



Duty to Cooperate

Record of Co-operation

SDCBC/05

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1. Introduction

- 1.1 This statement sets out how Colchester Borough Council has met the requirements of the duty to cooperate in preparing its Local Plan. It follows the suggested format contained in the August 2015 Planning Advisory Service Duty to Cooperate Statement Template. Given that Colchester's Section 1 of the Local Plan has been submitted jointly with Braintree and Tendring District Councils, the format of this statement primarily considers the Duty to Cooperate in the context of this joint approach.
- 1.2 Section 110 of the Localism Act transposes the duty to cooperate in to the Planning and Compulsory Purchase Act 2004 and introduces section 33A, which sets out a duty to cooperate in relation to the planning of sustainable development. The duty to cooperate applies to all local planning authorities, county councils and prescribed bodies, and requires that they must co-operate with each other in maximising the effectiveness with which development plan documents are prepared.
- 1.3 The Localism Act states that, in particular, the duty to cooperate requires that engagement should occur constructively, actively and on an ongoing basis during the plan-making process. It also states that regard must be had to the activities of other authorities where these are relevant to the local planning authority in question. National policy makes it clear that the Duty to Co-operate is not a 'duty to agree', but that every effort should be made to secure necessary cooperation before submission of a Local Plan to the Planning Inspectorate.
- 1.4 The neighbouring authorities and prescribed relevant bodies for the purposes of section 33A of the Act, as set out by the Town and Country Planning (Local Planning) (England) Regulations 2012 are:
- Tendring District Council
 - Babergh District Council
 - Braintree District Council
 - Chelmsford City Council (within Strategic Housing Market Area)
 - Maldon District Council
 - Essex County Council
 - Suffolk County Council
 - The Environment Agency
 - English Heritage
 - Natural England
 - The Mayor of London
 - Highways Agency
 - The Office of Rail Regulation
 - Transport for London
 - Integrated Transport Authority
 - The Civil Aviation Authority
 - The Homes and Communities Agency
 - North East Essex Clinical Commissioning Group/NHS
 - The Marine Management Organisation
 - South East Local Enterprise Partnership
- 1.5 Paragraphs 178-181 and 156 of the National Planning Policy Framework (NPPF) outline the relevant planning policy issues to be considered under the duty to cooperate. It states that '*public bodies have a duty to co-operate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities*'. It states that this should include strategic policies to deliver:

- The homes and jobs needed in the area;
- The provision of retail, leisure and other commercial development;
- The provision of infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management and the provision of minerals and energy (including heat);
- The provision of health, security, community and cultural infrastructure and other local facilities; and
- Climate change mitigation and adaptation, conservation and enhancement of the natural and historic environment, including landscape

2. The Colchester strategic context

- 2.1 Colchester is located in northeast Essex, with good access to London, London Stansted Airport and the port of Harwich. The area lies within the County of Essex which falls within the southeast grouping for some issues. The council area has borders with Braintree, Maldon, and Tendring districts within Essex County and with Babergh district within Suffolk County. Strong links are being created with Braintree and Tendring arising from cross-boundary work on Garden Communities.
- 2.2 The spatial structure of Colchester is defined by the urban area at the centre, surrounded by a rural hinterland with three smaller centres, Tiptree, West Mersea and Wivenhoe. The Town Centre serves as a centre not only for the Borough but for a much wider area of northeast Essex, with residents of Braintree, Maldon and Tendring districts travelling into the town to work, shop and use its community facilities.

3. The process that has taken place – how the Duty has been met

- 3.1 CBC actively engages, at both member and officer level, with other local authorities and public bodies on strategic planning issues. In addition to discussions with individual authorities and bodies on particular issues, the Council is a member and attends regular meetings of long-standing area-wide organisations such as the Essex Planning Officers Association, Essex Chief Executives Association and the Haven Gateway Partnership.

A. Duty to cooperate with neighbouring authorities on Local Plan matters

Babergh and Mid-Suffolk District Council – The Councils work jointly with 3.2 3.2 Babergh and Mid-Suffolk Council through the Haven Gateway Partnership, which considers cross-boundary/sub-regional employment and planning issues and includes all four authorities. Babergh District Council did not respond to the Colchester Local Plan Preferred Options or Publication Draft Local Plan consultation but did respond to the Braintree District Council Publication Draft Local Plan raising no concerns regarding compliance with the Duty to Cooperate. The did however raise soundness issues concerning the route of the Sudbury Western Relief Road which they considered could be resolved through continuing discussion. Babergh and Mid-Suffolk Council did not respond to the Tendring Publication Draft Local Plan but did respond to the Sustainability Appraisal noting: “When preparing the Recreational Avoidance and Mitigation Strategy - We recommend the North Essex Authorities mitigation measures take note of and are consistent with the Habitat Regulation Assessment RAMS for Ipswich Borough, Babergh District and Suffolk Coastal District Councils with regards to

impact upon the Stour and Orwell SPA". Please see paras 8.4 and 9.1.5 below for further discussion on the RAMs issue

Basildon District Council

3.3 Basildon submitted objections to the Braintree, Colchester and Tendring Local Plans on grounds concerning the need for the authorities to introduce a mechanism to allow for the review of unmet housing need arising from other authorities for general housing as well as for gypsy and traveller accommodation. Please see Para 5.5.2 below for a discussion of the specific issues raised. The authorities have, however, met since those objections were submitted and have agreed to work towards a Statement of Common Ground including minor modification wording that would address these points.

Braintree and Tendring District Councils

3.4 The existence of a joint Section 1 for three Local Plan is testament to the extent of cooperation between the Braintree, Colchester and Tendring councils. Development of joint policies and allocations has entailed a significant amount of joint working at both member and officer level. Earlier in the plan making process, joint working involved a Memorandum of Cooperation between Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council and Essex County Council. (see Appendix 1a) The MoC identifies 4 key objectives: to provide evidence on the Duty to Co-operate, to identify major strategic issues, to articulate the process and outcomes from the collaboration and to ensure the alignment of strategic investment priorities and work together on the funding for such projects. Three of the four local authorities (excluding Chelmsford) were then able to align their plan making processes to allow for production of a joint Section 1 Local Plan covering strategic cross-boundary issues and alignment of Local Plan consultation timetables, with each authority consulting on Preferred Options in summer 2016 and the Publication Draft in summer 2017. below describes the joint working undertaken by the Councils alongside Essex County Council to deliver Garden Communities.

Chelmsford City Council

3.5 Chelmsford City Council has worked closely with Braintree, Colchester and Tendring Councils and signed the Memorandum of Cooperation with those authorities and Essex County Council in June 2016. Chelmsford has collaborated with the three councils on a range of studies including Objectively Assessed Need and Strategic Housing Market Assessment. These studies concluded that all four authorities are within the same Housing Market Assessment area. All four authorities accordingly are relying on the same evidence base to inform their Local Plan targets. It did not, however, prove possible to align Chelmsford's plan preparation schedule with that of the other three authorities so while Chelmsford is supportive of the Section 1 joint plan it is pursuing development of its own separate plan slightly behind the delivery timetable of the other North Essex authorities. Chelmsford has written in general support of the Colchester Local Plan at all stages of its consultation, noting their collaboration on evidence base work.

Maldon District Council

3.6 Maldon's Local Plan was found sound in the Inspector's 29 June 2017 report. The Inspector noted that the Duty to Cooperate process there focused on transport matters, which was considered justified given the circumstances. The OAN Study (July 2015, updated December 2015) along with the Strategic Housing Market Assessment Update (December 2015) produced for Braintree, Chelmsford, Colchester and Tendring concludes that an HMA comprising those four authority areas represents a sound basis for assessing housing need. In light of this evidence and Maldon's particular plan-making timetable, the Maldon Inspector considered that it was reasonable to regard Maldon district as one HMA for

the purposes of the Maldon plan. (Please see para XX below for further discussion of the OAN issue.)

3.7 Maldon District Council officers and members held a Duty to Co-operate meeting on 29 August 2017 with members and officers from Colchester Borough Council. Those in attendance agreed that the Housing Market Area issues noted above did not raise any ongoing issues. Maldon raised issues around educational capacity, but in the absence of any further concerns on this point from ECC as the education authority, no further action was deemed to be necessary on this point. Maldon submitted objections on soundness grounds to the joint Section 1 Local Plan and Colchester's Section 2 (anyone else?)

Essex County Council

3.8 Essex County Council has worked closely with Braintree, Colchester and Tendring Councils throughout the plan making process, including signing the 2016 MOC and active officer and member participation in the North East Essex Garden Communities project. Section 8 below provides detail on the joint working undertaken by the local authority partnership including Essex County Council to deliver Garden Communities. ECC has been involved in the drafting of policy wording and have provided detailed commentary in response to plan consultations which has consolidated views from the full range of County functions. Their consultation responses accordingly have reflected their overall agreement with plan objectives while seeking to ensure the accuracy and appropriateness of detailed wording. The Councils have incorporated ECC wording suggestions made at the Preferred Options stage and are supportive of the minor modifications suggested at the Publication Draft stage.

3.9 Essex and Southend-on-Sea Waste Local Plan – The County Council adopted a replacement Waste Plan in July 2017. There are no outstanding Duty to Cooperate issues with Colchester BC. This was confirmed in an ECC/CBC meeting held in September 2015 and through representations made by ECC to Local Plan consultations. The Colchester Local Plan states that the WLP is a statutory Development Plan which should be read alongside the Colchester Local Plan. ECC is the waste planning authority for the Borough, and is responsible for preparing planning policies, and also for assessing applications for waste management development.

3.10 Essex Minerals Local Plan - Essex County Council adopted the Minerals Local Plan (MLP) in 2014. There are no outstanding Duty to Cooperate issues with Colchester BC. This was confirmed in an ECC/CBC meeting held in September 2015 and through representations made by ECC to Local Plan consultations. The Colchester Local Plan states that the MLP is a statutory Development Plan which should be read alongside the Colchester Local Plan. ECC is the minerals planning authority for the Borough, and is responsible for preparing planning policies, and also for assessing applications for minerals development. Minerals Safeguarding Areas and Minerals Consultation Areas within Colchester Borough are shown on the Policies Map and the Local Plan states that regard should be had to the requirements of the MLP where a development falls within safeguarding or consultation area. As noted in the section below on Garden Communities issues, Garden Communities policies reflect joint work with Essex County Council as minerals planning authority to provide consideration of potential on-site mineral resources. The policies reflect the adopted MLP.

Suffolk County Council

3.11 Suffolk County Council did not respond to any of the three local authority's Publication Draft Plan consultations. Suffolk's housing and employment housing market areas do not extend into Essex, but cross boundary issues are considered through the Haven Gateway Partnership which includes both Essex and Suffolk authorities. Additionally, the Sustainability and Transformation Partnership for north east Essex and east and west Suffolk includes Colchester and Tendring within the area it covers. Braintree, Colchester and

Tendring officers met with Suffolk authority officers in January 2017 to discuss the Suffolk Strategy Planning and Infrastructure Framework which is being prepared following a similar approach to the Essex Growth and Infrastructure Framework.

B. Co-operation with Cross Boundary Groups and Organisations

3.12 The following table sets out the groups and organisations that Colchester takes an active part in to address strategic cross-boundary issues.

Table 1: Colchester Cross Boundary Groups and Organisations 2017

Body	Member (M)/Officer (O) and Organisations working with Colchester	Purpose
North Essex Garden Communities Ltd. Board	M/O –Board includes the chief executives, leaders and portfolio holders for planning from Essex County Council, Braintree District Council, Colchester Borough Council and Tendring District Council along with representatives from University of Essex and the Haven Gateway. Representatives from other areas including the DCLG are invited to attend the meeting.	A formal board for North Essex Garden Communities has been set up and meets every month, after being a shadow board for around a year.
Garden Communities Programme Steering Group	O – Braintree, Tendring ECC	The Steering Group agrees budgets and recommendations from the various working groups and manages risk and overall project management.
Garden Communities Masterplanning & Infrastructure Working Group	O – Braintree, Tendring, ECC	The group actions matters including the delivery of the joint section 1 of the Local Plans, commissioning and signing off joint evidence base documents to support both the Local Plans and the Garden Communities, consultation strategies and community engagement and

		general project management and risk management issues.
Garden Communities Transport Working Group	O – Braintree, Tendring, ECC	The group actions matters including commissioning and signing off evidence base in relation to the Local Plans and Garden Communities, updates on strategic highway matters and transport and infrastructure text within the documents.
East of England Local Government Association	M	Advocates to further interests of the 52 local councils in the East of England
Haven Gateway Partnership	M/O	Advocacy and research supporting economic sub-region of North Essex and South Suffolk.
Essex Housing Officers Group	O	Coordination on Essex wide housing issues
Greater Haven Gateway Housing Group	O	Coordination of housing issues in Haven Gateway Essex and Suffolk authorities
Essex Shoreline Management Group		
Dedham Vale (AONB) and Stour Valley Joint Advisory Committee	M/O	Responsible for Management Plan for Dedham Vale AONB
Essex Partnership for Flood Management	M	Meets quarterly to provide strategic overview of matters surrounding flooding in Essex.
Essex Chief Executives Association	O	Addresses Essex-wide governance issues
Essex Planning Officers Association (senior planning officers) and Essex Planning Policy Forum (planning policy officers)	O	Meets quarterly to consider Essex-wide planning and planning policy issues

4. Strategic planning priorities - Introduction

4.1 NPPF paragraph 156 advises local planning authorities to set out the strategic priorities for the area in the Local Plan. For the Braintree, Colchester and Tendring Local Plans, the

agreed approach for all three Local Plans has been to prepare a shared Section 1 containing strategic policies for the three-authority area, including three proposed Garden Communities. Each authority has then separately prepared a Section 2 containing policies for their local area.

4.2 Given that the shared Section 1 Local Plan is by definition a strategic cross-boundary plan, the focus of this Duty to Cooperate statement is on how Colchester, along with Braintree and Tendring, have jointly addressed the principal cross-boundary strategic concerns set out in Section 1. The following sections set out how the Local Plan's strategic Section 1 policies have been addressed and managed on a strategic basis. The themes are aligned with Section 1 policies:

- 5. Housing** (Section 1 policy SP3: Meeting the Need for New Homes)
- 6. Employment** (Section 1 policy SP4: Providing for Employment)
- 7. Infrastructure** (Section 1 policy SP5: Infrastructure and Connectivity)
- 8. Creating Quality Places** (Section 1 policy SP6: Creating Quality Places)
- 9. Joint Garden Communities** (Section 1 policies SP7: Development and Delivery of New Garden Communities in North Essex, SP8: Tendring/Colchester Borders Garden Community, SP9: Colchester/Braintree Borders Garden Community, SP10: West of Braintree Garden Community)

5. HOUSING

5.1 Strategic planning issue

Define the issue

5.1.1 Section 1 of the Local Plan states that the North Essex authorities are committed to plan positively for new homes and to significantly boost the supply of housing to meet the needs of the area, including the need to provide a workforce for forecast jobs. To meet the requirements of national policy to establish the number and type of new homes, the authorities commissioned Peter Brett Associates to produce an Objectively Assessed Housing Need Study building on earlier work to meet the requirements of the NPPF to prepare a Strategic Housing Market Assessment (SHMA). Detailed analysis in the report suggests that a Housing Market Area comprising Braintree, Colchester, Chelmsford and Tendring Council areas forms a sound basis for assessing housing need. (Paras 4.2 and 4.3)

Demographic projections are the starting point for assessing how much housing will be required across an area. Based on 2014 national projections covering the period 2013 to 2037, the conclusion reached is that the objectively assessed need across the Housing Market Area is 2,999 new homes a year over the period 2013 – 2037. The total requirement across north Essex, excluding Chelmsford City Council's area, is 2,186 new homes per year. This figure includes a figure of 550 new homes per year for Tendring. Calculation of housing need in the District is complicated by uncertainty arising from unattributed population change (UPC). (Paras 4.4 and 4.5)

5.1.2 Evidence on overall levels of affordable housing provision will be set out in more detail within the individual Local Plans and will take account of identified needs. Garden Communities need to be mixed and balanced communities and will be expected to provide 30% affordable housing. (Para 4.6)

5.1.3 Each Garden Community will be expected to provide suitable sites for Gypsies and Travellers. Additional requirements for sites to meet District wide needs are set out in Section Two of each District/Borough Local Plan. (Para 4.7)

5.2 Evidence base

What is the evidence used to develop the Local Plan's strategic policies?

- Strategic Housing Market Housing Assessment Update (Braintree District, Chelmsford City, Colchester Borough and Tendring District) (December 2015)
- Objectively Assessed Housing Need Study (Braintree District, Chelmsford City, Colchester Borough and Tendring District) (July 2015 and November 2016 update)
- AECOM Garden Communities Concept Feasibility Studies (June 2017)
- Greater Essex Demographic Forecasts 2013 – 2037 – Phase 7 Main Report (May 2015)
- North Essex Local Plans Viability Assessment (Section 1) (April 2017)
- Braintree Economic Viability Study (June 2017)
- Braintree District Council Affordable Housing Viability Assessment (July 2015)
- Braintree Housing Background Paper (2017)
- Braintree Gypsy and Traveller Accommodation Assessment Need Summary Report (May 2017)
- Colchester Economic Viability Study (June 2017)
- Colchester Gypsy and Traveller Accommodation Assessment Need Summary Report (May 2017)
- Tendring Economic Viability Study (June 2017)
- Tendring Gypsy and Traveller Accommodation Assessment Need Summary Report (May 2017)

5.3 Strategic Partners

List of bodies engaged with

Core LPA Partners

- Braintree District Council
- Colchester Borough Council
- Tendring District Council

Secondary LPA partners

- Chelmsford City Council

Duty to Cooperate consultees

- Essex County Council
- Maldon District Council
- Basildon District Council
- Uttlesford District Council

5.4 Actions required during the preparation of the Issues and Options, Preferred Options and Publication Draft document.

How have you worked collaboratively with your partners?

What actions did you take to manage the strategic issue?

Was there any joint evidence developed? Who was involved? Include timescales for the evidence in an annex to demonstrate how and when key decisions were made

Action: Preparation of a 'Memorandum of Co-operation: Collaborative Working on Strategic Growth Priorities in North and Central Essex'.

Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: MOC was signed by the above authorities (Leaders or Planning Portfolio holder) and identified strategic issues the authorities needed to address collaboratively – this included providing for housing: *To meet the needs of a growing and ageing population; through ensuring the availability of developable land in appropriate locations and that the market delivers a suitable mix of housing types.* A housing evidence base has been prepared to support the Local Plans, discussions have taken place with duty to cooperate consultees, and relevant policies included in Section 1 and 2 of each Local Plan to address strategic and local housing issues.

Date: MOC signed June 2016. (see Appendix 1A)

Action: Development of a joint evidence base on Objectively Assessed Housing Need

Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council

Outcome: Commissioning of Peter Brett Associates to carry out Objectively Assessed Needs study in accordance with Government methodology on OAN.

As the fourth local authority in the housing market area, Chelmsford City Council have been involved at every stage of the work on OAN and affordable housing need which were all commissioned jointly. Chelmsford Council is aware of and supportive of the approach and the housing numbers developed in line with the study results, however due to a mismatch between the timetables of the Local Plan, were not able to be part of the joint Section 1 strategic plan and are progressing their plan separately.

Date: OAN report published July 2015 with November 2016 update

Action: Development of a joint evidence base on housing need in the form of a Strategic Housing Market Assessment to assess the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period

Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council

Outcome: Commissioning of HDH Planning & Development to carry out a Strategic Housing Market Assessment report in accordance with Government methodology for a SHMA

Date: Published December 2015

Action: Development of a joint evidence base on affordable housing targets and viability to ensure a consistent approach to affordable housing targets across the Section 1 plan area while allowing for justified local variations. This included testing of different levels of affordable housing to determine their impact on viability.

Partners: Braintree District Council, Colchester Borough Council, Tendring District Council

Outcome: Commissioning of Troy Planning to carry out economic viability assessment work for each authority using the same methodology following Government guidance.

Date: Reports for each authority published June 2017.

Action: Development of a joint evidence base on Gypsy and Traveller accommodation requirements.

Partners: Essex local authorities.

Outcome – The Colchester GTAA is part of a wider study that covers the whole of Essex, together with Southend-on-Sea and Thurrock. Due to the complexity of this wider study the overall Essex GTAA Report has not yet been completed. However the fieldwork undertaken

for the County as a whole enabled the calculation and assessment of need for Braintree, Colchester and Tendring to allow these authorities to understand levels of need for their plan period.

Date: Publication in May of separate Needs Summaries for Braintree, Colchester and Tendring in advance of publication of an Essex-wide report.

Action: Preparation of 'Section 1' of the Local Plans to address the cross boundary strategic issues identified in the MOC.

Partners: North Essex LPAs and ECC

Outcome: The alignment of Local Plan preparation between the three LPAs following the Issues and Options consultation. An outcome was the preparation of a common 'Section 1' to the Draft Plans in order to address the strategic issues. Section 1 included Policy SP3, Meeting Housing Needs which was based on a comprehensive evidence base including both the joint studies noted above. The policy lists the key requirements for identifying sufficient deliverable sites or broad locations during the plan period to meet Objectively Assessed Need. Policy SP7 on Garden Communities provided that they should include 30% affordable housing. This requirement was also stated in Policies SP8, SP9, and SP10 along with provision for Gypsies and Travellers being an element of the overall total of housing units to be provided.

Date: The preferred options documents were prepared during 2015 and consulted in 2016. Meetings between the three LPAs took place throughout 2015 on a one to one basis, and through the North Essex Garden Communities project.

5.5 Outcomes from strategic working

- *What was the result of the strategic cooperation and how has this influenced the plan (specific references to relevant policies are included where possible)?*
- *What are the issues that remain unresolved? How does the Council plan to manage these.*
- *What are the implications of unresolved matters?*

The outcome from strategic working are:

- The completion of a range of housing evidence reports for the three North Essex LPAs using a consistent and robust methodology;
- Confidence backed up by the evidence that the housing objectives contained in the Local Plans can be delivered;

Local Plan policies

The evidence contained within the housing reports referenced above directly informed Local Plan preparation and policy.

Section 1

- **Policy SP3** was slightly amended by the three LPAs for the Publication Draft version of the plan to include the latest OAN figures to inform the housing target for each authority. The policy provides that each authority will identify sufficient deliverable sites or broad locations against that requirement.

Section 2

Braintree

- **Policy LPP 17: Housing Provision and Delivery** provides for the delivery of at least 14,320 new homes in Colchester Borough between 2013 and 2033 based on an OAN of 716 homes a year. These homes will be located primarily in Strategic Growth Locations including two new Garden Communities. The policies in the Publication Draft reflect the latest evidence from the Housing Market Area and Garden Community studies.
- **Policy LPP 33: Affordable Housing** provides a 30% affordable housing target for main towns with a threshold of 15 dwellings and 40% in all other areas with a threshold of 11 dwellings or more. These targets reflect the evidence in the July 2015 Braintree

- **Policy LPP 36: Gypsy and Traveller and Travelling Showpersons' Accommodation** states that the Council will allocate up to 30 pitches at Strategic Growth Locations and the garden communities, or through the planning application process.

Colchester

- **Policy SG2: Housing Delivery** provides for the delivery of at least 14,720 new homes in Colchester Borough between 2017 and 2033 based on an OAN of 920 homes a year. The allocations are guided by the settlement hierarchy and are focused on the Colchester urban area and the two Garden Communities which include land in Colchester. The policies in the Publication Draft reflect the latest evidence from the Housing Market Area and Garden Community studies.
- **Policy DM8: Affordable Housing** states that 30% of new dwellings on housing developments of more than 10 dwellings in urban areas and above 5 units in designated rural areas should be provided as affordable housing. The Preferred Options proposed target was 20%, which was a figure that had been derived from earlier viability work. The proposed 30% figure is based on more recent evidence contained in the June 2017 Economic Viability Study.
- **Policy DM11: Gypsies, Travellers, and Travelling Showpeople** states that there is an overall need for 15 pitches by 2033 (including 2 pitches for nomadic travellers and 13 pitches for those identifying as gypsies and travellers) which will be met by through expansion of an existing site; provision at the two new Garden Community sites; and by a criteria-based approach to any further applications.

Tendring

- **Policy LP1: Housing Supply** provides for the delivery of at least 11,000 new homes in Colchester Borough between 2013 and 2033 based on an OAN of 550 homes a year. The allocations are guided by the settlement hierarchy and are focused on Strategic Allocations and the Tendring/Colchester Borders Garden. The policies in the Publication Draft reflect the latest evidence from the Housing Market Area and Garden Community studies.
- **Policy LP5: Affordable and Council Housing** states that proposals involving the creation of 11 or more homes will be expected to include 30% of new dwellings to be made available to Tendring District Council to acquire at a proportionate discounted value for use as affordable or council housing. As an alternative, the Council will accept a minimum 10% of new dwellings, (including conversions) to be made available to Tendring District Council or its nominated partner(s) to acquire at a proportionate discounted value for use as council housing alongside a financial contribution towards the construction or acquisition of property for use as council housing equivalent to delivering the remainder of the 30% requirement. These targets reflect the evidence in the June 2017 Tendring Economic Viability Study.
- **Policy LP9: Traveller Sites** states that there is a need for 7 pitches by 2033 (including 2 pitches for nomadic travellers and 5 pitches for those identifying as gypsies and travellers) which will be met by through provision at the Garden Community sites; and by a criteria-based approach to any further applications.

Objectively Assessed Need

5.5.1 In 2015, Braintree, Chelmsford, Colchester and Tendring Councils commissioned Peter Brett Associates to carry out an Objective Assessment of Housing Need for the housing

market area to provide a consistent and robust basis for determining housing provision targets. As noted above in the section on Maldon District Council, Maldon had defined itself for the purposes of its own Local Plan as a discrete Housing Market Area. This was not considered to cause any problems for the other authorities however, since the other four Councils met the self-containment criteria used to define housing market areas regardless of Maldon.

5.5.2 The Basildon response to the Draft Publication Local Plan consultations of Braintree, Colchester and Tendring requested that the three Councils include a review mechanism in their joint Section 1 Local Plans to allow for the potential accommodation of other authorities unmet housing need. It is considered that this issue has been addressed in part by the adoption by the Essex Planning Officers Association of a 'Mechanism for the Consideration of Unmet Housing Need'. (attached as Appendix 2) As part of the joint protocol, each SHMA will be expected to carry out assessment of HMA area need before requesting assistance from any other area. In addition to following this protocol, Braintree, Colchester and Tendring have met with Basildon to discuss Duty to Cooperate issues and agreed the plan could be modified by the addition of the following sentence to SP3: 'The Council will review housing numbers regularly in accordance with national policy requirements, and in doing so the Council will have regard to the housing needs of the wider area.'

5.5.3 Unresolved Issues: Braintree, Colchester and Tendring will work to resolve with Basildon District Council any outstanding issues around review mechanisms for unmet need, agreeing Statements of Common Ground and minor modifications as appropriate. While this plan is being submitted prior to the introduction of the March 2018 requirement for plans to use a new standardised housing number calculation methodology, housing numbers will in any case be regularly reviewed using the latest methodology as part of the process of overall regular plan review.

Gypsy and Traveller Accommodation Provision

5.5.4 The Basildon response to the Braintree, Colchester and Tendring Draft Publication Local Plans included a request for those Councils to meet unmet need for Gypsy and Traveller Accommodation arising from Basildon. Each authority subsequently examined its potential to meet Basildon need and concluded that no identifiable additional sites for gypsies and travellers have emerged through the Local Plan development process that could meet this need.

5.5.5 Braintree: Braintree has examined the potential to meet to meet Basildon's need and concluded that no identifiable additional sites for gypsies and travellers have emerged through the Local Plan development process that could meet this need. Braintree District Council already has a substantial gypsy and traveller need which it is proposing to meet through the allocation of gypsy and traveller sites on large scale new housing allocations, including on the garden communities. The Call for Sites process which the Council undertook at the beginning of the Local Plan process did not identify any sites which proposed gypsy and traveller or travelling showpeople uses.

5.5.6 Colchester: Colchester has examined the potential to meet Basildon need and concluded that no identifiable additional sites for gypsies and travellers have emerged through the Local Plan development process that could meet this need. The Call for Sites process undertaken as part of developing the Local Plan involved submission of a form specifying the preferred type of development for sites submitted. None of the proponents for sites submitted indicated their preference for use as gypsy and traveller sites. The Council proposes in Local Plan Policy DM11 that its own need will be met through expansion of an existing site; provision at the two new Garden Community sites; and by a criteria-based

approach to any further applications.

5.5.7 Basildon also raised a point concerning the specific requirements for sites in Colchester generated by those meeting the definition of gypsies and travellers. The evidence contained in the May 2017 Colchester GTAA Needs Summary report by ORS indicated a requirement for two pitches to meet the need generated by those meeting the definition of gypsies and travellers. If later evidence emerges through the Examination process that supports a different figure, the Council would be prepared to consider amending the figure through the modification process.

5.5.8 Tendring: Tendring has examined the potential to meet to meet Basildon's need and concluded that no identifiable additional sites for gypsies and travellers have emerged through the Local Plan development process that could meet this need. The Call for Sites process undertaken as part of developing the Local Plan did not identify sites where there was a preference for development as gypsy and traveller accommodation. The Council proposes in Local Plan Policy LP9 that its own need will be met through expansion of an existing site; provision at the new Garden Community; and/or by a criteria-based approach to any further applications.

5.5.9 As required by national guidance, the Council will regularly review its requirements for all forms of housing including gypsies and travellers. The review will include consideration of the gypsy and traveller accommodation needs of the wider area, including Basildon/South Essex. Braintree, Colchester and Tendring have met with Basildon to discuss Duty to Cooperate issues and agreed.

5.5.10 Unresolved Issues: Braintree, Colchester and Tendring will work to resolve with Basildon District Council on any outstanding issues around gypsy and traveller accommodation provision, agreeing Statements of Common Ground and minor modifications as appropriate. Braintree, Colchester and Tendring The local planning authorities will review housing numbers regularly in accordance with national policy requirements, and in doing so will have regard to the housing needs of the wider area

5.6 Ongoing cooperation

- *How will the strategic issues be managed on an ongoing basis?*
- *What are the mechanisms/structures being used to do this?*
- *How will cooperation be monitored?*

5.6.1 Braintree, Colchester and Tendring will continue to work closely with government departments, other Essex authorities, and Essex County Council, to agree requirements for all types of housing including affordable units and Gypsy and Traveller accommodation, and allocate sufficient housing land. This will be done through:

- Engagement and cooperative working through regional and sub-regional fora such as the Essex Planning Officers Association, the Essex Housing Officers Group and the Haven Gateway Housing Officers Group.
- Engagement and cooperative working through the North Essex Garden Communities project to ensure the deliverability and sustainability of housing for the Garden Communities.
- Preparation of site specific DPDs for the three Garden Communities, to include commissioning of further work exploring the mechanisms for delivering high quality design and sustainable new communities in each Garden Community.

5.6.2 Monitoring will be undertaken by the LPAs through the preparation of the annual Authority Monitoring Reports which will review the amount of housing delivered. The North Essex Garden Communities Steering and Working Groups will monitor the delivery of

innovative new approaches to well-designed and sustainably located housing being developed for the Garden Communities. The Development Plan Documents now being progressed by the North Essex Garden Communities project will incorporate the latest evidence on housing issues.

6. EMPLOYMENT

6.1 Strategic planning issue

Define the issue

6.1.1 Section 1 of the Local Plan provides that a key objective for the area is to strengthen and diversify local economies to provide more jobs and to achieve a better balance between the location of jobs and housing, which will reduce the need to travel and promote sustainable growth. (Para 5.1)

6.1.2 As part of the work to assess housing requirements, an analysis of economic forecasts was undertaken together with demographic projections to establish the inter-relationship between population growth, forecasts of new jobs and the number of new homes needed to accommodate these levels of growth. Employment Land Needs Assessments have been carried out by each authority which set out the amount of employment land that is required within the Plan period. (Para 5.9)

6.1.3 Braintree, Colchester and Tendring commissioned work to explore the employment opportunities associated with the development of innovative Garden Communities based on the likely demographic profile of these new communities and to develop quantified scenarios for future employment growth. The consultants concluded that assuming political commitment and proactive delivery on the part of local authorities, Garden Communities had the potential to deliver one job per household, in line with the Garden Communities charter, and to support employment growth in surrounding areas. The Tendring Colchester Border Garden Community is considered to perform the best in employment terms given the opportunities provided by its location adjacent to the University Essex, but the other two Garden communities also are well-placed to take advantage of employment opportunities in new technology-based businesses, construction of the Garden Communities, access to employment opportunities in Colchester and Braintree town centres, meeting the growing need for local services, and accommodating elements of the logistics supply chain. (Para 5.10)

6.1.4 Employment forecasts for the three authorities accordingly factor in the longer-term aspirations for employment growth arising from the positive spin-offs associated with Garden Communities. It is important to note, however, that while job numbers can be expected to grow at a consistent rate, current trends point to overall lower requirements for additional B1 floorspace. This reflects the growth of home working enabled by enhanced digital connectivity; the continuing decline of manufacturing with its need for large floor areas; and the prevalence of 'hot desking' leading to lower requirements for office floorspace. (Para 5.11)

6.2 Evidence base

What is the evidence used to develop the Local Plan's strategic policies?

- North Essex Garden Communities Employment and Demographic Study (April 2017)
- AECOM Garden Communities Concept Feasibility Studies (June 2017)

- Greater Essex Infrastructure Framework 2016-2036 (February 2017) North Essex Local Plans Viability Assessment (Section 1) (April 2017)
- SELEP Growth Deal and Strategic Economic Plan
- SELEP Growth Deal and Strategic Economic Plan (full)
- Objectively Assessed Housing Need Study (Braintree District, Chelmsford City, Colchester Borough and Tendring District) (July 2015 and November 2016 update)
- Employment Land and Floorspace Aligned with November 2016 OAN (May 2017)
- Braintree Employment Land Needs Assessment (August 2015)
- Braintree Economic Viability Study (June 2017)
- Colchester Employment Land Needs Assessment (January 2015)
- Colchester Employment Land Trajectory and Report (May 2017)
- Colchester Economic Viability Study (June 2017)
- Tendring Employment Land Review (May 2016)
- Tendring Employment Land and Floorspace (May 2017)
- Tendring Economic Viability Study (June 2017)

6.3 Strategic Partners
List of bodies engaged with

- Core LPA Partners
- Braintree District Council
 - Colchester Borough Council
 - Tendring District Council
- Secondary LPA partners
- Chelmsford City Council
- Duty to Cooperate consultees
- Essex County Council
 - South East Local Economic Partnership

6.4. Actions required during the preparation of the Issues and Options, Preferred Options and Publication Draft document.
How have you worked collaboratively with your partners?
What actions did you take to manage the strategic issue?
Was there any joint evidence developed? Who was involved?

Action: Preparation of a ‘Memorandum of Co-operation: Collaborative Working on Strategic Growth Priorities in North and Central Essex’.

Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: MOC was signed by the above authorities (Leaders or Planning Portfolio holder) and identified strategic issues the authorities needed to address collaboratively – this

<p>included providing for employment: <i>To strengthen and diversify local economies to provide more jobs; and to achieve a better balance between the location of jobs and housing, which will reduce the need to travel and promote sustainable growth.</i> An employment evidence base has been prepared to support the Local Plans, discussions have taken place with duty to cooperate consultees, and relevant policies included in Section 1 and 2 of each Local Plan to address strategic and local employment issues.</p> <p>Date: MOC signed June 2016. (see Appendix 1A)</p>
<p>Action: Development of a joint evidence base on housing and jobs alignment in the Strategic Housing Market Area</p> <p>Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council</p> <p>Outcome: Commissioning of Peter Brett Associates to carry out Objectively Assessed Needs study, incorporating consideration of housing/job alignment issues, along with subsequent supplementary report on Employment Land and Floorspace Aligned with Nov. 2016 OAN.</p> <p>Date: OAN report published July 2015 with November 2016 update, Employment Land and Floorspace report published May 2017.</p>
<p>Action: Development of a joint evidence base on viability of Local Plans, including employment objectives</p> <p>Partners: Braintree District Council, Colchester Borough Council, Tendring District Council</p> <p>Outcome: Commissioning of Hvas Associates to carry out Section 1 Viability Assessment study to assess the potential deliverability and viability of the Garden Communities as well as commissioning of Troy Planning Associates to assess the deliverability and viability of each authority's Local Plan.</p> <p>Date: Section 1 Viability Assessment report published April 2017, Braintree, Colchester and Tendring Whole Plan Viability Studies published June 2017.</p>
<p>Action: Development of a joint evidence base on the employment generating potential of Garden Communities</p> <p>Partners: Braintree District Council, Colchester Borough Council, and Tendring District Council</p> <p>Outcome: Commissioning of SQW/Cambridge Econometrics to complete a study analysing the demographic forecasts and employment generating potential of the three proposed Garden Communities for North East Essex.</p> <p>Date: North Essex Garden Communities Employment and Demographic Studies published April 2017.</p>
<p>Action: Preparation of 'Section 1' of the Local Plans to address the cross boundary strategic issues identified in the MOC.</p> <p>Partners: North Essex LPAs and ECC</p> <p>Outcome: The alignment of Local Plan preparation between the three LPAs following the Issues and Options consultation. An outcome was the preparation of a common 'Section 1' to the Draft Plans in order to address the strategic issues. Section 1 included Policy SP4, Providing for Employment and Retail which was based on a comprehensive evidence base including both the joint studies noted above and Employment Land Needs Assessments specific to each authority. The policy lists the key requirements for supporting a strong, sustainable and diverse economy across North Essex, with the Councils pursuing a flexible approach to economic sectors showing growth potential across the Plan period.</p> <p>Date: The preferred options documents were prepared during 2015 and consulted in 2016. Meetings between the three LPAs took place throughout 2015 on a one to one basis, and through the North Essex Garden Communities project.</p>
<p>6.5 Outcomes from strategic working</p> <ul style="list-style-type: none"> • <i>What was the result of the strategic cooperation and how has this influenced the plan (specific references to relevant policies are included where possible)?</i> • <i>What are the issues that remain unresolved? How does the Council plan to manage these.</i>

• *What are the implications of unresolved matters?*

The outcome from strategic working are:

- The completion of a range of employment evidence reports for the three North Essex LPAs;
- Confidence backed up by the evidence that the employment objectives contained in the Local Plans can be delivered;
- The consideration of employment issues associated with the three Garden Communities and the positive spin-offs for employment opportunities in the wider area they are considered to generate; and
- The promotion and encouragement of innovative approaches to growth which seek to enhance sustainability through delivery of well-located employment opportunities with good access to transport links and up-to-date digital connectivity.

Local Plan policies

The evidence contained within the employment reports referenced above directly informed Local Plan preparation and policy.

Section 1

Policy SP4 was amended by the three LPAs for the Publication Draft version of the plan, to provide annual jobs forecast figures derived from up to date modelling work and to provide two plausible scenarios for employment land requirements to allow for flexibility.

Policies SP8, SP9, and SP10 were slightly amended to reflect the strategic aims, ambitions and requirements for the three new Garden Communities and to highlight the requirements for high speed broadband to support business and enable working from home.

Section 2

Braintree

- **Policy LPP 21: Location of Employment Land** provides for the allocation of 51.1 hectares of employment land in the Borough, with the location of major business parks in West Braintree and Colchester/Braintree Borders Garden Communities to be determined through a Strategic Growth DPD. The allocations reflect the commitment in policy SP3 to the strategic contribution to employment provision in Braintree of the proposed Garden Communities. The policies in the Publication Draft plan reflect the latest evidence from District- based studies as well as the cross-boundary study considering the employment implications of Garden Communities.

Colchester

- **Policy SG3 Economic Growth Provision** provides for the allocation of 39.7 hectares of employment land in the Borough, with an additional 4.5 hectares of employment land expected to come forward in Colchester within the Garden Communities. The allocations reflect the commitment in policy SP3 to the strategic contribution to employment provision in Colchester of the proposed Garden Communities. The policies in the Publication Draft reflect the latest evidence from the Borough based studies (including the Employment Land Trajectory Report) as well as the cross-boundary study considering the employment implications of Garden Communities.

Tendring

- **Policy PP7:Employment Allocations.** provides for the allocation of 19.83-21.8 hectares of employment land in the District, including 6 hectares of employment land expected to

come forward in Tendring within the Garden Community. The policy also notes the potential for a further 8.4-28.4 hectares to come forward during the post-2033 period. The allocations reflect the commitment in policy SP3 to the strategic contribution to employment provision in Colchester of the proposed Garden Communities. The policies in the Publication Draft reflect the latest evidence from the District based studies as well as the cross-boundary study considering the employment implications of Garden Communities.

Employment Allocations in Garden Communities

6.5.1 The North Essex Garden Communities project commissioned SQW/Cambridge Econometrics to consider the deliverability of the objective of one job per household for Garden Communities. The consultants concluded that assuming political commitment and proactive delivery on the part of local authorities, Garden Communities could achieve this target based on their achievement of high levels of innovation and sustainability and consequential attractiveness to inward investment.

6.5.2 Unresolved Issues: The initial work by SQW/Cambridge Econometrics provided a high-level analysis of potential and was not based on specific allocations. The Development Plan Documents for each authority now under development by the North Essex Garden Communities project will provide detail on employment allocations along with more information on the mechanisms for delivering job growth in each community. Further consultant work is being commissioned by the local authorities to inform this analysis.

Viability Assessments

6.5.3 To support the Publication Draft Local Plans, the North Essex LPAs commissioned work on an overall assessment of the viability and deliverability of Garden Communities, completed by Hyas Associates, along with reports commissioned from Troy Planning Associates considering the whole plan viability of each individual authority's Local Plan assessed using a consistent methodology. This reflects the fact that assessment and testing from a viability perspective needs to demonstrate that there is a 'reasonable prospect' that non-residential as well as residential sites could be viably developed when proposed, recognising that there may be a degree of outstanding uncertainty over detailed assumptions or information. This is particularly relevant to the Garden Communities considering their overall scale and phasing.

6.5.4 Unresolved Issues: Work on viability will be updated as required to inform development of the more detailed masterplanning work being undertaken for the Development Plan Documents being prepared for each Garden Community.

Ongoing Assessment of Employment Land Requirements

6.5.5 Given the fast-changing nature of current economic trends, the three local authorities will need to carefully monitor the evolving requirements for employment floorspace and land. In the first instance, this involves having regard to the relationship between jobs and housing, with the objective of achieving alignment between the two. Work commissioned from Peter Brett Associates explored the implications for employment floorspace allocations of two alternative economic forecasting models, providing a consistent methodology for Braintree, Chelmsford, Colchester and Tendring to use in assessing appropriate allocation levels.

6.5.6 While job numbers can be expected to grow at a consistent rate, current trends point to overall lower requirements for additional B1 floorspace, reflecting the growth of home working enabled by enhanced digital connectivity, the continuing decline of manufacturing with its need for large floor areas; and the prevalence of 'hot desking' leading to lower requirements for office floorspace.

6.5.7 Unresolved Issues: Work on employment floorspace and land requirements will be

updated as required to inform development of the more detailed masterplanning work being undertaken for the Development Plan Documents being prepared for each Garden Community. Additionally, each authority will need to carefully monitor the delivery of employment land within its area to determine if a review of Local Plan allocation requirements is needed.

6.6 Ongoing cooperation

- *How will the strategic issues be managed on an ongoing basis?*
- *What are the mechanisms/structures being used to do this?*
- *How will cooperation be monitored?*

6.6.1 Braintree, Colchester and Tendring will continue to work closely with government departments, the South East Local Economic Partnership, Essex County Council, business organisations and other partners to promote innovation and inward investment, improve training opportunities, and allocate sufficient employment land. This will be done through:

- Engagement and cooperative working through regional and sub-regional fora such as the Haven Gateway Partnership and the South East Local Economic Partnership, including active pursuit of funding bids supporting inward investment and training opportunities.
- Engagement and cooperative working through the North Essex Garden Communities project to maximise the employment creation aspects of the Garden Communities.
- Preparation of site specific DPDs for the three Garden Communities, to include commissioning of further work exploring the mechanisms for delivering the one job per household objective for each Garden Community.

6.6.2 Monitoring will be undertaken by the LPAs through the preparation of the annual Authority Monitoring Reports which will review the amount of employment land delivered. The North Essex Garden Communities Steering and Working Groups will monitor the delivery of innovative new approaches to employment being developed for the Garden Communities. The Development Plan Documents now being progressed by the North Essex Garden Communities project will incorporate the latest evidence on employment issues.

7. INFRASTRUCTURE AND CONNECTIVITY

A. TRANSPORT

7.A.1 Strategic planning issue

Define the issue

7.A.1.1 North Essex is well placed in the context of connections by road, rail, air and sea to the wider region and beyond, and these connections will need to be strengthened as part of developing sustainable transport networks. The A12 and A120 trunk road network form part of the Trans-European Network carrying international vehicular traffic. The Great Eastern Main Line (GEML) and branch lines, link the major towns and cities via a high capacity, high frequency rail line radiating from London. The strategically important London Stansted Airport lies to the west within a 60km radius of key urban centres in North Essex. Access via sea is provided by the port at Harwich.

7.A.1.2 The challenge is to provide North Essex with a sustainable transport system that provides good access to jobs and services, to support economic growth. Growth promoted through the new Local Plans, particularly via large scale new developments where delivery will extend beyond the plan period, provides an opportunity to prioritise, facilitate and deliver larger scale transport infrastructure projects that can significantly improve connectivity across and within the area, and positively alter travel patterns and behaviour to reduce reliance on the private car.

7.A.1.3 The strategic planning transport issues that the Local Plans will need to explore are:

how a high quality, efficient and accessible transport network can be delivered in the future; how the location and planning of new development can help to reduce the need to travel; and how new communities can be planned in a way that can help to influence a change in people's travel behaviour, towards more sustainable modes of transport. Transport infrastructure issues to address during the plan period include the capacity of the A12; the need for improvements to the A120 from Braintree to the A12; capacity of the Great Eastern Main Line; service frequency for the Braintree branch line; and the need for high quality rapid public transit networks and connections, in and around urban areas with links to the new Garden Communities.

7.A.1.4 Growth will create demand for additional road and rail use with the associated need for new and upgraded infrastructure. Future planned growth provides the opportunity to address some of these infrastructure needs, although growth locations and sites need to be considered carefully with regard to the balance of providing necessary infrastructure and the viability and deliverability of development.

7.A.1.5 For new Garden Communities, the challenge will be to create a community in which people move around in a different way to people in most towns in North Essex currently do. Networks need to give priority to people for short everyday trips to link people to work, education, retail, and leisure, creating an independent safe environment.

7.A.2 Evidence base

What is the evidence used to develop the LP's strategic policies?

- [Braintree: Local Plan Highways Options Assessment, January 2016](#)
- [Braintree: Local Plan Highways Interim Assessment, June 2016](#)
- [Braintree: Highways Transport Planning Preferred Option Assessment, March 2017](#)
- [Braintree: Highways Transport Planning Preferred Option Assessment - Appendix A-F, March 2017](#)
- [Braintree: Highways Transport Planning Preferred Option Assessment - Appendix G-L, March 2017](#)
- [Highways Preferred Option Assessment Update A120 and A12, May 2017](#)
- [Braintree Infrastructure Delivery Plan](#)

- [Colchester Local Plan Modelling Support Transport Planning, April 2016](#)
- [Colchester Local Plan Traffic Modelling Technical Report, July 2016](#)
- [Colchester Local Plan Traffic Modelling Technical Report, July 2017](#)
- [Colchester Cycle Delivery Strategy](#)
- [Colchester Infrastructure Delivery Plan](#)

- [Tendring Local Plan Modelling Support, December 2015](#)
- [Tendring Local Plan Modelling Stage 2, September 2016](#)
- [Tendring Local Plan Modelling Stage 3, May 2017](#)
- [Tendring Infrastructure Delivery Plan](#)

- [North Essex Garden Communities Access and Movement Study, May 2017](#)
- [Colchester Rapid Transit, Strategic Outline Business Case, September 2016](#)

- [Road Investment Strategy 1 \(RIS 1\), Highways England](#)
- [A12 and A120 Route Based strategies, Highways England](#)
- [A12 Chelmsford to A120 Widening Scheme, Highways England](#)
-
- [Essex Transport Strategy: The Local Transport Plan for Essex, 2011, Essex County Council](#)
- [A120 consultation material, Essex County Council](#)

- [Essex Cycle Action Plan](#), Essex County Council
- [Greater Essex Growth and Infrastructure Framework, 2017](#)
- [Anglia Route Study, Network Rail, March 2016](#)
- [SELEP Growth Deal and Strategic Economic Plan](#)
- [SELEP Growth Deal and Strategic Economic Plan \(full\)](#)

7.A.3 Strategic Partners

List of bodies engaged with

Core LPA Partners

- Braintree District Council
- Colchester Borough Council
- Tendring District Council

Secondary LPA partners

- Chelmsford City Council

Other interested LPAs

- Maldon District Council
- Uttlesford District Council
- Babergh District Council

Duty to Cooperate consultees

- Essex County Council
- Highways England
- Network Rail
- The Office of Rail Regulation
- Train Operating Company (Greater Anglia)

7.A.4 Actions required during the preparation of the Issues and Options and Preferred Options document

- *How have you worked collaboratively with its partners*
- *What actions did you take to manage strategic issues*
- *Where joint evidence has been developed e.g. SHMA, who was involved?*
- *What have the relevant dates been in the process, how and when were key decisions made?*

Action: Preparation of a 'Memorandum of Co-operation: Collaborative Working on Strategic Growth Priorities in North and Central Essex' (MOC).

Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: MOC was signed by the above authorities (Leaders or Planning Portfolio holder) and identified strategic issues the authorities needed to address collaboratively – this included the issues covering '[transport infrastructure and connectivity](#)'. A transport evidence base has been prepared to support the Local Plan, discussions have taken place with duty to cooperate consultees, and relevant policies included in Section 1 and 2 of each Local Plan to address strategic and local transport issues.

Date: MOC signed June 2016. (see Appendix 1A)

Action: Completion of Local Plan transport modelling to support the Preferred Options consultation to assist Braintree District Council, Colchester Borough Council and Tendring District Council determine an appropriate strategy, and ensure that the potential impact of any allocations being considered on the transport network was quantified and understood.

Partners: Essex County Council and Highways England.

Outcome - Issues and Options:

High level commentary and data on the highway network and transport issues was included within Braintree District Council, Colchester Borough Council and Tendring District Council consultation documents. Transport/traffic modelling was not undertaken at this stage as a spatial strategy (or a preferred option) had not been determined. Discussions took place with Essex County Council and Highways England to understand high level strategic issues and potential impacts on the highway and local road network.

Date: Discussions with Essex County Council and Highways England took place throughout 2014 and 2015 to inform the Issues and Options consultation and scope transport modelling.

Outcome - Preferred Options:

Transport modelling for the Local Plans was completed by Essex County Council (through Ringway Jacobs) on behalf of Braintree District Council, Colchester Borough Council and Tendring District Council by December 2015 with reports refined in 2016 prior to the Preferred Options consultation (June to September 2016). Highways England was involved throughout the process to assess/discuss impacts on their network. The reports can be viewed on the LPA's website and through the web-links in section 2 above.

Date: Transport modelling undertaken throughout 2015 and 2016 and reports published 2016 to support the Preferred Options consultation.

Action: Meetings were held between Network Rail and Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council to understand rail capacity and how Network Rail and the Train Operating Companies plan for growth, and what interventions (if any) may be required to address Local Plan growth.

Partners: Network Rail, Greater Anglia, Braintree District Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: The Anglia Route Study prepared by Network Rail (March 2016) shows that while capacity varies along the Great Eastern Main Line, capacity to accommodate growth is limited and is particularly constrained in peak times from Chelmsford to London. Improvements are required along the Line to accommodate growth and provide a faster more competitive service across the region. The Study identifies a package of improvements necessary to respond to the need for increased capacity, which are seen as priorities to enable growth, improve services and journey reliability. These will be progressed by Network Rail. A new franchise has been awarded to Greater Anglia for passenger services in the region. The franchise includes a commitment to replace the entire train fleet during 2019 and 2020, which in combination with a new timetable, will significantly increase passenger capacity.

Date: Meetings were held in 2015 and 2016 with Network Rail, and both Network Rail and Greater Anglia attended North Essex Garden Communities Transport Working Group meetings in 2016 and 2017.

Action: Preparation of 'Section 1' of the Local Plans to address the cross boundary strategic issues identified in the MOC.

Partners: Braintree District Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: The alignment of Local Plan preparation between the three LPAs following the Issues and Options consultation. An outcome was the preparation of a common 'Section 1' to the Draft Plans in order to address the strategic issues. Section 1 included Policy SP5: Infrastructure and Connectivity. In terms of transport, the policy lists the key infrastructure requirements for the strategic area, including improvements to the A12, A120, and the potential for high quality rapid transit and local network improvements. Increased emphasis was placed on sustainable modes of travel covering public transport, walking and cycling, reflecting the results of the Local Plan transport modelling.

Date: The 'preferred options' documents were prepared during 2015 and consulted in 2016. Meetings between Braintree District Council, Colchester Borough Council, Tendring District Council, Essex County Council, and Highways England took place throughout 2015 on a one to one basis, and through the North Essex Garden Communities project. Meetings took place between Braintree District Council, Chelmsford City Council, Uttlesford District Council and

Essex County Council to determine their cross boundary strategic issues. Meetings were also held with Network Rail and Greater Anglia to understand rail capacity issues.

7.A.5 Outcomes from strategic working

- *What was the result of the strategic cooperation and how has this influenced the plan (specific references to relevant policies are included where possible)?*
- *What are the issues that remain unresolved? How does the Council plan to manage these.*
- *What are the implications of unresolved matters?*

7.A.5.1 The outcome from strategic working are:

- The completion of Local Plan Modelling reports and Infrastructure Delivery Plans for the three North Essex LPAs;
- The Local Plans are capable of sustainable delivery, without unacceptable adverse impact on the Strategic Road Network (managed by Highways England) or the Local Road Network (managed by Essex County Council);
- The inclusion of transport improvements in the wider area that are beneficial for North Essex;
- The consideration of transport issues associated with the three Garden Communities;
- The promotion and encouragement of more sustainable modes of transport and initiatives through the Local Plan that seek a modal shift to alternative modes of transport and reduce the need to travel;
- Coordinated meetings between Braintree District Council, Colchester Borough Council, Tendring District Council, Essex County Council, Highways England, Network Rail and the Greater Anglia (train operating company) to ensure representations made at the Issues and Options and Preferred Options stage (Regulation 18) of Local Plan preparation were addressed through appropriate policy and evidence review. Meetings also took place between Braintree District Council, Chelmsford City Council, Uttlesford District Council and Essex County Council to determine their cross boundary strategic issues.

Transport modelling following Preferred Options consultation

7.A.5.2 Braintree District Council, Colchester Borough Council and Tendring District Council each commissioned Essex County Council (through Ringway Jacobs) to undertake further highway modelling to inform the Draft Publication Local Plans (Regulation 19). This identified the impact of each LPA's final spatial strategy on the local and wider highway network, potential mitigation measures and costs. Cross boundary impacts, with a focus on the three Garden Communities, were identified, together with impacts on adjoining local authorities.

ECC assisted the preparation of the Local Plans through joint meetings with Highways England. The LPAs worked closely with ECC and Highways England to consider the impacts of growth, what mitigation measures were required and their costs, and potential funding sources of infrastructure including developer contributions. This information was then included within the respective Infrastructure Delivery Plans.

7.A.5.3 The modelling indicated that mitigation is not feasible at all key junctions to enable them to operate 'within capacity' at 2033. Improvements to key junctions and strategic highway interventions will need to be supplemented by sustainable transport measures and a change in travel behaviour. To further encourage modal shift, Local Plan policies require developers to actively discuss opportunities to expand or provide new services, when development proposals come forward.

7.A.5.4 The level of growth outlined in the Publication Draft Local Plans (Regulation 19) will impact the strategic highway network. There are currently a number of ongoing strategic studies/projects by Essex County Council and Highways England aimed at improving the existing transport network and alleviating known congestion issues across North Essex.

These projects are likely to have a significant positive effect on trip distribution in the latter stages of the plan period. Such projects include A12 widening between the M25 and A12 J25 ([a funded project](#)); A120 Braintree to A12 dualling; the Great Eastern Main Line and the Braintree Branch Line (including Crossing passing loop).

7.A.5.5 Essex County Council and Highways England are progressing the above, and [where relevant](#) lobbying Government for their inclusion in national strategies and plans, to provide the Local Plans with the necessary degree of certainty for their future implementation and funding.

Discussions with Network Rail and Greater Anglia

7.A.5.6 Meetings were held in 2015 and 2016 with Network Rail, and both Network Rail and Greater Anglia attended North Essex Garden Communities Transport Working Group meetings in 2016 and 2017.

7.A.5.7 The Anglia Route Study prepared by Network Rail (March 2016) shows that while capacity varies along the Great Eastern Main Line, capacity to accommodate growth is limited and is particularly constrained in peak times from Chelmsford to London. Improvements are required along the Line to accommodate growth and provide a faster more competitive service across the region. The Study identifies a package of improvements necessary to respond to the need for increased capacity, which are seen as priorities to enable growth, improve services and journey reliability. A new franchise has been awarded to Greater Anglia for passenger services in the region. New services will be provided commencing 2018 and the entire fleet of trains will be replaced and in service by 2020 adding capacity.

Local Plan policies

The evidence contained within the transport modelling reports and the discussions with Network Rail and the Greater Anglia directly informed Local Plan preparation and policy.

Section 1

Policy SP5 was amended by the three LPAs in consultation with Essex County Council to provide an updated position particularly around the A12 and A120, and better reflect the strategic aims, ambitions and requirements for the three new Garden Communities.

Section 2

Braintree

- **Policy LPP 44: Sustainable Transport** facilitates sustainable modes of transport through new development to promote accessibility and integration into the wider community and existing networks. To further encourage modal shift developers should be actively encouraged to discuss opportunities to expand or provide new services from the Growth Locations. The policy was strengthened to require all developers to prepare Travel Plans, consistent with ECC policy.
- **Policy LPP 45: Parking Provision** requires appropriate vehicle and cycle parking for new development.
- **Policy LPP 47: Transport Related Policy Areas** identifies two 'gateway' areas in Braintree which require measures to improve better connectivity to nearby settlements for cyclists and pedestrians.
- **Policy LLP 48: New Road Infrastructure** outlines safeguarded schemes. ECC recommended amendment to clarify the status of the A131 Halstead Bypass.

Colchester

- **Policies TC4, NC4, SC3, EC4** apply to the Colchester urban area (central, north, south, east). The policies reflect collaborative work with ECC as Highway Authority, and

Highways England, and reflect the evidence from the transport modelling following the preferred options consultation. The policies require development in each area to contribute to a package of sustainable measures including walking, cycling, public transport, travel planning and the promotion of sustainable travel. Where it is demonstrated that proposals impact on the highway network, CBC will seek contributions towards mitigation and improvements to a specified list of strategic projects applicable to a geographical area.

- **Policy DM20: Promoting Sustainable Transport and Changing Travel Behaviour.** CBC will work with developers and other partners to increase modal shift towards sustainable modes by improving accessibility of development through the promotion of walking and cycling as an integral part of development, and by further improving public transport.
- **Policy DM21: Sustainable Access to Development.** All new developments should seek to enhance accessibility for sustainable modes of transport.
- **Policy DM22: Parking.** Requires appropriate vehicle and cycle parking for new development and greater use of Park & Ride.

Tendring

- **Policy CP1: Sustainable transport and accessibility.** The policy facilitates sustainable modes of transport, and the prioritisation of cycle and pedestrian movements, including access to passenger transport. The policy requires developers to prepare Travel Plans and Transport Assessments and Statements.
- **Local Plan Policy CP2: Improving the transport network.** The policy was amended following recommendations by ECC to better reflect national policy requirements, best practice, and the role played by Highways England and ECC as Highway Authority.
- **Site specific policies in Chapter 9** outline relevant transport requirements relating to access and any required transport infrastructure, and are included as a result of the Local plan transport modelling.

Unresolved issues: None

Infrastructure Delivery Plans (IDP)

7.A.5.8 To support the Publication Draft Local Plans and further determine cross boundary strategic issues, Braintree District Council, Colchester Borough Council and Tendring District Council each prepared an IDP. Draft IDPs were published in May 2017 and updated in October 2017. The IDPs show the following:

- What infrastructure is required and how it will be provided (e.g. co-location, etc).
- Who is to provide the infrastructure.
- How will the infrastructure would be funded.
- When the infrastructure could be provided.

7.A.5.9 Braintree District Council, Colchester Borough Council and Tendring District Council consulted with Essex County Council and Highways England, together with other transport providers to ensure the range of necessary transport infrastructure arising from Local Plan growth was identified.

North Essex Garden Communities

Rapid Transit Studies

7.A.5.10 Essex County Council through Ringway Jacobs supported Braintree District Council, Colchester Borough Council and Tendring District Council is working to prepare reports on rapid transit options for the three Garden Communities. These will provide options on the type, route and cost to enable discussion with government on potential funding sources. The study are being commissioned and reviewed as part of the North Essex Garden Communities

project through the Transport Working Group. Meetings and workshops have taken place throughout 2016 and 2017.

7.A.5.11 Unresolved issues: Exact delivery, phasing, cost and funding. Essex County Council has included rapid transit as part of its bid to the Government's Housing and Infrastructure Fund (for the Tendring Colchester Borders Garden Community). A Government decision is expected to be made Autumn 2017.

Access and Movement Study

7.A.5.12 Essex County Council through Ringway Jacobs supported Braintree District Council, Colchester Borough Council and Tendring District Council with the analysis of the concept of Garden Communities for their emerging Local Plans. An important consideration is how each of the Garden Communities can positively internalise journeys within their developments and maximise their integration and connectivity with the rest of North Essex via high quality modern public transport. Meeting this ambition will help to avoid unsustainable travel patterns and mitigate otherwise adverse impacts associated with the performance of the local and strategic highway network.

7.A.5.13 An access and movement study was prepared, which provides a series of potential policy interventions that could be trialled at one or more of the Garden Communities. These are designed to align with the Garden Community ethos, especially the encouragement of active and sustainable modes of travel. The study is also based on a realisation that early decisions such as the choice of development partners both in terms of residential and employment will make a big difference to the trajectory of the Garden Community. The study was commissioned and reviewed as part of the North Essex Garden Communities project through the Transport Working Group. Meetings and workshops took place throughout 2016 and 2017.

Concept Frameworks

7.A.5.14 Concept Frameworks were prepared for each of the three Garden Communities and are being used to inform the Development Plan Documents (DPDs) currently being prepared for each Garden Community. This includes more detailed information on required transportation infrastructure and access arrangements.

A120

7.A.5.15 The A120 plays an important role as an economic corridor and there is a need to improve highway capacity along this route between Colchester and Braintree. As the Local Plans propose a new Garden Community in the vicinity of the A120, the ability for the development to contribute to the improvement of the highway network in this area will need to be considered.

A120 Braintree to Marks Tey Junction Improvements

7.A.5.16 Highways England is currently investigating the potential for junction improvements to the A120 between Braintree and Marks Tey. Initial options for the Marks Farm roundabout and A120 – Colne Road junction have been produced. Two options have been taken forward for Marks Farm, which, in conjunction with the Millennium Way slips, should provide a significant reduction in journey time and queue length in 2031 from the projected figures with the junction remaining as it currently is.

A120 Braintree to A12 Route Options

7.A.5.17 Highways England asked Essex County Council to lead on the feasibility work to determine options for a new A120 route between Braintree and the A12. Public consultation on five options took place January to March 2017. Braintree District Council, Colchester Borough Council and Tendring District Council each provided a response and attended

various meetings in the lead up to consultation. In November 2017, Essex County Council will recommend a preference to Government for inclusion in the next Government Road Investment Strategy (RIS), which will run from 2020 to 2025. Increasing the capacity of the A120 has the potential to reduce traffic on local roads, congestion at key junctions on the existing A120 route, and improve safety and journey reliability.

7.A.5.18 The A120 Braintree to A12 route has yet to be approved by the Government and at this stage is an unfunded project. Essex County Council continues liaison with Highways England and ensure a coordinated scheme with their proposals for the A12.

A12 widening between M25 and A12 J28

7.A.5.19 The Government released its Road Investment Strategy in December 2014 which included a commitment to improve the A12, in terms of its reliability and capacity. Upgrades to the A12 will clearly improve its reliability and assist issues arising on neighbouring local routes when incidents arise on the A12. Commitments relevant to North Essex include:

- A12 widening between Chelmsford (Boreham, Junction 19) to Colchester (Junction 28) to three lanes to help address congestion problems and inconsistent standards.
- Preparation to widen the stretches between London and Chelmsford, and around the Colchester bypass.

7.A.5.20 Highways England are currently investigating widening the A12 to 3 lanes in each direction between the M25 and Junction 25 on the A12 at Marks Tey. The section between Chelmsford and Marks Tey has been identified in the RIS 1 document to be delivered first, with construction outlined to start by the end of 2020. The widening of the remainder of the route is to be included in 'RIS 2' with the aim to complete construction by the end of 2025.

Braintree Rail Loop

7.A.5.21 Braintree District Council continues to work in partnership with ECC to seek funding and lobby for the delivery of the Braintree branch line rail loop with a 2016 business case identifying the positive benefits of this loop in enabling more frequent services on the Braintree branch line. Capacity improvements on the Braintree branch line, specifically the construction of a passing loop, were identified as an infrastructure requirement in the adopted Braintree Core Strategy (2011) to support growth in the whole District. The Braintree rail loop was included as an option for investment in the recent Anglia Route Study. Since that study was completed, the Local Plan proposes a significant increase in the number of new homes for Braintree, which increases the importance of any passing loop.

7.A.5.22 It is expected, if improvements that facilitate a higher frequency of trains can be made, that this will help encourage more trips by train, which is of significance given the high number of car trips in to and out of Braintree town. This would likely alleviate the junctions on routes into Braintree from the south, particularly given the large number of people travelling between Witham / Chelmsford and Braintree. Therefore, demand at key junctions carrying traffic in and out of the town, such as the junctions on Pods Brook Road (Springwood Drive), Pierrefitte Way (London Road – Clare Road, Aetheric Road – Pierrefitte Way), Notley Road (Notley Road – South Street) and the A120 (Panners Interchange, Galleys Corner), may reduce.

SELEP

7.A.5.23 ECC has secured funding through SELEP (Round 1) Single Local Growth Fund for the route based strategies below and are committed within the overall SELEP programme.

- A133 Colchester to Clacton (£6m, with £3m ECC contribution) to commence 2018.
- A131 Braintree to Sudbury (£3.68m, with £1.88m ECC contribution) to commence 2019.
- A131 Chelmsford to Braintree (£7.32m, with £3.72m ECC contribution) to commence 2019.

Greater Essex Growth and Infrastructure Framework (GIF)

7.A.5.24 Braintree District Council, Colchester Borough Council and Tendring District Council assisted in the completion of collaborative evidence on infrastructure needs across Greater Essex through the GIF to set out the County's infrastructure requirements in the context of planned growth and estimated likely costs and funding gaps. Transport partners were Essex LPAs, Essex County Council, Highways England, Network Rail and the Train Operating Companies. The outcome was the publication of the GIF in February 2017. The study was a collaboration between all authority areas in Essex and Essex County Council and was carried out by consultants Aecom. The findings of this study along with other transport studies were used to inform the LPAs respective IDPs.

7.A. Ongoing cooperation

- *How will the strategic issues be managed on an ongoing basis?*
- *What are the mechanisms/structures being used to do this?*
- *How will cooperation be monitored?*

7.A.5.25 Braintree, Colchester and Tendring will continue to work closely with government departments, Highways England, Essex County Council, Network Rail, rail operators and other partners to better integrate all forms of transport and improve roads and public transport and to promote cycling and walking. This will be done through:

- Engagement and cooperative working through the North Essex Garden Communities project, particularly the Transport Working Group
- Preparation of DPDs for the three Garden Communities
- Lobbying Government for the inclusion of the A120 in 'RIS 2' and funding for rapid transit.

7.A.5.26 Key projects during the plan period will see improvements to the A12, A120, Great Eastern Main Line including rail services, and provision of rapid transit connections in and around urban areas and the Garden Communities. An integrated and sustainable transport system will be delivered that supports economic growth and helps deliver the best quality of life.

7.A.5.27 Although funding for some of these improvements is not yet guaranteed, the authorities will work with providers to ensure that investment will be made at the appropriate time to support the proposed growth.

7.A.5.28 Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council will consider Transport Assessments supporting major development proposals in relation to appropriate access and safety matters.

7.A.5.29 Monitoring will be undertaken by the LPAs through the preparation of the annual Authority Monitoring Reports, and regular reporting of key infrastructure projects through the North Essex Garden Communities project, particularly the Transport Working Group.

7.B. EDUCATION

7.B.1 Strategic planning issue

Define the issue

New development must provide for the educational needs of new communities and this is set out in more detail within the Infrastructure Delivery Plan. This will involve the expansion of existing schools where feasible, and the construction of new schools, together with provision for special educational needs, early years and childcare places. Education requirements will need to be based on a strong understanding of future pupil numbers, with co-operation between county, district and borough councils. A range of educational opportunities will need

to be addressed as part of a sustainable growth strategy, including practical vocational training, apprenticeships, and further and higher education.

7.B.2 Evidence base

What is the evidence used to develop the LP's strategic policies?

- [Braintree Infrastructure Delivery Plan](#)
- [Colchester Infrastructure Delivery Plan](#)
- [Tendring Infrastructure Delivery Plan](#)

- [Greater Essex Growth and Infrastructure Framework, 2017](#)

- [Commissioning school places in Essex 2016-2021](#)
- [Meeting the demand for school places in Essex – 10-year plan 2017-2026](#)

7.B. 3 Strategic Partners

List of bodies engaged with

Core LPA Partners

- Braintree District Council
- Colchester Borough Council
- Tendring District Council

Secondary LPA partners

- Chelmsford City Council

Other interested LPAs

- Maldon District Council
- Uttlesford District Council

Duty to Cooperate consultees

- Essex County Council

7.B.4 Actions required during the preparation of the Issues and Options and Preferred Options document

- *How have you worked collaboratively with its partners*
- *What actions did you take to manage strategic issues*
- *Where joint evidence has been developed e.g. SHMA, who was involved?*
- *What have the relevant dates been in the process, how and when were key decisions made?*

Action: Preparation of a 'Memorandum of Co-operation: Collaborative Working on Strategic Growth Priorities in North and Central Essex' (MOC).

Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: MOC was signed by the above authorities (Leaders or Planning Portfolio holder) and identified strategic issues the authorities needed to address collaboratively – this included the issues covering 'education and healthcare'. Education requirements arising from Local Plan growth are addressed in the Infrastructure Delivery Plan supporting the Local Plan. Discussions have taken place with duty to cooperate consultees, and relevant policies included in Section 1 and 2 of each Local Plan to address strategic and local education issues.

Date: MOC signed June 2016. (see Appendix X)

Action: Preparation of a 'Memorandum of Understanding between the University of Essex, Colchester Borough Council and Tendring District Council

Partners: Colchester Borough Council, Tendring District Council, Essex County Council and the University of Essex .

Outcome: MOU was signed by the above authorities setting out a framework for collaboration between the parties in order to promote the economic interests and prosperity of North East Essex. The signatories agreed to work together to support the University's ambitions for expansion and improved transport connectivity; development of the Knowledge Gateway; the Council's aspirations for supporting entrepreneurship and enterprise including targeted sectors along with involving regeneration in East Colchester and the Town Centre; and the shared objective of all to raise the educational attainment and aspiration of young people in the area. These aspirations are reflected in a number of Local Plan policies and allocations for the Garden Communities, East Colchester, the Town Centre, and employment.

Date: MOC signed April 2014. (see Appendix 1B)

Action: An assessment of education requirements arising from Local Plan growth to support the Preferred Options consultation and the preparation of a sustainable spatial strategy that shows:

- the number of additional primary and secondary school places, and early years and child care places (EYCC) generated from Local Plan growth;
- the location and number of any new school and EYCC;
- whether existing schools and EYCC need/can be expanded; and
- the locations where expansion is not feasible.

Partners: Essex County Council as the Local Education Authority.

Outcome - Issues and Options: High level commentary on education issues was included within the Braintree District Council, Colchester Borough Council and Tendring District Council consultation documents. A full assessment of the additional school and EYCC places generated from Local Plan growth and spatial implications was not undertaken at this stage as a spatial strategy (or a preferred option) had not been determined. Discussions took place with Essex County Council to understand strategic issues and potential impacts on education provision.

Date: Discussions with Essex County Council and the University of Essex took place throughout 2014 and 2015 to inform the Issues and Options consultation.

Outcome - Preferred Options: Essex County Council undertook an assessment of Local Plan growth based on the 'preferred spatial strategy' for Braintree District Council, Colchester Borough Council and Tendring District Council. This showed where additional school and EYCC places would be needed, together with the proposed site allocations where a new school and/or EYCC facilities would need to be provided as a policy requirement.

Date: Essex County Council undertook assessment throughout 2015 and 2016 to support the Preferred Options consultation.

Action: Preparation of 'Section 1' of the Local Plans to address the cross boundary strategic issues identified in the MOC.

Partners: Braintree District Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: The alignment of Local Plan preparation between the three LPAs following the Issues and Options consultation. An outcome was the preparation of a common 'Section 1' to the Draft Plans in order to address the strategic issues. Section 1 included Policy SP5:

Infrastructure and Connectivity. In terms of education, the policy states that strategic priorities for infrastructure provision or improvements are to:

- Provide sufficient school places in the form of expanded or new primary and secondary schools together with early years and childcare facilities, with larger developments setting aside land and/or contributing to the cost of delivering land for new schools where required; and
- Facilitate and support provision of practical vocational training, apprenticeships, and further and higher education.

Date: The 'preferred options' documents were prepared during 2015 and consulted in 2016. Meetings between Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council, took place throughout 2015 on a one to one basis, and through the North Essex Garden Communities project. Meetings also took place between

Braintree District Council, Chelmsford City Council, Uttlesford District Council and Essex County Council to determine cross boundary strategic issues given Local Plan preparation by Chelmsford City Council and Uttlesford District Council.

7.B. Outcomes from strategic working

- *What was the result of the strategic cooperation and how has this influenced the plan (specific references to relevant policies are included where possible)?*
- *What are the issues that remain unresolved? How does the Council plan to manage these.*
- *What are the implications of unresolved matters?*

The outcome from strategic working are:

- The completion of an assessment of primary, secondary and EYCC places generated from Local Plan growth;
- Policy requirements for the provision of land or financial contributions for schools and/or EYCC facilities.
- Infrastructure Delivery Plans for the three North Essex LPAs outlining education requirements covering EYCC, primary and secondary school, Sixth Form, Special Education Needs and Post 16;
- The consideration of education issues associated with the three Garden Communities 18
- Coordinated meetings between Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council, to ensure the representations made at the Issues and Options and Preferred Options stage (Regulation 18) of Local Plan preparation were addressed through appropriate policy and evidence review. Meetings also took place between Braintree District Council, Chelmsford City Council, Uttlesford District Council and Essex County Council to determine cross boundary strategic education issues and implications for Local Plan policy and allocations;
- In relation to the further education sector, the Council holds regular meetings with the University and has agreed a MOU (see Appendix 1B). See discussion on the University's involvement with the Tendring/Colchester Garden Communities in section 9 below. Colchester Borough Council has initiated meetings with Colchester Institute to consider potential for joint working on developing skills and training to meet local job needs.

Local Plan policies

The education assessment and meetings with Essex County Council directly informed Local Plan preparation and policy.

Section 1

- **Policy SP5** states that strategic priorities for infrastructure provision or improvements are to:
 - Provide sufficient school places in the form of expanded or new primary and secondary schools together with early years and childcare facilities, with larger developments setting aside land and/or contributing to the cost of delivering land for new schools where required; and
 - Facilitate and support provision of practical vocational training, apprenticeships, and further and higher education.
- **Policy SP7: Development and Delivery of New Garden Communities in North Essex.** Structure the new communities to create sociable, vibrant and walkable neighbourhoods with equality of access for all to a range of community services and facilities including education.
- **Policy SP8: Tendring/Colchester Borders Garden Community.** A secondary school, primary schools and early-years facilities will be provided to serve the new development.
- **Policy SP9 - Colchester/Braintree Borders Garden Community.** At least one secondary school, primary schools and early-years facilities will be provided to serve the new development.

- **Policy SP10: West of Braintree Garden Community.** Secondary school, primary schools and early-years facilities will be provided to serve the new development.

Section 2

Braintree

- **Policy LPP 18: Strategic Growth Location - Land East of Great Notley, south of Braintree.** Requirements for a new primary school and EYCC facilities and financial contributions to secondary education provision.
- **Policy LPP 19: Strategic Growth Location - Land East of Broad Road, Braintree.** Requirements for a new primary school and EYCC facilities.
- **Policy LPP 20: Strategic Growth Location - Former Towerlands Park Site.** Requirements for a new primary school or financial contributions, and EYCC facilities.
- **Policy LPP 21: Strategic Growth Location - North West Braintree.** Requirements for a new primary school, EYCC facilities and financial contributions.
- **Policy LPP 22: Strategic Growth Location - Land at Feering.** Requirements for a new primary school and EYCC facilities and financial contributions to primary and secondary education provision.
- **Policy LPP 23: Strategic Growth Location - Wood End Farm, Witham.** Requirements for a new EYCC facility and financial contributions to primary education provision.
- **Policy LPP 31: Comprehensive Redevelopment Area - Land between A12 and GEML, Hatfield Peverel.** Financial contributions to EYCC, primary and secondary education facilities.
- **Policy LPP 64: Educational Establishments.** Sites proposed for, or in current educational use, or which have ceased to be used for education in the recent past, will be protected for that use. Change of use is considered subject to assessment. The creation of new school and education facilities is supported.

Colchester

- **Policy SC2: Middlewick Ranges.** Requirements for a new primary school, EYCC facilities and financial contributions.
- **Policy SG7: Infrastructure Delivery and Impact Mitigation.** Developers will be expected to contribute towards the delivery of relevant infrastructure (includes education).
- **Policy DM3: Community Facilities.** New development will be required to provide, or contribute towards the provision of community facilities including education, to meet the needs of new and expanded communities and mitigate impacts on existing communities, which will be secured by Section 106 contributions or CIL/equivalent infrastructure levy.
- **Policy DM3: Education Provision.** Sites proposed for, or in current educational use, or which have ceased to be used for education in the recent past, will be protected for that use. Change of use is considered subject to assessment. The creation of new school and education facilities is supported.
- **Policy DM11: Gypsies, Travellers, and Travelling Showpeople.** Proposals for any further applications will be judged on the basis that sites should be located with access to schools.
- **Policy DM20: Promoting Sustainable Transport and Changing Travel Behaviour.** Focusing new walking and cycling improvements on areas of employment, education and health facilities, and on the town centre and public transport interchanges. Ensuring new developments are supported by quality public transport linking them to the main urban areas and major centres of employment, health and education.

Tendring

- **Policy HP 2: Community Facilities** (covers education). The Council will work with the development industry and key partners to deliver and maintain a range of new community facilities. New development should support and enhance community facilities.

- **Policy PP8: Tourism.** The Council will support conference facilities for business and educational purposes.
- **Policy PP 12: Improving Education and Skills.** The Council will work with partners to deliver new and improved facilities. Planning permission will not be granted for new residential development unless the individual or cumulative impacts of development on education provision can be addressed. Change of use is considered subject to assessment.
- **Policy SAMU1: Development at EDME Maltings, Mistley.** Financial contributions to primary and secondary education provision.
- **Policy SAMU2: Development at Hartley Gardens, Clacton.** Requirements for a new primary school, EYCC facilities and financial contributions.
- **Policy SAMU3: Development at Oakwood Park, Clacton.** Requirements for a new primary school, EYCC facilities and financial contributions.
- **Policy SAMU4: Development at Rouses Farm, Jaywick Lane, Clacton.** Requirements for a new primary school and EYCC facilities.
- **Policy SAMU5: Development South of Thorpe Road, Weeley.** Requirements for a new primary school and EYCC facilities.
- **Policy SAH1: Development at Greenfield Farm, Dovercourt.** Financial contributions to EYCC, primary and secondary education provision.

Unresolved issues: ECC has raised a few specific points on educational provision for allocations in the authority's Section 2 plans, but it is considered that these points can be resolved through discussion and potential minor modifications to the policies for those allocations.

Infrastructure Delivery Plans (IDP)

To support the Publication Draft Local Plans and further determine cross boundary strategic issues, Braintree District Council, Colchester Borough Council and Tendring District Council each prepared an IDP. Draft IDPs were published in May 2017, and updated in October 2017. The IDPs show the following:

- What infrastructure is required and how it will be provided (e.g. co-location, etc).
- Who is to provide the infrastructure.
- How will the infrastructure would be funded.
- When the infrastructure could be provided.

Braintree District Council, Colchester Borough Council and Tendring District Council consulted with Essex County Council, together with other education providers to ensure the range of necessary education infrastructure arising from Local Plan growth was identified.

North Essex Garden Communities

Concept Frameworks

Concept Frameworks were prepared for each of the three Garden Communities and will be used to inform the Development Plan Documents currently being prepared for each Garden Community.

Greater Essex Growth and Infrastructure Framework (GIF)

Braintree District Council, Colchester Borough Council and Tendring District Council assisted in the completion of collaborative evidence on infrastructure needs across Greater Essex through the GIF to set out the County's infrastructure requirements in the context of planned growth and estimated likely costs and funding gaps. The outcome was the publication of the GIF in February 2017. The study was a collaboration between all authority areas in Essex and Essex County Council and was carried out by consultants Aecom. The findings of this study along with other transport studies were used to inform the LPAs respective IDPs.

<p>7.B. Ongoing cooperation</p> <ul style="list-style-type: none"> • <i>How will the strategic issues be managed on an ongoing basis?</i> • <i>What are the mechanisms/structures being used to do this?</i> • <i>How will cooperation be monitored?</i>
<p>Braintree, Colchester and Tendring will continue to work closely with Essex County Council to ensure delivery of education infrastructure. This will be done through:</p> <ul style="list-style-type: none"> • One to one meetings with Essex County Council and engagement with developers/relevant school providers/promoters to facilitate the delivery of new schools and EYCC facilities as required • Engagement and cooperative working through the North Essex Garden Communities project, particularly the Masterplanning and Infrastructure Group • Preparation of Development Plan Documents for the three Garden Communities <p>Monitoring will be undertaken by the LPAs through the preparation of the annual Authority Monitoring Reports, and regular reporting of key infrastructure projects through the North Essex Garden Communities project, particularly the Masterplanning and Infrastructure Group.</p>

<p>7.C. HEALTHCARE</p>
<p>7.C.1 Strategic planning issue <i>Define the issue</i></p>
<p>The National Planning Policy Framework states that ‘the planning system can play an important role in facilitating social interaction and creating healthy, inclusive communities. The authorities will need to work with the NHS, Public Health and local health partnerships to ensure adequate provision and range of healthcare facilities to support new and growing communities. This will be particularly important given the ageing profile of existing and future residents. There is already a need for more and better quality health care facilities across North Essex with some areas having relatively poor access to health care facilities. Health objectives will also be delivered through providing safe, attractive and convenient routes for walking and cycling, and maximising participation in active modes of travel.</p>
<p>7.C.2 Evidence base <i>What is the evidence used to develop the LP’s strategic policies?</i></p>
<ul style="list-style-type: none"> • Braintree Infrastructure Delivery Plan • Colchester Infrastructure Delivery Plan • Tendring Infrastructure Delivery Plan • Greater Essex Growth and Infrastructure Framework, 2017 • Suffolk & North East Essex Sustainability & Transformation Partnership Plan July 2017 • Mid-Essex Sustainability and Transformation Partnership Plan
<p>7.C.3 Strategic Partners <i>List of bodies engaged with</i></p>
<p>Core LPA Partners</p> <ul style="list-style-type: none"> • Braintree District Council • Colchester Borough Council • Tendring District Council <p>Duty to Cooperate consultees</p> <ul style="list-style-type: none"> • North East Essex Clinical Commissioning Group

- Mid-Essex Clinical Commissioning
- East of England Ambulance Service NHS Trust
- Colchester Hospital University Foundation Trust
- Community Health Partnerships
- Department of Health
- Essex County Council (as Public Health)

7.C.4 Actions required during the preparation of the Issues and Options and Preferred Options document

- *How did you work collaboratively with its partners*
- *What actions did you take to manage strategic issues*
- *Where joint evidence has been developed e.g. SHMA, who was involved?*
- *What have the relevant dates been in the process, how and when were key decisions made?*

Action: Preparation of a ‘Memorandum of Co-operation: Collaborative Working on Strategic Growth Priorities in North and Central Essex’ (MOC).
Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council, Essex County Council.
Outcome: MOC was signed by the above authorities (Leaders or Planning Portfolio holder) and identified strategic issues the authorities needed to address collaboratively – this included the issues covering ‘education and healthcare’. Health requirements arising from Local Plan growth are addressed in the Infrastructure Delivery Plan supporting the Local Plan. Discussions have taken place with duty to cooperate consultees, and relevant policies included in Section 1 and 2 of each Local Plan to address strategic and local healthcare issues.
Date: MOC signed June 2016. (see Appendix 1A)

Action: Identifying healthcare requirements arising from Local Plan growth to support the Preferred Options consultation and the preparation of a sustainable spatial strategy that shows the type and location of new health care facilities and the integration of health and well-being principles into plan-making. Ensuring the Local Plan facilitates social interaction and creates healthy, inclusive communities.
Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council, Essex County Council, North East Essex Clinical Commissioning Group, Mid Essex Clinical Commissioning Group, East of England Ambulance Service NHS Trust, Colchester Hospital University Foundation Trust, Community Health Partnerships, Department of Health, Other?
Outcome - Issues and Options: High level commentary on healthy communities and health care issues was included within the Braintree District Council, Colchester Borough Council and Tendring District Council consultation documents. An assessment of additional healthcare infrastructure generated from Local Plan growth and the spatial implications was not undertaken at this stage as a spatial strategy (or a preferred option) had not been determined. Discussions took place with health providers to understand strategic issues and potential impacts on healthcare provision.
Date: Discussions with health providers took place throughout 2014 and 2015 to inform the Issues and Options consultation.
Outcome - Preferred Options: New health care infrastructure requirements were identified. Health and wellbeing objectives were incorporated throughout the documents. Braintree District Council, Colchester Borough Council and Tendring District Council attended respective Clinical Commissioning Group/Local Estates Fora meetings to explain the emerging Local Plan and seek input.
Date: Discussions health providers took place throughout 2015 and 2016 to support the Preferred Options consultation.

Action: Preparation of ‘Section 1’ of the Local Plans to address the cross boundary strategic issues identified in the MOC.

Partners: Braintree District Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: The alignment of Local Plan preparation between the three LPAs following the Issues and Options consultation. An outcome was the preparation of a common 'Section 1' to the Draft Plans in order to address the strategic issues. Section 1 included Policy SP5: Infrastructure and Connectivity. In terms of healthcare, the policy states that strategic priorities for infrastructure provision or improvements are to:

- Ensure that essential healthcare infrastructure is provided as part of new developments of appropriate scale in the form of expanded or new healthcare facilities including primary and acute care; pharmacies; dental surgeries; opticians, supporting community services including hospices, treatment and counselling centres.
- Require new development to maximise its positive contribution in creating healthy communities and minimise its negative health impacts, both in avoidance and mitigation, as far as is practicable.

Date: The 'preferred options' documents were prepared during 2015 and consulted in 2016.

7.C.5 Outcomes from strategic working

- *What was the result of the strategic cooperation and how has this influenced the plan (specific references to relevant policies are included where possible)?*
- *What are the issues that remain unresolved? How does the Council plan to manage these.*
- *What are the implications of unresolved matters?*

7.C.5.1 The outcome from strategic working are:

- The integration of health and wellbeing objectives throughout the Local Plan;
- Policy requirements for the provision of land or financial contributions for new healthcare infrastructure.
- Infrastructure Delivery Plans for the three North Essex LPAs outlining healthcare requirements;
- The consideration of healthcare issues associated with the three Garden Communities and appropriate provision in policy;
- Coordinated meetings were held between Braintree District Council, Colchester Borough Council, Tendring District Council and a range of NHS partners (North East Essex Clinical Commissioning Group, East of England Ambulance Service NHS Trust, Colchester Hospital University Foundation Trust, Community Health Partnerships, Department of Health, Other?) to ensure the Local Plan representations were addressed through appropriate policy and evidence review. Braintree Council has similarly liaised with Mid-Essex colleagues.

Local Plan policies

Section 1

- **Policy SP5** states that strategic priorities for infrastructure provision or improvements are to:
 - Ensure that essential healthcare infrastructure is provided as part of new developments of appropriate scale in the form of expanded or new healthcare facilities including primary and acute care; pharmacies; dental surgeries; opticians, supporting community services including hospices, treatment and counselling centres.
 - Require new development to maximise its positive contribution in creating healthy communities and minimise its negative health impacts, both in avoidance and mitigation, as far as is practicable.
- **Policy SP7: Development and Delivery of New Garden Communities in North Essex.** Planning design and management of the built environment to promote health, happiness and well-being. Provision of community facilities including health.

- **Policy SP8: Tendring/Colchester Borders Garden Community.** Primary healthcare facilities will be provided to serve the new development.
- **Policy SP9 - Colchester/Braintree Borders Garden Community.** Primary healthcare facilities will be provided to serve the new development.
- **Policy SP10: West of Braintree Garden Community.** Primary healthcare facilities will be provided to serve the new development.

Section 2

Braintree

- **Policy LPP52: Health and Wellbeing Impact Assessment.** Certain development requires a Health Impact Assessment.
- **Policy LPP 19: Strategic Growth Location - Land East of Broad Road, Braintree.** Contributions to local healthcare facilities.
- **Policy LPP 23: Strategic Growth Location - Wood End Farm, Witham.** Financial contributions to health provision as required by the NHS.
- **Policy LPP 31: Comprehensive Redevelopment Area - Land between A12 and GEML, Hatfield Peverel.** Financial contributions to health provision as required by the NHS.
- **Policy LPP 35: Specialist Housing.** Health services should be available on site or in close proximity and have capacity to accommodate the additional services required from residents.
- **Policy LPP 65: Local Community Services and Facilities.** Change of use of health care facilities to other uses will not be permitted unless proposals are consistent with the service provider's strategy for infrastructure provision in the wider area and/or modernisation programme for delivery of that service or facility.

Colchester

- **Policy SG7: Infrastructure Delivery and Impact Mitigation.** Developers will be expected to contribute towards the delivery of relevant infrastructure (includes health).
- **Policy SS13: Rowhedge.** Provision of new health services to be agreed with the North Essex Care Commissioning Group.
- **Policy DM1: Health and Wellbeing.** Certain development requires a Health Impact Assessment.
- **Policy DM3: Community Facilities.** New development will be required to provide, or contribute towards the provision of community facilities, to meet the needs of new and expanded communities and mitigate impacts on existing communities, which will be secured by Section 106 contributions or CIL/equivalent infrastructure levy (includes health).
- **Policy DM11: Gypsies, Travellers, and Travelling Showpeople.** Proposals for any further applications will be judged on the basis that sites should be located with access to community facilities (includes health).
- **Policy DM20: Promoting Sustainable Transport and Changing Travel Behaviour.** Focusing new walking and cycling improvements on areas of employment, education and health facilities, and on the town centre and public transport interchanges. Ensuring new developments are supported by quality public transport linking them to the main urban areas and major centres of employment, health and education.

Tendring

- **Policy HP 1: Improving Health and Wellbeing.** The Council will work to improve the health and wellbeing of residents. Certain development requires a Health Impact Assessment.
- **Policy HP 2: Community Facilities** (covers health). The Council will work with the development industry and key partners to deliver and maintain a range of new community

facilities. New development should support and enhance community facilities.

- **LP4: Housing Layout.** Design to promote health and wellbeing.
- **Policy LP 10: Care, Independent Assisted Living.** Support the construction of high quality care homes and extra-care housing in sustainable locations.
- **Policy SAMU2: Development at Hartley Gardens, Clacton.** Financial contributions towards health provision as required by the NHS/CCG.
- **Policy SAMU3: Development at Oakwood Park, Clacton.** Land and financial contributions for healthcare facilities as required by the NHS/CCG.
- **Policy SAMU4: Development at Rouses Farm, Jaywick Lane, Clacton.** Land and financial contributions for healthcare facilities.
- **Policy SAH1: Development at Greenfield Farm, Dovercourt.** Financial contributions towards health provision as required by the NHS/CCG.
- **Policy SAH2: Development Low Road, Dovercourt.** Financial contributions towards health provision as required by the NHS/CCG.
- **Policy SAH3: Development Robinson Road, Brightlingsea.** Financial contributions towards health provision as required by the NHS/CCG.
- **Policy SAE1: Carless Extension, Harwich.** Financial contributions towards health provision as required by the NHS/CCG.

Infrastructure Delivery Plans (IDP)

7.C.5.2 To support the Publication Draft Local Plans and further determine cross boundary strategic issues, Braintree District Council, Colchester Borough Council and Tendring District Council each prepared an IDP. Draft IDPs were published in May 2017, and updated in October 2017. The IDPs show the following:

- What infrastructure is required and how it will be provided (e.g. co-location, etc).
- Who is to provide the infrastructure.
- How will the infrastructure would be funded.
- When the infrastructure could be provided.

7.C.5.3 Braintree District Council, Colchester Borough Council and Tendring District Council consulted a range of NHS providers to ensure the range of necessary healthcare infrastructure arising from Local Plan growth was identified.

7.C.5.4 It was agreed that a working group would be established to ensure health and planning issues are co-ordinated in future. The group would include representatives of those agencies referred to above and in addition a representative from Public Health at Essex County Council would be invited to join. A further meeting is being arranged in early November to provide health sector input to the Development Plan Documents under development for the garden communities.

7.C.5.5. It was also agreed that the Sustainability and Transformation Partnerships (STP) provides a way of looking at health at a strategic level and that the IDP is very much dependent on information received from health partners. As a result a joint response to the Health section of the Infrastructure Delivery Plan has been provided to the Councils and the updated IPD added to the evidence base. The Sustainability and Transformation Partnerships (STP) Directors of Finance Group and STP Estates Group were identified as the appropriate bodies to ensure co-ordination and a joint response to issues.

North Essex Garden Communities

Concept Frameworks

7.C.5.6 Concept Frameworks were prepared for each of the three Garden Communities and will be use to inform the Development Plan Documents currently being prepared for each Garden Community.

Greater Essex Growth and Infrastructure Framework (GIF)

7.C.5.7 Braintree District Council, Colchester Borough Council and Tendring District Council assisted in the completion of collaborative evidence on infrastructure needs across Greater Essex through the GIF to set out the County's infrastructure requirements in the context of planned growth and estimated likely costs and funding gaps. The outcome was the publication of the GIF in February 2017. The study was a collaboration between all authority areas in Essex and Essex County Council and was carried out by consultants Aecom. The findings of this study along with other transport studies were used to inform the LPAs respective IDPs.

7.C.6 Ongoing cooperation

- *How will the strategic issues be managed on an ongoing basis?*
- *What are the mechanisms/structures being used to do this?*
- *How will cooperation be monitored?*

7.C.6.1 Braintree, Colchester and Tendring will continue to work closely with all NHS partners to ensure delivery of healthcare infrastructure. This will be done through:

- One to one meetings and engagement with developers/relevant health providers to facilitate the delivery of required infrastructure
- Engagement and cooperative working through the North Essex Garden Communities project, particularly the Masterplanning and Infrastructure Group
- Preparation of Development Plan Documents for the three Garden Communities

7.C.6.2 Monitoring will be undertaken by the LPAs through the preparation of the annual Authority Monitoring Reports, and regular reporting of key infrastructure projects through the North Essex Garden Communities project, particularly the Masterplanning and Infrastructure Group.

7.D. BROADBAND

7.D.1 Strategic planning issue

Define the issue

The NPPF indicates how high quality communications infrastructure is crucial for sustainable growth. The availability of high speed and reliable broadband, particularly in rural areas, is a key factor in unlocking new development opportunities and ensuring that people can access services online and work from home.

Fast broadband connections and telecommunications are an increasingly important requirement to serve all development. New development should contribute to the creation of a comprehensive and effective network in both urban and rural areas to promote economic competitiveness and to reduce the need to travel. The priority is to secure the earliest availability for universal broadband coverage and fastest connection speeds for all existing and new developments. Developers are encouraged to engage with broadband providers.

7.D.2 Evidence base

What is the evidence used to develop the LP's strategic policies?

- [Greater Essex Growth and Infrastructure Framework, 2017](#)
- Colchester Digital Strategy

7.D.3 Strategic Partners

List of bodies engaged with

Core LPA Partners

- Braintree District Council
- Colchester Borough Council
- Tendring District Council

Duty to Cooperate consultees

- Essex County Council

7.D.4 Actions required during the preparation of the Issues and Options and Preferred Options document

- *How have you worked collaboratively with its partners*
- *What actions did you take to manage strategic issues*
- *Where joint evidence has been developed e.g. SHMA, who was involved?*
- *What have the relevant dates been in the process, how and when were key decisions made?*

Action: Preparation of a 'Memorandum of Co-operation: Collaborative Working on Strategic Growth Priorities in North and Central Essex' (MOC).

Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: MOC was signed by the above authorities (Leaders or Planning Portfolio holder) and identified strategic issues the authorities needed to address collaboratively – this included the issues covering the provision of upgraded broadband infrastructure and services under the 'Transport Infrastructure and Connectivity' topic.

Date: MOC signed June 2016. (see Appendix 1)

Action: Ensuring broadband is addressed through the Local Plan.

Partners: Braintree District Council, Colchester Borough Council, Tendring District Council, Essex County Council

Outcome - High level commentary on broadband issues was included within the Braintree District Council, Colchester Borough Council and Tendring District Council Issues and Options consultation documents. Specific policies were included in the Preferred Options consultation document.

Date: Discussions with Essex County Council (Superfast Essex Broadband Programme) took place throughout 2015 and 2016 to support the Preferred Options consultation.

Action: Preparation of 'Section 1' of the Local Plans to address the cross boundary strategic issues identified in the MOC.

Partners: Braintree District Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: The alignment of Local Plan preparation between the three LPAs following the Issues and Options consultation. An outcome was the preparation of a common 'Section 1' to the Draft Plans in order to address the strategic issues. Section 1 included Policy SP5: Infrastructure and Connectivity. In terms of broadband, the policy states that strategic priorities for infrastructure provision or improvements are to:

- Roll-out of superfast broadband across North Essex to secure the earliest availability for universal broadband coverage and fastest connection speeds for all existing and new developments (residential and non-residential), where all new properties allow for the provision for superfast broadband in order to allow connection to that network as and when it is made available..

Date: The 'preferred options' documents were prepared during 2015 and consulted in 2016.

7.D.5 Outcomes from strategic working

- *What was the result of the strategic cooperation and how has this influenced the plan (specific references to relevant policies are included where possible)?*
- *What are the issues that remain unresolved? How does the Council plan to manage these.*
- *What are the implications of unresolved matters?*

7.D.5.1 The outcome from strategic working are:

- Policy requirements for the provision of broadband as part of new residential and non-residential development.

Local Plan policies

Section 1

- **Policy SP5** states that strategic priorities for infrastructure provision or improvements are to:
 - Roll-out of superfast broadband across North Essex to secure the earliest availability for universal broadband coverage and fastest connection speeds for all existing and new developments (residential and non-residential), where all new properties allow for the provision for superfast broadband in order to allow connection to that network as and when it is made available..

Section 2

Braintree

- **Policy LPP49: Broadband.** The Council will work with the telecommunications and broadband industry to maximise access to broadband, wireless hotspots and improved mobile signals for all residents and businesses.

Colchester

- **Policy SG7: Infrastructure Delivery and Impact Mitigation.** Developers will be expected to contribute towards the delivery of relevant infrastructure.

Tendring

- **Policy CP 3: Improving the Telecommunications Network.** Requirements for new telecommunications and broadband infrastructure.

North Essex Garden Communities

Concept Frameworks

7.D.5.2 Concept Frameworks were prepared for each of the three Garden Communities and will be used to inform the Development Plan Documents currently being prepared for each Garden Community.

Greater Essex Growth and Infrastructure Framework (GIF)

7.C.5.3 Braintree District Council, Colchester Borough Council and Tendring District Council assisted in the completion of collaborative evidence on infrastructure needs across Greater Essex through the GIF to set out the County's infrastructure requirements in the context of planned growth and estimated likely costs and funding gaps. The outcome was the publication of the GIF in February 2017. The study was a collaboration between all authority areas in Essex and Essex County Council and was carried out by consultants Aecom. The GIF includes information relating to broadband.

Superfast Essex Broadband Programme

7.C.5.4 The government has committed to ensuring that every premise in the UK has access to broadband with a minimum download speed in line with the defined Universal Service Obligation (USO) by the end of 2015. The USO is currently 2Mbps however will shortly be amended to 10Mbps under the Government's planned Digital Economy Bill.

7.C.5.5 In more remote locations where connection into BT Openreach / Virgin Media's broadband network to achieve these speeds is not possible, support and funding towards

alternative connection technologies such as satellite broadband is offered.

7.C.5.6 Connection to superfast broadband throughout the Greater Essex area is continuously undertaken via commercial roll-outs by BT Openreach, Virgin Media and Gigaclear. Superfast broadband is now defined as speeds of 30Mbps or more; however this has recently been updated by Broadband Delivery UK (BDUK) from the definition of speeds of 24Mbps or more. In addition, other commercial operators are active in Greater Essex and technology offering alternatives to the traditional fibre approach is expanding rapidly.

7.C.5.7 The first phase of the Superfast Essex programme, with a target to expand superfast broadband connectivity to 87% of premises in Essex overall, has been achieved and delivered earlier than programmed in 2016.

Essex has now started further investment in a second phase of the Superfast Essex programme with the objective of reaching 95% coverage by 2019. This is based on the definition of 24Mbps or more, however shall be updated following the revision of the definition of Superfast Broadband. Essex are working in partnership with BT and Gigaclear to deliver Phase 2 of their Superfast Essex programme. Phase 2a, to be delivered by BT, and Phase 2b, being delivered by Gigaclear and looking at the more rural areas, started in 2015.

7.C.5.8 Essex is also looking at the development of ultrafast broadband provision to employment centres using Fibre to the Home (FTTP). The ambition would be to provide ultrafast coverage to all major business parks in the Greater Essex area.

7.C.5.9 A number of schemes including the Gigaclear contract and Dark Fibre Network schemes in Colchester are currently underway. Colchester Borough Council is working with its network operator partner County Broadband to provide fibre and connectivity to 850-900 businesses/business premises in Colchester Town Centre. This entirely new network will deliver previously unavailable asymmetrical down load - upload speed of up to 1,000Mbps.

7.C.5.10 BT Openreach and other providers offer superfast broadband connection for all new developments, either free of charge or as part of a co-funded partnership. Fibre to the Premises (FTTP) shall be provided free of charge to housing developments with one hundred or more dwellings. Developments smaller than this may have to provide contributions to ensure FTTP connection, or shall be provided copper connections for free.

7.C.5.11 Planning rules are being reviewed at both a local and national level, to ensure that new build properties are enabled with fast broadband and potentially ultrafast broadband, as part of the development. The councils are now including within their Local Plan a requirement for all new developments to have high speed connectivity. It is important that policies and arrangements are put in place to make superfast broadband provision the responsibility of developers (residential or commercial), in order to prevent the connectivity gap that has been narrowed by state intervention under the Superfast Essex programme from reoccurring.

7.D.6 Ongoing cooperation

- *How will the strategic issues be managed on an ongoing basis?*
- *What are the mechanisms/structures being used to do this?*
- *How will cooperation be monitored?*

7.D.6.1 Braintree, Colchester and Tendring will continue to work closely with Essex County Council through the Superfast Essex Broadband Programme and other service providers to secure the earliest availability of universal broadband coverage and the fastest available connections speeds in the District and to ensure that these are made available to all new developments, along with measures to futureproof development for additional technologies.

This will be done through:

- One to one meetings and engagement with developers/relevant providers to facilitate the delivery of required broadband infrastructure
- Engagement and cooperative working through the North Essex Garden Communities project, particularly the Masterplanning and Infrastructure Group
- Preparation of Development Plan Documents for the three Garden Communities

7.D.6.2 Monitoring will be undertaken by the LPAs through the preparation of the annual Authority Monitoring Reports, and regular reporting of key infrastructure projects through the North Essex Garden Communities project, particularly the Masterplanning and Infrastructure Group.

8. Creating Quality Places

8.1 Strategic planning issue

Define the issue

The North Essex area has a great variety of natural environments, and wonderful towns and villages. It is critical that given the scale of new development proposed that high standards of place-making are incorporated within all new developments.

Place-making also includes the network of green and blue infrastructure which will provide essential infrastructure to the new developments and link the developments within the existing open space and natural environment. These links will need to take place across local authority boundaries.

8.2 Evidence base

What is the evidence used to develop the LP's strategic policies?

There is a wide range of evidence base which has been used to develop the policies on place shaping and providing for green and blue infrastructure. This includes;

Garden Communities Concept Feasibility Studies Vol 1 – 3 (joint)
Integrated Water Management Plan (joint)
Braintree District Water Cycle Study
Colchester Borough Water Cycle Study
Tendring District Council Water Cycle Study
Braintree District Open Space Study
Colchester Borough Green Infrastructure Study
Tendring District Open Space Assessment Report
Braintree District Historic Characterisation Study
Braintree District Landscape Character Assessments
Tendring District Landscape Character Assessment
Colchester Borough Coastal Protection Belt Report

8.3 Strategic Partners

List of bodies engaged with

Core Partners

- Braintree District Council
- Colchester Borough Council
- Tendring District Council
- Essex County Council

Secondary LPA partners

- Chelmsford City Council

Other interested LPAs

- Maldon District Council
- Uttlesford District Council

Duty to Cooperate consultees

- Anglian Water
- Environment Agency
- Natural England
- Heritage England

8.4 Actions required during the preparation of the Issues and Options and Preferred Options document.

- *How [LPA] has worked collaboratively with its partners*
- *What actions [LPA] has taken to manage strategic issues*
- *Where joint evidence has been developed e.g. SHMA, who was involved?*
- *What have the relevant dates been in the process, how and when were key decisions made?*

Action: Preparation of a policy on place shaping principles which can be applied across the whole North Essex.

Partners: Primarily Braintree District Council, Colchester Borough Council and Tendring District Council with support from Essex County Council.

Outcome: A Preferred Options Local Plan shared strategic part 1 was published for consultation in 2016 which included a policy on place shaping.

Date: Preferred options draft approved in summer 2016

Action: Prepare a Habitats Regulation Assessment and an Appropriate Assessment to cover the north Essex Area

Partners: Braintree District Council, Colchester Borough Council and Tendring District Council working in partnership with Essex County Council and Natural England.

Outcome: A HRA and AA have been produced to accompany the preferred options Local Plan in the summer of 2017.

Date: Published in the summer of 2017

Action: Prepare a Recreational Avoidance Mitigation Strategy

Partners: Initially Braintree District Council, Colchester Borough Council, Tendring District Council and Natural England. Later expanded to include other local authorities in Essex including Chelmsford City Council.

Outcome: It has been agreed with Natural England that a RAMs will need to be produced to ensure that the impact of the growth proposed can be appropriately managed. Natural England suggested that given this is an issue for more than the three north Essex authorities, that an Essex wide RAMs may be helpful. This has been agreed by the north Essex authorities and by the Essex Planning Officers Association in September 2017, who will now be helping to co-ordinate the strategy at a strategic level.

Date: The approach was agreed with Natural England in the summer of 2017. The first meeting of the wider group is scheduled to take place in early November 2017.

Action: Update the Essex Design Guide which provides Essex wide guidance on design and layout including on parking and road layout.

Partners: This is being led by the Essex Planning Officers Association and Essex County Council. All local authorities in Essex including Braintree District Council, Colchester Borough

Council and Tendring District Council have been involved in its inception.

Outcome: A steering group was set up as well as theme specific and technical working groups to agree the content of the new Essex Design Guide.

Date: The final document is expected to be completed by the end of 2017 and will be an online interactive website of guidance for local authorities and developers.

Action: Understand the water and waste water supply and management position for North Essex.

Partners: Braintree District Council, Colchester Borough Council, Tendring District Council, Anglian Water, Essex and Suffolk Water and the Environment Agency.

Outcome: Each of the three local authorities had undertaken some assessment of water and waste water supply to support the Local plan process. However given the longer term and larger scale nature of the proposed garden communities it was agreed to undertake additional work to understand the long term position. This would be primarily to support the development plan documents being developed for each of the garden communities. An Integrated Water Management Plan is being developed by specialist consultants on behalf of the three authorities.

Date: Phase 1 was completed in the Summer of 2017 and phase 2 will be completed in Spring 2018.

8.5 Outcomes from strategic working

- *What was the result of the strategic cooperation and how has this influenced the plan (specific references to relevant policies are included where possible)?*
- *What are the issues that remain unresolved? How does the Council plan to manage these.*
- *What are the implications of unresolved matters?*

8.5.1 The Local Plan joint section 1 is the main outcome of strategic cross boundary working on this and other issues. The part 1 policy SP6 provides those overarching principles on a wider than local basis and has been informed by consultation responses from bodies such as Natural England, Heritage England and the Essex Wildlife Trust.

8.5.2 The Local Plan joint section 1 is also accompanied by a SA/SEA which examines the consequences of the proposed development and mitigation required across the three local authority areas.

8.5.3 The Local Plan joint section 1 is also accompanied by a HRA and Appropriate Assessment which again covers the three local authority areas and deals with the specific consequences of the growth and development set out in the Plan.

Following from the work done on the Appropriate Assessment it has been agreed with Natural England that a Recreational Avoidance Mitigation Strategy will also be undertaken. As this is a requirement for more than the three north Essex authorities, this is being undertaken on an Essex wide basis. This will provide a more comprehensive response to the issues of Recreational avoidance but will take more time to complete. Natural England suggested this approach which has been agreed by the authorities.

8.6 Ongoing cooperation

- *How will the strategic issues be managed on an ongoing basis?*
- *What are the mechanisms/structures being used to do this?*
- *How will cooperation be monitored?*

8.6.1 Monitoring will be undertaken by the LPAs through the preparation of the annual Authority Monitoring Reports, and regular reporting of key projects through the normal Local

Plan process. The monitoring requirements of section 1 are set out within table 1 of section 1 for the three authorities, with further monitoring requirements set out in each individual local authority section 2.

8.6.2 The RAMs is likely to suggest additional monitoring which will be agreed by the Essex authorities and Natural England.

9. GARDEN COMMUNITIES

9.1 Strategic planning issue

Define the issue

9.1.1 A key element of the spatial growth strategy for North Essex is the development of new sustainable garden communities.

9.1.2 Garden communities were amongst a range of options which were considered by the local authorities to deliver their housing and employment needs. A number of sites of sufficient scale to accommodate a garden community were identified through the Call for Sites, the Strategic Land Availability Assessment (SLAA) and wider evidence gathering processes by each of the local authorities. All these options were evaluated and the assessments can be seen as part of the Sustainability Appraisal.

9.1.3 An Appropriate Assessment has also been completed to consider the effects of proposals in Section 1 on the integrity of the European sites either alone or in combination with other plans and projects. At the Screening Stage the likely significant effects on European Sites, either alone or in combination with other plan and projects, were loss of offsite habitat, recreational impacts and water quality. These issues were further considered through the Appropriate Assessment.

9.1.4 Loss of off-site habitat - To mitigate for the loss of off-site habitat, the Appropriate Assessment identified the need for wintering bird surveys for the Tendring Colchester Borders Garden Community as part of any project level development proposals and masterplanning, to determine the sites individual importance for golden plover and lapwing and inform mitigation proposals and a commitment to mitigation and phasing of Tendring Colchester Borders Garden Community is required within the Section 1 Strategic Plan dependent on the findings of bird surveys.

9.1.5 Recreational Impacts - To mitigate for any increase in recreational pressures at the European sites, the Appropriate Assessment recommended the production for Recreational Avoidance and Mitigation Strategies (RAMS) for the Colne & Blackwater, Stour and Orwell SPAS/Ramsar sites and Essex Estuaries SAC.

9.1.6 Water quality – To ensure that the water quality of the European Sites are not adversely affected by growth proposals in Section 1, the Appropriate Assessment recommended the inclusion of policy safeguards to ensure that adequate water treatment capacity exists prior to developments proceeding and a commitment that the phasing of development would not exceed water and sewage infrastructure capacity and that the necessary infrastructure upgrades would be in place prior to developments coming forward.

9.1.7 The three authorities are committed to implementing the recommendations in the Section 1 Appropriate Assessment and these will be further progressed through the Strategic Growth DPDs.

9.1.8 Due to the scale of development proposed across North Essex and the infrastructure constraints which exist in many of the existing main settlements, new garden communities were considered the most deliverable and sustainable option, providing a major long-term supply of new homes if they could be delivered to the right standards at the right time. Locations for three new garden communities were selected based on the evidence gathered and assessments undertaken.

9.1.9 These new communities will accommodate a substantial amount of the housing and employment growth planned for North Essex within the plan period and beyond in a

sustainable way that meets the vision and strategic objectives, and provides a quality of development and community that would not occur in the absence of a holistic approach to planning and delivery. In the absence of commitment and a policy framework that secures the principles of garden communities development in the identified locations would not be acceptable. Other options for meeting the growth would have to be considered.

9.1.10 The North Essex Garden Communities will be planned new settlements that respond directly to their regional, local and individual site context and opportunities to create developments underpinned by a series of interrelated principles which are based on the Town and Country Planning Association (TCPA) Garden City Principles, adapted for the specific North Essex context as set out in the North Essex Garden Communities Charter.

9.2.11 At least two of the three garden communities will be cross-boundary, and continued close joint working between the authorities involved will be required to secure their successful delivery. Each of the authorities is committed to ensuring that the new garden communities are as sustainable and high quality as possible and that the infrastructure needed to support them is delivered at the right time. This will require the local authorities to work very closely with the landowners within the proposed garden community locations to develop and put in place a robust delivery mechanism that will ensure a fair and equitable distribution of the costs and land requirement needed to secure the ambitions for these garden communities and create a long term legacy appropriate to the scale of this ambition. The Councils have developed and incorporated Local Delivery Vehicles (LDV) that could be used to deliver the garden communities. The Councils are aware of the emerging Government proposals for locally led new town development corporations that may offer an alternative means of delivery. Other delivery models are also being considered, and an appropriate tailored approach will need to be used in relation to each community. The Councils are confident that the LDV models viable and can deliver successful and sustainable garden communities, but will continue to explore other ways of achieving the vision that offer similar levels of confidence that the right quality of development will be delivered at the right time. The North Essex Garden Communities Charter has provided a good starting point in creating a framework for this approach.

9.2.12 Uttlesford are not formal partners in this Strategic Plan for North Essex. However in June 2017 Uttlesford District Council produced a Regulation 18 'Preferred Options' Local Plan which includes within policy SP8 and on the key diagram the extension of the West of Braintree garden community into land within their District, extending the total size of this community by around 3,500 homes. Joint working between Braintree District Council and Uttlesford District Council in particularly on this garden community is continuing.

9.2.13 The Garden Communities are located within a Minerals Safeguarding Area. In line with the Essex Minerals Local Plan, the Mineral Planning Authority requires a Minerals Resource Assessment to be undertaken to assess if the sites contain a minerals resource that would require extraction prior to development. Should the viability of extraction be proven, the mineral shall be worked in accordance with the phased delivery of the non-mineral development.

9.2.14 Development Plan Documents will be developed for each of the garden communities. These will set out the design, development and delivery principles of each new community based on the principles set out in SP7 'Development and Delivery of New Garden Communities in North Essex' as well as the mechanism for attributing house completions to the local planning authorities' housing targets.

9.2.15 Based on the partnership wording between the North Essex authorities to date and their continuing commitment to the projects, each of the three proposed garden communities

is planned to deliver 2,500 dwellings during the Local Plan to 2033. Delivery of 2,500 dwellings in the cross-border garden communities, no matter where they are physically built, within the Local Plan period to 2033 will be attributed as set out in section 2 of each of the individual Local Plans, or if more dwellings are built then 50:50 between the two districts concerned. A detailed mechanism will be developed to attribute housing completions to the local planning authorities to deal with the possibility that fewer than 2,500 dwellings are completed in any of the communities during the plan period to 2033; it will be informed by the DPD and agreed through a Memorandum of Understanding. It will take into account a range of factors including;

- The resources, including finance, committed to the partnership by the councils to support delivery of high quality garden communities and achieve the projected housing delivery in both districts;
- The wider benefits of the garden communities to the districts;
- The burdens to the infrastructure of the districts generated by communities; and
- The proportion of the housing built in each district

9.2.Evidence base

- *What is the evidence used to develop the LP's strategic policies?*

Concept and alternatives

North Essex Garden Communities Concept Feasibility Study (June 2016)

- Baseline Compendium
- Opportunities and Constraints
- Options and Evaluation
- Garden Communities Charter

North Essex Garden Community Evaluation of Alternatives: Colchester Metro Town (April 2017)

North Essex Garden Communities Evaluation of Alternatives: Monks Wood, Braintree (May 2017)

North Essex Garden Communities West of Braintree Concept Framework (May 2017)

Demographics and housing

Objectively Assessed Housing Need Study (Braintree District, Chelmsford City, Colchester Borough and Tendring District) (July 2015 and November 2016 update)

Strategic Housing Market Assessment Update (Braintree District, Chelmsford City, Colchester Borough and Tendring District) (December 2015)

Greater Essex Demographic Forecasts 2013 – 2037 – Phase 7 Main Report (May 2015)

North Essex Garden Communities Employment and Demographic Studies (April 2017)

Braintree Gypsy and Traveller Accommodation Assessment Need Summary Report (May 2017)

Colchester Gypsy and Traveller Accommodation Assessment Need Summary Report (May 2017)

Tendring Gypsy and Traveller Accommodation Assessment Need Summary Report (May 2017)

Viability

North Essex Local Plans Viability Assessment (April 2017)

North Essex Local Plans Viability Assessment – Appendices (April 2017)

Braintree Economic Viability Study (June 2017)

Braintree District Council Affordable Housing Viability Assessment (July 2015)

Colchester Economic Viability Study (June 2017)

Tendring Economic Viability Study (June 2017)

Employment

Employment Land and Floorspace Aligned with November 2016 OAN (May 2017)

Braintree Employment Land Needs Assessment (August 2015)

Braintree Economic Viability Study (June 2017)

Colchester Employment Land Needs Assessment (January 2015)

Colchester Employment Land Trajectory and Report (May 2017)

Colchester Economic Viability Study (June 2017)

Tendring Employment Land Review (May 2016)

Tendring Employment Land and Floorspace (May 2017)

Tendring Economic Viability Study (June 2017)

Transport/Movement

North Essex Garden Communities – Movement and Access Study (May 2017)

Colchester Local Plan Traffic Modelling Technical Report (May 2017)

Tendring Local Plan Modelling Support (May 2017)

Braintree Local Plan Preferred Option Assessment Highways/Transport Planning (March 2017)

Braintree Local Plan – Preferred Option Assessment Update on A120 & A12 Studies (May 2017)

Colchester Rapid Transit Strategic Outline Business Case (September 2016)

Infrastructure

Greater Essex Infrastructure Framework 2016-2036 (February 2017)

Tendring Infrastructure Delivery Plan (May 2017)

Sustainability Appraisal and Habitat Assessments

Habitats Regulations Assessment for North Essex Authorities Shared Strategy Part 1 for Plan

Plans – Pre-submission (Regulation 19) (May 2017)

North Essex Authorities Strategic Section One for Local Plans: Draft Publication (Regulation 19) Draft Sustainability Appraisal (SA): Environmental Report (June 2017)

North Essex Authorities Strategic Section One for Local Plans: Draft Publication (Regulation 19) Draft Sustainability Appraisal (SA): Non-Technical Summary (June 2017)

North Essex Authorities Strategic Section One for Local Plans: Draft Publication (Regulation 19) Draft Sustainability Appraisal (SA): Annex A Plans and Programmes (June 2017)

North Essex Authorities Strategic Section One for Local Plans: Draft Publication (Regulation 19) Draft Sustainability Appraisal (SA): Annex B Baseline Information (June 2017)

North Essex Authorities Strategic Section One for Local Plans: Draft Publication (Regulation 19) Draft Sustainability Appraisal (SA): Annex C Alternatives and Consultation Comments (June 2017)

The North Essex Garden Communities Prospectus (September 2017)

9.3 Strategic Partners

List of bodies engaged with

Core LPA Partners

- Braintree District Council
- Colchester Borough Council
- Tendring District Council

Secondary LPA partners

- Uttlesford District Council
- Essex County Council
- Chelmsford City Council

Duty to Cooperate consultees

- Maldon District Council
- Highways England

9.4 Actions required during the preparation of the Issues and Options and Preferred Options document.

- *How [LPA] has worked collaboratively with its partners*
- *What actions [LPA] has taken to manage strategic issues*
- *Where joint evidence has been developed e.g. SHMA, who was involved?*
- *What have the relevant dates been in the process, how and when were key decisions made?*

Action: Preparation of a 'Memorandum of Co-operation: Collaborative Working on Strategic Growth Priorities in North and Central Essex'.

Partners: Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council, Essex County Council.

Outcome: MOC was signed by the above authorities (Leaders or Planning Portfolio holder) and identified strategic issues the authorities needed to address collaboratively – this included garden communities.

<p>Date: MOC signed June 2016.</p>
<p>Action: Preparation of North Essex Garden Communities Concept Feasibility Study</p> <p>Partners: Braintree District Council, Colchester Borough Council and Tendring District Council.</p> <p>Outcome: The feasibility study comprised 4 volumes – Baseline Compendium; Opportunities and Constraints; Options and Evaluation; and the Garden Communities Charter. The baseline compendium collated existing data covering a wide range of social, economic and environmental themes. It provided a contextual oversight of the four broad search areas, flagging a series of attributes that went on to inform development of the garden community proposals. The attributes considered included demographics, housing need, economy and employment, transport, landscape character, sensitivity and condition, ecological designation, and water cycle.</p> <p>The Opportunities and Constraints document presented a synthesis of the key opportunities and constraints arising from the analysis and understanding of the evidence base presented in the Baseline Compendium.</p> <p>The Options and Evaluation document provided a high-level indicative development capacity based on a series of common assumptions for each of the four sites; the options were subsequently evaluated.</p> <p>The final volume of the feasibility study is the Garden Communities Charter which draws on the earlier volumes to set out 10 placemaking principles developed to articulate the Councils' ambition for the Garden Communities and to help drive forward their development. They are based on the TCPA principles but are adapted for the specific North Essex context explored earlier in the study.</p> <p>Date: Published June 2016</p>
<p>Action: Development of a joint evidence base on viability of the garden communities.</p> <p>Partners: Braintree District Council, Colchester Borough Council and Tendring District Council.</p> <p>Outcome: Commissioning of Hyas to test the viability of policies as set out in Section 1 of the Braintree, Colchester & Tendring Local Plans, in line with the requirements of the National Planning Policy Framework ('NPPF') and other key guidance and best practice in relation to plan making and viability. As the Local Plan Section 1 identifies 3 strategic sites to be brought forward as Garden Communities, the study focuses upon a viability assessment of each of the sites as the prime spatial aspect of Section 1. The assessment draws upon a range of data sources and assumptions and presents a general consideration of viability including sensitivity and scenario testing.</p> <p>Date: Published April 2017</p>
<p>Action: Development of a joint evidence base on various aspects of the garden communities including demographics and housing, employment, infrastructure including transport and movement and sustainability.</p> <p>Partners: Braintree District Council, Colchester Borough Council, Tendring District Council, Chelmsford City Council (demographics) and Essex County Council (transport and</p>

<p>movement).</p> <p>Outcome: Commissioning of various studies on the topics outlined above and described more fully in the individual sections of this statement.</p> <p>Date: Various</p>
<p>Action: Joint consideration of alternative garden community proposals</p> <p>Partners: Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council</p> <p>Outcome: Joint commissioning of AECOM to assess the alternative proposals of Metro Town and Monks Wood.</p> <p>Date: May 2017</p>
<p>Action: Preparation of 'Section 1' of the Local Plans to address the cross boundary strategic issues identified in the MOC.</p> <p>Partners: Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council.</p> <p>Outcome: The alignment of Local Plan preparation between the three Councils following the Issues and Options consultation. Common 'Section 1' or strategic elements were prepared for the draft Plans in order to jointly address the strategic issues. Section 1 included Policy SP7 Development and Delivery of New Garden Communities in North Essex; Policy SP8 Tendring Colchester Borders Garden Community; SP9 Colchester Braintree Borders Garden Community; and SP10 West Braintree Garden Community. These policies identify the broad locations and range of scale for three garden communities and set out the requirements of these developments in relation to place-making and design quality, housing, employment and jobs, transportation and community and other infrastructure.</p> <p>Date: The Preferred Options documents were prepared during 2015 and consultation was undertaken in 2016. Meetings took place between the three local planning authorities, on a one-to-one basis and as part of the north Essex Garden Communities project, throughout 2015</p>
<p>Action: The establishment of joint structures, financial commitment and approach to land acquisition to support delivery of the garden communities</p> <p>Partners: Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council</p> <p>Outcome: Establishment of North Essex Garden Communities Ltd (NEGC) and local delivery vehicles for each garden community; and promotion of NEGC as 'responsible body' for establishment of locally controlled new town. Agreement in principle to provide funding to the LDV's and commitment of £500,000 from each Council to the joint project. Agreement to enter land agreements with landowners to enable delivery of the garden communities and support in principle for compulsory purchase of land if voluntary land agreements cannot be achieved in a reasonable time.</p> <p>Date: Decisions by each Council in November 2016 and September 2017. (Cabinet minutes from each Council – Appendix 3A Braintree, 3B Colchester and 3C</p>

Tendring, including appendices common to all reports

9.5 Outcomes from strategic working

- *What was the result of the strategic cooperation and how has this influenced the plan (specific references to relevant policies are included where possible)?*
- *What are the issues that remain unresolved? How does the Council plan to manage these.*
- *What are the implications of unresolved matters?*

The outcomes from strategic working are:

- The completion of a range of garden communities evidence reports for the three North Essex local planning authorities;
- The inclusion of three garden communities proposals in the Local Plans, at least two of which will be cross-boundary;
- \Confidence backed up by the evidence that the garden communities proposals contained in the Local Plans can be delivered.

Local Plan policies

The evidence contained within the garden community related evidence directly informed Local Plan preparation and policy.

Section 1

SP7 – Development and Delivery of New Garden Communities in North Essex was amended slightly by all three local planning authorities through amendments to the principles for the design, development and delivery of each of the new garden communities. These were to:

- Reflect the updated information about likely capacity for development in the Garden Communities beyond the Plan period. Delivery of homes within the Plan period remains at 2,500 for all three garden communities.
- Include requirements for robust delivery mechanisms including in relation to community infrastructure. This reflects research into long term stewardship of community infrastructure in other garden communities and new town developments.
- Expand the description of tools that will be used to achieve the highest quality of design including concept frameworks, and design codes and making reference to local development orders. This reflects the emerging Garden Community Concept Frameworks.
- Make reference to providing homes for the aging population and to providing 30% affordable housing in each garden community. This target reflects the viability testing carried out in the North Essex Local Plans (Section 1) Viability Assessment (April 2017).
- Set out the principle that the costs and benefits of developing a garden community are shared by all landowners.
- Require, in consultation with Essex County Council as minerals planning authority, consideration of potential on-site mineral resources to reflect the Essex Minerals Local Plan.

An addition was made to the policy stating that a Development Plan Document will be developed for each of the garden communities to set out the principles of their design, development and phasing.

SP8 – Tendring/Colchester Borders Garden Community, SP9 – Colchester/Braintree Borders Garden Community and SP10 – West of Braintree Garden Community were

amended by the three local planning authorities to reflect progress with developing Development Plan Documents for each of the three new garden communities. Publication of the Issues and Options Draft Development Plan Documents for all three new garden communities is planned for November 2017.

Amendments include:

- Changes to the overall number of houses to be built (although there will still be 2,500 built in each garden community in the Plan period);
- Amendments to transportation proposals;
- Broader definition of potential employment opportunities
- Reference to provision of high speed broadband;
- Clarification that long-term stewardship arrangements for community assets will be funded by the development and residents will have a stake in their management.

Unresolved issues

There is a need to provide more detailed policies for the garden communities. This will be resolved through the development of the Development Plan Documents.

Section 2

Garden Communities proposals are dealt with in Section 1 of the Local Plans.

9.6 Ongoing cooperation

- *How will the strategic issues be managed on an ongoing basis?*
- *What are the mechanisms/structures being used to do this?*
- *How will cooperation be monitored?*

9.6.1 Braintree, Colchester and Tendring will continue to work closely with government departments; the South East Economic Partnership, Essex County Council and other partners to promote develop proposals for the design, delivery and long term stewardship of the new garden communities. This will be done through:

- Engagement and cooperative working through the North Essex Garden Communities project
- Engagement and cooperative working through regional and sub-regional fora including the Essex Planning Officers' Association
- Preparation of site specific Development Plan Documents for the three Garden Communities, to include commissioning of further work exploring the mechanisms for delivering high quality design and sustainable new communities in each Garden Community.

9.6.2 The strategic issues will be monitored by the North Essex garden Communities Steering Group to which the Masterplanning and Infrastructure Working Group and the Transport Working Group report.

9.6.3 The joint authority project team will continue to provide project management capacity and expertise, including monitoring of delivery.

9.6.4 Monitoring will also be undertaken by the local planning authorities through the preparation of the annual Authority Monitoring Reports which will review delivery of the garden communities including the amount of employment land and housing delivered.

10. Conclusion

- 10.1 Colchester Borough Council considers that it has met the requirement of the duty to cooperate. As documented above, Colchester Borough Council has engaged with the relevant bodies, from the outset, in an appropriate and meaningful way, and at every stage of the plan production process.
- 5.2 The Council will continue to pro-actively co-operate with relevant bodies over the coming months prior to the Local Plan Examination, and subsequently through the implementation phase.

A Memorandum of Co-operation: Collaborative Working on Strategic Growth Priorities in North and Central Essex

Introduction

Essex is a large county made up of some 12 city and district authorities together with the county council and two unitary authorities. Despite its size the authorities have a strong track record of working collaboratively on growth issues through regional and structure plans; and, more recently, as part of the South East Local Enterprise Partnership.

In Essex as elsewhere, economic and demographic growth pressures cut across administrative boundaries, reflecting functional and spatial geographies. Settlement patterns, migration flows, commuting and strategic infrastructure needs all have significant influences within and between local authority areas.

The Localism Act 2011 places a Duty to Co-operate on local planning authorities and county councils¹, requiring them to engage constructively, actively and on an on-going basis in the preparation of plans where this involves strategic matters. The National Planning Policy Framework encourages authorities to prepare joint, non-statutory documents, particularly where this provides evidence of having effectively cooperated to plan for issues with cross-boundary impacts².

This Memorandum of Co-operation (MOC) seeks to meet this purpose and to go further in setting out a range of common challenges and opportunities across the area and how these will be addressed.

Parties to the Memorandum

This Memorandum is agreed by the following Local Authorities:

- Braintree District Council
- Chelmsford City Council
- Colchester Borough Council
- Essex County Council
- Tendring District Council

This group of neighbouring authorities historically have made a significant contribution to Essex's growth. They have agreed to come together because of their shared desire to continue to promote sustainable growth; and the particular need to articulate the strategic priorities within the wider area and how these will be addressed. Central to this is the effective delivery of planned strategic growth, particularly housing and employment development, with the necessary supporting infrastructure. The authorities will continue to engage with the South East Local Enterprise Partnership in developing their growth priorities.

¹ Localism Act 2011, section 110.

² National Planning Policy Framework, paragraph 181.

Objectives

Against this background, the main aims of this MOC are to:

- provide a high level statement of intent under the Duty to Co-operate to collaborate on strategic issues;
- to identify the key strategic issues that will have a bearing across the wider geographic area;
- to articulate the process for and outcomes from this collaboration, principally through the statutory planning process; and
- to ensure appropriate integration and alignment of strategic investment priorities in support of sustainable growth, and to use this to make the case collectively for the necessary funding.

Strategic Issues

Future population growth will be driven largely by net migration rather than natural change. This will require an appropriate response from the local authorities to ensure that sufficient houses, employment premises and supporting social and other infrastructure are provided. The ageing profile of residents also requires a proactive response to provide the right type of housing and supporting facilities.

Past under-investment in transport infrastructure and increased demand for road and rail use has placed significant strain on the network. Future planned growth provides the opportunity to address these infrastructure needs as well as to ensure that sustainable travel modes are promoted, although there will be significant challenges in funding what is required.

Against this background, the key strategic issues the authorities need to address collaboratively are:

- **Transport Infrastructure and Connectivity** – Focused on addressing capacity constraints on the A12, A120, A130 and A414; together with upgrades to the Great Eastern Main Line rail line and services; and provision of upgraded broadband infrastructure and services.
- **Providing Sufficient New Homes** - To meet the needs of a growing and ageing population; through ensuring the availability of developable land in appropriate locations and that the market delivers a suitable mix of housing types.
- **Providing for Employment** - To strengthen and diversify local economies to provide more jobs; and to achieve a better balance between the location of jobs and housing, which will reduce the need to travel and promote sustainable growth.
- **Addressing Education and Healthcare Needs** - A range of good quality educational opportunities will need to be addressed as part of a sustainable growth strategy, including practical vocational training and apprenticeships linked to local job opportunities. The authorities will need to work with the NHS and local health partnerships to ensure adequate provision of healthcare facilities to support new and growing communities.
- **Ensuring High Quality Outcomes** – Strategic collaboration provides the opportunity for greater ambition in planning and delivering high quality sustainable new communities; particularly, for

example, through new garden communities. More generally, new development must be functional and viable, but also reflect high standards of urban and architectural design. Major new developments will be planned carefully with the use of masterplans and design codes where appropriate.

Collaborative approach and outcomes

With the removal of the statutory requirement to produce a strategic plan, Local Plans are the main vehicle for delivering an area’s growth requirements and how these will be accommodated. However, as these are necessarily limited in their geographic scope, individual local authorities cannot fully reflect strategic influences and issues within them.

The authorities’ agreed response to this is to produce a common strategic section for the current reviews of each of their Local Plans. This ‘Part 1’ of their Plans will provide the evidence to support their strategic approach to the key issues outlined above, and a spatial strategy and policies responding to these issues in a proactive manner. The separate ‘Part 2’ for each plan will then address local issues and policies within each authorities’ area.

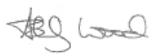
Governance

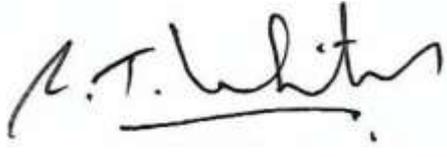
The work required to deliver the necessary outcomes from this strategic collaboration will be overseen by a Joint Member Group with representation from each of the participating authorities. This will be supported by an Officer Group which will report to the Joint Member Group. Terms of Reference for these Groups will be developed and agreed. Other sub-regional groupings and partners will be engaged as necessary as work progresses.

Timing

This Memorandum has immediate effect and will remain in place until adoption of the last of the authorities’ local plans, unless this version is reviewed and replaced before this.

June 2016

Signature	Role	Authority
	Leader of the Council	Braintree District Council
	Leader of the Council	Tendring District Council
	Leader of the Council	Colchester Borough Council

 21 st June 2016.	Councillor John Spence Cabinet Member for Finance, Housing and Planning.	Essex County Council
	Leader	Chelmsford City Council

Appendix 1B

Memorandum of Understanding between University of Essex, Colchester Borough Council, Tendring District Council and Essex County Council



Memorandum of Understanding between the University of Essex, Colchester Borough Council, Tendring District Council, and Essex County Council

Parties

The University of Essex (The University), Colchester Borough Council (CBC), Tendring District Council (TDC) and Essex County Council (ECC)

Purpose

This MoU sets out a framework for collaboration between the parties in order to promote the economic interests and prosperity of North East Essex. The University represents a key economic asset and driver for the area. The importance of having a research intensive University in the region to deliver innovation in enterprise and stimulate economic growth is recognised as being a vital ingredient in the well being of local residents and businesses. Its national and international reputation is a key factor in attracting investment and in selling this locality further afield.

Background

The University, with 2000 staff, is one of the largest employers in the area covered by CBC and TDC. It has 10,000 students at its Colchester campus. It is a charity with an academic mission and has just adopted a new strategic plan which involves striving for educational and research excellence. This plan also envisages expansion by 50% in terms of student numbers by 2018 and the development of its Knowledge Gateway, a 40 acre research park with a focus on SME's and Data Analytics. The University is also developing a new building to enable it to expand and improve its business school.

CBC is the local authority and local planning authority for Colchester and for the University's Colchester campus. It is responsible for preparing a Local Plan that meets the needs of its area. It will be reviewing its adopted Local Plan from 2015. It also has an economic development strategy which seeks to promote job creation and economic prosperity.

TDC is the local authority and local planning authority for Tendring. It is responsible for preparing a Local Plan that meets the needs of its area and is currently preparing a new Local Plan. It is also developing a new economic development strategy which seeks to promote job creation and economic prosperity.

ECC is the upper tier authority overarching the districts of both CBC and TDC. The Council is currently writing its economic strategy, which is contained in the 'Economic Plan for Essex'. This will feed into the overall Strategic Economic Plan (SEP) for the SELEP (South East Local Enterprise Partnership). A key priority for the Council is economic growth and the Knowledge Gateway is recognised within this as a key area for economic growth as too are the districts aspirations highlighted in the 'Agreed objectives' section of this document. There is also a strong link to ECC skills ambitions captured in the Essex Plan for Growth and the University's ability to play a part in this.

All the Local Authorities are working with partners and their communities to improve the educational attainment and aspirations of young people in their areas as well as identify the skills needed for future growth.

The future aspirations and forward strategies of each of the parties share much common ground and have the potential to be mutually supportive. It is this which has prompted them to set out a structure for future collaboration.

Agreed objectives

The parties have agreed to work together using their expertise, resources and powers in order to:

1. Support the University's ambitions for:
 - a) The expansion of the University both in its student body and the consequential expansion of the University's facilities and accommodation
 - b) Developing the Knowledge Gateway, including securing an Innovation Centre and ensuring the potential to develop the commercial opportunities can be accommodated as they multiply
 - c) Realising its aspirations for improved road and rail access to the Colchester campus through, for example, a link road to the A120 and the development of a new railway station on the Knowledge Gateway
2. Support CBC's ambitions for:
 - a) The development of a co-ordinated framework of support for entrepreneurship and enterprise in the district
 - b) The further regeneration of East Colchester and securing its economic growth ambitions for the town as outlined in its economic strategy
 - c) The development of a Creative Business Centre in Colchester Town Centre
 - d) The further development of the Colchester Creative Quarter specifically and the Creative, Media and Digital business sector generally in the town
3. Support TDC's ambitions for:
 - a) Delivery of a range of job and economic opportunities for residents and businesses securing the objectives of its economic strategy
 - b) The development of a successful offshore wind energy offer (CORE) at Harwich
 - c) The development of a technology based offer around the care sector in Tendring and the
 - d) The development of a co-ordinated framework of support for entrepreneurship and enterprise in the district
4. Raise the educational attainment and aspiration of young people in the Districts and County.

Agreed principles

The parties to this MoU will strive at all times to:

- a. work together positively and constructively
- b. collaborate in order to harness support and contributions from all other relevant partners particularly Essex County Council and the SE LEP
- c. be transparent and open, sharing information and intelligence relevant to the activities covered by this MOU

- d. be flexible and adaptable in responding to new challenges and opportunities where they arise
- e. not pursue agendas or interests that could be harmful to the integrity of this MOU
- f. ensure that all media announcements that may relate to the issues covered by this MOU are made known to the other parties, prior to their release whenever possible

However, the parties also acknowledge that this MOU:

- g. is not intended to be legally binding, or to create, evidence or imply any contract or obligation, partnership, joint venture or any other corporate form
- h. cannot fetter the statutory or other responsibilities of the parties as local authorities in the case of CBC and TDC or as a charity and an academic institution in the case of the University
- i. cannot commit any party to expend any sum or deploy any resource other than at its discretion

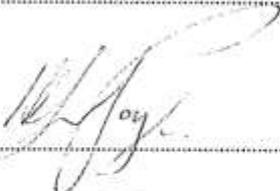
In the case of any disputes between the parties they will negotiate in good faith to achieve a satisfactory resolution.

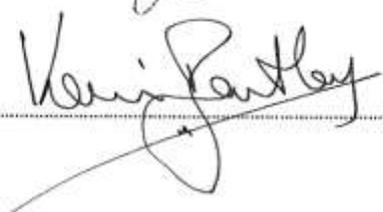
Declaration

We hereby agree to work in accordance with these principles towards the agreed objectives:

Signed..... For and on behalf of the University

Signed..... For and on behalf of the CBC

Signed..... For and on behalf of the TDC

Signed..... For and on behalf of the ECC

Date 23 April 2014

Essex Planning Officers' Association (EPOA)

Mechanism for the Consideration of Unmet Housing Need

1 Introduction

- 1.1 At a Duty to Co-operate meeting for Chelmsford's Local Plan in May 2017, it was identified by participants that there was a need for a high-level process or mechanism to be agreed to guide how potential unmet housing needs are considered by all Essex authorities. Other requests by individual local authorities to potentially accommodate their 'unmet' housing need have been made in responding to recent Local Plan consultations. It was considered important to address this matter, as the lack of such a mechanism was identified as key issue by the Inspector at the Castle Point Local Plan Examination.
- 1.2 The EPOA Policy Forum discussed the matter at its meeting on 6 June and a Task Finish Group with membership from each of the Essex HMAs was established.



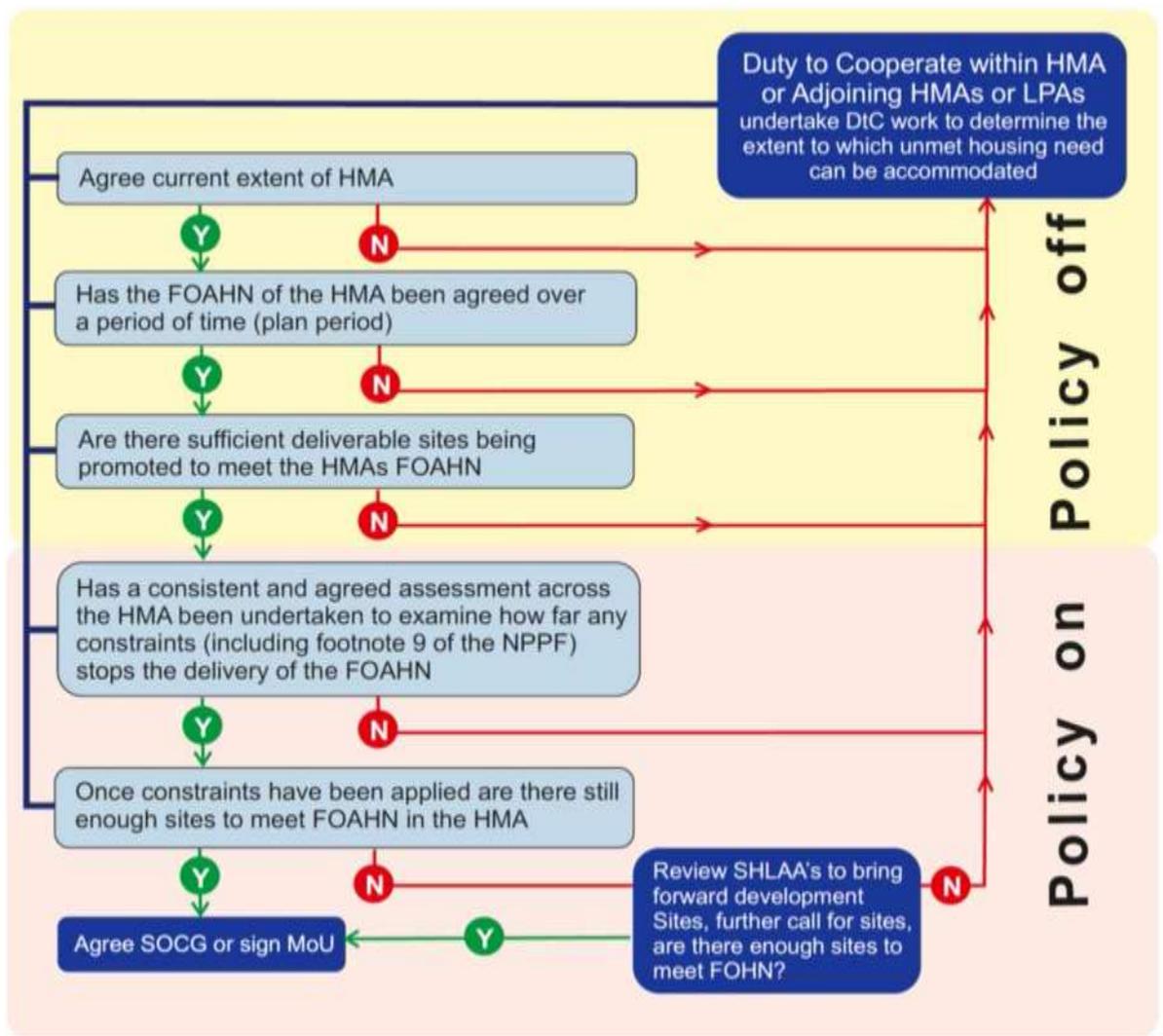
2 Policy Context

- 2.1 **Housing Need** - Paragraphs 47 and 159 of the NPPF states the full, objectively assessed needs for market and affordable housing are assessed for the housing market area (FOAHN). Jointly prepared Strategic Housing Market Assessments (SHMAs) identify the 'policy off' demographic derived need, making further adjustments for employment projections, affordability, the needs of specific groups in the community and wider market signals.
- 2.2 **Housing Supply** – Paragraph 159 of the NPPF identified the need to prepare a Strategic Housing Land Availability Assessment which identifies the potential supply of housing sites.

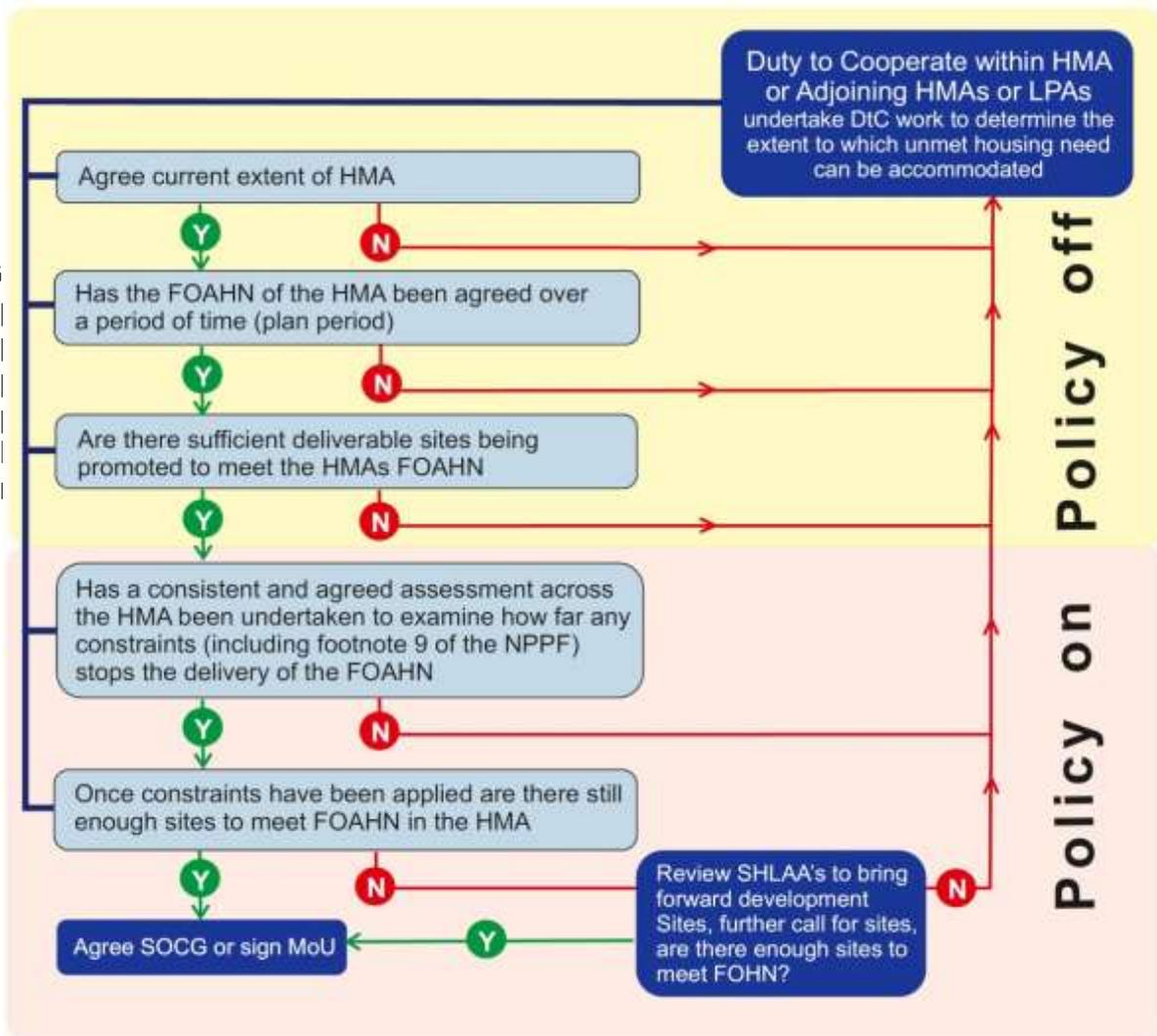
3 Recommended Process

- 3.1 To have a clear understanding of the housing needs in their HMA, local planning authorities, in partnership with neighbouring authorities and HMAs, should:
 - 1) Agree their full objectively assessed housing number

- 2) Irrespective of policy constraints, assess whether there are sufficient available and achievable housing sites to deliver the identified housing need
- 3) Agree a consistent approach and methodology for assessing policy constraints across the HMA
- 4) If there is an unmet housing requirement – reassess SHLAA, potentially re-distribute within HMA and then consider request to adjoining HMA.



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Item
7(i)

30 November 2016

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

Executive Summary

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

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

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

The key elements in the approach are:

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

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

Decisions Required

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

North Essex Garden Communities Limited

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

Tendring Colchester Borders Limited

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

Colchester Braintree Borders Limited

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

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

Cabinet Recommends to Council that it:

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

2. Reasons for Decision

- 2.1 To seek Cabinet's on-going support, working together with Braintree District Council, Essex County Council and Tendring District Council, to progress the concept of 'garden communities' and to approve governance arrangements for the project.

3. Alternative Options

- 3.1 No alternative options are presented.

4. Background Information

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

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

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

5. Vision & Objectives

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

- 5.2 The vision for North Essex at a strategic level has been set out by the Councils within Part 1 of the Preferred Option Local Plans. This addresses both the vision for the wider area together with the role and significance of the proposed Garden Communities. The vision sets out a clear statement of local ambition and establishes a strategic basis from which to move forward. It enables the Councils to plan positively for the future homes and jobs needed across the area, the provision of high quality infrastructure (transport, telecommunications, education, health, community and cultural infrastructure); and the creation of quality places including the conservation and enhancement of the natural and historic environment, including landscape.
- 5.3 Figure 1 illustrates the vision for North Essex as set in Part 1 of the emerging Local Plans. This provides a key part of the rationale underpinning the strategy going forward.

Figure 1: The North Essex Strategic Vision

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

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

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

- 5.4 Alongside the vision are a set of related objectives, designed to help achieve the vision for the area and to provide a basis for achieving the necessary outcomes. The objectives include:
- **Delivering for local communities** – to ensure the highest standard of community and stakeholder involvement from the early evolution of proposals, through to the creation of assets of local community value with active local ownership and stewardship;
 - **Providing New Homes** – to provide for a level and quality of new homes to meet the needs of a growing and ageing population in North Essex;
 - **Fostering Economic Development** – to strengthen and diversify local economies to provide more jobs; these jobs will be across a wide range of new industries reflecting the changes and trends of the 21st century, as well as existing sectors exploiting the opportunities of the A120 growth corridor; and to achieve a better balance between

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

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

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

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

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

6. Planning Background

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

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

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

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

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

7. Delivery Models

- 7.1 In order to give the Councils as planning authorities and the public confidence that the communities will be delivered as intended it is proposed that the public sector will take the primary responsibility – setting up and funding a local development vehicle that will enter into agreements with landowners and secure the necessary infrastructure.
- 7.2 It is accepted that delivery in this way and at this scale is untested since the delivery of New Towns. However, the Councils have taken advice which has confirmed that the approach is feasible, viable and lawful.
- 7.3 The Councils have considered a wide range of alternative delivery mechanisms and structures.
- 7.4 The principal alternatives would be to allow for the development of the settlements by the private sector or as part of a public/ private joint venture. Neither alternative approach can offer the same level of confidence that over a development programme of 30 years that the garden community objectives will be met throughout different economic cycles.
- 7.5 The proposed approach offers sufficient certainty about ambition and delivery to justify the identification of the broad locations for, and size of, the proposed garden communities. On the basis of the present evidence the other approaches cannot offer a similar level of confidence and are therefore not being pursued.
- 7.6 The projects will take in the order of 30 years to deliver; infrastructure which supports the development of the whole project will necessarily have a long payback period, the public sector is well placed to act as a patient investor taking a long term approach to payback enabling higher levels of investment at early stages.

8. Control of Land

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

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

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

9. Conflicts of Interest

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

10. Proposed governance structure

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

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

North Essex Garden Communities Limited (NEGC):

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

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

Local Delivery Vehicles:

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

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

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

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

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

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

11. Summary of the Financial Model

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

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

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

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

12. Short term requirements & revenue budget implications

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

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

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

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

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

Figure 2: Programme Revenue Budget Implications

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

Net Revenue Expenditure	(0.5)	1.1	3.5	3.5	4.4	12
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13. Proposals for Tendring Colchester Borders Limited

Scheme Overview

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

Financial Modelling Headlines

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

Figure 3: Base Case Financial Headlines

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

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

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

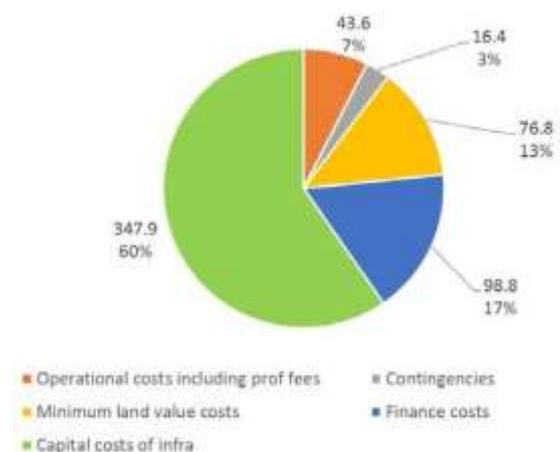
13.5 Figure 4 sets out further detail around the breakdown of costs included within the financial modelling. The analysis has been broken down to:

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

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

Figure 4: Scheme Cost breakdown by cost heading

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



Key infrastructure

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

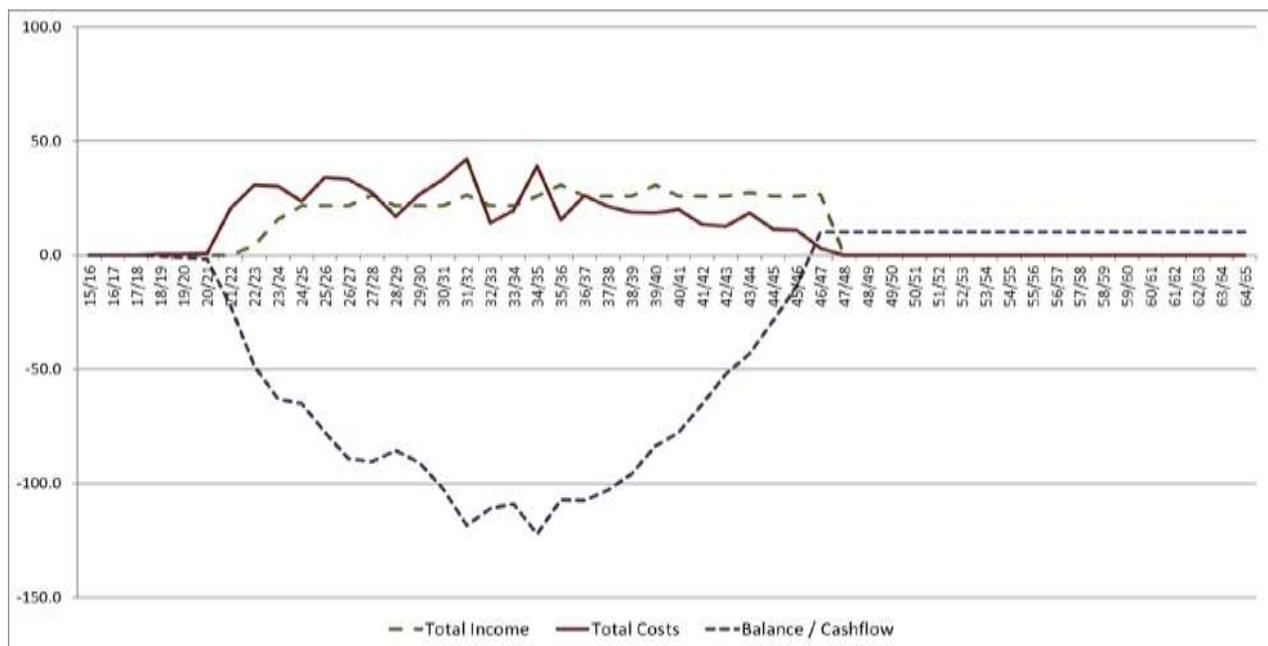
13.8 The financial modelling for the Tendring Colchester Borders Garden Community includes allowances to address a broad range of needs including but not limited to:

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

Phasing & Cashflow

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

Figure 5: Tending Colchester Borders Cashflow



Sensitivity Tests

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

14. Proposals for Colchester Braintree Borders Limited

Scheme Overview

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

Financial Modelling Headlines

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

Figure 6: Base Case Financial Headlines

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

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

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

³ Scheme values relate to disposals of serviced land to plot developers.

⁴ Residual is the balance between costs and income and illustrates viability.

⁵ Residual spread over total gross site area.

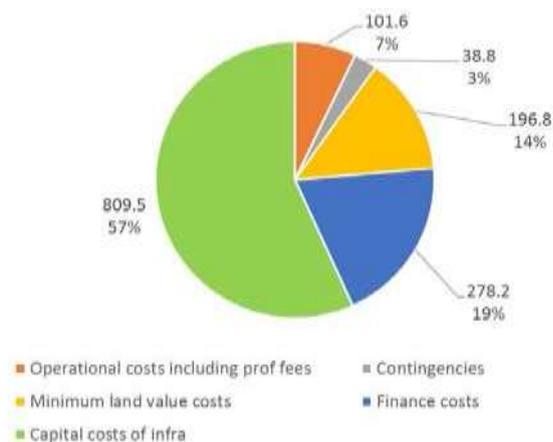
- 14.5 Figure 7 sets out further detail around the breakdown of costs included within the financial modelling. The analysis has been broken down to:

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

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

Figure 7: Scheme Cost breakdown by cost heading

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



Key infrastructure

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

Phasing & Cashflow

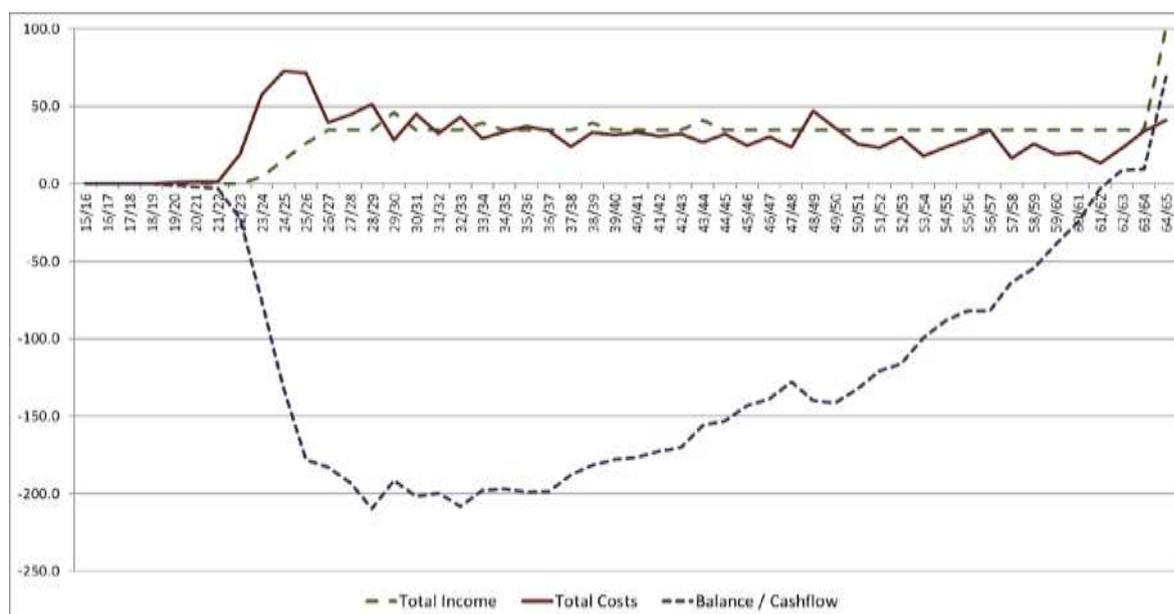
- 14.9 The approach to the delivery of large scale strategic sites generally involves early, upfront delivery of infrastructure followed by a steady disposal of plots to housebuilders/developers enabling them to deliver houses to the market. Delivery of the Garden Communities will accord to this profile,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

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

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

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

Figure 8: Colchester Braintree Borders Cashflow



Sensitivity Tests

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

15. Proposals for West of Braintree Limited

Scheme Overview

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

Financial Modelling Headlines

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

Figure 9: Base Case Financial Headlines

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

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

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

³ Scheme values relate to disposals of serviced land to plot developers.

⁴ Residual is the balance between costs and income and illustrates viability.

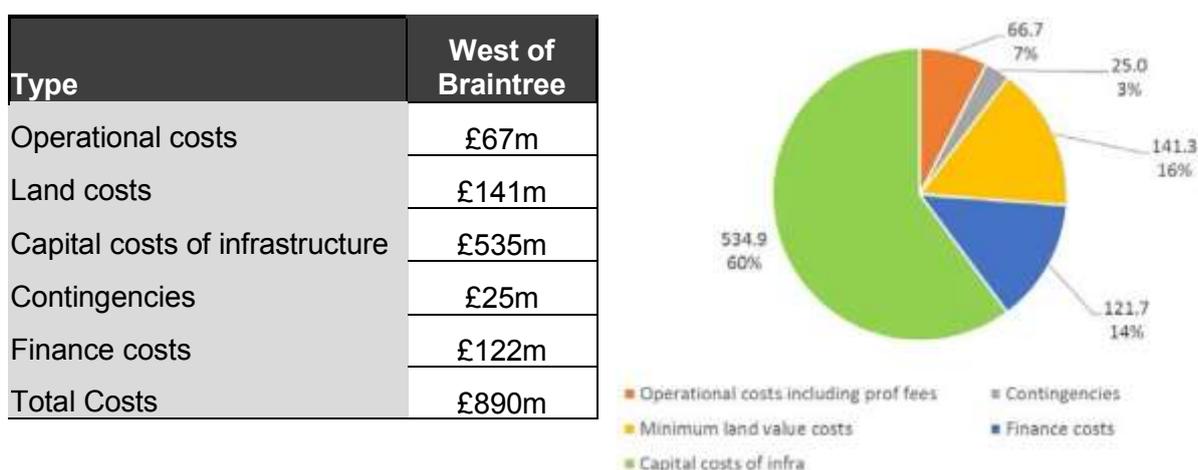
⁵ Residual spread over total gross site area.

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

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

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

Figure 10: Scheme Cost breakdown by cost heading



Key infrastructure

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

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

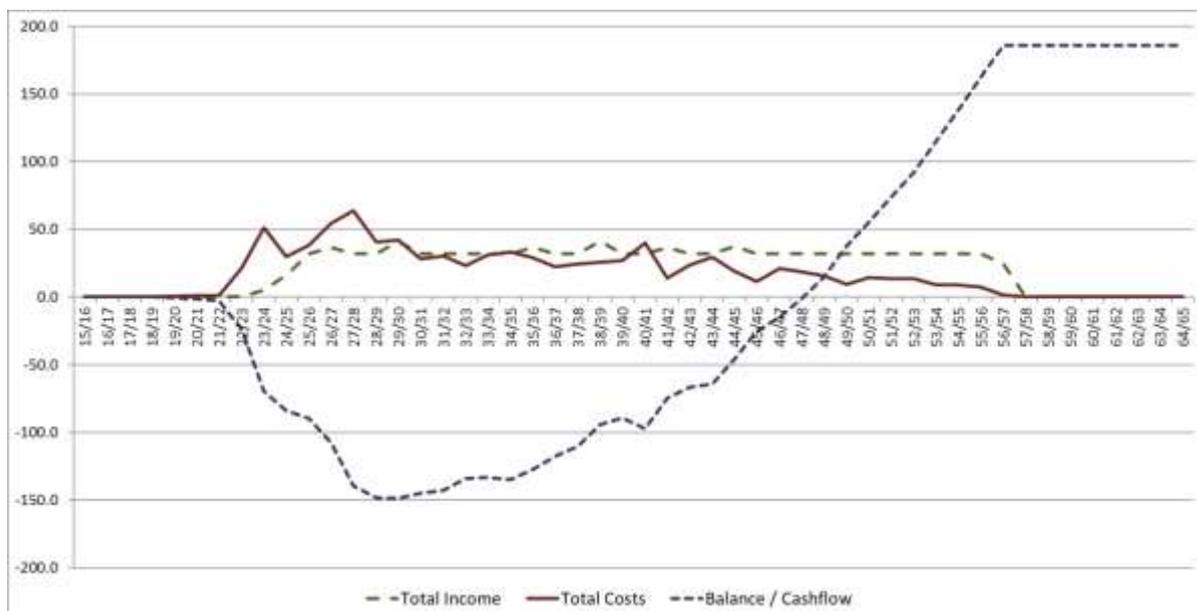
- **Education Facilities:** including the provision of 6 Primary Schools, 1 Secondary School and 14 Early Years Facilities (overall totalling circa £88m);
- **New Community & health centres** (£22m);
- **Leisure & Sports** facilities (£27m);
- **New Country Park** with facilities (£10m);
- **Sustainable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

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

Phasing & Cashflow

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

Figure 11 West of Braintree Cashflow



Sensitivity Tests

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

16. Funding principles for the LDVs

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

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

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

Figure 12: Proportionate share of peak debt

Tendring Colchester	Colchester Braintree Borders	West of Braintree Limited	Total

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

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

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

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

17. Legal Powers

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

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

18. Risk Assessment

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

19. Equalities Impact Assessment

- 19.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires the local authority to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Equality Act 2010. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 19.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (a) or (b) although it is relevant for (c).
- 19.3 The proposals are to create an inclusive community which meets the needs of all residents regardless of whether or not they have a protected characteristic. The intention is to provide housing and facilities for all. By participating in the development in the way proposed the local authorities will have a greater influence over the content and layout than a development undertaken in a traditional way. The differing needs of people with different protected characteristics will need to be considered during the design and planning of the development and kept under review as the scheme progresses.

20. Implementation

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

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

20. Strategic Plan References

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

21. Financial Considerations

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

22. Equality, Diversity and Human Rights Implications

- 22.1 See section 19 of this report above.

23. Consultation and Publicity Implications

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

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

24. Community Safety, Health and Safety and Implications

24.1 No direct implications.

25. Risk Management Implications

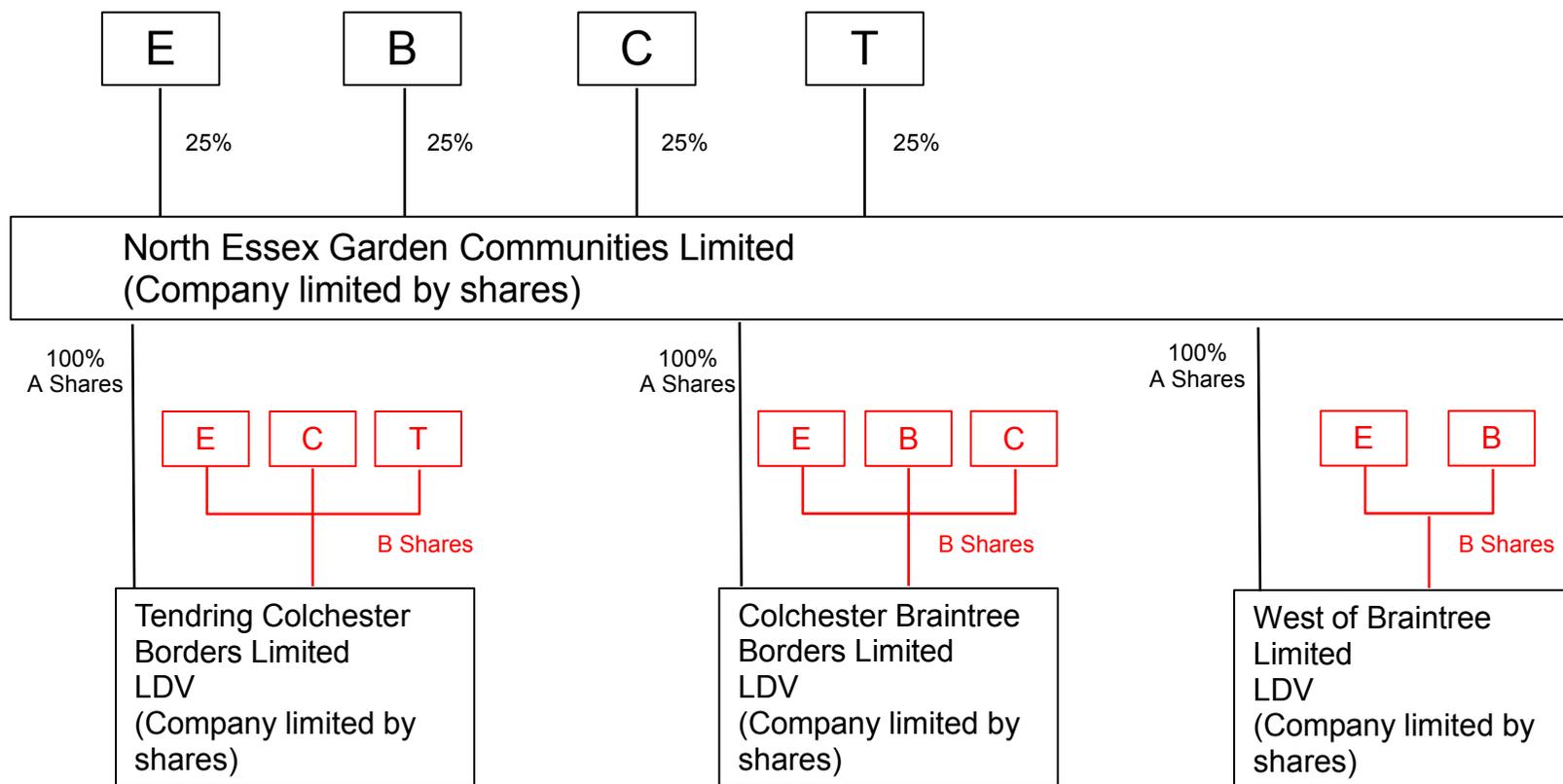
25.1 See section 18 of this report above.

Summary of Appendices:

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

A.2 - Appendix 1:

Diagram showing Corporate Structure:



A Shares - voting shares; no right to dividend

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

Appendix 2

DRAFT TERM SHEET

North Essex Garden Communities Limited

1. Definitions	<p>Articles means the articles of association of the Company from time to time</p> <p>B Share means a B share of nominal value £1 in the capital of an LDV</p> <p>B Shareholder means a holder of B Shares</p> <p>Board means the board of Directors</p> <p>Braintree means Braintree District Council</p> <p>Budget means a budget (including revenues, operating and capital expenditures, and cash flow) of the Company for a relevant financial period</p> <p>Colchester means Colchester Borough Council</p> <p>Company means North Essex Garden Communities Limited, a joint strategic private company entity which is owned equally by each Local Authority</p> <p>Director means a director of the Company</p> <p>Director Letter means an engagement letter to be entered into between the Company and each Director</p> <p>Essex means Essex County Council</p> <p>Financial Procedure Rules means the financial procedure rules adopted by the Company from time to time¹</p> <p>Funding Agreement means any funding agreement entered into from time to time between (1) Essex, Braintree, Colchester or Tendring as lender, and (2) the Company as borrower²</p> <p>Independent Director means a director who is not a Nominated Director</p> <p>LDV means each of:</p> <ul style="list-style-type: none">(i) Tendring Colchester Borders Limited(ii) Colchester Braintree Borders Limited; and(iii) West of Braintree Limited
-----------------------	--

¹ Set of financial procedures to be drafted.

² How will NEGC be funded?

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

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

<p>5. Business Plan³</p>	<p>Nominated Directors, save that where a decision relates to one LDV only, the Nominated Directors appointed by a Local Authority who does not hold B Shares in that LDV shall not be entitled to vote</p> <p>Conflicts: In relation to a Director's conflict:</p> <ul style="list-style-type: none"> • The Director is obliged to declare his or her conflict at the beginning of any Board meeting • If that declaration indicates a dispute or possible dispute, the Board may decide whether or not the conflicted Director should withdraw from all or part of that meeting <p>Alternate Directors: It is expected that each Director will make every effort to attend Board meetings, and will only miss Board meetings in exceptional circumstances. Each Director Letter will name an alternate to attend, speak and vote in Board meetings in the appointing Director's absence</p> <p>Indemnity: The Articles will contain a standard permission to allow a Director to receive the benefit of an indemnity from the Company</p> <p>The Company's business will be operated in accordance with, and to achieve the aims set out in the Long-term Business Plan. The initial Long-term Business Plan will be attached to the Shareholders' Agreement. The Board will be responsible for (i) preparing the Long-term Business Plan and Budget and (ii) monitoring progress against the Long-term Business Plan and Budget, and may suggest changes to the Long-term Business Plan and Budget from time to time. Any Long-term Business Plan or Budget, and any changes to either must be approved by all of the Local Authorities. In addition, any such changes need to be consistent with the Master Plans and the Purpose. If there are any changes made to the Master Plans or the Purpose, the Board will meet to discuss whether any changes are required to the Long-term Business Plan and Budget, subject to the Local Authorities' approval</p> <p>If the Company undertakes any business which is outside the remit of the Long-term Business Plan or Master Plans, or incurs any expenditure or liability that means the Company will breach the budget, or is likely to be in breach of the Budget, the Board will promptly notify the Local Authorities in writing</p>
<p>6. Reserved Matters</p>	<p>Schedule 3 contains a number of reserved matters. Subject to interpolated voting, before the Company undertakes any of the reserved matters in Schedule 3, it needs the prior written approval of each of the Local Authorities (save that where the matter relates to one LDV only, a Local Authority who does not hold B Shares in that LDV shall not be required to provide its prior written approval).</p>
<p>7. Share Transfers</p>	<p>No Shares may be transferred without the prior written consent of each of the Local Authorities, save that Shares may be transferred to successor bodies (including any new town development corporation)</p>

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

8. Termination	<p>The Company shall continue until such time as:</p> <ul style="list-style-type: none"> • The Purpose has been achieved; or • The Company is wound up pursuant to a statutory process <p>On a termination, any assets of the Company may transfer to a successor (or other appropriate) body (including any new town development corporation)</p>
9. Disputes	<p>If there is any dispute in relation to the Company, either at Board or Shareholder level, any party may call a meeting of the CEOs/Leaders of each Local Authority to try to resolve that dispute. If the dispute is still unresolved 21 days after that meeting any party may refer the matter to mediation. If the dispute is still unresolved 42 days after that meeting, any party may refer the matter to arbitration</p>
10. Documentation	<p>Following the agreement of this term sheet, Dentons will prepare the following documentation:</p> <ul style="list-style-type: none"> • Shareholders' Agreement – in addition to the provisions referred to above, that agreement will also contain provisions in relation to: <ul style="list-style-type: none"> – set-up arrangements – business housekeeping (company books, insurance etc) – information provision to the Local Authorities – confidentiality and announcements • Articles • Director Letters – in addition to the provisions referred to above, each letter will also contain the following details: <ul style="list-style-type: none"> – the period of the appointment – name of alternate director – costs and expenses – indemnity

Schedule 1 – Purpose

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

A garden community should:

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

Schedule 2 – Property Plan

To be included in the final Term Sheet.

Schedule 3 – Reserved Matters

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

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

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

Appendix 3:



Shareholders' agreement in relation to North Essex Garden Communities Limited

Dated

Essex County Council
(Essex)

Colchester Borough Council
(Colchester)

Tendring District Council
(Tendring)

Braintree District Council
(Braintree)

North Essex Garden Communities Limited
(The Company)

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Shareholders' Agreement

Dated

Between

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

Recitals

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

It is agreed

1 Definitions and Interpretation

1.1 Definitions

In this Agreement the following definitions shall apply.

Act means the **Companies Act 2006**.

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

Board means the board of Directors.

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

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

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

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

Completion means completion of the matters specified in Clause 3.

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

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

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

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

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

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

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

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

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

LCIA Rules means the LCIA Arbitration Rules 2014.

Local Authority means Essex, Braintree, Colchester or Tendring.

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

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

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

Nominated Director means a Director appointed by a Local Authority.

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

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

Purpose has the meaning given in Clause 2.1 below.

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

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

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

Shareholder means a holder of Shares.

1.2 Interpretation

In this Agreement, unless otherwise specified:

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

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

2 Purpose of the Company

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

3 Completion arrangements

3.1 Completion

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

3.2 Completion Obligations

At Completion:

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

3.3 No partial Completion

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

4 The Board

4.1 Decisions to be referred to the Board

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

4.2 Action by the Board

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

4.3 Nominated Directors

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

4.4 Independent Director

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

4.5 Alternate Directors

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

4.6 Chair

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

4.7 Board meetings

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

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

4.8 Quorum

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

4.9 Voting at Board meetings

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

4.9.2 On any Board decision a majority (including all Nominated Directors) in favour is required for the vote to pass, save that:

- (a) where a decision relates to Tendring Colchester Borders Limited only, any Nominated Director appointed by Braintree shall not be entitled to vote, and shall not be required in the majority for the vote to pass;
- (b) where a decision relates to Colchester Braintree Borders Limited only, any Nominated Director appointed by Tendring shall not be entitled to vote, and shall not be required in the majority for the vote to pass;
- (c) where a decision relates to West of Braintree Limited only, any Nominated Director appointed by Colchester or Tendring shall not be entitled to vote, and shall not be required in the majority for the vote to pass; and
- (d) where a decision relates to Tendring Colchester Borders and West of Braintree Limited but not Colchester Braintree Borders Limited, any Nominated Director appointed by Tendring shall not be entitled to vote, and shall not be required in the majority for the vote to pass.

4.10 Compliance with Agreement

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

4.11 Shareholders to procure Director's resignation

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

4.12 Indemnity

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

4.13 Directors may pass information to their appointor

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

4.14 Removal of a director

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

5 Business Plans and Budget

5.1 Interim business plans

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

5.2 Business plans

- 5.2.1 Within three months of a full Board being appointed (being at least four Directors) the Company shall, subject to the approval of the Local Authorities, formally adopt an Long-term Business Plan.
- 5.2.2 The Board shall submit any draft Long-term Business Plan to the Local Authorities no later than two months before the end of the period to which the then current Long-term Business Plan relates. Such draft Long-term Business Plan shall not be adopted by the Company until such time as the Local Authorities' approval has been received.
- 5.2.3 Any amendments to a Long-term Business Plan or Budget must first be approved in writing by the Local Authorities. In order to obtain the Local Authorities' written approval, the Board shall submit to the Local Authorities in writing the Long-term Business Plan or Budget together with a proposal setting out the amendments, and an explanation for the amendments. Any such amendments need to be consistent with the Master Plan and the Purpose.
- 5.2.4 Subject always to the Local Authorities' approval, if there are any amendments made to the Master Plan or the Purpose, the Board will meet to discuss whether any amendments are required to the Long-term Business Plan and Budget.
- 5.2.5 If the Company undertakes any business which is outside the remit of the Long-term Business Plan or Master Plan, or incurs any expenditure or liability that means the Company will breach or exceed the Budget, or is likely to be in breach of the Budget, the Board will promptly notify the Local Authorities in writing. Such notification will provide:
- (a) detailed information in relation to such expenditure or liability, including an explanation of the circumstances; and
 - (b) suggested remedial action.

5.3 Budget

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

6 Financing the Company

6.1 Financing

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

6.2 Borrowing limit

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

6.3 No Shareholder obligations to fund

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

7 Information and Operation of the Company

7.1 Information

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

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

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

7.2 Operation of the Company

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

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

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

8 Reserved matters

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

9 Transfer of Shares

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

10 Protection of Name: Intellectual Property

10.1 Shareholders' rights to their intellectual property

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

10.2 Company's rights to its intellectual property

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

11 Freedom of Information

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

12 Announcements and Confidentiality

12.1 No announcements without agreement

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

12.2 Shareholders' confidentiality obligations

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

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

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

12.3 Company's confidentiality obligations

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

12.4 Duration of confidentiality obligations

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

13 Relationship between Shareholders and the Company

13.1 Shareholders' procurement obligation

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

13.2 No partnership

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

14 Entire Agreement and Severance

14.1 Entire agreement

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

14.2 Acknowledgment by parties

Each party acknowledges that:

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

14.3 Conflict with the Articles

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

14.4 Severance

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

15 Amendments

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

16 No assignment

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

17 Remedies and Waivers

17.1 No waiver or discharge

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

17.2 Saving for future waivers

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

17.3 Failure to exercise etc. not a waiver

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

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

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

17.4 Rights and remedies cumulative

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

18 Third party rights

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

19 Costs

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

20 Termination

20.1 The Company shall continue until such time as:

- a) the Purpose has been achieved; or

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

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

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

21 Duration

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

22 Notices

22.1 Service

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

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

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

22.2 Receipt

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

23 Disputes

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

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

23.2 If the dispute is not settled within 21 days of the CEO Meeting to resolve the dispute, any party may refer the matter to mediation in accordance with the LCIA Mediation Rules, which are deemed to be incorporated by reference into this Clause 23.

23.3 If the dispute is not settled by mediation within 42 days of the CEO Meeting or such further period as the parties to the dispute shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the LCIA Rules, which are deemed to be incorporated by reference into this Clause 23.

23.4 In any arbitration commenced pursuant to this Clause 23,

- (a) the number of arbitrators shall be one;
- (b) the seat, or legal place, of arbitration shall be London, England; and
- (c) the language to be used in the arbitral proceedings shall be English.

24 Governing Law and Jurisdiction

24.1 Governing law

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

24.2 Jurisdiction

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

25 Execution of different copies

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

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

Schedule 2 – The Purpose

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

A garden community should:

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

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

Schedule 3 - Particulars of the Company²

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

² All to be confirmed.

Schedule 4 – Property Plans

To be included in the final Shareholders' Agreement.

Schedule 5 – Reserved Matters

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

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

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

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

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

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

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

Appendix 4:

DRAFT TERM SHEET

North Essex Garden Communities: LDV1

Tendring Colchester Borders Limited

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

	<p>[has/have] any interest in the Property), and/or such other person as NEGC determines.</p> <p>Landowner Directors means a person nominated by the Landowner/Optionholder and appointed as a Director.</p> <p>LDV Business Plan means a 2 year business plan as adopted and amended by the Board (with the approval of the Shareholders) from time to time; such business plan covering delivery of the Project and such other matters as the Board may determine, and consistent with the aims and requirements of the Master Plan and the Long-term Business Plan.</p> <p>Local Authority means Essex, Braintree, Colchester or Tendring.</p> <p>Long-term Business Plan means a business plan for the lifetime of the Project (with a higher level of detail for the next 5 years) as adopted by NEGC from time to time; such business plan covering infrastructure requirements, finance, planning and such other matters as NEGC determines, and consistent with the aims and requirements of the Master Plan.</p> <p>Master Plan means the planning policy document adopted by the relevant local planning authority in relation to the Property which set out proposals for buildings, spaces, movement strategy and land use in three dimensions and matches these proposals to a delivery strategy and development programme.</p> <p>NEGC means North Essex Garden Communities Limited, a joint strategic entity which is owned equally by each Local Authority.</p> <p>Nominated Director means a Director appointed by Essex, Colchester or Tendring.</p> <p>Project means the development of the Property as a garden community in accordance with the Purpose.</p> <p>Property means the property [<i>location description</i>] which is approximately identified in the plan attached in Schedule 2.</p> <p>Purpose has the meaning given in paragraph 2 below.</p> <p>Senior Employee means an employee whose total annual remuneration exceeds or is likely to exceed £75,000.</p> <p>Share means an A Share or a B Share.</p> <p>Shareholder means an A Shareholder or a B Shareholder.</p> <p>Shareholders' Agreement means the shareholders' agreement to be entered into in relation to the business and operation of the Company between NEGC, Essex, Colchester, Tendring and the Company.</p> <p>Tendring means Tendring District Council.</p>
<p>2. Purpose</p>	<ul style="list-style-type: none"> The purpose of the Company is to secure the development of the Property in accordance with the Project Plan, the Master Plan and the

	<p>principles set out in Schedule 1 (the Purpose)</p> <ul style="list-style-type: none"> • The Purpose (as set out in Schedule 1) will be included in the following documents: <ul style="list-style-type: none"> – the Shareholders' Agreement – the Articles (perhaps in an abbreviated form) – the Director Letters • The Purpose can only be changed with the prior consent of all of the Local Authorities
<p>3. Shares</p>	<p>Initial Shareholders: At closing:</p> <ul style="list-style-type: none"> • NEGC will subscribe for 100 A Shares at £1 each • Essex will subscribe for • B Shares at £• each • Colchester will subscribe for • B Shares at £• each • Tendring will subscribe for • B Shares at £• each <p>A Share rights: The A Shares shall have the following rights:</p> <ul style="list-style-type: none"> • Each A Share will entitle the holder to one vote on any Shareholder resolution • The A Shares will carry no right to receive dividends • On a return of capital, the A Shares will entitle the holder to a return of nominal value, but no more <p>B share rights²: The B Shares shall have the following rights:</p> <ul style="list-style-type: none"> • The B Shares will carry no right to vote save that each B share shall carry the right to 2 votes on any vote which: <ul style="list-style-type: none"> – materially affects, or is likely to materially affect, the delivery of the Project, or the infrastructure for the Project, in accordance with the timetable set out in the Business Plans; or – materially affects, or is likely to materially affect, the Company's ability to repay any sums due under any Funding Agreement when due; or – is likely to result in a material breach of any Funding Agreement by the Company • The B Shares shall carry a right to receive dividends • The B Shares shall be entitled to receive (on a pro-rata basis) any capital

² It may also be that B Shares are issued to an external funder

return to Shareholders (subject to the A Share rights mentioned above)

Interpolated voting: The NEGC constitution should be drafted so that in relation to any decision of the NEGC shareholders or board specifically affecting the Company only, only Essex, Colchester and Tendring shall be entitled to vote on that decision.

4. Directors

Appointment/Removal: The directors shall be appointed as follows:

- Each of Essex, Colchester and Tendring have the right to appoint and remove a Director (each a **Nominated Director**)
- The Landowner/Optionholder shall have a right to appoint up to 3 Directors; provided that any replacement Director must be approved by NEGC before they are appointed (each a **Landowner Director**). If a Landowner/Optionholder ceases to have any interest in the Property, the Landowner Director nominated by that Landowner/Optionholder shall (unless NEGC otherwise requires) immediately resign as a Director
- NEGC shall be entitled to appoint a further 3 independent Directors (each an **Independent Director**)
- Any Director other than a Nominated Director may be removed by notice sent by NEGC to the Company
- On appointment, each Director and the Company will enter into a Director Letter

Chair: The Board will either (i) appoint an appropriate person as Chair (and Independent Director) or (ii) appoint a chair from amongst the Directors with the expectation that an Independent Director will be elected. If the proposed Chair is not an Independent Director the approval of all Nominee Directors will be needed for the appointment. Any such appointment will be for a maximum 2 year term. The Chair shall not have a casting vote.

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

Board Meetings: It is expected that Board meetings will be held four times a year, or more frequently as the Board may decide.

Notice: There will be seven days' notice of any Board meeting (or shorter notice if agreed by a majority of the Directors).

Quorum: The quorum for Board meetings will be at least one Nominated Director, one Landowner Director, and one Independent Director. If the quorum is not present at the appointed time for the meeting, an adjourned meeting will be called. At that adjourned meeting, at least one Nominated Director needs to be present for a quorum.

Conflicts: In relation to a Director's conflict:

<p>5. Business Plan³</p>	<ul style="list-style-type: none"> • The Director is obliged to declare his or her conflict at the beginning of any Board meeting • If that declaration indicates a dispute or possible dispute, the Board may decide whether or not the conflicted Director should withdraw from all or part of that meeting <p>Alternate Directors: It is expected that each Director will make every effort to attend Board meetings, and will only miss Board meetings in exceptional circumstances. Each Director Letter will name an alternate to attend, speak and vote in Board meetings in the appointing Director's absence.</p> <p>Indemnity: The Articles will contain a standard permission to allow a Director to receive the benefit of an indemnity from the Company.</p> <p>The Company's business will be operated in accordance with, and to achieve the aims set out in, the Long-term Business Plan and the LDV Business Plan. The Board will be responsible for (i) preparing the LDV Business Plan and Budget and (ii) monitoring progress against the LDV Business Plan and Budget, and may suggest changes to the LDV Business Plan and Budget from time to time. Any LDV Business Plan or Budget, and any changes to either must be approved by NEGC. In addition, any such changes need to be consistent with the Long-term Business Plan, Master Plan and the Purpose. If there are any changes made to the Long-term Business Plan, Master Plan or the Purpose, the Board will meet to discuss whether any changes are required to the LDV Business Plan and Budget, subject to NEGC approval.</p> <p>If the Company undertakes any business which is outside the remit of the Long-term Business Plan or the LDV Business Plan, or incurs any expenditure or liability that means the Company will breach the Budget, or is likely to be in breach of the Budget, the Board will promptly notify NEGC in writing.</p>
<p>6. Reserved Matters</p>	<p>Schedule 3 contains a number of reserved matters. Before the Company undertakes any of the reserved matters in Part A of Schedule 3, it needs the prior written approval of Essex, Colchester and Tendring. Before the Company undertakes any of the reserved matters in Part B of Schedule 3, it needs the prior written approval of NEGC.</p>
<p>7. Share Transfers</p>	<p>No Shares may be transferred without the prior written consent of Essex, Colchester and Tendring, save that Shares may be transferred to successor bodies (including any new town development corporation).</p>
<p>8. Termination</p>	<p>The Company shall continue until such time as:</p> <ul style="list-style-type: none"> • The Purpose has been achieved; or • The Company is wound up pursuant to a statutory process <p>On a termination, any assets of the Company may transfer to a successor (or</p>

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

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

Schedule 1 – Purpose

To secure the development of the Property to create a garden community, being a self-sustaining community which secures the future stewardship of public assets for community benefit, the design, development and delivery of which is underpinned by local public sector leadership, a strong vision, inclusive and long term planning and effective engagement.

A garden community should:

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

Schedule 2 - Property Plan

To be included in the final Term Sheet.

Schedule 3 – Reserved Matters

Part A

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

Part B

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

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

Appendix 5:



Shareholders' agreement in relation to Tendring Colchester Borders Limited

Dated

North Essex Garden Communities Limited
(NEGC)

Essex County Council
(Essex)

Colchester Borough Council
(Colchester)

Tendring District Council
(Tendring)

Tendring Colchester Borders Limited
(The Company)

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Shareholders' Agreement

Dated

Between

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

Recitals

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

It is agreed

1 Definitions and Interpretation

1.1 Definitions

In this Agreement the following definitions shall apply.

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

A Shareholder means a holder of A Shares.

Act means the Companies Act 2006.

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

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

B Shareholder means a holder of B Shares.

Board means the board of Directors.

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

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

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

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

Completion means completion of the matters specified in Clause 3.

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

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

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

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

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

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

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

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

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

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

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

¹ TBD

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

LCIA Rules means the LCIA Arbitration Rules 2014.

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

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

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

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

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

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

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

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

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

Purpose has the meaning given in Clause 2.1 below.

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

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

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

Shareholder means an A Shareholder or a B Shareholder.

1.2 Interpretation

In this Agreement, unless otherwise specified:

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

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

2 Purpose of the Company

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

3 Completion arrangements

3.1 Completion

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

3.2 Completion Obligations

At Completion:

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

(i) [list]

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

(i) [list]

3.3 No partial Completion

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

3.4 Shareholders' services

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

4 The Board

4.1 Decisions to be referred to the Board

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

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

4.2 Action by the Board

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

4.3 Nominated Directors

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

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

4.4 Landowner Director²

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

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

² We will need to reflect this in the Landowners' Agreement.

4.5 Independent Director

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

4.6 Alternate Directors

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

4.7 Chair

4.7.1 The Board will either:

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

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

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

4.8 Board meetings

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

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

4.9 Quorum

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

4.10 Voting at Board meetings

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

4.11 Compliance with Agreement

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

4.12 Shareholders to procure Director's resignation

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

4.13 Indemnity

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

4.14 Directors may pass information to their appointor

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

4.15 Removal of a director

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

5 Business Plans and Budget

5.1 Interim business plans

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

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

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

5.2 Business plans

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

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

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

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

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

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

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

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

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

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

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

5.3 Budget

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

6 Financing the Company

6.1 Financing

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

6.2 Borrowing limit

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

6.3 No Shareholder obligations to fund

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

7 Information and Operation of the Company

7.1 Information

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

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

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

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

7.2 Operation of the Company

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

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

8 Reserved matters

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

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

9 Transfer of Shares

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

10 Protection of Name: Intellectual Property

10.1 Shareholders' rights to their intellectual property

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

10.2 Company's rights to its intellectual property

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

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

11 Freedom of Information

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

12 Announcements and Confidentiality

12.1 No announcements without agreement

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

12.2 Shareholders' confidentiality obligations

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

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

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

12.3 Company's confidentiality obligations

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

12.4 Duration of confidentiality obligations

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

13 Relationship between Shareholders and the Company

13.1 Shareholders' procurement obligation

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

13.2 No partnership

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

14 Entire Agreement and Severance

14.1 Entire agreement

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

14.2 Acknowledgment by parties

Each party acknowledges that:

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

14.3 Conflict with the Articles

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

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

14.4 Severance

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

15 Amendments

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

16 No assignment

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

17 Remedies and Waivers

17.1 No waiver or discharge

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

17.2 Saving for future waivers

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

17.3 Failure to exercise etc. not a waiver

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

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

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

17.4 Rights and remedies cumulative

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

18 Third party rights

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

19 Costs

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

20 Termination

20.1 The Company shall continue until such time as:

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

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

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

21 Duration

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

22 Notices

22.1 Service

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

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

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

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

22.2 Receipt

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

23 Disputes

23.1 In the event of a dispute in relation to the Company, or arising out of or relating to this Agreement (including any question regarding its existence, validity or termination) either at the Board or between the Shareholders, the dispute will be escalated to the NEGC board of directors to make a decision.

23.2 If the dispute is not settled within 21 days of the NEGC board of directors having met to resolve the dispute, Essex, Colchester or Tendring may refer the matter to mediation in accordance with the LCIA Mediation Rules, which are deemed to be incorporated by reference into this Clause 23.

23.3 If the dispute is not settled by mediation within 42 days of the NEGC board of directors' meeting referred to in Clause 23.1, or such further period as the parties to the dispute shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the LCIA Rules, which are deemed to be incorporated by reference into this Clause 23.

23.4 In any arbitration commenced pursuant to this Clause 23,

- (a) the number of arbitrators shall be one;
- (b) the seat, or legal place, of arbitration shall be London, England; and
- (c) the language to be used in the arbitral proceedings shall be English.

24 Governing Law and Jurisdiction

24.1 Governing law

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

24.2 Jurisdiction

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

25 Execution of different copies

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

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

Schedule 1 – The Purpose

The purpose of the Company is to secure the development of the Property to create a garden community, being a self-sustaining community which secures the future stewardship of public assets for community benefit, the design, development and delivery of which is underpinned by local public sector leadership, a strong vision, inclusive and long term planning and effective engagement.

A garden community should:

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

Schedule 2 - Particulars of the Company⁴

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

⁴ All to be confirmed.

Schedule 3 – Property Plan

To be included in the final Shareholders' Agreement.

Schedule 4 – Reserved Matters

Part A

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

Part B

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

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

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

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

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

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

Signed by ** authorised)
 for **EAST OF COLCHESTER**)
LIMITED)

Strategic Risk Assessment Profile

Risk Description	Score			RAG Rating / Consequence	Mitigation	Owner
	P	I	O			
1. PLANNING						
1.1 A scheme is not included in the Pre-Submission Draft Local Plan on the basis of appropriate planning policy determination.	1	4	4	GREEN It would not be possible for the LDV to pursue any development and accordingly it would be wound up.	Dentons engaged to provide planning policy advice. M&IWG will actively work to ensure the planning viability of all 3 Garden Communities.	M&IWG Dentons
1.2 Part 1 not considered robust enough and is not approved by PINS.	2	4	8	AMBER Part 1 doesn't provide a sufficiently robust policy justification for the Garden Communities.	Dentons engaged to provide planning policy advice. M&IWG will monitor and ensure appropriate evidence-based research is commissioned as part of fortnightly meetings.	M&IWG
1.3 Action groups / Parish Councils successfully lobby Members and/or MPs requesting for the programme to be halted.	3	4	12	AMBER This could cause a delay to the timescales for the Pre-Submission Draft Local Plan and Examination in Public. Confidence in programme could be reduced.	The Marketing & Comms Plan includes specific reference to proactively engaging with Action Groups and Parish Councils. Consideration is being given to "Community Enablers" to positively assist Parish Councils as part of this process.	M&IWG / PR & Marketing Manager
1.4 The "infrastructure first" principle of the NEGC ambition is not able to be sufficiently achieved in order to support the early sustainability of the communities.	3	4	12	AMBER This would impact on the sustainability and connectivity of the communities as well as undermine confidence in the programme.	All workstreams of the programme will actively work with relevant stakeholders to ensure the timely delivery of the infrastructure required by the communities.	M&IWG / TWG / FWG
2. LANDOWNER AGREEMENT / ENGAGEMENT						
2.1 Landowner agreements are not reached before the Pre-Submission Draft Local Plan is approved by Councils.	3	4	12	AMBER This would represent a key change to the relationship between the landowners and the Councils / LDV; the underlying assumptions in the agreements would then need to be reconsidered.	Dentons will support the LWG in the positive negotiation and implementation of the landowner agreements in order to meet the programme timescales.	LWG / Dentons
3. DELIVERY VEHICLE EVOLUTION						
3.1 NEGC Ltd / LDV Board breakdown and being unable to take decisions and/or reach agreement.	2	3	6	AMBER This could affect the successful delivery of the objectives as set out in the respective business plans for the Garden Communities.	Comprehensive governance processes will be set out in the Articles of Association and Shareholders Agreement.	LWG / Dentons
Risk Description	Score			RAG Rating / Consequence	Mitigation	Owner

	P	I	O			
4. FINANCIAL						
4.1 Commercial imperatives override wider vision.	2	4	8	AMBER May not deliver on broader ambition. May cede too much control / safeguards to satisfy landowner expectations.	Ensure vision and objectives underpin all workstreams.	SDB & SG
4.2 Sharing of rewards offer poor value for money to Councils.	3	3	9	AMBER Reward to Councils does not reflect extent of risk – balance too far in landowner favour.	Legal negotiations to be fully cognisant of financial positions and reflect risk exposure.	SDB, SG, LWG & FWG
4.3 Inaccurate financial modelling.	3	4	12	AMBER Scheme could be unviable leading to loss of investment, no/lower capital repayment or longer pay-back period.	Ongoing analysis of all assumptions and further evolution of modelling approach.	FWG
4.4 Projects unviable.	2	5	10	AMBER Loss of investment, no/lower capital repayment.	Ensure further design & planning work achieves viable schemes.	FWG & MIWG
4.5 Unable to raise sufficient finance.	2	3	6	AMBER Limits scope for funding options, may restrict to Council funding only.	Ensure approach is sufficiently attractive to the wide market through derisking and clear Council backing.	LWG & FWG
4.6 Impact on Council revenue budgets.	3	3	9	AMBER Impact on monies available for other Council services or need to raise further monies locally.	Ensure prudent approach. Consult auditors. Consider scope for capitalisation.	FWG
5. PROGRAMME						
5.1 The development of the NEGC Ltd Business Case leads to the conclusion that the programme is commercially unviable or involves a high level of uncontrollable risks.	2	5	10	AMBER The partner Councils will have the option to terminate the programme at this juncture.	Effective programme management and the active involvement of all key stakeholders will endeavour to ensure that the viability of this programme is maximised as much as possible.	SDB
5.2 The programme is not sufficiently resourced, both in terms of the necessary skills or capacity, and does not have a comprehensive contingency strategy in place in the event of the unexpected absence/ departure of key project officers and/or internal/external partners.	5	3	15	AMBER The lack of a sufficiently resourced team will significantly impact upon the function and timely support, co-ordination and delivery of the programme and LDVs.	The delivery team will undertake a comprehensive analysis of the resourcing and contingency required for achieving delivery of the programme's objectives. Sufficient budget will be made available to recruit to any vacant positions and the workforce needs of the programme will be regularly reviewed to respond to any changes in these requirements.	Delivery Team / Steering Group

Risk Description

Score

RAG Rating / Consequence

Mitigation

Owner

	P	I	O		
6. EXTERNAL FACTORS					
6.1 Changes to Central Government policy (e.g. Housing Bill).	3	3	12	AMBER Could impact on Central Government support for the programme and/or ability to attract additional funding.	All workstreams will monitor the legislation applicable to their specialisms and will provide proactive support to the governance arrangements should changes to the programme approach be required to respond to the new environment. LWG / FWG / M&IWG / TWG

Explanatory Key

A risk is something that **could** happen in the future and have an impact on the completion or outcome of the Programme.

All programmes have an element of risk; all new risks will be recorded as soon as they are identified and all risks will be updated when a change (positive or negative) occurs. This is to ensure that the programme can demonstrate how it will deal with potential problems or varying severity in a controlled manner.

Risk is calculated according to the probability (P) of it happening and the impact (I) of this occurrence, based on a scale of 1 (very low) and 5 (very high) for each element of the calculation. A RAG rating is then assigned to the total score (i.e. the outcome, which is calculated by multiplying the probability score and the impact score: $P \times I = O$).

Definition of Scores

	1 (Very Low)	2 (Low)	3 (Medium)	4 (High)	5 (Very High)
Probability	Unlikely 0-10%	Low 11-30%	Possible 31-50%	Probable 51-80%	Definite 81-100%
Impact	Minimal (no interruption to programme delivery)	Minor (temporary interruption to programme delivery)	Significant (lasting interruption to programme delivery)	Severe (complete interruption to programme delivery)	Catastrophic (programme will fail unless risk urgently mitigated/resolved)

RAG Status	Score	Definition	Action
Green (Low)	1-4	The programme is meeting expectations.	No action required.
Amber (Medium)	5-15	The programme is not meeting expectations. There are mitigating circumstances in most cases and improvement is likely but risks need to be flagged to the programme team.	The programme team should be notified at the earliest opportunity; mitigation action will be explored at the appropriate governance level and implemented, as appropriate.
Red (High)	16-25	There are significant problems with the programme and it is not meeting expectations to date. Corrective action is required to meet business objectives. The problem cannot be handled solely by the programme team.	The matter should be escalated to the programme team immediately for consideration/resolution at the appropriate governance level.