143	Agreed by Cabinet in 15/16, some funding c/f
<b><i>Funding allocations held in balances</i></b>					
Allocations in previous years c/f	648			648	Allocations against specific projects. This is being reviewed as part of the final budget report with consideration being given to reducing / changing some of these allocations.
Redundancy costs	473			473	Includes pension strain costs. Cost more likely in later years.
Right to challenge - Gov't funding	46			46	
<b><i>Agreed use of balances in 16/17:-</i></b>					
Use of earmarked balances for welfare reform	76			76	Agreed by Cabinet November 15

Balances					
	Allocated	Risk allocations	Unallocated	Total	Note
	£'000	£'000	£'000	£'000	
Use of balances to support budget	386			386	“ “ “ “
Funding budget carry forwards	426			426	“ “ “ “
Funding previously held for Street Lights	185			185	
Garden communities	250			250	Agreed by Cabinet March 16
Building Control	101			101	Agreed by Cabinet in July 2016
					Agreed by Cabinet in July 2016, however, as project is now not going ahead this may not all be required.
<b>Total use in 16/17</b>	<b>5,983</b>	<b>0</b>	<b>0</b>	<b>5,983</b>	
<i>Use of balances in later years or risk allocations</i>					
Community Stadium - rent adjustment	500			500	Provision for one-off reduction in rent
NNDR / Welfare reform	152	172		324	Provision for impact arising from reforms.
Support for digital challenge in 17/18	150			150	Report to be submitted to Cabinet March 16
Planning appeals, legal, HR etc- risk allocation		411		411	Some costs possible in 15/16
Housing benefit - risk allocation		130		130	Agreed in 15/16 budget
Collection Fund - risk allocation		150		150	Agreed in 15/16 budget
	200			200	Agreed by Cabinet 12 October 2016. Some costs may be incurred in 16/17.
Think Global, Act Local					
<b>Total later years allocations</b>	<b>1,002</b>	<b>863</b>	<b>0</b>	<b>1,865</b>	
<b>Uncommitted / unallocated Balance</b>	<b>0</b>	<b>0</b>	<b>(2,514)</b>	<b>(2,514)</b>	
Recommended level			(1,900)	(1,900)	Proposed level
<b>Surplus above recommended level</b>	<b>0</b>	<b>0</b>	<b>(614)</b>	<b>(614)</b>	



## Earmarked Reserves and Provisions

Reserve	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Renewals and Repairs (incl Building Maintenance Programme):</b> Maintained for the replacement of plant and equipment and the maintenance of premises.	1,791	500	(400)	1,891	1,891	-
<b>Insurance:</b> To cover the self-insurance of selected properties.	384	25	(10)	399	-	399
<b>Capital Expenditure:</b> Revenue provision to fund the capital programme. The reserve is fully committed to funding the current capital programme.	1,851	3,200	(700)	4,351	4,351	-
<b>Asset Replacement Reserve:</b> A reserve for the future replacement of vehicles and plant. The vehicle replacement policy has been reviewed. Revenue contributions to this reserve have now ceased and the funding is now sourced from the Council's Capital Programme.	104	-	-	104	-	104

Reserve	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Gosbecks Reserve:</b> Maintained to provide for the development of the Archaeological Park. The main source of funding was a 'dowry' agreed on the transfer of land.	225	2	(26)	201	201	-
<b>Heritage Reserve:</b> This represents balance held of museums donations and as such represents a small element of the Council's support to heritage schemes.	11	5	(2)	14	-	14
<b>Hollies Bequest:</b> Provision for the upkeep of open space.	2	-	(2)	-	-	-
<b>Section 106 Monitoring:</b> Required for future monitoring of Section 106 agreements. From 2015/16 it was set at £20k per year.	35	20	(20)	35	35	-
<b>Revenue Grants Unapplied:</b> Under new accounting rules any grant received where there are no clear conditions that the grant is repayable if not spent now have to be transferred to this reserve. For all these grants proposals for use of the money exist and the funds are held in the reserve until the money is spent.	2,217	-	(600)	1,617	1,617	-

Reserve	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Parking Reserve:</b> As part of the existing 'on street' parking arrangements there is requirement to keep any surplus funds separate from the General Fund. With the North Essex Parking Partnership (NEPP) there is also a requirement to hold separately funds provided to support TRO (Traffic Regulation Order) work and also initial funding provided by Essex County Council	694	-	-	694	694	-
<b>Building Control:</b> The Building (Local Authority Charges) Regulations came into force on 1 April 2010. The new charges allow Building Control to more accurately reflect the cost of chargeable services. In any year there is therefore the likelihood of a balance on this account that must be assessed as part of ongoing charges.	-	-	-	-	-	-
<b>Heritage Mersea Mount:</b> Funding received from English Heritage towards costs relating to Mersea Mount.	11	-	-	11	11	-

<b>Reserve</b>	<b>Amount at 31/03/16</b>	<b>Transfers - In</b>	<b>Transfers - Out</b>	<b>Estimate at 31/03/17</b>	<b>Allocated / Committed</b>	<b>Unallocated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Mercury Theatre:</b> Provision for the building's long term structural upkeep. Accumulated funds have been used to support roof repairs to the Mercury Theatre.	46	25	(10)	61	61	-
<b>Business Rates Reserve:</b> Maintained to cover the risk of any residual issues resulting from the introduction of the Local Business rates Retention scheme.	3,290		(1,537)	1,753		1,753
<b>Revolving Investment Fund Reserve:</b> Maintained as a way to deliver income-producing development schemes and regeneration/economic growth projects. The three main sources of funding into the RIF are existing capital programme allocations, capital receipts and revenue funding. Revenue funding will be held in this reserve until it is required for future capital schemes or revenue expenditure as necessary.	1,026	250	(400)	876	876	-
<b>Total General Fund</b>	<b>11,687</b>	<b>4,027</b>	<b>(3,707)</b>	<b>12,007</b>	<b>9,737</b>	<b>2,270</b>

Reserve	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
<b>HRA Retained Right To Buy (RTB) Receipts - Debt:</b> Reserve following Government changes to the RTB scheme. From 2012/13 the Council can retain a proportion of RTB receipts to offset debt taken on by the HRA Self-Financing settlement. The reserve must be used for HRA purposes.	2,492	1,400	-	3,892	3,892	-
<b>HRA Retained Right To Buy (RTB) Receipts - Replacement:</b> Reserve following Government changes to the RTB scheme. From 2012/13 the Council can retain a proportion of RTB receipts to fund affordable housing development. Receipts held within the reserve must be used within 3 years for this purpose; otherwise they must be repaid to the Government.	1,750	2,250	(200)	3,800	3,800	-
<b>Total HRA</b>	<b>4,242</b>	<b>3,650</b>	<b>(200)</b>	<b>7,692</b>	<b>7,692</b>	<b>-</b>
<b>Total</b>	<b>15,929</b>	<b>7,677</b>	<b>(3,907)</b>	<b>19,699</b>	<b>17,429</b>	<b>2,270</b>

Provision	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Insurance:</b> This element of the fund is specifically set aside as a provision to meet the cost of identified claims including subsidence. It also includes a contingency for liable costs if a previous insurer, which has gone into administration, is unable to remain solvent.	438	60	-	498	498	-
<b>NNDR Appeals:</b> The Council has created a provision to meet the financial impact of successful appeals made against rateable values as defined by the Valuation Office as part of the Business Rates Retention scheme introduced from 1 April 2013.	2,989	862		3,851	3,851	-
<b>Total</b>	<b>3,427</b>	<b>922</b>	<b>-</b>	<b>4,349</b>	<b>4,349</b>	<b>-</b>

Provision	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Insurance:</b> This element of the fund is specifically set aside as a provision to meet the cost of identified claims including subsidence. It also includes a contingency for liable costs if a previous insurer, which has gone into administration, is unable to remain solvent.	438	60	-	498	498	-
<b>NNDR Appeals:</b> The Council has created a provision to meet the financial impact of successful appeals made against rateable values as defined by the Valuation Office as part of the Business Rates Retention scheme introduced from 1 April 2013.	2,989	862		3,851	3,851	-
<b>Total</b>	<b>3,427</b>	<b>922</b>	<b>-</b>	<b>4,349</b>	<b>4,349</b>	<b>-</b>





**FEES AND CHARGES**

- (i) Civic Events 2017-18
- (ii) Land Charges, Electoral Services from 1 January 2017 and Freedom of Information
- (iii) Sports Grounds, Beach Huts, Countryside Sites and Open Spaces Events – January 2017
- (iv) Lion Walk Activity Centre 2017-18
- (v) Market and Street Trading 2017-18
- (vi) Zones Staff 2017-18
- (vii) Street Naming and Numbering 2017-18
- (viii) Museums 2017-18
- (ix) Visitor Information Centre Fees and Charges 2017 -18
- (x) Private Sector Housing Services from 1 January 2017
- (xi) Planning Services and the
- (xii) Building Control Service from 1 January 2017
- (xiii) Parking Services 2017-18
- (xiv) Environmental Health and Licensing Services from 1 January 2017
- (xv) Recycling and Trade Services 2017-18
- (xvi) Helpline 2017-18
- (xvii) Cemetery and Crematorium 2017-18

- (xviii) Events (Open Spaces) 2017-18
- (xix) Events (Corporate Buildings) 2017-18
- (xx) Sport and Leisure 2017-18

#### **VAT Indicators**

The VAT indicators in the schedules are as follows:

ST = Standard Rated

EX = Exempt

NB = Non Business

ZR = Zero Rated

## (i) Civic Events

### Introduction

It is proposed that the current levels of fees and charges be retained, apart from the Mayor Making Lunch. In terms of the fee for the Mayor Making lunch, this was introduced six years ago and was last increased in 2012 to £30 per person. There have been increases in costs since 2012 and it is recommended that the fee for 2017-18 is increased to £33 to cover these costs.

In respect of the Opening of the Oyster Fishery and the Oyster Feast, there continues to be a noticeable impact on the numbers of guests willing to attend these events in the current economic climate, and any increase in the fee may have a negative impact on attendance.

There have been occasions in the past where the Opening of the Oyster Fishery was held at Cudmore Grove Country Park rather than using a boat. Should future plans involve the hosting of the Opening of the Oyster Fishery without the use of a boat, the alternative charge of £60 per person for the event is applied.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
Mayor Making Lunch	Per Person		ST	30.00	36.00	33.00	39.60
Opening of the Oyster Fisheries	Per Person		ST	85.00	102.00	85.00	102.00
Oyster Feast	Per Person		ST	114.00	114.00	114.00	114.00

### Equality, Diversity and Human Rights implications

Equality Impact Assessments are available to view on the Colchester Borough Council website by following this pathway from the homepage: Your Council > How the Council Works > Equality and Diversity > Equality Impact Assessments >Corporate and Financial Management.

## (ii) Land Charges, Electoral Services and Freedom of Information

### Local Land Charges

#### Introduction

All fees are calculated on a cost recovery basis. In light of the Government's plan to centralise the Local Land Charges function with the Land Registry there are no major changes planned and therefore the majority of the fees remain the same. VAT is not applicable.

Cancellation of official search requests and CON 29 R component data requests will be charged at full cost and no refunds are given.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
Residential (CON 29R + LLC1)			NB	86.50	86.50	86.50	86.50
Commercial (CON 29R + LLC1)			NB	124.50	124.50	124.50	124.50
LLCI			NB	15.00	15.00	15.00	15.00
CON 29 O Questions 4-7 9-22 (each)			NB	10.00	10.00	10.00	10.00
Admin fee will be payable per property for Con 29 questions requesting individually			NB	7.04	7.04	7.04	7.04
Admin fee will be payable if optional enquiries are requested separately to original search request			NB	15.00	15.00	15.00	15.00

CON 29 O Question 8 is available from National Grid Plant Protection Team (01604 815361).			NB	NA	NA	NA	NA
Con 29 O Question 22			NB	14.00	14.00	14.00	14.00
Admin fee will be payable if optional enquiries are requested separately to original search request			NB	15.00	15.00	15.00	15.00
Additional written enquiries per question			NB	17.00	17.00	17.00	17.00
Additional Land Parcels per extra assessment			NB	14.00	14.00	14.00	14.00
Fees for specific questions and component data for CON29R:							
1.1 j-l inclusive			NB	5.29	5.29	5.29	5.29
3.1			NB	1.10	1.10	1.10	1.10
3.5			NB	1.01	1.01	1.01	1.01
3 7(excluding e & g)			NB	6.00	6.00	6.00	6.00
3.8			NB	1.46	1.46	1.46	1.46
3.9 (a-n inclusive)			NB	15.76	15.76	15.76	15.76
3.10			NB	1.01	1.01	1.01	1.01
3.11			NB	1.05	1.05	1.05	1.05
3.12- 3.15			NB	2.40	2.40	2.40	2.40

### Equality, Diversity and Human Rights implications

We have fully considered the equality and diversity impacts of our fees and charges by undertaking Equality Impact Assessments (EIAs) and conclude that there are no adverse impacts that cannot be appropriately mitigated. The decision to implement the proposed fees and charges for Land Charges services will not result in any breach of human rights.

## Electoral Services

### Introduction

It is proposed that the current level of fees and charges are retained at the 2016 level.

It is anticipated that this structure will produce an income of approximately £3,000.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Electoral Services</b>							
Register (Paper copies)	£5.00 per 1000 names		ST	8.33	10.00	8.33	10.00
Register data	£1.50 per 1000 names		ST	16.67	20.00	16.67	20.00
Confirmatory letter			ST	20.83	25.00	20.83	25.00

## Freedom of Information Requests

### Introduction

Freedom of Information requests are provided free of charge under the legislation, up to an appropriate limit set by the Ministry of Justice. The appropriate limit currently remains unchanged and for local government is £450. Requests that exceed the appropriate limit may be either declined or charged at the rate of £25 per hour, also set by legislation.

### (iii) Sports Grounds, Beach Huts, Countryside Sites and Open Spaces Events

#### Introduction

It is proposed to retain fishing permit charges at 2016/17 levels. Car parking charges at High Woods Country Park also be retained at the current levels.

Allotment charges are identified for 5 year periods and are effective from October to September annually. A proposal for the charges effective from October 2014 up to September 2019 is in place.

Figures below show no RPI uplift. No general increase in Fees and Charges has been agreed.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>FOOTBALL, RUGBY and HOCKEY</b>							
full size - casual - all days			ST	55.67	66.80	55.67	66.80
full size - casual - all days			ST	16.67	20.00	16.67	20.00
9-a-side football			ST	15.58	18.70	15.58	18.70
7-a-side or mini rugby/hockey - all days			ST	14.58	17.50	14.58	17.50
training grid - all days			ST	12.25	14.70	12.25	14.70
training grid - all days			ST	8.08	9.70	8.08	9.70
training pitch (7 a side or half full pitch) - all days			ST	10.00	12.00	10.00	12.00
American Football Pitch			ST	25.42	30.50	25.42	30.50
<b>BOWLS</b>							
casual play - per player			ST	3.75	4.50	3.75	4.50



casual play - per rink			ST	13.33	16.00	13.33	16.00
season ticket			ST	89.42	107.30	89.42	107.30
season ticket			ST	67.08	80.50	67.08	80.50
Adult weekend season ticket (1/2 full price)			ST	44.75	53.70	44.75	53.70
Adult weekend season ticket (1/2 full price)			ST	33.58	40.30	33.58	40.30
Weekend family ticket (both partners and under 16 offspring)			ST	89.50	107.40	89.50	107.40
Weekend family ticket (both partners and under 16 offspring)			ST	67.17	80.60	67.17	80.60
Junior bowls membership (under 16's)			ST	67.08	80.50	67.08	80.50
Junior bowls membership (under 16's)			ST	50.33	60.40	50.33	60.40
hire of woods			ST	2.75	3.30	2.75	3.30
<b>CRICKET</b>							
Colchester & EECC - exclusive weekend use			EX	3,574.20	3,574.20	3,574.20	3,574.20
pitch - casual - weekday			ST	64.33	77.20	64.33	77.20
pitch - casual - weekday			ST	55.50	66.60	55.50	66.60
pitch - casual - weekend & B/H			ST	72.08	86.50	72.08	86.50
pitch - casual - weekend & B/H			ST	61.17	73.40	61.17	73.40
pitch - casual - weekday			ST	16.17	19.40	16.17	19.40
practice nets			ST	8.50	10.20	8.50	10.20
<b>CYCLING</b>							
grass track - club use - all days			ST	42.92	51.50	42.92	51.50
<b>TENNIS</b>							
Lawn Tennis Club Season Charge			EX	863.60	863.60	863.60	863.60
<b>ROUNDERS</b>							
pitch - all days	Adult	Per Hour	ST	19.42	23.30	19.42	23.30

pitch - all days	Junior	Per Hour	ST	12.25	14.70	12.25	14.70
<b>ATHLETICS Shrub End Sports Ground</b>							
Long jump			ST	12.25	14.70	12.25	14.70
Running track 300m oval			ST	21.67	26.00	21.67	26.00
Running track 4 land 100m straight			ST	14.42	17.30	14.42	17.30
* Education Use - restricted to school day [ie 9.00am to 3.30pm] in term time							
Sports Day Base Charge (Shrub End Only)			ST	42.33	50.80	42.33	50.80
<b>Country Park and Countryside Charges</b>							
Fishing (closed 15 March to 15 June incl)							
High Woods Country Park	Adult	Season	ST	35.83	43.00	35.83	43.00
High Woods Country Park	Junior	Season	ST	22.00	26.40	22.00	26.40
High Woods Country Park	Adult	Day	ST	7.25	8.70	7.25	8.70
High Woods Country Park	Junior	Day	ST	4.42	5.30	4.42	5.30
Children's Craft / Environmental Activity	2 hours		EX	4.30	4.30	4.30	4.30
Children's Craft / Environmental Activity	3 hours		EX	5.40	5.40	5.40	5.40
Family Self-Guided Event			EX	1.00	1.00	1.00	1.00
Natural History Event			EX	4.20	4.20	4.30	4.30
Young Ranger Club (12 to 15 year olds)	Per week		EX	42.10	42.10	42.10	42.10
Forest Schools - Site hire by other groups			EX	210.00	210.00	210.00	210.00
Forest Schools - Site hire by other groups			EX	74.00	74.00	74.00	74.00
Forest Schools - Site hire by other groups			EX	54.00	54.00	54.00	54.00

Environmental Education session (Led by Country Park's Education Officer)			EX	3.60	3.60	4.00	4.00
Other groups e.g. brownies (Led by Education Officer/Ranger)			EX	3.60	3.60	4.00	4.00
Hire of educational equipment			ST	-	-	20.83	25.00
Hire of High Woods Country Park Visitor Centre	Per hour		EX	16.00	16.00	16.00	16.00
Hire of High Woods Country Park / Countryside Site by health and fitness and recreation businesses (i.e. regular commercial use)			EX	5.20	5.20	5.20	5.20
<b>High Woods Country Park Car Parking</b>							
Weekdays	Up to 2 hours		ST	0.42	0.50	0.42	0.50
Weekdays	2 – 4 hours		ST	1.67	2.00	1.67	2.00
Weekdays	Over 4 hours		ST	3.33	4.00	3.33	4.00
Weekends and Bank Holidays	Up to 2 hours		ST	0.42	0.50	0.42	0.50
Weekends and Bank Holidays	Over 2 hours		ST	1.67	2.00	1.67	2.00
<b>OUTDOOR EVENTS</b>	<b>Rate</b>	<b>Timings</b>					
High Woods Country Park	Standard	09:00 - 18:00	EX	133.20	133.20	133.20	133.20
High Woods Country Park	Standard	18:00 - 23:00	EX	165.20	165.20	165.20	165.20
High Woods Country Park	Premium	09:00 - 18:00	EX	371.60	371.60	371.60	371.60
High Woods Country Park	Premium	18:00 - 23:00	EX	460.40	460.40	460.40	460.40
High Woods Country Park	Event Parking	Negotiable	ST				

High Woods Country Park: Commercial Photography	Per occasion		EX	258.10	258.10	258.10	258.10
High Woods Country Park: Commercial Filming	Negotiable		EX				
<b>High Hedges Legislation fees</b>							
Complaint processing fee	Full rate		NB	309.70	309.70	309.70	309.70
	Concession rate - those in receipt of approved benefits		NB	103.20	103.20	103.20	103.20
<b>Beach Hut Fees</b>							
<b>Plot rental</b>							
Resident - Large Front Row			ST	211.67	254.00	211.67	254.00
Resident - Small Front Row			ST	143.08	171.70	143.08	171.70
Resident - Large Other Row			ST	186.25	223.50	186.25	223.50
Resident - Small Other Row			ST	125.33	150.40	125.33	150.40
Non Resident - Large Front Row			ST	355.58	426.70	355.58	426.70
Non Resident - Small Front Row			ST	241.33	289.60	241.33	289.60
Non Resident - Large Other Row			ST	318.33	382.00	318.33	382.00
Non Resident - Small Other Row			ST	215.92	259.10	215.92	259.10
<b>Plot rental - Concession</b>							
Resident - Large Front Row			ST	155.75	186.90	155.75	186.90
Resident - Small Front Row			ST	107.50	129.00	107.50	129.00
Resident - Large Other Row			ST	138.00	165.60	138.00	165.60
Resident - Small Other Row			ST	91.42	109.70	91.42	109.70
Non Resident - Large Front Row			ST	267.58	321.10	267.58	321.10
Non Resident - Small Front Row			ST	173.58	208.30	173.58	208.30
Non Resident - Large Other Row			ST	241.33	289.60	241.33	289.60
Non Resident - Small Other Row			ST	150.67	180.80	150.67	180.80
Transfer Fee			ST	224.33	269.20	224.33	269.20

<b>Plot rental for the commercial hire of beach huts</b>							
Resident - Large Front Row			ST	529.17	635.00	529.17	635.00
Resident - Small Front Row			ST	357.75	429.30	357.75	429.30
Resident - Large Other Row			ST	465.67	558.80	465.67	558.80
Resident - Small Other Row			ST	313.25	375.90	313.25	375.90
<b>Other Relevant Fees</b>							
Deck Chair Hire	X09	Year	ST	150.42	180.50	150.42	180.50
Sailing Board Club	X11	Year	ST	316.67	380.00	316.67	380.00
Large Front Row Charity	X13	Year	ST	91.00	109.20	91.00	109.20
Transfer Fee			ZR	269.20	269.20	269.20	269.20

### Equality, Diversity and Human Rights implications

- The proposed fees and charges affect all customers equally. Junior charges are available for many of the activities and a reduced concession price is available on some charges.
- Charges have been set in accordance with the leisure services pricing policy, which will be subject to an Equality Impact Assessment as and when it is reviewed.
- There are no new charging arrangements being introduced which will have a negative impact on any equality target groups.

#### (iv) Lion Walk Activity Centre

Proposal is to retain charges at current level. The reason for this decision is that there are no inflationary costs to consider, so we will retain at current charges.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
Membership			NB	36.40	36.40	36.40	36.40
Couples Membership			NB	60.70	60.70	60.70	60.70
Membership for those on a qualifying means tested benefit			NB	21.70	21.70	21.70	21.70
One Course meal (members)			ST	3.08	3.70	3.08	3.70
Two Course meal (members)			ST	3.75	4.50	3.75	4.50
One Course meal (non-members)			ST	4.17	5.00	4.17	5.00
Two Course meal (non-members)			ST	4.83	5.80	4.83	5.80

#### Equality, Diversity and Human Rights implications

There is no proposed change to existing fees and charges and therefore no implications to consider. We continue to offer a concessionary rate for those on low income.

## (v) Market and Street Trading

### Introduction

Figures below show no RPI uplift. Recommended figures show no increase on Market pitches already set at a competitive rate when compared with other Markets and where charges need to be balanced with close competition and occupancy rates. A 5% increase is proposed on Street Trading pitches, this has been rounded up to the closest 0.10p and this change in decision reflects benchmarking findings and will be balanced with a pricing policy change that offers loyalty benefits to traders that sign up or commit for longer periods and pay upfront.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Market Pitches for High Street</b>							
Friday pitch			EX	25.00	25.00	25.00	25.00
Saturday pitch			EX	31.90	31.90	31.90	31.90
<b>Street Trading</b>							
Small	2m x 2m		EX	11.40	11.40	12.00	12.00
Medium	2.5m x 2.5m		EX	16.00	16.00	16.80	16.80
Large	3m x 3m		EX	18.20	18.20	19.20	19.20
Extra Large	2m x 5m		EX	20.50	20.50	21.60	21.60

### Equality, Diversity and Human Rights implications

There are no particular equality, diversity or human rights implications. This is covered in the original EQIA for the Service. The EQIA can be found here:

<http://www.colchester.gov.uk/article/4959/Community-Services>

## (vi) Zones Staff

### Introduction

These are the charges used for such activities as Road Closures and Bin Emptying. Figures below include a proposed inflationary increase.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Zone Charges</b>							
Unskilled Labour			EX	22.35	22.35	22.80	22.80
Skilled Labour			EX	25.40	25.40	25.91	25.91

### Equality, Diversity and Human Rights implications

There are no particular equality, diversity or human rights implications. This is covered in the original EQIA for the Service. The EQIA can be found here:

<http://www.colchester.gov.uk/article/4959/Community-Services>



## **(vii) Street Naming and Numbering**

### **Introduction**

It is proposed that the fees and charges for rework remain unchanged.

Street Naming and Numbering is a statutory function for the local authority which means the authority should not charge for the service and therefore no charges are applied to applicants for the delivery of the service. It is also in the best interest of the current or future residents affected that charges are not applied as they may deter individuals or developers from following the correct processes for creating or changing property addresses.

Charging for reworking Street Naming and Numbering schedules that had previously been completed and issued acts as an incentive for developers to agree appropriate and complete schedules at the outset and as a deterrent from changing addresses once they have been issued to residents and third parties.

<b>Description of charge</b>	<b>Optional</b>	<b>Optional</b>	<b>VAT Ind</b>	<b>Current 2016/17 Charges excl. VAT (£)</b>	<b>Current 2016/17 Charges incl. VAT (£)</b>	<b>Proposed 2017/18 Charges excl. VAT (£)</b>	<b>Proposed 2017/18 Charges incl. VAT (£)</b>
Street Name Change	Each		ST	100.00	120.00	100.00	120.00
Plot Change	Each	£50 minimum charge	ST	10.00	12.00	10.00	12.00

### **Equality, Diversity and Human Rights implications**

Not applicable as no change to fees and charges.

## (viii) Museums

### Introduction

Any changes to museum service prices below will come into effect on 1st April 2017 until 31st March 2018.

It is proposed that a small increase will be made to Castle admission charge in 2017, including individual, 'Saver' ticket and group day admissions, and annual membership passes. This reflects the need to continue to achieve income targets which in turn assist with the maintenance and future development of this important visitor and heritage venue. In April 2016 only Castle guided tours were increased in price with all other admissions related charges being held at 2015-16 prices.

Continuous improvement and investment in the Castle facilities and visitor offer over 2016-17 and since the Castle refurbishment in 2013-14, has led to developments such as new material for the *Son et Lumière* projection onto the Castle wall, new content for the Castle app available to visitors via their own device or a hired tablet device, and ongoing improvements to the interpretation of the prisons, as well as keeping visitor and hire facilities in good order.

It is proposed that the price for Castle tours and tablet hires remains static, ahead of investment in a renewed number of qualified Castle Guides when a new cohort completes training towards the end of 2017, and ahead of the completion of the renewal of all tablets with improved devices, commencing with a gradual roll-out in 2017.

It is proposed to make a small increase to school admissions fees for museum staff-led and general visit sessions, as Colchester Museums continue to offer a very good value for money and competitive package to schools, and the service is receiving no negative feedback from schools about the prices of the sessions which are broadly affordable for parents, particularly in comparison to many other venues. There will continue to be a 50p per child discount available to schools from within the Colchester borough area.

Castle hire pricing has recently transferred to be the responsibility of the CBC Events team, other than small scale hires for children's birthday parties which are included in the pricing schedule below, along with refreshment prices for hires.

Some small amendments have been made to photographic reproduction charges, with figures being slightly increased to reflect the small annual increase in the cost of staffing the services offered. Both photographic and filming charges are presented as guideline figures only, as in reality due to the wide variety of requests and customers, many requests are dealt with on a case by case basis following a degree of negotiation. A few categories have been removed due to advances in technology, as noted below, and filming charges have been simplified based on staff support required.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Castle Admission and Related Charges</b>							
<b>Individual</b>	One day admission						
<b>Adult</b>			ST	6.33	7.60	6.46	7.75
<b>Child</b>	4 – 16 years	Under 4 free	ST	3.96	4.75	4.00	4.80
<b>Concession</b>			ST	3.96	4.75	4.00	4.80
<b>Saver day ticket</b>							
	2 x adults plus 2 x concession	1 x adult plus 3 x concessions	ST	16.67	20.00	17.50	21.00
<b>Group</b>	12+ people						
<b>Adult</b>			ST	5.50	6.60	5.58	6.70
<b>Child</b>	4 – 16 years	Under 4 free	ST	3.33	4.00	3.42	4.10
<b>Concession</b>			ST	3.33	4.00	3.42	4.10
<b>Tours</b>	No tours concession rate						
<b>Adult</b>			ST	2.50	3.00	2.50	3.00
<b>Child</b>	4 – 16 years	Under 4 free	ST	1.25	1.50	1.25	1.50
<b>Tablet Hire</b>							

All hires			ST	0.83	1.00	0.83	1.00
<b>Castle Passes</b>							
Child / Concession			ST	10.21	12.25	10.42	12.50
Adult			ST	15.21	18.25	15.42	18.50
Joint Adult			ST	27.08	32.50	27.50	33.00
Family			ST	40.63	48.75	40.83	49.00
<b>School Admissions (Exempt VAT)</b>							
<b>Colchester Castle</b>							
Borough – general visit			EX	3.00	n/a	3.10	n/a
Borough – schools package			EX	4.00	n/a	4.10	n/a
Non-Borough – general visit			EX	3.50	n/a	3.60	n/a
Non-Borough – schools package			EX	4.50	n/a	4.60	n/a
Teacher / adult helper	Up to 6 x teachers			Free		Free	
<b>Hollytrees Museum</b>							
General visit				Free		Free	
Borough – half day			EX	3.50	n/a	3.60	n/a
Borough – full day			EX	4.00	n/a	4.10	n/a
Non-Borough – half day			EX	4.00	n/a	4.10	n/a
Non-Borough – full day			EX	4.50	n/a	4.60	n/a
Teacher / adult helper	Up to 6 x teachers			Free		Free	
<b>Children's Birthday Party Hire Charges at Castle (prices in addition to admissions charges)</b>							
Costumed tour only			ST	41.66	50.00	From 41.66	From 50.00
Activity room hire (optional - <u>in addition</u> to costumed tour)			EX	100.00	n/a	From 100.00	n/a
<b>Photographic charges</b>	<b><u>The figures below are guidelines only with many requests being dealt with on a case by case nature, due to the varied nature of the requests received.</u></b>						
<b>Digital Images (sent by email, part of one request)</b>							
First existing jpeg image			ST	13.13	15.75	13.33	16.00
Each additional jpeg image			ST	4.38	5.25	4.58	5.50

One existing jpeg image sent on CD			ST	13.13	15.75	Remove due to lack of demand for CD images	
Each additional jpeg image sent on same CD as the one above			ST	4.38	5.25		
<b>Photographic reproduction fees</b>							
<b>Publications</b>	(N.B. 'Books' includes e-books)						
Books, Periodicals, Journals, Newspapers (feature articles), Magazines, including part works.	Black/ White	Single Language Rights	ST	45.29	54.35	45.83	55.00
Books, Periodicals, Journals, Newspapers (feature articles), Magazines, including part works.	Black/ White	World Rights	ST	90.58	108.70	91.67	110.00
Books, Periodicals, Journals, Newspapers (feature articles), Magazines, including part works.	Colour	Single Language Rights	ST	90.58	108.70	91.67	110.00
Books, Periodicals, Journals, Newspapers (feature articles), Magazines, including part works.	Colour	World Rights	ST	181.17	217.40	183.33	220.00
Educational Books and other non-profit publications	Black/ White	Single Language Rights	ST	22.67	27.20	23.33	28.00
Educational Books and other non-profit publications	Black/ White	World Rights	ST	45.91	54.35	45.83	55.00
Educational Books and other non-profit publications	Colour	Single Language Rights	ST	45.91	54.35	45.83	55.00
Educational Books and other non-profit publications	Colour	World Rights	ST	90.58	108.70	91.67	110.00
Book Jackets, Magazine Covers, CD/Record, Video or CD-ROM/DVD covers	Black/ White	Single Language Rights	ST	110.00	132.00	110.00	132.00

Book Jackets, Magazine Covers, CD/Record, Video or CD-ROM/DVD covers	Black/ White	World Rights	ST	220.00	264.00	220.83	265.00
Book Jackets, Magazine Covers, CD/Record, Video or CD-ROM/DVD covers	Colour	Single Language Rights	ST	220.00	264.00	220.83	265.00
Book Jackets, Magazine Covers, CD/Record, Video or CD-ROM/DVD covers	Colour	World Rights	ST	440.00	528.00	441.67	530.00
Educational and other non-profit publications Covers	Black/ White	Single Language Rights	ST	54.58	65.50	55.00	66.00
Educational and other non-profit publications Covers	Black/ White	World Rights	ST	109.17	131.00	110.00	132.00
Educational and other non-profit publications Covers	Colour	Single Language Rights	ST	109.17	131.00	110.00	132.00
Educational and other non-profit publications Covers	Colour	World Rights	ST	218.33	262.00	220.83	265.00
<b>Merchandise</b>							
Postcards, Greeting Cards, Notelets, artists re-drawing, small reproductions up to A5, two dimensional ( <u>two</u> year rights - increased from one)	Black/ White	Single Language Rights	ST	82.50	99.00	166.67	200.00
Postcards, Greeting Cards, Notelets, artists re-drawing, small reproductions up to A5, two dimensional ( <u>two</u> year rights - increased from one)	Black/ White	World Rights	ST	165.00	198.00	333.33	400.00
Postcards, Greeting Cards, Notelets, artists re-drawing, small reproductions up to A5, two dimensional ( <u>two</u> year rights - increased from one)	Colour	Single Language Rights	ST	165.00	198.00	333.33	400.00

Postcards, Greeting Cards, Notelets, artists re-drawing, small reproductions up to A5, two dimensional ( <u>two</u> year rights - increased from one)	Colour	World Rights	ST	330.00	396.00	666.67	800.00
Fine Art Prints, Calendars (per plate), Gift Wrap, Posters, artists re-drawing, A4 size and over, two dimensional ( <u>two</u> year rights - increased from one)	Black/ White	Single Language Rights	ST	95.67	114.80	191.67	230.00
Fine Art Prints, Calendars (per plate), Gift Wrap, Posters, artists re-drawing, A4 size and over, two dimensional ( <u>two</u> year rights - increased from one)	Black/ White	World Rights	ST	191.33	229.60	383.33	460.00
Fine Art Prints, Calendars (per plate), Gift Wrap, Posters, artists re-drawing, A4 size and over, two dimensional ( <u>two</u> year rights - increased from one)	Colour	Single Language Rights	ST	191.33	229.60	383.33	460.00
Fine Art Prints, Calendars (per plate), Gift Wrap, Posters, artists re-drawing, A4 size and over, two dimensional ( <u>two</u> year rights - increased from one)	Colour	World Rights	ST	382.67	459.20	766.67	920.00
Other printing, souvenirs, replicas, giftware etc (three year rights)	To be negotiated on a case-by-case basis (from £250)		ST	143.75	172.50	208.33	From 250.00
<b>Other media use</b>	('Regional' category discarded - impossible to geographically restrict access within UK)						
Television / Film Flash Fee up to 6 seconds still photography (five year rights)	B/W or Colour	National / International	ST	165.00	198.00	208.33	250.00
Inclusive Cable, Digital, Satellite, Video, WWW Flash Fee up to 6 seconds still photography (five year rights)	B/W or Colour	National / International	ST	330.00	396.00	Removed due to standardisation of this technology meaning category is no longer meaningful	

Educational Television / Film Flash Fee up to 6 seconds still photography – Standard (five year rights)	B/W or Colour	National / International	ST	82.50	99.00	83.33	110.00
Repeat in same programme / repeat broadcast (five year rights)	B/W or Colour	National / International	ST	82.50	99.00	Removed due to lack of demand and increase in Flash Fee prices above	
DVD, website page or social media post	B/W or Colour	National / International	ST	82.50	99.00	166.67	200.00
Educational DVD, website page or social media post	B/W or Colour	National / International	ST	41.25	49.50	83.33	100.00
<b>Still photography and filming fees</b>							
<b>Filming fees (2016-17)</b>							
Facility fee for film or TV companies filming in the galleries (applicable to all filming) plus	Fixed Fee plus		ST	191.67	230.00	See replacement fee schedule below	
Filming fee (minimum of one hour) based on two members of staff being present	per hour		ST	38.96	46.75		
Extras: curatorial staff (interviews or assistance)	per hour		ST	55.00	66.00		
Extras: specialist staff (display, security, lighting, etc)	per hour		ST	59.17	71.00		
<b>Filming fees (2017-18)</b>	<b><u>The figures below are guidelines only with many requests being dealt with on a case by case nature, due to the varied nature of the requests received.</u></b>						
Filming facility fee for production companies filming in any part of museum venue	Fixed Fee		ST	191.67	230.00	200.00	240.00
Supervision / Support Fee including interviews or specialist assistance (minimum of one hour)	Per hour, per team member dependent on grade	In addition to Facility Fee	ST	From 38.96 to 59.17	From 46.75 to 71.00	From 20.00 to 62.50	From 24.00 to 75.00
<b>Photograph used in filming</b>							



Costs for still photographs used in filming	Additional costs for still photographs used in filming are as indicated under Photographic Reproduction Fees are payable in addition to the above Filming Charges.						
<b>Filming cancellation fees</b>							
Non-appearance (no notification)	Charge 50% of quoted fee						
Cancellation (minimum of three working days' notice required)	Charge 25% of quoted fee if no notice received						
Postponement (24 hours' notice required)	No charge						
<b>Equality, Diversity and Human Rights implications</b>							
<p>No human rights issues have are apparent in relation to the delivery of Colchester Castle and the Colchester museums. It is deemed acceptable to charge an entry fee to the Castle due to the heritage value of both the building, which is in itself a Scheduled Ancient Monument, and the historic and educational value of the collections displayed inside which are of international significance. Castle visitors perceive a significant value in paying for admission to the Castle as a 'day out' venue for family or individual enjoyment and lifelong learning, and admissions tickets once purchased can be used to re-enter the Castle as many times as required that day. Annual membership passes provide an excellent value option for local people with an interest in the Castle to return multiple times each year for roughly the cost of 2.5 visits, and also provide a discount of 10% in the museum gift shop as well as other special benefits throughout the year.</p> <p>For those unable to afford to pay the full admission price for Colchester Castle, a number of cheaper options are available which are relevant to equality and diversity in terms of providing access for as wide a range of visitors as possible. Concessionary rates, as well as providing reduced priced admission for children of school age and full-time students, also enable those on a low income, retired or unable to work to benefit from reduced admission if they are in receipt of state benefits (subject to some form of proof being provided on request). Concessionary rates also apply to annual membership passes, although not to guided tours beyond child prices, as the tours are very reasonably priced.</p> <p>The Castle continues to provide free access to visitors twice a year, over the Heritage Open Days weekend each September and the annual Christmas open afternoon/evening when the Castle is open later than usual. These are both ideal opportunities for local visitors on lower incomes, for instance, to experience a Castle visit free of charge.</p>							

Disabled visitors also benefit from reduced admission rates and carers accompanying disabled visitors to facilitate their visit are not charged. The Castle contains many layers of interpretation aimed at providing inclusive access for and improving the visitor experience for visitors with disabilities – examples include two lifts, a tactile map, audio equipment. School groups that include children with particular needs are always catered for on a special case by case basis, with alternative tours being made available for children, and their friends, who cannot manage the steps in the standard tour.

Provision for families with young children is made through access to the lunch room when not used by school groups, the ability to come and go from the Castle as many times as necessary during the day on one ticket, accessible toilets with baby changing facilities, interactive exhibits such as 'build an arch' and dressing up, many 'please touch' exhibits, access to a quiet room for baby feeding on request, and free entry for children under the age of four years old.

For visitors whose first language is not English, a number of translated introduction and history sheets are available from the front desk, and the Castle app contains a French language version to cater for groups of European students visiting from or other language schools based in Colchester or elsewhere.

Finally, an amendment has been made late in 2016 to the former 'military personnel' concessionary rate category. Following liaison with Colchester Garrison, this discount has been extended to include anyone holding a valid Defence Discount Service card. This is a national, Ministry of Defence approved scheme providing discretionary discounts to a whole range of products and services across the UK, for which qualifying individuals just need to pay £5.00 every five years. The scheme is open to serving military personnel including Reserve forces, dependents, veterans, and cadet forces (over 16). Joining this scheme enables the families of personnel from Colchester Garrison (or elsewhere) to visit the Castle at the concessionary rate, regardless of whether they are accompanied by a member of the armed forces. It is part of Colchester Borough Council's support for the Armed Forces Covenant, building links with Colchester Garrison.

## (ix) Visitor Information Centre

### Introduction

It is proposed that a small increase of 10p is applied to VAT inclusive adult guided tour charges while all other fees and charges remain unchanged for 2017/18.

The reasons for decision for Guided Tours - It is proposed to increase all adult guided tour charges by 10p rather than a set percentage as a round figure is more easily communicated to and remembered by the customer and can be more easily multiplied, aiding their decision making process. This uplift represents a percentage increase of around 2% and is required to contribute to the continued application of the Living Wage to the fees paid to the tour guide. The child concession will be retained in recognition of the number of local schools booking educational tours. Overall guided tour charges will remain competitive and comparable with other similar destinations.

The reasons for decision for Agency Fees, Telephone & online booking fee & advertising pricing schedule - It is proposed that these remain the same as they are in line with those charged across the sector by comparable organisations. For web and Print Advertising Fees, it is proposed that these remain unchanged except for the removal of some print advert options as the format of the Visitor Guide has changed. The tourism and leisure sector in Colchester is expanding, but competition for advertising spend remains intense and operators have an ever expanding choice of new media through which to promote their businesses. Therefore at this time additional revenue is more likely to be achieved by seeking an increase in volume of sales rather than in the fees charged.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Guided Tours</b>							
Rota Tour - public	Adult		ST	3.50	4.20	3.58	4.30
Rota Tour - public	Child		ST	2.17	2.60	2.17	2.60
Rota Tour - public Themed Tour (1 Guide)	Adult		ST	3.50	4.20	3.58	4.30
Rota Tour - public Themed Tour (1 Guide)	Child		ST	2.58	3.10	2.58	3.10
Rota Tour - public Themed Tour (4 Guide)	Adult		ST	6.00	7.20	6.08	7.30

Rota Tour - public Themed Tour (4 Guide)	Child		ST	3.42	4.10	3.42	4.10
Private pre-booked	Adult		ST	3.58	4.30	3.58	4.30
Private pre-booked	Child		ST	2.17	2.60	2.17	2.60
Private pre-booked	Min. charge for groups of < 10		ST	35.00	42.00	38.00	43.00
<b>Agency Commission Fees</b>							
Charity	5%	plus VAT				No change	
Non Charity	10%	plus VAT					
Minimum handling fee applied if commission falls below 25 plus VAT			ST	25.00	30.00	25.00	30.00
<b>Telephone/Online/Postal Booking Fee</b>							
CBC events/activities				2.00	2.00	2.00	2.00
All other events				2.50	2.50	2.50	2.50
<b>Advertising Fees</b>							
<b>Accommodation web and print line entry package including availability update: annual charge</b>							
Up to 4 bed spaces or 1 Self Catering Unit			ST	163.00	195.60	163.00	195.60
5-9 bed spaces or 2 Self Catering Units			ST	173.00	207.60	173.00	207.60
10-14 bed spaces or 3 Self Catering Units			ST	189.00	226.80	189.00	226.80
15-19 bed spaces or 4 Self Catering Units			ST	205.00	246.00	205.00	246.00
20+ bed spaces* or 5+ Self Catering Units			ST	220.00	264.00	220.00	264.00
<b>Display ads in Visitor Guide</b>							
Half Page			ST	330.00	396.00	N/A	N/A
Full Page			ST	600.00	720.00	600.00	720.00
Back cover			ST	1,000.00	1,200.00	N/A	N/A
<b>Web extras annual charge</b>							

Web button sponsorship			ST	500.00	600.00	500.00	600.00
Restaurants and shops web only basic			ST	35.00	42.00	35.00	42.00
New image			ST	10.00	12.00	10.00	12.00
<b>Web extras monthly charge</b>							
Website home page banner ad			ST	40.00	48.00	40.00	48.00
Website landing page banner ad			ST	30.00	36.00	30.00	36.00
Homepage banner website			ST	50.00	60.00	50.00	60.00

### Equality, Diversity and Human Rights implications

.  
We have fully considered the equality and diversity impacts of our fees and charges and conclude that there are no adverse impacts that cannot be appropriately mitigated. The proposed fees and charges affect all customers equally. Junior charges are available for many of the activities

## (x) Private Sector Housing Services

### Introduction

It is proposed that private sector housing fees and charges are retained at the current level as set out below. The only change to the pricing schedule from last year is the inclusion of fees and charges associated with the introduction of The Smoke & Carbon Monoxide (England) Regulations 2015. These fees were previously agreed with PFH in Feb 2016.

#### House in Multiple Occupation Licence Fee

The fee for a first time HMO Licence (£715) and the fee for an HMO licence renewal (£360) under the provisions of the Housing Act 2004 are being retained.

#### Charges for Enforcement Notices/Orders

The fee charged for the service of an Enforcement Notice or Order under the provisions of the Housing Act 2004 is to be retained at £500.

#### Student Accommodation Accreditation Scheme (SAAS) Inspections

It is proposed that the fees associated with SAAS inspections are maintained at the current level to continue to encourage responsible landlords to join the scheme.

#### Immigration Inspections

The fee for an immigration inspection is to be retained at £150. This is a discretionary service provided by the Council, not a statutory duty, and the fee remains significantly less than private sector surveyors or agents charge.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>HMO Licensing (licence issued for a period of 5 years)</b>							
House in Multiple Occupation Licence (new applications)			NB	715.00	715.00	715.00	715.00

House in Multiple Occupation Licence – price per additional room after 10 units of accommodation			NB	72.00	72.00	72.00	72.00
House in Multiple Occupation – Renewal of Licence			NB	360.00	360.00	360.00	360.00
Assisted Application Fee			NB	360.00	360.00	360.00	360.00
<b>Student Accommodation Accreditation Scheme (accreditation for 5 years)</b>							
Bedsits			NB	52.00	52.00	52.00	52.00
Lodgings (resident landlord with 2 lodger)			NB	52.00	52.00	52.00	52.00
1-2 Bedroom Flats			NB	103.00	103.00	103.00	103.00
2-storey dwellings including non-licensable Houses in Multiple Occupation with up to 6 units of accommodation			NB	160.00	160.00	160.00	160.00
Dwellings with 3 or more storeys including non-licensable Houses in Multiple Occupation			NB	180.00	180.00	180.00	180.00
<b>Student Accommodation Accreditation Scheme Renewal (accreditation for 5 years)</b>							
Bedsits			NB	39.00	39.00	39.00	39.00
Lodgings (resident landlord with 2 lodger)			NB	39.00	39.00	39.00	39.00
1-2 Bedroom Flats			NB	77.00	77.00	77.00	77.00
2-storey dwellings including non-licensable Houses in Multiple Occupation with up to 6 units of accommodation			NB	120.00	120.00	120.00	120.00
Dwellings with 3 or more storeys including non-licensable Houses in Multiple Occupation			NB	135.00	135.00	135.00	135.00
<b>Charge for Enforcement Notices/Orders</b>							

Fee per Enforcement Notice issued under Housing Act 2004 and for Demolition Orders served under s.265 Housing Act 1985 (NB. Only one single fee is payable where the same notice is served on more than one recipient)			NB	500.00	500.00	500.00	500.00
Immigration Inspection and Issue of Report			ST	120.00	144.00	120.00	144.00
Fee per remedial notice issued under Regulation 5 of the Smoke & Carbon Monoxide Alarm (England) Regulations 2015			NB			2,000.00 for first offence 5,000.00 for future offences	2,000.00 for first offence 5,000.00 for future offences

### Equality, Diversity and Human Rights implications

We have fully considered the equality and diversity impacts of our fees and charges by undertaking Equality Impact Assessments (EIAs) and conclude that there are no adverse impacts that cannot be appropriately mitigated.



## (xi) Planning Services

### Introduction

The planning application fees are set by central government.

Exceptions to this statutory control include S106 unilateral undertakings, Planning Performance Agreements (PPA's), Preliminary Enquiry or Pre application (PE's) charges, and inspection charges which have been increased in some areas to reflect costs and the acceptable market rate.

VAT is charged where the service offered is not statutorily required

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
Research cost	Min one hour		ST	75.00	90.00	75.00	90.00
Retention fee for lapsed invalid applications							
Householder			ST	50.00	60.00	50.00	60.00
Minor and Other			ST	100.00	120.00	100.00	120.00
Majors			ST	250.00	300.00	250.00	300.00
S106 Unilateral Undertakings Legal and Monitoring Costs			ST	524.00	628.80	550.00	660.00
Public Open Space Practical Completion Certificate Inspection (OSPCI)							
Size of landscaping scheme (each insp) m2							
<100 m2			ST	525.00	630.00	550.00	660.00
101 – 500 m2			ST	1,050.00	1,260.00	1,075.00	1,290.00
501 – 2500 m2			ST	1,575.00	1,890.00	1,600.00	1,920.00
2501 – 5000 m2			ST	2,100.00	2,520.00	2,125.00	2,550.00
5001 – 10000 m2			ST	2,625.00	3,150.00	2,650.00	3,180.00

1001> m2			ST	3,150.00	3,780.00	3,175.00	3,810.00
Landscape Consultancy (Previously known as Landscape Practical Completion Inspection)							
First hour			ST	120.00	144.00	130.00	156.00
Thereafter per hour			ST	75.00	90.00	80.00	96.00
Planning Performance Agreements (PPA) Sliding scale of charges depending on size of proposal							
Super majors (Inception meeting):							
Subsequently - as agreed at inception meeting for remainder of project depending on frequency of liaison, complexity of project management and number of officers involved			ST	3,150.00	3,780.00	3,200.00	3,840.00
Large scale majors (Inception meeting):							
Subsequently - as agreed at inception meeting for remainder of project depending on frequency of liaison, complexity of project management and number of officers involved			ST	2,625.00	3,150.00	2,700.00	3,240.00
Standard majors (Inception meeting):							
Subsequently - as agreed at inception meeting for remainder of project depending on frequency of liaison, complexity of project			ST	2,625.00	3,150.00	2,700.00	3,240.00

management and number of officers involved.							
<b>Preliminary Enquiries (majors)</b>							
Super majors	Initial meeting and written confirmation		ST	1,575.00	1,890.00	1,650.00	1,980.00
Subsequent meetings	3 hours with 1x officer	fee variable with greater attendance	ST	1,050.00	1,260.00	1,100.00	1,320.00
Large scale majors	Initial meeting and written confirmation		ST	1,325.00	1,590.00	1,400.00	1,680.00
Subsequent meetings	3 hours with 1x officer	fee variable with greater attendance	ST	800.00	960.00	850.00	1,020.00
Standard majors	Initial meeting and written confirmation		ST	1,050.00	1,260.00	1,100.00	1,320.00
Subsequent meetings	3 hours with 1x officer	fee variable with greater attendance	ST	525.00	630.00	550.00	660.00
Written response only	Per letter		ST	525.00	630.00	550.00	660.00
<b>Preliminary Enquiries 'Minors' &amp; 'Others*' (including listed buildings)</b> (excluding Householder category proposals and Buildings at Risk)							
Residential (1-4 units)	Written response		ST	160.00	192.00	160.00	192.00

Residential (5-9 units)	Written response		ST	200.00	240.00	250.00	240.00
Commercial (retail, food & drink, and offices)	Written response		ST	190.00	228.00	200.00	240.00
Industrial and other (less than 1000 m <sup>2</sup> or 1 hectare)	Written response		ST	210.00	252.00	225.00	270.00
Anything else in addition to the above including meetings, site visits and follow up questions are charged at an hourly rate and will be arranged by agreement post receipt of initial application	Hourly rate		ST	65.00	78.00	75.00	90.00
Listed Buildings: Due to the nature of listed building works a site visit may be made at the officer's discretion and is included in the price			ST	210.00	252.00	220.00	264.00
<b>Preliminary Enquiries</b> <b>Householder</b> (excluding Listed Building consent enquiries)							
Written response only	No meeting		ST	65.00	78.00	65.00	78.00
Written response, one hour meeting			ST	125.00	150.00	150.00	180.00
Additional meeting by agreement	Per hour		ST	65.00	78.00	75.00	90.00
Additional follow up questions (max of 30 minutes work)	Per response		ST	30.00	36.00	35.00	42.00
Advertising by Public Notice in a local newspaper of applications under the Planning Act 1990 to divert, stop up or extinguish a public footpath	Such charge as shall be levied by the newspaper publisher for placing the public notice		ST	30.00	36.00	30.00	36.00

	+ 30 admin charge						
<b>Other ad-hoc professional planning or specialist advice</b>							
High Hedges Legislation Complaint processing fee	In total		ST	309.70	371.64	400.00	480.00
Confirmation of compliance with planning permission (built as agreed certificate)	Householder		ST	-	-	65.00	78.00
Confirmation of compliance with planning permission (built as agreed certificate)	1 new dwelling		ST	-	-	100.00	120.00
Confirmation of compliance with planning permission (built as agreed certificate)	Each additional dwelling up to 9		ST	-	-	50.00	60.00
Planning Officer	First hour		ST	125.00	150.00	125.00	150.00
	Per hour thereafter		ST	65.00	78.00	75.00	90.00
Principle Planning Officer	First hour		ST	140.00	168.00	140.00	168.00
	Per hour thereafter		ST	75.00	90.00	75.00	90.00
Planning Manager	First hour		ST	175.00	210.00	175.00	210.00
	Per hour thereafter		ST	95.00	114.00	95.00	114.00
Tree Officer	First hour		ST	-	-	125.00	150.00
	Per hour thereafter		ST	-	-	75.00	90.00
<b>Archaeology Charges</b>	<b>Charging Category</b>						

Development is a single dwelling, garage/ cartlodge, extension or other small development	A						
Monitoring/ Watching			ST	200.00	240.00	200.00	240.00
Evaluation			ST	250.00	300.00	250.00	300.00
Excavation			ST	250.00	300.00	250.00	300.00
Development of a historic building (demolition and/or conversion)	B						
Monitoring/ Watching			ST	200.00	240.00	200.00	240.00
Development is two dwellings or more and covers less than 1.0ha in area	C						
Monitoring/ Watching			ST	200.00	240.00	200.00	240.00
Evaluation			ST	250.00	300.00	250.00	300.00
Excavation			ST	350.00	420.00	350.00	420.00
Development is between 1.0ha and 3.0ha in area	D						
Evaluation			ST	350.00	420.00	350.00	420.00
Excavation			ST	500.00	600.00	500.00	600.00
Development is between 3.0ha and 10.0ha in area	E						
Evaluation			ST	500.00	600.00	500.00	600.00
Excavation			ST	750.00	900.00	750.00	900.00
Development is over 10.0ha	F	Request a quote					
<b>UAD Charging Schedule</b>							
Standard Search (up to 75 records)			ST	50.00	60.00	50.00	60.00
Extended Search (up to 150 records)			ST	100.00	120.00	100.00	120.00
Large scale/complex search (>150 records)		Request a quote					
<b>Equality, Diversity and Human Rights implications</b>							
We have fully considered the equality and diversity impacts of our fees and charges by undertaking Equality Impact Assessments (EIAs) and conclude that there are no adverse impacts that cannot be appropriately mitigated.							
The decision to implement the proposed fees and charges for planning will not result in any breach of human rights.							

## **(xii) Building Control**

### **Introduction (include any proposals)**

The Building Control charging system is subject to prescribed rules within the Building (Local Authority Charges) Regulations and CIPFA guidance. The current national charging regime requires the charges to be set on a “cost recovery” basis for the chargeable element of the Building Control function for the financial year.

It is not intended to increase the Building Control charges at this point in time. The Building Control charges will be reviewed at the end of the financial year (31 March 2017) and if changes are proposed as a result of the analysis of the year end position a further report will be presented where appropriate.

The impact of recent staff shortages within the service on cost recovery have yet to be fully played out and whilst not adversely impacting performance due to reactive measures being taken they may have an impact on cost recovery by financial year end.

### Explanatory Notes to Standard Building Regulation Charges

The following tables contain the standard charges for new dwellings, small non-domestic buildings and extensions or alterations to single buildings. The charges have been established at a level to cover the cost of the Building Regulation related service in respect of commonly occurring categories of work.

Where proposed work falls outside of the categories of standard charges shown the charge will be individually determined.

Where a Full Plans application is submitted the total charge combines both the Plan Charge and Inspection Charge.

Building Notice applications can only be submitted for domestic work subject to certain conditions.

Works which are solely for people with disabilities or the provision of accommodation for a carer where 24 hour care is required will be exempt from the charges where evidence is provided from a Doctor or Social Services to justify such a claim.

Table A – New Dwellings

**Dwelling houses and Flats not exceeding 300m2**

**Please note that the Charges marked with an\* have been reduced** to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self-certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equivalent to the discount (**see D14 below**).

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Houses or Bungalows less than 4 storeys</b>							
<b>H01 - 1 Plot</b>							
Plan Charge			ST	139.72	167.66	139.72	167.66
Inspection Charge*			ST	349.30	419.16	349.30	419.16
Building Notice Charge*			ST	520.21	624.25	520.21	624.25
Regularisation Charge*			NB	611.28	611.28	611.28	611.28
<b>H02 - 2 Plots</b>							
Plan Charge			ST	204.59	245.51	204.59	245.51
Inspection Charge*			ST	523.95	628.74	523.95	628.74
Building Notice Charge*			ST	800.90	961.08	800.90	961.08
Regularisation Charge*			NB	910.50	910.50	910.50	910.50
<b>H03 - 3 Plots</b>							
Plan Charge			ST	269.46	323.35	269.46	323.35
Inspection Charge*			ST	698.60	838.23	698.60	838.23
Building Notice Charge*			ST	1,081.59	1,297.91	1,081.59	1,297.91
Regularisation Charge*			NB	1,210.08	1210.08	1,210.08	1210.08



<b>H04 - 4 Plots</b>							
Plan Charge			ST	334.33	401.20	334.33	401.20
Inspection Charge*			ST	873.25	1,047.90	873.25	1,047.90
Building Notice Charge*			ST	1,362.28	1,634.74	1,362.28	1,634.74
Regularisation Charge*			NB	1,509.48	1509.48	1,509.48	1509.48
<b>H05 - 5 Plots</b>							
Plan Charge			ST	399.20	479.04	399.20	479.04
Inspection Charge*			ST	1,047.90	1,257.48	1,047.90	1,257.48
Building Notice Charge*			ST	1,642.97	1,971.56	1,642.97	1,971.56
Regularisation Charge*			NB	1,808.88	1808.88	1,808.88	1808.88
<b>Flats</b>							
<b>F01 - 1 Flat</b>							
Plan Charge			ST	139.72	167.66	139.72	167.66
Inspection Charge*			ST	324.35	389.22	324.35	389.22
Building Notice Charge*			ST	482.78	579.34	482.78	579.34
Regularisation Charge*			NB	580.09	580.09	580.09	580.09
<b>F02 - 2 Flats</b>							
Plan Charge			ST	204.59	245.51	204.59	245.51
Inspection Charge*			ST	486.53	583.84	486.53	583.84
Building Notice Charge*			ST	732.28	878.74	732.28	878.74
Regularisation Charge*			NB	863.90	863.90	863.90	863.90
<b>F03 - 3 Flats</b>							
Plan Charge			ST	269.46	323.53	269.46	323.53
Inspection Charge*			ST	648.71	778.45	648.71	778.45
Building Notice Charge*			ST	981.78	1,178.14	981.78	1,178.14
Regularisation Charge*			NB	1,147.71	1147.71	1,147.71	1147.71
<b>F04 - 4 Flats</b>							
Plan Charge			ST	334.33	401.20	334.33	401.20
Inspection Charge*			ST	810.89	973.07	810.89	973.07
Building Notice Charge*			ST	1,231.28	1,477.54	1,231.28	1,477.54

Regularisation Charge*			NB	1,431.53	1,431.53	1,431.53	1,431.53
<b>F05 - 5 Flats</b>							
Plan Charge			ST	399.20	479.04	399.20	479.04
Inspection Charge*			ST	973.07	1,167.68	973.07	1,167.68
Building Notice Charge*			ST	1,480.78	1,776.94	1,480.78	1,776.94
Regularisation Charge*			NB	1,715.35	1715.35	1,715.35	1715.35
<b>Conversion To</b>							
<b>V01 – Single Dwelling-House</b>							
Plan Charge			ST	129.74	155.69	129.74	155.69
Inspection Charge*			ST	349.30	419.16	349.30	419.16
Building Notice Charge*			ST	507.73	609.28	507.73	609.28
Regularisation Charge*			NB	598.80	598.80	598.80	598.80
<b>V02 – Single Flat</b>							
Plan Charge			ST	114.77	137.72	114.77	137.72
Inspection Charge*			ST	324.35	389.22	324.35	389.22
Building Notice Charge*			ST	470.31	564.37	470.31	564.37
Regularisation Charge*			NB	548.90	548.90	548.90	548.90
<b>Notifiable Electrical Work (in addition to the above where applicable)</b>							
D14 – Where a satisfactory certificate will not be issued by a Part P registered electrician			ST	179.95	215.94	179.95	215.94

Table B – Work To A Single Dwelling

**Limited to work not more than 3 storeys above ground level**

**Please note that the Charges marked with an\* have been reduced** to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self-certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equivalent to the discount **(see D14 below)**.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Extension &amp; New Build</b>							
<b>D01 – Separate single storey extension with floor area not exceeding 40m2</b>							
Plan Charge			ST	129.74	155.69	129.74	155.69
Inspection Charge*			ST	268.21	321.85	268.21	321.85
Building Notice Charge*			ST	414.17	497.00	414.17	497.00
Regularisation Charge*			NB	497.44	497.44	497.44	497.44
<b>D02 – Separate single storey extension with floor area between 40m2 and 100m2</b>							
Plan Charge			ST	139.72	167.66	139.72	167.66
Inspection Charge*			ST	349.30	419.16	349.30	419.16
Building Notice Charge*			ST	513.97	616.76	513.97	616.76
Regularisation Charge*			NB	611.28	611.28	611.28	611.28
<b>D03 – Separate extension with some part 2 of 3 storey in height and a floor area not exceeding 40m2</b>							

Plan Charge			ST	129.74	155.69	129.74	155.69
Inspection Charge*			ST	280.69	336.83	280.69	336.83
Building Notice Charge*			ST	439.12	526.94	439.12	526.94
Regularisation Charge*			NB	513.04	513.04	513.04	513.04
<b>D04 – Separate extension with some part 2 or 3 storeys in height and a total floor area between 40m2 and 100m2</b>							
Plan Charge			ST	154.69	185.63	154.69	185.63
Inspection Charge*			ST	386.73	464.08	386.73	464.08
Building Notice Charge*			ST	557.63	669.16	557.63	669.16
Regularisation Charge*			NB	676.78	676.78	676.78	676.78
<b>D05 – A building or extension comprising SOLELY of a garage, carport or store – total floor area not exceeding 100m2</b>							
Plan Charge			ST	104.79	125.75	104.79	125.75
Inspection Charge*			ST	199.60	239.52	199.60	239.52
Building Notice Charge*			ST	314.37	377.24	314.37	377.24
Regularisation Charge*			NB	380.49	380.49	380.49	380.49
<b>D06 – Detached non-habitable domestic building with total floor area not exceeding 50m2</b>							
Plan Charge			ST	124.75	149.70	124.75	149.70
Inspection Charge*			ST	249.50	299.40	249.50	299.40
Building Notice Charge*			ST	395.46	474.55	395.46	474.55
Regularisation Charge*			NB	467.81	467.81	467.81	467.81
<b>Conversions</b>							
<b>D07 – First floor &amp; second floor loft conversions</b>							
Plan Charge			ST	149.70	179.64	149.70	179.64
Inspection Charge*			ST	299.40	359.28	299.40	359.28

Building Notice Charge*			ST	476.55	571.86	476.55	571.86
Regularisation Charge*			NB	561.38	561.38	561.38	561.38
<b>D08 – Other work (e.g. garage conversions)</b>							
Plan Charge			ST	104.79	125.75	104.79	125.75
Inspection Charge*			ST	174.65	209.58	174.65	209.58
Building Notice Charge*			ST	289.42	347.30	289.42	347.30
Regularisation Charge*			NB	349.30	349.30	349.30	349.30
<b>Alterations (including Underpinning)</b>							
<b>D09 – Renovation of a thermal element</b>							
Plan Charge			ST	79.84	95.81	79.84	95.81
Inspection Charge*			ST	62.38	74.86	62.38	74.86
Building Notice Charge*			ST	152.20	182.64	152.20	182.64
Regularisation Charge*			NB	177.78	177.78	177.78	177.78
<b>D10 – Replacement of windows, roof lights, roof windows or external glazed doors</b>							
Plan Charge			ST	79.84	95.81	79.84	95.81
Inspection Charge*			ST	62.38	74.86	62.38	74.86
Building Notice Charge*			ST	152.20	182.64	152.20	182.64
Regularisation Charge*			NB	177.78	177.78	177.78	177.78
<b>D11 – Cost of work not exceeding £5,000 (Incl. Renewable Energy Systems)</b>							
Plan Charge			ST	79.84	95.81	79.84	95.81
Inspection Charge*			ST	124.75	149.70	124.75	149.70
Building Notice Charge*			ST	220.81	264.97	220.81	264.97
Regularisation Charge*			NB	255.74	255.74	255.74	255.74

<b>D12 – Cost of work not exceeding £5,000 and not exceeding £25,000</b>							
Plan Charge			ST	104.79	125.75	104.79	125.75
Inspection Charge*			ST	174.65	209.58	174.65	209.58
Building Notice Charge*			ST	301.90	362.28	301.90	362.28
Regularisation Charge*			NB	349.30	349.30	349.30	349.30
<b>D13 – Cost of work not exceeding £25,000 and not exceeding £100,000</b>							
Plan Charge			ST	154.69	185.63	154.69	185.63
Inspection Charge*			ST	299.40	359.28	299.40	359.28
Building Notice Charge*			ST	501.50	601.80	501.50	601.80
Regularisation Charge*			NB	567.61	567.71	567.61	567.71
<b>Notifiable Electrical Work (in addition to the above where applicable)</b>							
<b>D14 – Where a satisfactory certificate will not be issued by a Part P registered electrician</b>			ST	179.95	215.94	179.95	215.94

**Multiple work reductions.** Where the proposed works consist of more than one of the above elements on Table B, then the appropriate charge is calculated by paying the full amount for the most expensive element and only 50% for the other applicable elements **with the exception of D14 Electrical work.**

Table C – All Other Non-Domestic Work

Limited to work no more than 3 storeys above ground level.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Extensions &amp; New Build</b>							
<b>N01 –Single storey with floor area not exceeding 40m2</b>							
Plan Charge			ST	149.70	179.64	149.70	179.64
Inspection Charge			ST	299.40	359.28	299.40	359.28
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	561.38	561.38	561.38	561.38
<b>N02 –Single storey with floor area between 40m2 &amp; 100m2</b>							
Plan Charge			ST	164.67	197.60	164.67	197.60
Inspection Charge			ST	411.68	494.02	411.68	494.02
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	720.44	720.44	720.44	720.44
<b>N03 – With some part 2 or 3 storey in height and a total floor area not exceeding 40m2</b>							
Plan Charge			ST	154.69	185.63	154.69	185.63
Inspection Charge			ST	349.30	419.16	349.30	419.16
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	629.99	629.99	629.99	629.99

<b>N04 – With some part 2 or 3 storey in height and a total floor area between 40m2 &amp; 100m2</b>							
Plan Charge			ST	179.64	215.57	179.64	215.57
Inspection Charge			ST	449.10	538.92	449.10	538.92
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	785.93	785.93	785.93	785.93
<b>Alterations</b>							
<b>N05 – Cost of works not exceeding £5,000</b>							
Plan Charge			ST	104.79	125.75	104.79	125.75
Inspection Charge			ST	99.80	119.76	99.80	119.76
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	255.74	255.74	255.74	255.74
<b>N05 - Replacement of windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)</b>							
Plan Charge			ST	104.79	125.75	104.79	125.75
Inspection Charge			ST	99.80	119.76	99.80	119.76
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	255.74	255.74	255.74	255.74
<b>N05 - Renewable energy systems (not covered by an appropriate competent persons scheme)</b>							
Plan Charge			ST	104.79	125.75	104.79	125.75
Inspection Charge			ST	99.80	119.76	99.80	119.76
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	255.74	255.74	255.74	255.74
<b>N05 - Installation of new shop front</b>							
Plan Charge			ST	104.79	125.75	104.79	125.75



Inspection Charge			ST	99.80	119.76	99.80	119.76
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	255.74	255.74	255.74	255.74
<b>N06 – Cost of works exceeding £5,000 &amp; not exceeding £25,000</b>							
Plan Charge			ST	129.74	155.69	129.74	155.69
Inspection Charge			ST	174.65	209.58	174.65	209.58
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	380.49	380.49	380.49	380.49
<b>N06 - Replacement of windows, roof lights, roof windows or external glazed doors (exceeding 20 units)</b>							
Plan Charge			ST	129.74	155.69	129.74	155.69
Inspection Charge			ST	174.65	209.58	174.65	209.58
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	380.49	380.49	380.49	380.49
<b>N06 - Renovation of thermal elements</b>							
Plan Charge			ST	129.74	155.69	129.74	155.69
Inspection Charge			ST	174.65	209.58	174.65	209.58
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	380.49	380.49	380.49	380.49
<b>N06 - Installation of a Raised Storage Platform within an existing building</b>							
Plan Charge			ST	129.74	155.69	129.74	155.69
Inspection Charge			ST	174.65	209.58	174.65	209.58
Regularisation Charge			NB	380.49	380.49	380.49	380.49

<b>N07 – Cost of works exceeding £25,000 &amp; not exceeding £100,000</b>							
Plan Charge			ST	154.69	185.63	154.69	185.63
Inspection Charge			ST	336.83	404.20	336.83	404.20
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	614.40	614.40	614.40	614.40
<b>N07 - Fit out of building up to 100m2</b>							
Plan Charge			ST	154.69	185.63	154.69	185.63
Inspection Charge			ST	336.83	404.20	336.83	404.20
Building Notice Charge				N/A	N/A	N/A	N/A
Regularisation Charge			NB	614.40	614.40	614.40	614.40

**Multiple work reductions.** Where the proposed works consist of more than one of the above elements on Table C, then the appropriate charge is calculated by paying the full amount for the most expensive element and only 50% for the other applicable elements.

#### Equality, Diversity and Human Rights implications

The Charges should ensure that full cost recovery is achieved for the chargeable element of the Building Control function whilst meeting the overriding objective of breaking even.

The Charges will apply to all groups equally with the exception of the disabled who are exempt from the charges where the works are directly related to the provision of facilities to aid them.

## **(xiii) Parking Services**

### **Introduction**

It is proposed that the following changes are made to the fees and charges for parking services:

- Implement the tariff structure used in St. Mary's car park for Priory Street car park when it reopens after refurbishment
- Increase the Sunday tariff to £1 all day in Britannia and Vineyard Street car parks from 1.4.17
- Increase the all-day tariff to £3 for the following West Mersea car parks – Coast Road; High Street and Seaview Avenue from 1.4.17

All other tariffs remain as set out below.

#### **Reasons for Decision**

Parking fees and charges form an important measure to influence driver behaviour through setting appropriate parking charge levels. The primary function of parking is not simply to raise revenue, but to support transport policy.

The charging structure supports the demand management policies for Colchester contained within Essex County Council's Local Transport Plan, a plan which in turn provides funding for transportation. The tariffs recommended here are set at a level which ensures that for the majority of the time there is capacity within the 'Shoppers' car parks for arrivals to park at their first choice of parking place, encouraging users to travel off-peak.

There are a total of over 4,000 public parking spaces in the town, of which the Council controls just under 3,000. It is important to note that the Council has no control over the pricing structure at some car parks such as North Station, Nunn's Road and Osborne Street, which are controlled by private operators such as National Car Parks (NCP).

The current charging structure in the peak-time "core tariff" serves to meet the government's policy of reducing unnecessary journeys particularly reducing congestion, pollution and improving road safety in the town centre.

Designing effective parking charges is unquestionably a compromise. However in setting fees and charges, an authority must:

- support town centre vitality;
- pursue policy objectives to curb travel during peak hours;
- influence supply, demand and congestion;
- be aware of price elasticity and resistance; and
- support the increasing costs of running and refurbishing car parks.

#### Detailed Proposals

The existing fees and charges to be continued are shown in the attached tables and the changes shown above are incorporated.

#### Special Offers

Additional Christmas special parking offers will be discussed with Traders Groups and will be implemented as part of the Colchester Christmas Package.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>St John's Car Park</b>							
Up to ½ hour	Monday-Friday & Sunday		ST	0.75	0.90	0.75	0.90
	Saturday		ST	0.83	1.00	0.83	1.00
Up to 1 hour	Monday-Friday & Sunday		ST	1.50	1.80	1.50	1.80
	Saturday		ST	1.75	2.10	1.75	2.10
Up to 2 hours	Monday-Friday & Sunday		ST	2.25	2.70	2.25	2.70

Up to 3 hours	Saturday		ST	2.58	3.10	2.58	3.10
	Monday-Friday & Sunday		ST	2.75	3.30	2.75	3.30
Up to 4 hours	Saturday		ST	3.17	3.80	3.17	3.80
	Monday-Friday & Sunday		ST	2.92	3.50	2.92	3.50
Up to 5 hours	Saturday		ST	3.33	4.00	3.33	4.00
	Monday-Friday & Sunday		ST	3.67	4.40	3.67	4.40
Up to 6 hours	Saturday		ST	4.25	5.10	4.25	5.10
	Monday-Friday & Sunday		ST	4.08	4.90	4.08	4.90
Up to 7 hours	Saturday		ST	4.67	5.60	4.67	5.60
	Monday-Friday & Sunday		ST	4.75	5.70	4.75	5.70
Up to 8 hours	Saturday		ST	5.50	6.60	5.50	6.60
	Monday-Friday & Sunday		ST	5.42	6.50	5.42	6.50
Day Rate (special offer)	Saturday		ST	6.25	7.50	6.25	7.50
	Monday-Friday		ST	2.92	3.50	2.92	3.50
Up to 12 hours	Monday-Friday & Sunday		ST	5.83	7.00	5.83	7.00
	Saturday		ST	6.75	8.10	6.75	8.10
Over 12 hours (long stay penalty rate)	Any Day		ST	13.75	16.50	13.75	16.50
Daily evening charge (entry after 7.00pm)	Any Day		ST	1.67	2.00	1.67	2.00
Season tickets (conditions apply)	3 months		ST	416.67	500.00	416.67	500.00

Season tickets (conditions apply)	12 months		ST	1,500.00	1,800.00	1,500.00	1,800.00
<b>St Mary's Car Park</b>							
Up to ½ hour	Monday-Friday & Sunday		ST	0.75	0.90	0.75	0.90
	Saturday		ST	0.83	1.00	0.83	1.00
Up to 1 hour	Monday-Friday & Sunday		ST	1.50	1.80	1.50	1.80
	Saturday		ST	1.75	2.10	1.75	2.10
Up to 2 hours	Monday-Friday & Sunday		ST	2.25	2.70	2.25	2.70
	Saturday		ST	2.58	3.10	2.58	3.10
Up to 3 hours	Monday-Friday & Sunday		ST	2.75	3.30	2.75	3.30
	Saturday		ST	3.17	3.80	3.17	3.80
Up to 4 hours	Monday-Friday & Sunday		ST	2.92	3.50	2.92	3.50
	Saturday		ST	3.33	4.00	3.33	4.00
Up to 5 hours	Monday-Friday & Sunday		ST	3.67	4.40	3.67	4.40
	Saturday		ST	4.25	5.10	4.25	5.10
Up to 6 hours	Monday-Friday & Sunday		ST	4.08	4.90	4.08	4.90
	Saturday		ST	4.67	5.60	4.67	5.60
Up to 7 hours	Monday-Friday & Sunday		ST	4.75	5.70	4.75	5.70
	Saturday		ST	5.50	6.60	5.50	6.60

Up to 8 hours	Monday-Friday & Sunday		ST	5.42	6.50	5.42	6.50
	Saturday		ST	6.25	7.50	6.25	7.50
Up to 12 hours	Monday-Friday & Sunday		ST	5.83	7.00	5.83	7.00
	Saturday		ST	6.75	8.10	6.75	8.10
Over 12 hours (long stay penalty rate)	Any Day		ST	13.75	16.50	13.75	16.50
Daily evening charge (entry after 6.00pm)	Any Day		ST	1.67	2.00	1.67	2.00
Season tickets (conditions apply)	3 months		ST	416.67	500.00	416.67	500.00
Season tickets (conditions apply)	12 months		ST	1,500.00	1,800.00	1,500.00	1,800.00
<b>Middleborough Car Park</b>							
Up to 4 hours	Monday-Saturday		ST	3.42	4.10	3.42	4.10
Over 4 hours	Monday-Saturday		ST	5.00	6.00	5.00	6.00
Up to 2 hours (special offer) (entry after 10.00am)	Monday-Saturday		ST	2.42	2.90	2.42	2.90
Day rate (special offer)	Monday-Saturday		ST	2.92	3.50	2.92	3.50
Day rate	Sunday		ST	1.83	2.20	1.83	2.20
Daily evening charge (6.00pm to 6.00am)	Any day		ST	0.42	0.50	0.42	0.50
Season tickets (conditions apply)	3 months		ST	208.33	250.00	208.33	250.00
Season tickets (conditions apply)	12 months		ST	766.67	920.00	766.67	920.00
<b>Sheepen Road Car Park</b>							
Up to 4 hours	Monday-Saturday		ST	3.42	4.10	3.42	4.10
Over 4 hours	Monday-Saturday		ST	5.00	6.00	5.00	6.00
Up to 2 hours	Saturday		ST	2.42	2.90	2.42	2.90
Day rate	Sunday		ST	1.83	2.20	1.83	2.20

Daily evening charge (6.00pm to 6.00am)	Any day		ST	0.42	0.50	0.42	0.50
<b>Sheepen Road Lorry Park</b>							
Up to 6 Hours	Any day		ST	4.58	5.50	4.58	5.50
Up to 12 Hours	Any day		ST	8.33	10.00	8.33	10.00
<b>Britannia Car Park</b>							
Up to 40 minutes	Monday-Saturday		ST	0.58	0.70	0.58	0.70
Up to 1 hour, 10 minutes	Monday-Saturday		ST	1.42	1.70	1.42	1.70
Up to 2 hours	Monday-Saturday		ST	2.42	2.90	2.42	2.90
Up to 4 hours	Monday-Saturday		ST	3.25	3.90	3.25	3.90
Up to 4 hours (special offer) (entry after 9.30am)	Monday-Saturday		ST	2.08	2.50	2.08	2.50
Over 4 hours (long stay penalty rate)	Monday-Saturday		ST	8.33	10.00	8.33	10.00
Day rate	Sunday		ST	0.42	0.50	0.83	1.00
Daily evening charge (6.00pm till 6.00am)	Any day		ST	0.42	0.50	0.42	0.50
Season tickets (conditions apply)	3 months		ST	416.67	500.00	416.67	500.00
Season tickets (conditions apply)	12 months		ST	1,500.00	1,800.00	1,500.00	1,800.00
<b>Priory Street Car Park</b>							
Up to 30 minutes	Monday-Friday & Sunday		ST	0.75	0.90	0.75	0.90
	Saturday		ST	0.83	1.00	0.83	1.00
Up to 1 hour	Monday-Friday & Sunday		ST	1.50	1.80	1.50	1.80
	Saturday		ST	1.75	2.10	1.75	2.10
Up to 2 hours	Monday-Friday & Sunday		ST	2.25	2.70	2.25	2.70



Up to 3 hours	Saturday		ST	2.58	3.10	2.58	3.10
	Monday-Friday & Sunday		ST	2.75	3.30	2.75	3.30
Up to 4 hours	Saturday		ST	3.17	3.80	3.17	3.80
	Monday-Friday & Sunday		ST	2.92	3.50	2.92	3.50
Up to 5 hours	Saturday		ST	3.33	4.00	3.33	4.00
	Monday-Friday & Sunday		ST	3.67	4.40	3.67	4.40
Up to 6 hours	Saturday		ST	4.25	5.10	4.25	5.10
	Monday-Friday & Sunday		ST	4.08	4.90	4.08	4.90
Up to 7 hours	Saturday		ST	4.67	5.60	4.67	5.60
	Monday-Friday & Sunday		ST	4.75	5.70	4.75	5.70
Up to 8 hours	Saturday		ST	5.50	6.60	5.50	6.60
	Monday-Friday & Sunday		ST	5.42	6.50	5.42	6.50
Up to 12 hours	Saturday		ST	6.25	7.50	6.25	7.50
	Monday-Friday & Sunday		ST	5.83	7.00	5.83	7.00
Over 12 hours (long stay penalty rate)	Any day		ST	13.75	16.50	13.75	16.50
Daily evening charge (entry after 7.00pm)	Any day		ST	0.42	0.50	1.67	2.00
Annual Parent Permits AM (8.30am to 9.30am only) (conditions apply)	Academic year		ST	17.92	21.50	17.92	21.50

Annual Parent Permits PM (3.00pm to 4.00pm only) (conditions apply)	Academic year		ST	17.92	21.50	17.92	21.50
Annual Parent Permits (AM and PM) (conditions apply)	Academic year		ST	31.25	37.50	31.25	37.50
Resident's season tickets (conditions apply)	6 months		ST	56.67	68.00	56.67	68.00
Resident's season tickets (conditions apply)	12 months		ST	105.83	127.00	105.83	127.00
<b>Vineyard Street Car Park</b>							
Up to 40 minutes	Monday-Saturday		ST	1.00	1.20	1.00	1.20
Up to 70 minutes	Monday-Saturday		ST	1.92	2.30	1.92	2.30
Up to 2 hours	Monday-Saturday		ST	3.25	3.90	3.25	3.90
Up to 2 hours (special offer) (entry after 9.30am)	Monday-Saturday		ST	2.08	2.50	2.08	2.50
Day rate	Sunday		ST	0.42	0.50	0.83	1.00
Daily evening charge (6.00pm till 6.00am)	Any day		ST	0.42	0.50	0.42	0.50
<b>Butt Road Car Park</b>							
Day Rate	Any day		ST	2.08	2.50	2.08	2.50
Daily evening charge (6.00pm till 6.00am)	Any day		ST	0.42	0.50	0.42	0.50
Season tickets (conditions apply)	3 months		ST	208.33	250.00	208.33	250.00
Season tickets (conditions apply)	12 months		ST	766.67	920.00	766.67	920.00
<b>Napier Road Car Parks</b>							
Up to 2 hours	Any day		ST	0.83	1.00	0.83	1.00
Up to 4 hours	Any day		ST	1.25	1.50	1.25	1.50
Over 4 hours	Any day		ST	2.08	2.50	2.08	2.50
Daily evening charge (6.00pm till 6.00am)	Any day		ST	0.42	0.50	0.42	0.50
Season tickets (conditions apply)	12 months		ST	416.67	500.00	416.67	500.00
<b>Highwoods and Recreation Ground Car Parks</b>							
Up to 2 hours	Any day		ST	0.42	0.50	0.42	0.50

Up to 4 hours	Any day		ST	1.67	2.00	1.67	2.00
Over 4 hours	Monday-Friday		ST	3.33	4.00	3.33	4.00
Season tickets (conditions apply)	12 months		ST	41.67	50.00	41.67	50.00
Up to 6 hours (coaches in Highwoods Car Park only)	Any day		ST	4.58	5.50	4.58	5.50
Up to 12 hours (coaches in Highwoods Car Park only)	Any day		ST	10.00	12.00	10.00	12.00
<b>Mill Road and Mill Pond Car Parks - Dedham</b>							
Up to 1 hour	Any day		ST	N/A	Free	N/A	Free
Up to 2 hours	Any day		ST	0.83	1.00	0.83	1.00
Up to 4 hours	Any day		ST	1.67	2.00	1.67	2.00
All day rate	Any day		ST	3.33	4.00	3.33	4.00
Daily evening charge (6.00pm till 6.00am)	Any day		ST	0.42	0.50	0.42	0.50
<b>Coast Road, Seaview, and High Street Car Parks – West Mersea</b>							
Up to 1 hour	Any day		ST	N/A	Free	N/A	Free
Up to 2 hours	Any day		ST	0.17	0.20	0.17	0.20
Over 2 hours	Any day		ST	1.67	2.00	2.50	3.00
Daily evening charge (6.00pm till 6.00am)	Any day		ST	N/A	Free	N/A	N/A
Season tickets (conditions apply)	Annual		ST	41.67	50.00	41.67	50.00
<b>Victoria Esplanade and Willoughby Avenue Car Parks – West Mersea</b>							
Up to 3 hours	Any day		ST	1.67	2.00	1.67	2.00
Over 3 hours	Any day		ST	2.50	3.00	2.50	3.00
Season tickets (conditions apply)	1 week		ST	8.33	10.00	8.33	10.00
Season tickets (conditions apply)	1 month		ST	29.17	35.00	29.17	35.00
Season tickets (conditions apply)	12 months		ST	250.00	300.00	250.00	300.00
<b>Cooks Yard Car Parks – Wivenhoe</b>							
Up to 30 minutes	Any day		ST	N/A	Free	N/A	Free
Up to 1 hour	Any day		ST	0.42	0.50	0.42	0.50
Up to 2 hours	Any day		ST	0.83	1.00	0.83	1.00
Up to 4 hours	Any day		ST	1.67	2.00	1.67	2.00
Up to 6 hours	Any day		ST	2.50	3.00	2.50	3.00
Over 6 hours	Any day		ST	3.33	4.00	3.33	4.00

Daily evening charge (6.00pm till 6.00am)	Any day		ST	1.67	2.00	1.67	2.00
<b>Colchester Leisure World Car Park</b>							
Up to 1 hour	Any day		ST	1.25	1.50	1.25	1.50
Up to 2 hours	Mon to Fri		ST	2.08	2.50	2.08	2.50
	Sat & Sun		ST	2.33	2.80	2.33	2.80
Up to 4 hours	Mon to Fri		ST	2.92	3.50	2.92	3.50
	Sat & Sun		ST	3.17	3.80	3.17	3.80
Up to 6 hours	Mon to Fri		ST	4.58	5.50	4.58	5.50
	Sat & Sun		ST	5.00	6.00	5.00	6.00
Up to 9 hours	Mon to Fri		ST	7.33	8.80	7.33	8.80
	Sat & Sun		ST	7.50	9.00	7.50	9.00
Up to 24 hours	Mon to Fri		ST	8.75	10.50	8.75	10.50
	Sat & Sun		ST	9.17	11.00	9.17	11.00
<b>Alexandra Terrace Car Park</b>							
Season tickets (conditions apply)	6 months		ST	76.83	92.20	76.83	92.20
Season tickets (conditions apply)	12 months		ST	146.50	175.80	146.50	175.80
<b>Bergholt Road Car Park</b>							
Season tickets (conditions apply)	6 months		ST	76.83	92.20	76.83	92.20
Season tickets (conditions apply)	12 months		ST	146.50	175.80	146.50	175.80
<b>St Julian Grove Car Park</b>							
Season tickets (conditions apply)	6 months		ST	76.83	92.20	76.83	92.20
Season tickets (conditions apply)	12 months		ST	146.50	175.80	146.50	175.80
<b>Three Crowns Road Car Park</b>							
Season tickets (conditions apply)	6 months		ST	76.83	92.20	76.83	92.20
Season tickets (conditions apply)	12 months		ST	146.50	175.80	146.50	175.80
<b>Walsingham Road</b>							
Season tickets (conditions apply)	6 months		ST	91.67	110.00	91.67	110.00
Season tickets (conditions apply)	12 months		ST	169.17	203.00	169.17	203.00

#### Equality, Diversity and Human Rights implications

Any increase in parking charges is likely to have a disproportionate impact on households with lower incomes. However, the careful design and availability of the parking offers and the introduction of shorter stay tariffs across a range of car parks gives these households affordable choices and options.

The EQIA for Parking is located at <http://www.colchester.gov.uk/CHttpHandler.ashx?id=3748&p=0>

## **(xiv) Environmental Health and Licensing Services**

### **Introduction**

#### **Pest Control**

It is proposed that Animal Services fees and charges are amended slightly as set out in the pricing schedule below.

There are very minor increases to both domestic and commercial charges to reflect increased operating costs whilst also reflecting the need to be competitive and provide value for money in the market.

It is proposed to hold all charges in relation to public health significant pests to domestic customers in receipt of means tested benefits at the current rates i.e. free of charge for rats, mice and cockroaches and £20.00 for other insect pests. The only exception to this is a proposed increase for domestic customers in receipt of means tested benefits for a wasp/hornet treatment (non-public health significant pest) which still equates to a 58% discount.

#### **Dog Control**

To continue to reward responsible dog ownership, microchipping of dogs will be free of charge. Micro-chips for dogs are supplied free of charge to the Council by the Dogs Trust for dogs on this basis. It is proposed that we increase the charge from £10 to £20 to micro-chip cats. The Council has not statutory duties in relation to cats.

It is proposed to streamline the charges associated with the collecting, transporting and kenneling of stray dogs, this will allow us to more efficiently recover the costs associated with this service. Consequently there is now just one stray dog charge of £75. In addition the stray dog kenneling charge has increased from £13 per night to £16.50 per night to recover the cost of increased kenneling fees incurred by the Council.

#### **Environmental Protection**

It is proposed that the current level of fees and charges are retained as set out in the pricing schedule attached.

#### **Private Water Supplies**

The maximum charge for various water sampling activities is stipulated in Schedule 5 of the Private Water Supplies Regulations 2009. All fees currently charged are in line with these Regulations, the exception being the charges made to the most vulnerable households where the fee is waived for customers in receipt of a means tested benefit. It is therefore proposed to hold all fees at current levels.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Animal Services</b>							
<b>Non Domestic Pest Control</b>							
Rodents (rats, mice, squirrels) & cockroaches (max 3 visits, additional visits priced on request, monitoring contracts priced on request)			ST	159.17	191.00	162.50	195.00
Other insect pests (Price per hour, minimum 1 hour charge, contracts priced on request)			ST	87.20	109.00	93.33	112.00
Call out where no treatment required			ST	36.67	44.00	37.50	45.00
<b>Domestic Pest Control</b>							
Rodents (rats & mice)			ST	52.00	65.00	55.42	66.50
Cockroaches/Tropical Ants			ST	70.00	84.00	70.00	84.00
Bedbugs			ST	142.50	171.00	145.83	175.00
Wasps/Hornets			ST	45.83	55.00	50.00	60.00
Fleas			ST	60.00	75.00	63.75	76.50
Call out fee – no treatment required			ST	12.50	15.00	18.33	22.00
<b>Reduced Charges - for those in receipt of a means tested benefit</b>							
Rodents (rats & mice)			ST	0	Free	0	free
Cockroaches			ST	0	Free	0	free
Wasps/hornets			ST	16.67	20.00	20.83	25.00
Other public health significant pests - (tropical ants, bedbugs, fleas)			ST	16.67	20.00	16.67	20.00
<b>Animal Control</b>							
Microchip – per dog			ST	Free	Free	Free	Free
Microchip – per cat			ST	8.33	10.00	16.67	20.00
Stray Dog Charge			NB	75.00	75.00	75.00	75.00

Stray Dog Kenneling Charge (per day or part thereof)			NB	13.00	13.00	16.50	16.50
<b>Environmental Protection</b>							
<b>Private Water Supplies</b>							
Risk Assessment			ST	416.67	500.00	416.67	500.00
Sampling (initial visit & revisit)			ST	83.33	100.00	83.33	100.00
Investigation			ST	83.33	100.00	83.33	100.00
Grant Authorisation			ST	83.33	100.00	83.33	100.00
Sample Analysis (minor)			ST	20.83	25.00	20.83	25.00
Sample Analysis (check monitoring)			ST	83.33	100.00	83.33	100.00
Sample Analysis (audit monitoring)			ST	416.67	500.00	416.67	500.00
Concession - sampling fee for residents living in a single dwelling who are in receipt of a means tested benefit			ST	Free	Free	Free	Free
<b>Environmental Information Requests</b>							
			ST	83.33	100.00	83.33	100.00
Cases exceeding 2 hours will incur an additional 30p/h			ST	25.00	30.00	25.00	30.00



## Licensing, Food & Safety

### Introduction

There are no plans to increase charges at this time.  
An additional fee has been added for missed taxi appointments.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
Licensing, Food & Safety	Type	Statutory Fee set Yes/no					
Sex Shop Licence	New Applications	no	NB	1,040.00	1,040.00	1,040.00	1,040.00
Sex Shop Licence	Renewals	no	NB	370.00	370.00	370.00	370.00
Sex Entertainment Venue	New Applications	no	NB	1,225.00	1,225.00	1,225.00	1,225.00
Sex Entertainment Venue	Renewals	no	NB	385.00	385.00	385.00	385.00
Scrap metal Dealers Act	Site New Application	no	NB	465.00	465.00	465.00	465.00
Scrap metal Dealers Act	Site Renewal	no	NB	215.00	215.00	215.00	215.00
Scrap metal Dealers Act	Site/Collect or Variation	no	NB	100.00	100.00	100.00	100.00
Scrap metal Dealers Act	Additional Site Licence	no	NB	100.00	100.00	100.00	100.00
Scrap metal Dealers Act	Collector New Application	no	NB	315.00	315.00	315.00	315.00
Scrap metal Dealers Act	Collector Renewal	no	NB	205.00	205.00	205.00	205.00
Riding Establishment Licences (+ vet fee)	New / Renewal	no	NB	160.00	160.00	160.00	160.00

Zoo Operators Licence (+ vet fee) (payable every 6 years - next due 2013)	New / Renewal	no	NB	1,100.00	1,100.00	1,100.00	1,100.00
Dangerous Wild Animals (+ vet fee) (payable every two years)	New / Renewal	no	NB	165.00	165.00	165.00	165.00
Pet Animal Licence	New / Renewal	no	NB	135.00	135.00	135.00	135.00
Animal Boarding Establishment Licence/Day Care	New / Renewal	no	NB	135.00	135.00	135.00	135.00
Home Boarding	New / Renewal	no	NB	135.00	135.00	135.00	135.00
Dog Breeder's Licence	New / Renewal	no	NB	135.00	135.00	135.00	135.00
Food Export Certificates	New / Renewal	no	NB	55.00	55.00	55.00	55.00
Food Surrender Certificates	New / Renewal	no	NB	100.00	100.00	100.00	100.00
<b>Tattooing, Electrolysis and Skin Piercing - Premises - including 2 operators</b>	New	no	NB	160.00	160.00	160.00	160.00
- Operators - up to 2 operators	New	no	NB	80.00	80.00	80.00	80.00
Hypnotists	New		NB	65.00	65.00	65.00	65.00
<b>Pavement café Licence (PCA)</b>							
(a) PCA under 10 square metres	New / renewal per annum	no	NB	N/A	N/A	226.00	226.00
(b) PCA 10-20 square metres	New / renewal per annum	no	NB	N/A	N/A	336.25	336.25
(c) PCA 20-30 square metres	New / renewal per annum	no	NB	N/A	N/A	452.25	452.25
(d) PCA over 30 square metres	New / renewal per annum	no	NB	N/A	N/A	567.50	567.50

Pavement café Licence (PCA) Transfer or alteration to licence	Transfer / Alteration	no	NB	N/A	N/A	80.00	80.00
Pleasure Boats	New/Annual	no	NB	65.00	65.00	65.00	65.00
<b>Basic Food Hygiene/Health and Safety Courses</b>							
Basic charge (outside of Colchester)	Per person	no	NB	65.00	65.00	65.00	65.00
If resident or employed within Colchester Borough	Per person		NB	50.00	50.00	50.00	50.00
Delivered at businesses own premises Basic charge (up to 10)	(10 pers) + £20 p/h	no		400.00	400.00	400.00	400.00
Each additional person	Per person	no	NB	20.00	20.00	20.00	20.00
Exam resit fees	Per person	no	NB	20.00	20.00	20.00	20.00
<b>Hackney Carriage and Private Hire Vehicle and Operators Licences</b>							
Hackney Carriage Vehicle	Annual / Renewal	no	NB	315.00	315.00	315.00	315.00
Private Hire Vehicle	Annual / Renewal	no	NB	275.00	275.00	275.00	275.00
Operator's Licence - 1-2 vehicles (PHV)	New / Renewal (5 years)	no	NB	295.00	295.00	295.00	295.00
Operator's Licence - 3+ vehicles (PHV)	New / Renewal (5 years)	no	NB	350.00	350.00	350.00	350.00
Category change fee		no	NB	35.00	35.00	35.00	35.00
Operator's licence transfer fee		no	NB	85.00	85.00	85.00	85.00
<b>Drivers Licences</b>							
Initial Licence valid for up to 3 years	New (3 years)	no	NB	200.00	200.00	200.00	200.00
Renewal Licence valid for up to 3 years	Renewal (3 years)	no	NB	135.00	135.00	135.00	135.00
Deposit - refunded if application proceeds		no	NB	50.00	50.00	50.00	50.00
<b>Colchester Standard Oral test</b>	<b>New</b>	no	NB	N/A	N/A	42.00	42.00

Knowledge Test - initial fee (offset against licence if licence applied for)	New	no	NB	35.00	35.00	35.00	35.00
Knowledge Test – re-sit fee		no	NB	35.00	35.00	35.00	35.00
<b>Failure to attend Appointment at Rowan House without prior notification</b>				N/A	N/A	30.00	30.00
<b>Licence Transfer Fees</b>							
Vehicle to vehicle <b>(must always remain a licenced vehicle)</b>		no	NB	85.00	85.00	85.00	85.00
Person to person		no	NB	85.00	85.00	85.00	85.00
PHV to Hackney Carriage Vehicle <b>(Black only) (vehicle must always remain a licenced vehicle)</b>		no	NB	85.00	85.00	85.00	85.00
Registration number change		no	NB	30.00	30.00	30.00	30.00
<b>Vehicle Inspection Fees</b>							
HC Vehicle Inspection Fee (other than brand new) as MOT		no	NB	50.00	50.00	50.00	50.00
HC Vehicle Inspection Fee (Brand new)		no	NB	30.00	30.00	30.00	30.00
PH Vehicle Inspection Fee (other than brand new) as MOT		no	NB	50.00	50.00	50.00	50.00
PH Vehicle Inspection Fee (Brand new)		no	NB	30.00	30.00	30.00	30.00
Failure to attend for appointment		no	NB	30.00	30.00	30.00	30.00
<b>Replacement Equipment</b>							
Replacement Plates		no	NB	25.00	25.00	25.00	25.00
Replacement Badges		no	NB	17.00	17.00	17.00	17.00
Replacement vehicle window cards		no	NB	5.00	5.00	5.00	5.00
Standard Roof Sign	At cost plus handling charge	no	NB	10.00	10.00	10.00	10.00
Standard Door Signs	At cost plus handling charge	no	NB	10.00	10.00	10.00	10.00
<b>Fees for drivers' licences do not include the £44.00 fee for a</b>							

<b>mandatory DBS check, which will be charged additionally.</b>							
<b>Alcohol and Entertainment Licences – Statutory fees</b>							
<b>Premises Licences - Initial Applications</b>							
Band A - Rateable Value £0 - £4,300		Yes	NB	100.00	100.00	100.00	100.00
Band B - £4,301 - £33,000		Yes	NB	190.00	190.00	190.00	190.00
Band C - £33,001 - £87,000		Yes	NB	315.00	315.00	315.00	315.00
Band D - £87,001 - £125,000		Yes	NB	450.00	450.00	450.00	450.00
Band E - £125,000 and over		Yes	NB	635.00	635.00	635.00	635.00
<b>Premises Licences - Renewals</b>							
Band A - Rate able Value £0 - £4,300		Yes	NB	70.00	70.00	70.00	70.00
Band B - £4,301 - £33,000		Yes	NB	180.00	180.00	180.00	180.00
Band C - £33,001 - £87,000		Yes	NB	295.00	295.00	295.00	295.00
Band D - £87,001 - £125,000		Yes	NB	320.00	320.00	320.00	320.00
Band E - £125,000 and over		Yes	NB	350.00	350.00	350.00	350.00
<b>Premises Licences - Variations</b>							
Band A - Rateable Value £0 - £4,300		Yes	NB	100.00	100.00	100.00	100.00
Band B - £4,301 - £33,000		Yes	NB	190.00	190.00	190.00	190.00
Band C - £33,001 - £87,000		Yes	NB	315.00	315.00	315.00	315.00
Band D - £87,001 - £125,000		Yes	NB	450.00	450.00	450.00	450.00
Band E - £125,000 and over		Yes	NB	635.00	635.00	635.00	635.00
Minor Variations - all Bands		Yes	NB	89.00	89.00	89.00	89.00
<b>Personal Licences</b>							
Initial Application		Yes	NB	37.00	37.00	37.00	37.00
<b>Miscellaneous Fees</b>							
Copies of Documents etc		Yes	NB	10.50	10.50	10.50	10.50
Transfers		Yes	NB	23.00	23.00	23.00	23.00
Change of Designated Premises Supervisor		Yes	NB	23.00	23.00	23.00	23.00
Temporary Event Notices		Yes	NB	21.00	21.00	21.00	21.00

Notice of Interest in Premises		Yes	NB	21.00	21.00	21.00	21.00
<b>Gambling Licences – Variable</b>							
<b>Premises Licences - New Applications / Provisional Statements</b>							
New Small Casino		no	NB	6,200.00	6,200.00	6,200.00	6,200.00
New Large Casino		no	NB	7,700.00	7,700.00	7,700.00	7,700.00
Regional Casino		no	NB	12500.00	12500.00	12500.00	12500.00
Bingo Club		no	NB	3,100.00	3,100.00	3,100.00	3,100.00
Betting Premises (excluding Tracks)		no	NB	2,600.00	2,600.00	2,600.00	2,600.00
Tracks		no	NB	2,100.00	2,100.00	2,100.00	2,100.00
Family Entertainment Centres		no	NB	1,600.00	1,600.00	1,600.00	1,600.00
Adult Gaming Centres		no	NB	1,600.00	1,600.00	1,600.00	1,600.00
<b>Premises Licences - Annual Fees</b>							
Existing Casinos		no	NB	2,600.00	2,600.00	2,600.00	2,600.00
New Small Casino		no	NB	4,200.00	4,200.00	4,200.00	4,200.00
New Large Casino		no	NB	7,700.00	7,700.00	7,700.00	7,700.00
Regional Casino		no	NB	12500.00	12500.00	12500.00	12500.00
Bingo Club		no	NB	850.00	850.00	850.00	850.00
Betting Premises (excluding Tracks)		no	NB	550.00	550.00	550.00	550.00
Tracks		no	NB	850.00	850.00	850.00	850.00
Family Entertainment Centres		no	NB	650.00	650.00	650.00	650.00
Adult Gaming Centres		no	NB	850.00	850.00	850.00	850.00
<b>Premises Licences - Application to Vary</b>							
New Small Casino		no	NB	3,000.00	3,000.00	3,000.00	3,000.00
New Large Casino		no	NB	4,000.00	4,000.00	4,000.00	4,000.00
Regional Casino		no	NB	6,000.00	6,000.00	6,000.00	6,000.00
Bingo Club		no	NB	1,000.00	1,000.00	1,000.00	1,000.00
Betting Premises (excluding Tracks)		no	NB	1,000.00	1,000.00	1,000.00	1,000.00
Tracks		no	NB	750.00	750.00	750.00	750.00
Family Entertainment Centres		no	NB	600.00	600.00	600.00	600.00
Adult Gaming Centres		no	NB	750.00	750.00	750.00	750.00

<b>Premises Licences - Application for Transfer / Reinstatement</b>							
New Small Casino		no	NB	1,200.00	1,200.00	1,200.00	1,200.00
New Large Casino		no	NB	1,500.00	1,500.00	1,500.00	1,500.00
Regional Casino		no	NB	5,000.00	5,000.00	5,000.00	5,000.00
Bingo Club		no	NB	1,000.00	1,000.00	1,000.00	1,000.00
Betting Premises (excluding Tracks)		no	NB	1,000.00	1,000.00	1,000.00	1,000.00
Tracks		no	NB	750.00	750.00	750.00	750.00
Family Entertainment Centres		no	NB	750.00	750.00	750.00	750.00
Adult Gaming Centres		no	NB	1,000.00	1,000.00	1,000.00	1,000.00
<b>Premises Licences - Licence Application (Provisional Statement Holders)</b>							
New Small Casino		no	NB	3,000.00	3,000.00	3,000.00	3,000.00
New Large Casino		no	NB	4,000.00	4,000.00	4,000.00	4,000.00
Regional Casino		no	NB	6,000.00	6,000.00	6,000.00	6,000.00
Bingo Club		no	NB	900.00	900.00	900.00	900.00
Betting Premises (excluding Tracks)		no	NB	900.00	900.00	900.00	900.00
Tracks		no	NB	750.00	750.00	750.00	750.00
Family Entertainment Centres		no	NB	600.00	600.00	600.00	600.00
Adult Gaming Centres		no	NB	800.00	800.00	800.00	800.00
<b>Gaming Licences – Statutory Fees</b>							
<b>Permits For Gaming Machines - New Application</b>							
FEC Gaming Machine		no	NB	300.00	300.00	300.00	300.00
Prize Gaming		no	NB	300.00	300.00	300.00	300.00
Alcohol Licensed Premises - 2 or less machines		no	NB	50.00	50.00	50.00	50.00
Alcohol Licensed Premises - more than 2 machines		no	NB	150.00	150.00	150.00	150.00
Club Gaming Permit		no	NB	200.00	200.00	200.00	200.00
Club Gaming Machine Permit		no	NB	200.00	200.00	200.00	200.00
Small Society Lottery Registration - New Application		no	NB	40.00	40.00	40.00	40.00

<b>Permits For Gaming Machines - Annual Fees/Renewals</b>							
FEC Gaming Machine		no	NB	300.00	300.00	300.00	300.00
Prize Gaming		no	NB	300.00	300.00	300.00	300.00
Alcohol Licensed Premises - 2 or less machines		no	NB	N/A	N/A	N/A	N/A
Alcohol Licensed Premises - more than 2 machines		no	NB	50.00	50.00	50.00	50.00
Club Gaming Permit		no	NB	50.00	50.00	50.00	50.00
Club Gaming Machine Permit		no	NB	50.00	50.00	50.00	50.00
Small Society Lottery Registration - Annual Fee		no	NB	20.00	20.00	20.00	20.00
<b>Permit - Miscellaneous Fees</b>							
<b>Change of Name</b>							
FEC Permits		no	NB	25.00	25.00	25.00	25.00
Prize Gaming Permits		no	NB	25.00	25.00	25.00	25.00
Alcohol Licensed Premises - 2 or less machines		no	NB	N/A	N/A	N/A	N/A
Alcohol Licensed Premises - more than 2 machines		no	NB	25.00	25.00	25.00	25.00
Club Gaming Permit		no	NB	N/A	N/A	N/A	N/A
Club Gaming Machine Permit		no	NB	N/A	N/A	N/A	N/A
Small Society Lottery Registration		no	NB	N/A	N/A	N/A	N/A
<b>Copy of Permit</b>							
FEC Permits		no	NB	15.00	15.00	15.00	15.00
Prize Gaming Permits		no	NB	15.00	15.00	15.00	15.00
Alcohol Licensed Premises - 2 or less machines		no	NB	N/A	N/A	N/A	N/A
Alcohol Licensed Premises - more than 2 machines		no	NB	15.00	15.00	15.00	15.00
Club Gaming Permit		no	NB	15.00	15.00	15.00	15.00
Club Gaming Machine Permit		no	NB	15.00	15.00	15.00	15.00
Small Society Lottery Registration		no	NB	N/A	N/A	N/A	N/A
<b>Variation</b>							
FEC Permits		no	NB	N/A	N/A	N/A	N/A



Prize Gaming Permits		no	NB	N/A	N/A	N/A	N/A
Alcohol Licensed Premises - 2 or less machines		no	NB	N/A	N/A	N/A	N/A
Alcohol Licensed Premises - more than 2 machines		no	NB	100.00	100.00	100.00	100.00
Club Gaming Permit		no	NB	100.00	100.00	100.00	100.00
Club Gaming Machine Permit		no	NB	100.00	100.00	100.00	100.00
Small Society Lottery Registration		no	NB	N/A	N/A	N/A	N/A
<b>Miscellaneous Fees - Variable</b>							
<b>H&amp;S Disclosures</b>							
Statement of Relevant Facts (per hour)		no	ST	33.33	40.00	33.33	40.00
<b>Application Checking Service</b>							
Full Application		no	ST	41.67	50.00	41.67	50.00
Temporary Event Notice		no	ST	8.33	10.00	8.33	10.00

### Equality, Diversity and Human Rights implications

We have fully considered the equality and diversity impacts of our fees and charges by undertaking Equality Impact Assessments (EIAs) and conclude that there are no adverse impacts that cannot be appropriately mitigated.

The decision to implement the proposed fees and charges for Environmental Health and Licensing services will not result in any breach of human rights.

## (xv) Recycling and Trade Services

### Introduction

It is proposed that fees and charges are maintained at their current levels for 2017/18 in order to continue to provide a competitive service that can be marketed against private sector providers.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Pricing Schedule Trade tonnage subject to landfill tax</b>							
Green sacks trade			NB	38.14	38.14	38.14	38.14
Green sacks schools			NB	32.42	32.42	32.42	32.42
360l hire			NB	1.40	1.40	1.40	1.40
360l emptying trade			NB	6.48	6.48	6.48	6.48
360l emptying schools			NB	5.73	5.73	5.73	5.73
660l hire			NB	3.04	3.04	3.04	3.04
660l emptying trade			NB	10.43	10.43	10.43	10.43
660l emptying schools			NB	8.40	8.40	8.40	8.40
950l hire			NB	2.86	2.86	2.86	2.86
950l emptying trade			NB	12.21	12.21	12.21	12.21
950l emptying schools				-	-	-	-
1100l hire			NB	3.69	3.69	3.69	3.69
1100l emptying trade			NB	12.34	12.34	12.34	12.34
1100l emptying schools			NB	10.43	10.43	10.43	10.43
<b>Other Trade Income</b>							
Duty of Care Certificate			NB	29.50	29.50	29.50	29.50
Clear Cardboard Sacks - Trade			NB	26.55	26.55	26.55	26.55
Clear Cardboard Sacks - Schools				-	-	-	-

Delivery charge sacks			NB	8.13	8.13	8.13	8.13
Regular Cardboard Collection - Trade			NB	530.99	530.99	530.99	530.99
Regular Cardboard Collection - Schools				-	-	-	-
Non-contract Cardboard Collection			NB	41.29	41.29	41.29	41.29
Cleansing of Bulk Containers			NB	26.00	26.00	26.00	26.00
Re-signing fee			NB	56.56	56.56	56.56	56.56
Day works inc labour - Trade HGV							
Day works inc labour Van							
360l Trade glass bin			NB	4.68	4.68	4.68	4.68
<b>Household/Garden Refuse</b>							
Black waste sacks			SR	3.70	4.44	3.70	4.44
Garden waste sacks			NB	3.70	3.70	3.70	3.70
Garden waste/recycling boxes sacks - delivery							
Green recycling boxes							
Green recycling boxes - new properties							
<b>Special collections</b>							
Bulky items 1-6			NB	41.41	41.41	41.41	41.41
Bulky items 6-12			NB	66.46	66.46	66.46	66.46
Fridges, Fridge/freezers or Freezers			NB	25.45	25.45	25.45	25.45
TVs, Monitors, Microwaves			NB	12.12	12.12	12.12	12.12
White goods - dishwashers, cookers, washing machines, tumble driers, spin driers (maximum 5 items) price per item			NB	12.12	12.12	12.12	12.12

### Equality, Diversity and Human Rights implications

Equality Impact Assessments are available to view on the Colchester Borough Council website

## Introduction

### Proposal

It is proposed that some fees and charges are retained at their current levels and others are increased.

### Reasons for Decision

Helpline is a chargeable service which is widely used amongst elderly and vulnerable residents in Colchester. The service consists of a range of alarms which can be installed by our officers which are then monitored 24 hours a day by Helpline staff. There are currently two levels of service;

Monitoring only is the service whereby our operators monitor the alarms for a customer and if an alarm is raised the operator will contact the most appropriate person (for instance ambulance or doctor) as well as friends or family who's details have been provided to us.

Monitoring and Response is the service as explained above but with the addition of our Mobile Support Officers (MSO's). When an alarm is raised we would go to the person's property to check that they are ok, administer first aid if required and help those who have fallen.

With ongoing developments in technology the services Helpline have been able to provide to the customer have increased over the last 5 years. We now offer the following additional equipment options:

Activity monitors, epilepsy sensors, fall detectors, bed/chair occupancy sensors, wandering alerts, movement detectors and door/window contact sensors, carbon monoxide detectors, gas detectors, temperature extremes sensors, enuresis detectors, fire/smoke alarms, flood sensors, remote control main switches, medication dispensers and bogus caller alarms.

The fees and charges for Helpline are regularly checked against other providers in the County through a countywide benchmarking exercise. Colchester Borough Council offers the most comprehensive services to its customers and subsequently has the highest charges.

Currently no other provider offers the full lifting service that Helpline does. This service avoids unnecessary use of Ambulance services and helps to maintain the dignity and independence of the customer.

Helpline has not increased its fees for 3 years.

It is now recommended that a small increase is applied to some Helpline charges for 2017/18. These will cover increased operational costs including staff salaries and increased telecare equipment costs.

The proposed changes will come into effect on 1<sup>st</sup> April 2017 and will be valid until 31<sup>st</sup> March 2018.

New Service - Automated calls.

Helpline is able to auto dial customers with a recorded message. This message can be tailored for different reasons including medication reminders and general welfare checks. The customer just presses a button to confirm they are ok. Failure to confirm will raise an alert with Helpline.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Private dispersed alarm post 1.4.96</b>							
Monitoring and mobile response			ST	3.63	4.36	3.71	4.45
Monitoring only			ST	1.75	2.10	1.79	2.15
Equipment			ST	1.41	1.69	1.43	1.72
<b>Private dispersed alarm pre 1.4.96</b>							
Monitoring and response			ST	2.61	3.13	2.66	3.19
Equipment			ST	1.75	2.10	1.79	2.15
<b>Telecare</b>							
Basic weekly charge (up to 3 items)			ST	4.96	5.95	5.06	6.07
Additional items each per week (fixed)			ST	0.42	0.50	0.42	0.50
Monitoring only weekly charge			ST	3.16	3.79	3.23	3.87
<b>Key Safe</b>							

Police approved key safe and installation at time of Helpline install.			ST	57.50	69.00	59.17	71.00
Police approved key safe & installed on separate visit			ST	65.83	79.00	67.50	81.00
<b>Lone Worker</b>							
Over 20 units (per unit per month)			ST	16.67	20.00	16.67	20.00
Over 10 units (per unit per month)			ST	20.83	25.00	20.83	25.00
Less than 10 units (per unit per month)			ST	25.00	30.00	25.00	30.00
<b>Automated Calls</b>							
As a stand-alone service	1 call per day	Per month fee	ST	-	-	10.00	12.00
Added to Monitoring only	1 call per day	Per month fee	ST	-	-	8.33	10.00
Added to Monitoring & Response	1 call per day	Per month fee	ST	-	-	7.50	9.00

\*Some long term illnesses and disabilities will mean customers are eligible for VAT relief for certain products and services.

### Equality, Diversity and Human Rights implications

We have fully considered the equality and diversity impacts of our fees and charges and conclude that there are no adverse impacts that cannot be appropriately mitigated. The proposed fees and charges affect all customers equally.

## (xvii) Cemetery and Crematorium

### Introduction

It is proposed that a proportion of fees and charges, particularly of those relating to the funerals of babies and children, should remain unchanged, and a small uplift of 1% - 2% should be applied to other charges, as shown in the table below.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Cremations</b>							
Adult	Over 16 years of age		EX	634.00	634.00	647.00	647.00
Environmental surcharge	Cremations over 16 years		EX	78.00	78.00	80.00	80.00
Baby (1)	Under 24 weeks gestation		EX	96.00	96.00	96.00	96.00
Hospital Contract	For babies	New		-	-	200.00	200.00
Body part			EX	96.00	96.00	96.00	96.00
Baby (2)	Still born to 1 month of age		EX	142.00	142.00	142.00	142.00
Child (1)	2 months to 7 years		EX	189.00	189.00	189.00	189.00
Child (2)	7 years up to 16 years		EX	235.00	235.00	235.00	235.00
<b>Interments</b>							
<b>For interment in a grave with or without an exclusive right of burial</b>							
i) Of the body of a still born or child to one month in age	Still born to 1 month of age		NB	186.00	186.00	186.00	186.00

ii) Of the body of a child to 7 years	2 months to 7 years		NB	236.00	236.00	236.00	236.00
iii) Of the body of a child to 16 years	7 years up to 16 years		NB	282.00	282.00	282.00	282.00
iv) Adult	Over 16 years		NB				
- Single depth grave	137cm		NB	591.00	591.00	603.00	603.00
- Double depth grave	183cm		NB	707.00	707.00	721.00	721.00
- Treble depth grave	244cm		NB	823.00	823.00	839.00	839.00
v) Baby	Under 24 weeks gestation		NB	139.00	139.00	139.00	139.00
For the interment of cremated remains in a grave	With a valid Exclusive Right of Burial		NB	185.00	185.00	189.00	189.00
Right to build a bricked grave & interment in the grave	Combined charge		NB	856.00	856.00	873.00	873.00
Disinterment (exhumation)	Of cremated remains		NB	311.00	311.00	317.00	317.00
Disinterment (exhumation)	Of a full body burial from a grave - price on request						
<b>Book of Remembrance</b>							
<b>Inscription in the Book of Remembrance:-</b>							
2 line entry	Text only		ST	57.50	69.00	57.50	69.00
5 line entry	Text only		ST	110.83	133.00	111.67	134.00
5 line entry	+ flower illustration		ST	158.33	190.00	160.00	192.00
5 line entry	+ crest or complex illustration		ST	179.17	215.00	180.83	217.00
8 line entry	Text only		ST	179.17	215.00	180.83	217.00



8 line entry	+ flower illustration		ST	226.67	272.00	229.17	275.00
8 line entry	+ crest or complex illustration		ST	242.50	291.00	245.00	294.00
<b>Garden of Remembrance Memorials</b>							
<b>Standard Rose Tree with cast aluminium plaque:-</b>							
Initial Period	For 5 years		ST	221.67	266.00	225.00	270.00
Initial Period	For 10 years		ST	289.17	347.00	293.33	352.00
Renewal of memorial	For 1 year		ST	61.67	74.00	62.50	75.00
Renewal of memorial	For 5 years		ST	113.33	136.00	115.00	138.00
Renewal of memorial	For 10 years		ST	157.50	189.00	160.00	192.00
<b>Fuchsia or shrub, with cast aluminium plaque</b>							
Initial Period	For 5 years		ST	178.33	214.00	180.83	217.00
Initial Period	For 10 years		ST	244.17	293.00	247.50	297.00
Renewal of memorial	For 1 year		ST	45.83	55.00	46.67	56.00
Renewal of memorial	For 5 years		ST	89.17	107.00	90.83	109.00
Renewal of memorial	For 10 years		ST	136.67	164.00	138.33	166.00
Additional cast aluminium plaque			ST	-	-	105.00	126.00
<b>Other Garden Memorials</b>							
Name tower in The Garden	For 10 years		ST	203.33	244.00	207.50	249.00
Name tower in Jemima's Corner	For 10 years		ST	200.00	240.00	200.00	240.00
Tree initial period (Existing mature tree) with plaque	For 10 years		ST	315.00	378.00	321.67	386.00
Renewal of tree memorial	For 10 years		ST	175.83	211.00	179.17	215.00
Inscribed stone brick:							
In either Wall of Remembrance (brick to remain throughout the duration of the wall standing or relocated elsewhere should the wall be removed within ten years)			ST	241.67	290.00	246.67	296.00

Granite niche	Granite Columbarium	From 17/18 now exempt	ST/EX	524.17	629.00	629.00	629.00
Additional inscription	On granite niche		ST	110.83	133.00	113.33	136.00
Granite plaque on granite bench	For 10 years	New		-	-	207.50	249.00
Memorial seat, including maintenance & plaque	For a period of 10 years		ST	406.67	488.00	410.83	493.00
Memorial seat, including maintenance	For a further 10 years		ST	291.67	350.00	295.00	354.00
Additional seat plaque			ST	108.33	130.00	109.17	131.00
Arboria plaque	Text only		ST	110.83	133.00	110.83	133.00
Arboria plaque	With monochrome motif		ST	130.83	157.00	130.83	157.00
Arboria plaque	With coloured motif		ST	161.67	194.00	161.67	194.00
Arboria plaque	With photo plaque		ST	202.50	243.00	202.50	243.00
<b>Exclusive Rights of Burial</b>							
For the exclusive right of burial in a lawn or traditional grave	For 50 years		NB	488.00	488.00	495.00	495.00
For the exclusive right of burial in a lawn or traditional grave	For 100 years		NB	782.00	782.00	794.00	794.00
For the exclusive right of burial in the Baby Burial Garden	For 50 years		NB	191.00	191.00	191.00	191.00
For the exclusive right of burial in the Baby Burial Garden	For 100 years		NB	306.00	306.00	306.00	306.00
For the exclusive right of burial in a cremated remains grave	For 50 years		NB	266.00	266.00	271.00	271.00

For the exclusive right of burial in a cremated remains grave (On the expiry of the initial period of grant, the period may be renewed for a further 50 or 100 years)	For 100 years		NB	397.00	397.00	405.00	405.00
Scattering of cremated remains	On a grave space		EX	77.00	77.00	79.00	79.00
Scattering of cremated remains in Garden of Remembrance	When the cremation took place at another crematorium.		EX	75.00	75.00	75.00	75.00
Scattering of cremated remains in the Garden	On a Saturday (Cremation at Colchester)		EX	50.00	50.00	51.00	51.00
Scattering of cremated remains in the Garden	On a Saturday (when the cremation took place at another crematorium)		EX	125.00	125.00	125.00	125.00
<b>Applications for the Erection of Memorials</b>							
A flat stone or slab	Covering single grave space		NB	184.00	184.00	186.00	186.00
A memorial stone:	Not exceeding 0.56m in height		NB	95.00	95.00	96.00	96.00

A memorial stone:	Exceeding 0.56m in height		NB	136.00	136.00	137.00	137.00
A memorial stone:	A footstone, tablet or stone vase		NB	95.00	95.00	96.00	96.00
Kerb Stones	Adult grave space		NB	213.00	213.00	213.00	213.00
Kerb Stones	Child grave space		NB	109.00	109.00	109.00	109.00
For an additional inscription	On an existing memorial		NB	84.00	84.00	85.00	85.00
Use of Crematorium Chapel	For an extra 30 minutes of service		EX	239.00	239.00	244.00	244.00
Use of Crematorium Chapel	For a service which badly overruns its allotted time	New	EX	-	-	244.00	244.00
Use of Crematorium chapel	For a burial or memorial service		EX	239.00	239.00	244.00	244.00
Register Search	Of over 8 names (which are not on computer)		ST	21.67	26.00	22.50	27.00
Postage and packing of cremated remains - price on request							
Wooden grave marker	With engraved plaque		ST	30.00	36.00	30.83	37.00
Blue box	For cremated remains		ST	5.42	6.50	5.42	6.50
Recording of the chapel service	On CD		ST	38.33	46.00	39.17	47.00

Additional CDs			ST	35.00	42.00	35.83	43.00
Recording of the chapel service	On DVD		ST	45.00	54.00	45.83	55.00
Additional DVDs			ST	40.00	48.00	40.83	49.00
Webcast of a chapel service	(Not guaranteed to be broadcast live)		ST	50.00	60.00	50.83	61.00
<b>Miscellaneous - Cemetery</b>							
For registering transfer or surrender	Of a Grant of Exclusive Right of Burial		ST	44.17	53.00	45.00	54.00
Cremation or Burial Cancellation Fee	(If less than 48 hours' notice)		ST	285.00	342.00	290.83	349.00

#### Equality, Diversity and Human Rights implications

An Equality and Diversity Impact Assessment identified no negative impacts for those with protected characteristics.

## (xviii) Events (Open Spaces)

### Introduction

For 2017/18 we have moved to a simpler fees and charges model with more accessible pricing for the ground rent of spaces in our Parks and Open Spaces. The new charges are based on commercial rates and have been bench marked against similar local authority and privately owned spaces. Types of event and their frequency remain closely monitored, see Colchester Borough Council's Events Policy.

Previous charges were presented at a 'per hour' rate (except where indicated), next year we have simplified the presentation to a 'per 12 hour' rate (shorter time periods are available with fees to be negotiated).

Example;

2016/17 hire of Hollytrees Meadow – 12 hours @ £90.80 = £1089.60

2017/18 hire of Hollytrees Meadow – 12 hours = £750.00

We have also provided greater clarity on setup and set down charges pre and post event.

Largescale event hires or joint promotions will be evaluated on a case by case basis, damage waiver deposits will be calculated on each individual booking.

Local Charities registered within CO postcode pay a Booking/Admin Fee plus Services and Equipment only, other Charities will be charged 70% of quoted rates, with discretionary exceptions - See Colchester Borough Council's Events Policy for further clarification.

**NOTE** – all 2016/17 prices are hourly rates, all 2017/18 prices are for fixed time periods (12 hours). Fees and Charges listed are GUIDE PRICES ONLY.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Booking/Admin Fee of £100 per event- all hires/bookings.</b>			<b>ST</b>	<b>N/A</b>	<b>N/A</b>	<b>100.00</b>	<b>120.00</b>
National / International Charities rate	70% of costs below						
<b>Castle Park</b>							
Hollytrees Meadow	Standard per hour		EX	90.80	90.80	N/A	N/A
Hollytrees Meadow	Standard per hour		EX	113.50	113.50	N/A	N/A
Hollytrees Meadow	premium per hour		EX	255.00	255.00	N/A	N/A
Hollytrees Meadow	premium per hour		EX	320.00	320.00	N/A	N/A
Hollytrees Meadow – Ground Rent		Per 12 hours	EX	N/A	N/A	750.00	750.00
Hollytrees Lawn	Standard per hour		EX	66.10	66.10	N/A	N/A
Hollytrees Lawn	Standard per hour		EX	82.60	82.60	N/A	N/A
Hollytrees Lawn	Premium per hour		EX	187.90	187.90	N/A	N/A
Hollytrees Lawn	Premium per hour		EX	227.10	227.10	N/A	N/A
Hollytrees Lawn – Ground Rent		Per 12 hours	EX	N/A	N/A	500.00	500.00

Castle Bailey	Standard per hour		EX	66.10	66.10	N/A	N/A
Castle Bailey	Standard per hour		EX	82.60	82.60	N/A	N/A
Castle Bailey	Premium per hour		EX	187.90	187.90	N/A	N/A
Castle Bailey	Premium per hour		EX	227.10	227.10	N/A	N/A
Castle Bailey – Ground Rent		Per 12 hours	EX	N/A	N/A	750.00	750.00
Bandstand	Standard per hour		EX	66.10	66.10	N/A	N/A
Bandstand	Standard per hour		EX	82.60	82.60	N/A	N/A
Bandstand	Premium per hour		EX	187.90	187.90	N/A	N/A
Bandstand	Premium per hour		EX	227.10	227.10	N/A	N/A
Bandstand – Ground Rent		Per 12 hours	EX			500.00	500.00
Upper Park Slopes	Standard per hour		EX	133.20	133.20	N/A	N/A
Upper Park Slopes	Standard per hour		EX	165.20	165.20	N/A	N/A
Upper Park Slopes	Premium per hour		EX	371.60	371.60	N/A	N/A
Upper Park Slopes	Premium per hour		EX	460.40	460.40	N/A	N/A
Upper Park Slopes – Ground Rent		Per 12 hours	EX			1,000.00	1,000.00
Lower Park	Standard per hour		EX	133.20	133.20	N/A	N/A
Lower Park	Standard			165.20	165.20		



	per hour		EX			N/A	N/A
Lower Park	Premium per hour		EX	371.60	371.60	N/A	N/A
Lower Park	Premium per hour		EX	460.40	460.40	N/A	N/A
Lower Park	Funfairs and Circuses	Per day	EX	763.90	763.90	N/A	N/A
Lower Park – Ground Rent		Per 12 hours	EX	N/A	N/A	1,500.00	1500.00
Upper/Lower Bowls Green	Standard per hour		EX	22.70	22.70	N/A	N/A
Upper/Lower Bowls Green	Standard per hour		EX	22.70	22.70	N/A	N/A
Upper/Lower Bowls Green	Premium per hour		EX	86.70	86.70	N/A	N/A
Upper/Lower Bowls Green	Premium per hour		EX	86.70	86.70	N/A	N/A
Upper/Lower Bowls Green	Pavilion only per hour		EX	10.80	10.80	N/A	N/A
Upper/Lower Bowls Green	Pavilion only per hour		EX	10.80	10.80	N/A	N/A
Upper/Lower Bowls Green or Pavilion - Private hire		Per 12 hours	ST	N/A	N/A	500.00	600.00
Kings Meadow	Standard per hour		EX	133.20	133.20	N/A	N/A
Kings Meadow	Standard per hour		EX	165.20	165.20	N/A	N/A
Kings Meadow	Premium per hour		EX	371.60	371.60	N/A	N/A
Kings Meadow	Premium per hour		EX	460.40	460.40	N/A	N/A

Kings Meadow – Ground Rent	With Event parking	Per day	ST	165.20	165.20	250.00	300.00
	With Event camping	Per day	ST	258.10	258.10	500.00	600.00
<b>Other Outdoor Venues</b>							
Old Health Recreation Ground	Standard per hour		EX	133.20	133.20	N/A	N/A
Old Health Recreation Ground	Standard per hour		EX	165.20	165.20	N/A	N/A
Old Health Recreation Ground	Premium per hour		EX	371.60	371.60	N/A	N/A
Old Health Recreation Ground	Premium per hour		EX	460.40	460.40	N/A	N/A
Old Health Recreation Ground	Funfairs and Circuses	Per day	EX	763.90	763.90	N/A	N/A
Old Health Recreation Ground	Event Parking	Per day	EX	165.20	165.20	N/A	N/A
Old Health Recreation Ground		Per 12 hours	EX			750.00	750.00
Lexden King George	Standard per hour		EX	133.20	133.20	N/A	N/A
Lexden King George	Standard per hour		EX	165.20	165.20	N/A	N/A
Lexden King George	Premium per hour		EX	371.60	371.60	N/A	N/A
Lexden King George	Premium per hour		EX	460.40	460.40	N/A	N/A
Lexden King George – Ground Rent		Per 12 hours	EX	N/A	N/A	500.00	500.00
Mill Road Rugby Club	Standard per hour		EX	133.20	133.20	N/A	N/A

Mill Road Rugby Club	Standard per hour		EX	165.20	165.20	N/A	N/A
Mill Road Rugby Club	Premium per hour		EX	371.60	371.60	N/A	N/A
Mill Road Rugby Club	Premium per hour		EX	460.40	460.40	N/A	N/A
Mill Road Rugby Club – Ground Rent		Per 12 hours	EX	N/A	N/A	500.00	500.00
<b>All Venues:</b>							
<b>Set up / Set down costs(outside of the 12 hour booking)</b>							
	Standard & Premium	per hour	EX	32.00	32.00	N/A	N/A
Hollytrees meadow; Castle Bailey	25% of hire	Max 12 hrs	EX	N/A	N/A	187.50	187.50
Hollytrees Lawn; Bandstand	25% of hire	Max 12 hrs	EX	N/A	N/A	125.00	125.00
Lower Castle Park	25% of hire	Max 12 hrs	EX	N/A	N/A	375.00	375.00
Upper Castle Park Slopes	25% of hire	Max 12 hrs	EX	N/A	N/A	250.00	250.00
Old Heath Rec, Lexden KGV, Mill Road Rugby Club,	Standard & Premium	per hour	EX	45.40	45.40	N/A	N/A
Old Heath Rec	25% of hire	Max 12 hrs	EX	N/A	N/A	187.50	187.50
Lexden KGV, Mill Road Rugby Club,	25% of hire	Max 12 hrs	EX	N/A	N/A	125.00	125.00
<b>Miscellaneous</b>							
All Locations	Commercial photography	Per occasion	EX	265.30	265.30	250.00	250.00
	Commercial filming	Negotiable	EX	N/A	N/A	500.00	500.00

Alcohol sales under premises license	Standard	Per 500 people	EX	N/A	N/A	21.00	21.00
Helicopter Landing		Per occasion	ST	28.90	28.90	100.00	120.00
License for Regular Commercial Use	Bootcamps	Per 1 hour session	EX	6.20	6.20	10.00	10.00
<b>Outdoor Events – Equipment and Facilities for Castle park</b>							
	Electricity	Frequency					
Electrics	3 phase 63 amp per socket	Per day	ST	123.83	148.60	142.42	170.00
Electrics	63 amp per socket	Per day	ST	41.17	50.00	42.29	50.75
Electrics	32 amp per socket	Per day	ST	20.67	24.80	23.77	28.50
Electrics	16 amp per socket	Per day	ST	10.33	12.40	11.88	14.25
Water	Standpipes	Per day	ST	22.17	26.60	25.50	30.00
Wheelie Bins	1100 Litre	Each	ST	18.08	21.70	20.79	25.00
White Line Marker	Groundsman type	Per day	ST	5.17	6.20	5.95	7.00
Road Pins		Per 10 units	ST	2.58	3.10	2.97	3.50
Radios	2-way analogue	Each	ST	12.40	12.40	12.08	14.50
Tables	Trestle	Each	ST	6.17	7.40	7.10	8.50
Chairs		Each	ST	2.08	2.50	2.39	2.90
Temporary Fencing	1m x 2.5m delivered	Per panel	ST	1.83	2.20	2.10	2.50
Temporary Fencing	1m x 2.5m installed	Per panel	ST	5.50	6.60	6.33	7.60

Temporary Fencing	2m x 3.0m delivered	Per panel	ST	2.08	2.50	2.39	2.90
Temporary Fencing	2m x 3.0m installed	Per panel	ST	6.33	7.60	7.28	8.70
Ground Protection sheet	4ft x 8ft		ST	N/A	N/A	8.33	10.00
Toilets	5 cubicle, 4 urinal	per day	ST	511.00	613.20	583.33	700.00
	Disabled	per day + transport	ST	61.92	74.30	71.25	85.50
	Single	per day + transport	ST	103.25	123.90	118.75	142.50
Overnight Security	Security Guard	Per night	ST	258.08	309.70	295.83	355.00
<b>Event Camping - no longer used</b>							
Hollytrees Meadow, Lower Castle Park, Old Heath Recreation Ground, Lexden KGV, Mill Road Rugby Club, High Woods Country Park	Standard & Premium	per hour	EX	258.10	258.10	N/A	N/A

### Equality, Diversity and Human Rights implications

We have fully considered the equality and diversity impacts of our fees and charges by undertaking Equality Impact Assessments (EIAs) and conclude that there are no adverse impacts that cannot be appropriately mitigated. The decision to implement the proposed fees and charges for Events services will not result in any breach of human rights.

## (xix) Events – Corporate Buildings (Town Hall, Castle, Charter Hall)

### Introduction

It is proposed that all fees and charges for 2017/18 are varied by below in line with market placement and competition.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Town Hall Hire (Rooms)</b>							
<b>Function Hire - Non Wedding</b>							
Moot Hall	Mon-Thurs	Daytime	EX	425.00	425.00	510.00	510.00
Council Chamber	Mon-Thurs	Daytime	EX	300.00	300.00	420.00	420.00
Grand Jury Room/West	Mon-Thurs	Daytime	EX	300.00	300.00	440.00	440.00
Grand Jury/Council Chamber	Mon-Thurs	Daytime	EX	200.00	200.00.	N/A	N/A
Moot Hall	Friday & Weekend	Daytime	EX	550.00	550.00	550.00	550.00
Council Chamber	Friday & Weekend	Daytime	EX	400.00	400.00	440.00	440.00
Grand Jury Room/West	Friday & Weekend	Daytime	EX	400.00	400.00	460.00	460.00
Grand Jury/Council Chamber	Friday & Weekend	Daytime	EX	320.00	320.00	N/A	N/A
<b>Function Hire – Evening</b>							
Moot Hall – function / Party	Mon-Thurs	Evening	EX	870.00	870.00	870.00	870.00
Moot Hall – function / Party	Friday & Weekend	Evening	EX	1,100.00	1,100.00	1,100	1,100.00

Moot Hall – Charity Event (-15%)	Mon-Thurs	Evening	EX	750.00	750.00	740.00	740.00
Moot Hall – Charity Event (-15%)	Friday & Weekend	Evening	EX	990.00	990.00	935.00	935.00
<b>Castle Hire – Non wedding</b>							
Chapel / Charles Grey room	Mid-week		EX	N/A	N/A	475.00	475.00
	Weekend		EX	N/A	N/A	570.00	570.00
	Bank Holiday		EX	N/A	N/A	595.00	595.00
<b>Town Hall Hire</b>							
<b>Wedding Breakfast / Reception</b>							
Moot Hall	Mid-week	Low Season	ST	N/A	N/A	725.00	870.00
		High Season	ST	N/A	N/A	916.67	1100.00
	Friday & Weekend	Low Season	ST	N/A	N/A	725.00	870.00
		High Season	ST	N/A	N/A	916.67	1100.00
	Bank Holiday		ST	N/A	N/A	1145.83	1375.00
Mayoral Suite	Mid-week	Low Season	ST	N/A	N/A	500.00	600.00
		High Season	ST	N/A	N/A	662.50	795.00
	Friday & Weekend	Low Season	ST	N/A	N/A	500.00	600.00
		High Season	ST	N/A	N/A	662.50	795.00
	Bank Holiday		ST	N/A	N/A	829.17	995.00

Wedding Ceremony							
Moot Hall	Mid-week	Low Season	ST	N/A	N/A	425.00	510.00
		High Season	ST	N/A	N/A	512.50	615.00
	Friday & Weekend	Low Season	ST	N/A	N/A	458.33	550.00
		High Season	ST	N/A	N/A	550.00	660.00
	Bank Holiday		ST	N/A	N/A	637.50	765.00
Mayoral Suite	Mid-week	Low Season	ST	N/A	N/A	366.67	515.00
		High Season	ST	N/A	N/A	495.83	595.00
	Friday & Weekend	Low Season	ST	N/A	N/A	383.33	535.00
		High Season	ST	N/A	N/A	520.83	625.00
	Bank Holiday		ST	N/A	N/A	620.83	745.00
Grand Jury & West Committee Room	Mid-week	Low Season	ST	N/A	N/A	366.67	440.00
		High Season	ST	N/A	N/A	433.33	520.00
	Friday & Weekend	Low Season	ST	N/A	N/A	383.33	460.00
		High Season	ST	N/A	N/A	458.33	550.00
	Bank Holiday		ST	N/A	N/A	541.67	650.00
Council Chamber	Mid-week	Low Season	ST	N/A	N/A	350.00	420.00



		High Season	ST	N/A	N/A	416.67	500.00
	Friday & Weekend	Low Season	ST	N/A	N/A	366.67	440.00
		High Season	ST	N/A	N/A	441.67	530.00
	Bank Holiday		ST	N/A	N/A	520.83	625.00
Castle Park Summerhouse	Mid-week	Low Season	ST	N/A	N/A	350.00	420.00
		High Season	ST	N/A	N/A	416.67	500.00
	Friday & Weekend	Low Season	ST	N/A	N/A	366.67	440.00
		High Season	ST	N/A	N/A	437.50	525.00
	Bank holiday		ST	N/A	N/A	520.83	625.00
<b>Juno package (up to 50 guests)</b>							
Arrival Drink	Per guest		ST	N/A	N/A	4.58	5.50
Canapes	Per guest		ST	N/A	N/A	4.17	5.00
Chair covers or Sash	Per chair		ST	N/A	N/A	1.88	2.25
Gold Pew Ends	Per row		ST	N/A	N/A	11.67	14.00
Standard Ceremony Table Floral display			ST	N/A	N/A	54.17	65.00
Standard Bridal Flowers			ST	N/A	N/A	37.50	45.00
Standard Button Holes	Per guest		ST	N/A	N/A	6.25	7.50
Room Hire			ST	N/A	N/A	350.00	420.00
<b>Venus package (up to 60 guests)</b>							
Arrival Drink	Per guest		ST	N/A	N/A	4.58	5.50

Canapes	Per guest		ST	N/A	N/A	4.17	5.00
Silver 3 course Wedding Breakfast	Per guest		ST	N/A	N/A	33.33	40.00
Half a bottle of wine			ST	N/A	N/A	6.67	8.00
Sparkling wine to toast			ST	N/A	N/A	4.58	5.50
Finger Buffet	Per guest		ST	N/A	N/A	10.00	12.00
Silver Ceremony Table Floral display			ST	N/A	N/A	54.17	65.00
Silver Floral Centre Pieces			ST	N/A	N/A	33.33	40.00
Chair covers or Sash	Per chair		ST	N/A	N/A	1.88	2.25
Top Table, Cake & Gift Table Swagging			ST	N/A	N/A	50.00	60.00
Table Runner			ST	N/A	N/A	2.29	2.75
Additional Evening Guests Finger Buffet	Per guest		ST	N/A	N/A	10.00	12.00
Room Hire			ST	N/A	N/A	437.50	525.00
<b>Aphrodite package (up to 60 guests)</b>			ST	N/A	N/A		
Arrival Drink	Per guest		ST	N/A	N/A	4.58	5.50
Silver Hot and Cold Buffet	Per guest		ST	N/A	N/A	13.75	16.50
DJ			ST	N/A	N/A	300.00	360.00
Candelabra or Lantern Candelabra Centre Piece			ST	N/A	N/A	20.83	25.00
Chair covers or Sash	Per chair		ST	N/A	N/A	1.88	2.25
Table Runner			ST	N/A	N/A	2.29	2.75
LOVE Letters			ST	N/A	N/A	125.00	150.00
Photo Booth			ST	N/A	N/A	458.33	550.00
Magician			ST	N/A	N/A	237.50	285.00
Room Hire			ST	N/A	N/A	725.00	870.00
<b>Castle Hire</b>							
<b>Wedding Breakfast / Reception</b>							
Chapel <u>or</u> Charles Grey room	Mid-week	Low Season	ST	N/A	N/A	1,162.50	1,395.00
		High Season	ST	N/A	N/A	1,162.50	1,395.00

Chapel <u>or</u> Charles Grey room	Friday & Weekend	Low Season	ST	N/A	N/A	1,436.00	1,795.00
		High Season	ST	N/A	N/A	1,436.00	1,795.00
Chapel <u>or</u> Charles Grey room	Bank Holiday		ST	N/A	N/A	1,870.83	2,245.00
Chapel plus Charles Grey Room	Mid-week	Low Season	ST	N/A	N/A	2,083.33	2,500.00
Chapel plus Charles Grey Room		High Season	ST	N/A	N/A	2,083.33	2,500.00
Chapel plus Charles Grey Room	Friday & Weekend	Low Season	ST	N/A	N/A	2,560.00	3,200.00
		High Season	ST	N/A	N/A	2,560.00	3,200.00
	Bank Holiday		ST	N/A	N/A	3,333.33	4,000.00
<b>Ceremony</b>							
Chapel <u>or</u> Charles Grey room	Mid-week	Low Season	ST	N/A	N/A	395.83	475.00
		High Season	ST	N/A	N/A	475.00	570.00
Chapel <u>or</u> Charles Grey room	Friday & Weekend	Low Season	ST	N/A	N/A	495.83	595.00
		High Season	ST	N/A	N/A	595.83	715.00
Chapel <u>or</u> Charles Grey room	Bank Holiday		ST	N/A	N/A	745.83	895.00
Time Extension- till 1am		Low & High Season	ST	N/A	N/A	166.67	200.00
	Bank Holiday		ST	N/A	N/A	208.33	250.00

Charter Hall							
Charter Hall Hire	Per Hour	6am–11pm	EX	92.50	92.50	95.00	95.00
overnight	Per Hour	11pm–6am	EX	185.00	185.00	190.00	190.00
	Per 12 hours	6am–11pm	EX	1,110.00	1,110.00	1,140.00	1,140.00
Sports Hall Hire	Per Hour	6am–11pm	EX	77.08	77.08	80.00	80.00
overnight	Per Hour	11pm–6am	EX	154.17	154.17	160.00	160.00
	Per 12 hours	6am–11pm	EX	925.00	925.00	960.00	960.00
Jack Poole Lounge Hire	Per Hour	6am–11pm	EX	33.33	33.33	35.00	35.00
	Per 12 hours	6am–11pm	EX	400.00	400.00	420.00	420.00
Green Room Hire - One	Per Hour	6am–11pm	EX	16.67	16.67	17.00	17.00
Green Room Hire – Two	Per Hour	6am–11pm	EX	13.33	13.33	14.00	14.00
Forecourt Exhibition	Per Day	Term time	EX	83.33	83.33	100.00	100.00
		School Holiday / Weekends	EX	166.67	166.67	200.00	200.00

### Equality, Diversity and Human Rights implications

We have fully considered the equality and diversity impacts of our fees and charges by undertaking Equality Impact Assessments (EIAs) and conclude that there are no adverse impacts that cannot be appropriately mitigated. The decision to implement the proposed fees and charges for Events services will not result in any breach of human rights.

## (xx) Sport and Leisure

### Introduction

The Council has a pricing framework in place for its Sport and Leisure activities. This has proved effective, and has assisted the service in meeting the challenging income targets. As the Council takes a more commercial approach to service delivery, it will require managers to behave in a more commercial manner and to be able to respond more quickly to market forces. This could mean responding to periods of lower demand by reducing prices or offering promotions, or increasing prices where demand exceeds supply and there is clear competition for services.

All charges have been reviewed and new prices proposed below taking into account a combination of the current and likely demand of each activity, competitors' pricing and entrance fees to other leisure activities and the cost of providing the activity.

Proposed changes to the Lifestyles Membership package prices are not shown below as this information is commercially sensitive.

All charges below are for Leisure Card holders where applicable. Non-Leisure Card holders pay 50p more.

Description of charge	Optional	Optional	VAT Ind	Current 2016/17 Charges excl. VAT (£)	Current 2016/17 Charges incl. VAT (£)	Proposed 2017/18 Charges excl. VAT (£)	Proposed 2017/18 Charges incl. VAT (£)
<b>Leisure Pool</b>							
Leisure Pool (hire)		Session	ST	308.33	370.00	325.00	390.00
Off Peak Swim	Adult	Session	ST	4.58	5.50	4.83	5.80
Off Peak Swim	Concession	Session	ST	4.33	5.20	4.33	5.20
Off Peak Swim	Junior	Session	ST	4.33	5.20	4.58	5.50
Parent & toddler	1 over 3 yrs	Session	ST	5.25	6.30	5.50	6.60
Parent & toddler	1 under 3 yrs	Session	ST	4.42	5.30	4.67	5.60
Parent & toddler	2 over 3 yrs	Session	ST	6.08	7.30	6.33	7.60
Parent & toddler	Pass + 1	Session	ST	1.50	1.80	1.67	2.00

Parent & toddler	Pass + 2	Session	ST	2.33	2.80	2.50	3.00
Peak Swim	Adult	Session	ST	5.00	6.00	5.25	6.30
Peak Swim	Concession	Session	ST	4.33	5.20	4.33	5.20
Peak Swim	Family	Session	ST	19.17	23.00	20.00	24.00
Peak Swim	Concession Family	Session	ST	N/A	N/A	18.16	21.80
Peak Swim	Junior	Session	ST	4.75	5.70	5.00	6.00
<b>Fitness Pool</b>							
Aqua Fun Swim	Adult	Session	ST	4.00	4.80	4.08	4.90
Aqua Fun Swim	Junior	Session	ST	2.92	3.50	3.00	3.60
Fitness Pool Swim	Adult	Session	ST	3.67	4.40	3.75	4.50
Fitness Pool Swim	Concession	Session	ST	2.50	3.00	2.58	3.10
Fitness Pool Swim	Corporate	Session	ST	3.33	4.00	3.67	4.40
Fitness Pool Swim	Junior	Session	ST	2.50	3.00	2.58	3.10
Lane Swim		Session	ST	4.17	5.00	4.25	5.10
<b>Fitness Pool (hire)</b>							
Fitness Pool (hire) (aqua splat)		55 minutes	ST	100.00	120.00	104.17	125.00
Fitness Pool (hire) (gala)		55 minutes	ST	126.67	152.00	130.83	157.00
Fitness Pool (hire) (general)		55 minutes	ST	95.00	114.00	98.33	118.00
Fitness Pool (hire) (school)		55 minutes	ST	1.83	2.20	1.92	2.30
Teaching Pool/Dive Pit (hire)		55 minutes	ST	45.83	55.00	50.00	60.00
<b>Wetside Course</b>							
ASA teachers level 1 Course		Course	EX	370.00	370.00	370.00	370.00
ASA teachers level 2 Course		Course	EX	590.00	590.00	610.00	610.00
One to One Lesson (30 minutes)		Session	EX	21.00	21.00	23.00	23.00
One to One Lesson (45 minutes)		Session	EX	26.00	26.00	28.00	28.00
One to One Lesson (60 minutes)		Session	EX	31.00	31.00	33.00	33.00
One to Two Lesson (30 minutes)		Session	EX	25.00	25.00	27.00	27.00
One to Two Lesson (60 minutes)		Session	EX	35.00	35.00	37.00	37.00
RLSS Pool Lifeguard Course		Course	EX	290.00	290.00	295.00	295.00
Swim School Lesson	Adult	Lesson	EX	7.10	7.10	7.10	7.10
Swim School Lesson	Advanced	Lesson	EX	7.00	7.00	7.50	7.50
Swim School Lesson	Standard	Lesson	EX	5.80	5.80	6.00	6.00
<b>Aqua Springs</b>							

Group Entrance		Session	ST	8.75	10.50	9.17	11.00
Naturist Entrance		Session	ST	10.42	12.50	10.83	13.00
Towel Hire		Item	ST	2.50	3.00	2.50	3.00
Weekday Entrance	Adult	Session	ST	10.42	12.50	10.83	13.00
Weekday Entrance	Corporate	Session	ST	9.58	11.50	10.00	12.00
Weekday Entrance (weekday before 4pm)	Concession	Session	ST	8.75	10.50	9.17	11.00
Weekend Entrance	Adult	Session	ST	12.08	14.50	12.50	15.00
Weekend Entrance	Corporate	Session	ST	11.25	13.50	11.67	14.00
<b>Beauty Therapy - Services</b>							
Body Treatment (deep cleansing back)		Session	ST	21.67	26.00	22.50	27.00
Body Treatment (exfoliation treatment)		Session	ST	21.67	26.00	22.50	27.00
Body Treatment (power wrap)		Session	ST	40.83	49.00	41.67	50.00
Body Treatment (sea mud)		Session	ST	40.83	49.00	41.67	50.00
Eyes (eyebrow shape)		Session	ST	9.17	11.00	9.17	11.00
Eyes (eyebrow tint)		Session	ST	7.50	9.00	7.50	9.00
Eyes (eyebrow shape and tint)		Session	ST	14.17	17.00	15.00	18.00
Eyes (eyelash and eyebrow tint)		Session	ST	15.00	18.00	15.83	19.00
Eyes (eyelash tint)		Session	ST	10.83	13.00	11.67	14.00
Facial (30 min)		Session	ST	22.50	27.00	23.33	28.00
Facial (60 min)		Session	ST	37.50	45.00	38.33	46.00
Facial (bump facial)		Session	ST	37.50	45.00	38.33	46.00
Maintain (back and shoulders)		Session	ST	19.17	23.00	19.17	23.00
Maintain (bikini line)		Session	ST	9.17	11.00	10.00	12.00
Maintain (brazilian)		Session	ST	16.67	20.00	17.50	21.00
Maintain (chest and stomach)		Session	ST	19.17	23.00	19.17	23.00
Maintain (lip or chin)		Session	ST	7.50	9.00	7.50	9.00
Maintain (under arm)		Session	ST	9.17	11.00	9.17	11.00
Maintain (waxing) (full leg)		Session	ST	21.67	26.00	21.67	26.00
Maintain (waxing) (half leg)		Session	ST	15.83	19.00	15.83	19.00
Maintain (whole arm)		Session	ST	13.33	16.00	13.33	16.00
Manicure		Session	ST	25.00	30.00	25.00	30.00
Manicure (luxury)		Session	ST	29.17	35.00	29.17	35.00

Manicure (shape and polish)		Session	ST	12.50	15.00	12.50	15.00
Gel Color (polish)		Session	ST	22.50	27.00	22.50	27.00
Gel Color (upgrade)		Session	ST	12.50	15.00	12.50	15.00
Gel Color (removal)		Session	ST	5.83	7.00	5.83	7.00
Massage (aromatherapy)		Session	ST	41.67	50.00	42.50	51.00
Massage (back, neck, shoulder)		Session	ST	26.67	32.00	27.50	33.00
Massage (full body)		Session	ST	39.17	47.00	40.00	48.00
Massage (reflexology)		Session	ST	41.67	50.00	42.50	51.00
Massage (seated back)		Session	ST	26.67	32.00	27.50	33.00
Massage (shoulder, face, scalp)		Session	ST	26.67	32.00	27.50	33.00
Pedicure		Session	ST	25.00	30.00	25.00	30.00
Pedicure (luxury)		Session	ST	29.17	35.00	29.17	35.00
Pedicure (shape and polish)		Session	ST	12.50	15.00	12.50	15.00
Revive and Renew (weekday)		Session	ST	60.00	72.00	60.83	73.00
Revive and Renew (weekend)		Session	ST	64.17	77.00	65.00	78.00
Spa Day Package (mums to be package)		Session	ST	55.83	67.00	55.83	67.00
Spa Day Packages (spa escape) (weekday)		Session	ST	54.17	65.00	55.83	67.00
Spa Day Packages (spa escape) (weekend)		Session	ST	58.33	70.00	60.00	72.00
Spa Day Packages (spa pamper) (weekday)		Session	ST	68.33	82.00	68.33	82.00
Spa Day Packages (spa pamper) (weekend)		Session	ST	72.50	87.00	72.50	87.00
Spa Day Packages (winter warmer) (weekday)		Session	ST	44.17	53.00	44.17	53.00
Spa Day Packages (winter warmer) (weekend)		Session	ST	48.33	58.00	48.33	58.00
<b>Activa Health and Fitness</b>							
Induction		Session	EX	20.00	20.00	10.00	10.00
Personal Training (30 minutes)		30 minutes	ST	20.83	25.00	20.83	25.00
Personal Training (30 minutes)	Passport	30 minutes	ST	16.67	20.00	16.67	20.00
Personal Training (60 minutes)		60 minutes	ST	29.17	35.00	29.17	35.00
Personal Training (60 minutes)	Passport	60 minutes	ST	25.00	30.00	25.00	30.00



Running Club		Session	EX	3.50	3.50	3.50	3.50
Voucher Sales (4 sessions) (personal training) (30 min)		Session	ST	75.00	90.00	75.00	90.00
Voucher Sales (4 sessions) (personal training) (30 min)	Passport	Session	ST	58.33	70.00	58.33	70.00
Voucher Sales (4 sessions) (personal training) (60 min)		Session	ST	108.33	130.00	108.33	130.00
Voucher Sales (4 sessions) (personal training) (60 min)	Passport	Session	ST	91.67	110.00	91.67	110.00
Voucher Sales (8 sessions) (personal training) (30 min)		Session	ST	141.67	170.00	141.67	170.00
Voucher Sales (8 sessions) (personal training) (30 min)	Passport	Session	ST	108.33	130.00	108.33	130.00
Voucher Sales (8 sessions) (personal training) (60 min)		Session	ST	208.33	250.00	208.33	250.00
Voucher Sales (8 sessions) (personal training) (60 min)	Passport	Session	ST	175.00	210.00	175.00	210.00
Voucher Sales (12 sessions) (personal training) (30 min)		Session	ST	208.33	250.00	208.33	250.00
Voucher Sales (12 sessions) (personal training) (30 min)	Passport	Session	ST	158.33	190.00	158.33	190.00
Voucher Sales (12 sessions) (personal training) (60 min)		Session	ST	308.33	370.00	308.33	370.00
Voucher Sales (12 sessions) (personal training) (60 min)	Passport	Session	ST	258.33	310.00	258.33	310.00
Activa Workout	Adult	60 minutes	EX	7.50	7.50	7.50	7.50
Activa Workout	Disabled	60 minutes	EX	6.00	6.00	6.00	6.00
Activa Workout	Teen Fitness	60 minutes	EX	5.00	5.00	5.00	5.00
<b>Group Fitness Classes</b>							
Line Dancing (2hr)		Session	EX	7.00	7.00	5.00	5.00
Pilates		Session	EX	6.00	6.00	6.00	6.00
Pilates (course)		Course	EX	45.00	45.00	45.00	45.00
Standard Class		Session	EX	6.00	6.00	6.00	6.00
Water Workout (1 hour)		Session	EX	6.00	6.00	6.00	6.00
Water Workout (45 mins)		Session	EX	5.00	5.00	5.00	5.00

Yoga		Session	EX	6.50	6.50	6.50	6.50
<b>LEAP</b>							
Activa Workout	Adult	60 minutes	EX	5.50	5.50	5.50	5.50
Activa Workout	Teen	60 minutes	EX	4.00	4.00		
Aerobic class		Session	EX	6.00	6.00	6.00	6.00
Aqua Springs Entrance		Session	EX	9.50	9.50	9.50	9.50
Fitness Pool Swim		Session	EX	2.80	2.80	2.80	2.80
LEAP Appointment		Session	EX	5.00	5.00	5.00	5.00
Water Mobility	Casual	Session	EX	5.50	5.50	5.50	5.50
<b>Miscellaneous</b>							
Spectator Entrance Fee			ST	0.83	1.00	0.83	1.00
<b>Dryside Admissions</b>							
Active Plus		Session	EX	6.50	6.50	6.70	6.70
Active Plus Aqua Springs add-on		Session	ST	10.08	12.10	10.42	12.50
Badminton	Adult	55 minutes	ST	9.25	11.10	9.42	11.30
Badminton	Corporate	55 minutes	ST	9.08	10.90	9.25	11.10
Badminton	Junior	55 minutes	ST	6.33	7.60	6.50	7.80
Basketball		55 minutes	ST	50.83	61.00	50.83	61.00
Basketball Half Hall		55 minutes	ST	26.67	32.00	26.67	32.00
Endeavour Club		Session	EX	5.00	5.00	5.20	5.20
Football (5-a-side) (sports hall)		55 minutes	ST	51.67	62.00	51.67	62.00
Squash	Adult	45 minutes	ST	7.16	8.60	7.33	8.80
Squash	Corporate	45 minutes	ST	6.33	7.60	6.50	7.80
Squash	Junior	45 minutes	ST	5.33	6.40	5.50	6.60
Table Tennis	Adult	55 minutes	ST	7.00	8.40	7.17	8.60
Table Tennis	Corporate	55 minutes	ST	6.33	7.60	6.50	7.80
Table Tennis	Junior	55 minutes	ST	5.33	6.40	5.50	6.60
Whizz Kids (x1)		Session	EX	4.60	4.60	4.80	4.80
Whizz Kids (x2)		Session	EX	2.70	2.70	2.80	2.80
<b>Dryside Facility Hire</b>							
Badminton Court (hire)	Adult	55 minutes	ST	9.25	11.10	9.42	11.30
Badminton Court (hire)	Junior	55 minutes	ST	6.33	7.60	6.50	7.80
Meeting Room (hire) (single) (1st hour)		55 minutes	EX	30.00	30.00	30.00	30.00

Meeting Room (hire) (single) (2nd hour)		55 minutes	EX	20.00	20.00	20.00	20.00
Meeting Room (hire) (double) (1st hour)		55 minutes	EX	60.00	60.00	50.00	50.00
Meeting Room (hire) (double) (2nd hour)		55 minutes	EX	45.00	45.00	35.00	35.00
Outdoor Pitch (hire) (5-a-side)	Adult	55 minutes	ST	34.75	41.70	34.75	41.70
Outdoor Pitch (hire) (5-a-side)	Junior	55 minutes	ST	25.75	30.90	25.75	30.90
Outdoor Pitch (hire) (5-a-side) (x2)	Adult	55 minutes	ST	54.00	64.80	54.00	64.80
Outdoor Pitch (hire) (5-a-side) (x2)	Junior	55 minutes	ST	38.75	46.50	38.75	46.50
Outdoor Pitch (hire) (5-a-side) (x3)	Adult	55 minutes	ST	79.17	95.00	79.17	95.00
Outdoor Pitch (hire) (5-a-side) (x3)	Junior	55 minutes	ST	57.50	69.00	57.50	69.00
Outdoor Pitch (hire) (5-a-side) (x4)	Adult	55 minutes	ST	105.83	127.00	105.83	127.00
Outdoor Pitch (hire) (5-a-side) (x4)	Junior	55 minutes	ST	76.67	92.00	76.67	92.00
Outdoor Pitch (hire) (full pitch)	Adult	55 minutes	ST	54.83	65.80	55.17	66.20
Outdoor Pitch (hire) (full pitch)	Junior	55 minutes	ST	37.25	44.70	37.50	45.00
Sports Hall / Charter Hall (hire)		55 minutes	ST	51.25	61.50	52.75	63.30
Squash Court (hire)	Adult	45 minutes	ST	7.16	8.60	7.33	8.80
Squash Court (hire)	Junior	45 minutes	ST	5.41	6.50	5.50	6.60
<b>Dryside Activities</b>							
Birthday Party (Splash)		Session	ST	120.83	145.00	125.00	150.00
Birthday Party (Sports)		Session	ST	100.00	120.00	125.00	150.00
Birthday Party (Street)		Session	ST	120.83	145.00	125.00	150.00
Street Dance		Session	EX	5.00	5.00	5.00	5.00
Mini Street Dance		Session	EX	3.90	3.90	3.90	3.90
Kids Activities	Price A	Session	EX	5.20	5.20	5.40	5.40
Kids Activities	Price B	Session	EX	6.20	6.20	6.70	6.70
Kids Camp	Extended Day	Session	EX	30.00	30.00	30.50	30.50
Kids Camp	Standard Day	Session	EX	25.00	25.00	25.50	25.50
Base Camp	Price A	Session	EX	31.00	31.00	30.50	30.50
Base Camp	Price B	Session	EX	34.00	34.00	35.50	35.50
<b>Highwoods Sports Centre Sports Hall</b>							

Hire of Hall (sports and events)	Adult	per hour	ST	39.67	47.60	40.00	48.00
Hire of Hall (sports and events)	Junior	per hour	ST	23.33	28.00	24.17	29.00
Hire of Hall (sports and events)	Adult	per hour	ST	39.67	47.60	40.00	48.00
Hire of Hall (sports and events)	Junior	per hour	ST	23.33	28.00	24.17	29.00
Badminton	Club	per hour	ST	9.25	11.10	9.42	11.30
Badminton	Adult	per hour	ST	9.25	11.10	9.42	11.30
Badminton	Junior	per hour	ST	6.33	7.60	6.50	7.80
Table Tennis	Adult	per hour	ST	6.42	7.70	6.50	7.80
Table Tennis	Junior	per hour	ST	4.92	5.90	5.00	6.00
Cricket (2 nets)	Adult	per hour	ST	40.83	49.00	42.08	50.50
Cricket (2 nets)	Junior	per hour	ST	20.67	24.80	21.25	25.50
Cricket (4 nets)	Adult	per hour	ST	48.08	57.70	49.58	59.50
Cricket (4 nets)	Junior	per hour	ST	29.75	35.70	30.67	36.80
<b>Gymnasium</b>							
Hire of Gymnasium (sports and events)	Adult	per hour	ST	30.67	36.80	31.25	37.50
Hire of Gymnasium (sports and events)	Junior	per hour	ST	18.17	21.80	18.67	22.40
Badminton	Club	per hour	ST	9.25	11.10	9.42	11.30
Badminton	Adult	per hour	ST	9.25	11.10	9.42	11.30
Badminton	Junior	per hour	ST	6.33	7.60	6.50	7.80
Table Tennis	Adult	per hour	ST	6.42	7.70	6.50	7.80
Table Tennis	Junior	per hour	ST	4.83	5.80	5.00	6.00
<b>Field Area</b>							
5-a-side Football pitch	Adult	per pitch	ST	16.67	20.00	17.17	20.60
5-a-side Football pitch	Adult	per pitch	ST	16.67	20.00	17.17	20.60
5-a-side Football pitch	Junior	per pitch	ST	11.83	14.20	12.17	14.60
5-a-side Football pitch	Junior	per pitch	ST	11.83	14.20	12.17	14.60
7-a-side Football pitch	Junior	per match	ST	20.00	24.00	20.42	24.50
7-a-side Football pitch (col villa)	Junior	per match	ST	17.83	21.40	18.33	22.00
9-a-side Football pitch	Junior	per match	ST	24.75	29.70	25.42	30.50
9-a-side Football pitch (col villa)	Junior	per match	ST	22.25	26.70	22.83	27.40
Football Training grid	Adult	per pitch	ST	11.96	14.35	12.33	14.80
Football Training grid	Junior	per hour	ST	7.58	9.10	7.92	9.50
Football Training grid	Adult	per pitch	ST	11.96	14.35	12.33	14.80

Football Training grid	Junior	per hour	ST	7.58	9.10	7.92	9.50
Full size pitch	Adult	per match	ST	54.08	64.90	54.58	65.50
Full size pitch	Junior	per match	ST	31.25	37.50	31.67	38.00
<b>Floodlit Area Management</b>							
Football (weekday)	Adult	per hour	ST	15.25	18.30	15.67	18.80
Football (weekday)	Junior	per hour	ST	13.08	15.70	13.33	16.00
Football (weekend)	Adult	per hour	ST	13.58	16.30	14.00	16.80
Football (weekend)	Junior	per hour	ST	10.92	13.10	11.25	13.50
Netball (weekday)	Adult	per hour	ST	13.08	15.70	13.42	16.10
Netball (weekday)	Junior	per hour	ST	9.00	10.80	9.25	11.10
Netball (weekend)	Adult	per hour	ST	11.25	13.50	11.58	13.90
Netball (weekend)	Junior	per hour	ST	7.33	8.80	7.50	9.00
<b>Floodlit Area Casual</b>							
Netball (weekday)	Adult	per hour	ST	13.08	15.70	13.42	16.10
Netball (weekday)	Junior	per hour	ST	9.00	10.80	9.25	11.10
Netball (weekend)	Adult	per hour	ST	11.25	13.50	11.58	13.90
Netball (weekend)	Junior	per hour	ST	7.33	8.80	7.50	9.00
Tennis court	Adult	per hour	ST	7.17	8.60	7.33	8.80
Tennis court	Junior	per hour	ST	3.83	4.60	3.92	4.70
Combined price	Adult & Junior	per hour	ST	5.17	6.20	5.33	6.40
<b>Miscellaneous</b>							
Hire of Equipment			ST	2.50	3.00	2.50	3.00
Deposit for Equipment			ST	1.67	2.00	1.67	2.00
<b>Activity Hall</b>							
Hire of Hall (whole)	Adult	per hour	ST	24.83	29.80	25.50	30.60
Hire of Hall (whole)	Junior	per hour	ST	20.42	24.50	21.00	25.20
Hire of Hall (two thirds)		per hour	ST	16.67	20.00	17.17	20.60
Hire of Hall (two thirds)		per hour	ST	16.67	20.00	17.17	20.60
Hire of Hall (one third)		per hour	ST	8.33	10.00	8.58	10.30
Hire of Hall (one third)		per hour	ST	8.33	10.00	8.58	10.30
<b>Seminar Room</b>							
Hire of Room		per hour	ST	14.17	17.00	14.17	17.00
<b>Fitness Centre</b>							
Fitness Centre Workout	Adult	per hour	ST	4.08	4.90	4.25	5.10

Fitness Centre Workout	Junior	per hour	ST	2.67	3.20	2.75	3.30
Gold Card	Adult	12 months	ST	200.00	240.00	200.00	240.00
Silver Card	Adult	3 months	ST	60.00	72.00	60.00	72.00
Bronze Card	Adult	1 month	ST	22.50	27.00	20.83	25.00
Induction	Adult	per person	EX	10.00	10.00	10.00	10.00
Induction	Junior	per person	EX	10.00	10.00	10.00	10.00
Re-Induction		per person	EX	10.00	10.00	10.00	10.00
<b>Sessions</b>							
Fitness circuit training	Adult	per person	EX	4.80	4.80	4.90	4.90
<b>Birthday Parties</b>							
Tots		per party	ST	112.50	135.00	112.50	135.00
Supertots		per party	ST	125.00	150.00	125.00	150.00
Fun Zone		per party	ST	112.50	135.00	112.50	135.00
Superfun		per party	ST	125.00	150.00	125.00	150.00
Sports		per party	ST	100.00	120.00	100.00	120.00
<b>Sports Courses</b>							
Infant Soccer		per session	EX	4.50	4.50	4.70	4.70
Trampoline		per session	EX	4.50	4.50	4.70	4.70
<b>Tiptree Sports Centre Sports Hall</b>							
Hire of Hall (sports and events)	Adult	Hour	ST	39.67	47.60	40.00	48.00
Hire of Hall (sports and events)	Junior	Hour	ST	23.33	28.00	24.17	29.00
Hire of Hall (sports and events)	Adult	Hour	ST	39.67	47.60	40.00	48.00
Hire of Hall (sports and events)	Junior	Hour	ST	23.33	28.00	24.17	29.00
Badminton	Club	Hour	ST	9.25	11.10	9.42	11.30
Badminton	Adult	Hour	ST	9.25	11.10	9.42	11.30
Badminton	Junior	Hour	ST	6.33	7.60	6.50	7.80
Hire of Hall (sports and events)	Adult	Hour	ST	39.67	47.60	40.00	48.00
<b>Gymnasium</b>							
Hire of Gymnasium (sports and events)	Adult	Hour	ST	24.50	29.40	25.17	30.20
Hire of Gymnasium (sports and events)	Junior	Hour	ST	19.83	23.80	20.33	24.40
Badminton	Adult	Hour	ST	9.25	11.10	9.42	11.30

Badminton	Junior	Hour	ST	6.33	7.60	6.50	7.80
Table Tennis	Adult	Hour	ST	6.42	7.70	6.50	7.80
Table Tennis	Junior	Hour	ST	4.83	5.80	5.00	6.00
<b>Squash Courts</b>							
Squash	Club	45 mins	ST	7.17	8.60	7.33	8.80
Squash	Junior	45 mins	ST	5.42	6.50	5.50	6.60
<b>Dance Studio / Community Hall</b>							
Hall hire	Adult	Hour	ST	18.58	22.30	19.17	23.00
Hall hire	Junior	Hour	ST	15.42	18.50	15.83	19.00
Dancing	Adult	Hour	ST	18.58	22.30	19.17	23.00
Dancing	Junior	Hour	ST	15.42	18.50	15.83	19.00
Aerobics	Adult	Hour	ST	18.58	22.30	19.17	23.00
Martial Arts	Adult	Hour	ST	18.58	22.30	19.17	23.00
Martial Arts	Adult	Hour	ST	18.58	22.30	19.17	23.00
Martial Arts	Junior	Hour	ST	15.42	18.50	15.83	19.00
Martial Arts	Junior	Hour	ST	15.42	18.50	15.83	19.00
<b>Fitness Centre</b>							
Fitness Centre Workout	Adult	Hour	ST	4.08	4.90	4.25	5.10
Fitness Centre Workout	Junior	Hour	ST	2.67	3.20	2.75	3.30
Fitness Centre (Gold Card)	Adult	12 months	ST	200.00	240.00	200.00	240.00
Fitness Centre (Silver Card)	Adult	3 months	ST	60.00	72.00	60.00	72.00
Fitness Centre (Bronze Card)	Adult	1 month	ST	22.50	27.00	20.83	25.00
Fitness Centre - Induction Course	Adult	Head	EX	10.00	10.00	10.00	10.00
Fitness Centre - Induction Course	Junior	Head	EX	10.00	10.00	10.00	10.00
<b>Multi-Use Games Area</b>							
Netball - per court - weekday	Adult	Hour	ST	13.08	15.70	13.42	16.10
Netball - per court - weekday	Junior	Hour	ST	9.00	10.80	9.25	11.10
Netball - per court - weekend	Adult	Hour	ST	11.25	13.50	11.58	13.90
Netball - per court - weekend	Junior	Hour	ST	7.33	8.80	7.50	9.00
Tennis - per court	Adult	Court	ST	7.17	8.60	7.33	8.80
Tennis - per court	Junior	Court	ST	3.83	4.60	3.92	4.70
Tennis Combined Price	Adult & Junior	Court	ST	5.17	6.20	5.33	6.40
<b>Artificial Turf Pitch Management bookings</b>							



Whole Area (11-a-side matches only) weekday	Adult	Match	ST	68.33	82.00	69.17	83.00
Whole Area (11-a-side matches only) weekday	Junior	Match	ST	51.50	61.80	52.33	62.80
Whole Area (11-a-side matches only) weekend	Adult	Match	ST	58.33	70.00	58.33	70.00
Whole Area (11-a-side matches only) weekend	Junior	Match	ST	43.75	52.50	43.75	52.50
Whole Area (4 x 5-a-side pitches) wd	Adult	Hour	ST	98.67	118.40	100.00	120.00
Whole Area (4 x 5-a-side pitches) wd	Junior	Hour	ST	65.83	79.00	66.67	80.00
Whole Area (4 x 5-a-side pitches) we	Adult	Hour	ST	91.67	110.00	91.67	110.00
Whole Area (4 x 5-a-side pitches) we	Junior	Hour	ST	61.00	73.20	61.00	73.20
5-a-side - per pitch - weekday	Adult	Hour	ST	29.33	35.20	30.00	36.00
5-a-side - per pitch - weekday	Junior	Hour	ST	19.92	23.90	20.42	24.50
5-a-side - per pitch - weekend	Adult	Hour	ST	26.67	32.00	27.08	32.50
5-a-side - per pitch - weekend	Junior	Hour	ST	18.00	21.60	18.50	22.20
half area (2 x 5-a-side pitches) - wd	Adult	Hour	ST	51.67	62.00	51.67	62.00
half area (2 x 5-a-side pitches) - wd	Junior	Hour	ST	35.00	42.00	35.00	42.00
half area (2 x 5-a-side pitches) - we	Adult	Hour	ST	47.08	56.50	47.08	56.50
half area (2 x 5-a-side pitches) - we	Junior	Hour	ST	30.83	37.00	30.83	37.00
<b>Grass Pitches</b>							
Football pitch - full size	Adult	Match	ST	54.08	64.90	54.58	65.50
Football pitch - full size	Junior	Match	ST	31.25	37.50	31.67	38.00
training area (not marked)	Adult	Hour	ST	11.92	14.30	12.25	14.70
training area (not marked)	Junior	Hour	ST	7.58	9.10	7.75	9.30
7 a side Match	Adult		ST	20.00	24.00	20.42	24.50
<b>Sessions</b>							
Adult Climbing	Adult	Session	EX	7.10	7.10	7.10	7.10
Men's Keep Fit	Adult	Session	ST	3.67	4.40	3.75	4.50
Pay and Play Squash	Adult	Session	ST	3.25	3.90	3.33	4.00
Tots Session	Junior	Session	ST	2.25	2.70	2.42	2.90
Unsupervised Climbing 60 Min		Session	ST	4.92	5.90	5.08	6.10
Unsupervised Climbing 30 Min		Session	ST	3.83	4.60	3.92	4.70
Spinning classes (45 min)	Adult	Session	EX	4.40	4.40	4.50	4.50
<b>Birthday Parties</b>							



Tots		2 Hours	ST	112.50	135.00	112.50	135.00
Fun Zone		2 Hours	ST	112.50	135.00	112.50	135.00
Sports Party		2 Hours	ST	100.00	120.00	100.00	120.00
Climbing		2 Hours	ST	95.83	115.00	95.83	115.00
<b>Sports Courses</b>							
Trampolining	per session		EX	4.50	4.50	4.60	4.60
Climbing	per session		EX	6.80	6.80	6.90	6.90
<b>Seminar Room</b>							
Hire of Seminar Room		per hour	EX	15.83	15.83	15.00	15.00
<b>Miscellaneous</b>							
Hire of Equipment	Standard		ST	2.50	3.00	2.50	3.00
Deposit for Equipment	Standard		ST	2.08	2.50	1.67	2.00
Showers			ST	3.33	4.00	3.42	4.10
<b>Tennis</b>							
Tennis Booking (casual)	Adult	Hour	ST	7.17	8.60	7.33	8.80
Tennis Booking (casual)	Junior	Hour	ST	3.83	4.60	3.92	4.70
Tennis Booking (casual)	Combined	Hour	ST	5.17	6.20	5.33	6.40
<b>Memberships</b>							
Winter Membership	Adult	Item	ST	50.00	60.00	51.67	62.00
Winter Membership	Junior	Item	ST	25.00	30.00	25.83	31.00
Winter Membership	Family	Item	ST	120.00	144.00	121.67	146.00
Summer Membership	Adult	Item	ST	91.67	110.00	93.33	112.00
Summer Membership	Junior	Item	ST	50.00	60.00	51.67	62.00
Summer Membership	Family	Item	ST	226.67	272.00	233.33	280.00
Annual Membership	Adult	Item	ST	129.17	155.00	131.67	158.00
Annual Membership	Junior	Item	ST	62.50	75.00	63.33	76.00
Annual Membership	Family	Item	ST	306.67	368.00	312.50	375.00
<b>Hire</b>							
Individual Coaching	Hire	Hour	ST	2.91	3.50	3.00	3.60
Group Coaching	Hire	Hour	ST	5.83	7.00	6.00	7.20
Racquet & Ball	Hire		ST	2.50	3.00	2.50	3.00
<b>Sales</b>							
Tennis Balls			ST	5.00	6.00	5.17	6.20

**Equality, Diversity and Human Rights implications**

Equality Impact Assessments are available to view on the Colchester Borough Council website.

<b>Report of</b>	<b>Head of Customer Services</b>	<b>Author</b>	<b>Sean Plummer Strategic Finance Manager / Jason Granger Customer Interventions Manager 508824</b>
<b>Title</b>	<b>Local Council Tax Support 2017/18</b>		
<b>Wards affected</b>	<b>All Wards</b>		

**This report concerns proposals for the Local Council Tax Support Scheme for 2017/18**

**1. Decision required**

- 1.1 To agree and recommend to Full Council the proposals in respect of Local Council Tax Support scheme commencing 01 April 2017.

**2. Reasons for Decision**

- 2.1 Colchester Borough Council implemented a Local Council Tax Support scheme from 1 April 2013.
- 2.2 Legislation requires that following public consultation, amendments to the scheme for 2017/18 need to be agreed by Full Council before 31 January 2017.
- 2.3 It is recommended to bring the scheme in line with national legislative amendments and to propose the following changes:
- Amend backdating to one calendar month
  - Reducing the period for which a person can be absent from Great Britain and still receive Local Council Tax Support from 1 April 2017.
- 2.4 All other fundamental features of the scheme, other than those described under 2.3, are proposed to remain unaltered.

**Alternative Options**

- 3.1 Removal of the family premium for new working age Local Council Tax Support awards from 1 April 2017.

Consultation proposals included an option to remove the family premium for new working age Local Council Tax Support awards from 1 April 2017.

Applicants to Local Council Tax Support have a maximum amount of weekly income they can receive before their income starts to affect their level of entitlement. This figure is called the applicable amount.

Where one member of a family is a child or young person a Family Premium can be awarded adding £17.45 to the applicant's weekly applicable amount. The Government has removed the family premium for new claims for Housing Benefit from May 2016. This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance. Modelling indicates this would reduce total scheme provision by £137,380.

The removal of the family premium would reduce the applicable amount for new applicants with dependent children yet will provide consistency with the Housing Benefit scheme.

- 3.2 The option of removing the family premium for new working age Local Council Tax Support awards from 1 April 2017 received support in consultation. However this would not be recommended, taking into account the following considerations:
- Maintaining the current assessment basis for families would provide further stability for this resident basis in terms of wider welfare adjustments
  - The removal of the family premium would have a disproportionate effect on families on a low income.
- 3.3 Respondents were also asked to provide wider comment on alternative options for scheme funding including increasing the level of Council Tax, accrue savings from reducing other Council Services or using Council's reserves.
- 3.4 The alternative options did not receive support through consultation.
- 3.5 If Colchester Borough Council keeps the current scheme, it will be administratively more complex as it will not align with Housing Benefit which is also administered by the Colchester Borough Council and this will have a cost implication.

#### **4. Background information**

- 4.1 Local Council Tax Support currently helps 10,100 residents reduce their Council Tax bill – 4,300 of state pension age and 5,800 working age residents.

The value of Local Council Tax Support granted in 2015/16 was £8.05 million. For 2016/17 it is estimated to be £8.10 million.

- 4.2 All working age recipients of Local Council Tax Support have to pay a minimum contribution of 20% towards their Council Tax bill. National regulations still require local schemes to 'protect' those residents of state pension credit age from any reduction to their level of support as a result of the localisation of the scheme.
- 4.3 A summary of the 2016/17 key scheme points are outlined below:
- Back to Work Bonus – additional 4 weeks support for those who find work
  - Award based on 80% of Council Tax liability
  - £6000 capital /savings limit
  - Flat rate £12 non-dependent deduction
  - Disregard of child maintenance as income
  - Include Child Benefit as income
  - £25 flat rate earnings disregard
  - £1.00 per week minimum level of entitlement.

## **5. Proposals**

### **5.1 Amend backdating to one calendar month**

It is proposed to amend backdating to one month. This is a minor correction to our policy which currently states 28 days. This has negligible financial impact but aligns the scheme to other Welfare Benefit frameworks. Amending backdating has no adverse impact in relation to entitlement.

### **5.2 Reducing the period for which a person can be absent from Great Britain and still receive Local Council Tax Support from 1 April 2017 to four weeks**

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting their claim. This replicated the rule within Housing Benefit.

It is proposed that the Local Council Tax Support scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as mariners and the armed forces or where you have to go abroad due to the death of a close relative.

The limitation of temporary absence rules will require residents to reapply for Local Council Tax Support upon their return, yet provide consistency with the Housing Benefit scheme.

## **6. Strategic Plan references**

### **6.1 The Council's Strategic Plan sets out several priorities including a commitment to ensure Colchester is a welcoming and safe place for residents, visitors and businesses with a friendly feel that embraces tolerance and diversity.**

### **6.2 Precepting authorities contributed additional funding to assist with the collection of Council Tax, recognising the additional number of residents we had to collect from and the potential difficulties we would experience collecting from residents who have either not previously paid Council Tax or who are paying an increased amount.**

This additional money has helped fund a proactive intervention programme which provides a range of services including flexible payment plans, debt and back to work advice as well as administration an Exceptional Hardship fund. This work helps to protect the interests of our more vulnerable residents whilst focusing on the maintenance of collection.

## **7. Consultation**

### **7.1 The Local Government Finance Act 2012 sets out that Billing Authorities have to hold a public consultation on any potential changes to their existing Local Council Tax Support scheme. To comply with this and to understand the impact on residents of the scheme a 6 week consultation was held from 22 August to 3 October 2016.**

### **7.2 Historically response rates to consultation have been low. Ahead of, and during this year's consultation considerable efforts were made to generate responses. A robust communications plan was formed and included the following:**

- Design of consultation media, fixing the brand and providing consistency of message
- Bespoke web page promoting consultation
- Colchester Borough Council flagging page
- Colchester Borough Council advert running throughout consultation

- Press release
- Social media campaign - Colchester Borough Council and Colchester Borough Homes
- Enews articles and Members Information Bulletin
- Poster and screen promotion - internally and externally
- Phone prompts on call centre telephony channels
- Consultation advert on all Council Tax notifications issued during consultation period. In excess of 8,000 notifications were issued carrying this message at no additional cost
- Key message for Customer Services officers to encourage response.

7.3 Outcomes of the public consultation are set out in Appendix A. The majority of respondents agreed with the terms presented.

## 8. Publicity considerations

8.1 Local Council Tax Support is publicised via a website and we continue to provide information within our annual Council Tax bills and other mailings.

## 9. Financial implications

9.1 The Government funding for Local Council Tax Support was originally provided as a specific grant.

The funding is no longer separately identified in Local Authority settlements yet forms part of the Revenue Support Grant and baseline retained business rates, together known as the Settlement Funding Allocation.

The Settlement Funding Allocation has reduced each year and therefore it could be assumed that the funding for Local Council Tax Support has also reduced.

The table below shows how the cost of Local Council Tax Support compares to the assumed Government grant.

Grant	Settlement Funding Allocation Reduction	Colchester Borough Council Assumed Grant (£'000)	Local Council Tax Support Costs (£'000)	Colchester Borough Council Share (£'000)	Difference (£'000)
2013/14		1,321	9,085	1,081	240
2014/15	13%	1,149	8,497	1,011	138
2015/16	15%	977	8,047	958	19
2016/17	17%	811	8,113	933	-122
2017/18	17%	673	8,121	934	-261

9.2 The cost of the scheme is influenced by both caseload and the Council Tax rate set. The cost in 2016/17 has therefore increased due to the 3.4% Council Tax rise and further increases are likely in 2017/18.

This table shows that in 2016/17 there is an estimated net cost of the scheme for Colchester Borough Council. Looking ahead to 2017/18 and beyond, the Settlement Funding Allocation will reduce further and Council Tax rises are likely and therefore this could lead to a net cost of the Local Council Tax Support scheme in later years. However, the actual position will depend on caseload numbers.

The 2017/18 Council budget already assumes the above reduction in Government funding and therefore the impact of this has already been factored in to the budget gap. It should be remembered that the cost of LCTS and funding is shared with the major preceptors (County, Fire and Police) and as such the overall net cost of the scheme will vary depending on how funding has reduced for different authorities.

Whilst we have seen a reduction in the caseload (approximately 1500 since the introduction of LCTS) volatility in the economic outlook could create future pressure on caseloads and subsequently the cost of the scheme. Furthermore fundamental changes to the current criteria could potentially affect the collection fund position. These factors have been taken into consideration when providing options for consultation.

Local Council Tax Support scheme proposals attempt to balance the ongoing pressures of Local Authority settlement for both billing authorities and preceptors whilst acknowledging potential for escalating scheme costs due economic volatility. These factors are placed in contrast for the need to support and protect those on a low income. Furthermore, the Council needs to consider the risks to collection rates from changes in the scheme.

## **10. Equality, Diversity and Human Rights implications**

- 10.1 An updated Equality Impact assessment (EQIA) was carried out and published on 18 August 2016. It is available on the Colchester Borough Councils Website or by clicking [here](#)

## **11. Community Safety implications**

- 11.1 The proposals contain provision for dealing with welfare concerns of residents, particularly vulnerable people. It is intended to limit hardship to avoid giving rise to crime and disorder.

## **12. Health and Safety implications**

There are no health and safety implications.

## **13. Risk Management implications**

- 13.1 Fundamental changes to the current criteria could potentially affect the collection fund position.
- 13.2 The absence of an adopted Local Council Tax Support Scheme for 2017/18 by 31 January 2017 would lead to introduction of a prescribed default scheme which broadly represents the former Council Tax Benefit scheme with an additional funding requirement of circa £1.2 million.
- 13.3 Help and assistance is available to any resident affected by the proposed changes by the Customer Support Team. This team is currently supporting residents affected by the Governments Welfare Reform Agenda. This dedicated team are ready to provide a wide range of advice in relation to Welfare Benefits, money management and back to work support.

## **Background Papers**

- Draft Local Council Tax Support 2017/18 policy document – access by clicking [here](#)
- Appendix A – Local Council Tax Support Public Consultation – overview, analysis and free text comments





### Local Council Tax Support Consultation

#### Introduction

The Local Government Finance Act 2012 sets out that Billing Authorities have to hold a public consultation on any potential changes to their existing Local Council Tax Support Scheme. To comply with this and to seek public opinion on the scheme a 6 week consultation took place between 22<sup>nd</sup> August and 3<sup>rd</sup> October 2016.

There were a total of 164 respondents. However this did not relate to 164 fully completed questionnaires as they were a high level of respondents that did not fully complete the questionnaire, this was through abandoning the completion of the questionnaire at different points.

#### Overview

The questionnaire was divided into the following sections:

- Background to the Consultation

Within this section supporting information was provided to explain the broad principles of the Consultation.

- Paying for the Scheme

Within this section the views were sought on whether the current scheme should continue.

- Proposed changes to the scheme

Within this section views were sought on specific changes proposed.

- Alternative methods

Within this section views were sought on alternative options to fund the current scheme in contrast to the proposed changes with free text sections allowing wider comment to be provided.

- About you

Equality and Diversity responses.

## Responses

Rounding has been applied to results. Free type comments reported verbatim.

**I have read the section 'Background to the Consultation' at the start of this Questionnaire.**

		Response Total	Response Percent
Yes		61	100
No		0	0

## Paying for the scheme

**Should Colchester Borough Council keep the current Local Council Tax Support Scheme? (Should it continue to provide the same level of support as it does at the moment?)**

		Response Total	Response Percent
Yes		29	62
No		12	26
Don't know		6	12

**Please use the space below to make any comments you have in regards to maintaining the Local Council Tax Support Scheme:**

- With the exception of the £12 non means tested regardless of savings element for non dependent. This should reflect the non dependents income - either up or down
- no comment
- If the council allocated money to the essential work needed in the borough then there would surely be enough funds to cover costs.
- I have serious concerns about the level of poverty fostered on to the most vulnerable with the benefit cap as well a change in this could mean children not eating
- there should be some provision for those on a low income
- Why change a system that is already in place for something that won't save money
- People of working age on benefits cannot afford to pay as we are given the minimum to live on which is then made less by various payments such as this and bedroom tax putting us in poverty. DLA and PIP are Not incomes but grants to allow us to live as others.
- Should be supporting vulnerable people and those on low incomes

## Proposed changes to the scheme

### Option 1 – Removing the family premium for all new working age applicants

The removal of the family premium from 1st April 2017 for new claims will bring the Local Council Tax Support Scheme in line with Housing Benefit. The family premium is part of how we assess the 'needs' (Applicable Amounts) of any applicant, which is compared with their income. The family premium (currently £17.45 per week) is normally given when an applicant has at least One dependant child living with them. This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

#### The benefit of doing this:

- It brings the working age Local Council Tax Support Scheme in line with Housing Benefit changes and provides efficiency in administration.
- The change has already been introduced for pension age applicants by Central Government.

#### The drawbacks of doing this:

- New working age applicants may see a reduction in the amount of support they receive.
- Some households with children may pay more

#### Do you agree with the option 1?

		Response Total	Response Percent
Yes		29	72
No		7	18
Don't know		4	10

#### If you disagree what alternative would you propose?

- Entire scheme should be means tested.
- The affected parties would be those who are trying to meet their obligations by working. Those who don't work would benefit and make it easier for them to not consider getting a job. Many of those who do not work are capable of working and should be utilised in local community projects so that the borough does not need to fund minor projects such as litter picking and tidying of community areas. That way they are affectively earning their benefits thus saving the council money.
- I would propose continuing with this and find another way
- To avoid a 2 tier system, every claimant should be on the same as everybody else. Either keep the system we have now or if a new system is needed, then a completely new system that saves the council money and pass the savings on, where the money should be.

- People on benefits should not pay as it places us in poverty
- Continue with the family element as it is being removed for other benefits

### **Option 2 - Amending Backdating to 1 month**

Currently claims for Local Council Tax Support from working age applicants can be backdated for 28 days where an applicant shows they could not claim at an earlier date. Central Government has reduced backdating for Housing Benefit claims to 1 month. It is proposed that the Council's Local Council Tax Support Scheme should be in line with the changes to Housing Benefit.

The benefit of this:

- It brings the working age Local Council Tax Support Scheme in line with Housing Benefit and provides efficiency in administration
- The change will provide a small increase to the maximum period of backdating

The drawback of this:

- There are no drawbacks

Do you agree with the option 2?

		Response Total	Response Percent
Yes		35	88
No		1	2
Don't know		4	10

If you disagree what alternative would you propose?

- This could be implemented provided it is looked into by then council benefits dept and listening to everyone on the tax benefit and drawn out so everybody is happy knowing money will be saved and passed on.
- People on benefits can not afford to lose money from the minimum they receive

### **Proposed changes to the scheme**

**Option 3 - Reducing the period for which a person can be absent from Great Britain and still receive Local Council Tax Support to 4 weeks**

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting their Local Council Tax Support. This replicated the rule within Housing Benefit. Housing Benefit has now been changed by the Central Government so that if a person is absent from Great Britain for a period of more than 4 weeks their benefit will cease.

It is proposed that Colchester Borough Council's Local Council Tax Support Scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as Mariners and the Armed Forces or where an applicant has to go abroad due to the death of a close relative.

The benefit of doing this:

- It brings the working age Local Council Tax Support Scheme in line with Housing Benefit and provides efficiency in administration

The drawback of this:

- If a person is absent from Great Britain for a period which is likely to exceed 4 weeks, their Local Council Tax Support will cease from when they leave Great Britain. They will need to re-apply on return

Do you agree with the option 3?

		Response Total	Response Percent
Yes		33	83
No		3	7
Don't know		4	10

If you disagree what alternative would you propose?

- This doesn't make sense! Is it temporarily absent abroad? If so then I agree! If it is temporarily absent as in gone into hospital for 13 weeks then I don't
- Good idea in principle, it needs a full debate between the benefit dept and claimants and amendments must be implemented so nobody loses out.
- If someone is out of Great Britain for reasons other than those exceptions mentioned above they should not receive benefit for this period.

**Alternative methods**

**Alternatives to reducing the amount of help provided by the Local Council Tax Support Scheme**

If Colchester Borough Council keeps the current scheme, it will be administratively more complex (as it will not align with Housing Benefit which is also administered by the Colchester Borough Council) and it will cost taxpayers more.

If this happens we will need to find savings from other services to help meet the increase in costs.

The proposals set out in this consultation could deliver savings. The alternatives are set out in the background information.

**Do you think we should choose any of the following alternative options rather than the proposed changes to the Local Council Tax Support Scheme?**

**Please select one answer for each source of funding**

	<b>Yes</b>	<b>No</b>	<b>Don't know</b>	<b>Response Total</b>
<b>Increase the level of Council Tax</b>	10.26%(4)	64.1% (25)	25.64% (10)	<b>39</b>
<b>Reduce the funding available for other Council Services</b>	10.26% (4)	69.23% (27)	20.51% (8)	<b>39</b>
<b>Use the Councils savings</b>	17.95% (7)	56.41% (22)	25.64% (10)	<b>39</b>

**If the Council were to choose these other options to make savings, what would be your order of preference?**

**Please rank in order of preference by selecting a number from 1 – 3 in the boxes below, where 1 is the option that you would most prefer and 3 is the least.**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>Response Total</b>
<b>Increase the level of Council Tax</b>	20.51% (8)	7.69% (3)	71.80% (28)	<b>39</b>
<b>Reduce the funding available for other Council Services</b>	20.51% (8)	28.21 (11)	51.28% (20)	<b>39</b>
<b>Use the Councils savings</b>	28.21% (11)	38.46% (15)	33.33% (13)	<b>39</b>

**Please use the space below to make any other comments on the scheme**

- Please see my comments previously
- I think the reliance on food banks is a disgrace and the loss of council tax benefit was shocking and understand that the councils have to make up the shortfall which is also wrong. Some families simply cant have any more outgoings without going hungry- its 2016 its disgraceful.
- I think Cllr Paul Smith and his coalition colleagues are doing a great job under trying circumstances, with good support from Adrian Pritchard and other CBC officers. This public consultation is a good example of their commitment to democracy and open government
- consider the million pound council tax and the high earner tax, so the higher the cost of the home, the more you pay and the more you earn over £60,000, the more you pay.

**Please use the space below if you would like Colchester Borough Council to consider any other options**

- Include prison as absent from home
- I think those who are capable of work should be asked to work in the community to receive their benefits. It would give them a sense of earning their money and pride in themselves.

- What might help to a point is VAT on things, see what can be saved there also, cutting back on perks for council employees/managers

**If you have any further comments regarding the Local Council Tax Support Scheme, please use the space below**

- Local council tax support should be assessed by the amount of money going into a household regardless of whether that money is worked for or by benefits. If the amount of benefit is higher than a working persons income then it should be taken into account and not automatically given just because the person is already receiving other benefits by not working. A working person should not be treated differently to a benefit reliant person, when that person is struggling to pay their own bills by working but a benefit reliant person does not get means tested on their benefits. It makes no sense.
- They should have 100% reduction for people on DLA/PIP
- People on benefits should not have to pay from the minimum we are given. DLA & PIP are not incomes and should not be included in calculations. Pushing disabled and sick in to poverty should not happen.

**Equality and Diversity Questions**

**Are you, or someone in your household, claiming Local Council Tax Support?**

		<b>Response Total</b>	<b>Response Percent</b>
Yes		<b>4</b>	<b>12</b>
No		<b>27</b>	<b>82</b>
Don't know		<b>2</b>	<b>6</b>

**Are you**

		<b>Response Total</b>	<b>Response Percent</b>
Male		<b>12</b>	<b>36</b>
Female		<b>17</b>	<b>52</b>
Prefer not to say		<b>4</b>	<b>12</b>
Other, please specify		<b>0</b>	<b>0</b>

**Age**

		<b>Response Total</b>	<b>Response Percent</b>
18-24		<b>2</b>	<b>6</b>
25-34		<b>5</b>	<b>15</b>
35-44		<b>7</b>	<b>21</b>
45-54		<b>7</b>	<b>21</b>
55-64		<b>4</b>	<b>12</b>
65-74		<b>4</b>	<b>12</b>
75-84		<b>1</b>	<b>3</b>
85+		<b>0</b>	<b>0</b>
Prefer not to say		<b>3</b>	<b>10</b>

### Do you consider yourself to have a physical impairment?

		<b>Response Total</b>	<b>Response Percent</b>
Yes		<b>3</b>	<b>10</b>
No		<b>24</b>	<b>80</b>
Not sure		<b>1</b>	<b>3</b>
Prefer not to say		<b>2</b>	<b>7</b>

### Do you consider yourself to have a sensory impairment?

		<b>Response Total</b>	<b>Response Percent</b>
Yes		<b>2</b>	<b>7</b>
No		<b>25</b>	<b>86</b>
Not sure		<b>0</b>	<b>0</b>
Prefer not to say		<b>2</b>	<b>7</b>

### Do you consider yourself to have a learning difficulty or disability?

		<b>Response Total</b>	<b>Response Percent</b>
Yes		<b>2</b>	<b>7</b>
No		<b>23</b>	<b>85</b>
Not sure		<b>1</b>	<b>4</b>
Prefer not to say		<b>1</b>	<b>4</b>

### Do you consider yourself to have any mental health needs?

		<b>Response Total</b>	<b>Response Percent</b>
Yes		<b>4</b>	<b>12</b>
No		<b>24</b>	<b>76</b>
Not sure		<b>0</b>	<b>0</b>
Prefer not to say		<b>4</b>	<b>12</b>

### Ethnicity

		<b>Response Total</b>	<b>Response Percent</b>
White British		<b>24</b>	<b>75</b>
White Irish		<b>1</b>	<b>3</b>
White Other		<b>2</b>	<b>6</b>
Gypsy / Roma		<b>0</b>	<b>0</b>
Traveller of Irish Heritage		<b>0</b>	<b>0</b>
Black or Black British African		<b>0</b>	<b>0</b>
Black or Black British Caribbean		<b>0</b>	<b>0</b>
Mixed White/Black African		<b>0</b>	<b>0</b>
Mixed White/Black Caribbean		<b>0</b>	<b>0</b>
Black Other		<b>0</b>	<b>0</b>
Asian or Asian British Pakistani		<b>0</b>	<b>0</b>



Asian or Asian British Indian		<b>0</b>	<b>0</b>
Asian or Asian British Other		<b>0</b>	<b>0</b>
Mixed White/Asian		<b>0</b>	<b>0</b>
Asian Other		<b>0</b>	<b>0</b>
Chinese		<b>0</b>	<b>0</b>
Mixed Other		<b>0</b>	0
Not Known		<b>0</b>	<b>0</b>
Prefer not to say		<b>5</b>	<b>16</b>
Other, please specify		<b>0</b>	<b>0</b>

**END**



## **MINUTE EXTRACT SCRUTINY PANEL 8 NOVEMBER 2016**

### **93. Local Council Tax Support 2017/18**

Councillor Mark Cory, Portfolio Holder for Resources, introduced the Local Council Tax Support 2017/18 report. The report invites the Panel to review and comment on the proposed Local Council Tax Support scheme commencing 2017/18. Comments from the Panel will be considered ahead of the Cabinet meeting of 30 November 2016 and Full Council on 8 December 2016 where approval of the scheme will be requested.

Councillor Cory stated that the Local Council Tax Support scheme comes to the Scrutiny Panel each year and focuses on how the scheme may need to be altered following national legislative amendments. Councillor Cory outlined that the scheme current helps 10,100 residents, and that includes people of all ages some of whom are fully supported and others who receive smaller levels of support.

In the current scheme, all working age recipients of Local Council Tax Support have to pay a minimum contribution of 20% towards their Council Tax. The scheme does also include a back to work bonus where if a resident gets a job they are paid four weeks in arrears; this ensures that the recipient receives an income before any support provided is stopped.

The changes proposed in the report include amending the backdating of support to one calendar month; which brings it in line with housing benefit. The second change is to reduce the period for which a person can be absent from Great Britain and still receive Local Council Tax Support from 13 weeks to four weeks. Councillor Cory highlighted that there will be exceptions to this rule if there is a justified reason, for example a death in the family.

Councillor Cory also highlighted that the report includes information about the financial elements of the scheme, and that the scheme was one of the most generous across Essex. The Local Council Tax Support scheme supports residents in the Borough and assists with Council Tax collection. Councillor Cory stated that with the proposed changes the scheme is anticipated to cost Colchester Borough Council £261,000.

Councillor Davies stated that the report would need to include a specific reference to the reduction to the four-week period as part of the second proposal in paragraph 4.2.

In addition, Councillor Davies welcomed that the time absent from Great Britain would not include stays in hospital and questioned how the Council would know that an individual would be outside the Country for more than four weeks. In response Jason Granger, Customer Interventions Manager, stated that it is the responsibility of the resident to declare a change in circumstances. Officers within the team will assess and declarations where circumstances have changed, and also ensure that underlying checks on caseloads are completed throughout the year.

Councillor Coleman questioned Councillor Cory regarding the wider costs if Colchester Borough Council did not provide the scheme. In response Councillor Cory stated that without the scheme low income families would struggle and the Council would be adding to the difficult issues that these families already have, potentially pushing them past the breaking point. If it was expected that these families pay more towards their Council tax, there would be those who are not able to pay; resulting in a mutual disbenefit for both the local resident and Colchester Borough Council. Councillor Cory also confirmed that the cost of the scheme is offset by the significant benefits that it provides.

*RESOLVED* that the Scrutiny Panel reviewed and commented on the recommendations in respect of the Local Council Tax Support Scheme for 2017/18.

Report of	Assistant Chief Executive	Author	Jessica Douglas/ Chris Reed ☎ 282240
Title	Officer Pay Policy Statement for 2017/18		
Wards	Not applicable		

**This report concerns the Council's Officer Pay Policy Statement, which must be approved each year by Full Council under the Localism Act 2011.**

## 1. Decision Required

- 1.1 To recommend the approval and adoption of the 2017/18 Statement by Full Council.

## 2. Reasons for Decision

- 2.1 The Localism Act requires "authorities to prepare, approve and publish pay policy statements articulating their policies towards a range of issues relating to the pay of its workforce, which must be approved by full Council annually. An authority's pay policy statement must be approved by a resolution of that authority before it comes into force".

## 3. Alternative Options

- 3.1 The only alternative would be to not recommend the approval of the Pay Policy Statement, but that would be contrary to the requirements of the Localism Act.

## 4. Supporting Information

- 4.1 Local authorities must publish a pay policy statement for the financial year. The Officer Pay Policy for 2016/17 was approved by Full Council on 10 December 2015.
- 4.2 The Localism Act specifies items that must be covered by the statement including the level and elements of remuneration for each chief officer, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, the use of performance-related pay and bonuses for chief officers, the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and the publication of and access to information relating to remuneration of chief officers.
- 4.3 The Council's pay policy statement has been extended beyond the statutory requirements relating to chief officers as shown in 4.2 above to include all officers employed by the Council, in the interests of openness and transparency.
- 4.4 Please see the attached Officer Pay Policy. Appendix 1 of the policy contains the mostly numerical data which sits behind it, and the definitions of terms such as 'chief officers'. These two documents form the Council's pay policy statement.
- 4.5 The statement covers all pay and benefits for every employee of Colchester Borough Council. There are no financial allowances or bonuses other than those mentioned.
- 4.6 Mandatory requirements for data publication under the [Local government transparency code 2015](#), and for the Council's [Statement of Accounts](#) under the [Accounts and Audit Regulations 2015](#) have also been taken into account when preparing this year's update of the pay policy to ensure that the published data is complete and consistent.

## **5. Living Wage**

- 5.1 The Council has chosen to pay the Living Wage since 2013 as part of its commitment to being a good employer, and its approach to [Social Value](#). The Council signed a 'Living Wage Employer' licence with the Living Wage Foundation in February 2016, which means the Council is also implementing a phased plan which rolls out as contracts come up for renewal so that these third-party contracted staff also receive the Living Wage.
- 5.2 The Council will continue to pay the Living Wage as a minimum standard for all employees. The Living Wage is set independently and calculated according to the basic cost of living in the UK (hourly rate is now £8.45, 18 and older), and it is higher than the compulsory National Living Wage brought in by central government in April 2016 (currently £7.20 if 25 or over / £6.70 if aged 21-24).
- 5.3 The Living Wage rate is set each November by the Living Wage Foundation. More than 300 permanent/casual Council staff and 40 third-party contracted employees (grounds maintenance contract from April 2016) had their wages increased to meet the £8.25 hourly Living Wage rate set in November 2015 (£8.45 from November 2016).

## **6. Looking ahead to 2017/18**

- 6.1 The Council will need to comply with the effective dates and requirements of these legislative changes once these are known:
- The Government's further consultation on regulations for the £95,000 public sector exit payments cap, along with the recovery regulations on exit payments for those earning £80,000 or more, and an ongoing consultation into any use of salary sacrifice / benefits in kind.
- From April 2017:
- The Government will make public sector bodies and agencies responsible for operating the tax rules that apply to off-payroll working through limited companies in the public sector.
  - The national introduction of the Apprenticeship Levy.
  - All organisations which employ more than 250 employees will need to publish 'gender pay gap' information showing whether there are any differences in pay between male and female employees.

## **7. Strategic Plan References**

- 7.1 The performance, remuneration and motivation of employees are key to delivering effective, efficient public services and the Strategic Plan's aspirations and priorities.

## **8. Publicity Considerations**

- 8.1 The data contained within the Officer Pay Policy is publicly available on the Council's website via an online tool called '[Datashare](#)'. This brings a broad range of information into one place, and that helps to improve openness and transparency.

## **9. Financial implications**

- 9.1 The pay policy statement provides transparency about the Council's approach to pay and benefits for its employees.

## **10. Equality, Diversity and Human Rights implications**

- 10.1 The Equality Impact Assessment is on the Council's website [here](#).

## **11 Other Implications**

- 11.1 There are no community safety, consultation, health and safety or risk implications.

# Officer Pay Policy

## December 2016



**Customer Business Culture**

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## **Introduction**

The purpose of this policy is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of officers.

The Council will comply with this policy which covers all officers. It ensures that employees are paid on a fair and equitable basis in accordance with equality legislation.

Colchester Borough Council recognises the importance of administering pay in a way that:

- attracts, motivates and retains appropriately talented people needed to maintain and improve the Council's performance and meet future challenges
- reflects the market for comparable jobs, with skills and competencies required to meet agreed delivery and performance outcomes
- allows for a proportion of remuneration to be at risk, depending upon the delivery of agreed outcomes and results
- delivers the required levels of competence within an overall workforce strategy within approved budget parameters
- is affordable and transparent.

## **1. Pay strategy and framework**

- 1.1 The Council determines the level of annual salary for employees, including chief officers, using an established job evaluation scheme. Jobs are independently evaluated, using this scheme, by experienced Human Resources staff and all employees have the right of appeal against their pay grade.
- 1.2 The pay grades and salary spines are shown in Appendix 1, along with other definitions such 'chief officer'. The Council implemented the '[Living Wage](#)', which is independently calculated, from April 2013 and became an accredited Living Wage Employer in February 2016. Each pay grade has a number of incremental points and employees normally progress up their pay grade by one increment on an annual basis, subject to satisfactory levels of performance (see also section 5 - rewarding performance).
- 1.3 The exception to this principle is where employees have transferred their employment to the Council and salary protection exists under the Transfer of Undertakings (Protection of Employment) legislation which is commonly referred to as TUPE.
- 1.4 The pay policy incorporates the Council's Equality and Diversity policy (website link [Equality and Diversity in employment - Colchester Borough Council](#)) and periodic equal pay audits will be conducted. From April 2017, in line with new mandatory gender pay gap reporting, the Council will need to publish pay information showing whether there are any differences in pay between male and female employees.

## 2. Pay review and annual increases

- 2.1 The Council supports the principle of collective bargaining and has a recognition agreement with the trade union 'Unison'. Negotiation and consultation is conducted at a local level in relation to levels of pay and benefits for all employees including Chief / Senior Officers (see definitions in Appendix 1). The Council therefore is not part of any national terms and conditions for local government employees.
- 2.2 Local negotiations around a pay review are conducted on an annual basis, and any increase is agreed taking into account inflationary factors, local salary levels and affordability. Any decision to increase salary levels for all employees has to be approved by the Portfolio Holder under delegated powers set in the Council's [Constitution](#).
- 2.3 The Council publishes its pay multiple (the ratio between the highest and lowest paid employees) and does not currently set a target for this.

## 3. Remuneration of Chief Officers

- 3.1 The remuneration of all officers is determined using the Council's job evaluation and performance management schemes.
- 3.2 The median average value of Chief Officers' pay is shown in Appendix 1 together with the relationship to the lowest paid staff and other staff (referred to in the legislation as "the pay multiple").
- 3.3 The remuneration of all Chief Officers and Senior Officers will be published in the Council's [Annual Statement of Accounts](#) (note 32), which also includes a wide range of financial information.

## 4. Other items in addition to salary

The Council pays the following additions to annual salary:

- 4.1 [Overtime:](#)  
This is paid to employees who are required to work in excess of their contracted weekly hours. All overtime is paid at plain-time rate derived from annual salary, and enhancements are not normally paid for working at weekends or public holidays. Employees on pay grade CMG5 or above are not entitled to receive overtime pay.
- 4.2 [Unsocial hours working:](#)  
The Council pays an allowance to employees who work unsocial hours which cover 24-hour shift working. Allowances are also paid to employees who undertake standby and call out duties. A small payment can also be made to 'front-line' employees who are required to work over the Christmas/New Year period.
- 4.3 [Maternity, paternity and shared parental arrangements:](#)  
The Council has a policy that supports parents and provides some enhancement to the statutory maternity, paternity and shared parental provisions. These enhancements are shown in Appendix 1.
- 4.4 [Recruitment and retention payments:](#)

Where the Council is faced with difficulties in recruitment to and retention of specific jobs, as a result of market pressures and skills shortages, the Chief Executive is able to sanction the use of a temporary recruitment/retention supplement, reviewed on a regular basis. This may include a non-consolidated payment on appointment and/or a retention payment to reflect the employment market and the needs of the business. Any such payment is to be authorised by the Chief Executive. If the employee leaves the Council voluntarily within a year, they will be required to pay back this non-consolidated payment.

Where an individual is being recruited and has significant experience or skills in the role for which they are being employed, Heads of Service and above have discretion to appoint at any scale point (within the grade) above the lowest level.

Where an employee is upgraded using the Council's job evaluation scheme, the employee will move to the lowest point of the new pay grade such that they receive at least one increment. Any proposal to move the employee to a higher point on the pay grade has to be authorised by the Chief Executive.

4.5 **Increases in responsibility:**

Temporary or permanent payments can be paid at the discretion of the Chief Executive (for employees on CMG 7 and above), or at the discretion of a member of the Executive Management Team (for employees on CMG 8 and below), to reflect operational needs, the level of additional responsibility and the Council's increment/acting-up policies.

4.6 **Other items:**

The Council only reimburses reasonable business expenses actually incurred and in line with the Council's travel and subsistence policy.

Professional membership fees are reimbursed to employees at the rate of 50% of fees incurred and only one membership per employee is reimbursed.

External training costs are paid where they form part of agreed learning and development, and in line with the post-entry training policy.

There are no expense allowances or bonuses other than those mentioned within this pay policy.

## **5. Rewarding performance**

- 5.1 The Council uses a performance management scheme to appraise the performance of all employees, including Chief / Senior Officers. Issues of poor performance can result in any annual increment being withheld.
- 5.3 The Council also recognises the need to incentivise specific jobs whose role involves a proportion of sales or income generation. In such cases a reward package will be developed, which needs approval by Senior Management Team. The annual salary and incentive payment will be determined outside of the job evaluation scheme and will be risk-assured in relation to equal pay.
- 5.4 The Council incentivises and recognises employees for their individual contribution towards the three organisational goals of 'Customer; Business and Culture' through a non-salary rewards scheme. Where an employee's contribution is deemed to be excellent they can be nominated for a non-consolidated payment up to the maximum value if authorised by the Chief Executive. See Appendix 1 for the value of these incentives.
- 5.5 The Council also recognises the importance of organisation-wide performance, and the contribution which employees can make to this. The Council is considering with the Trade Union the introduction of non-consolidated payments which would be related to its overall performance as measured against a range of financial, income and key performance indicators. If introduced, these would form part of the annual pay negotiations with Unison, and through the public governance process of portfolio holder approval. This matter is subject to formal member approval.

## **6. Pension**

- 6.1 In accordance with statutory provisions, employees are offered membership of the Local Government Pension Scheme. The Council has a published pension policy and this policy applies to all employees including Chief / Senior Officers. It sets out the Council's decisions relating to discretionary powers allowed within the scheme. The pension contribution rates are shown in Appendix 1.
- 6.2 The Council also supports the principle of flexible retirement whereby employees are able to gain access to their pension whilst continuing in employment, subject to the restrictions laid down within the scheme and in the Council's Pension policy. This approach allows the Council to retain skilled employees and to assist individuals in managing the transition to retirement.

## 7. Other financial benefits

The Council currently offers the following financial benefits to employees, with the value of these charges and benefits shown in Appendix 1:

### 7.1 Travel Plan incentives/charges:

In order to encourage employees to use 'greener' travel modes, which also help to reduce town centre congestion, the Council has developed a package of travel plan measures. These measures include a charge for car parking for employees based in the town centre, and discounts for the 'home to work' use of bus and rail travel.

### 7.2 Salary sacrifice schemes:

The Council has adopted approved government salary sacrifice schemes which enable employees to have deductions from pay to purchase childcare vouchers or cycles for travel to work. These schemes are tax efficient for the employee and are cost-neutral to the Council.

### 7.3 Long Service Awards:

The Council recognises the commitment of employees to public service and provides a gift to employees for 25 years' service with the Council.

### 7.4 Other allowances:

An allowance is paid for employees who volunteer to be designated First Aiders in the workplace.

An allowance paid as a contribution towards broadband costs, which applied if employees work at home on a regular basis using a PC to access Council systems, is no longer included in the terms and conditions of new starters joining the Council after 1 October 2016.

## 8. Recruitment

- 8.1 In accordance with the Council's [Constitution](#), appointments to Head of Paid Service (Chief Executive), Executive Directors, Heads of Service, Chief Finance Officer and Monitoring Officer, have to be approved by the Full Council.
- 8.2 All appointments are made in line with this pay policy.
- 8.3 The appointment of other Chief Officers and starting salaries within the grade must be approved by the Chief Executive.
- 8.4 The appointment of employees other than Chief Officers will be delegated to the appropriate management level, relevant to the vacant job. The starting salary within the pay grade range will be determined taking into account the skills and experience of the applicant and market pressures.
- 8.5 The Council does not restrict the re-employment of employees previously made redundant by either the Council or other Local Government. All applicants for vacancies are considered equally, based on their knowledge, skills and experience.
- 8.6 Full Council will be offered the opportunity to vote before large salary packages are offered in respect of new appointments. This level is set out in statutory guidance, and the current level is shown at Appendix 1 along with definitions of roles/posts.

## 9. Sick Pay

The Council applies the following sick pay scheme for all employees including Chief Officers.

Service (years)	Full Pay (months)	Half Pay (months)
During first year	1	*2
During second year	2	2
During third year	4	4
During fourth/fifth years	5	5
After five years	6	6

\* After completing 4 months' service

## 10. Payments when employment status changes

### 10.1 Redundancy:

The Council operates a redundancy payment scheme which applies to all employees including Chief / Senior Officers. The scheme is based on the employee's rate of pay and on the number of weeks paid under the statutory scheme, with an enhancement of 50% subject to a maximum of 45 weeks' pay.

### 10.2 Pay Protection:

The Council operates pay protection for a limited time period, within the terms of the redundancy policy. This applies when staff have their pay reduced as part of a process of re-deployment or job evaluation.

### 10.3 Agreements:

Where the Council is in dispute with an employee, the Council will make use of legally binding agreements to settle disputes in appropriate circumstances. The use of these agreements and the value of any settlement will be determined by a consideration of factors such as the potential costs of litigation, the degree of risk at employment tribunal adjudications and any reputational impact. The decision to agree a legally binding agreement will rest with the Chief Executive or, in the case of the Chief Executive, will rest with the Cabinet.

## 11. Election duties

11.1 The Council has determined that the Returning Officer is the Chief Executive, and the remuneration is separate from the Chief Executive's salary. The Council has set the remuneration levels of employees who assist with local government election duties on a secondary employment basis. These levels are set by Essex County Council for county elections, and by central government for national and European elections.

11.2 The amount paid for election duties will vary depending on the number and type of elections which take place. The amount paid to the Returning Officer in the previous year is shown in Appendix 1.

## 12. Temporary staff and interim arrangements

12.1 The Council occasionally uses temporary agency or interim staff where it meets specific business needs and delivers best value. Levels of reward are determined by market rates. However, the Council will not use payment arrangements that could be perceived to be designed to deliberately avoid personal taxation.

### 13. Supporting Information

The following references have been used in producing this Pay Policy, along with the Council's existing Human Resource policies:

#### Legislation

- The Localism Act 2011 - [chapter 8 - pay accountability](#).
- The Equality Act 2010
- Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006
- Local Government Pension Scheme Regulations 2008
- [Accounts and Audit Regulations 2015](#).

#### Best practice guidance

Department for Communities and Local Government:

- [Openness and accountability in local pay: Guidance under section 40 of the Localism Act](#)
- [Local government transparency code 2015](#)

The Chartered Institute of Public Finance and Accountancy:

- [Code of Practice in Local Authority Accounting](#)

Local Government Association

- [Pay Policy Statements - guidance](#).

#### Our website

The Council's website [www.colchester.gov.uk](http://www.colchester.gov.uk) has a [section with more information about employment](#) at Colchester Borough Council.

The following policies and forms should be taken into account alongside this document:

Policies	
Equality and Diversity policy	Increment policy
Maternity and Paternity policies	Acting up policy
Pensions policy	Overtime policy
Local Government Pension Scheme (Administration) Regulations 2013 Discretionary Decisions by Colchester Borough Council	Performance management scheme
Post-entry training policy	Redundancy policy
Travel and subsistence policy	Travel Plan

The policies are on the Intranet in the HR section: [A to Z of HR Policies and Procedures](#)

#### Document Information

<b>Title :</b>	<b>Officer Pay Policy</b>
<b>Status :</b>	<b>2016 update of existing policy</b>
<b>Version :</b>	<b>Version 1</b>
<b>Consultation :</b>	<b>Cabinet 30 November 2016</b>
<b>Approved By :</b>	<b>Full Council</b>
<b>Approval Date :</b>	<b>8 December 2016</b>
<b>EQIA :</b>	<a href="#">click here</a>
<b>Review Frequency :</b>	<b>Annual</b>
<b>Next Review :</b>	<b>December 2017</b>



## Pay Data – Appendix 1

### 1. Annual Salary scales

#### Salary spine

point	Annual salary (£.p)	point	Annual salary (£.p)
4*	16,302.45	32	34,755.23
5*	16,302.45	33	36,093.98
6*	16,302.45	34	37,336.52
7*	16,302.45	35	38,579.09
8*	16,302.45	36	39,821.63
9*	16,302.45	37	41,113.61
10*	16,302.45	38	42,405.60
11	16,497.81	39	43,697.55
12	17,288.77	40	46,909.45
13	17,666.88	41	50,121.37
14	18,047.66	42	53,333.29
15	18,423.10	43	57,612.75
16	18,801.21	44	61,892.18
17	19,179.30	45	66,171.63
18	19,552.09	46	70,451.05
19	20,118.57	47	74,730.49
20	20,685.07	48	78,833.56
21	21,251.55	49	82,936.66
22	21,818.05	50	87,039.70
23	22,384.54	51	91,142.80
24	22,996.46	52	95,245.85
25	24,820.19	53	99,348.95
26	26,689.36	54	103,959.75
27	28,558.53	55	108,570.52
28	29,731.62	56	113,181.30
29	30,904.68	57	117,792.07
30	32,077.74	58	122,402.86
31	33,416.49	59	124,877.26

The last pay increase was in April 2016 – 1.5%.

\* Note these salary points are 'Living Wage' (£8.45 from November 2016 – was £8.25). Employers can choose to pay the Living Wage on a voluntary basis, and the Council has done so since 2013. This is higher than the compulsory National Living Wage introduced by the government from April 2016 for all employees who are over 25 (currently £7.20, rising to £9 by 2020).

#### Pay Grade range

Pay Grade (CMG)	Salary spine point range	Pay Grade (CMG)	Salary spine point range
14	4 to 7	7	32 to 36
13	7 to 12	6	35 to 39
12	11 to 18	5	38 to 42
11	18 to 24	4	42 to 47
10	23 to 27	2-3	46 to 53
9	26 to 30	1	54 to 59
8	29 to 33		

## Apprentices

The national introduction of an Apprenticeship Levy in April 2017 aims to encourage businesses to create three million new apprenticeships by 2020. Employers operating in the UK with a pay bill over £3 million each year will be required to invest in apprenticeships via an apprenticeship levy charged at a rate of 0.5% of the annual pay bill

The Council is developing an apprenticeship programme in response to the introduction of this levy, and is reviewing the payment of apprentices in the light of these changes.

## 2. Pay relationship for Chief Officers

	Year 2016/17
Median average pay for Chief Officers	£74,730.49
Median average pay for staff other than Chief Officers	£22,384.54
Median average pay for lowest paid staff	£16,302.45
Pay multiple of Chief Officer (Chief Executive) pay to staff other than this Chief Officer	5.58
Pay multiple of Chief Officers' pay to staff other than Chief Officers	3.33
Pay multiple of Chief Officers' pay to lowest paid staff	4.58

Notes – please also see definitions of officers at section 8 below:

- Median average pay is based on full-time equivalent annual salary plus additional payments for Chief Officers. It excludes election fees.
- 'Lowest paid staff' is defined as those paid the 'Living Wage' - see chart of pay grades on page 9.
- Pay multiple - the ratio between the highest and lowest paid staff.

## 3. Additional payments for Chief Officers

### Returning Officer election fees paid to the Chief Executive:

Elections held		Amount paid	Year
Local Borough, Parish, Police and Crime Commissioner, Police Area, EU Referendum, Neighbourhood Planning Referendums		£29,178.02	2016/17

## 4. Other pay additions and allowances – see pages 2 and 3 for eligibility

### Maternity, Paternity and Shared Parental pay:

In addition to the statutory provisions, the Council pay 20 weeks at half-pay for mothers who go on maternity leave and subsequently return to work. Up to two weeks' paid paternity leave is granted to eligible employees.

### Non-salary rewards scheme:

Quarterly – 1,500 loyalty points (£15 in value) can be redeemed on activities or products within Colchester Leisure World. Maximum of 42 staff across all services each quarter.  
Annually – incentive to be sourced via reciprocal marketing and voucher schemes.

### Exceptional performance:

Non-consolidated payment to a maximum of £1,000 if authorised by the Chief Executive.

## 6. Pension contribution rate

Employer rate is 13.7%. Employee rates are:

<b>LGPS Contribution Bands April 2016</b>	
<b>Actual Pay</b> (includes overtime, additional hours and so on)	<b>Contribution rate per year</b>
Up to £13,600	5.5%
£13,601 - £21,200	5.8%
£21,201 - £34,400	6.5%
£34,401 - £43,500	6.8%
£43,501 - £60,700	8.5%
£60,701 - £86,000	9.9%
£86,001 - £101,200	10.5%
£101,201 - £151,800	11.4%
More than £151,801	12.5%

## 7. Other financial benefits – see page 5 for eligibility

Travel Plan benefits and charges:

**Car parking charge** – this is paid by employees if they drive to work:

- £2 per day.

**Home to work travel**, in line with Travel Plan policy:

- Bus season ticket discount 50% / train season ticket or 'bulk buy' discount 35%.

**Long Service award:**

- Maximum value of £250 for 25 years' service with the Council.

**First Aid allowance** - for employees designated as First Aiders in the workplace:

- £141.96 a year.

**Broadband allowance** – to access Council computer systems if home working on a regular basis and were employed before 1 October 2016:

- £132 a year.

## 8. Definition of terms used in the Officer Pay Policy and Pay Data documents

- Chief Officers – posts requiring appointment by elected councillors - designated as Chief Executive, Executive Directors and Heads of Service within the Council's constitutional arrangements for appointment. It also includes the Section 151 and the Monitoring Officer where those roles are not performed by a Head of Service. These posts meet the Chief Officer definition in [paragraph 43 Localism Act](#).
- Chief Officer – this is the Chief Executive.
- Senior Officers – any post with a salary of £58,200 and above, which is the Senior Civil Service minimum pay band ([paragraph 12 code of practice](#)).
- Senior Management Team – the Chief Executive, Executive Directors and Heads of Service.
- Large salary package – this is defined in statutory guidance and the current threshold is £100,000 ([paragraph 14 Localism Act guidance](#)).



<b>Report of</b>	<b>Head of Commercial Services</b>	<b>Author</b>	<b>Fiona Duhamel</b> ☎ <b>282252</b> <b>Lois Bowser</b> ☎ <b>282573</b>
<b>Title</b>	<b>Colchester Northern Gateway (North) Sports Development Proposal (Part A)</b>		
<b>Wards affected</b>	Mile End and Highwoods		

**This report seeks approval of the recommended management option and funding package for the Colchester Northern Gateway Sports/Leisure scheme, together with agreement to the approach set out to procure professional services and contractors for delivery**

## **1. Decisions Required**

To note the recommendations made in Part B of this report being:

1. To note the recommendation in Part B of this agenda that an external operator is procured for the management of the leisure scheme and external areas.
2. To note that the selection process of an external operator be subject to a soft market testing exercise which will be undertaken alongside work reviewing the viability of a Borough Council operating model to be reported back to Cabinet in due course.
3. To note the recommendation in Part B of this agenda that the capital funding package including the financial implications for the Council, and to note that external grant applications will be progressed as appropriate.
4. To note the recommendation in Part B of this agenda that the procurement approach as set out in the report and to note that the selection of the building contractor and terms agreed for individual site disposals will be brought back to Cabinet/RIF for approval
5. To note current progress of the scheme as set out in section 5 of this Part A report.

## **2. Reasons for Decisions**

1. To ensure that a suitable management operator can be appointed at the earliest opportunity in order to engage them in the development of the scheme.

2. To continue to review the market demand from among external operators whilst progress on the scheme development continues and to enable further work on a Borough Council option to be twin tracked.
3. To ensure that the financial costs to the council of delivering the scheme over the programme period are clear and accounted for and that risk is spread across a range of funding sources.
4. Subject to approval of the above recommendations, to ensure that the maximum value and highest possible design are derived from the procurement method with the Council maintaining control over the process in order to meet the scheme delivery target of 2019.
5. To receive an update on progress on amendments to the design, to financial modelling and to stakeholder engagement.

This decision is brought to Cabinet for approval because of the level of financial commitment and its strategic significance for the economic growth for the Borough. Because of the sensitive and commercial nature of some of the information, the financial and commercial details are contained within Part B of this report.

### **3. Alternative Options**

- 3.1 Cabinet approved the scheme in principle in March 2016 but requested a further report on the financial implications for the Council of delivering the scheme, and to explore different management models. The aim is to achieve an affordable proposal, with least overall cost to the Council, and securing a sound and viable operation from early years. This is detailed in Part B of this report.

### **4. Supporting Information**

- 4.1 The background to this project has been set out in previous RIF and Cabinet reports. The broad Vision for the Northern Gateway area is to create:
  - A new gateway for Colchester
  - A cutting edge destination for sport and leisure
  - A distinctive place defined by memorable buildings and spaces
  - An exemplary approach to sustainability
  - A place for enterprise and employment opportunities

The key messages for the Northern Gateway developed in the Communications Plan aim to create an attractive, high quality and popular single leisure destination that will:

- Provide leisure opportunities for all
- Boost participation in leisure activities, particularly those previously not engaged in activity
- Deliver a complementary offer to the town centre
- Offer regular, easy access to the town centre through a range of travel options
- Promote healthy, active lifestyles

- Support an ethos of sustainability, upholding the 'Greener Colchester' message
- Generate revenue and build an asset for the borough
- Enable job creation and the development of skills and learning, exploiting the advantages of the proposed ultra-fast broadband connection planned for 2017

4.2 The project, the partnerships that are evolving and the ambition to support the national and local well-being agenda sit well with recent strategic documents published by the Department for Culture, Media and Sport and by Sport England, as well as a good match with Active Essex priorities for the development of physical activity and sport:

- *Increase Participation:* Provide a comprehensive universal offer for physical activity and sport in Greater Essex and promote active lifestyles.
- *Improve Health and Wellbeing:* Change behaviours to reduce inactivity and use physical activity and sport to improve physical and mental health and wellbeing.
- *Develop Individuals and the Workforce:* Inspire and enable people to change their lives, achieve their ambitions and meet customer needs through ongoing skills development.
- *Strengthen Localities and Networks:* Expand and strengthen the network of delivery partners and support collaborative and locality working.

4.3 The CNG sports project focuses on three related themes and these are reflected in the desired outputs for the project:

- **PARTICIPATION** - an essential pre requisite is to provide increased and enhanced opportunity for all people to participate. The current user survey identifies anticipated increases in membership of local clubs and several are interested in expanding their activities to involve people with disabilities. The design of spaces will encourage outdoor activity and create environments to support mental health. With an ageing population and a focus nationally, including through Sport England, around health targets such as weight management, this remains a core ambition for the project.
- **PERFORMANCE** - improving the facilities and extending the range will allow clubs to compete at higher levels and leagues and to introduce regional events. This will help raise the profile of Colchester and assist the Northern Gateway to function as a sports destination.
- **HEALTHY ACTIVITY** - the aim is to promote good health and a 'wellness' lifestyle, providing a range of sports and informal recreation activities, organised through clubs or as families and individuals. NHS providers are interested in running programmes from the centre as well as support groups such as the U3A and existing sports clubs expressing a wish to work with people with disabilities.

## Potential Outputs

- 4.4 Work has also been ongoing to gather information on some of the potential outputs from this project. This supports funding applications also. They include information on jobs, homes, and sports participation and are tabled below. They may be subject to change as stakeholder engagement continues and other opportunities arise such as sustainable energy generation or public art initiatives. However, it is clear that the project is able to deliver benefits on a variety of fronts that meet the overall objectives.

Description of target output	Measure (Year 5)
New jobs created (including extra care element)	250
New specialist homes	250
New affordable units created (20% private sector and 60% specialist)	195
New private homes	225
Creation of regional cycling hub	1
Number of people benefitting from the Learn-to-Ride / road safety facility	100
Initial number of sports clubs based at facility	10
Number of school children using facility after school	50
Number of new badminton users	100
Number of older people engaging in new physical activity	150
Number of people on health referrals programmes	25
Number of participants with a disability	50
New equestrian route created	1
Acres of land now available for public access	70
Number of all-weather pitches available	2
Number of new sports facilities including indoor cricket centre	1
Number of improved sports facilities (rugby club)	1
Number of special events held (sporting and leisure)	25

## 5.0 The Proposal

5.1 The project is to develop approximately 30ha (75 acres) of land to the north of the A12 at Junction 28 for club and community sport and leisure purposes enabling the expansion of the Colchester Rugby Club, and the opportunity to enhance the sports offer within the Borough thereby addressing some of the deficiencies in local provision and helping to meet the objectives of the Council's Sports Strategy. The strategy was described in the previous cabinet report and the project seeks to integrate the objectives of the strategy with the growing needs of local sports stakeholders together with the inclusion of a new regional cycling centre. The latter has been subject to rigorous assessment and benchmarking by consultants, FMG, against other leisure and cycling schemes across the country, as well as advice from British Cycling and other sports experts. This gives added confidence to the assumptions in the financial operating model around user catchment, hire charges and viability.

- 5.2 The proposal supports wider economic growth objectives for the Northern Gateway Growth Area. It will create a quality sports and leisure centre within parkland setting opening up new areas for public enjoyment. The design of the site layout and sports



buildings has undergone several revisions to address user issues and to ensure the most economical design (See Appendix A1 for site layout). The proposed Scheme is summarised in Table 1 below:

Table 1 - Key design features as at October 2016

<b>Sports Hall (two storey)</b>	<b>Rugby Pavilion</b>	<b>Outdoor Facilities</b>
Five court sports hall with facilities for range of sports especially indoor league cricket, badminton and table tennis	Two storey pavilion	2 Full Size 3G floodlit artificial grass pitches (AGP)
Cycling Fitness Suite and velo studio	Changing facilities	7 Rugby Grass Pitches for use by rugby union, rugby league and American Football
Multi-Purpose Room	Bar and Function areas	3 Junior Grass Rugby Pitches
External and internal viewing galleries and balcony	Referees' rooms	Cycling Road Floodlit Track (1.6km)
Café and Vending area	Meeting rooms	Cycling Learn to Ride Area
External and internal storage	Full sized Kitchen	BMX Track
Cycle Hire shop	Storage	Archery Area
Bicycle maintenance workshop	Physio and treatment room	Dog Training Area
Children's soft play area	Office	Car Parking for c400 cars
Design has potential to expand to accommodate other sports	Viewing balcony	Informal perimeter path and horse riding route

5.3 Table 2 below sets out the high level project plan milestones aiming for completion in summer 2019.

Table 2 - Project Milestones

<b>Milestone</b>	<b>Target Date</b>
Cabinet considers management operator model and financial implications	November 2016
Cabinet approves procurement method for sports contractor and housing delivery	Spring 2017
Submission of a full planning application for the sports area and an outline application on land east of the Northern Approach Road/Mill Road	Spring 2017
Core Scheme commences (preparation of playing pitches)	Autumn 2017
Core Scheme building works commence (18 months)	Winter 2017/2018
Sports Scheme completion	Summer 2019
First houses built	Spring 2020
Specialist housing completion	Autumn 2021
Final house completion	Spring 2022

## Planning Considerations

- 5.4 During the summer period ending on 16<sup>th</sup> September the Council's Local Plan Preferred Options document was subject to extensive public consultation. The designation of the Northern Gateway Strategic Economic Area was proposed to be supplemented by zoning of areas for employment, mixed use, residential and sports and leisure. The responses are under consideration including views expressed that the Mill Road site should include generous community space. This is reflected in the Myland and Braiswick Neighbourhood Plan, itself the subject of consultation earlier in the year and a public referendum on 15<sup>th</sup> September. The referendum resulted in a vote of 87% in favour of the Plan. It was approved for referral to Council for adoption by the Local Plan Committee on 7<sup>th</sup> November, to be adopted as part of the statutory plan for the area at a later date. The proposals in the sports and recreation project and enabling development overall conform to this.
- 5.5 Officers propose to hold a consultation on the pre-submission planning application early next year. This will be followed by the period of statutory consultation when all aspects of the scheme including the transport and access proposals, layout, building design concepts, landscaping and environmental concerns will be subject to public scrutiny.

## Infrastructure

- 5.6 The principal new infrastructure elements planned are:
- Broadband connection – an extension to the ultrafast broad band recently installed in the town centre should be in place by Summer 2017.
  - Sustainable energy source – the provision of a groundwater source of sustainable energy is currently the subject of a feasibility study funded by the Government and it is hoped that either the residential/commercial component on the south side of the A12 and/or the sports complex itself will benefit from this for which a grant would be available towards the capital works. This will be clarified next year.
  - Accessibility improvements – as referenced above there is a need to enhance non-vehicular and public transport access to the new sports scheme. Discussions are underway with the county highway authority and with Highways England over safety improvements at the J28 crossing and to the Severalls Road and Boxted Road bridges. Officers have also commenced discussion on a local bus strategy for the northern gateway area as a whole including improved services and bus stops.

## Management Options

- 5.7 An overarching community management structure could be put in place having regard to the arrangement at the Community Stadium. The recommended business model (i below) uses an external leisure operator to manage the buildings and external facilities for the scheme itself. However there is an ongoing exercise which is reviewing the viability of a Borough Council operating model to be reported back to Cabinet in due course. The options explored through the Leisure consultants were:

- i. External leisure operator model with charitable status is a model adopted by many authorities and has advantages for example relating to VAT and the ability to raise funds. This is the recommended option and it is proposed to undertake an in-depth Soft Market Testing of this detailed business model to assess how attractive the project is before any formal procurement process commences.
- ii. Management fully in-house – the Leisure World model. This is based on the Council's experience of managing leisure operations across the borough over many years. CBC Leisure Services officers reviewed this model, amending certain inputs such as participation to reflect the patronage of and competition from other leisure facilities. Overall this model demonstrated around 270,000 participants in Year 5.

## Procurement

- 5.8 The council has made several appointments of specialists to help develop the project and the planning application. All have been carried out in accordance with the Council's formal procurement procedure. Public realm consultants, Gillespies, were appointed in mid February. Consultants have just been appointed to prepare a development concept brief for the Axial Way/Mill Road zone. It is a recommendation that officers apply a Framework Agreement to progress through to the next stage and to prepare the planning application in particular. At a later stage there will be a procurement process to appoint a building contractor for the scheme and this will be reported to Cabinet.
- 5.9 In terms of informative studies and research the Council has made several specialist appointments to help develop the project and the planning application. All have been carried out in accordance with the Council's formal procurement procedure. Consultants appointed to review the Master Plan and to prepare the Concept Development Brief for the Axial Road/Mill Road area are the most recent.

## **6. Strategic Plan References**

- 6.1 The wider context for the CNG North project is national policy and guidance relating to sport, health, physical activity and participation as described in section 4. The project meets the Council's Strategic Plan in a number of ways:

### **VIBRANT**

- Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life.
- Create the right environment for people to develop and flourish in all aspects of life both business and pleasure.

### **PROSPEROUS**

- Promote Colchester to attract further inward investment and additional businesses, providing greater and more diverse employment and tourism opportunities.

- Provide opportunities to increase the number of homes available including those that are affordable for local people and to build and refurbish our own Council houses for people in significant need.

## THRIVING

- Promotes Colchester's heritage and wide ranging tourism attractions to enhance our reputation as a destination.
- Be clear about the major opportunities to work in partnership with public, private and voluntary sectors to achieve more for Colchester than we could on our own.
- Cultivate Colchester's green spaces and opportunities for health wellbeing and the enjoyment of all.

## WELCOMING

- Improves sustainability, cleanliness and health of the place by supporting events that promote fun and wellbeing.
- Make Colchester confident about its own abilities, to compete with the best of the towns in the region to generate a sense of pride.

- 6.2 The proposal contributes to the Council's objective to "Become commercially focused and even more business-like in order to be free of government grant by 2017" by delivering a modest income stream and reducing current maintenance costs for pitches.

## 7. Consultation

- 7.1 All key user stakeholders are engaged in the emerging proposals and relocation requirements. Appendix A2 sets out letters of support from the principal partner clubs and organisations. The second users' steering group took place on 15<sup>th</sup> September and holds bi-monthly meetings. A separate meeting was held on 7<sup>th</sup> September with around two dozen cycle user groups from the sports and recreational sectors of cycling. Arranged with British Cycling the workshop discussed a range of issues concerned with design and management of the site for cyclists and it was agreed to hold another session early next year as part of the planning and design process. Officers meet regularly with individual principal sports users and/or governing bodies, with Sport England and with Schools PE teachers group. Officers attend the Community Council meetings to share understanding of the plans and to invite comment. Liaison with Colchester Institute, disability sports and health providers, the NHS and the Council's public health coordinator will ensure alignment of provision when the scheme is running.
- 7.2 The Borough Council-led Sports Board ensures strategic engagement of key organisations on a regular basis. Active Colchester has considered the project also and is helping organisations supporting people with disabilities to become directly involved in programme delivery once the scheme is built.

### Participation

- 7.3 Officers are currently working with existing sports clubs and organisations to identify existing and predicted levels of participation. It is clear that there is vast sports participation throughout the borough and much will impact on potential use of the new

sports centre. Cricket, Table Tennis and Badminton are extremely keen to find both quality training and match play facilities. Indeed it has been cited by both table tennis and badminton that increased membership is often hampered by the availability of suitable facilities at reasonable prices; it is intended that there will be sessions in the sports hall in the evening and during the day prioritised for use by these sports. This will encompass several clubs' plans to expand to accommodate potentially wheelchair cricket, basketball and rugby. Officers are exploring how the sports facilities (and programmes) can best accommodate a range of needs for participation with various groups and organisations working with people with disabilities.

## **8. Publicity Considerations**

- 8.1 The Colchester Northern Gateway seeks to create a new sports/leisure led development in the Borough and this investment in economic growth has a number of positive key messages. The creation of a leisure destination with quality sports facilities, sustainable design and energy generation, ultra-fast broadband, exciting recreational and community activities, and employment opportunities can be promoted locally and to a wider audience. The Master Plan and Public Realm strategy for the Northern Gateway provide attractive images for the Council's communications team to illustrate the key messages. The publicity and implementation of key infrastructure will make the whole area increasingly attractive to potential investors, visitors and local people alike. Letters of support have been received from the key sports bodies (Appendix A2). The Council's Communications team has contacts with key sports users and at the Steering Group on 15th September agreed a general protocol around press and media communication.

## **9. Financial implications**

- 9.1 The detailed financial implications and the business plan are addressed in the confidential Part B. The key financial elements are:
- The capital cost of the scheme
  - External funding opportunities from Government, sports-related organisations etc
  - Cash flow management over the build period
  - The operational net revenue and business plan and proposed future management by an external operator

### **9.2 Mill Road Residential Developments**

The option to utilise land release receipts was considered by Cabinet at the March meeting and members asked officers to consider widening the approach across a broader area and sectors in order that dependence on the private housing market sector was reduced. Soft market testing with interviews with national housebuilders, and their follow up requests, and detailed advice from Lambert Smith Hampton (LSH), has proved that the Mill Road site is of considerable interest. LSH assessed the potential value of part of the Mill Road site for a range of housing numbers and JV arrangements based on preferences expressed by the house builders. All demonstrate a good return and the potential income from this source is reflected in the capital funding strategy described in Part B (section 9).

## **10. Equality, Diversity and Human Rights, Community Safety and Health and Safety**

- 10.1 The underlying ambition for the leisure proposals is to encourage participation from a wide a range of people as possible. This will include children, older people, people with disabilities, and people who have health or recuperation needs who would benefit from increased physical activity and related well-being programmes, as well as high performing athletes and sports people. The scheme and future programme development are designed to address all these needs.
- 10.2 The design of the sport and recreational facilities will comply fully with health and safety Standards and the design of the landscaping, outdoor spaces and routes, and buildings will ensure that community safety implications are fully addressed. The Equality Impact Assessment may be found by clicking on the link below or by following the pathway [www.colchester.gov.uk /Your Council/How the Council Works/Equality and Diversity/Equality Impact Assessments/Commercial Services](http://www.colchester.gov.uk/Your Council/How the Council Works/Equality and Diversity/Equality Impact Assessments/Commercial Services)

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=22585&p=0>

## **11. Risk Management Implications**

- 11.1 The main risks associated with the project are around the need to raise capital funding and securing enabling development, adjustments to the costs when the scheme is built together with the ability to secure a management operator along the assumptions made in the Business Plan. :
- 11.2 Risks are managed in the CNG programme risk register for the project which will be reported back to Cabinet prior to commencement. Key risk areas to the project are identified in the confidential Part B of this report.

## **12. Summary and Conclusion**

The scheme and cost plan are, subject to approval of this report, essentially fixed and ready to move forward to a planning submission. The recommendation, based upon the evidence from the business plans, is that the Council pursues the proposed funding strategy, proceeds to secure an external operator for the operational management of the sports facility and that procurement of professional services proceeds. An overarching community management structure could be put in place having regard to the set up at the Community Stadium. Procurement of a building contractor will be brought to a future cabinet meeting with a view to a start-on-site in early autumn 2017.

## **Background papers**

Master Plan for Colchester Northern Gateway– updated from original Allies and Morrison 2012 version by Gillespies and endorsed by Local Plan committee 15<sup>th</sup> August 2016

Public Realm Strategy in draft form prepared by Gillespies October 2016

Borough Leisure Facilities and Playing Pitch Strategy 2015

RIF Committee report 11 November 2015

RIF Committee report 1 February 2016

Cabinet Report 16 March 2016

Part A Appendices

- Appendix A1 illustrates the Site Layout and sports hall designs.
- Appendix A2 sets out Letters of Support from key sports organisations

Appendix A1: Site Layout and Sports Hall designs as at October 2016

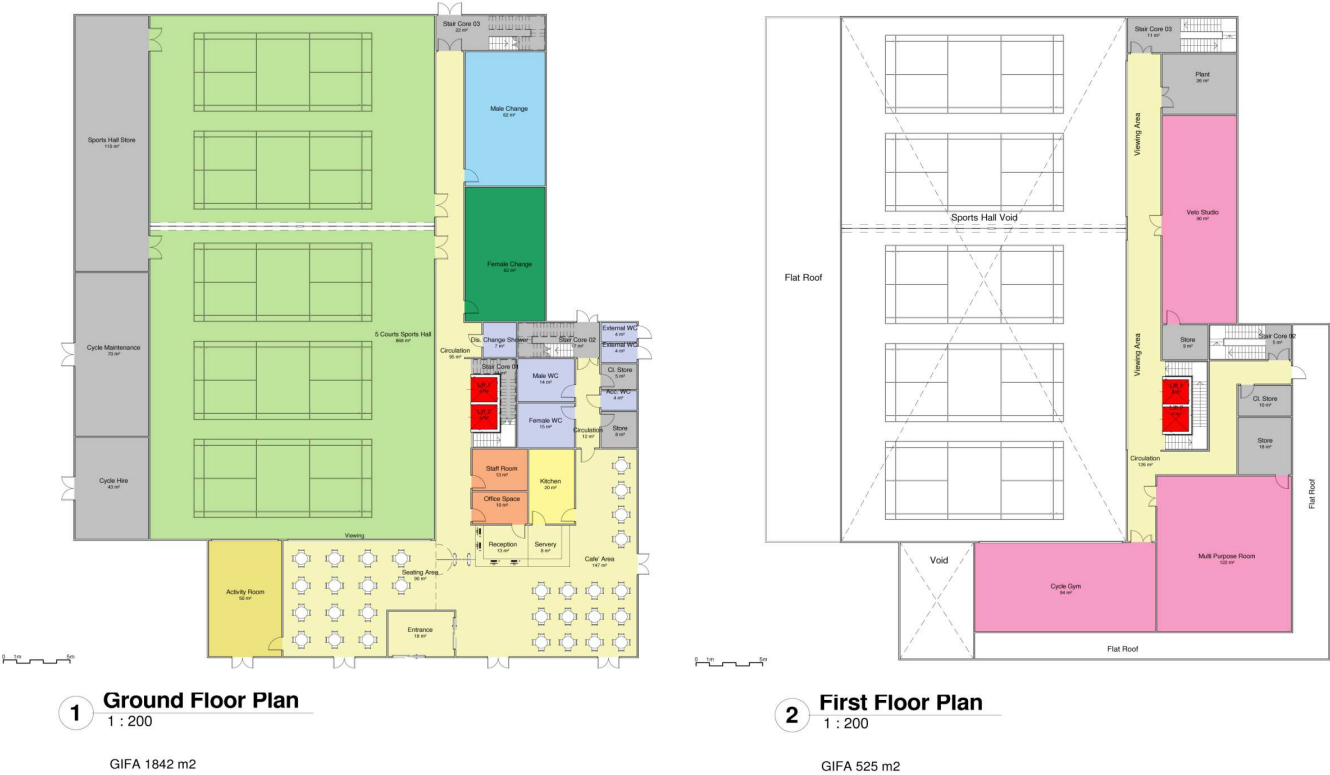


Sports hall over-looking sports pitches and cycle track to the south -east.



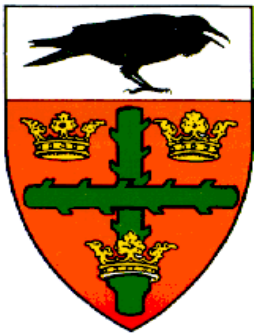


Sports Hall Internal Layout



Café Area on groundfloor of Sports Hall overlooking cycle track and playing pitches





## **Colchester Rugby Football Club**

Mill Road, Colchester, CO4 5 JF  
[www.colchesterrugby.co.uk](http://www.colchesterrugby.co.uk)

President: Brian Borges

Chairman: Karl O'Brien

Honorary Secretary: Maggie Whiteman

Ms Fiona Duhamel  
Colchester Borough Council  
Rowan House  
Sheepen Road  
Colchester  
CO3 3WG

17th August 2016

Dear Ms Duhamel,

Re: Colchester Northern Gateway Sports Development Project

Colchester Rugby Football Club, working alongside the Rugby Football Union, are looking forward to developing their partnership with Colchester Borough Council in realising agreed arrangements in the furtherance of this project.

We are proud to be part of a very successful community club and are keen to work hard in increasing its legacy to the town of Colchester.

Yours sincerely,

Maggie Whiteman

Hon Sec CRFC



Colchester & East Essex  
Badminton Federation

To whom it may concern,

Colchester & East Essex Badminton Federation is delighted to offer support and co-operation with the Colchester Northern Gateway project in efforts to establish a new venue for our sport.

We take many calls from members of the public wishing to play badminton on a casual basis who are unable to find free court time at Colchester Leisure World. We also have a great deal of latent demand from adults and young people wishing to participate but our clubs are currently constrained by availability of courts.

Regards,

Simon Gilhooly

On behalf of Colchester & East Essex Badminton Federation

13/10/2016



COLCHESTER SCHOOL OF

gymnastics

To whom this may concern,

Please take this letter as our vote of support for the CNG sports project.

Should this exciting prospect go ahead it would potentially allow us (as well as many other sporting ventures) the chance to once again expand our intake; our waiting list is backup to over 1000 children despite doubling our facilities. Our future involvement in the project would give many more children in the area the opportunity to participate in gymnastics, encouraging the incorporation of activity and exercise into their daily lifestyle.

This would also mean the possibility to further our results - I have no doubt you have either seen or heard of the untold success of Max Whitlock, double gold Olympian of South Essex Gymnastics Club since his club moved to a similar facility.

We are proud to say we have already achieved places in national finals with the limited space and equipment we have now - with what is being proposed to we have no doubt our results would continue to climb and our achievements could be boundless.

Most importantly, the CNG project would encourage community spirit and inspire locals to adapt an active lifestyle and try new things - something as a sporting club we are a huge advocate for.

So far, we have been included in the general planning prospect of the build which we are very grateful that we have been given the chance to provide input, meaning we can provide the best possible service.

Please do not hesitate to contact me should you want to speak further.

Yours Sincerely

Andrea Cook  
Centre Manager  
Colchester School of Gymnastics

Andrew Kennedy Fri 21/10/2016 21:38

Lois,

Thanks for your email.

Colchester and East Essex Cricket Club (CEECC) is not part of the Mill Road Sports Club Alliance, however as you know we do currently use the Mill Road cricket ground.

I know the provision of significantly improved facilities at Mile End Playing Fields will replace the lost facilities at Mill Road. However having played at Mile End this year the playing facilities do need significant investment to ensure they are appropriate for senior club cricket. The cricket pitches are of a very poor quality and need significant expert intervention and funding to bring them up to a standard that is safe and suitable for men's club cricket. Additionally the catering facilities need some improvement. Provided this significant funding and improvement is guaranteed at Mile End, CEECC has no objections to the Northern Gateway and Mill Road proposal and are happy to support CBC in this project.

Cheers

Andrew Kennedy – Colchester and East Essex Cricket Club

**RE: Colchester Northern Gateway Project**

Dear Fiona

I am writing to confirm Badminton England's support of the above project.

Increasing participation is a key strategic aim of ours as an organisation and we are always looking for new opportunities to grow our sport. This is only possible through effective partnership working at a local level and hence why we are so supportive of projects such as these.

It is clear that the project will increase provision for our sport and opportunities to take part. Working with you in partnership with Essex County Badminton Association we are keen to ensure these opportunities are maximised and delivered.

Colchester is also identified as a priority one area for the development of additional court capacity within our current Facilities Strategy (2012 – 2016). Selection is based on statistical analysis of sports hall availability, population, market segmentation and empirical evidence from regions. Priority One areas are those where Badminton England is already working, and which therefore have the greater potential for growth.

I would be happy to discuss this support with additional partners if required and look forward to supporting the ongoing development of this project moving forward.

Yours Sincerely

Lee Ward Regional Manager – South Badminton England leeward@badmintonengland.co.uk 07725 413876

cc. Simon Gilhooly (Essex County Badminton Association Chair)

Thu 10/11/2016 13:18

Colchester and District Archery Club <colarcheryclub@gmail.com>

Dear Lois

I am writing on behalf of Colchester and District Archery Club to confirm that we support the building of a new, purpose built, sports complex to allow many sports to take part in one place.

At this point, the plans in their current form do not appear to be suitable for all the sports currently at the Mill Road ground, including archery. However we are continuing working with the council in order to achieve an appropriate ground that allows the Club to continue in its current form and allow for growth in the future.

Regards

Anna

Secretary of Colchester and District Archery Club

## Essex Cricket

Tel +44 (0) 1245 252420 Email [administration@essexcricket.org.uk](mailto:administration@essexcricket.org.uk)

Web [www.essexcricket.org.uk](http://www.essexcricket.org.uk) President D J Insole CBE MA

**The Essex County Ground**  
New Writtle Street, Chelmsford, Essex CM2 0PG

To whom it may concern

Essex County Cricket Board are delighted to be associated with the development of new Sports facilities at the Northern Gateway.


For a long time there has been a complete lack of an Indoor Facility, in this part of the County which could meet the required standards for Cricket. This has resulted in clubs having to play in Sports Halls with poor lighting and matting put down every time they go. There has been no suitable venue for Indoor Cricket Matches either.

Hopefully subject to confirming a few technical issues the new Indoor Sports Facility will provide a fabulous opportunity for clubs and teams to play in conditions which will enhance their game. The site should be easily accessible just off the A12 and reach up to 50 local clubs, as well as Schools and our Development Squads.

We are working closely with the Steering Group, Colchester Borough Council other NGB Sports and Sport England to be part of delivering this project.

If we can be of any more assistance please don't hesitate to contact

Yours sincerely



Graham Pryke  
Cricket Development Manager

01245 254017 / 07518 343224

Platinum Main Club Sponsor  
**Amlin**

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**St. James**  
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**DeVries**  
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**EASST**  
SPORTSWEAR

**Birketts**  
SPORTSWEAR

**SPRINGFIELD**  
HOSPITAL

Essex Cricket incorporates the activities of Essex County Cricket Club Limited and Essex County Cricket Board Limited.  
Place Of Registration: England And Wales. Essex County Cricket Club Limited - Company Number: 29512R. Vat Registration Number: 102 1952 17.  
Essex County Cricket Board Limited - Company Number: 5857939. Registered Office Address: The Essex County Ground, New Writtle Street, Chelmsford CM2 0PG.



## Cabinet

**30 November 2016**

Item  
**10(i)**

Report of	Assistant Chief Executive	Author	Lynn Thomas ☎ 505863
Title	Gas Servicing and Associated Repairs Contract		
Wards affected	All wards		

**This report sets out the procurement process for tendering the Gas Servicing and Associated Repairs Contract for the Council's housing stock and recommends an appointment to provide the service.**

### 1. Decision(s) Required

- 1.1 To agree to appoint Mears Ltd to deliver the Gas Servicing and Associated Repairs contract.
- 1.2 To agree to enter with the successful contractor into a 4 + 2 year JCT Standard Form of Measured Term Contract 2011.
- 1.3 To agree that should the preferred supplier withdraw (whether by choice or due to unforeseen circumstances) Cabinet endorse the appointment of the contractor in second place.

### 2. Reasons for Decision(s)

- 2.1 The original procurement approach agreed by Cabinet on 28 January 2009 was one of a full European (EU) compliant process (OJEU) with the Council acting as the awarding body for any contracts placed and Colchester Borough Homes (CBH) acting as the employer's agent (Contract Administrator). This contract was awarded in 2010 on a 4 + 2year JCT Standard Form of Measured Term Contract 2006 Edition Revision 2 (2009). The full extension term has been used and this contract will expire in March 2017.
- 2.2 A further procurement process was started by the Project Team placing an OJEU notice and expressions of interest were sought through a Pre-Qualification Questionnaire (PQQ) process from which prospective contractors were selected.
- 2.3 Out of this exercise six contractors were selected to be invited to tender for the works. Tenders were returned and opened by officers on 3 October 2016. An evaluation exercise took place based on the criteria set out in the tender documents which included assessment of price and quality (method statement and references); out of this a final recommendation was concluded.
- 2.4 The procurement approach agreed by Cabinet on 1<sup>st</sup> December 2010 as part of the Asset Management Strategy is to let a JCT Form of Contract for this and similar types of work.

### 3. Alternative Options

- 3.1 There are few alternative options as this programme forms part of the Council Statutory obligations as a Landlord and protects both our customers and the housing asset. The procurement process followed complies with the Public Procurement Regulations 2015.

#### **4. Supporting Information**

- 4.1 The Project Team consisted of The Council's Housing Asset Manager and Senior Procurement Consultant, along with Colchester Borough Homes (CBH) Head of Operations and Gas Surveyor.
- 4.2 The Project Team engaged the support of Ridge & Partners (property consultants) to assist with updating the original tender documents Ridge produced in the 2010 EU procurement process (OJEU).
- 4.3 EU regulations require contracts of this nature and scale to be advertised across the EU. A two-stage contractor selection process consisting of a Pre-Qualification Stage which is open to all interested parties, followed by a Tender Stage which is restricted to contractor's selected by analysis of the first stage responses was followed. The Pre-Qualification Stage invites interested contractors to submit information concerning their Financial Capacity, Technical Capability, Relevant Experience and References. Information is requested in a Pre-Qualification Questionnaire from all interested contractors.
- 4.4 In December 2015 a joint planning meeting took place with representatives from the Council and CBH to formulate a project plan and timeline to complete the procurement process.
- 4.5 In July 2016, the OJEU notices within the European Journal inviting contractors to submit an interest in tendering for the Gas Servicing Contract.
- 28 contractors responded to the advertisement with 12 submitting completed Pre-Qualifying Questionnaires (PQQ).
  - The project team carried out a robust analysis of the completed PQQ's and short listed six contractors to continue and complete the full tender documentation
  - Contractors were made aware that the tender was subject to a TUPE transfer of 11 staff and drew attention to their duties under this legislation
  - On the 3 October, 6 tenders were received electronically and opened by the project team and Legal Services Manager.
  - The project team carried out a full evaluation of the returned tenders and contractors delivery Method Statements. The scores from the evaluation exercise were based on 60% Price 40% Quality derived from the delivery Method Statements and references (including site visits).
- 4.5 As part of the procurement process a robust tender specification was developed by CBC, CBH and Ridge & Partners to ensure the Council and its tenants receive best value on the evaluation criteria of price and quality. The documentation included a comprehensive performance framework which included Performance Indicator's and strong emphasis on quality, resident satisfaction, complaints procedures and environmental issues.



- 4.6 The Form of Contract agreed by Cabinet on 1<sup>st</sup> December 2010 as part of the Asset Management Strategy to deliver this type of work is the Joint Contracts Tribunal (JCT) Standard Form of Measured Term Contract 2011 further amended as set out in the Tender Document. The successful contractors will be awarded a 4 year contract with an option to extend by agreement with the Council for a further period of 2 years, depending on their performance over the contract period.
- 4.7 The current robust controls and monitoring arrangements will continue as a minimum standard in the new contract. The formal monthly Capital Monitoring Group (CMG) attended by both CBC and CBH include progress against the agreed programme, monitoring of expenditure against agreed budgets, analysis of performance against KPI's, the quality and standard of the services provided to tenants by reviewing customer satisfaction reports and direct liaison with tenants.
- 4.8 CBH's role as the Contract Administrator (CA) has been key to the success of the current contract. CBH will continue to manage the contract on behalf of the Council which will include managing day to day issues/arrangements of the contract and act as the main point of contact for all parties through the nominated representative. The CA through the nominated representative will attend the monthly CMG to report on the contractor's performance. The role of CA is also clearly defined within the JCT form of contract.
- 4.9 Monthly operational meeting with the contractor and CBH will take place; in addition quarterly core group meetings between the Council (the Employer), CBH and the contractor. During the core group meeting performance and progress will be monitored and minuted.
- 4.10 Financial credit checks on each of the recommended contractors have been conducted and their individual rating does not give cause for concern

## **5. Proposals**

- 5.1 To accept the recommendations of the Project team members by:
- 5.2 Awarding the contract to deliver the Gas Servicing and Associated Repairs contract to Mears Ltd
- 5.3 To enter with the successful contractors into a 4 + 2 year JCT Standard Form of Measured Term Contract 2011, further amended as set out in the Tender Document.

## **6. Strategic Plan References**

- 6.1 This decision is part of delivering against the Vibrant theme in the Council's Strategic Plan 2015-18 to 'Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life' and the Welcoming theme to 'Improve sustainability, cleanliness and health of the place by supporting events that promote fun and wellbeing'

## **7. Consultation**

- 7.1 CBH consulted at the Property Service Consumer Panel and Gas & Repairs Meeting, with tenants. From these meetings the priority times were changed in line with improving the services offer to our tenants.

## **8. Publicity Considerations**

- 8.1 Good communication with tenants is vital and the Council working closely with CBH will need to issue information to our tenants to advise them of new contract arrangements, how it will affect them with ongoing updates as the programme progresses. Again this information will follow once the contract is let and more detail discussions have taken place with the three successful contractor. Mears Ltd are our incumbent contractors so there will be little change for our tenants.

## **9. Financial implications**

- 9.1 The financial implications are contained within the Background Paper on part 2 of the agenda because this contains commercially sensitive information it has been presented so as to not identify the individual contractors involved.

## **10. Equality, Diversity and Human Rights implications**

- 10.1 The relevant Equality Impact Assessment for the CBC Procurement Strategy can be found [here](#) or by following the path: [www.colchester.gov.uk](http://www.colchester.gov.uk) > Your Council > How the Council Works > Equality and Diversity > Equality Impact Assessments > Commercial Services >
- 10.2 Through the Housing Procurement Strategy within the Asset Management Strategy staff ensure that all future procurement and purchasing documentation recognise, understand and support CBC and CBH policies with regard to equal opportunities, diversity and human rights.

## **11. Community Safety Implications**

- 11.1 There are none directly arising from this report although through the procurement process all contractors will be aware of the specific needs of our customers and direct on site delivery will be managed by CBH to safeguard both customers and contractors.

## **12. Health and Safety Implications**

- 12.1 Through the role of Contract Administrator CBH will ensure Health and Safety and Construction Design and Management Regulations 2015 (CDM 2015) requirements are fully complied with.

## **13. Risk Management Implications**

- 13.1 By following an EU compliant tender process and by implementing the controls and recommendations as set out in this report, the Council is seeking to mitigate against any potential risks or challenges.
- 13.2 To reduce risk and ensuring the Council are able to complying with their landlord obligation, it is proposed that should the preferred supplier withdraw (whether by choice or due to unforeseen circumstances) Cabinet endorse the appointment of the contractor in second place.

# PETITIONS, PUBLIC STATEMENTS, QUESTIONS

## (i) Have Your Say speakers

Date of Meeting	Details of Members of the Public	Subject Matter	Form of Response	Date Completed
Cabinet, 12 October 2016,	Alderman Lewis	Plaques from the Avenue of Remembrance	Verbal response provided at the meeting by Councillor Smith, Leader of the Council and Portfolio Holder for Strategy	12 October 2016
Cabinet, 12 October 2016	Mark Goacher	Colchester Library, condition of the streets in New Town	Verbal response provided at the meeting by Councillor Lilley, Portfolio Holder for Safer Communities and Licensing and Councillor B. Oxford, Portfolio Holder for Customers	12 October 2016
Cabinet, 12 October 2016	Christopher Lee	Funding of arts organisations and charities	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Culture and Regeneration, Councillor Feltham, Portfolio Holder for Business, Leisure and Opportunities and Councillor Cory, Portfolio Holder for Resources.	12 October 2016
Cabinet ,12 October 2016	Nick Chilvers	Waste and street services	Verbal response provided at the meeting by Councillor Lilley, Portfolio Holder for Safer Communities and Licensing and Councillor Graham, Portfolio Holder for Waste and Sustainability	12 October 2016

Council, 2 November 2016	Pete Hope	GO4 Enterprises lease on Trinity Church	Verbal response provided at the meeting by Councillor Cory, Portfolio Holder for Resources	2 November 2016
Council, 2 November 2016	Karen Taylor	Support for the homeless	Verbal response provided at the meeting by Councillor Lilley, Portfolio Holder for Safer Communities and Licensing	2 November 2016
Council, 2 November 2016	Lee Parker and Holly Parker	Housing issues and the impact of homelessness	Verbal response provided at the meeting by Councillor Bourne, Portfolio Holder for Housing and Public Protection and Councillor Smith, Leader of the Council and Portfolio for Strategy	2 November 2016
Council, 2 November 2016	Diane Stevens	Housing issues, in particular civil liberty implications of new duties imposed on local authorities	Verbal response provided at the meeting by Councillor Bourne, Portfolio Holder for Housing and Public Protection	2 November 2016
Council, 2 November 2016	Autumn Parker	Teenspeak campaign	Verbal response provided at the meeting by Councillor Smith, Leader of the Council and Portfolio Holder for Strategy	2 November 2016
Council, 2 November 2016	Sue Blair-Jordan	Housing and homelessness issues	Verbal response provided at the meeting by Councillor Bourne, Portfolio Holder for Housing and Public Protection	2 November 2016
Council, 2 November 2016	Christopher Lee	Boundary of possible Salary Brook Country park	Verbal response provided at the meeting by the Mayor, Councillor Julie Young and Councillor Bourne Councillor Bourne, Portfolio Holder for Housing and Public Protection	2 November 2016

**(ii) Petitions**

<b>Date petition received</b>	<b>Lead Petitioner</b>	<b>Subject Matter</b>	<b>Form of Response</b>	<b>Date Completed</b>
No valid petitions received.				

