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## **CABINET AGENDA**

**Date:      Wednesday 18th October 2023**

**Time:      7pm NB Time**

**Venue:     Council Chamber**

**This meeting will be webcast live on the internet.**

### **Membership:**

<b>Councillor Blackwell</b>	<b>Chairman - Leader of the Council</b>
<b>Councillor W. Gibson</b>	<b>Strategic Planning (Deputy Leader of the Council)</b>
<b>Councillor Fuller</b>	<b>Environment</b>
<b>Councillor T . Gibson</b>	<b>Special Projects &amp; Assets</b>
<b>Councillor Mountford</b>	<b>Resources</b>
<b>Councillor Palmer</b>	<b>Economic Growth &amp; Climate Action</b>
<b>Councillor Mrs Sach</b>	<b>Health Wellbeing &amp; Housing</b>
<b>Councillor Savage</b>	<b>People &amp; Community</b>

<b>Cabinet Enquiries:</b>	<b>Ann Horgan ext. 2413 ahorgan@castlepoint.gov.uk</b>
<b>Reference:</b>	<b>3/2023/2024</b>
<b>Publication Date:</b>	<b>Tuesday 10th October 2023</b>

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**AGENDA**  
**PART I**  
**(Business to be taken in public)**

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**1. Apologies**

**2. Members' Interests**

**3. Minutes**

To approve the Minutes of the Cabinet meeting held on 20th September 2023.

**4. Construction of New Local Authority Housing Developments**

*(Report of the Cabinet Member Health Wellbeing Housing)*

This report was deferred from the September meeting.

**5. Regeneration Partnership Update**

*(Report of the Cabinet Member Strategic Planning)*

**6. Treasury Management Update**

*(Report of the Cabinet Member Resources)*

**7. Corporate Performance Scorecard Quarter 1 2023/24**

*(Report of the Cabinet Member Resources)*

**8. ASELA Joint Committee Update and Cessation of Opportunity South Essex (OSE).**

*(Report of the Leader of the Council)*

**9. Matters to be referred from /to the Standing Committees**

There are none.

**10. Matters to be referred from /to Policy & Scrutiny Committees**

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**PART 2**  
**(Business to be taken in private)**

**(Item to be considered with the press and public excluded from the meeting)**

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**There was none known at the time of publication of the agenda**

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**INFORMATION**

**(which does not form part of the agenda but is published with the agenda)**

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October Forward Plan - Is attached, it does not form part of the agenda. The Forward Plan contains details of key decisions likely to be required in the next three months.



## CABINET

**20th SEPTEMBER 2023**

**PRESENT:**

Councillor Blackwell	Chairman – Leader of the Council
Councillor W. Gibson	Strategic Planning – Deputy Leader of the Council
Councillor T. Gibson	Special Projects
Councillor Mountford	Resources
Councillor Sach	Health Wellbeing & Housing
Councillor Savage	People & Community

**APOLOGIES:**

None

**ALSO PRESENT:**

Councillors Acott, Ainsley, Benson, Dearson, Hart, Jones and McCarthy–Calvert

**MEMBERS QUESTIONS**

Councillor Hart gave notice that he may wish to speak or, ask questions on the Agenda.

**21. MEMBERS' INTERESTS:**

Cllr Fuller declared a non-pecuniary interest for Item 11: Thorney Bay Pavilion. Cllr Palmer declared a non-pecuniary interest for Item 8: Construction of New Local Authority Housing Developments and Item 11: Thorney Bay Pavilion.

**22. MINUTES**

The Minutes of the Cabinet meeting held on, 19<sup>th</sup> July 2023, were approved as a correct record.

**23. FORWARD PLAN**

To comply with regulations under the Localism Act 2011, Cabinet noted the Forward plan circulated with the agenda.

**Resolved:** To note the forward plan

**24. REVIEW OF WASTE COLLECTION OPTIONS – REPORT BACK FROM ENVIRONMENT PSC**

Cabinet considered a report updating Cabinet on the work of the Environment Policy and Scrutiny Committee in respect of its review of the operation of Council owned car parks.

**Resolved:**

1. To endorse the recommendation of the Environment Policy and Scrutiny Committee to proceed with a variation to Schedule 1 & 2 of the Borough of Castle Point (Off Street Parking Places) (General) Order 2013 to incorporate the Knightswick Car Park with its current waiting restrictions and car parking charges so that parking conditions can be enforced when the Council takes over the operation of the car park on termination of the Smart Parking contract; and

2. To delegate authority to the Head of Environment in consultation with the Cabinet member for Environment to consider any objections that are received in respect of the proposed amendment to the Borough of Castle Point (Off Street Parking Places) (General) Order 2023; and
3. To notes the Committee's decision to set up a cross party member task and finish working group to undertake a wider and more detailed review of the operation of all the Council's car parks, including the Knightswick Car Park;

**25. CORPORATE SCORE CARD PROPOSED INDICATORS 2023/24**

Cabinet considered a report setting out the proposed indicators for the corporate performance scorecard for 2023/24.

**Resolved:**

To agree the corporate performance scorecard indicators for 2023/24.

**26. FOOD & HEALTH AND SAFETY SERVICE PLAN 2023/24**

Cabinet considered a report seeking approval of the Council's Food & Health and Safety Service Plan for 2023/24.

**Resolved:**

To approve the Food & Health and Safety Service Plan for 2023/24

**27. CONSTRUCTION OF NEW LOCAL AUTHORITY HOUSING DEVELOPMENTS**

Cabinet considered a report providing an update Cabinet on the progress against previously approved housing development projects, to give authority to progress schemes at Linden Way, Benderloch and Carlton Drive and to note further investigation of proposed schemes sites within the Borough.

**Resolved:**

To agree to defer this item to a future Cabinet meeting.

**28. TRANSFORMING TOGETHER – PROGRAMME REVIEW BOARD UPDATE**

Cabinet considered a report providing a quarterly update report from the Transforming Together Programme Review Board.

**Resolved:** To note the contents of the report.

**29. PUBLIC SPACES AND PLAY SPACES FUND**

Cabinet considered a report seeking Cabinet endorsement of the proposed improvements using the remainder of the Public Realm and Play Spaces Fund.

Proposed Project	Indicative Cost
Conversion of two tennis courts at JH Burrows into a Multi-Use Games Area (MUGA) to include low level wooden panelling around the perimeter fencing	£50,000
Upgrading of the remaining two tennis courts at JH Burrows	£10,000
Additional lights for the Christmas tree at Hart Road	£1000

Accessible path at Thundersley Recreation Ground	£10,000
Sensory garden at Richmond Park	£15,000
Up to 30 additional composite picnic benches to be sited at various locations within Council owned parks and open spaces (otherwise to be used as contingency for other projects)	£45,000
External lighting to entrance to Castle Point Bowling Club	£1,600
<b>TOTAL</b>	<b>£132,600</b>

Improvements to other recreational areas were also being looked into and would be progressed should funding permit following completion of the projects listed above.

**Resolved:**

To endorse the proposed projects as set out above.

**30. LAWN TENNIS ASSOCIATION (LTA) FUNDING OFFER TO IMPROVE COUNCIL OWNED TENNIS COURTS.**

Cabinet considered a report providing Cabinet with details of the opportunity to work with the Lawn Tennis Association (LTA) to improve the provision and sustainability of park tennis courts; and seeking approval to enter into a legal agreement with the LTA to secure the proposed improvements to the tennis courts at King George V Recreation Ground.

**Resolved:**

1. To note the contents of the report.
2. To endorse the Council entering into a legal agreement with the LTA in accordance with its terms and conditions, to secure the proposed improvements to the tennis courts at King George V Recreation Ground.
3. To agree the principle of charging at specified times for the use of the tennis courts at King George V Recreation Ground.
4. To delegate authority to the Head of Environment in consultation with the Portfolio Holder for Leisure Assets & Events to determine the pricing framework for the use of the courts at King George V Recreation Ground for 2024/25, and
5. Supports the discussions which are taking place with Yellow Door regarding the delivery of a community-based tennis programme and requests that further information on the proposals is provided to Cabinet in due course.

**31. FINANCIAL UPDATE**

Cabinet considered a report providing Cabinet with the 2022/23 provisional outturn in respect of the General Fund (GF) and Housing Revenue Account (HRA) together with the 2023/24 forecast outturn position in respect of the GF and HRA as at the first quarter stage.

**Resolved:**

1. To note the General Fund (GF) Revenue 2022/23 provisional outturn position, an overspend of £35k (0.04% of gross budget), as detailed in paragraph 5 of the report.
2. To note the GF Capital 2022/23 provisional outturn position, an overspend of £40k, as detailed in paragraph 6 of the report.
3. To note the Housing Revenue Account (HRA) Revenue 2022/23 provisional outturn position, an overspend of £304k, as detailed in paragraph 7 of the report.
4. To note the HRA Capital 2022/23 provisional outturn position, an underspend of £6k, as detailed in paragraph 8 of the report.
5. To approve for the following appropriations to earmarked reserves to be made, as detailed in paragraph 5.6 of the report.
  - a. £2.83m to the Priority Initiatives reserve
  - b. £927k to the Castle Point Plan reserve
  - c. £462k to the Improvement reserve
  - d. £400k to the Vehicle Replacement reserve
  - e. £285k to the Knightswick reserve
  - f. £200k to the Carbon Reduction reserve
  - g. £70k to the New Burdens and General Items reserve
6. To note
  - a. the GF revenue carry forwards totalling £379k as detailed in paragraph 5.4 of the report
  - b. the GF capital carry forwards totalling £466k as detailed in paragraph 6.3 of the report
  - c. the HRA capital carry forwards totalling £540k as detailed in paragraph 8.2 of the report

all of which have been approved by the Section 151 Officer and either added to the 2023/24 budget or appropriated to an earmarked reserve as needed.

7. To note the GF Revenue 2023/24 forecast outturn position as at the first quarter stage, an underspend of £503k, as detailed in paragraph 9 of the report.
8. To note the GF Capital 2023/24 forecast outturn position as at the first quarter stage, a balanced position, as detailed in paragraph 10 of the report.
9. To note the HRA Revenue 2023/24 forecast outturn position as at the first quarter stage, an underspend of £17k, as detailed in paragraph 11 of the report.
10. To note the HRA Capital 2023/24 forecast outturn position as at the first quarter stage, a balanced position, as detailed in paragraph 12 of the report.

**32. THORNEY BAY PAVILION**

Cabinet considered a report informing the Cabinet on progress with the Thorney Bay Pavilion project part funded by Coastal Communities Fund (“CCF”) from the Department for Levelling-Up, Housing and Communities (“DLUHC”); to agree the Castle Point Borough Council contribution; and approve the appointment of the lead contractor.

**Resolved:**

1. To note the progress on the project and the appointment of T.J. Evers Ltd., as lead contractor for this project.
2. To agree to increase the scheme and payments approvals by £301k, funded by £160k from South Essex Parking Partnership and £141k from the Council’s Priority Initiatives earmarked reserve.

**33. CHRISTMAS OFFICE ARRANGEMENTS**

Cabinet considered a report providing details of the arrangements for the operation of the Council Offices during the Christmas and New Year period. The Council Offices would close for business at the end of the normal working day on, Friday, 22<sup>nd</sup> December 2023 and reopen on, Tuesday, 2<sup>nd</sup> January 2024 inclusive.

**Resolved:**

To note the closure arrangements for the Christmas and New Year period and that the Council Offices will reopen for business on, Tuesday, 2<sup>nd</sup> January 2024

**34. MATTERS TO BE REFERRED FROM/TO THE STANDING COMMITTEES**

There were no matters.

**35. MATTERS TO BE REFERRED FROM/TO POLICY & SCRUTINY COMMITTEES - REVIEW OF PUBLIC SPACE PROTECTION ORDER**

Cabinet received a report on the review undertaken by the Environment Public Space Protection Order (Roscommon Way) (PSPO).

**Resolved:**

To note the outcome of the review to establish Task & Finish Group to work to improve the effectiveness of the Public Space Protection Order (Roscommon Way).

**Chairman**

**CABINET**

**18th October 2023**

**Subject: Construction of new Local Authority housing developments**

**Cabinet Members: Councillor Sach – Health, Wellbeing & Housing**

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**1. Purpose of Report**

- 1.1 To update Cabinet on the progress against previously approved housing development projects.
- 1.2 To seek authority to progress schemes at Linden Way, Benderloch and Carlton Drive.
- 1.3 To note further investigation of proposed schemes sites within the borough.

**2. Links to Council's priorities and objectives**

- 2.1 The work is linked to the priority of Housing and Regeneration.

**3. Recommendations**

- 3.1 That Cabinet approves the following recommendations as shown in the attached outline business cases.
  - **Construct three 1 bedroomed homes at a former Garage site in Linden Way Canvey Island with a budget of £50k allocated to fund initial professional fees and investigation works for the site.**
  - **Construct two 3 bedroomed homes at a former Garage site in Benderloch, Canvey Island with a budget of £50k allocated to fund initial professional fees and investigation works for the site.**
  - **Construct two 2-bedroom homes on a former garage site at Carlton Drive, Benfleet with a budget of £50k allocated to fund initial professional fees and investigation works for the site.**
- 3.2 That Cabinet notes progress on schemes at Cedar Road, Linden Way and Link Road



#### 4. Background

- 4.1 There is a significant shortage of properties for temporary accommodation and ongoing affordable housing in the Castle Point Area.
- 4.2 The Housing Service Development Project Team examines available sites and look to develop more housing on suitable sites.
- 4.3 There are a number of sites that have been subject to initial evaluation, where projects are underway or recently completed spread around the borough. Further sites are currently under review. Restrictions exist on the disposal of council owned housing land where a site is suitable for Housing purposes. All identified sites have been assessed as meeting these requirements and suitability for accommodation to be constructed, so must be retained in council ownership.
- 4.4 The Council continues to receive funds from the sale of properties under the Right to Buy which it can retain for a period of 5 years before it having to be repaid to the treasury. The council as at 31<sup>st</sup> March 2023 had received £4.2m in replacement housing receipts of which £1.5m was received in 21/22 due to increased Right to Buy sales, this dropped to £335k in 22/23. These receipts equate to a spend requirement on new homes of £11.7m, with expenditure of £7m having been made by 31<sup>st</sup> March 2023 and a further budgeted amount for 2023/24 of £1.7m making a total of £8.7m. Based on this without further schemes totalling £2.1m the first repayment to the treasury would be in March 2027, whilst a further £1m of expenditure would be required by March 2028.
- 4.5 Demand for social housing remains high and there are currently 470 households on the housing needs waiting list, of which 249 are in Band A and B from which predominately lettings are made. During 2022/23 we let 83 void properties, detailed below are the housing needs register figures as at 15<sup>th</sup> August 2023:

Breakdown of Housing Need						
Band	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	Total
A	45	53	27	2	2	129
B	33	35	47	5	0	120
C	82	73	62	4	0	221
<b>Total</b>	<b>160</b>	<b>161</b>	<b>136</b>	<b>11</b>	<b>2</b>	<b>470</b>
Dwelling type need as a percentage of total need						
Band	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	Total
A	35%	41%	21%	2%	2%	
B	28%	29%	39%	4%	0%	
<b>Overall</b>	<b>34%</b>	<b>34%</b>	<b>29%</b>	<b>2%</b>	<b>0%</b>	

- 4.6 In the table above the highest priority are bands A and B, Band A would be predominately households with homeless priority need, severely overcrowded or

those in unsuitable accommodation. Whilst Band B are households who have lower need homeless cases, those with medical needs and lower-level overcrowding. The applications in band A are reviewed every 6 months, all other bands annually.

## **5. Report on previously agreed schemes**

5.1 The Housing Service have three developments previously approved by Cabinet currently in construction which will provide 9 new homes.

### **5.2 Link Road**

5.2.1 This was a garage site in poor condition that was identified by the Housing Development Team, we are currently developing two 3 bedroom and one 2-bedroom homes on this site and also creating a large surface parking area.

### **5.3 54-60 Linden Way**

5.3.1 We are constructing four 2-bedroom homes on this site using land cleared due to an unsafe block of bungalows and an adjoining garage site.

### **5.4 Cedar Road**

5.4.1 A plot was identified on a former garage site where we are constructing two 2-bedroom properties.

## **6. Projects being proposed for Cabinet Approval**

### **6.1 Linden Way former garage site**

6.1.1 A garage site which was in poor condition with limited use, which due to the demolition being undertaken at 54-60 Linden way in close proximity, the council took the opportunity to reduce overall costs by demolishing the garage site at the same time.

6.1.2 It is proposed to develop three 1-bedroom houses on the former garage site.



6.1.3 An outline business case for this project providing greater detail on the proposed scheme is attached for agreement by Cabinet.

## 6.2 Benderloch

6.2.1 This is a garage site that has been reviewed for a number of schemes, it is proposed to develop two 3-bedroom homes on this site that addresses previous concerns over development of the area.



6.2.2 An outline business case for this project providing greater detail on the proposed scheme is attached for agreement by Cabinet.

## 6.3 Carlton Drive

6.3.1 This is a garage site combined with land previously leased to a neighbouring property, it is proposed to develop two 2-bedroom homes on this site.



- 6.3.2 An outline business case for this project providing greater detail on the proposed scheme is attached for agreement by Cabinet.
- 6.4 All the schemes proposed in the report, as well as existing developments under construction, are being constructed to appropriate standards of thermal comfort to minimise the energy consumption within the properties for future tenants. This is provided alongside the use of air source heat pumps, rather than conventional gas or electric boilers, with underfloor heating. This is further augmented by the use of photo voltaic panels to feed energy to the property. Each property will also have a dedicated Electric Vehicle charging point in one of their parking spaces.

## 7 Funding options

- 7.1 The Total cost of the schemes identified in the outline business cases is estimated to be at current prices **£2.184m**, the schemes will be the subject of competitive tendering following completion of the Planning application process. All the proposed schemes would be part funded by Right to Buy 1 for 1 receipts up to the 40% limit meaning a contribution of **£874k** would be required, currently £1.352m is being held, thus this funding is available. The balance to be funded by the Housing Revenue Account from sources as determined by the Council's S151 officer, for the purpose of the report this has been assumed as external loans.
- 7.2 Currently reduced rates are available from the Government for the development of new homes at 40 basis points discount on PWLB rates, these would vary upon length of the loan. Details of the proposed funding of the schemes are detailed in the attached business cases, but it is anticipated that a loan period of 20 years would enable the schemes to be financially viable within the HRA Business Plan and provide annual surpluses from year 14 and a surplus over 25 years of **£329k** to the HRA. Savings would also occur within the General Fund as it would reduce the need for temporary accommodation, this is estimated at **£70k** per annum.



## **8. Corporate Implications**

### **a. Financial implications**

There are significant financial implications which are summarised in this report and the attached business cases. These are in respect of the future viability of the projects and the sustainability of the HRA Business Plan and the Councils General Fund. As detailed in the Financial Annex there is an impact on the General Fund due to reduced numbers of households in temporary accommodation, it is estimated that the net cost of one household in temporary accommodation is **£10k** per annum, thus the estimated saving would be **£70k**. Within the HRA there needs to be a long-term balance between the income generated and the costs of repairs and maintenance and financing any borrowing incurred. The total costs will be met by a 40% contribution from Right to Buy receipts whilst the balance can be funded by any other capital receipts held, such as S106 or borrowing. Amounts to be borrowed could be via external sources such as the Public Works and Loan Board, other Local Authorities or internal borrowing from balances held by the General Fund. The Financial Annex is prepared based on external borrowing from the PWLB at current market rates, clearly these will fluctuate throughout the coming months as these are set on a daily basis. Based on the current position over a 25 year period the proposal proves to be economically viable.

### **b. Legal implications**

The key legal implications surround:

- compliance with the council's procurement guidelines.
- compliance with any contractual arrangements and monitoring
- compliance with Planning and Building Control requirements
- compliance with statutory requirements in relation to the use of capital receipts
- Compliance with any land rights regarding access and rights of way

### **c. Human resources and equality**

There may be human resource implications as any potential development may result in the appointment of additional or changes in staffing. There will also be positive equality implications as people currently living in unsuitable accommodation due to overcrowding, poor condition, location, excessive rent levels creating poverty and unable to access housing will be provided with housing to meet their needs and that of their family.

### **d. Timescale for implementation and risk factors**

The schemes identified above represent a pipeline of future developments, with larger schemes taking a number of years to complete. Risks exist in terms of both financial and non-financial resources to deliver the projects. Whilst non-delivery of future schemes risks the handing back of money to the treasury that could have been used to deliver much needed accommodation.

Due to the nature of the sites there are frequently utilities running through the plots that need to be identified and addressed either by designing around these or by requesting a diversion, Link Road was significantly impacted by this.

## **9. Background Papers:**

Outline Business cases as detailed above.

Report Author: David Randerson, Housing Development and Finance Manager

## Financial Annex - Temporary Accommodation Costs

Typical Room Cost Weekly		£331.82
7 properties for 52 weeks	£	120,783.42
Net of Applicant Contribution	£	111,788.98
HB Cases		80%
LHA	£	130.80
Applicant Contribution	£	24.71
Less: HB due	-£	89,431.18
Rebated	-£	35,252.57
Not Rebated	-£	54,178.61
	-£	89,431.18
Balance to be recovered	£	31,352.24
Applicant income (49% recovery)	-£	15,362.60
Unrecovered	£	15,989.64
Not rebated	£	54,178.61
<b>Net cost</b>	<b>£</b>	<b>70,168.25</b>

This shows that based on seven households being in temporary accommodation for 1 year the cost to the council would be £121k. Typically 80% of cases receive Housing Benefit, but the council only receives funding (rebate) up to the Local Housing Allowance rate of £130.80, meaning that £54k has to be found from the Councils own resources, this is reflected in the cost of Homelessness. The unrebated cost then needs to be added to ongoing arrears on applicant contributions estimated at £15k, to make a total net cost of £70k to the General Fund.



## **Financial Annex - Combined Development sites - 20 year loan**

Cost element	£000's
Development costs	1,716
Resurfacing & Parking	112
Utilities	75
Drainage	22
Professional fees	120
<b>Sub-total</b>	<b>2,045</b>
Contingency (at 7.5%) excl Utilities, Demolition and Prof. fees	139
<b>Total estimated cost</b>	<b>2,184</b>
Financed by:	
“1 for 1” right to buy receipts	874
To be funded from other sources	1,310
<b>Total funding</b>	<b>2,184</b>

### **Rent Calculation**

8-10 Church Close			
Affordable rent 23/24		£	220.47
	Avg Social rent 23/24	% adj to 2 bed	
Bedsit	81.43	77%	
1 bed	93.01	88%	
2 bed	105.38	100%	
3 bed	116.45	110%	
4 bed	128.41	122%	
<b>Estimated Income</b>	3 bed house	£	244
	2 bed house	£	220
	1 bed House	£	195
Per week based on 2 x 3 bed, 3 x 1 bed and 2 x 2 bed			
		£	1,512
	<b>Annual</b>	<b>£</b>	<b>78,620</b>

## Cashflow Forecast with 2.5% inflation

## EIP Loan

Year	Annual Loan cost £	Repairs £	Total £	Income £	Net Balance £	Cumulative £
1	132,179	-	132,179	78,620	53,559	53,559
2	128,845	10,707	139,552	80,586	58,966	112,524
3	125,511	10,974	136,485	82,601	53,885	166,409
4	122,177	11,249	133,426	84,666	48,760	215,169
5	118,843	11,530	130,373	86,782	43,591	258,760
6	115,509	11,818	127,327	88,952	38,376	297,136
7	112,175	12,113	124,289	91,176	33,113	330,249
8	108,841	12,416	121,258	93,455	27,803	358,052
9	105,507	12,727	118,234	95,791	22,443	380,494
10	102,173	13,045	115,218	98,186	17,032	397,527
11	98,840	13,371	112,211	100,641	11,570	409,096
12	95,506	13,705	109,211	103,157	6,054	415,151
13	92,172	14,048	106,220	105,736	484	415,634
14	88,838	14,399	103,237	108,379	5,142	410,492
15	85,504	14,759	100,263	111,089	10,826	399,666
16	82,170	15,128	97,298	113,866	16,568	383,099
17	78,836	15,506	94,342	116,712	22,370	360,728
18	75,502	15,894	91,396	119,630	28,234	332,494
19	72,168	16,291	88,459	122,621	34,162	298,332
20	68,834	16,699	85,533	125,686	40,154	258,178
21	-	17,116	17,116	128,829	111,713	146,465
22	-	17,544	17,544	132,049	114,505	31,960
23	-	17,983	17,983	135,351	117,368	85,408
24	-	18,432	18,432	138,734	120,302	205,710
25	-	18,893	18,893	142,203	123,310	329,020

EIP Loan

Loan Amount	£ 1,310,000
Rate	5.09
Number of years	20
Year commencing	1
New/Replacement Loan	

Year	Bal bfw	Principal	Interest	Total	Bal Cfwd
1	1,310,000	65,500	66,679	132,179	1,244,500
2	1,244,500	65,500	63,345	128,845	1,179,000
3	1,179,000	65,500	60,011	125,511	1,113,500
4	1,113,500	65,500	56,677	122,177	1,048,000
5	1,048,000	65,500	53,343	118,843	982,500
6	982,500	65,500	50,009	115,509	917,000
7	917,000	65,500	46,675	112,175	851,500
8	851,500	65,500	43,341	108,841	786,000
9	786,000	65,500	40,007	105,507	720,500
10	720,500	65,500	36,673	102,173	655,000
11	655,000	65,500	33,340	98,840	589,500
12	589,500	65,500	30,006	95,506	524,000
13	524,000	65,500	26,672	92,172	458,500
14	458,500	65,500	23,338	88,838	393,000
15	393,000	65,500	20,004	85,504	327,500
16	327,500	65,500	16,670	82,170	262,000
17	262,000	65,500	13,336	78,836	196,500
18	196,500	65,500	10,002	75,502	131,000
19	131,000	65,500	6,668	72,168	65,500
20	65,500	65,500	3,334	68,834	-
21	-	-	-	-	-
22	-	-	-	-	-
23	-	-	-	-	-
24	-	-	-	-	-
25	-	-	-	-	-

The cashflow forecast shows the cost of servicing the assumed loan of £1.31m over a 20-year period. Alongside this the ongoing costs of maintenance of the properties based on the costs contained within the HRA Business Plan, whilst these have been assumed to be spread evenly throughout the period, they are more likely to be incurred in the latter part of the period. These are then set against the estimated income from the properties showing that from year 14 onwards income will exceed expenditure and within 5 years of completing the loan payments they will have generated a net income to the council's HRA of £329k. Until the properties are constructed, and an accurate assessment of rent can be made the above estimates the weekly rent due based on the number of bedrooms. This results in the annual estimated income of £79k being generated by the properties once constructed at 23/24 rent levels.

# BUSINESS CASE: Construction of three 1 bedroom houses in Linden Way

VERSION 1.7

## **Executive Summary:**

### **Need for the project (Forecast benefits)**

The general fund incurs significant expenditure to meet its statutory responsibilities to house homeless people. This includes significant payments to private sector landlords due to lack of suitable accommodation within the councils housing stock. As has previously been reported a large proportion of these costs cannot be recovered from Housing Benefit covered by HB subsidy or the applicant and so the general fund must pick up the additional costs. By way of an example based on 21/22 costs a reduction of 3 cases being accommodated in interim temporary accommodation would result in a saving of up to **£30k** per annum to the General Fund.

An opportunity has recently been identified to construct three properties for use within the Housing Revenue Account council stock by demolishing a block of garages.

There are very significant benefits which are summarised as follows:

- Provision of high quality accommodation managed by the Council
- Providing additional properties to reduce people in temporary housing
- Addressing identified areas of housing need in this case 1 bed properties, see section 2.
- Replacing garages subject to low demand and in poor condition with affordable housing

The forecasted timeline is shown below

## Forecast timelines

Task	Start date	Finish date	Responsibility
Report considered by Cabinet	Sept-23	Sept-23	Housing Development and Finance Manager
Project team established and PID drafted and agreed by EMT	Sept-23	Sept-23	Housing Development and Finance Manager
Draw up detailed plans and submit planning permission applications for the site and obtain planning permission.	Oct-23	Jan-24	Appointed Architect
Work to Deal with any planning conditions: Landscaping Scheme, Contamination and Soil report, Clearing Planning Conditions.	Feb-24	May-24	Appointed Architect Project manager
Undertake all preparations to achieve Building Regulation requirements.	Feb-24	May-24	Appointed Architect Project manager
Develop draft specification for procurement of a contractor to build the scheme. (JCT terms and & Conditions)	Jun-24	Jul-24	Appointed Architect/Project Manager
Invitation to Tender issued via procurement hub	Aug-24	Sept-24	Housing Development and Finance Manager / Architect / Project Manager
Bids assessed.	Sept-24	Oct-24	Housing Development and Finance Manager / Architect / Project Manager

Report to Cabinet seeking authorisation to proceed with tender and estimated costs and to enter contract with successful bidder.	Nov-24	Nov-24	Housing Development and Finance Manager
Contract awarded and agreed with EMT.	Nov-24	Dec-24	Director - Place and Communities
Contract entered between CPBC and successful contractor using JCT terms and conditions	Dec-24	Jan-25	Solicitor to the Council and Deputy Monitoring Officer
Construction begins.	Mar-25	Dec-25	Architect / Project Manager
Completion certificate issued (snagging)	Dec-25	Dec-25	Housing Development and Finance Manager/ Architect / Project Manager

### **Key risks**

Complex developments requiring careful consideration before works commenced to ensure no significant issues. Mitigated by experienced professional team.

Possible planning related concerns regarding infill developments and their impact on surrounding properties and street scene. Mitigated by careful consideration of communication, planning and consultation with the council's Planning team from early stages. However, there remains a risk that the development will not be agreed by Development Control Committee or additional conditions applied.

Capacity to undertake the development project – there is an experienced project team who have a track record of successfully developing earlier projects.

Risk of project construction overrun and increasing costs due to this and supply chain issues. There is an experienced project team who have a track record of successfully developing earlier projects.

Risk to viability due to increasing material prices and loan interest rates. Mitigated by sound financial planning and scrutiny.

**Recommendations**

**Construct three 1 bedroomed homes at a former garage site**

Date: 26/09/23

Author: David Randerson,  
Housing Development and Finance Manager

Responsible Officer: Ian Butt,  
Director – Place and Communities

**Version: 1.7**

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# 1 Business Case History

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## Distribution

This document has been distributed to:

Name	Title	Date of Issue	Version
David Randerson	Housing Development and Finance Manager	26/9/23	1.7
Ian Butt	Director Place and Communities	26/9/23	1.7
Diane Logue	Head of Housing	26/9/23	1.7
Lance Wosko	Financial Services Manager and 151 Officer	26/9/23	1.7
Jason Bishop	Solicitor to the Council and Monitoring Officer	26/9/23	1.7
Ingleton Wood	Architect	26/9/23	1.7
EMT			
Cabinet	Cabinet	26/9/23	1.7



## Business Case

### 2 Background / Issues

- 2.1 Demand for social housing remains high and there are currently 470 people on the housing needs waiting list, of which 249 are in Band A and B from which predominately lettings are made. During 2022/23 we let 83 void properties, detailed below are the housing needs register figures as at 15<sup>th</sup> August 2023:

Breakdown of Housing Need						
Band	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	Total
A	45	53	27	2	2	129
B	33	35	47	5	0	120
C	82	73	62	4	0	221
<b>Total</b>	<b>160</b>	<b>161</b>	<b>136</b>	<b>11</b>	<b>2</b>	<b>470</b>
Dwelling type need as a percentage of total need						
Band	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	Total
A	35%	41%	21%	2%	2%	
B	28%	29%	39%	4%	0%	
<b>Overall</b>	<b>34%</b>	<b>34%</b>	<b>29%</b>	<b>2%</b>	<b>0%</b>	

- 2.2 In the table above the highest priority are bands A and B, Band A would be predominately households with homeless priority need, severely overcrowded or those in unsuitable accommodation. Whilst Band B are households who have lower need homeless cases, those with medical needs and lower level overcrowding. The applications in band A are reviewed every 6 months, all other bands annually.
- 2.3 Although there is a high demand for Social Housing, land and assets available to the Housing Revenue Account are limited. However, an officer team for Housing Construction has been operating for some time and maintains a database of all Housing Assets that are suitable for development. Each asset is examined carefully to ensure there are no substantial risks to prevent development, such as rights of way, easements, garage ownership etc.
- 2.4 The garage site consisted of a block of 32 garages, due to condition and another demolition project close by, these have now been demolished and a saving in overall costs realised.

### 3 Executive Summary

- 3.1 The purpose of this business case is to propose the construction of three 1 bedroom houses on the site of a former garage block.

3.2 There are many benefits to this approach:

- Provision of new affordable housing that will utilise right to buy receipts
- Providing new affordable housing accommodation for which there is an acute demand.
- Regenerate a former garage area which was in poor condition.
- Obtaining rental income at affordable housing rent levels

3.3 In summary, the principal benefit is providing more much needed affordable housing to meet the identified housing need within the borough.

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## 4 Background to the site

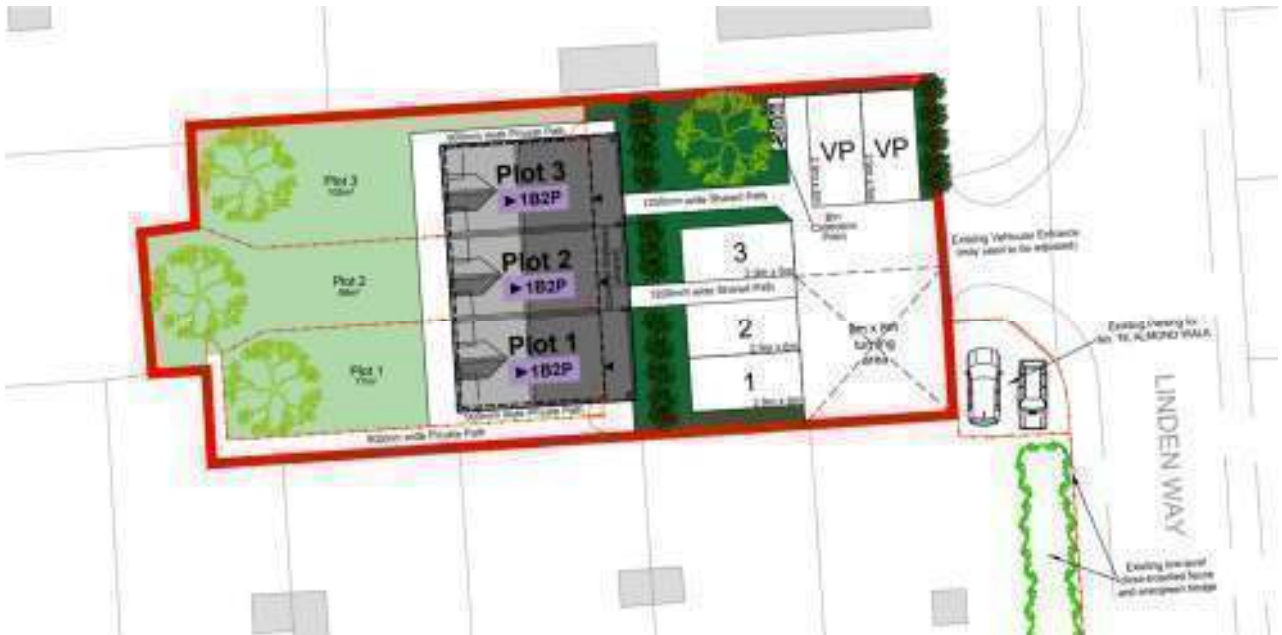
4.1 The picture below shows the area which is the subject of this report, with the yellow highlight showing the position of the development.



4.2 The plan below shows the ownership of the garage area, with green areas owned by the council. The garage outlined in red was repurchased having been previously sold under the Right to Buy.



- 4.4 In a recent review of HRA sites it was concluded by the Housing Development team that the plot may be suitable for development for three properties.
- 4.5 Consequently, a feasibility study was commissioned, and an architect drew up detailed draft plans, Appendix 1 provide detailed drawings outlining the proposals, the proposed site layout are shown below.



- 4.6 The former garage site is effectively a brownfield site situated near retail as well as local housing.
- 4.7 The Planning service has provided pre-planning advice that raised no overall objections.

## 5 Costs

- 5.1 Costs are estimated at **£732k** as detailed in the financial appendix, the development of both locations. Development costs shown are based on a cost per sqm of £3,250, this has been derived from advice provided by external specialists and estimates published by the Chartered Institute of Building during the tendering of current projects. Other costs are based on previous experience of development schemes and again where appropriate on a cost per square metre or other appropriate measure.
- 5.2 The funding required will be taken from Right to Buy receipts (40% of total spend) with the balance of **£439k** from the HRA revenue account reserves or alternatively funding could be sought by taking out additional borrowing. This additional cost

would have to be met by the HRA, but this will be offset by the increased income generated from the properties.

- 5.3 This income is estimated **£195** per week for each of the 1 bedroom homes, which would equate to an income of **£30k** per annum. The rent income is based on the rent of the most recently completed 2 bedroom properties in Church Close, with an adjustment for the 1 bedroom properties based on the percentage difference in rents within the HRA stock. All rents are set in conjunction with the council's external valuers Wilks Head and Eve as they require a market rent assessment for the specific dwellings to be made. To this an adjustment is applied to reflect the 'affordable rent level' which is 65% of the market rent as determined in the Affordable Rent Policy agreed by Cabinet.
- 5.4 This means that a loan period of 20 years would result in a net annual surplus from year 11 if an EIP loan was used and after year 21 under a maturity loan. Over 25 years this would result a total surplus of **£215k** for an EIP loan or a deficit of **£7k** for a maturity loan. Increasing the borrowing period to be over 25 years the income would result in a lower overall return on the project. An inflation rate of 2.5% over the period has been assumed, any increase to this would result in higher repairs costs, but also higher rental income, but would not impact on the borrowing costs as fixed rates would be obtained.
- 5.5 The financial annex to this report demonstrates the costs of a 20 year loan period based on Maturity and EIP loan types through the Public Works and Loan Board based on current rates. The council's S151 officer will determine the most appropriate method of funding development costs once tendered costs are known.

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## **6. Summary of staff resources**

- 6.1 The construction will be managed by the current Housing team, supported by an Architect and an external project manager.

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## **7. Alternative options**

- 7.1 Alternative options include the following:

### **1. Do not develop housing, keep the site clear.**

This is not considered a viable option. Since the site is suitable for development, it will be a waste to not utilise this opportunity. Furthermore, there are compelling financial and social reasons to construct more affordable housing.

### **2. Arrange for a Housing Association to take the sites and develop it.**

This is not considered a viable option. A Housing Association is unlikely to be interested in such a small site which are notoriously difficult to develop.

Furthermore, whilst the Council may retain nomination rights, it would in effect lose a valuable asset and not retain the rental income after construction.

### **3. Sell the sites to a private developer to develop market housing.**

This could allow for a capital receipt that could be used for other projects. However, this is again not considered viable. The sites themselves are not considered attractive to a private sector developer due to their small size. The Council continues to face pressure both in the demand for Social Housing as well as the need to spend capital to avoid losing right to buy receipts. Housing in the area is generally either ex Council housing now purchased under right to buy or is still Council owned housing. Consequently, further council owned development will be appropriate for the area. The Housing Service does maintain a database of assets and will look to see if there are other sites that may be suitable for private market development.

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## **8. Proposed High Level Actions**

These are detailed in the forecast timeline at the start of this business case and will be subject to consultation and agreement with EMT and officers who have not been party to this business case.

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## **9. Reporting**

Through DMT highlight reporting to Director - Place and Communities and to EMT by Director - Place and Communities.

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## **10. To be managed by Castle Points Project Management Framework?**

Yes.

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## **11. Risks**

Key Identified risks include the following:

- a) Complex development requiring careful consideration before works commenced to ensure no significant issues. Mitigated by experienced professional team.
- b) Possible planning related concerns regarding infill developments and their impact on surrounding properties and street scene. Mitigated by careful consideration of communication, planning and consultation with the council's Planning team from early stages. However, there remains a risk that the development will not be agreed by Development Control Committee or additional conditions applied.
- c) Capacity to undertake the development project – there is an experienced project team who have a track record of successfully developing earlier projects.

- d) Risk of project construction overrun and increasing costs. There is an experienced project team who have a track record of successfully developing earlier projects.
- e) Hidden utility supplies within the plot resulting in adaptations to the design or the costs of diverting supplies being required. This risk is mitigated by undertaking comprehensive site inspections and investigations
- f) Supply chain issues impacting on availability of materials and prices of raw materials.
- g) Level of inflation impacting on borrowing costs to meet funding requirements dependent upon source of funding.
- h) There is a risk that the new tenants may look to exercise the Right to Buy on the property after moving in, as they would be attractive to purchase, this presents a risk as the council would be bound to pay for a loan on a property it no longer owns, without the income that this asset generates. This risk is mitigated by restrictions within the first 15 years of the discount an applicant can receive, which means that the purchase price cannot be lower than the actual cost of construction.

A detailed risk register will be prepared as part of the initial implementation of the project and reported back to EMT.

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## 12. Authorised by EMT

Date	Variations	Reporting & Monitoring Requirements
	<i>Insert any variations or requirements considered necessary by EMT to the business case.</i>	<i>Insert any agreed reporting and monitoring requirements required by EMT.</i>



**Financial Annex - Temporary Accommodation Costs**

Typical Room Cost Weekly		£331.82
3 properties for 52 weeks		£ 51,764.32
Net of Applicant Contribution	£ 47,909.56	
HB Cases	80%	
LHA	£ 130.80	
Applicant Contribution	£ 24.71	
Less: HB due		-£ 38,327.65
Rebated	-£ 15,108.24	
Not Rebated	-£ 23,219.41	
	-£ 38,327.65	
Balance to be recovered		£ 13,436.67
Applicant income (49% recovery)		-£ 6,583.97
Unrecovered		£ 6,852.70
Not rebated		£ 23,219.41
<b>Net cost</b>		<b>£ 30,072.11</b>



**Financial Annex - Cost of Development****Linden way Garage site**

	Units			
Fencing	40 Lm	£	110	£ 4,400
Drainage connection	1 Nr	£	10,000	£ 10,000
Divert surface water drain	1 Nr	£	12,000	£ 12,000
Construction of houses	174 Msq	£	3,250	£ 565,500
Parking area	256 Msq	£	110	£ 28,160
				<u>£ 620,060</u>
Contingency sum		7.5%	£	46,505
				<u>£ 666,565</u>
Utilities installation			£	25,000
Professional Fees			£	40,000
<b>Total Including fees</b>			<b>£</b>	<b><u>731,565</u></b>

**Cost per property**

		Price /MSQ
Total area of all properties	174 msq	£ 4,204
1 Bedroom	58	£ 243,855

**Key**

Number	Nr
Metre Square	Msq
Linear Metre	Lm

**Financial Annex - Linden Way Development site - 20 year Loan**

Cost element	£000's
Development costs	565
Resurfacing & Parking	33
Utilities	25
Drainage	22
Professional fees	40
<b>Sub-total</b>	<b>685</b>
Contingency (at 7.5%) excl Utilities, Demolition and Prof. fees	47
<b>Total estimated cost</b>	<b>732</b>
Financed by:	
“1 for 1” right to buy receipts	293
To be funded from other sources	439
<b>Total funding</b>	<b>732</b>

**Rent Calculation**

8-10 Church Close			
Affordable rent 23/24	£	220.47	
	Avg Social rent 23/24	% adj to 2 bed	
Bedsit	81.43	77%	
1 bed	93.01	88%	
2 bed	105.38	100%	
3 bed	116.45	110%	
4 bed	128.41	122%	
<b>Estimated Income</b>	1 bed House	£	195
Per week based on 3 x 1 bed		£	584
	<b>Annual</b>	<b>£</b>	<b>30,355</b>

Cashflow Forecast with 2.5% inflation						Maturity Loan
Year	Annual Loan cost £	Repairs £	Total £	Income £	Net Balance £	Cumulative £
1	44,778	-	44,778	30,355	14,423	14,423
2	44,778	4,589	49,367	31,113	18,253	32,677
3	44,778	4,703	49,481	31,891	17,590	50,267
4	44,778	4,821	49,599	32,688	16,910	67,177
5	44,778	4,941	49,719	33,506	16,214	83,391
6	44,778	5,065	49,843	34,343	15,500	98,890
7	44,778	5,191	49,969	35,202	14,768	113,658
8	44,778	5,321	50,099	36,082	14,017	127,675
9	44,778	5,454	50,232	36,984	13,248	140,923
10	44,778	5,591	50,369	37,909	12,460	153,383
11	44,778	5,730	50,508	38,856	11,652	165,036
12	44,778	5,874	50,652	39,828	10,824	175,859
13	44,778	6,021	50,799	40,823	9,975	185,835
14	44,778	6,171	50,949	41,844	9,105	194,940
15	44,778	6,325	51,103	42,890	8,213	203,153
16	44,778	6,483	51,261	43,962	7,299	210,452
17	44,778	6,646	51,424	45,061	6,362	216,814
18	44,778	6,812	51,590	46,188	5,402	222,216
19	44,778	6,982	51,760	47,343	4,417	226,633
20	44,778	7,157	51,935	48,526	3,408	230,041
21		7,335	7,335	49,739	42,404	187,637
22		7,519	7,519	50,983	43,464	144,173
23		7,707	7,707	52,257	44,551	99,623
24		7,899	7,899	53,564	45,664	53,958
25		8,097	8,097	54,903	46,806	7,152

**Maturity Loan**

**Loan Amount** £ 439,000  
**Rate** 5.20 Reduction applied for New Development  
**Number of years** 20  
**Year commencing** 1  
**New/Replacement Loan** n

Year	Bal b/wd	Principal	Interest	Total	Bal C/wd	Annual set aside Interest	Total
1	439,000	-	22,828	22,828	439,000	21,950	22,828
2	439,000	-	22,828	22,828	439,000	21,950	22,828
3	439,000	-	22,828	22,828	439,000	21,950	22,828
4	439,000	-	22,828	22,828	439,000	21,950	22,828
5	439,000	-	22,828	22,828	439,000	21,950	22,828
6	439,000	-	22,828	22,828	439,000	21,950	22,828
7	439,000	-	22,828	22,828	439,000	21,950	22,828
8	439,000	-	22,828	22,828	439,000	21,950	22,828
9	439,000	-	22,828	22,828	439,000	21,950	22,828
10	439,000	-	22,828	22,828	439,000	21,950	22,828
11	439,000	-	22,828	22,828	439,000	21,950	22,828
12	439,000	-	22,828	22,828	439,000	21,950	22,828
13	439,000	-	22,828	22,828	439,000	21,950	22,828
14	439,000	-	22,828	22,828	439,000	21,950	22,828
15	439,000	-	22,828	22,828	439,000	21,950	22,828
16	439,000	-	22,828	22,828	439,000	21,950	22,828
17	439,000	-	22,828	22,828	439,000	21,950	22,828
18	439,000	-	22,828	22,828	439,000	21,950	22,828
19	439,000	-	22,828	22,828	439,000	21,950	22,828
20	439,000	439,000	22,828	461,828	-	21,950	22,828

## Cashflow Forecast with 2.5% inflation

## EIP Loan

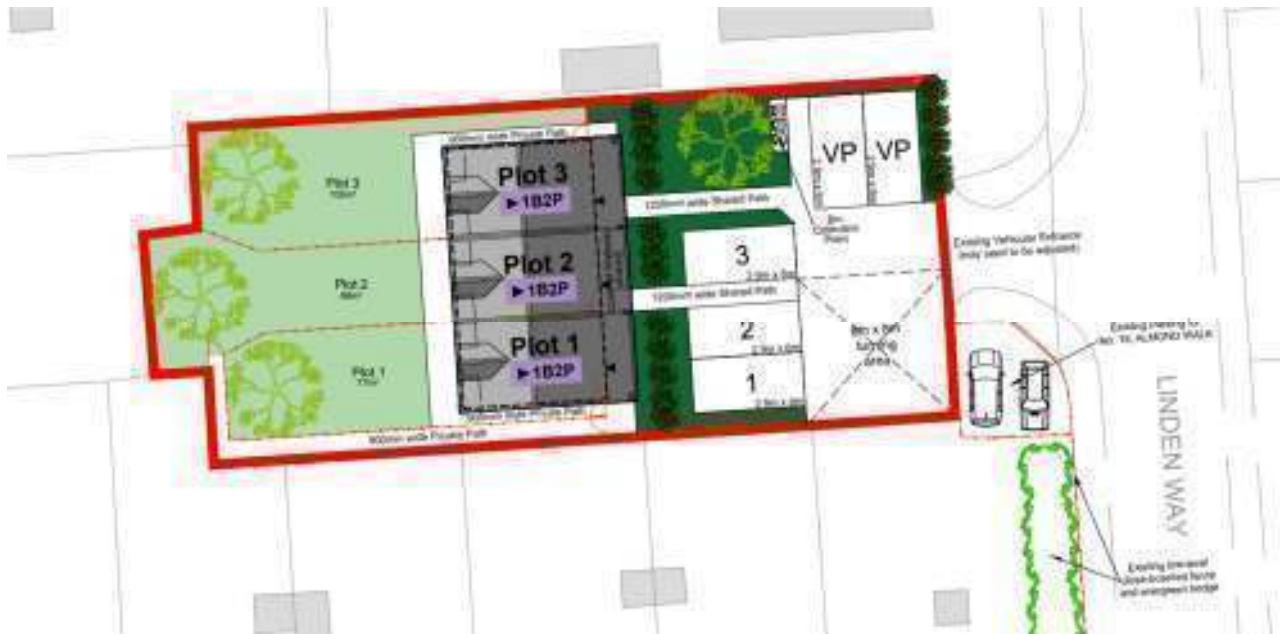
Year	Annual Loan cost £	Repairs £	Total £	Income £	Net Balance £	Cumulative £
1	44,295	-	44,295	30,355	13,941	13,941
2	43,178	4,589	47,766	31,113	16,653	30,594
3	42,061	4,703	46,764	31,891	14,873	45,466
4	40,943	4,821	45,764	32,688	13,076	58,542
5	39,826	4,941	44,767	33,506	11,262	69,804
6	38,709	5,065	43,774	34,343	9,430	79,234
7	37,592	5,191	42,783	35,202	7,581	86,815
8	36,474	5,321	41,796	36,082	5,714	92,529
9	35,357	5,454	40,811	36,984	3,827	96,356
10	34,240	5,591	39,830	37,909	1,922	98,278
11	33,123	5,730	38,853	38,856	3	98,275
12	32,005	5,874	37,879	39,828	1,949	96,326
13	30,888	6,021	36,909	40,823	3,915	92,411
14	29,771	6,171	35,942	41,844	5,902	86,509
15	28,654	6,325	34,979	42,890	7,911	78,598
16	27,536	6,483	34,020	43,962	9,943	68,655
17	26,419	6,646	33,065	45,061	11,997	56,658
18	25,302	6,812	32,113	46,188	14,075	42,584
19	24,185	6,982	31,166	47,343	16,176	26,407
20	23,067	7,157	30,224	48,526	18,302	8,105
21	-	7,335	7,335	49,739	42,404	34,299
22	-	7,519	7,519	50,983	43,464	77,763
23	-	7,707	7,707	52,257	44,551	122,314
24	-	7,899	7,899	53,564	45,664	167,978
25	-	8,097	8,097	54,903	46,806	214,784

EIP Loan

Loan Amount £ 439,000  
Rate 5.09  
Number of years 20  
Year commencing 1  
New/Replacement Loan

Year	Bal bfwd	Principal	Interest	Total	Bal Cfw
1	439,000	21,950	22,345	44,295	417,050
2	417,050	21,950	21,228	43,178	395,100
3	395,100	21,950	20,111	42,061	373,150
4	373,150	21,950	18,993	40,943	351,200
5	351,200	21,950	17,876	39,826	329,250
6	329,250	21,950	16,759	38,709	307,300
7	307,300	21,950	15,642	37,592	285,350
8	285,350	21,950	14,524	36,474	263,400
9	263,400	21,950	13,407	35,357	241,450
10	241,450	21,950	12,290	34,240	219,500
11	219,500	21,950	11,173	33,123	197,550
12	197,550	21,950	10,055	32,005	175,600
13	175,600	21,950	8,938	30,888	153,650
14	153,650	21,950	7,821	29,771	131,700
15	131,700	21,950	6,704	28,654	109,750
16	109,750	21,950	5,586	27,536	87,800
17	87,800	21,950	4,469	26,419	65,850
18	65,850	21,950	3,352	25,302	43,900
19	43,900	21,950	2,235	24,185	21,950
20	21,950	21,950	1,117	23,067	-
21	-	-	-	-	-
22	-	-	-	-	-
23	-	-	-	-	-
24	-	-	-	-	-
25	-	-	-	-	-

## Site Layout



Overall width of Proposed Site  
(Proposed Drawings set back by approx. 25m)

No. 18, Almond Walk

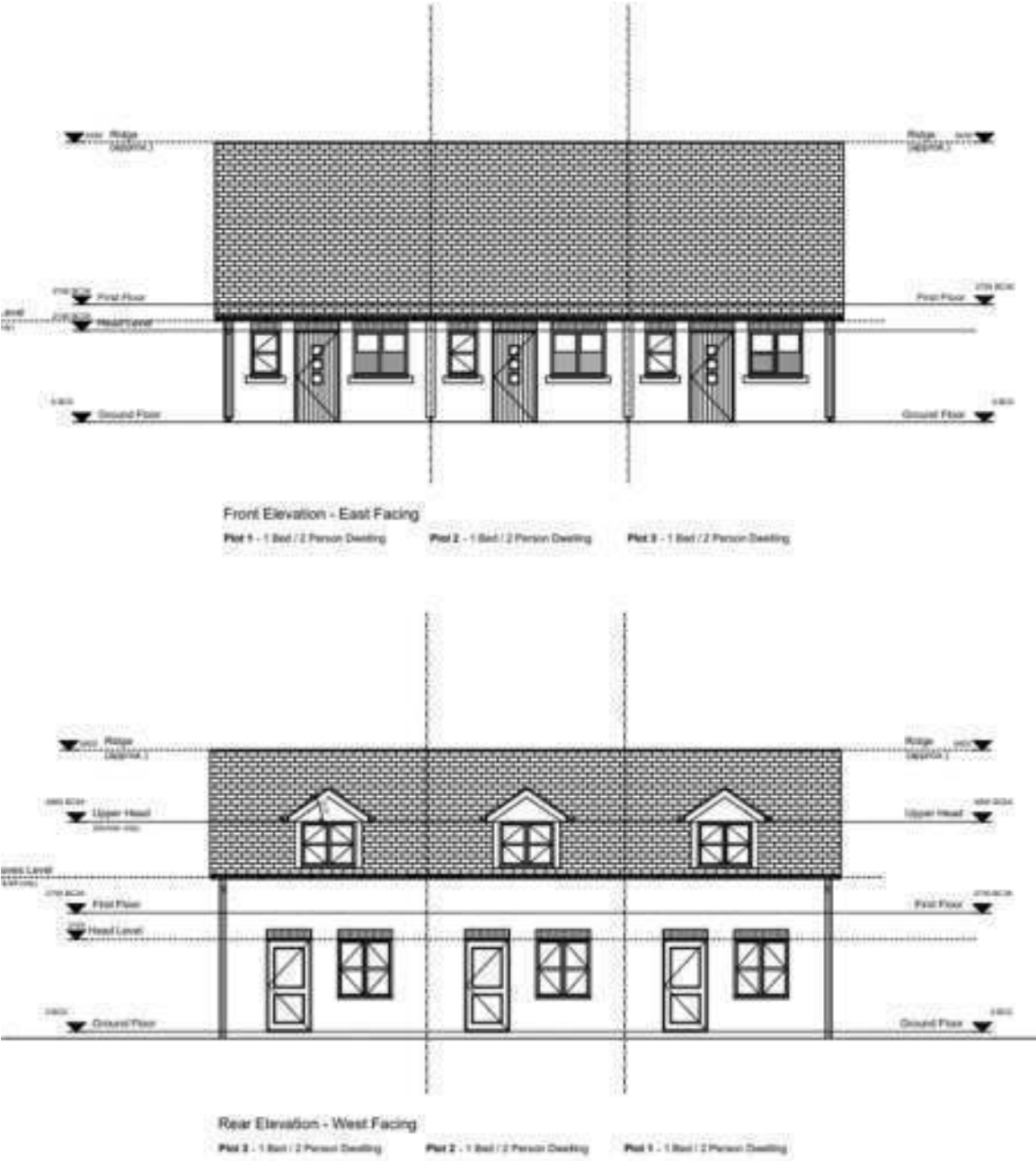
Existing Vehicular Entrance to Garage Block

No. 45, Linden Way

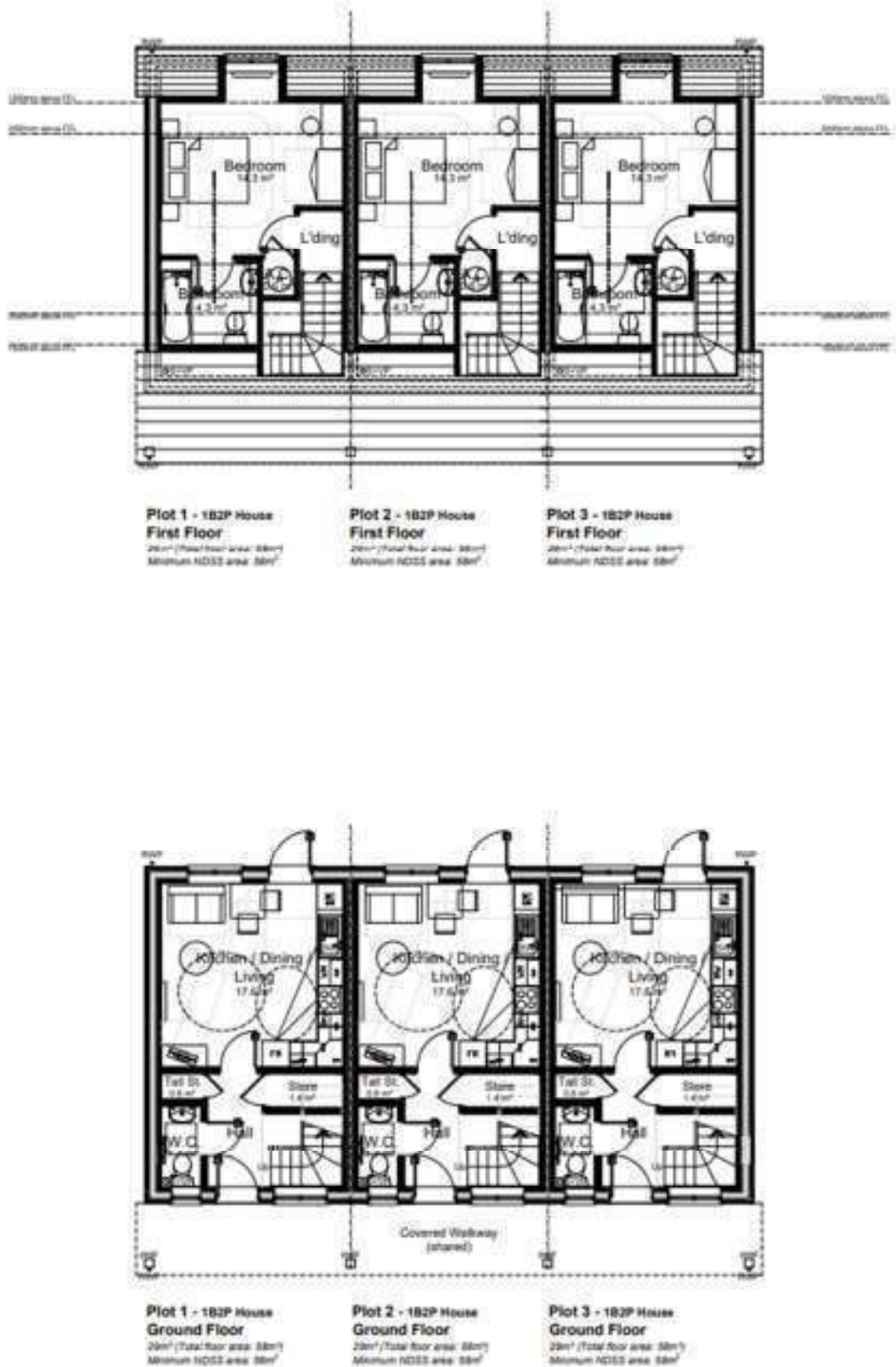
No. 47, Linden Way

Proposed Street Scene Elevation  
as viewed from LINDEN WAY  
(looking West)

Elevations



Floor Plans



# BUSINESS CASE: Construction of two 3 bedroom houses in Benderloch, Canvey Island

VERSION 1.1

## Executive Summary:

### **Need for the project (Forecast benefits)**

The general fund incurs significant expenditure to meet its statutory responsibilities to house homeless people. This includes significant payments to private sector landlords due to lack of suitable accommodation within the councils housing stock. As has previously been reported a large proportion of these costs cannot be recovered from Housing Benefit covered by HB subsidy or the applicant and so the general fund must pick up the additional costs. By way of an example based on 22/23 costs a reduction of 2 cases being accommodated in interim temporary accommodation would result in a saving of up to **£20k** per annum to the General Fund.

An opportunity was previously identified to construct a House in Multiple Occupation by demolishing a block of garages, following comments on a planning proposal it was decided due to the layout of the site to change this to provision of two 3 bedroom properties.

There are very significant benefits which are summarised as follows:

- Provision of high quality accommodation managed by the Council
- Providing additional properties to reduce people in temporary housing
- Addressing identified areas of housing need 3 bed properties, see section 2.
- Replacing garages subject to low demand and in poor condition with affordable housing

The forecasted timeline is shown below



## Forecast timelines

Task	Start date	Finish date	Responsibility
Report considered by Cabinet	Sept-23	Sept-23	Housing Development and Finance Manager
Project team established and PID drafted and agreed by EMT	Sept-23	Sept-23	Housing Development and Finance Manager
Draw up detailed plans and submit planning permission applications for the site and obtain planning permission.	Oct-23	Jan-24	Appointed Architect
Work to Deal with any planning conditions: Landscaping Scheme, Contamination and Soil report, Clearing Planning Conditions.	Feb-24	May-24	Appointed Architect Project manager
Undertake all preparations to achieve Building Regulation requirements.	Feb-24	May-24	Appointed Architect Project manager
Develop draft specification for procurement of a contractor to build the scheme. (JCT terms and & Conditions)	Jun-24	Jul-24	Appointed Architect/Project Manager
Invitation to Tender issued via procurement hub	Aug-24	Sept-24	Housing Development and Finance Manager / Architect / Project Manager
Bids assessed.	Sept-24	Oct-24	Housing Development and Finance Manager / Architect / Project Manager
Report to Cabinet seeking authorisation to proceed with tender and estimated costs and to enter contract with successful bidder.	Nov-24	Nov-24	Housing Development and Finance Manager

Contract awarded and agreed with EMT.	Nov-24	Dec-24	Director - Place and Communities
Contract entered between CPBC and successful contractor using JCT terms and conditions	Dec-24	Jan-25	Solicitor to the Council and Deputy Monitoring Officer
Construction begins.	Mar-25	Dec-25	Architect / Project Manager
Completion certificate issued (snagging)	Dec-25	Dec-25	Housing Development and Finance Manager/ Architect / Project Manager

### **Key risks**

Complex developments requiring careful consideration before works commenced to ensure no significant issues. Mitigated by experienced professional team.

Possible planning related concerns regarding infill developments and their impact on surrounding properties and street scene. Mitigated by careful consideration of communication, planning and consultation with the council's Planning team from early stages. However, there remains a risk that the development will not be agreed by Development Control Committee or additional conditions applied.

Capacity to undertake the development project – there is an experienced project team who have a track record of successfully developing earlier projects.

Risk of project construction overrun and increasing costs due to this and supply chain issues. There is an experienced project team who have a track record of successfully developing earlier projects.

Risk to viability due to increasing material prices and loan interest rates. Mitigated by sound financial planning and scrutiny.

### **Recommendations**

**Construct two 3 bedroomed homes at a former garage site in Benderloch**

Date: 14/08/23

Author: David Randerson,  
Housing Development and Finance Manager

Responsible Officer: Ian Butt,  
Director – Place and Communities

**Version: 1.1**

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# 1 Business Case History

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## Distribution

This document has been distributed to:

<b>Name</b>	<b>Title</b>	<b>Date of Issue</b>	<b>Version</b>
David Randerson	Housing Development and Finance Manager	14/8/23	1
Ian Butt	Director Place and Communities	14/8/23	1
Diane Logue	Head of Housing	14/8/23	1
Lance Wosko	Financial Services Manager and 151 Officer	14/8/23	1
Jason Bishop	Solicitor to the Council and Monitoring Officer	14/8/23	1
Ingleton Wood	Architect	14/8/23	1
EMT			
Cabinet	Cabinet	14/8/23	1

## Business Case

### 2 Background / Issues

- 2.1 Demand for social housing remains high and there are currently 470 people on the housing needs waiting list, of which 249 are in Band A and B from which predominately lettings are made. During 2022/23 we let 83 void properties, detailed below are the housing needs register figures as at 15<sup>th</sup> August 2023:

Breakdown of Housing Need						
Band	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	Total
A	45	53	27	2	2	129
B	33	35	47	5	0	120
C	82	73	62	4	0	221
<b>Total</b>	<b>160</b>	<b>161</b>	<b>136</b>	<b>11</b>	<b>2</b>	<b>470</b>
Dwelling type need as a percentage of total need						
Band	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	Total
A	35%	41%	21%	2%	2%	
B	28%	29%	39%	4%	0%	
<b>Overall</b>	<b>34%</b>	<b>34%</b>	<b>29%</b>	<b>2%</b>	<b>0%</b>	

- 2.2 In the table above the highest priority are bands A and B, Band A would be predominately households with homeless priority need, severely overcrowded or those in unsuitable accommodation. Whilst Band B are households who have lower need homeless cases, those with medical needs and lower level overcrowding. The applications in band A are reviewed every 6 months, all other bands annually.
- 2.3 Although there is a high demand for Social Housing, land and assets available to the Housing Revenue Account are limited. However, an officer team for Housing Construction has been operating for some time and maintains a database of all Housing Assets that are suitable for development. Each asset is examined carefully to ensure there are no substantial risks to prevent development, such as rights of way, easements, garage ownership etc.
- 2.4 The garage site at Benderloch was identified due to condition and 19 out of 24 garages currently being empty, only 2 garages are rented to persons in the immediate vicinity of the garage area.

### 3 Executive Summary

- 3.1 The purpose of this business case is to propose the construction of two 3 bedroom houses on the site of a former garage block.

3.2 There are many benefits to this approach:

- Provision of new affordable housing that will utilise right to buy receipts
- Providing new affordable housing accommodation for which there is an acute demand.
- Regenerate a former garage area which was in poor condition.
- Obtaining rental income at affordable housing rent levels

3.3 In summary, the principal benefit is providing more much needed affordable housing to meet the identified housing need within the borough.

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## 4 Background to the site

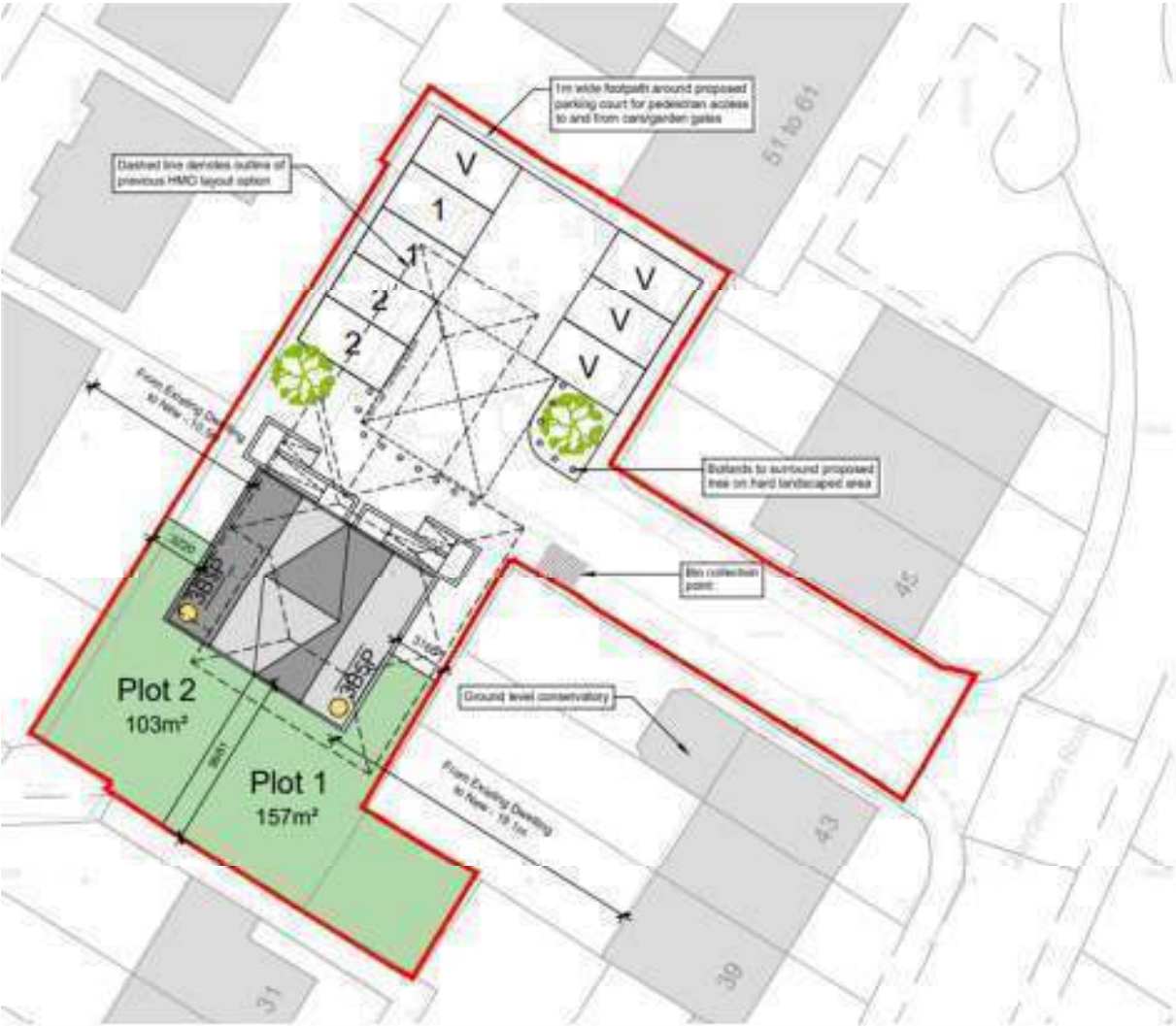
4.1 The picture below shows the area, which is the subject of this report, with the red outline showing the general position of the development.



4.2 The photographs below gives an indication of the current condition of the garage area.:



- 4.3 In a recent review of HRA sites it was concluded by the Housing Development team that this was suitable for development
- 4.4 Consequently, a feasibility study was commissioned, and an architect drew up detailed draft plans and provide detailed drawings outlining the proposals, proposed site layouts as shown below, which consists of two 3 bedroom homes.





- 4.6 The Planning service has provided pre-planning advice that raised no overall objections.

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## 5 Costs

- 5.1 Costs are estimated at **£775k** as detailed in the financial appendix, the development of both locations. Development costs shown are based on a cost per sqm of £3,250, this has been derived from advice provided by external specialists and estimates published by the Chartered Institute of Building during the tendering of current projects. Other costs are based on previous experience of development schemes and again where appropriate on a cost per square metre or other appropriate measure.
- 5.2 The funding required will be taken from Right to Buy receipts (40% of total spend) with the balance of **£465k** from the HRA revenue account reserves or alternatively funding could be sought by taking out additional borrowing. This additional cost would have to be met by the HRA, but this will be offset by the increased income generated from the properties.
- 5.3 This income is estimated at **£244** per week which would equate to an income of **£25k** per annum. The rent income is based on the rent of the most recently completed 2 bedroom properties in Church Close, with an adjustment for these being 3 bedroom properties based on the percentage difference in rents within the HRA stock. All rents are set in conjunction with the council's external valuers Wilks Head and Eve as they require a market rent assessment for the specific dwellings to be made. To this an adjustment is applied to reflect the 'affordable rent level' which is 65% of the market rent as determined in the Affordable Rent Policy agreed by Cabinet.
- 5.4 This means that a loan period of 20 years would result in a net annual surpluses from year 14 if an EIP loan was used and after year 21 under a maturity loan. Over 25 years this would offer a total surplus of **£53k** under an EIP loan and a deficit of **£182k** if funded via a maturity loan. An inflation rate of 2.5% over the period has been assumed, any increase to this would result in higher repairs costs, but also higher rental income, but would not impact on the borrowing costs as fixed rates would be obtained.
- 5.5 The financial annex to this report demonstrates the costs of a 20 year loan period based on Maturity and EIP loan types through the Public Works and Loan Board based on current rates. The Strategic Director (Resources) will determine the most appropriate method of funding development costs once tendered costs are known.

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## 6. Summary of staff resources

- 6.1 The construction will be managed by the current Housing team, supported by an Architect and an external project manager.

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## **7. Alternative options**

7.1 Alternative options include the following:

**1. Do not develop housing, keep the site clear.**

This is not considered a viable option. Since the site is suitable for development, it will be a waste to not utilise this opportunity. Furthermore, there are compelling financial and social reasons to construct more affordable housing.

**2. Arrange for a Housing Association to take the sites and develop it.**

This is not considered a viable option. A Housing Association is unlikely to be interested in such a small site which are notoriously difficult to develop. Furthermore, whilst the Council may retain nomination rights, it would in effect lose a valuable asset and not retain the rental income after construction.

**3. Sell the sites to a private developer to develop market housing.**

This could allow for a capital receipt that could be used for other projects. However, this is again not considered viable. The site itself is not considered attractive to a private sector developer due to its small size. The Council continues to face pressure both in the demand for Social Housing as well as the need to spend capital to avoid losing right to buy receipts. Housing in the area is generally either ex Council housing now purchased under right to buy or is still Council owned housing. Consequently, further council owned development will be appropriate for the area. The Housing Service does maintain a database of assets and will look to see if there are other sites that may be suitable for private market development.

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## **8. Proposed High Level Actions**

These are detailed in the forecast timeline at the start of this business case and will be subject to consultation and agreement with EMT and officers who have not been party to this business case.

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## **9. Reporting**

Through DMT highlight reporting to Director - Place and Communities and to EMT by Director - Place and Communities.

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## **10. To be managed by Castle Points Project Management Framework?**

Yes.

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## 11. Risks

Key Identified risks include the following:

- a) Complex development requiring careful consideration before works commenced to ensure no significant issues. Mitigated by experienced professional team.
- b) Possible planning related concerns regarding infill developments and their impact on surrounding properties and street scene. Mitigated by careful consideration of communication, planning and consultation with the council's Planning team from early stages. However, there remains a risk that the development will not be agreed by Development Control Committee or additional conditions applied.
- c) Capacity to undertake the development project – there is an experienced project team who have a track record of successfully developing earlier projects.
- d) Risk of project construction overrun and increasing costs. There is an experienced project team who have a track record of successfully developing earlier projects.
- e) Hidden utility supplies within the plot resulting in adaptations to the design or the costs of diverting supplies being required. This risk is mitigated by undertaking comprehensive site inspections and investigations
- f) Supply chain issues impacting on availability of materials and prices of raw materials.
- g) Level of inflation impacting on borrowing costs to meet funding requirements dependent upon source of funding.
- h) There is a risk that the new tenants may look to exercise the Right to Buy on the property after moving in, as they would be attractive to purchase, this presents a risk as the council would be bound to pay for a loan on a property it no longer owns, without the income that this asset generates. This risk is mitigated by restrictions within the first 15 years of the discount an applicant can receive, which means that the purchase price cannot be lower than the actual cost of construction.

A detailed risk register will be prepared as part of the initial implementation of the project and reported back to EMT.

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## 12. Authorised by EMT

Date	Variations	Reporting & Monitoring Requirements
	<i>Insert any variations or requirements considered necessary by EMT to the business case.</i>	<i>Insert any agreed reporting and monitoring requirements required by EMT.</i>

**Financial Annex - Temporary Accommodation Costs**

Typical Room Cost Weekly		£331.82
2 properties for 52 weeks		£ 34,509.55
Net of Applicant Contribution	£ 31,939.71	
HB Cases	80%	
LHA	£ 130.80	
Applicant Contribution	£ 24.71	
Less: HB due		-£ 25,551.77
Rebated	-£ 10,072.16	
Not Rebated	-£ 15,479.60	
	-£ 25,551.77	
Balance to be recovered		£ 8,957.78
Applicant income (49% recovery)		-£ 4,389.31
Unrecovered		£ 4,568.47
Not rebated		£ 15,479.60
<b>Net cost</b>		<b>£ 20,048.07</b>

**Financial Annex - Cost of Development****Benderloch Garage site**

	Units				
Fencing	116 Lm	£	110	£	12,760
Construction of houses	190 Msq	£	3,250	£	617,500
External's, Parking area and				£	28,942
				£	659,202
Contingency sum			7.5%	£	49,440
				£	708,642
Utilities installation				£	25,000
Professional Fees				£	40,000
<b>Total Including fees</b>				<b>£</b>	<b>773,642</b>

**Cost per property**

	/MSQ	
Total area of all properties	190 msq	£ 4,072
3 Bedroom	95	£ 386,821

**Key**

Number	Nr
Metre Square	Msq
Linear Metre	Lm

**Financial Annex - Benderloch Development sites - 20 year Loan**

Cost element	£000's
Development costs	618
Resurfacing & Parking	42
Utilities	25
Professional fees	40
<b>Sub-total</b>	<b>725</b>
Contingency (at 7.5%) excl Utilities, Demolition and Prof. fees	50
<b>Total estimated cost</b>	<b>775</b>
Financed by:	
“1 for 1” right to buy receipts	310
To be funded from other sources	465
<b>Total funding</b>	<b>775</b>

**Rent Calculation**

8-10 Church Close			
Affordable rent 23/24	£	220.47	
	Avg Social	% adj to 2	
	rent 23/24	bed	
Bedsit	81.43	77%	
1 bed	93.01	88%	
2 bed	105.38	100%	
3 bed	116.45	110%	
4 bed	128.41	122%	
<b>Estimated Income</b>	3 bed house	£	244
Per week based on 2 x 3 bed		£	487
	<b>Annual</b>	£	<b>25,337</b>

Cashflow Forecast with 2.5% inflation						Maturity Loan
Year	Annual Loan cost £	Repairs £	Total £	Income £	Net Balance £	Cumulative £
1	47,430	-	47,430	25,337	22,093	22,093
2	47,430	3,059	50,489	25,970	24,519	46,612
3	47,430	3,135	50,565	26,619	23,946	70,559
4	47,430	3,214	50,644	27,285	23,359	93,918
5	47,430	3,294	50,724	27,967	22,757	116,675
6	47,430	3,377	50,807	28,666	22,141	138,815
7	47,430	3,461	50,891	29,383	21,508	160,324
8	47,430	3,548	50,978	30,117	20,860	181,184
9	47,430	3,636	51,066	30,870	20,196	201,380
10	47,430	3,727	51,157	31,642	19,515	220,895
11	47,430	3,820	51,250	32,433	18,817	239,712
12	47,430	3,916	51,346	33,244	18,102	257,814
13	47,430	4,014	51,444	34,075	17,369	275,183
14	47,430	4,114	51,544	34,927	16,617	291,800
15	47,430	4,217	51,647	35,800	15,847	307,647
16	47,430	4,322	51,752	36,695	15,057	322,704
17	47,430	4,430	51,860	37,612	14,248	336,952
18	47,430	4,541	51,971	38,553	13,418	350,371
19	47,430	4,655	52,085	39,517	12,568	362,939
20	47,430	4,771	52,201	40,504	11,697	374,636
21		4,890	4,890	41,517	36,627	338,009
22		5,013	5,013	42,555	37,542	300,467
23		5,138	5,138	43,619	38,481	261,986
24		5,266	5,266	44,709	39,443	222,543
25		5,398	5,398	45,827	40,429	182,114

**Maturity Loan**

**Loan Amount** £ 465,000  
**Rate** 5.20 Reduction applied for New Development  
**Number of years** 20  
**Year commencing** 1  
**New/Replacement Loan** n

Year	Bal b/wd	Principal	Interest	Total	Bal C/wd	Annual set aside	Interest	Total
1	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
2	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
3	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
4	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
5	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
6	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
7	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
8	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
9	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
10	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
11	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
12	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
13	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
14	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
15	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
16	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
17	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
18	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
19	465,000	-	24,180	24,180	465,000	23,250	24,180	47,430
20	465,000	465,000	24,180	489,180	-	23,250	24,180	47,430

## Cashflow Forecast with 2.5% inflation

## EIP Loan

Year	Annual Loan cost £	Repairs £	Total £	Income £	Net Balance £	Cumulative £
1	46,919	-	46,919	25,337	21,582	21,582
2	45,735	3,059	48,794	25,970	22,824	44,406
3	44,552	3,135	47,687	26,619	21,068	65,474
4	43,368	3,214	46,582	27,285	19,297	84,771
5	42,185	3,294	45,479	27,967	17,512	102,283
6	41,001	3,377	44,378	28,666	15,712	117,995
7	39,818	3,461	43,279	29,383	13,896	131,891
8	38,635	3,548	42,182	30,117	12,065	143,956
9	37,451	3,636	41,087	30,870	10,217	154,173
10	36,268	3,727	39,995	31,642	8,353	162,526
11	35,084	3,820	38,905	32,433	6,472	168,997
12	33,901	3,916	37,817	33,244	4,573	173,570
13	32,717	4,014	36,731	34,075	2,656	176,226
14	31,534	4,114	35,648	34,927	721	176,948
15	30,351	4,217	34,567	35,800	1,233	175,715
16	29,167	4,322	33,489	36,695	3,206	172,509
17	27,984	4,430	32,414	37,612	5,198	167,311
18	26,800	4,541	31,341	38,553	7,211	160,100
19	25,617	4,655	30,272	39,517	9,245	150,855
20	24,433	4,771	29,204	40,504	11,300	139,555
21	-	4,890	4,890	41,517	36,627	102,928
22	-	5,013	5,013	42,555	37,542	65,386
23	-	5,138	5,138	43,619	38,481	26,905
24	-	5,266	5,266	44,709	39,443	12,538
25	-	5,398	5,398	45,827	40,429	52,967

EIP Loan

Loan Amount           £   465,000  
Rate                           5.09  
Number of years           20  
Year commencing           1  
New/Replacement Loan

Year	Bal bfwd	Principal	Interest	Total	Bal Cfwd
1	465,000	23,250	23,669	46,919	441,750
2	441,750	23,250	22,485	45,735	418,500
3	418,500	23,250	21,302	44,552	395,250
4	395,250	23,250	20,118	43,368	372,000
5	372,000	23,250	18,935	42,185	348,750
6	348,750	23,250	17,751	41,001	325,500
7	325,500	23,250	16,568	39,818	302,250
8	302,250	23,250	15,385	38,635	279,000
9	279,000	23,250	14,201	37,451	255,750
10	255,750	23,250	13,018	36,268	232,500
11	232,500	23,250	11,834	35,084	209,250
12	209,250	23,250	10,651	33,901	186,000
13	186,000	23,250	9,467	32,717	162,750
14	162,750	23,250	8,284	31,534	139,500
15	139,500	23,250	7,101	30,351	116,250
16	116,250	23,250	5,917	29,167	93,000
17	93,000	23,250	4,734	27,984	69,750
18	69,750	23,250	3,550	26,800	46,500
19	46,500	23,250	2,367	25,617	23,250
20	23,250	23,250	1,183	24,433	-
21	-	-	-	-	-
22	-	-	-	-	-
23	-	-	-	-	-
24	-	-	-	-	-
25	-	-	-	-	-



# BUSINESS CASE: Construction of two 2 bedroom houses in Carlton Drive, Benfleet

VERSION 1.1

## **Executive Summary:**

### **Need for the project (Forecast benefits)**

The general fund incurs significant expenditure to meet its statutory responsibilities to house homeless people. This includes significant payments to private sector landlords due to lack of suitable accommodation within the councils housing stock. As has previously been reported a large proportion of these costs cannot be recovered from Housing Benefit covered by HB subsidy or the applicant and so the general fund must pick up the additional costs. By way of an example based on 22/23 costs a reduction of 2 cases being accommodated in interim temporary accommodation would result in a saving of up to **£20k** per annum to the General Fund.

An opportunity has arisen to develop two 2 bedroom properties at a garage site in Carlton Drive.

There are very significant benefits which are summarised as follows:

- Provision of high quality accommodation managed by the Council
- Providing additional properties to reduce people in temporary housing
- Addressing identified areas of housing need for 2 bed properties, see section 2.
- Replacing garages subject to low demand and in poor condition with affordable housing

The forecasted timeline is shown below

## Forecast timelines

Task	Start date	Finish date	Responsibility
Report considered by Cabinet	Sept-23	Sept-23	Housing Development and Finance Manager
Project team established and PID drafted and agreed by EMT	Sept-23	Sept-23	Housing Development and Finance Manager
Draw up detailed plans and submit planning permission applications for the site and obtain planning permission.	Oct-23	Jan-24	Appointed Architect
Work to Deal with any planning conditions: Landscaping Scheme, Contamination and Soil report, Clearing Planning Conditions.	Feb-24	May-24	Appointed Architect Project manager
Undertake all preparations to achieve Building Regulation requirements.	Feb-24	May-24	Appointed Architect Project manager
Develop draft specification for procurement of a contractor to build the scheme. (JCT terms and & Conditions)	Jun-24	Jul-24	Appointed Architect/Project Manager
Invitation to Tender issued via procurement hub	Aug-24	Sept-24	Housing Development and Finance Manager / Architect / Project Manager
Bids assessed.	Sept-24	Oct-24	Housing Development and Finance Manager / Architect / Project Manager

Report to Cabinet seeking authorisation to proceed with tender and estimated costs and to enter contract with successful bidder.	Nov-24	Nov-24	Housing Development and Finance Manager
Contract awarded and agreed with EMT.	Nov-24	Dec-24	Director - Place and Communities
Contract entered between CPBC and successful contractor using JCT terms and conditions	Dec-24	Jan-25	Solicitor to the Council and Deputy Monitoring Officer
Construction begins.	Mar-25	Dec-25	Architect / Project Manager
Completion certificate issued (snagging)	Dec-25	Dec-25	Housing Development and Finance Manager/ Architect / Project Manager

### **Key risks**

Complex developments requiring careful consideration before works commenced to ensure no significant issues. Mitigated by experienced professional team.

Possible planning related concerns regarding infill developments and their impact on surrounding properties and street scene. Mitigated by careful consideration of communication, planning and consultation with the council's Planning team from early stages. However, there remains a risk that the development will not be agreed by Development Control Committee or additional conditions applied.

Capacity to undertake the development project – there is an experienced project team who have a track record of successfully developing earlier projects.

Risk of project construction overrun and increasing costs due to this and supply chain issues. There is an experienced project team who have a track record of successfully developing earlier projects.

Risk to viability due to increasing material prices and loan interest rates. Mitigated by sound financial planning and scrutiny.

**Recommendations**

**Construct two 2 bedroomed homes at a former garage site in Carlton Drive**

Date: 14/8/23

Author: David Randerson,  
Housing Development and Finance Manager

Responsible Officer: Ian Butt,  
Director – Place and Communities

**Version: 1.1**

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# 1 Business Case History

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## Distribution

This document has been distributed to:

Name	Title	Date of Issue	Version
David Randerson	Housing Development and Finance Manager	14/8/23	1
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Ingleton Wood	Architect	14/8/23	1
EMT			
Cabinet	Cabinet	14/8/23	1

## Business Case

### 2 Background / Issues

- 2.1 Demand for social housing remains high and there are currently 470 people on the housing needs waiting list, of which 249 are in Band A and B from which predominately lettings are made. During 2022/23 we let 83 void properties, detailed below are the housing needs register figures as at 15<sup>th</sup> August 2023

Breakdown of Housing Need						
Band	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	Total
A	45	53	27	2	2	129
B	33	35	47	5	0	120
C	82	73	62	4	0	221
<b>Total</b>	<b>160</b>	<b>161</b>	<b>136</b>	<b>11</b>	<b>2</b>	<b>470</b>
Dwelling type need as a percentage of total need						
Band	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	Total
A	35%	41%	21%	2%	2%	
B	28%	29%	39%	4%	0%	
<b>Overall</b>	<b>34%</b>	<b>34%</b>	<b>29%</b>	<b>2%</b>	<b>0%</b>	

- 2.2 In the table above the highest priority are bands A and B, Band A would be predominately households with homeless priority need, severely overcrowded or those in unsuitable accommodation. Whilst Band B are households who have lower need homeless cases, those with medical needs and lower level overcrowding. The applications in band A are reviewed every 6 months, all other bands annually.
- 2.3 Although there is a high demand for Social Housing, land and assets available to the Housing Revenue Account are limited. However, an officer team for Housing Construction has been operating for some time and maintains a database of all Housing Assets that are suitable for development. Each asset is examined carefully to ensure there are no substantial risks to prevent development, such as rights of way, easements, garage ownership etc.
- 2.4 The garage site at Carlton Drive was identified due to its condition.

### 3 Executive Summary

- 3.1 The purpose of this business case is to propose the construction of two 2 bedroom houses on the site of a former garage block.
- 3.2 There are many benefits to this approach:

- Provision of new affordable housing that will utilise right to buy receipts
- Providing new affordable housing accommodation for which there is an acute demand.
- Regenerate a former garage area which was in poor condition.
- Obtaining rental income at affordable housing rent levels

3.3 In summary, the principal benefit is providing more much needed affordable housing to meet the identified housing need within the borough.

---

## 4 Background to the site

4.1 The picture below shows the area, which is the subject of this report, with the red outline showing the general position of the development. Land behind the garage site is leased on a short term renewable basis to neighbouring property. Whilst also giving an indication of the condition of the site.



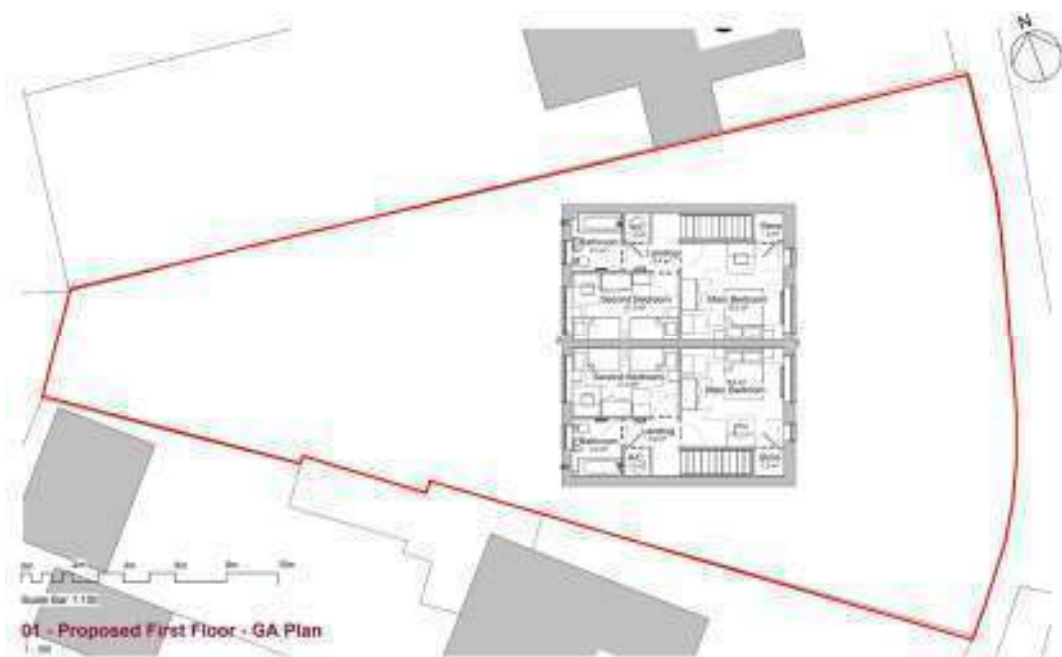
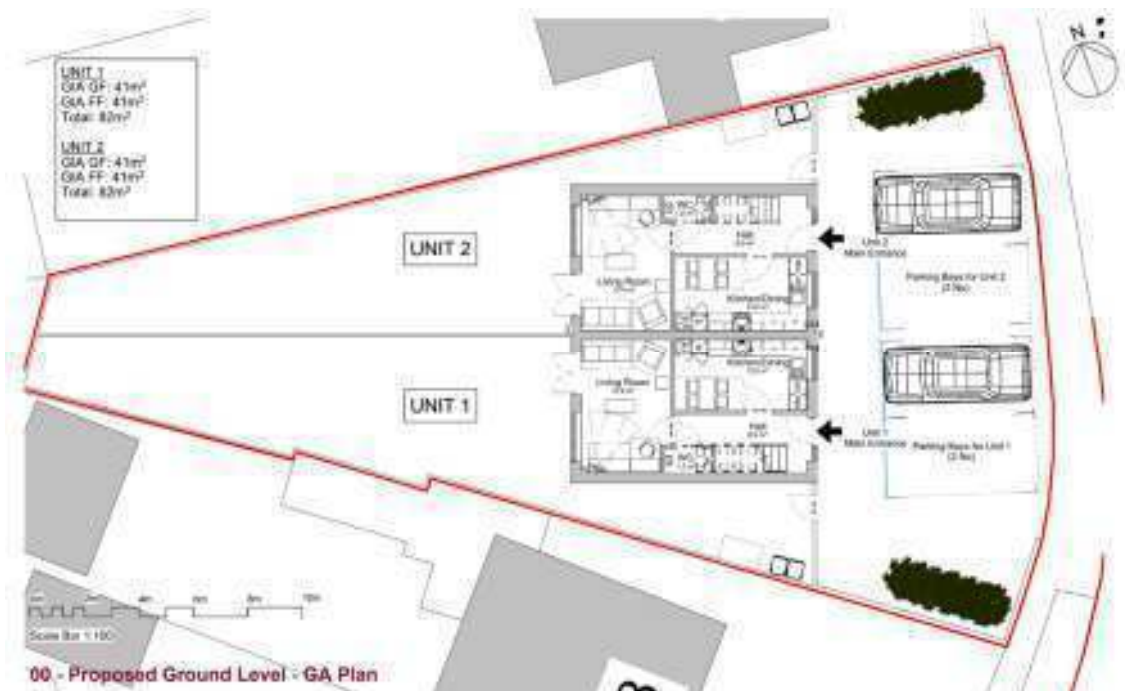
4.2 The plan below shows council owned land highlighted in green.



- 4.3 In a recent review of HRA sites it was concluded by the Housing Development team that this was suitable for development, consequently, a feasibility study was commissioned, and an architect drew up detailed draft plans, detailed drawings outlining the proposals, proposed site layouts are shown below, which consists of two 2 bedroom homes.







- 4.6 The Planning service has provided informal pre-planning advice that raised no overall objections, with a formal pre-application having now been submitted.

---

## 5 Costs

- 5.1 Costs are estimated at **£679k** as detailed in the financial appendix, the development of both locations. Development costs shown are based on a cost per sqm of £3,250, this has been derived from advice provided by external specialists and estimates published by the Chartered Institute of Building during the tendering of current projects. Other costs are based on previous experience of development schemes and again where appropriate on a cost per square metre or other appropriate measure.
- 5.2 The funding required will be taken from Right to Buy receipts (40% of total spend) with the balance of **£407k** from the HRA revenue account reserves or alternatively funding could be sought by taking out additional borrowing. This additional cost would have to be met by the HRA, but this will be offset by the increased income generated from the properties.
- 5.3 This income is estimated at **£220** per week which would equate to an income of **£23k** per annum. The rent income is based on the rent of the most recently completed 2 bedroom properties in Church Close, with an adjustment for these being 3 bedroom properties based on the percentage difference in rents within the HRA stock. All rents are set in conjunction with the council's external valuers Wilks Head and Eve as they require a market rent assessment for the specific dwellings to be made. To this an adjustment is applied to reflect the 'affordable rent level' which is 65% of the market rent as determined in the Affordable Rent Policy agreed by Cabinet.
- 5.4 This means that a loan period of 20 years would result in a net annual surpluses from year 15 if an EIP loan was used and after year 21 under a maturity loan. Over 25 years this would offer a total surplus of **£27k** under an EIP loan and a deficit of **£146k** if funded via a maturity loan. An inflation rate of 2.5% over the period has been assumed, any increase to this would result in higher repairs costs, but also higher rental income, but would not impact on the borrowing costs as fixed rates would be obtained.
- 5.5 The financial annex to this report demonstrates the costs of a 20 year loan period based on Maturity and EIP loan types through the Public Works and Loan Board based on current rates. The Strategic Director (Resources) will determine the most appropriate method of funding development costs once tendered costs are known.

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## 6. Summary of staff resources

- 6.1 The construction will be managed by the current Housing team, supported by an Architect and an external project manager.

## **7. Alternative options**

7.1 Alternative options include the following:

### **1. Do not develop housing, keep the site clear.**

This is not considered a viable option. Since the site is suitable for development, it will be a waste to not utilise this opportunity. Furthermore, there are compelling financial and social reasons to construct more affordable housing.

### **2. Arrange for a Housing Association to take the sites and develop it.**

This is not considered a viable option. A Housing Association is unlikely to be interested in such a small site which are notoriously difficult to develop. Furthermore, whilst the Council may retain nomination rights, it would in effect lose a valuable asset and not retain the rental income after construction.

### **3. Sell the sites to a private developer to develop market housing.**

This could allow for a capital receipt that could be used for other projects. However, this is again not considered viable. The site itself is not considered attractive to a private sector developer due to its small size. The Council continues to face pressure both in the demand for Social Housing as well as the need to spend capital to avoid losing right to buy receipts. Housing in the area is generally either ex Council housing now purchased under right to buy or is still Council owned housing. Consequently, further council owned development will be appropriate for the area. The Housing Service does maintain a database of assets and will look to see if there are other sites that may be suitable for private market development.

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## **8. Proposed High Level Actions**

These are detailed in the forecast timeline at the start of this business case and will be subject to consultation and agreement with EMT and officers who have not been party to this business case.

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## **9. Reporting**

Through DMT highlight reporting to Director - Place and Communities and to EMT by Director - Place and Communities.

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## **10. To be managed by Castle Points Project Management Framework?**

Yes.

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## 11. Risks

Key Identified risks include the following:

- a) Complex development requiring careful consideration before works commenced to ensure no significant issues. Mitigated by experienced professional team.
- b) Possible planning related concerns regarding infill developments and their impact on surrounding properties and street scene. Mitigated by careful consideration of communication, planning and consultation with the council's Planning team from early stages. However, there remains a risk that the development will not be agreed by Development Control Committee or additional conditions applied.
- c) Capacity to undertake the development project – there is an experienced project team who have a track record of successfully developing earlier projects.
- d) Risk of project construction overrun and increasing costs. There is an experienced project team who have a track record of successfully developing earlier projects.
- e) Hidden utility supplies within the plot resulting in adaptations to the design or the costs of diverting supplies being required. This risk is mitigated by undertaking comprehensive site inspections and investigations
- f) Supply chain issues impacting on availability of materials and prices of raw materials.
- g) Level of inflation impacting on borrowing costs to meet funding requirements dependent upon source of funding.
- h) There is a risk that the new tenants may look to exercise the Right to Buy on the property after moving in, as they would be attractive to purchase, this presents a risk as the council would be bound to pay for a loan on a property it no longer owns, without the income that this asset generates. This risk is mitigated by restrictions within the first 15 years of the discount an applicant can receive, which means that the purchase price cannot be lower than the actual cost of construction.

A detailed risk register will be prepared as part of the initial implementation of the project and reported back to EMT.

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## 12. Authorised by EMT

Date	Variations	Reporting & Monitoring Requirements
	<i>Insert any variations or requirements considered necessary by EMT to the business case.</i>	<i>Insert any agreed reporting and monitoring requirements required by EMT.</i>

**Financial Annex - Temporary Accommodation Costs**

Typical Room Cost Weekly		£331.82
2 properties for 52 weeks		£ 34,509.55
Net of Applicant Contribution	£ 31,939.71	
HB Cases	80%	
LHA	£ 130.80	
Applicant Contribution	£ 24.71	
Less: HB due		-£ 25,551.77
Rebated	-£ 10,072.16	
Not Rebated	-£ 15,479.60	
	-£ 25,551.77	
Balance to be recovered		£ 8,957.78
Applicant income (49% recovery)		-£ 4,389.31
Unrecovered		£ 4,568.47
Not rebated		£ 15,479.60
<b>Net cost</b>		<b>£ 20,048.07</b>

**Financial Annex - Cost of Development****Carlton Drive Garage site**

	Units				
Fencing	80 Lm	£	110	£	8,800
Construction of houses	164 Msq	£	3,250	£	533,000
External's, Parking area and Demolition				£	28,942
				£	570,742
Contingency sum			7.5%	£	42,806
				£	613,548
Utilities installation				£	25,000
Professional Fees				£	40,000
<b>Total Including fees</b>				<b>£</b>	<b>678,548</b>

**Cost per property**

	Price /MSQ
Total area of all properties	164 msq £ 4,137
2 Bedroom	82 £ 339,274

**Key**

Number	Nr
Metre Square	Msq
Linear Metre	Lm

**Financial Annex - Carlton Drive Development sites - 20 year Loan**

Cost element	£000's
Development costs	533
Resurfacing & Parking	38
Utilities	25
Professional fees	40
<b>Sub-total</b>	<b>636</b>
Contingency (at 7.5%) excl Utilities, Demolition and Prof. fees	43
<b>Total estimated cost</b>	<b>679</b>
Financed by:	
"1 for 1" right to buy receipts	271
To be funded from other sources	407
<b>Total funding</b>	<b>679</b>

**Rent Calculation**

8-10 Church Close  
Affordable rent 23/24                      £ 220.47

	Avg Social rent 23/24	% adj to 2 bed
Bedsit	81.43	77%
1 bed	93.01	88%
2 bed	105.38	100%
3 bed	116.45	110%
4 bed	128.41	122%

**Estimated Income**      2 bed house                      £    220

Per week based on 2 x 2 bed                                      £    441

**Annual                      £ 22,929**

## Cashflow Forecast with 2.5% inflation

## Maturity Loan

Year	Annual Loan cost £	Repairs £	Total £	Income £	Net Balance £	Cumulative £
1	41,514	-	41,514 -	22,929	18,585	18,585
2	41,514	3,059	44,573 -	23,502	21,071	39,655
3	41,514	3,135	44,649 -	24,090	20,559	60,215
4	41,514	3,214	44,728 -	24,692	20,036	80,250
5	41,514	3,294	44,808 -	25,310	19,499	99,749
6	41,514	3,377	44,891 -	25,942	18,948	118,697
7	41,514	3,461	44,975 -	26,591	18,384	137,081
8	41,514	3,548	45,062 -	27,256	17,806	154,887
9	41,514	3,636	45,150 -	27,937	17,213	172,100
10	41,514	3,727	45,241 -	28,635	16,606	188,706
11	41,514	3,820	45,334 -	29,351	15,983	204,689
12	41,514	3,916	45,430 -	30,085	15,345	220,034
13	41,514	4,014	45,528 -	30,837	14,690	234,724
14	41,514	4,114	45,628 -	31,608	14,020	248,744
15	41,514	4,217	45,731 -	32,398	13,332	262,076
16	41,514	4,322	45,836 -	33,208	12,628	274,704
17	41,514	4,430	45,944 -	34,039	11,906	286,610
18	41,514	4,541	46,055 -	34,890	11,166	297,776
19	41,514	4,655	46,169 -	35,762	10,407	308,182
20	41,514	4,771	46,285 -	36,656	9,629	317,812
21		4,890	4,890 -	37,572 -	32,682	285,130
22		5,013	5,013 -	38,512 -	33,499	251,631
23		5,138	5,138 -	39,474 -	34,336	217,294
24		5,266	5,266 -	40,461 -	35,195	182,099
25		5,398	5,398 -	41,473 -	36,075	146,025

Maturity Loan

Loan Amount	£ 407,000
Rate	5.20 Reduction applied for New Development
Number of years	20
Year commencing	1
New/Replacement Loan	n

Year	Bal bfwd	Principal	Interest	Total	Bal Cfwd	Annual set aside	Interest	Total
1	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
2	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
3	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
4	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
5	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
6	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
7	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
8	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
9	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
10	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
11	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
12	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
13	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
14	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
15	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
16	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
17	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
18	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
19	407,000	-	21,164	21,164	407,000	20,350	21,164	41,514
20	407,000	407,000	21,164	428,164	-	20,350	21,164	41,514



## Cashflow Forecast with 2.5% inflation

## EIP Loan

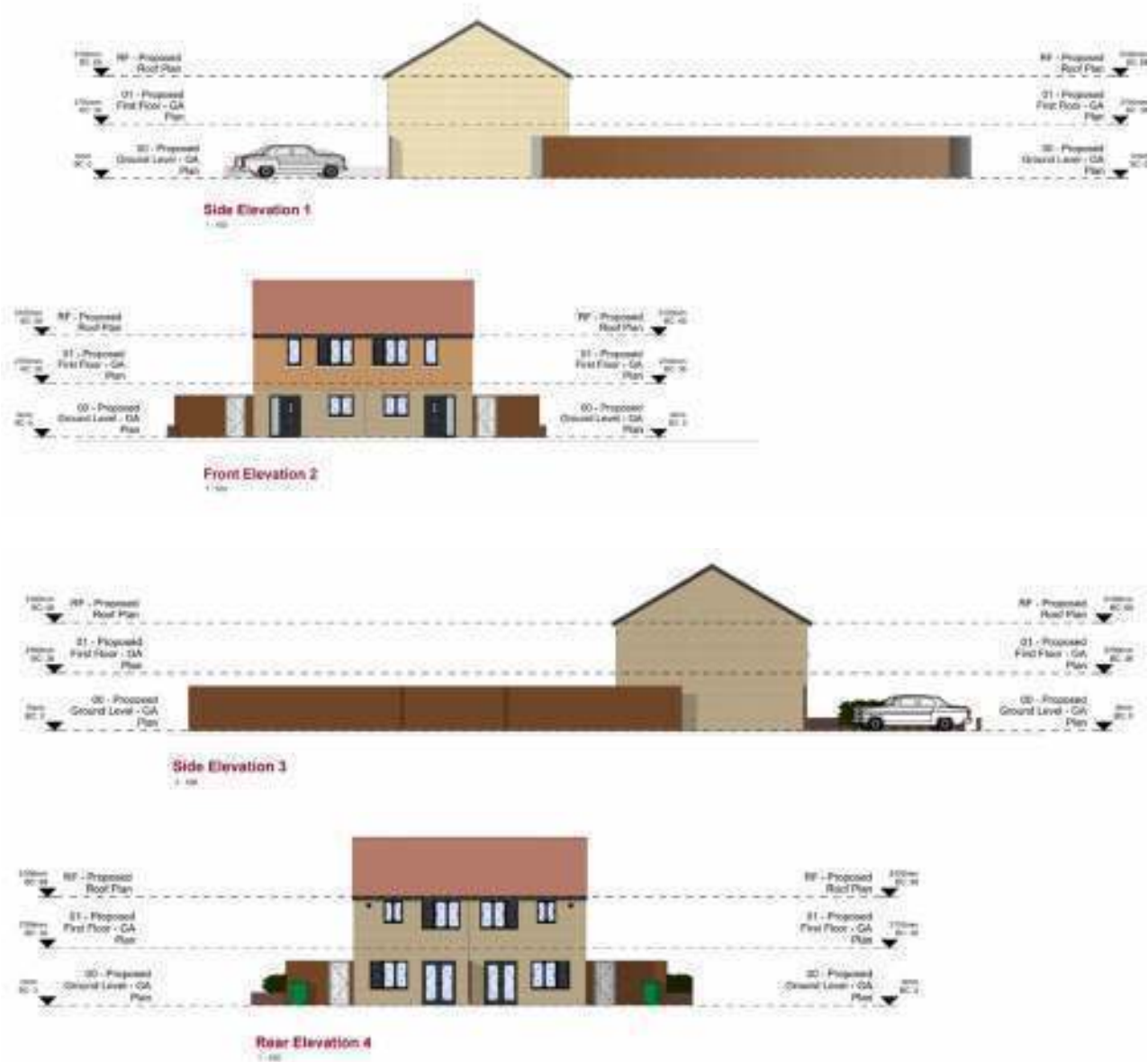
Year	Annual Loan cost £	Repairs £	Total £	Income £	Net Balance £	Cumulative £
1	41,066	-	41,066	22,929	18,137	18,137
2	40,030	3,059	43,090	23,502	19,587	37,724
3	38,995	3,135	42,130	24,090	18,040	55,764
4	37,959	3,214	41,173	24,692	16,480	72,245
5	36,923	3,294	40,217	25,310	14,908	87,152
6	35,887	3,377	39,264	25,942	13,321	100,474
7	34,851	3,461	38,312	26,591	11,722	112,195
8	33,816	3,548	37,363	27,256	10,107	122,303
9	32,780	3,636	36,416	27,937	8,479	130,782
10	31,744	3,727	35,471	28,635	6,836	137,617
11	30,708	3,820	34,528	29,351	5,177	142,794
12	29,672	3,916	33,588	30,085	3,503	146,297
13	28,637	4,014	32,650	30,837	1,813	148,110
14	27,601	4,114	31,715	31,608	107	148,217
15	26,565	4,217	30,782	32,398	1,617	146,600
16	25,529	4,322	29,851	33,208	3,357	143,243
17	24,493	4,430	28,924	34,039	5,115	138,128
18	23,457	4,541	27,999	34,890	6,891	131,237
19	22,422	4,655	27,076	35,762	8,686	122,552
20	21,386	4,771	26,157	36,656	10,499	112,053
21	-	4,890	4,890	37,572	32,682	79,371
22	-	5,013	5,013	38,512	33,499	45,872
23	-	5,138	5,138	39,474	34,336	11,535
24	-	5,266	5,266	40,461	35,195	23,660
25	-	5,398	5,398	41,473	36,075	59,734

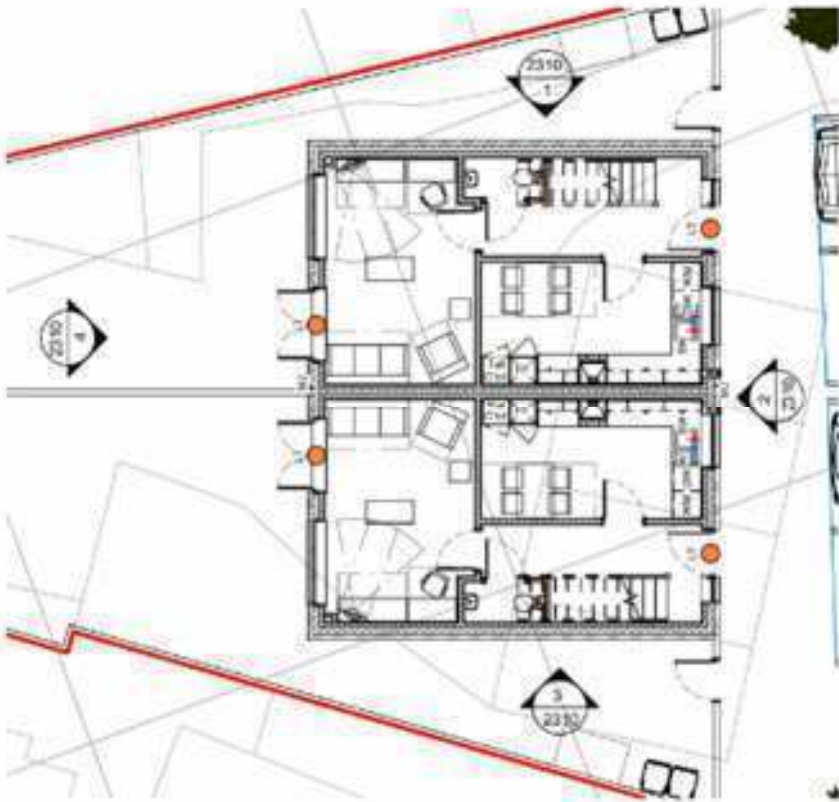
EIP Loan

Loan Amount £ 407,000  
Rate 5.09  
Number of years 20  
Year commencing 1  
New/Replacement Loan

Year	Bal bfw	Principal	Interest	Total	Bal Cfw
1	407,000	20,350	20,716	41,066	386,650
2	386,650	20,350	19,680	40,030	366,300
3	366,300	20,350	18,645	38,995	345,950
4	345,950	20,350	17,609	37,959	325,600
5	325,600	20,350	16,573	36,923	305,250
6	305,250	20,350	15,537	35,887	284,900
7	284,900	20,350	14,501	34,851	264,550
8	264,550	20,350	13,466	33,816	244,200
9	244,200	20,350	12,430	32,780	223,850
10	223,850	20,350	11,394	31,744	203,500
11	203,500	20,350	10,358	30,708	183,150
12	183,150	20,350	9,322	29,672	162,800
13	162,800	20,350	8,287	28,637	142,450
14	142,450	20,350	7,251	27,601	122,100
15	122,100	20,350	6,215	26,565	101,750
16	101,750	20,350	5,179	25,529	81,400
17	81,400	20,350	4,143	24,493	61,050
18	61,050	20,350	3,107	23,457	40,700
19	40,700	20,350	2,072	22,422	20,350
20	20,350	20,350	1,036	21,386	-
21	-	-	-	-	-
22	-	-	-	-	-
23	-	-	-	-	-
24	-	-	-	-	-
25	-	-	-	-	-

Proposed Elevations





**CABINET**

**18th October 2023**

**Subject: Castle Point Regeneration Partnership**

**Cabinet Member: Councillor Blackwell – Leader of the Council**

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**1. Purpose of Report**

**This report is to approve the proposals for the renewal of the Castle Point Regeneration Partnership as the Castle Point Place Partnership.**

**2. Links to Council's Priorities and Objectives**

**The report links to the Corporate Plan objectives - Economy and Growth, People, Place and Environment.**

**3. Recommendations**

- 3.1 That the Cabinet approves the renewal of the Castle Point Regeneration Partnership and rebranding to the Castle Point Place Partnership.**
  - 3.2 That Cabinet authorises the Chief Executive in consultation with the Partnership, to prepare a vision for the Borough for a report back to a future Cabinet.**
-

## 4. Background

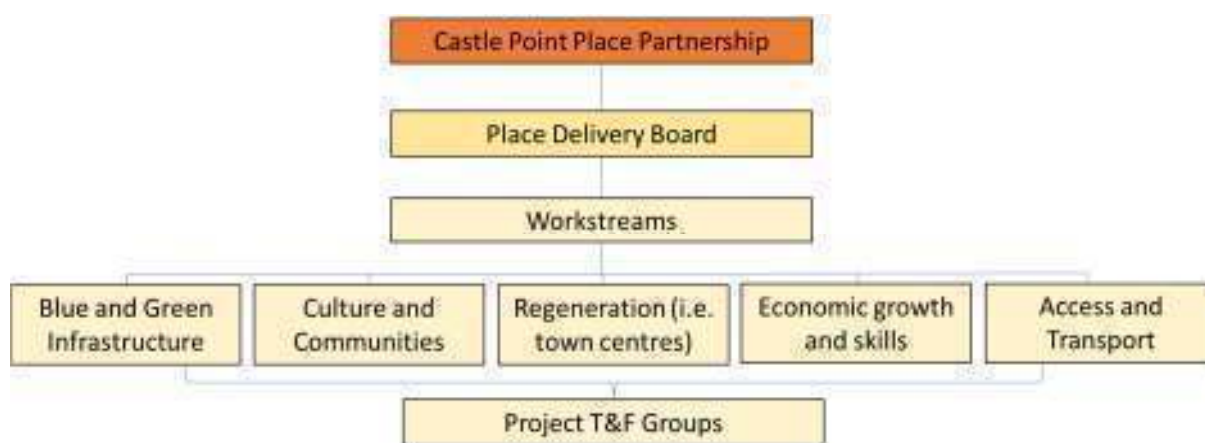
- 4.1 In April 2019 the Cabinet approved a new approach for the Castle Point Regeneration Partnership, which was originally set up in 2008. That approach saw a move away from legacy projects towards providing a strategic steer for regeneration and investment in the Borough.
- 4.2 The point has now been reached where the coordination of emergent projects from all the partners, together with the emerging Castle Point Plan and other influences on growth, regeneration and economic prosperity the partners have agreed to improve the governance arrangement for the Partnership.
- 4.3 As access to grant funding remains constrained, those places which are successful in bids and allocations, have a strong partnership in place, with a shared vision and strong governance. Furthermore, being 'oven ready' with strongly supported projects, that also carry the support of the local community, will increase the chances of securing funding and leveraging in private sector investment, business growth and investment into skills and training programmes.
- 4.4 Through a stronger partnership the Borough can capture some of the opportunity presented by economic growth at the Thames Freeport, improved strategic transport links and diversifying the economy. It will enable the Council to have a better understanding of partner investments, priorities and influence their decision improving understanding of the needs of the borough and collaboration.
- 4.5 The proposal has been discussed at the most recent partnership meetings in July and September 2023, with the latter following a period of one-to-one engagement with partners over the summer. That engagement focussed on what partners saw as their priorities in the borough, which also drew on the collaboration with the Council on the Castle point Plan. The Partners wish to tighten the governance arrangements, with the introduction of a Place Delivery Board and defined workstreams.

## 5. The Proposals

- 5.1 Attached in **Appendix One** is the paper agreed by the Partners at the meeting on 8<sup>th</sup> September 2023.
- 5.2 The key points in the new arrangements are:
  - Renaming the partnership as the Castle Point Place Partnership.
  - The provide greater clarity as to the purpose of the partnership in particular on the range of stakeholders; being ready for funding windows when announced by the government; bringing together the expertise for

successful regeneration and place making; risk management; and sharing a vision or place narrative for the Borough.

- The creation of a Place Delivery Board to be chaired by the Portfolio Holder for Strategic Planning and have as its core membership the Council, Essex County Council and NHS, with other partners co-opted as required.
- To establish workstreams that enable the better and joined up use of collective resources with a focus on blue and green infrastructure; culture and communities; regeneration (i.e. town centres); sustainable economic growth and skills; and sustainable access and transport. Each workstream will have a task and finish group the composition of which is to be determined.
- The proposed governance structure is:



- The recognition that health, levelling up, infrastructure and climate change are a theme across all of the workstreams.
- Monitoring via 5 quality of life indicators: environment and climate change; economic prosperity; society and communities; beautiful place; and accessibility for all.
- Expanding the Partnership to include community safety; health and well-being; voluntary services; youth; education; transport; and creative sector.
- The Partnership will continue to meet quarterly, and remain strategic, with the Place Delivery Board meeting every six weeks and will provide oversight to the workstreams and report to the board.

5.3 The sovereignty of partners' decision making is not affected by these proposals.

- 5.4 As set out in Appendix One, the benefits of this new approach will be:
- *'Clarity- partners identified and roles clear. Lines of communication & escalation clear. Appropriate decisions can be taken at the right level;*
  - *Knowledge- correct partners brought to the table and expertise/data/insight shared*
  - *Timeliness- diarised meetings feeding into one another in order to allow decisions to be escalated.*
  - *There are no extra costs involved*
  - *A better defined and go to partnership to promote, coordinate and support bids for government funding and other inward investment.*
  - *Stronger voice for Castle Point within the partner organisations'*
- 5.5 The partnership will link with the Rochford and Community Safety Partnership, the Castle Point and Rochford Health and Well-being Board and the Association of South Essex Local Authorities.

## **6. Next Steps**

- 6.1 If approved by Cabinet, officers will discuss the new arrangements with new potential partners, with a view of endorsing those partners at the Partnership meeting in December 2023. In addition, the first meeting of the Place Delivery Board will be scheduled for November 2023.
- 6.2 In order for the partners to agree to common objectives for the Borough that frame the activity of their organisations, a vision or place narrative be prepared, the draft of which will be reported to Cabinet.

## **7. Corporate Implications**

### **(a) Financial Implications**

There are no financial implications for the Council in the operation of the Partnership. The resources for running the partnership are established within existing budgets.

### **(b) Legal Implications**

None

### **(c) Human Resources and Equality Implications**

The Partnership will be managed by the Head of Place and Policy and from 1 November 2023 the Director of Place and Communities. There are no additional resource burdens. By utilising the resources of partners more effectively the Council can seek to increase activity and investment within the Borough.

**(d) IT and Asset Management Implications**

None

**Background Papers**

None

**Report Author:**

Ian Butt - Head of Place and Policy



## **APPENDIX ONE:**

### **Report on the Partnership presented to Partners on 8 September 2023**

#### **Castle Point Regeneration [Place] Partnership - proposed governance structure**

##### Rationale for the proposed governance structure

The Castle Point Regeneration Partnership was established circa 15 years ago. It underwent a review in 2019, and brings together key partners to drive regeneration, investment and placemaking in the borough. Such is the level of activity and ambition, that enhanced governance arrangements are needed to provide oversight of the programmes.

The Partnership provides a strategic forum to coordinate regeneration activity across the Borough, being attended by members, key partners, and officers. It is a forum that, whilst useful for engagement of partners, does not provide the appropriate space to support decision-making and debate between members and officers that will be necessary as the programme develops. To effectively deliver the transformative regeneration that partners aspire to deliver in the borough it will be necessary to develop an enhanced governance structure.

Where possible, meetings took place in the Summer 2023 with partners, as agreed at the Partnership meeting on 14<sup>th</sup> July. In those one-to-one meetings there is strong support for the partnership and a general agreement for more formal governance arrangements so that the partners have better oversight of programmes, understand progress and identify new opportunities.

It was also felt that there was a need for greater clarity of what the work programmes are.

With that in mind the aims of this are:

1. A wide range of stakeholders from public, private and voluntary sector have been identified as having interest in the regeneration programme. To maximise the value of stakeholder engagement it is essential we coordinate, seeking clear feedback from the most appropriate stakeholders at the right time. This requires a structured approach.
2. The Government is likely to make funding available to support the programme, such as Levelling Up Round Three. The time windows for government funding are likely to be very short, but are manageable providing there is a good governance structure and a shared vision amongst partners in place that can lead the development and commission work packages of any bids.

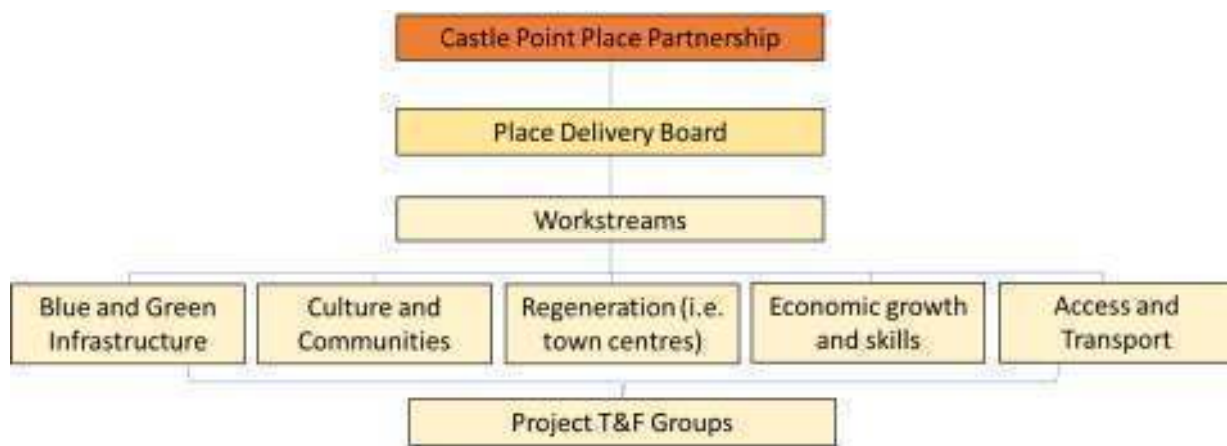
3. Regeneration and place making requires a range of professional appointments and technical expertise to design, plan and deliver the various elements. Discrete work programmes will be required to ensure work is delivered effectively and in a timely manner.
4. We must ensure that risks, opportunities and budgets are effectively managed.
5. Partners can agree a shared vision (place narrative) for the borough which is a framework for investment decisions and defining work programmes.

### Proposed structure

Experience from similar programmes across Essex has demonstrated the importance of developing a robust management structure that not only provides sufficient space for collaboration and creativity but also provides sufficient assurance to activity delivery and that risks/issues are effectively managed.

Given the focus of CPBC towards place (community focussed), rather than regeneration (which is normally physical) it is suggested that the Regeneration Partnership be renamed the **Castle Point Place Partnership**, which meets quarterly. This will maintain its role as the partnership function, responsible for setting the strategy, where updates and engagement of key stakeholders can be undertaken.

The proposal is to set up a **Place Delivery Board** reporting directly to the Place Partnership, with a set of suggested **Workstreams** below this. The proposed structure is shown below;



The **Place Delivery Board** will be the principal forum through which partner officers and members come together to monitor the progress of the various workstreams, agree proposals on management of investment, risk and emerging issues, and ultimately oversee the development of bids to, for example, the Levelling Up Fund and other business cases for projects before these are shared with the Place Partnership. The Board will also provide space to monitor, evaluate and shape/take forward the longer-term aspirations. This will meet six weekly.

The Place Delivery Board will provide direction and make decisions in line with that agreed by the Place Partnership, agreeing non-binding commitments on projects. If the proposal is agreed a Terms of Reference for the Delivery Board will be developed.

The **Workstreams** will provide space to coordinate delivery of specific projects and activities, providing updates and proposals to the Place Delivery Board. The Workstream teams will meet when/as often as needed.

The Partners have given their priorities in meetings during the summer, and that together with the feedback from partners to the Castle Point Plan, has enabled 5 workstreams themes to be identified in addition to the overarching themes of **health, levelling up, infrastructure and climate change**:

- **Blue and Green Infrastructure**
- **Culture and Community**
- **Regeneration (i.e. town centres)**
- **Sustainable economic growth and skills**
- **Sustainable access and transport**

Alongside this, 5 quality of life indicators have been identified, which will provide the basis for indicators of success:

- **Environment and climate change**
- **Economic prosperity**
- **Society and communities**
- **Beautiful place**
- **Accessibility for all**

The key officer support resource will be provided by ECC and CPBC. All partners will be asked to provide officer support, as required, to deliver the work programme and may be co-opted onto the Board.

It will not be the purpose of the Board to manage, take decisions on or resource all programmes and projects in the Borough. It will not, for example, impede a partner from taking investment or programme decisions in the borough, but it will provide a forum for joint working and coordination with other projects, if necessary.

#### Membership of the Partnership

This is a place-based partnership – the role of the partnership is to identify how we collectively achieve partner objectives, stimulate ideas and concepts and support that enable delivery by the respective organisations.

There will need to be alignment between other partnerships and boards e.g. the Business Forum, Community Safety Partnerships, Health and Wellbeing boards and the Castle Point Flood Forum. It is proposed that a lead from each of these forums would attend the Place Partnership.

The Partnership is not a decision-making or approval board – the role is to provide input and engagement on the delivery of the Place Board programme and support development of the place narrative. Partners will engage in workstreams overseen by the place board.

The Place Board (with a core membership of ECC / CPBC / NHS) will set strategic direction, approve projects and direct investments, noting that the final decision on the funding will need to be taken through correct governance procedures where applicable.

At present the **Partnerships** consists of nine members:

- Castle Point Borough Council
- Essex County Council
- Canvey Island Town Council
- Mid and South Essex Integrated Care Services (NHS)
- RSPB / Land Trust
- Homes England
- Environment Agency
- USP College
- Business (this was filled by BEST and a new group needs to be established)

It is suggested that consideration be given to widening the membership to include a further eight partners. This will be better aligned and provide input that supports the workstreams at a strategic level within each partner organisation. The *suggested* new partners are:

- Castle Point and Rochford Community Safety Partnership Lead (i.e. Police Fire and Crime Commission)
- Castle Point and Rochford Health Well-Being Board
- Castle Point Association of Voluntary Services (CAVS)
- Yellow Door (representing youth)
- Primary and secondary education
- c2c and/or a public transport provider
- The Salvation Army
- Creative Estuary

As at present the Partnership will continue to be chaired by the Leader of Castle Point Borough Council.

It is proposed that the board is chaired by the Cabinet Member of Strategic Planning at Castle Point Borough Council.

Deputy chairs to be nominated.

New terms of reference for both the Partnership and the Board will need to include the make up of each. It is proposed that as far as CPBC is concerned, to ensure political support for the programmes, that the leaders of opposition parties are invited to the partnership meetings.

It is proposed that the CPBC cabinet members for Strategic Planning and Economic Growth are substantive members of the Delivery Board and the ECC member rep is the Cabinet Member for Planning a Growing Economy.

Each partner will be responsible for nominating their members to the Partnership, Board and workstreams programmes, as required. Persons attending the Board should be of sufficient seniority to represent their organisations.

The workstreams proposed will each be officer-led and both ECC and CPBC provide lead support for that with in-kind support from partners, or where specific project funding is available new resources from a project.

Recognising the importance of business engagement in both the Levelling Up Fund and delivery of successful regeneration projects it is proposed that a business representative is also included in the Delivery Board on an informal basis to provide challenge and representation from the private sector.

### Benefits of this proposal

The benefits of this proposal are:

- Clarity- partners identified and roles clear. Lines of communication & escalation clear. Appropriate decisions can be taken at the right level
- Knowledge- correct partners brought to the table and expertise/data/insight shared
- Timeliness- diarised meetings feeding into one another in order to allow decisions to be escalated
- There are no extra costs involved
- A better defined and go to partnership to promote, coordinate and support bids for government funding and other inward investment
- Stronger voice for Castle Point within the partner organisations

**CABINET****18th October 2023****Subject: Treasury Management Update****Cabinet Member: Councillor Mountford - Resources**

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**1. Purpose of Report**

This report is to provide Cabinet an update on the Council's treasury management performance in respect of 2022/23 (full year) and 2023/24 as at the first quarter stage.

**2. Links to Council Priorities and Objectives**

Finance and resources are considered an 'Enabler' within the Corporate Plan.

Sound and strategic financial management is essential in order to ensure that resources are available to support the Council's priorities and maintain or improve services.

**3. Recommendation**

That Cabinet notes the content of the reports previously presented to Audit Committee as summarised in this report.

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**4. Background**

4.1. Audit Committee receives and considers regular reports on the Council's treasury management activities. Once scrutinised by the committee, the reports should be formally put before Cabinet for noting.

4.2. For 2023/24, an update to the Treasury Management Code of Practice requires reporting on quarterly basis as a minimum rather than the half yearly reporting that used to be undertaken.

4.3 The reports as presented to the committee are attached as an annex to this report, with a brief summary as follows.

**5. Annual Report on the Treasury Management Service and Actual Prudential Indicators 2022/23**

5.1. 2022/23 was an unusual year in terms of treasury management activity. We saw a significant increase to the Bank of England base rate, instability in markets following Liz Truss and the mini-budget and generally saw significant unpredictability and an inflationary environment.

- 5.2. Looking first at external borrowing, the Council started the year with a number of external loans totalling almost £42m, all from the Public Works Loan Board at fixed rates, the majority of which relate to the Housing Revenue Account.
- 5.3. During the year, as previously reported, the Council took advantage of an opportunity to repay a significant amount of debt at a discount – a situation created when gilt rates increased significantly after the mini budget, meaning the Council ended the year with borrowing of £33.3m.
- 5.4. Of this, £6.3m relates to the Knightswick centre and is the full extent of general fund borrowing. This means the Council is in an extremely good place compared to some councils who have borrowed heavily at variable rates and made little or no provision for a potential increase in those rates.
- 5.5. As all of the Council's borrowing is at fixed rates, interest payable was in line with the revised budget.
- 5.6. Next, looking at investments, the Council started the year with almost £43m whilst by the end of the year this had reduced down to £37.7m – a reduction of £5m. This reduction is unsurprising given the early loan repayment of almost £8m.
- 5.7. During the year, the Council moved away from investing in local authorities and with Government's Debt Management Office, instead taking advantage of the better rates on offer from various banks. The rates on offer are kept under constant review and once security and liquidity requirements are met, the yield becomes the deciding factor.
- 5.8. Security is measured by looking at credit rating scores given to the various institutions by credit agencies. The Council's weighted average for the year was 5.06 out of 7 which is in excess of the minimum target of 4. This means it remains unlikely (albeit not impossible) that the Council will suffer financial losses due to a failure of an organisation.
- 5.9. Liquidity is simply the weighted average life of the investments, measured in days. The Council's average investment was 73 days, an increase from the 46 days last year and this reflects greater use of 1-year fixed term investments to secure higher interest rates. At 73 days, this is considered highly liquid.
- 5.10. Looking at yield, the Council compares its performance SONIA rate (the rate banks are lending to one another at). This year, our average interest rate was 2.09% which was lower than the SONIA rate of 2.24%. However, due to having higher than expected balances, the Council did still exceed the interest receivable budget.
- 5.11. It is not a great surprise that the Council underperformed the SONIA rate, as that rate reacts quickly to changes in the Bank of England base rate whereas most investments take some time to catch up. This does mean that when the base rate starts to fall, the Council will be the other side of the curve.
- 5.12. Finally, included in the report are the prudential indicators for the year. These are a series of measures and limits linked to debt and capital expenditure. In all cases the limits were complied with.

## **6. Treasury Management Update: 2023/24 First Quarter Stage**

- 6.1. Very similar to the previous report, but covering just April, May and June of the current financial year. Investment and new borrowing rates are beginning to stabilize, but surprises can still happen such as the Bank of England not increasing the base rate at its last meeting. Economists are split on whether or not further base rate increases will occur.
- 6.2. With borrowing, everything so far is to plan and there have been no surprises. This is anticipated to remain the case all year.
- 6.3. With investments, the Council's available balance has remained about the same, but we've already seen a continued increase in the Bank of England base rate far in excess of what was predicted at the time the budgets were set. This means that we're already ahead of budget by £154k on income receivable and we'll see that increase as the year goes on.
- 6.4. Security of investments remains high at 5.4, whilst liquidity has further increased to 145 days. This is no longer considered highly liquid but is still a reasonable liquidity level and demonstrates an increased use of longer-term investments to secure better interest rates.
- 6.5. Finally yield, where the Council's average rate achieved is 4.37%, matching the SONIA rate. As the year goes on, it is possible that the Council will exceed the benchmark rate.

## **7. Corporate implications**

### **a) Financial implications**

The financial implications are implicit throughout the report.

### **b) Legal implications**

This report is presented on behalf of the Section 151 Officer ("s151 officer") – the officer appointed to have responsibility for the Council's financial administration. It is their duty to ensure that Cabinet are regularly informed and updated on these matters.

### **c) Human Resources and equality implications**

There are no Human Resource or equality implications arising directly from this report.

### **d) Timescale for implementation and risk factors**

As 2022/23 demonstrated, economic events outside of the Council's control can have significant impacts, both favourable and unfavourable. Prudent financial management which considers security of funds and liquidity requirements before yield is an effective strategy to manage many of the risks that could occur.

**Report Author: Lance Wosko, Financial Services Manager (s151 Officer)**



**Background Papers:**

- Annual Report on the Treasury Management Service and Actual Prudential Indicators 2022/23
- Treasury Management Update: 2023/24 First Quarter Stage.

**AUDIT COMMITTEE**

**27th September 2023**

**Subject: Annual Report on the Treasury Management Service and Actual Prudential Indicators 2022/23**

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**1 Purpose of Report**

The annual treasury report is a requirement of the Council's reporting procedures. It covers both the treasury activity and the actual Prudential Indicators for 2022/23.

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

**2 Links to Council's priorities and objectives**

The scrutiny and approval of the Council's Treasury Management activity is linked to the Council's priority of a Commercial and Democratically Accountable Council through sound financial management.

**3 Recommendations:**

1. That following scrutiny, the Treasury Management Activity Report for 2022/23, including the prudential indicators reported in Annexe C, is approved for onward submission to Cabinet.

**Resolution required.**

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**4 Background**

- 4.1 This report summarises the Council's treasury management activity for 2022/23 and compares actual interest transactions with the revised estimates set for 2022/23.
- 4.2 The Council must comply with the Code of Practice on Treasury Management in the Public Services, issued by CIPFA and updated in 2017. The code requires the Council to annually set a Treasury Management Strategy. The Strategy for the 2022/23 financial year was approved by Council on 24 February 2022.
- 4.3 This report confirms that all Treasury Management activity during the year was undertaken in accordance with this strategy and in consultation, where appropriate, with our external advisers, Link Group.

## 5 The Economy

- 5.1 **Short-term interest rates.** The Bank of England base rate started at **1.00%** in 2022/23. It was raised to 1.25% in June 2022, and continued to increase up to 4.25% in March 2023. It is however forecast to fall to 2.50% by end of 2025-26. The Council therefore has started to earn higher interest rates which will however be offset by corresponding increase in expenditure, while still facing the challenge of increased counterparty risk.

## 6 Borrowing

- 6.1 A summary of external borrowing at 31<sup>st</sup> March 2023 is in Annexe A. The principal amounts are shown in this annexe but in the statement of accounts the amounts for borrowing also include interest outstanding.
- 6.2 The Council operated within treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement throughout the year. The outturn for the Prudential Indicators is shown in Annexe C.
- 6.3 During the year, the Council was able to advantage of rapid and significant increases in the gilt yields in the aftermath of Kwasi Kwarteng's mini budget in September 2022. Councils with PWLB loans are able to seek early repayment of those loans, with gilt yields at the time resulting in either a premium or discount on repayment. As the gilt yields increased, the Council was able to repay some of its long term borrowing at a significant discount. This will give the Council savings in its interest payable budget.
- 6.4 Annexe A shows that interest paid on borrowings was exactly as budgeted, following realignment of the budget in February 2023 to take into account the early repayments made.

## 7 Investments

- 7.1 The Council's investment policy is governed by DLUHC Guidance, which was implemented in the annual Investment Strategy approved by Council on 15 February 2023. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity issues.
- 7.2 Annexe B summarises the Council's activities for the year relating to the temporary investment of surplus funds. The average daily balance was **£44.4m** in 2022/23 (**£44.8m** in 2021/22). Only the principal amounts are shown in this annexe but in some areas within the Statement of Accounts the investment balances include interest outstanding.
- 7.3 Annexe B also shows that the amount of interest received on these investments was more than budgeted for by **£273k** (42%). The average interest achieved was **2.09%** (0.22% in 2020/21) compared to Sonia Overnight average of 2.24%.

## 8 Benchmarking

- 8.1 Three benchmark indicators for 2022/23, explained in the Annual Treasury Management Strategy, are reported as follows:

- **Security** – Weighted Credit Rating Score for the year of **5.06** (6.05 in 2021/22) exceeded the target of 4.0.
- **Liquidity** – Weighted Average Life was at a highly liquid level, averaging **73 days** over the year (46 days in 2021/22).
- **Yield** – Interest received on investments – the rate achieved was lower than the benchmark rate as reported in paragraph 4.3 above.

## **9 Regulatory Framework, Risk and Performance**

9.1 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance, including:

- The Local Government Act 2003, and associated Statutory Instruments;
- The CIPFA Prudential Code for Capital Finance in Local Authorities; and
- The CIPFA Code of Practice for Treasury Management in the Public Services.

9.2 The Council has complied with all of the relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low-risk approach.

9.3 The prudential indicators in Annex C demonstrate that in all cases the Council remained within its approved limits.

## **10 Corporate Implications**

### **a Legal implication**

This report is the responsibility of the section 151 Officer – the Officer appointed to have responsibility for the Council's financial administration. Submission of such a report is a requirement of CIPFA's Standard of Professional Practice on Treasury Management.

Under the revised Code of Practice, Cabinet was nominated at Special Council 16<sup>th</sup> February 2010 to ensure effective scrutiny of the treasury management strategy and policies.

### **b Financial implications**

There are no new implications.

### **c Human resources and equality implications**

There are no new implications.

### **d Timescale for implementation and risk factors**

No new targets applicable.

**Report Author:** Nancy Kariwo - Accountant

**Background Papers:**

Chartered Institute of Public Finance and Accountancy: *Code of Practice for Treasury Management in the Public Services*.

CPBC: *Treasury Management Strategy Statement for 2022/23*.

CPBC: *Working paper: external loan calculation 2022/23*.



## Summary of Loan Transactions and Interest Payable (accrued daily) for the year to 31st March 2023

### Loan transactions activity for the year

	Amount o/s 01/04/2022 £000's	Loans Repaid £000's	Amount o/s 31/03/2023 £000's
<b>Public Works Loan Board</b>			
General Fund	12,450	6,150	6,300
HRA	29,451	2,451	27,000
<b>Totals for the Council</b>	<b>41,901</b>	<b>8,601</b>	<b>33,300</b>

### Interest payable Comparison of estimate with actual

Budget Profile to 31/03/2023 £000's	Actual Interest to 31/03/2023 £000's	Variance 31/03/2023 £000's
181	181	0 0.0%
886	886	0 0.0%
<b>1,067</b>	<b>1,067</b>	<b>0 0.0%</b>

### Interest rates for the year

	Range of loans		Average
	From	To	
General Fund	1.08%	4.10%	1.95%
HRA	2.31%	3.49%	3.13%
<b>Totals for the Council</b>	<b>1.08%</b>	<b>4.10%</b>	<b>2.84%</b>

### Base rate history

16/12/2021	0.25%
03/02/2022	0.5%
17/03/2022	0.75%
05/05/2022	1.00%
16/06/2022	1.25%
04/08/2022	1.75%
22/09/2022	2.25%
03/11/2022	3.00%
15/12/2022	3.50%
02/02/2023	4.00%
23/03/2023	4.25%
31/03/2023	4.25%

## Summary of Temporary Investments and Interest Received (accrued daily) for the year to 31st March 2023

Type of Borrower	Amount Invested 01/04/2022 £000's	Made £000's	Repaid £000's	Amount Invested 31/03/2023 £000's
<b>Investments by Value:</b>				
Treasury bills	0	0	0	0
Local Authorities	11,000	3,000	11,000	3,000
Money Market Funds	14,350	171,501	172,231	13,620
Debt Management Office	10,000	73,800	78,000	5,800
Notice accounts	2,000	0	1,000	1,000
Uk Banks-Fixed Deposit Account	5,000	18,000	9,000	14,000
<b>Investments</b>	<b>42,350</b>	<b>266,301</b>	<b>271,231</b>	<b>37,420</b>
Lloyds current account	365	0	99	266
<b>Cash equivalents</b>	<b>365</b>	<b>0</b>	<b>99</b>	<b>266</b>
<b>Total</b>	<b>42,715</b>	<b>266,301</b>	<b>271,330</b>	<b>37,686</b>
<b>Number of Investment Transactions:</b>				
	Number	Number	Number	Number
Treasury bills	0	0	0	0
Local Authorities	5	5	1	9
Money Market Funds	19	63	67	15
Debt Management Office	1	24	23	2
Notice accounts	2	1	0	3
Uk Banks-Fixed Deposit Account	1	2	5	-2
<b>Investments</b>	<b>28</b>	<b>95</b>	<b>96</b>	<b>27</b>
Lloyds current account	1	0	0	1
<b>Cash equivalents</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total</b>	<b>29</b>	<b>95</b>	<b>96</b>	<b>28</b>

### Interest Received on Temporary Investments for the year to 31st March 2023

	£000's
<b>Actual Interest Received</b>	<b>928</b>
Original estimate	655
Variance	273 42%

### Temporary Investments

	£000's
Average Balance for the Period	44,382
Average Interest Rate for the Period	2.09%
Benchmark: Average 7-Day LIBID Rate	2.24%



Prudential Indicators

**Indicator 1 - Key indicator of prudence - Gross Debt and the Capital**

**Financing Requirement**

"In order to ensure that over the medium term debt (i.e. gross external borrowing) will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

The requirement is met for the current year and is expected to be met for the forthcoming two financial years.

**Indicator 2 - Capital Expenditure**

	2022/23 Revised Estimate £000s	2022/23 Actual
General Fund	4,466	3,159
Housing Revenue Account	2,501	1,955
<b>Total</b>	<b>6,967</b>	<b>5,114</b>

**Indicator 3 - Indicator of Ratio of Financing Costs to Net Revenue Stream**

	2022/23 Revised Estimate %	2022/23 Actual %
General Fund	8	8
Housing Revenue Account	36	34
This indicator shows financing costs such as interest charges and the minimum revenue provision as a percentage of the net General Fund and HRA revenue budgets.		

**Indicator 3B - Local Indicator of Ratio of Financing Costs to Net Revenue Stream**

	2022/23 Revised Estimate %	2022/23 Actual %
General Fund	13	12
Housing Revenue Account	36	34
This is a variation on the above indicator, which includes in the financing costs any revenue contributions made to fund capital expenditure.		

**Indicator 4 - Indicator of Capital Financing Requirement (CFR)**

	2022/23 Revised Estimate £000s	2022/23 Actual
General Fund	17,102	17,092
Housing Revenue Account	29,968	29,317

The CFR is a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

**Indicator 5 - Authorised Limit for External Debt**

	2022/23 Revised Estimate £000s	2022/23 Actual
Borrowing	45,080	44,611
Other Long-Term Liabilities	0	0
<b>Total</b>	<b>45,080</b>	<b>44,611</b>

This indicator shows the overall limit for total external debt, including allowances for changes in the CFR, contingencies, risks, unusual cash flow movements and so on.

**Indicator 6 - Operational Boundary for External Debt**

	2022/23 Revised Estimate £000s	2022/23 Actual
Borrowing	44,018	43,551
Other Long-Term Liabilities	0	0
<b>Total</b>	<b>44,018</b>	<b>43,551</b>

This indicator shows a similar calculation to the previous indicator, without all of the above allowances for contingencies, etc.

**Indicator 7 - Upper Limits of Fixed and Variable Exposure**

	2022/23 Revised Estimate £m	2022/23 Actual
Upper Limit - Fixed Rates	42	41
Upper Limit - Variable Rates	(14)	(29)

This indicator identifies upper limits for net investment / borrowing at variable and fixed rates. Currently all borrowings are at fixed rates and our investments are generally at variable rates. Because of this the fixed rate limit is a positive amount and the variable rate is a negative amount. Both indicators were within the limits at year end.

Indicator 8 - Maturity Structure of Fixed Rate Borrowing			
	Upper Limit %	Lower Limit %	Actual %
cumulative within 1 year	50	0	3
cumulative within 2 years	50	0	5
cumulative within 5 years	60	0	32
cumulative within 10 years	80	0	80
after 10 years	100	0	20
These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.			

## **AUDIT COMMITTEE**

**ITEM 7**

**27th September 2023**

**Subject: Treasury Management Update: First Quarter Stage**

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### **1. Purpose of report**

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that Members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

### **2. Links to Council's priorities and objectives**

The scrutiny and approval of the Council's Treasury Management activity is linked to the Council's objective of a Commercial and Democratically Accountable Council through sound financial management.

### **3. Recommendation**

That following scrutiny, the Treasury Management Quarter 1 activity report for 2023/24 is approved and submitted to Cabinet.

**Resolution required.**

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## **4. Treasury Management activity quarter 1 report 2023/24**

### **4.1 Introduction**

- 4.1.1 Treasury management is: *“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*
- 4.1.2 The Code of Practice requires the Council to set annually a Treasury Management Strategy and Investment Strategy. The strategies for the 2023/24 financial year were approved by Council on 15<sup>th</sup> February 2023.
- 4.1.3 This report confirms that Treasury Management activity during the year to date has been undertaken in accordance with that strategy and in consultation, where appropriate, with the Council’s external adviser, Link Asset Services.

### **4.2 Borrowing**

- 4.2.1 A summary of external borrowing at 30<sup>th</sup> June 2023 is shown at Annexe A.
- 4.2.2 Annexe A shows that interest paid on General Fund borrowings and on HRA borrowings for the year to date is as budgeted. This comes as no surprise given the rates of interest are fixed and the Council has not taken out any new loans or repaid any existing loans ahead of schedule.
- 4.2.3 The Council’s policy on capital expenditure and borrowing is set out in the Capital Strategy section of the annual Policy Framework and Budget Setting Report, and as part of this, the affordability of new capital proposals has to be demonstrated. Borrowing can only be undertaken for the purposes of capital expenditure, and not for day-to-day revenue expenditure. The financial impact on the longer-term budget positions for both the General Fund on the Medium-Term Financial Forecast and the Housing Revenue Account on the HRA Business Plan, would need to be taken into account. Any new borrowing would result in additional interest charges to either the General Fund or HRA, as well as the need to set aside sums from those funds for future repayment of the principal.
- 4.2.4 PWLB Borrowing rates were on a rising trend between 1<sup>st</sup> April and 30<sup>th</sup> June. The 50-year PWLB certainty Rate target for new borrowing started 2023/24 at 3.30% before increasing to a peak of 3.80% in June and from 15<sup>th</sup> June, HRA borrowing is 0.4% lower than the Certainty Rate. As can be seen with rates being so high any potential new borrowing would have to be fully justifiable in terms of the need to borrow. Additional borrowing would be considered for individual projects where for example the business case determines repayment of debt is affordable and can prudently be funded by new revenue generated. No borrowing was undertaken during the quarter ended 30<sup>th</sup> June 2023. It is anticipated that further borrowing will not be undertaken during this financial year.
- 4.2.5 Debt rescheduling opportunities have increased significantly in the current quarter where gilt yields, which underpin PWLB rates and market loans, have risen materially. Members will be advised if there is value to be held by rescheduling or repaying a part of the debt portfolio.

- 4.2.6 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended 30<sup>th</sup> June 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24.
- 4.2.7 All Treasury Management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

### **4.3 Investments**

- 4.3.1 The investment activity during the year to date conforms to the approved strategy, and the Council has had no liquidity issues. Investments are managed internally using only those institutions which meet the Council's strict investment criteria, within a permissible range of periods, depending on the Council's cash flow and the interest rates on offer.
- 4.3.2 The majority of investments to date in 2023/24 continue to be in AAA-rated DMO and Money Market Funds and A+ UK Fixed term deposit banks. A Money Market Fund is a pooled source of funds invested in a wide range of short-term investments managed by an independent fund management company. Frequently these are well known banks or investment houses. AAA is the highest investment rating available and means that there is very low credit risk in an entity which is awarded that rating.
- 4.3.3 Funds may be deposited with the Debt Management Office (DMO), an executive agency of HM Treasury, and we have continued to use this facility due to its competitive rates.
- 4.3.4 With the exception of the DMO, total investments with any one institution do not exceed **£5.0m**. Internal guidance ensures that at least **50%** of investments at any time are placed with institutions rated AAA (or 40% for up to 5 working days a month).
- 4.3.5 The Council has not made any new investments in Government treasury bills due to very low rates of interest.
- 4.3.6 Annexe B summarises the Council's temporary investment activities for the year to date. The amount available for investment varies daily according to the Council's aggregate financial position on all activities. At the end of June 2023, the amount invested was **£37.4m** and the average amount invested for the year to date was **£38.6m**.
- 4.3.7 Annexe B also shows that the amount of interest received on investments to date is **£421k**, £154K more than original estimate. This was driven by high interest rates as a result of increase in bank base rates. The revised budget for the full year is **£1,721K**.
- 4.3.8 Investment rates earned are currently above forecast by **58%** and are in line benchmark rate. The average rate earned is **4.37%**, and therefore in line with the benchmark SONIA Overnight average of **4.37%** (SONIA is the average of interest rates paid by banks to borrow overnight from other financial institutions.).
- 4.3.9 As some of the Council's previous investments made at lower interest rates mature, the Council will be able to make new investments at the higher rates now available rate. Therefore, it is expected that the average rate earned may slightly increase by year end.

#### 4.4 Benchmarking

The current position on three benchmark indicators for 2023/24, as explained in the annual Investment Strategy, is reported as follows:

- Security - Weighted Credit Rating Score for the year to date of **5.4** exceeds the target of 4 (the scale goes from 0 to 7)
- Liquidity – Weighted Average Life is at a reasonably liquid level, currently averaging **145 days**
- Yield – interest received on investments is on target as reported above, with higher balances offsetting lower returns

#### 4.5 Economic uncertainty

- 4.5.1 The Bank of England base rate at end of 2022/23 was **4.25%** and has increased to **5.00% by 30<sup>th</sup> June**. The rate is expected to increase to at least 5.5% by December 2023, with markets at time of writing forecasting a peak of 5.75% to 6% in Q1 2024.
- 4.5.2 The Council will continue to adhere to strict investment criteria. Security and liquidity remain the priority and once assured the Council will then invest for yield. Officers will continue to monitor interest rates offered and seek to ensure the best return possible, without compromising security and liquidity, and within limits specified in the Investment Strategy and internal guidance.
- 4.5.3 In March 2022 the Council appointed Link Agency Treasury Services(ATS) as Trustee, to receive and facilitate the placement of Term Cash with Deposit Banks on terms agreed with the Council. ATS have a list of approved financial institutions on their panel which are fixed term deposits and notice accounts and have ESG variants for both deposit types which the Council would have access to. As at 30<sup>th</sup> June 2023 we have invested in three UK deposit banks.
- 4.5.4 This Facility offers a broad range of fixed term products and notice accounts from the UK and overseas' entities. The Council has diversified its portfolio to included international institutions in our current Strategy. We have not invested in any International institutions so far.

#### 4.6 Conclusion

- 4.6.1 The results for the three months to 30<sup>th</sup> June 2023 continue to demonstrate prudent and efficient treasury management.

## **5. Corporate Implications**

### **a Legal implications**

The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance, including:

- The Local Government Act 2003, and associated Statutory Instruments;
- The CIPFA Prudential Code for Capital Finance in Local Authorities;
- The CIPFA Code of Practice for Treasury Management in the Public Services.

The Council continues to comply with all of the relevant statutory and regulatory requirements.

### **b Financial implications**

The financial implications are highlighted throughout the report.

### **c Human resource and equality implications**

There are no new implications.

### **d Timescale for implementation and risk factors**

This report shall be presented to the next available Cabinet for information, and an update report as at the second quarter stage will be presented to the next audit committee.

**Report Author:** Nancy Kariwo, Accountant

### **Background Papers:**

- Chartered Institute of Public Finance and Accountancy: *Code of Practice for Treasury Management in the Public Services*.
- CPBC: *Treasury Management and Investment Strategy Statement for 2023/24*



**Summary of Loan Transactions and Interest Payable (accrued daily)  
for the year to 30th June 2023**

**Loan transactions activity for the year**

	Amount o/s 01/04/2023 £000's	Loans Repaid £000's	Amount o/s 30/06/2023 £000's
<b>Public Works Loan Board</b>			
General Fund	6,300	450	5,850
HRA	27,000	0	27,000
<b>Totals for the Council</b>	<b>33,300</b>	<b>450</b>	<b>32,850</b>

**Interest payable  
Comparison of estimate with actual**

Budget Profile to 30/06/2023 £000's	Actual Interest to 30/06/2023 £000's	Variance 30/06/2023 £000's	
16	16	0	0.0%
208	208	0	0.0%
<b>224</b>	<b>224</b>	<b>0</b>	<b>0.0%</b>

**Interest rates for the year**

	Range of loans From	To	Average
General Fund	1.08%	1.08%	1.08%
HRA	2.76%	3.43%	3.11%
<b>Totals for the Council</b>	<b>1.08%</b>	<b>3.43%</b>	<b>2.78%</b>

**Base rate history**

04/08/2022	1.75%
22/09/2022	2.25%
03/11/2022	3.00%
15/12/2022	3.50%
02/02/2023	4.00%
23/03/2023	4.25%
11/05/2023	4.50%
22/06/2023	5.00%

## Summary of Temporary Investments and Interest Received (accrued daily) For The Period to 30th June 2023

Type of Borrower	Amount Invested 01/04/2023 £000's	Made £000's	Repaid £000's	Amount Invested 30/06/2023 £000's
<b>Investments by Value:</b>				
Local Authorities	3,000	0	3,000	0
Money Market Funds	13,620	40,760	47,050	7,330
Debt Management Office	5,800	20,000	10,800	15,000
Notice accounts	1,000	0	0	1,000
Uk Banks-Fixed Deposit A/c	14,000	8,000	8,000	14,000
<b>Investments</b>	<b>37,420</b>	<b>68,760</b>	<b>68,850</b>	<b>37,330</b>
Lloyds current account	265	0	152	113
<b>Cash equivalents</b>	<b>265</b>	<b>0</b>	<b>152</b>	<b>113</b>
<b>Total</b>	<b>37,685</b>	<b>68,760</b>	<b>69,002</b>	<b>37,443</b>
<b>Number of Investment Transactions:</b>				
	Number	Number	Number	Number
Local Authorities	1	0	1	0
Money Market Funds	4	14	17	1
Debt Management Office	1	5	2	4
Notice accounts	1	0	0	1
Uk Banks-Fixed Deposit A/c	4	2	2	4
<b>Investments</b>	<b>11</b>	<b>21</b>	<b>22</b>	<b>10</b>
Lloyds current account	1	0	0	1
<b>Cash equivalents</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total</b>	<b>12</b>	<b>21</b>	<b>22</b>	<b>11</b>

### Interest Received on Temporary Investments for the period to 30th June 2023

	£000's
Actual Interest Received	421
Revised estimate	267
Variance	154 58%

### Temporary Investments

	£000's
Average Balance for the Period	38,629
Average Interest Rate for the Period	4.37%
Benchmark: Average Sonia Overnight	4.37%
	0.00%

**CABINET**

**18th October 2023**

**Subject: Corporate Performance Scorecard Quarter 1 2023/24**

**Cabinet Member: Councillor Mountford - Resources**

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**1. Purpose of Report**

**1.1 To set out the performance figures for the Corporate Performance Scorecard for Q1 2023/24**

**2. Links to Council's priorities and objectives**

**2.1 The scorecard is explicitly linked to the Council's priorities.**

**3. Recommendations**

**3.1 That Cabinet notes the report and continues to monitor performance.**

---

**4. Background**

**4.1 The corporate scorecard reports on performance indicators for important service outcomes that are relevant to the Council's priorities.**

**4.2 The indicators and targets for the corporate performance scorecard for 2023/24 were approved by Cabinet in September 2023.**

**5. Report**

**5.1 Summary of performance**

**5.1.1 Appendix 1 sets out the performance achieved by the Council against the measures in the scorecard, together with trend data and commentary on performance.**

**5.1.2 Of the 28 indicators reported, 18 are at or above target, a further 5 are near target and 4 indicators are below target. The finance indicator has a target of no variance but includes multiple components. Trend in performance shows that there is improving performance in 10 indicators, declining performance for 5 indicators and performance levels maintained for 7 indicators. There was no trend for 6 indicators because either they are new indicators or have a changed methodology which does not allow for comparison with historical data.**

### 5.1.3 Performance is set out against the four priorities in the corporate plan as follows:

#### ***Economy & Growth***

The indicators under this priority area are annual indicators and will be included in the Q4 2023/24 report.

#### ***People***

The Homelessness performance indicator is split into two parts and looks at the success rate of the homelessness team in preventing and relieving homelessness. At the end of the 2022/23 financial year, the service secured accommodation for just under 7 out of every 10 households to whom the Council owed a Prevention duty and over 5 out of 10 households owed a Relief duty. Prevention performance is above target and higher than at the same time last year. Relief performance is also above target and higher than at the same period last year. Performance reported is to the end of Q4 2022/23 as Government-produced statistical tables are not yet available. A verbal update will be given to Cabinet if these are updated in advance of the day of the meeting.

Satisfaction with Leisure Services is measured by a Net Promoter Score which can range from -100 (where everybody is a detractor and would not recommend the service) to +100 (where everybody is a promoter and would recommend the service). Both Waterside Farm and Runnymede Leisure Centres scored well over the quarter (both scoring 69), although below target. Feedback received at both centres indicated some dissatisfaction with parking and cleanliness of the centres. It should be noted that nationally, leisure facilities score around 40-45 for Net Promoter Score.

The number of leisure memberships at the end of the quarter was 4,200, on track to meet the annual target, and 300 more memberships than at the same time last year. A new indicator for the 2023/24 financial year is leisure membership attrition rates for the two centres. This was 5.83% at Runnymede Leisure Centre and 6.13% at Waterside Farm Leisure Centre, which is better than the target. The number of swimming programme participants was 1,618 at the end of the quarter, on target to reach 1,800 participants by the end of the year.

98% of rated food premises (472 out of 483) were classified as 'broadly compliant' with food regulations, having been awarded 3 stars or above on the Food Hygiene Ratings Scheme.

#### ***Place***

Tenant satisfaction with repairs and maintenance is reported monthly by the Council's contractor. All jobs are rated out of 10 with anything below 7.5 considered as dissatisfied. Over the quarter, satisfaction was 98.4% which is on target, and higher than the same period last year. For void turnaround times, at 25.1 days, performance has declined when compared with the same period last year and is off target. Difficulties getting new tenants signed up to at least one void property per month has impacted on the overall figures.

Performance data on planning performance comes from official Government statistics. The percentage of planning applications processed within target times has two measures – one for major and one for non-major applications – and gives a longer-term view of performance, looking over a rolling two-year period. Performance determining major applications was 46%, a drop since the same period last year, and below Government set minimum standards. There were just 11 major application decisions over two years to June 2023; such small number can cause significant fluctuations in percentages. Of the 11, one major application was determined within the 13-week target period. Seven applications were subject to a Planning Performance Agreement (PPA), Extension of Time (EoT) or an Environmental Impact Assessment (EIA), of which four were determined within the agreed time. Performance has been impacted by the loss of experienced members of the planning team, who have been replaced by interim staff in lieu of recruiting permanent replacements. To aid in rectifying this identified issue, a bid was submitted in September for additional funding under the Government's new Planning Skills Delivery Fund scheme, to help address the current backlog of applications. The outcome of this funding bid will be decided in October. Performance for non-major applications was 80%, which is a drop since the same period last year but above Government-set minimum standards.

### ***Environment***

The total recycling and composting rate at the end of the quarter was 52.55% (interim calculation, subject to change) which is above target and a slight improvement in performance compared to last year. Dry recycling was 18.64% and composting (inc. food waste) was 33.91%. The amount of residual household waste was 113kg per household at the end of the quarter, slightly higher than at the same time last year although expected to be on target by year-end. The recycling contamination rate was 16.1%, just a fraction above target.

Performance on street cleanliness is reported against an inspection regime for the new contract which went live on 1 March 2023. The new regime uses local knowledge and service requests to inspect those streets at higher risk of being unsatisfactory and so the target has been changed to reflect this. At the end of the quarter, 13.1% of streets inspected were deemed unsatisfactory, which is on target.

No defaults were served in relation to highway grass verge cutting, although contractor undertook over 600 hours of overtime during the period to keep on top of the grass growth, at no extra cost to the Council. The number of service requests was higher than at the same time last year. A review of the cutting programme has been undertaken with the contractor to explore what changes can be made, especially when there are periods of significant growth.

99% of fly tips were removed within one working day over the quarter, on target and unchanged when compared with the same period last year. There has been a significant increase in the number of fly tips since ECC's Recycling Centres moved to a booking system mid-March, a trend which continues to be monitored.

## **Enablers**

The First Contact team continue to deal with queries effectively; 95% of calls received were dealt with at the first point of contact without the need to transfer to the back office. This is above target and maintains a consistently high level of performance, albeit slightly lower than over the same period last year.

The number of subscribers to the wheeled bin garden waste collection service was 14,447 at the end of the quarter, which is an increase on the same period last year, and on target to reach 14,700 subscribers by the end of the year.

The sickness absence indicator has been split between short-term and long-term (4 calendar weeks or more). At 5.3 days, short-term absence is just below target although an improvement from the previous quarter and at the same level as year-end 2022/23. Long-term sickness absence is 5.8 days, off target and, whilst improving since Q3, is higher than at the same time last year. A verbal update on the position at the end of Q1 2023/24 will be provided at the Cabinet meeting.

The Council is keen to encourage members of the public and businesses to transact with the Council online. The “channel shift” indicators cover the numbers signed up to the e-billing service for council tax and business rates and a measure of council tax and business rates transactions using online forms. The number of customers signed up to the e-billing service was 9,895 which is above target and is higher than for the same period last year. Up to the end of Q1 2023/24, there were 1,905 council tax and business rates transactions conducted using e-forms available on the Council's website, on target to reach the target of 6,000 by the end of the year.

The average time to process housing benefit claims is split into new claims and change of circumstances. For new claims, processing times are unchanged when compared with the same period last year, although at 22 days is just above target. Change of circumstances over the quarter were processed in 5 days, better than target and unchanged when compared with the same period last year.

At the end of Q1, there was a 3.48% revenue underspend forecast in the General Fund (GF) and a 1.80% revenue underspend forecast in the Housing Revenue Account (HRA). No overspend of underspend was forecast for the GF or HRA capital budgets. Explanation of the variances is contained within the [Financial Update report](#) presented to Cabinet in September (Agenda Item 12).

## **6. Corporate Implications**

### **a. Financial implications**

The are no direct financial implications arising from this report.

### **b. Legal implications**

There are no direct legal implications arising from this report.

### **c. Human resources and equality**

There are no direct human resource or equality implications arising from this report.

**d. Timescale for implementation and risk factors**

Monitoring of the Corporate Performance Scorecard is ongoing throughout the year.

**7. Background Papers: None**

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# Corporate Performance Scorecard

Quarter 1 2023/24

Appendix 1





# Economy and Growth

## Annual indicators (reported at Q4):

- E&G001: Gross Value Added (GVA) per head
- E&G002: Businesses operating in Castle Point: a) Number of businesses  
b) Births c) One year survival rate
- E&G003: Average workplace-based earnings per week
- E&G004: Average resident earnings per week
- E&G005: Percentage of the working-age population with NVQ Level 4+
- E&G006: Number of apprenticeship starts in the Borough

# People

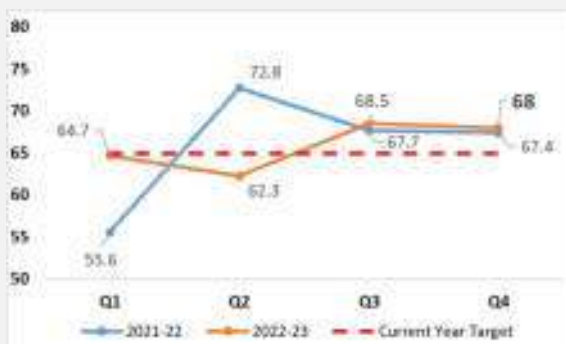
## HOT021a: Percentage of homelessness *prevention* duties which ended during the quarter with a successful outcome

On target 

Improving 

Target  
65%

**Latest Performance**  
**68.0%**



Up to the end of Q4 2022/23, the prevention duty ended for 125 households of which we secured housing for 85 households (68.0%) which is above target and better than last year. National average for prevention is 53%.

*Note: Data is not yet available for Q1 2023/24*

## HOT021b: Percentage of homelessness *relief* duties which ended during the quarter with a successful outcome

On target 

Improving 

Target  
45%


**Latest Performance**  
**53.3%**



Up to the end of Q4 2022/23, the relief duty ended for 152 households of which we secured housing for 81 households (53.3%) which is above target and better than last year. National average for relief is 37%.

*Note: Data is not yet available for Q1 2023/24*

## L001a: Leisure satisfaction – Net Promoter Score (NPS) Waterside Farm

Near target 

Improving 

Target  
75


**Latest Performance**  
**69**



The NPS at Waterside Farm the end of Q1 2023/24 was 69, below target although a slight improvement on the previous quarter.

Car parking issues, increase in usage / foot flow has led to a drop in NPS scores. Extra Leisure Attendant hours are being added to upkeep with cleanliness.

## L001b: Leisure satisfaction – Net Promoter Score (NPS) Runnymede

Near target 

Maintained 

Target  
75

**Latest Performance**  
**69**



The NPS at Runnymede the end of Q1 2023/24 was 69, below target and the same score as the previous quarter. Similar issues have been raised as at Waterside Farm.

It should be noted that nationally leisure facilities typically score around 40-45 for NPS.

# People

## L003a: Leisure Memberships

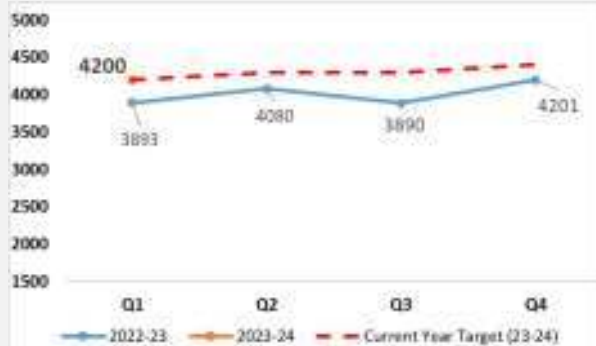
On target 

Improving 

Target  
4,400  
(by year end)

**Latest Performance**  
**4,200**

At the end of Q1 2023/24, there were 4,200 leisure members, an increase on the number of members at the same time last year and on target to reach 4,400 members by the year-end.



## L003b: Leisure Memberships – attrition rate

On target 

Trend N/A – new indicator

Target  
<8%

**Latest Performance**  
**RLC 5.83%; WFLC 6.13%**

The leisure membership attrition rate over Q1 2023/24, was 5.83% at Runnymede Leisure Centre and 6.13% at Waterside Farm Leisure Centre, which is better than target.



## Swimming programme participants

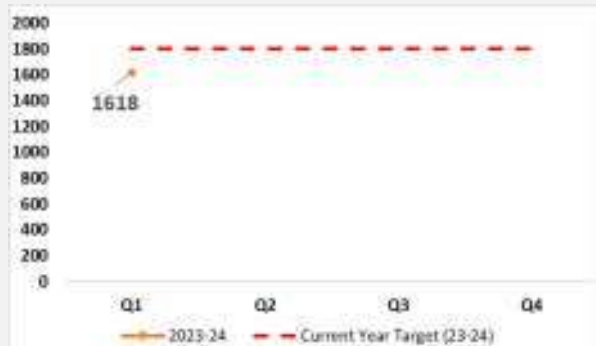
On target 

Trend N/A – new indicator

Target  
1,800  
(by year end)

**Latest Performance**  
**1,618**

The number of participants in the swimming programme at the end of Q1 2023/24 was 1618, on target to reach 1,800 participants by the year-end.



## EH002: Percentage of food premises that are awarded a score of at least 3 on the food hygiene rating scheme

On target 

Maintained 

Target  
95%

**Latest Performance**  
**98%**

472 out of 483 rated premises were classified as 'broadly compliant' with food regulations, having been awarded 3\* or above on the Food Hygiene Ratings Scheme.

Performance is maintained when compared with the same period last year and above target.



# People

## Annual indicators (reported at Q4):

- PE001: Percentage of people who agree that there is a strong sense of community in their local area
- PE003: Proportion of people participating in physical activity
- LCT13: Proportion of people who feel safe after dark
- PE006 (NEW): Life Satisfaction Score

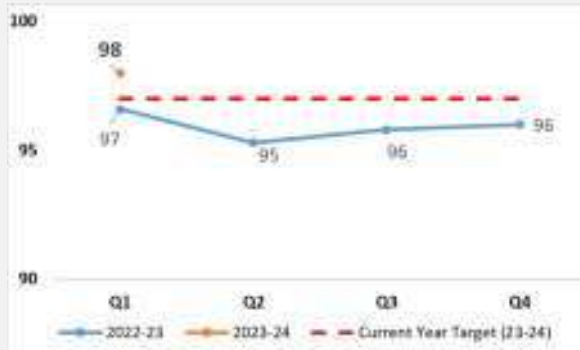
## HOS001: Overall tenant satisfaction with repairs and maintenance

On target 

Improving 

Target  
98%

**Latest Performance**  
**98.4%**



All jobs are rated out of 10 with anything below 7.5 considered as dissatisfied.

At the of Q1, satisfaction was 98.4% which is above target and an improvement on the same period last year.

## HOS006: Average Void Turnaround Time

Off target 

Declining 

Target  
20 days

**Latest Performance**  
**25.1 days**




Performance is off target and has declined since the same period last year.

Void turnaround time prior to sign up has been good but difficulties getting new tenants signed up to at least one void property per month has impacted on the overall figures.

Performance to be monitored.

## DC007: Percentage of planning applications processed within target time limits for *major* applications

Off target 

Declining 

Target  
60%


**Latest Performance**  
**46%**



Performance is shown on a two-yearly rolling basis to the end of June 2023. Performance determining major applications is 46%, a drop since the same period last year, and below government set minimum standards. There were just 11 major application decisions over two years to June 2023; such small number can cause significant fluctuations in percentages. The main report provides more detailed commentary.

## DC008: Percentage of planning applications processed within target time limits for *non-major* applications

On target 

Declining 

Target  
70%

**Latest Performance**  
**80%**



Performance is shown on a two-yearly rolling basis to the end of June 2023. Performance determining non-major applications is 80%, a drop since the same period last year, although still comfortably above government set minimum standards.

Performance here is represented by 1,120 non-major planning applications determined over the last two years.



# Place

Annual indicators (reported at Q4):

- PP003: Number of new affordable homes in the Borough
- PP004: Number of new homes built in the Borough

# Environment

## OPS004&OPS005: Percentage of Household Waste Recycled or Composted (inc. food waste)



On target  Improving  Target 50%

**Latest Performance**  
**52.55%**



The total recycling and composting rate at the end of Q1 2023/24 is 52.55 % which is above target and an improvement on performance compared with last year. Recycling was just under 19% and Composting (inc. food waste) was just under 34%.  
*Note: Figures presented are on a year-to-date basis and are early calculations which may be subject to change.*

## NEW: Residual household waste (kg)


On target  Maintained  Target Reduction

**Latest Performance**  
**113 kg**

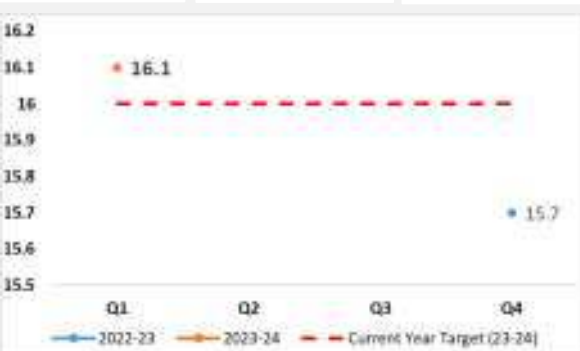


At the end of Q1 2023/24, the amount of residual waste per household was 113kg, a marginal increase on the same period in 2023/24 although expected to be on target (a reduction on 436kg per household) by the year-end.

## NEW: Recycling contamination rate


Near target  Trend N/A – new indicator Target Reduction

**Latest Performance**  
**16.1%**



The recycling contamination rate at the end of Q1 2023/24 was 16.1%, which is marginally outside the target.

## SS002: Percentage of streets inspected which are deemed to be unsatisfactory using Code of Practice for Litter and Refuse methodology

On target  Trend N/A – new methodology Target <20%

**Latest Performance**  
**13.09%**




Under the new street cleansing contract, our inspection regime is more targeted at those areas that have a higher level of litter. Performance for Q1 2023/24 is on target.  
*Note: Performance for 2022/23 is included for reference but is not comparable.*

# Environment

## SS014: Number of default notices served in relation to highway grass verge cutting

On target 

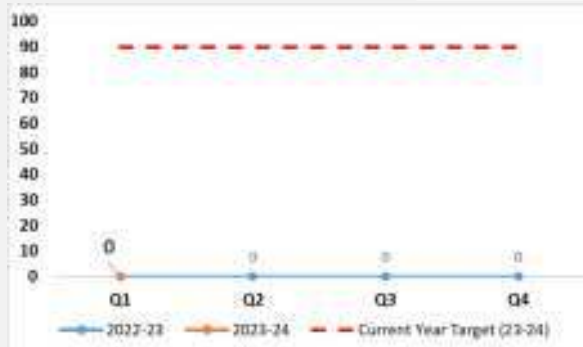
Maintained 

Target  
<90

**Latest Performance**  
**0**

Whilst no defaults were served in Q1 2023/24, it should be noted that the contractor undertook over 600 hours of overtime during the period to keep on top of the grass growth.

This came at no extra cost to the Council.



## SS013: Number of service requests received in relation to highway grass verge cutting

Off target 

Declining 

Target  
<45

**Latest Performance**  
**73**

The number of service requests in Q1 2023/24 was 73, off target and higher than over the same period last year, with the majority of service requests received in May.

A review of the cutting programme has been undertaken with the contractor to explore what changes can be made, especially when there are periods of significant growth.



## SS003: Percentage of fly tips removed within one working day

On target 

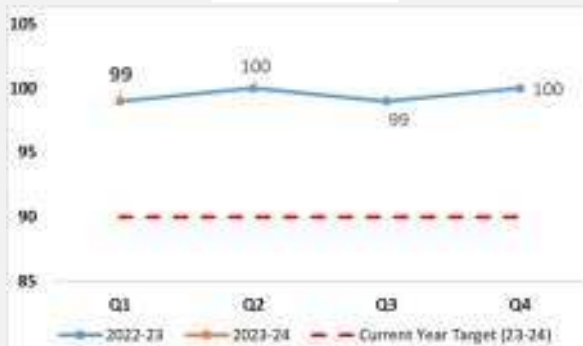
Maintained 

Target  
90%

**Latest Performance**  
**99%**

99% of fly tips were removed within one working day, on target and performance maintained when compared with the same period last year.

There has been a significant increase in the number of fly tips since ECC's Recycling Centres moved to a booking system mid-March.




## Annual indicators (reported at Q4):


- OPS002: Satisfaction with maintaining parks and open spaces
- OPS003: Satisfaction with household waste collection, including recycling and composting
- SS001: Satisfaction with Council's efforts to keep public land clear of litter and refuse
- EH013: Amount of CO2 produced from the Council's buildings and operations



# Enablers

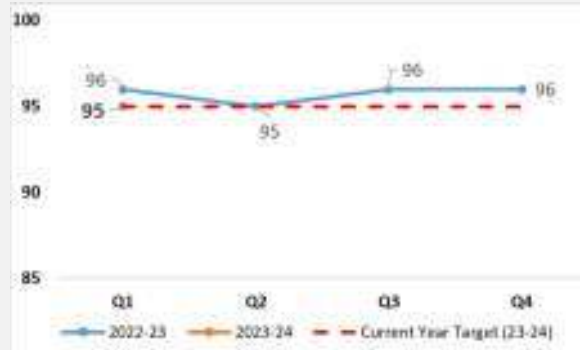
## FC001: Percentage of calls taken from customers by First Contact that are dealt with without the need to transfer to the back office

On target 

Declining 

Target  
95%

**Latest Performance**  
**95%**



The First Contact team continue to deal with queries effectively; 95% of calls received were dealt with at the first point of contact without the need to transfer to the back office.

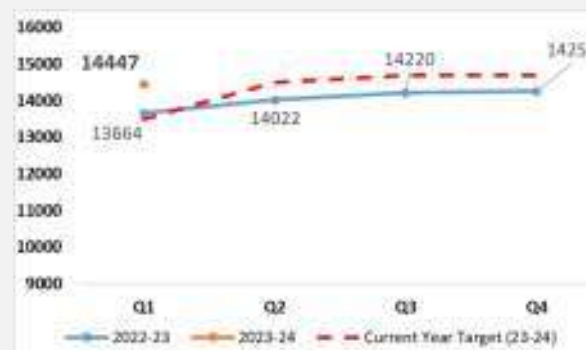
## OPS016: Number of wheeled bin garden waste subscribers

On target 

Improving 


Target  
14,700 (A)

**Latest Performance**  
**14,447**



The number of subscribers to the wheeled bin garden waste collection service was 14,447 at the end of Q1 2023/24, which is an increase on the same period last year and on track to have 14,700 subscribers by year-end.

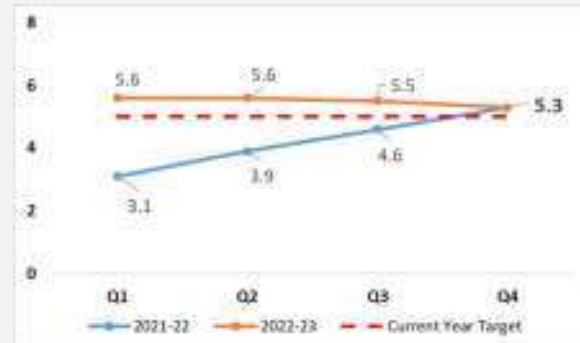
## CORP1a: Average number of days sickness absence per FTE staff for all Council Services (rolling year) *short term*

Near target 

Improving 

Target  
5.0 days

**Latest Performance**  
**5.3 days**




Sickness absence is reported on a rolling year basis. Short-term sickness absence is 5.3 days, an improvement on Q3, and at the same level as year-end 2022/23.

*Note: A verbal update on sickness absence to the end of Q1 2023/24 will be given at the Cabinet meeting*

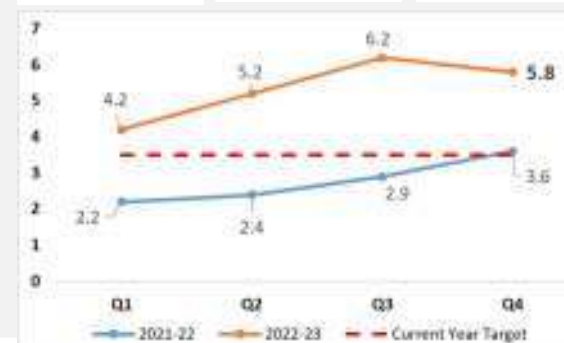
## CORP 1b: Average number of days sickness absence per FTE staff for all Council Services (rolling year) *long term*

Off target 

Improving 

Target  
3.5 days

**Latest Performance**  
**5.8 days**



Sickness absence is reported on a rolling year basis. Long-term sickness is defined as 4 calendar weeks or more.

Long-term sickness absence is 5.8 days which is off target and, whilst improving since Q3, is higher than at the same time last year.

# Enablers

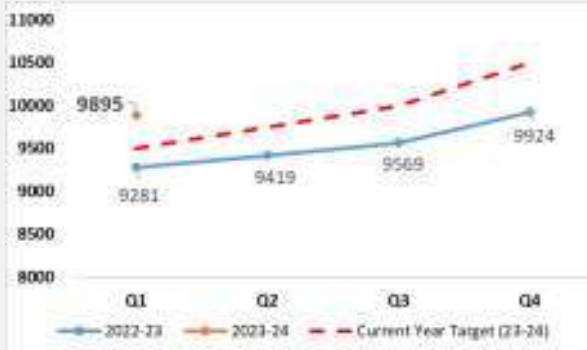
## REV006: Channel shift to online services: take up of e-billing for Council Tax and Business Rates

On target 

Improving 

Target  
10,500

**Latest Performance**  
**9,895**



The number of customers signed up to the e-billing service at the end of the quarter is 9,895 which is higher than at same period last year.

Performance is on target to achieve 10,500 customers by the year-end.

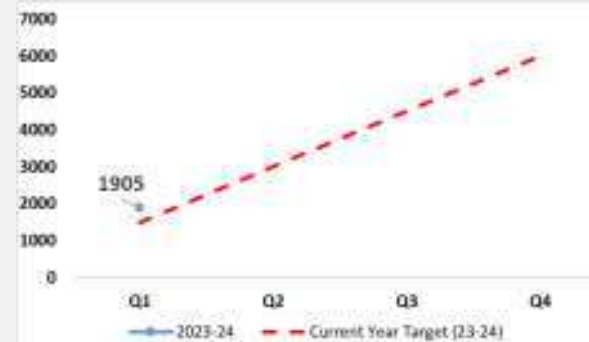
## REV011: Channel shift to online services: use of online forms for Council Tax and Business Rates transactions

On target 

N/A no historical data

Target  
6,000 (A)

**Latest Performance**  
**1,905**



Up to the end of Q1 2023/24, there were 1,905 Council Tax and Business Rates transactions were conducted using e-forms available on the Council's website, on target to reach the target of 6,000 by the end of the year.

This is a new indicator for 2023/24 so no historic data available to report.

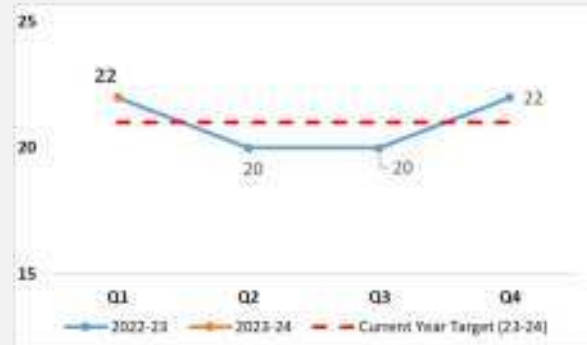
## BEN001: Average time to process benefits claims: new claims

Near target 

Maintained 


Target  
21 days


**Latest Performance**  
**22 days**



The average time to process new benefits claims is 22 days at the end of Q1 2023/24, as it was at the end of the same quarter last year. Performance is just below target and has been impacted by the availability of staff.

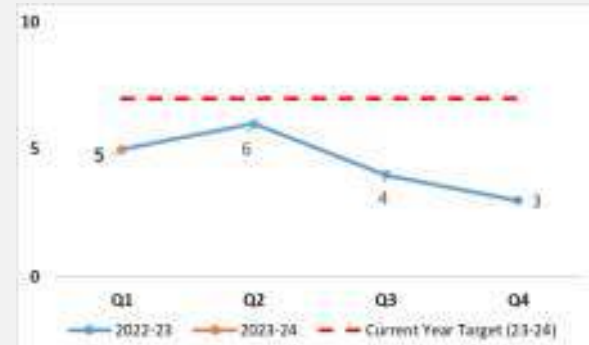
## BEN002: Average time to process benefits claims: change of circumstances

On target 

Maintained 

Target  
7 days

**Latest Performance**  
**5 days**



Performance times processing change of circumstances has been maintained when compared with the same period last year and is on target.

# Enablers

**NEW: Finance measures Forecast outturn against budget (shown as % variance) for:**  
a) General Fund – Revenue b) HRA – Revenue c) General Fund – Capital d) HRA - Capital

Target - No variance	Commentary
a) General Fund – Revenue -3.48% (underspend)	Explanation of the variances is contained within the <a href="#">Financial Update report</a> presented to Cabinet in September (Agenda Item 12)
b) HRA – Revenue -1.80% (underspend)	
c) General Fund – Capital 0.00%	
d) HRA – Capital 0.00%	

**Annual indicators (reported at Q4):**

ENA001: Overall satisfaction with the Council

**CABINET**

**18th October 2023**

**Subject: ASELA Update and Cessation of Opportunity South Essex (OSE).**  
**Cabinet Member: Councillor Blackwell - Leader of the Council**

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**1. Purpose of Report**

To provide an update to Cabinet following the ASELA Joint Committee held on 28 September 2023 and to recommend a decision regarding the Council's membership of Opportunity South Essex (OSE).

**2. Links to Council's priorities and objectives**

The report links to the Corporate Plan objectives - Economy and Growth, People, Place and Environment.

**3. Recommendations**

1. To note the contents of this report.
  2. To withdraw support and financial contributions to Opportunity South Essex with effect from 31 March 2024 with a view to establishing new business engagement arrangements in South Essex from April 2024 in line with the transfer of functions from LEPs to local government.
- 

**4. Background**

- 4.1 On 28 September 2023, the ASELA Joint Committee held its regular quarterly meeting, the agenda and reports for which are background papers to this report.
- 4.2 At that meeting, the Joint Committee resolved to refresh the future ambitions of ASELA, including restyling its title to become South Essex Councils. The refreshed approach will focus on South Essex as an engine of economic growth, working with key businesses and public sector partners including Thames Freeport and Thames Estuary Growth Board to define a robust place narrative for South Essex and develop ambitious delivery plans for a South Essex Growth Zone. There is potential to drive economic growth and generate new high-skilled jobs, with major housing growth catered for at Dunton Hills Garden Community

and West Horndon, sustainable transport connections linking current and future residents with key employment sites such as Thames Freeport, Ford Dunton and our existing business/enterprise parks completing the proposition. The key window to influence is the next Spending Review (post-General Election) when new money for regeneration, growth and economic development will be available as well as working with private sector to leverage investment to ease the constraints on public finances. Defining a pipeline of investable propositions alongside immediate quick wins, a place narrative and articulating the benefits of growth will be essential to ensuring South Essex is well-positioned to securing available investment.

- 4.3 This refreshed approach takes advantage of a change in government policy to return Local Enterprise Partnership (LEP) power to local government and the ongoing current negotiation of a Level 2 Devolution Deal by the three upper-tier authorities across Greater Essex.
- 4.4 Currently there are 4 workstreams of activity which are being undertaken by ASELA/South Essex Councils and these will now focus on the following:
- i. **Economy, Jobs and Skills:** focus on delivering tactical interventions focused on four areas, namely Freeport (led by Thurrock Council), Business Support and Engagement (led by Southend City Council), Skills, including South Essex Advanced Technical Skills (led by Essex County Council) and Sector Development and Innovation (jointly led by Basildon Council and Essex County Council)
  - ii. **Good Homes:** Following workshop sessions between ASELA Authorities work with Inner Circle to develop a business case for focus of the programme and how resourced once current round of Homes England funding comes to an end in the Autumn.
  - iii. **Sustainable Transport:** Developing stronger links and a shared vision between ASELA authorities, Transport East and Rail Partners to influence key strategies including Transport East Connectivity Study, South Essex ITP's and Thameside Rail Taskforce to support sustainable connectivity and growth in South Essex.
  - iv. **Environment and Climate Change:** Create a South Essex team of experts providing capacity and de-risking local delivery to increase uptake of local interventions, assist in bidding for / accessing funding and develop outcomes for measuring impacts. Using this expertise we will enable 7 creation of a South Essex 'climate action story' and vision, embedding climate action into "business as usual" in South Essex Councils and businesses.
- 4.5 Full details of the proposals and recommendations agreed by the Joint Committee can be found in the background papers available for this item circulated with this agenda.

## 5. Proposals

- 5.1 Current strategic business engagement arrangements are determined by the South East Local Enterprise Partnership (SELEP), with Opportunity South Essex (OSE) as the federated board for South Essex. The authorities that comprise ASELA/ South Essex Councils together provide funding which amounts to a total of £104,250 per annum to OSE. Details of the breakdown are provided in the table below:

### Current and proposed contributions to OSE

Authority	Current Annual Contribution	% Annual Contribution*
Basildon Borough Council	£12,500	12%
Brentwood Borough Council	£6,750	6%
Castle Point Borough Council	£12,500	12%
Essex County Council	£25,000	24%
Rochford District Council	£12,500	12%
Southend-on-Sea City Council	£17,500	17%
Thurrock Council	£17,500	17%
Thames Estuary Growth Board	£50,000	0
<b>Total</b>	<b>£154,250</b>	<b>100%</b>

\*TEGB funding to OSE has been reduced to zero for current and future financial years.

- 5.2 In March 2023 the Joint Committee agreed to explore options to evolve the federated board arrangements to strengthen relationships with business and enable businesses and councils to collaborate more closely and deliver better value for money for the taxpayer, given OSE has historically operated separately to ASELA and so there had not always been clear alignment of either economic strategy or delivery. Since that decision Government policy has changed and funding for SELEP, in common with all Local Enterprise Partnerships (LEPs) will cease at the end of this financial year. The policy is that LEP functions should be reviewed and as appropriate integrated into upper tier local authorities from the end of the current financial year. Essex County Council along with Southend City and Thurrock Councils are proposing a collaborative approach so that functions are exercised at the right spatial level e.g. by South Essex Councils as appropriate. This confirms the direction of travel set by the March 2023 Joint Committee and will see the establishment of new business engagement arrangements in South Essex from 1 April 2024. A further report will be brought to the December 2023 meeting of the Joint Committee with proposals for future business engagement arrangements for South Essex, building on and learning from OSE, in the context of LEP transition and a potential Devolution Deal.
- 5.3 This means that OSE would cease to exist with effect from 31 March 2024 alongside SELEP (and Success Essex – the “sister” federated board which represents the north of the county). The financial contributions made by each of the South Essex Councils to OSE would, therefore, come to an end at the end of this financial year. This would require no change in current budgeted arrangements for this financial year but does require the Cabinet to formally agree to this course of action. Any decision regarding funding arrangements for new business engagement activity will fall to be made in the future by the Council and will require the agreement of the members of South Essex Councils.
- 5.4 However, the cessation of OSE will give rise to a redundancy of 1FTE. The Council operates as the accountable body for OSE which means that we hold the financial responsibility for OSE accounts and we also host the employment of

the 1FTE. It is, therefore, the Council's responsibility to deal with the employment law issues arising in respect of this FTE. The OSE Board has agreed to underwrite the Council's costs of so doing to a cap of £85,000 which will be met from reserves held by OSE. It is not expected that this cap will be exceeded but in the event that an unforeseen cost materialises which would exceed the cap, it would be necessary to recover the excess pro rata from the constituent authorities and/or the OSE Board.

## **6. Corporate Implications**

### **a. Financial implications**

This is set out in the report.

### **b. Legal implications**

ASELA is Joint Committee – there are no new legal implications to be addressed by the report.

### **c. Human resources and equality implications**

This is rehearsed in the report.

### **d. Timescale for implementation and risk factors**

As set out in this report.

## **7. Background Papers:**

ASELA Joint Committee Agenda and Reports 28 September 2023

**Report Author: Angela Hutchings, Chief Executive**

# Public Document Pack



## **Association of South Essex Local Authorities (ASELA) - Joint Committee**

**Date: Thursday, 28th September, 2023**

**Time: 9.30 am**

**Place: Thurrock Borough Council**

**Contact: Robert Harris**

**Email: [committeesection@southend.gov.uk](mailto:committeesection@southend.gov.uk)**

### **AGENDA**

**1. Leaders Only Session - 9.30am to 10am**

**2. Apologies for Absence**

**3. Declarations of Interest**

**4. Minutes of Previous Meeting (Pages 3 - 4)**

To agree the minutes of the meeting of the Joint Committee held on 27 July 2023.

**5. ASELA - The Next Chapter including workstream updates (Pages 5 - 28)**

- Good Homes (Jonathan Stephenson)
- Environment and Climate Change (Angela Hutchings)
- Sustainable Transport (Tom Walker)
- Economy, Skills and Jobs (Scott Logan)

**6. Future South Essex Business Engagement Arrangements (Pages 29 - 36)**

**7. ASELA Rebrand and Communications Strategy (Pages 37 - 40)**

**8. Finance Update Report (Pages 41 - 44)**



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# Public Document Pack

## SOUTHEND-ON-SEA CITY COUNCIL

### Meeting of Association of South Essex Local Authorities (ASELA) - Joint Committee

**Date: Thursday, 27th July, 2023**  
**Place: Basildon Council Offices**

4

**Present:** Councillor Andrew Jefferies – Thurrock  
Councillor Barry Aspinall – Brentwood  
Councillor Dave Blackwell – Castle Point  
Councillor Meg Davidson – Southend  
Councillor James Newport – Rochford

**In Attendance:** Scott Logan – Basildon  
Robert Harris – Southend  
Elizabeth Helm – Southend  
Ian Butt - Castlepoint

**Start/End Time:** 09.30am – 09.37am

#### **1 Apologies for Absence**

Apologies for absence were received from Councillors Cox (substitute: Cllr Davidson), Mason (substitute: Cllr Newport), Baggott and Bentley.

#### **2 Appointment of the ASELA Chair and Vice Chair**

Resolved:

That Councillor Andrew Jefferies be appointed Chair for the 2023/24 Municipal Year.

#### **3 Appointment of ASELA Vice Chair**

Resolved:

That Councillor Andrew Baggott be appointed Vice-Chair for the 2023/24 Municipal Year.

#### **4 Minutes of Previous Meeting**

Resolved:

That the minutes of the meeting of the Committee held on Thursday, 23<sup>rd</sup> March 2023 be confirmed as a correct record.

#### **5 Review of Governing Documents**

The Joint Committee considered a report presenting the Governing documents for review.

The Joint Committee suggested that the ASELA logo/brand should be changed to the Association of South Essex Council's (ASEC). S Logan confirmed that this would be looked at as part of the review of the Constitution and reported back to the Joint Committee in September.

The Joint Committee noted that the secretariat will write to all Leaders to seek named deputies/substitutes.

Resolved:

That the ASELA Joint Committee Governing documents, be approved and that no changes be required at this time.

**6 Accountable Body - to confirm that Southend Council shall act as accountable body for the Joint Committee for the 2023/24 year**

Resolved:

That it be confirmed that Southend-on-Sea City Council shall act as the accountable body for the Joint Committee for the 2023/24 year.

**7 Secretariat - to confirm that Southend Council shall act as Secretariat for the Joint Committee for the 2023/24 year**

Resolved:

That it be confirmed that Southend-on-Sea City Council shall act as Secretariat for the Joint Committee for the 2023/24 year.

**8 Agreement of 2023/24 Joint Committee Dates**

The Joint Committee noted that the dates for the remainder of the 2023/24 year will be advised in due course.

The Joint Committee suggested that future meetings alternate between the constituent authorities.

**Chair:** \_\_\_\_\_

<b>DATE: 28<sup>th</sup> September 2023</b>	<b>ITEM:</b>
<b>ASELA Joint Committee</b>	
<b>Report Title: ASELA: The Next Chapter</b>	
<b>Report of:</b> Tom Walker, Essex County Council	
<b>Programme Implementation Director:</b> N/A	
<b>Accountable Programme SRO:</b> Scott Logan, Chief Executive, Basildon Borough Council	
<b>This report is public</b>	

## Executive Summary

Greater Essex and South Essex in particular, are engines of economic growth. South Essex is entrepreneurial, pro-business and open for sustainable growth. Our strong partnership working and unified local leadership have enabled ASELA to achieve a significant amount so far. The economic and political circumstances are evolving, with Local Enterprise Partnership (LEP) powers returning to local government from April 2024 regardless of whether devolution happens, and local government facing a tough financial outlook. Now is the right time to review our approach and deepen our collective work to effectively tackle the challenges and maximise the opportunities.

That means working with key businesses and public sector partners including Thames Freeport and Thames Estuary Growth Board to invigorate our strategy, define a robust place narrative for South Essex and develop ambitious delivery plans for a 'South Essex Growth Zone.' There is potential to drive economic growth and generate new high-skilled jobs, with major housing growth catered for at Dunton Hills Garden Community and West Horndon, sustainable transport connections linking current and future residents with key employment sites such as Thames Freeport, Ford Dunton and our existing business/enterprise parks completing the proposition. The key window to influence is the next Spending Review (post-General Election) when new money for regeneration, growth and economic development will be available as well as working with private sector to leverage investment to ease the constraints on public finances. Defining a pipeline of investable propositions alongside immediate quick wins, a place narrative and articulating the benefits of growth will be essential to ensuring South Essex is well-positioned to securing available investment.

To achieve this, we should also explore greater pooling of our resources, as investment in our collective capacity is 'no regrets' activity. If and when a Devolution Deal is completed, this work would plug in as part of the South Essex delivery plan.

## 1. Recommendation(s)

1.1. The Joint Committee are asked to agree a refreshed approach to the next phase of ASELA's development, including:

- a) refreshing our strategy, consolidating the evidence base and revising our implementation plans, including developing investable propositions for future funding;
- b) exploring the potential for a South Essex Growth Zone as the centrepiece of this future approach, demonstrating ambition and maximising the opportunities for funding from government and private sector;
- c) reviewing the impact on existing workstreams, potentially integrating key elements of the Economy, Housing and Transport workstreams into a single Growth Zone programme to achieve maximum impact with constrained resources, and retaining other projects that are affordable and impactful;
- d) identifying quick wins such as publishing principles for good growth;
- e) exploring further sharing of resources at officer level;
- f) engaging consultants to provide the necessary capability and capacity to achieve the above by March 2024; reallocating resources allocated to the ASELA Programme Director and Programme Officer positions which will no longer be recruited to, providing up to £100,000 to fund the commission.
- g) putting businesses at the heart of our approach by developing new business engagement arrangements from April 2024 as set out in the accompanying paper for today's meeting.
- h) ensuring that the work of ASELA is effectively communicated and understood by business and public through a rebranding exercise and development of an accompanying communications strategy from April 2024 as set out in an accompanying paper for today's meeting.
- i) building on existing work within South Essex Councils to achieve the agenda set out in this paper

## 2. Background

2.1. We came together as seven local authorities to drive growth and prosperity in South Essex and much has been achieved in recent years, including.

- the innovative SEATS programme that will equip residents with the skills local employers need (first enrolments due to start shortly),
- laying more than 200km of full fibre connecting some 190 public and community sites to the internet.
- formalisation of the partnership with Homes England and working with Housing Associations to create new partnerships to unlock a pipeline of 5,255 homes in South Essex
- overseeing work on progressing a Joint Strategic Framework and completion of a design led toolkit to guide planning, delivery, and stewardship of major new developments.
- Deepening collaboration on matters of transport, economic growth and infrastructure, including supporting benefit realisation at Thames Freeport.

With some new Leaders following the May elections, it's clear there is a renewed high ambition for collaborative working across the functional economic area of South Essex to support a thriving economy.

- 2.2. In parallel, the Government has confirmed that the functions of Local Enterprise Partnerships (in our case, the South East LEP or SELEP) will transfer to upper tier local authorities from April 2024. These functions are primarily to develop economic and skills strategy, facilitate the voice of local business, enable various local partnerships, and potentially allocate future capital funding.
- 2.3. Government has a clear expectation that upper tier authorities covering a single functional economic area should work together in discharging these functions. Essex CC, Southend, and Thurrock councils are keen to explore what is the right spatial level for each function, and officers will be doing this with ASELA colleagues in the autumn. The resulting arrangements will need to be clearly defined and communicated to businesses in particular.
- 2.4. Moreover, while the ASELA workstreams demonstrate clear ambition and are making progress, resources are constrained which is inhibiting our ability to deliver across such a broad range of activity. The financial outlook for all our authorities means it is unlikely that significant additional resources can be made available in the short-term. We therefore need to prioritise our focus on the most impactful interventions that can be delivered within the existing resource envelope and develop propositions that have the maximum chance of securing investment from the private sector and/or central government.
- 2.5. As such it is proposed that the current workstreams focus activity and resourcing on the following activities over the coming months;
  - **Economy, Jobs and Skills:** In line with the update to be provided later in the meeting focus on delivering tactical interventions focused on four areas, namely Freeport (led by Thurrock Council), Business Support and Engagement (led by Southend City Council), Skills, including SEATS (led by Essex County Council) and Sector Development and Innovation (jointly led by Basildon Council and Essex County Council)
  - **Good Homes:** Following workshop sessions between ASELA Authorities work with Inner Circle to develop a business case for focus of the programme and how resourced once current round of Homes England funding comes to an end in the Autumn to be put to .
  - **Sustainable Transport:** Developing stronger links and a shared vision between ASELA authorities, Transport East and Rail Partners to influence key strategies including Transport East Connectivity Study, South Essex ITP's and Thameside Rail Taskforce to support sustainable connectivity and growth in South Essex.
  - **Environment and Climate Change:** Create a South Essex team of experts providing capacity and de-risking local delivery to increase uptake of local interventions, assist in bidding for / accessing funding and develop outcomes for measuring impacts. Using this expertise we will enable

creation of a South Essex 'climate action story' and vision, embedding climate action into BAU in South Essex Councils and businesses.

- 2.6. We also need to maximise use of our collective officer resource further improve effectiveness and efficiency so we can be ready to face the challenges and secure the opportunities of the coming years.
- 2.7. The refreshed approach set out in this paper provides us with the best opportunity to boost growth across South Essex through an evidence-based, integrated approach that maximises our impact and value for money.

### **3. Resourcing**

- 3.1. Refreshing and consolidating our strategy as outlined above will require sustained focus for a period of around six months, and an approach that combines strategy and analysis with an understanding of South Essex and our work so far. This goes beyond the capability and available capacity that we have within ASELA. We therefore need to consider alternative resourcing options for the short-term while also exploring how to develop our collective capacity for the next phase.
- 3.2. In the short-term, while there is significant enthusiasm and commitment from the existing officer team, they have neither the capacity nor the capability needed. There are therefore two main options: appoint an interim individual or engage consultants. Given the challenges of recruiting to a six-month post in the current labour market, we propose seeking consultancy support. Based on similar activities the cost to deliver this work is likely to range between £50,000 and £100,000 and should be commissioned to report in six months, with a set of clear deliverables as outlined in the section below. It is proposed the selection panel for the consultancy firm comprises of representatives from Thames Freeport alongside representatives of ASELA in recognition of the role of the Freeport as a key partner of ASELA.
- 3.3. We also need to invest in our collective capacity to ensure we can deliver on our ambitions and for ASELA to play a key role as local government assumes LEP functions (and within a Devolution settlement for Greater Essex if we achieve one). We propose two actions to do this:
  - to explore how we could better share our scarce resources in future to maximise our collective impact and provide VFM at a time of financial pressure, while also providing variety and development opportunities for staff. This should build on the shared team already being formed on Economy, Jobs and Skills;
  - we have not proceeded with the proposed recruitment of an ASELA Programme Director and ASELA Programme Officers at this time in light of the evolving circumstances and the challenges of interim recruitment at the moment, but in the medium-term this role should be explored to provide senior leadership below the chief executives to shape the work programme and drive forward delivery.

3.4. Both of these need to be considered as more detail emerges of LEP transition, devolution and emerging proposals in North Essex Councils.

#### **4. Deliverables**

4.1. If Leaders agree this refreshed approach, the following outputs would be delivered:

- Consultants would be appointed to produce a place-based growth strategy and detailed implementation plan for South Essex. This work would include a clearly defined pipeline of investable propositions covering the short and long-term, an assessment of the economic benefits / impacts and a resourcing proposal to achieve these goals. The commission would be presented to the Joint Committee in around six months;
- Officers to bring forward reports to the December Joint Committee:
  - 4.1.1 identifying quick wins consistent with the emerging strategy/implementation plan;
  - 4.1.2 setting out the impact of the refreshed approach on existing workstreams;to the Joint Committee in early 2024:
- 4.1.3 updating on options for greater sharing of resources between our authorities.

#### **5. Consultation (if applicable) - N/A**

5.1. Impact on policies, priorities, performance and community impact (if applicable) – the refreshed strategy, consolidated evidence base and revised implementation plans will be presented to the Joint Committee in due course.

#### **6. Implications**

8.1 **Financial** – Budget for commissioning consultants to develop the refreshed approach will be identified from within existing ASELA resources and/or with further support from ASELA authorities. Ongoing resource implications will be identified as part of the proposals for the next phase. Authorities have previously committed to the employment of an ASELA Programme Director and Programme Officer and in principle committed funding to support the resourcing of these posts. On the basis that these posts will no longer be recruited to it proposed ASELA authorities committed funding for these posts is redirected and no additional financial contributions are requested from ASELA Authorities at this time.

8.2 **Legal** – None at this stage.

8.3 **Other implications (where significant)** – N/A

#### **9. Appendices to the report**

None.



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<b>DATE: 28<sup>th</sup> September 2023</b>	<b>ITEM: 5</b>
<b>ASELA Joint Committee</b>	
<b>Report Title: Update on the ASELA Good Homes Workstream</b>	
<b>Report of:</b> Jonathan Stephenson, Chief Executive, Brentwood and Rochford Council	
<b>Programme Implementation Director:</b> Colin Boxall, Interim Programme Director	
<b>Accountable Programme SRO:</b> Jonathan Stephenson, Chief Executive, Brentwood and Rochford Council	
<b>This report is public</b>	

## Executive Summary

The delivery of new homes is critical to support ASELA's wider growth and prosperity ambitions. The Good Homes programme was established to both deliver ASELA's aspirations for new homes and the joint working required to deliver the Strategic Place Partnership (SPP) with Homes England.

This briefing provides, following a period of engagement with officers and Homes England, an update on the emerging priorities and proposed arrangements for the next phase of the Good Homes Programme.

### 1. Recommendation(s)

1.1 ASELA Chief Executives are asked to note the progress.

### 2. Progress Update

2.1 Through the collective effort of ASELA and investment by Homes England, progress has been made across key strategic workstreams and unlocking early sites for delivery. However with council funding and capacity constraints - coupled with the funding from Homes England not being sufficient, long-term or programme specific - has meant that the step change in the pace and scale of delivery within the original proposition has not been realised.

2.3 A review of the programme has been undertaken with ASELA Authorities and Homes England over the last few months to inform the next phase of the programme. There remains strong commitment to make progress, but given

wider constraints and likely ending of the revenue support for the programme from Homes England, the emerging approach is to;

#### 2.4 Focus on a smaller number of achievable and deliverable priorities;

- **Accelerated Pipeline:** A focused pipeline of priority sites that can realistically be accelerated – facilitating structured engagement with Homes England for portfolio funding from their existing programmes to unlock delivery and to define strategic engagement with partners (i.e. Registers Providers and developers).
- **Catalyst Sites:** Focused list of longer-term Catalyst Sites which can unlock growth. Work will focus on a coordinated partnership with Homes England to put in place the conditions to unlock delivery and leverage the funding required. This could include Dunton as part of the Growth Zone proposal.
- **Six Streets:** Roll out of the Six Streets Initiative pilot, which will through working on a 'street/place' in each borough, district and city, create scalable models for partnership and leveraging institutional investment to unlock good quality homes and thriving places. The learning from the pilot is then intended to be repeated and scaled up across South Essex and the UK.

#### 2.5 **Create a Fit for Purpose Governance** through re-establishing the Good Homes Board, with senior representatives from all ASELA Authorities and Homes England to;

- Act as a 'Centre of Excellence' for housing delivery across South Essex to ensure it keeps pace and supports wider economic growth.
- Elevate the partnership with Homes England and leverage better outcomes.
- Identify, respond and maximise future opportunities.
- Elevate commissioning and coordination around key catalyst sites and drive immediate delivery.

### 3. Next Steps

- Finalisation of the draft Business Plan in September.
- Re-establish the new Good Homes Programme Board and approval of the Business Plan.

### 4. Reasons for Recommendation

#### 4.1 Focusing the next phase of the Good Homes Programme on a smaller number of key deliverable priorities with a fit for purpose governance, offers a strong route forward to maintain delivery of good homes that support growth,

maximise the benefit and leverage of the partnership with Homes England and capture future opportunities.

4.2 ASELA Chief Executives are therefore asked to note the progress.

**5. Consultation (if applicable) - N/A**

**6. Impact on policies, priorities, performance and community impact (if applicable) - N/A**

**7. Implications**

7.1. **Financial** – The financial implications will be set out in the business plan and in any individual programmes and projects. Any financial implications that fall on individual local councils will need to be agreed by those councils.

7.2. **Legal** – Legal implications of any projects will be set out in the project plans, and funding agreements will need the legal approval of the relevant accountable body.

7.3. **Other implications (where significant) – N/A**

**8. Appendices to the report – N/A**

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<b>DATE: 28 September 2023</b>	<b>ITEM: 5</b>
<b>ASELA Joint Committee</b>	
<b>Report Title: Update on the work of the Environment and Climate Change Workstream</b>	
<b>Report of: Angela Hutchings, Chief Executive, Castle Point Borough Council</b>	
<b>Programme Implementation Director: n/a</b>	
<b>Accountable Programme SRO: Angela Hutchings, Chief Executive, Castle Point Borough Council</b>	
<b>This report is public</b>	

## Executive Summary

The Workstream is in its infancy but with aspirations to work across all activities undertaken by ASELA. There are identified quick wins and also legacy projects which have now come to fruition and need to be moved on to their next stage of development.

### 1. Recommendation(s)

- (1) To note the contents of this report.
- (2) To commit to the release of 1 day FTE per calendar month per authority towards the operational work to be undertaken by the Workstream.

### 2. Background

2.1 The strategic purpose of this Workstream is set out in Appendix One. Progress made is set out below:

Skills analysis and existing resource definition	Within 4 weeks	Partially complete – to be finalised as part of MOU
MOU creation – to create preconditions for collaboration	Within 8 weeks	To be finalised pending agreement of terms
Creation of operating model and shared repository (governance and technology)	Within 8 weeks	To be finalised as part of MOU

Identification of quick wins (low/no cost projects and agreed data sets)	Within 12 weeks	Partially complete
Creation of vision and longer term ambition	Within 12 weeks	Outstanding
Creation of pipeline of strategic projects	TBA	Outstanding

2.2 The Workstream group met on 7 June 2023 and representatives from ECC, Basildon BC, Rochford and Brentwood, Southend, Thurrock and Castle Point were all present. The group workshopped the MOU creation using a simple SWOT based analysis (set out in Appendix Two) and identified a number of characteristics to be captured in a vision for the Workstream and an MOU for how it would work.

2.3 There are two legacy projects which were inherited by this Workstream and they are:

- a) South Essex Estuary Park (SEEPARK); and
- b) South Essex Culture & Creative Industries Strategy which was commissioned as part of the SEEPARK project.

An update to each of these is set out in this report.

### 3. Resourcing

#### *Resourcing for the Workstream*

3.1 As per the strategic purpose set out in Appendix One, the group workshopped this theme and settled on the following which should be comprised within an MOU between all constituent authorities which would reflect the following:

- a) The Workstream should be the focal point for climate leadership and co-ordination across ASELA. It should showcase innovation, create pilots and share the learning across the patch.
- b) But whilst the Workstream should be a catalyst for ideas/projects, these should be fed into the other Workstreams and owned by those Workstreams, with this group providing subject matter expertise.
- c) However where there were quick wins, then these should be something the Workstream just gets on with and the constituent authorities should agree to sacrifice any intellectual property rights and share across ASELA.
- d) The Workstream should use its collective reach across ASELA to influence internal and external stakeholders to achieve consistency of approach and take advantage of the economics of scale especially when it comes to applying for funding.
- e) The strength of the Workstream lies in its inherent expertise and we should take time to build on this strength to create a community of best practice by each

member of the group committing one day a month to work on the development and betterment of this Workstream and its reach/impact.

- 3.2 It is important that the authorities commit to making a time commitment by releasing officers to work together on cross boundary strategic issues through a mixture of virtual and face-to-face sessions.

#### *Resourcing for Legacy Projects*

- 3.3 There are no plans for additional resourcing of the two legacy projects for the reasons set out in the body of this report.

### **4. Deliverables**

- 4.1 The following early win projects have been identified for the Workstream:
- a) Share policies, action plans and strategies between constituent authorities, not just to share knowledge but also to achieve consistency across ASELA;
  - b) Collaborate on BNG and create an ASELA approach to its implementation – especially useful for determining the future of SEEPARK;
  - c) Collaborate on development of EV strategies through local transport plans;
  - d) Create a common resource channel e.g. through TEAMS;
  - e) Develop an ASELA wide approach to carbon literacy – so we are literally all speaking the same language about decarbonisation;
  - f) Host sessions for sharing learning and best practice which are open to other officers and councillors e.g. Passivhaus and retrofit “show homes”;
  - g) Create an ASELA template climate risk register regarding adaptations, mitigations and risk management of extreme weather; and
  - h) Build on the success of Brentwood Environmental Business Alliance (BEBA) and Rochford Environmental Business Alliance (REBA) to embed business networking/leadership across ASELA – e.g. offering carbon calculation to Small/Medium Enterprises.
- 4.2 The two legacy projects have reached their identified deliverables as per their original scope.

### **5. SEEPARK**

- 5.1 The vision for the SEEPARK project is the assembly and creation of 24,000 ha of 5 large scale major landscapes across South Essex linked together so that there is a high quality green space within 500m of every front door or workplace by 2050. More information can be found on the ASELA website [SEEPARK | ASELA \(southessex.org.uk\)](https://www.southessex.org.uk/SEEPARK)
- 5.2 SEEPARK is, therefore, an ambitious plan to tackle climate change, ecological collapse and to level-up the region through the creative use of natural assets such as parks, woods, rivers and wetlands. The plan is the result of the South



Essex Green and Blue Infrastructure Study commissioned by ASELA and prepared by Alexandra Steed URBAN and associated partners. SEEPARK was chosen as one of 20 exemplary projects by the World Architecture Festival and was one of three shortlisted projects for the Best plan award in the East of England by the Royal Town Planning institute (RTPI).

- 5.2 The project is not about land assembly per se because it is not about creating a traditional park. The Business Case for the project envisages partnerships with public, private and third sector partners to deliver the vision of SEEPARK, using local plans and strategic alliances with landowners to embed that vision. It contemplates various funding alternatives for implementation, from traditional grant funding and s106/CIL contributions as well as harnessing opportunities for stewardship models which will pay, not only for the initial assembly and build but also the ongoing revenue cost of maintenance e.g.
- Health and wellbeing/ leisure and recreation;
  - Ecology and environmental protection; and
  - Place making i.e. to attract high value jobs, infrastructure and housing.
- 5.3 Further opportunity exists in the creation of SEEPARK as an investable proposition, attract funding and repay investment in the longer term e.g.
- Carbon off-setting and bio-diversity net gain (BNG);
  - Green bonds;
  - Eco tourism;
  - Green tech employment; and
  - Active travel.
- 5.4 The Workstream continues to explore those opportunities, most recently with Thames Estuary Growth Board (TEGB). TEGB's ambition is to enable good green growth in the Estuary by bridging gaps, working with both the private and public sector and in general to find investable propositions and bring investments to the region. In relation to BNG TEGB is aiming to understand gaps on project delivery (whether these are lack of funding, credit market readiness, access to the required skills, etc) to make sure that the projects are implemented. TEGB is also looking into this from a replicability perspective as well.

## **6. South Essex Culture & Creative Industries Strategy**

- 6.1 The Strategy is designed to provide a strategic framework which will act as a catalyst to connect culture and the creative industries into the future vision for South Essex. Consultations with the cultural sector and partners have guided the focus and set out the conditions required for culture and the creative

industries to drive sustainable growth and thriving communities. The strategy has been informed by the potential for the creative cultural sector to drive the vision for South Essex fitting within the wider strategic context of the Thames Estuary Commission and Thames Estuary Production Corridor all working towards 2050 timescale and beyond.

- 6.2 The Strategy sets out how an interconnected approach to culture and the creative industries can achieve wider ambitions for growth and thriving communities. The strategy sets out clear actions under a set of core themes to positively influence everyone working in South Essex. It sets out clear and achievable goals relating to economic inclusion, environment and green spaces, health and wellbeing, housing, transport and community engagement through culture and the creative industries.
- 6.3 This piece of work having been completed it now provides a springboard opportunity for ASELA's ambitions for economic growth and skills development and will inform and shape the wider work of the Joint Committee.

## 7. Implications

- 7.1 **Financial** – there is an operational resourcing cost to each authority in releasing officer time to this Workstream. The cost will differ as between authorities but the amount of FTE effort should be a matter for each authority, although a commitment to at least 1FTE effort pcm will be sought as part of the MOU.
- 7.2 **Legal** – None.
- 7.3 **Other implications (where significant)** – N/A

## 8. Appendices to the report

Attached

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## APPENDIX ONE

### ENVIRONMENT AND CLIMATE CHANGE WORKSTREAM

**CEO:** Angela Hutchings, Castle Point BC

**LEADER SPONSOR:** Cllr Andy Baggott, Basildon BC

#### Purpose and Scope of the Workstream

1. In Essex, the Essex Climate Action Commission (ECAC) was developed a roadmap to get Essex to net zero by 2050. [Net Zero: Making Essex Carbon Neutral \(ctfassets.net\)](https://www.ctfassets.net) and the work of the Commission is reported here [Essex Climate Action Commission - Essex County Council](#)
2. ECAC focusses on the following:
  - \* Land use, green (and blue) infrastructure, resilience
  - \* Transport
  - \* Built environment
  - \* Energy
  - \* Waste
  - \* Community Engagement
  - \* Business Support
3. The ambitions of the ECAC can only be achieved by everyone doing their bit. Across the patch, action on climate change is inconsistent across local authorities and is dependent on there being senior leaders and councillors in place who wish to drive the agenda. We are not all starting from the same place.
3. At this stage, therefore, it is proposed that this workstream will:
  - a. **Create a South Essex team of experts** – a pan ASELA climate change workforce focussed on sharing expertise and best practice at a local level – underpinned by an MOU - providing capacity and de-risking delivery to increase uptake of local interventions e.g. engagement and education; rationalisation of public estate and retrofitting; bidding team for HMG and other funding pots; themes, outcomes and measures including behaviour change, social value ROI, metrics and data; risk management, business continuity, EP and resilience. An immediate skills/resources audit will inform this work.
  - b. **Create a South Essex climate action story** - work collaboratively to create a pan ASELA narrative which will embed climate action into business as usual and enable constituent authorities to take a South Essex level approach to engagement with residents and businesses. This is intended to get everyone to the same level and “sets the bar” for the collective ambition; allowing constituent authorities to measure themselves against one another and implementing quick wins locally

(essentially taking initiatives which are already live in some authorities and replicating them across the patch). That way we build a comprehensive and cohesive approach to climate adaptation and mitigation across South Essex

- c. **Create a South Essex Vision** – define the ambition for our longer term aspirations – how we will work together across South Essex to meet the challenges of ECAC.
- d. **Deliver large scale strategic climate action interventions, mitigations and adaptations**– this means delivering some but also focussing on cross border strategic collaboration to achieve wider benefits at scale across South Essex – pipeline of potential projects TBC (need to ensure no duplication with other workstreams) but e.g. distributed energy networks and public sector PVs; SEEPark and BNG; waste collection/disposal alignment; hydrogen.

### Interdependencies and what is out of scope

- 4. There are overlaps with other ASELA workstreams which we will need to bear in mind. The green agenda touches everything. The environmental “lens” also will apply to the following ASELA workstreams:
  - a. Economy, Jobs and Skills (e.g. retrofitting, green skills and business support)
  - b. Infrastructure (e.g. energy and green/blue infrastructure/biodiversity net gain)
  - c. Good Homes (e.g. net neutral development, retrofitting, waste and energy)
  - d. Sustainable Transport (e.g. energy, and active travel)

This means that this workstream must operate across all of the thematic workstreams in ASELA but not duplicate them.

### Resources

There is a wealth of talent across the ASELA region and a skills audit will be necessary to collate that information.

There is no obvious workstream lead and even co-ordination will require some external input as otherwise individuals’ time is taken up with their own authority’s projects. Either staff must be released from the “day job” or external workstream support is required.

### Timetable

Skills analysis and existing resource definition	Within 4 weeks
MOU creation – to create preconditions for collaboration	Within 8 weeks
Creation of operating model and shared repository (governance and technology)	Within 8 weeks
Identification of quick wins (low/no cost projects and agreed data sets)	Within 12 weeks

Creation of vision and longer term ambition	Within 12 weeks
Creation of pipeline of strategic projects	TBA

## APPENDIX TWO

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Subject Matter Expertise</li> <li>• Already sharing best practice and building an informal community of experts</li> <li>• Can support all workstreams in ASELA because each of them has a “green” thread</li> </ul>	<ul style="list-style-type: none"> <li>• Resilience – expertise lies in the collective not necessarily in individuals</li> <li>• Difficult to focus on the hard to reach stuff compared to the easier wins</li> <li>• Not all authorities are starting from the same place</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Working at scale and beyond administrative boundaries</li> <li>• Continuing professional education and upskilling as a collective – not just about having more people – might be about investing in more skills</li> <li>• Sharing best practice in a community of experts e.g. policies, action plans and strategies – only write these documents once</li> <li>• Expand our reach – increase our circle of experts and find the right people to have the right conversations e.g. supermarkets or flooding; set up learning opportunities for members to attend e.g. virtual learning</li> <li>• BEBA/REBA – business networking/leadership – replicable/scalable across ASELA – could be a quick win carbon calculation esp SMEs</li> <li>• EV strategies through local transport plans which will attract funding</li> <li>• Devolution offers greater opportunity to replicate across Greater Essex</li> </ul>	<ul style="list-style-type: none"> <li>• Being subsumed into the BAU; getting bogged down in delivery and missing the opportunities</li> <li>• Culture, education and promotion – requires comms and marketing to support the work of the Essex Commission – make sure we are all saying the same things to get the message home ONE VOICE</li> <li>• Political support - Understand the politics - can we be non-political in how we approach the wicked issues? Very difficult! Can we get political support to focus on the bigger impact e.g. emissions rather than single use plastics</li> </ul>

<b>DATE: 28<sup>th</sup> September 2023</b>	<b>ITEM:</b>
<b>ASELA Joint Committee</b>	
<b>Report Title: Briefing on the ASELA Economy, Jobs and Skills Workstream</b>	
<b>Report of:</b> Johnathan Cuthbertson, Essex County Council	
<b>Programme Implementation Director:</b> N/A	
<b>Accountable Programme SRO:</b> Scott Logan, Chief Executive, Basildon Borough Council	
<b>This report is public</b>	

## Executive Summary

A stronger, more resilient economy where people have the skills to access high quality jobs is essential if South Essex Councils (SEC) is to improve prosperity across South Essex.

This paper provides an update on the short term priorities of the Economy, Jobs & Skills workstream. Following direction of the Joint Committee in March 2023 officers have investigated opportunities that exist to collaborate to help grow the South Essex economy. This is alongside work looking at the future direction of SEC.

### 1. Recommendation(s)

The Joint Committee are asked to note progress of the workstream and:

- (a) confirm if they are content with the key opportunities identified and provide a steer on them;
- (b) commit to prioritising this work for the existing officer cadre to enable individuals to effectively drive forward this work within organisations.

### 2. Introduction and Background

- 2.1 Leaders and Chief Executives recognise that the Economy, Jobs and Skills agenda in South Essex stretch beyond our respective administrative boundaries and we should seek to respond to the strategic needs of our key businesses by collaboration across the functional economic area.
- 2.2 Officers from across South Essex have been scoping a work programme, exploring the potential for collaborative working, identifying and develop propositions for the first projects to be delivered.



- 2.3 The four areas of work that the economy group has focussed on as shared in the last paper are **Freeport** (led by Thurrock Council), **Business Support and Engagement** (led by Southend City Council), **Skills, including SEATS** (led by Essex County Council) and **Sector Development and Innovation** (jointly led by Basildon Council and Essex County Council)

### 3 Progress and Update

- 3.1 Since inception of this work, developments in the strategic and economic landscape in both Greater Essex and nationally, including resource pressures across local government, LEP transition proposals and progress on a Greater Essex Devolution Deal have led us to refine the proposed work programme. It consists of two elements;
1. **Key interventions-** delivering shorter-term benefits to the economy. Full details of the outputs of these updates are in Appendix 1 and a summary provided below.
  2. **Building a new relationship with businesses** – a separate paper on business engagement arrangements summarises the current position. Learning from the SEATS model, a closer, more aligned relationship with business will be imperative if South Essex is to harness the growth potential.

#### Key interventions

- 3.2 During the remainder of 2023/24 there are opportunities to deliver a series of tactical interventions capitalising on and seeking to consolidate existing growth opportunities, these include:

##### 3.2.1 **Skills:**

- Implementing and marketing of the South Essex Advanced Technical Skills (SEATS) project, including ensuring the first learners commence courses shortly, with SEC having played a pivotal role in driving its establishment and continuing to play a key role as an observer of the SEATS Board, working alongside private sector partners to develop the SEATS Skills Plan;
- Ensuring a strong South Essex element to the Essex bid for the recently launched Local Skills Improvement Fund with £165m available nationally over the next two years;
- Developing a South Essex Green Skills Plan, building on an existing ECC Plan and ensuring it is tailored to the needs of South Essex businesses now and into the future.

- 3.2.2 **Thames Freeport:** Has potential to deliver growth during 2023/4. A key activity will be to gear-up residents for the creation of the first 500 jobs from new investment at London Gateway, including working with the Freeport, SEATS and the Institute of Technology to develop a 'Work Skills' programme and web portal as the first step towards a more holistic job brokerage service.

- 3.2.3 Business Support:** As the three upper tier authorities take on responsibility for commissioning the BEST Growth Hub when LEP functions transfer from April 2024, Government's expectation is that this will continue to be commissioned at Greater Essex level. However, this change also offers the opportunity to reform the business support offer across the area. Many local authorities across Greater Essex commission their own business support services alongside the Growth Hub. We want to review the current patchwork which leads to potential duplication in some areas and gaps in others, and explore whether a single tender could provide better value for money. This could, for example, commission a standard offer across the area and also allow for a menu of options from which individual councils d/or South Essex Councils could procure additional services bespoke to the needs of their local businesses. In addition, a 'South Essex Business Expo' is earmarked for March 2024 as a key step in the new programme of engagement. A single business survey, commissioned jointly by South Essex Councils also has potential to save time and resources.
- 3.2.4 Sector development:** There is an opportunity to grow the key sectors that will provide high-productivity, high-pay jobs into the future. We will build on the comprehensive analysis undertaken by Cambridge Econometrics that identified advanced manufacturing, digital and creative industries, med tech and green construction as critical to the future of South Essex, as set out in ECC's Sector Development Strategy. Boosting innovation and supporting SMEs to grow are also crucial. In all this, we will work to complement the strengths of the Freeport, creating the conditions to support businesses to innovate through development of collaborative R&D partnerships with an intention to stimulate more high-value start-ups.
- 3.2.5 Inward investment and place promotion:** attracting more businesses to locate in South Essex is a priority as they bring jobs both directly and in the wider supply chain, as well as catalysing wider innovation. We will explore the potential for promoting South Essex as a location, given our proximity to London and excellent transport connections more widely, within the partnership already being built across Greater Essex under the Extraordinary Essex banner.

## 4 Reasons for Recommendation

- 4.1** We have scoped the opportunities to deliver an immediate joint programme of work in the remit of Economy, Jobs and Skills to benefit South Essex. To take this work forward it is recommended that the Joint Committee:
- (c) confirm if they are content with the key interventions listed above and provide a steer on key issues;
  - (d) commit to prioritising this work for the existing officer cadre to enable individuals to effectively drive forward this work within organisations.

## 5 Next Steps

- 5.1 There is a recognition that delivery needs to be at pace with a focus on beginning implementation this year.
- 5.2 Project Initiation Documents will be developed by each of the workstream leads following confirmation of the priority projects.

## **6 Consultation (if applicable) - N/A**

- 6.1 Impact on policies, priorities, performance and community impact (if applicable) - N/A

## **7 Implications**

- 8.1 **Financial** – Resource implications will be clearly set out in the PID for each workstream
- 8.2 **Legal** – Legal implications will be clearly set out in the PID for each workstream
- 8.3 **Other implications (where significant)** – N/A

## **9. Appendices to the report**

None.

<b>DATE: 28 September 2023</b>	<b>ITEM:</b>
<b>ASELA Joint Committee</b>	
<b>Report Title: ASELA/SEC future business engagement arrangements</b>	
<b>Report of:</b> Scott Logan, Chief Executive, Basildon Borough Council and lead Chief Executive for ASELA	
<b>Programme Implementation Director:</b> N/A	
<b>Accountable Programme SRO:</b> N/A	
<b>This report is public</b>	

## Executive Summary

A strong relationship between businesses and the public sector is critical to delivering growth and prosperity in South Essex.

Current strategic business engagement arrangements are determined by the South East Local Enterprise Partnership (SELEP), with Opportunity South Essex (OSE) as the federated board for South Essex. ASELA/ South Essex Councils (SEC) together provide funding which amounts to a total of £104,250 per annum to OSE. Details of the breakdown are provided in Appendix 1.

In March 2023, the Joint Committee agreed:

- a. That, the Joint Committee note the current arrangements for business engagement in South Essex, the current issues and options as set out in the report;
- b. That the Joint Committee note recent discussions between the ASELA Chair and OSE Chair and agree that further consideration be given to business engagement arrangements in South Essex with the preferred option being to evolve the current federated board arrangements to strengthen ASELA's engagement with OSE businesses and invite them to more closely align with the new workstreams, and;
- c. That detailed proposals be presented to the next meeting of the Joint Committee along with a transition plan

Since that decision, the Government policy has changed and funding for Local Enterprise Partnerships (LEP) will cease at the end of this financial year. The policy is that LEP functions should be reviewed and as appropriate integrated into upper tier local authorities from the end of the current financial year.

Essex CC, Southend and Thurrock Councils (which are members of SELEP) are proposing a collaborative approach so that functions are exercised at the right spatial level (i.e. Greater Essex / upper tier / North or South Essex Councils).

This confirms the direction of travel set by the March 2023 Joint Committee. The Joint Committee wanted to review the arrangements to enable businesses and councils to collaborate more closely and deliver better value for money for the taxpayer, given OSE has historically operated separately to ASELA/SEC and so there had not always been clear alignment of either economic strategy or delivery.

As part of the SELEP transition plan, the key remaining task for OSE is to prioritise projects for consideration by the SELEP Board for the available Getting Building Fund monies, which was done at their meeting of 30<sup>th</sup> August 2023. The time is right, therefore, for OSE to come to an end and new arrangements to be put into place going forwards.

This report therefore proposes that there be new business engagement arrangements in South Essex from April 2024, with a closer alignment between businesses and ASELA/South Essex Councils (SEC). The proposed details of this new arrangement will be placed before the Joint Committee for agreement in December 2023.

Subscriptions paid to OSE by ASELA/SEC comprise the vast majority of the OSE budget, and so withdrawal of financial support by ASELA/SEC will have the effect that OSE ceases to exist. In order to withdraw from the OSE financial arrangements, each constituent council will need to take a decision via its own individual corporate governance but this report invites Leaders to signal their intent that this is the direction they want to pursue.

## **1. Recommendation(s)**

The Joint Committee resolves that:

- (1) ASELA/SEC Leaders communicate an expression of thanks to the Chair and business members of OSE for their commitment to South Essex and everything that has been achieved.
- (2) A further report be brought to the December 2023 meeting of the Joint Committee with proposals for future business engagement arrangements for South Essex, building on and learning from OSE, in the context of LEP transition and a potential Devolution Deal.
- (3) That each ASELA/SEC constituent council shall, no later than 30 December 2023, recommend through their own governance procedures that their council ceases its financial subscription to OSE at the end of this Financial Year in line with the transfer of SELEP functions to local government.
- (4) That each ASELA/SEC constituent council shall, no later than 30 December 2023, recommend through their own governance procedures that their council

indemnifies Castle Point Borough Council against all costs and liabilities arising from any redundancy arising as a consequence of recommendation 3, in the same proportion that each constituent council pays current OSE subscriptions (and as set out in Appendix 1) provided that reasonable attempts are made to secure any outstanding OSE balances or reserves be used to offset the costs.

## 2. Introduction and Background

2.1 Local Enterprise Partnerships (LEPs) were set up in 2011 to identify and support local strategic growth priorities, encourage business investment, and promote economic development. The South East Local Enterprise Partnership (SELEP) covers East Sussex, Essex, Kent, Medway, Southend, and Thurrock.

2.2 In South Essex, Opportunity South Essex (OSE) acts as a federated board of the LEP and is a long-standing partnership consisting of twenty business and Local Authority members. OSE has an annual budget of £154,000 pa of which ASELA/SEC together contribute £104,250.

2.3 OSE is responsible for:

- I. **Collaboration;** playing a role in managing intelligence and coordinating actions between public and private sector member organisations to address critical issues.
- II. **Leveraging Investment;** as the federated board of the LEP, OSE prioritises and promotes projects for investment, supporting delivery of major projects in South Essex.
- III. **Influencing / lobbying/ advocacy;** providing a business voice on major issues and play a key role in championing priorities and raising/maintaining the profile of South Essex.

2.4 The upper tier authorities are constituent members of SELEP. Essex CC, Southend and Thurrock Councils are proposing a collaborative approach so that functions are exercised at the right spatial level (i.e. Greater Essex / upper tier / North or South Essex Councils).

2.5 We want business leaders and public sector leaders of Greater Essex as a whole and in South Essex to work more closely to harness our collective power around a shared set of priorities and deliver the growth we all want to see. This means setting strategy and facilitating the voice of business at the right spatial level. Subject to further work as part of LEP transition and a potential devolution deal, the current thinking is to move towards the following structure:

- Greater Essex Business Board: senior executives of major businesses and public sector leaders setting a shared vision for the Greater Essex economy, and to act as the guardians and stewards of that vision, with members becoming visible champions for Greater Essex with potential investors nationally and internationally, and with the Government;

- Sub-regional arrangements, including South Essex Business Board: major and SME business representatives collaborating with SEC on shared priorities for the functional economic area to drive growth and support communities;
- Local business groups: focusing on the local business ecosystem including individual town/city centres and high streets.

2.2 At a sub-regional level, this new structure would evolve business engagement into a new functional arrangement with a purpose that enables business and Local Government to harness collective power and collaborate on economic issues. Our intention is for this work to be undertaken in a managed, meaningful way that enables us to provide clarity on how the private and public sector in South Essex will interface going forward and for both public and private sector organisations to continue to value engagement. To that end, the proposal is likely to require ASELA/SEC councils to contribute financially to support such a new functional arrangement. A report is planned to be brought to the December 2023 meeting of the Joint Committee where the full details of a new proposal will be considered.

### 3. Issues, Options and Analysis of Options

- 3.1 There are several issues which must be considered when taking a decision relating to future business engagement arrangements:
- a) **Providing a simple and clear arrangement which enables businesses to engage and shape the issues that matter to them is imperative.** Developing strong relationships with businesses will take time and investment and any proposed changes must reflect the views of businesses to ensure positive engagement.
  - b) **Right spatial level:** sufficient scale to enable strategic decision-making and reflecting functional economic area(s), while also recognising the importance of local identities and business communities;
  - c) **OSE's existing body of work,** including the allocation of residual LEP funding (e.g. Getting Building Fund) and then supporting a smooth transition. Any change will need to ensure legal commitments are met and that funded committed is not lost across partner organisations
  - d) **Constraints on local authority withdrawal from OSE.** The OSE Terms of Reference, agreed by ASELA/SEC Authorities in 2019, stipulate that parties must *'give 12 months' notice in writing of withdrawal to other parties* and *'indemnify the remaining Parties for any expenses reasonably incurred by them as a consequence of the withdrawal.'* One of those consequences is the redundancy of the OSE Director post (1FTE). The post is hosted by Castle Point Borough Council which acts as the employer. The potential costs arising are set out in Confidential Appendix 2). The ASELA/SEC councils will, therefore, be liable as between them for those costs; it is proposed, in the proportions in which they currently subscribe to OSE. The intention is that an approach will be made to OSE to secure OSE unspent funds to mitigate those



costs. This is not something which ASELA/SEC can mandate as the OSE Board has autonomy for its funding. However any funds which remain unspent at the point at which OSE ceases to exist would be returned to the ASELA/SEC councils in the proportions in which they were contributed.

- e) **Greater Essex Devolution.** A devolution deal would result in further changes to business engagement across Greater Essex as the LEP functions would transfer to a Combined Authority. While the decisions of a Combined Authority cannot, of course, be prejudged, the outline approach above should provide sufficient clarity and flexibility to accommodate emerging needs.

### 3.2 Options and Recommendations

Three options are presented for consideration:

1. Each ASELA/SEC constituent council to retain the current OSE arrangements including funding after April 2024 (i.e. no change);
2. Each ASELA/SEC constituent council to withdraw support and financial contributions to OSE with effect from 31 March 2024 with a view to establishing new business engagement arrangements in South Essex from April 2024 in line with the transfer of functions from LEPs to local government - **RECOMMENDED**
3. Each ASELA/SEC constituent council to withdraw support and financial contributions for OSE with immediate effect.

## 4. **Reasons for Recommendation**

- 4.1 Option 2 is identified as the recommended approach by officers. This approach will balance the political, financial, structural and operational risks outlined in section 3 above whilst responding to the key objectives set out above. It is in line with Government policy on LEP transition, allowing time for a smooth transition and for any employment implications to be managed fairly.
- 4.2 As part of this plan and recommended option, OSE would cease to exist with effect from 31 March 2024 alongside SELEP (and Success Essex – the “sister” federated board which represents the south of the county) when LEP functions formally transfer to upper tier local government. ASELA/SEC councils’ contributions to OSE would, therefore, come to an end at the end of this financial year. Whatever new arrangements are put in place going forward, will require ASELA/SEC councils to agree via their own internal corporate governance routes following on from the Joint Committee meeting in December.
- 4.3 Option 1 is not recommended. This option would leave ASELA SEC councils funding the federated board of the LEP after the point at which Government has determined that LEP functions should pass to upper tier councils. This would miss the opportunity to refresh the sub-regional arrangements in line with a new



Greater Essex approach (though this does not prevent existing OSE business members participating in the future arrangements).

- 4.4 Option 3 is not recommended. It would be unlikely to deliver ASELA/SEC councils any material advantage as compared to option 2. As the decision to withdraw financial subscriptions from OSE would require each ASELA/SEC council to take a decision in line with their own individual corporate governance arrangements, the cost saving would likely amount to only 1-2 months savings this Financial Year but with the same requirement to bear the costs of winding up.
- 4.5 In any arrangements, discussions and communications with OSE must be managed with sensitivity and care taken to ensure that businesses remain engaged with a role in shaping the future arrangements.

## **5. Consultation (if applicable)**

- 5.1 Consultation on the content of this report has been undertaken with the Chief Executives for each of the constituent ASELA/SEC councils and with the Chair of OSE.

## **6. Impact on policies, priorities, performance and community impact (if applicable)**

- 6.1 N/A

## **7. Implications**

### **7.1 Financial**

ASELA/SEC councils contribute to OSE as set out in Appendix 1. Changes to the employment position of staff create a financial impact as set out in Confidential Appendix 2 .

Section 18 of the Opportunity South Essex Terms of Reference agreed by South Essex Councils (ASELA) in 2019 provides that withdrawal requires a minimum of 12 months' notice, during which time Local Authority and Higher Education partners would remain liable for subscription fees and any expenses incurred because of their withdrawal. OSE has cash reserves available which could be liquidated to pay costs associated with redundancy of the OSE Director Role. Any costs not covered by the reserves would require each authority to pay a share to Castle Point Borough Council in the percentages set out in Appendix 1. OSE is not obliged to utilise cash reserves to cover the cost of redundancy of the Director Post with the money pledged as subscriptions to enable the board to deliver outcomes. By engaging the OSE board as a core part of the transition processes it is likely that a positive relationship can be maintained, supporting the release of reserves.

- 7.2 **Legal** - Engagement and funding of OSE is the discretion of individual ASELA/SEC councils. The Joint Committee cannot mandate withdrawal of each constituent council from OSE and as such any recommendations would be subject execution through respective local authorities' internal governance processes.

Employment law implications arise in relation to the OSE Director role which would be dealt with primarily by Castle Point Borough Council on behalf of ASELA/SEC, subject to the indemnities required by recommendation 3.

7.3 **Other implications (where significant)**

There are no direct inclusion, diversity and community cohesion implications arising from consideration of this matter. The report primarily deals with business engagement arrangements as opposed to impacting on any individual or group.

8. **Appendices to the report**

Appendix 1 – Current Financial contributions to OSE  
Confidential Appendix 2 – Financial Implications and employment issues.

## Appendix 1 – Current and proposed contributions to OSE

Authority	Current Annual Contribution	% Annual Contribution*
Basildon Borough Council	£12,500	12%
Brentwood Borough Council	£6,750	6%
Castle Point Borough Council	£12,500	12%
Essex County Council	£25,000	24%
Rochford District Council	£12,500	12%
Southend-on-Sea City Council	£17,500	17%
Thurrock Council	£17,500	17%
Thames Estuary Growth Board	£50,000	0
<b>Total</b>	<b>£154,250</b>	<b>100%</b>

\*TEGB funding to OSE has been reduced to zero for current and future financial years.

Note: Annual subscriptions vary depending on the size of the authority and level of membership, for example Brentwood Borough Council does not confer full membership rights based on the current annual subscription.

<b>28 September 2023</b>	<b>ITEM:</b>
<b>ASELA Joint Committee</b>	
<b>Partnership Renaming and Communications Update</b>	
<b>Report of:</b> Liz Aelberry	
<b>Programme Implementation Director:</b> Karen Wheeler / Liz Aelberry	
<b>Accountable Programme SRO:</b> Scott Logan	
<b>This report is</b>	

## Executive Summary

This paper outlines a proposal to rename ASELA to South Essex Councils (SEC) and sets out initial activity that will lead to the creation of a new communications strategy for the partnership.

Renaming the partnership presents an opportunity to reset primary objectives and this paper aligns with the proposal to consolidate the workstreams of ASELA into a singular objective for regional growth.

The proposal centres on the launch of a clear narrative to tell ASELA's story – aligning with that streamlined objective.

This will then form the base for development of a robust strategy for communication and stakeholder engagement, which will be presented at a future meeting of the Joint Committee.

## 1. Recommendation(s)

That the Joint Committee:

- 1.1 Notes the update provided in this report and formally endorses the renaming of ASELA to South Essex Councils (SEC).
- 1.2 Endorses the development of a high-level narrative for SEC.
- 1.3 Notes the plan to develop a robust communications strategy once work to consolidate the partnership's workstreams is agreed, with a view to present a draft for approval at the next Joint Committee.

## **2. Introduction and background**

- 2.1 It is proposed to change the name of the joint committee to South Essex councils from Association of South Essex Local Authorities.
- 2.2 The renaming to South Essex Councils (SEC) would simplify the name for engagement purposes and bring it in line with similar partnerships in other regions.
- 2.3 A separate proposal, presented earlier at this Joint Committee in item '*ASELA: The Next Chapter*', decommissions the partnership's existing five workstreams and consolidates them into a singular programme for growth.
- 2.4 It is acknowledged that this presents an ideal opportunity to reset the approach to communications and engagement for the partnership – ensuring there is a robust strategy to inform and engage with relevant stakeholders. This may also include a rebranding exercise.

## **3. Brand and identity**

- 3.1 With the proposal to rename the partnership it is acknowledged that the visual identity for SEC will need to be updated. A new logo was presented and agreed by members at the Joint Committee in March.



- 3.2 It is proposed that this now replaces all other logos. Basildon Council as the lead organisation for communications will update the website and the other social media channels. As this a replacement cost there will be minimum costs. Further work can be undertaken to evolve this brand.

## **4. Telling the partnership's story**

- 4.1 Renaming the partnership and resetting its strategic objectives provides a key opportunity to create a clear narrative that supports what the partnership is about, and acts as an anchor for future communications and engagement activity. This is particularly important in a partnership formed of local authorities with their own identities.

- 4.2 ASELA (now SEC) has enjoyed a good profile since the partnership's inception – increasing its following on social media and delivering good news stories of the collaborative work undertaken. Recent highlights include the formation of South Essex Advanced Technical Skills (SEATS) and the announcement of new higher education opportunities for local people.
- 4.3 The partnership's story is the story of South Essex – not any one of the authorities involved in the partnership. SECs story should sit above the individual ambitions and objectives of each member authority. It should be simple, clear and offer clear takeaways of what the partnership is all about.
- 4.4 In July 2022, the joint committee endorsed three points which would be those takeaways for stakeholders and prospective partners – supporting their use as a core framework for communications of and from the partnership.
- South Essex is a major economy and destination, similar in size to the West of England, North of Tyne or Tees Valley combined authority areas
  - By making more of our assets, our proximity to London and the Thames through which we are connected to the trading world, we can become one of the most prosperous regions in the UK
  - The seven councils that make up the Association of South Essex Local Authorities are working together to make South Essex the place to live, visit and do business.

These points are the key messages of the SEC story – flexible to the various programme objectives and accessible to new and existing audiences.

- 4.5 It is proposed to cement the SEC story through development of a one-page narrative for the partnership – bringing together the key messages above into a single, accessible and marketable story. This will become the anchor for all future communications.

## **5. Development of a communications strategy**

- 5.1 Following development of a clear narrative and consolidation of the partnership's workstreams, it is proposed that a more detailed communications strategy is developed. This will lean on the new narrative and set out a clear action plan for communicating the work of the partnership and support for improved stakeholder engagement.
- 5.2 This new strategy will be developed by Basildon Council's communications team, who will continue to support communications for core partnership

activity, via the website, LinkedIn and e-newsletter.

- 5.3 The team will engage with all council Leaders through the Chair of SEC, and wider communications leads from each of the constituent authorities.
- 5.4 Relevant Cabinet portfolio holders will be included in communications and engagement activity where necessary. This will be expanded in the development of the strategy.
- 5.5 The team will aim to present a draft to the Joint Committee in November.

## 6. Actions

- 6.1 Following agreement by the Joint Committee, Basildon Council's communications team will begin work to:
  - Update ASELA branding to reflect the name change to SEC
  - Develop a one-page narrative for the partnership
  - Develop a draft communications strategy for the partnership, in line with the consolidated workstream and in consultation with member authorities.

## 7. Channels update

- 7.1 The following metrics help understand interest and engagement in our work to date. LinkedIn engagement continues to grow and councils have used their own internal and external channels to promote following the ASELA social media channels including promotion of the Joint Committee agenda and ability to watch it online.
- 7.2 As part of the development of a new communications strategy for the partnership, the team will review these metrics and suggest appropriate measures/KPIs going forward.

<i>Channel</i>	<i>Last 3 months</i>	<i>+/-</i>
LinkedIn	33 new followers 550 total followers	+23%
Twitter	67 followers	+10%
Website	1,100 users 1,500 sessions	-8% -12%

<b>DATE: 28 September 2023</b>	<b>ITEM:</b>
<b>ASELA Joint Committee Meeting</b>	<b>8</b>
<b>ASELA Financial Report</b>	
<b>Report of:</b> Elizabeth Helm, Senior Finance Business Partner, Southend-on-Sea City Council	
<b>Programme Implementation Director:</b> N/A	
<b>Accountable Programme SRO:</b> N/A	
<b>This report is</b> public	

## **Executive Summary**

This report summarises the 2022/23 outturn position and the latest forecast financial position for the various programmes within ASELA.

### **1. Recommendation**

#### **1.1 That the Joint Committee note the content of the report**

### **2. Introduction and Background**

- 2.1 The budget for ASELA is set at the start of the financial year and adjusted throughout the year as plans are changed and updated. Provisional budgets for future years are also compiled to aid longer term financial planning.
- 2.2 Southend-on-Sea City Council maintain a separate accounting structure for ASELA and produce financial monitoring reports which are shared with Programme Implementation Directors, ASELA Chief Executives and Finance leads.
- 2.3 Financial and operational monitoring is enabled through the routine highlight reporting mechanism undertaken by each Programme Implementation Director, supported by a Finance lead, and which are also reported on this agenda.
- 2.4 Financial implications detailed in highlight reports are monitored against the budget set at the start of the financial year. Changes to a programme budget may occur when additional external funding is confirmed which enables increased programme spend or when unavoidable costs have been incurred.



### 3. 2022/23 Outturn position

3.1 The 2022/23 income and expenditure position for ASELA is summarised in below:

Income and Expenditure Summary	2022/23 £000's
<b>Income</b>	
Partnership Investment (ASELA authorities)	(420)
Other partners	
Homes England	(198)
Digital - National Highways	(48)
Digital - SELEP Getting Building Fund	(55)
Additional funding ASELA authorities	
SEATS - Essex CC	(75)
<b>Total Income</b>	<b>(796)</b>
<b>Programme Expenditure</b>	
SEE Park	96
South Essex Advanced Technical Skills (SEATS)	103
Full Fibre Digital	158
Infrastructure and Housing	198
Operating and Other Costs	35
<b>Total Expenditure</b>	<b>590</b>
<b>In year (surplus) / deficit</b>	<b>(206)</b>

ASELA Reserve	2022/23 £000's
Balance brought forward	174
Non-ringfenced in year (surplus) / deficit	(226)
Ringfenced income: SE Tech Uni	20
Net in year (surplus) / deficit	(206)
Balance carried forward	(32)

3.2 The final outturn for the 2022/23 financial year was a £206,000 surplus. Of this, £52,000 relates to the work being undertaken by Pinsent Masons in relation to the South Essex Advanced Technical Skills (SEATS) programme, with the costs to be incurred in the new financial year.

3.3 As a result, the reserve has moved into a £32,000 surplus position.

#### 4. 2023/24 Current Forecast

- 4.1 The current 2023/24 forecast is a surplus of £263,000 based on the £60,000 contribution from each authority and the commitments as detailed below. As the future of the partnership is developed, a medium term forecast will be worked up.

Income and Expenditure Summary	2023/24 £000's
<b>Income</b>	
Partnership Investment (ASELA authorities)	(420)
Other partners	
Homes England	(172)
Digital - National Highways	(852)
Digital - SELEP Getting Building Fund	(742)
<b>Total Income</b>	<b>(2,186)</b>
<b>Programme Expenditure</b>	
South Essex Advanced Technical Skills (SEATS)	52
Full Fibre Digital	1,593
Infrastructure and Housing	172
Operating and Other Costs	105
<b>Total Expenditure</b>	<b>1,922</b>
<b>In year (surplus) / deficit</b>	<b>(263)</b>

ASELA Reserve	2023/24 £000's
Balance brought forward	(32)
Non-ringfenced in year (surplus) / deficit	(263)
Ringfenced income: SE Tech Uni	0
Net in year (surplus) / deficit	(263)
Balance carried forward	(295)

#### 4.2 South Essex Advanced Technical Skills (SEATS)

Pinsent Masons continue to provide the legal expertise required to establish the operating company, with spend of £52,000 anticipated this financial year when the work is completed.

The pump priming fund secured from the Thames Freeport Governing Board will go direct to the operating company.

### **4.3 Full Fire Digital**

£1.5m of work is anticipated to be completed this year on the Local Full Fibre Network, with funding from the SELEP GBF and National Highways. To date payments totalling £378,000 have been made for the works completed, with another milestone having been achieved and the next tranche of payments due to be made shortly.

### **4.4 Infrastructure and Housing**

One agreement with Homes England continues into this financial year, with £172,000 of the grant for the housing pipeline delivery work remaining from the total £250,000 awarded with an end date of 20<sup>th</sup> September 2023. Spend to the end of August was £108,000, leaving a balance of £64,000.

A request has been made to Homes England to extend the terms of the grant to 31<sup>st</sup> December 2023, whilst the agreement has been verbally agreed, we are waiting for the legal variation to the grant agreement. Any costs beyond the current agreement are incurred at risk to the partnership until the legal extension is in place.

### **4.5 Operating and other costs**

A forecast of up to £100,000 is included for consultancy subject to the corresponding recommendation in the 'ASELA – the Next Chapter' paper earlier in the agenda. This will be financed through the funding previously ringfenced for the recruitment of the Programme Director and Programme Officer roles which are no longer planned for recruitment.

## **5. Medium term forecast**

- 5.1 Once further detail is worked out on the next chapter of ASELA, a forecast beyond the current financial year will be developed with workstream leads.

### **Report Author:**

NAME Elizabeth Helm

TITLE Senior Finance Business Partner, Southend-on-Sea City Council