



Essex County Council

## Cabinet

<b>10:00</b>	<b>Tuesday, 15 December 2020</b>	<b>Online Meeting</b>
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The meeting will be open to the public via telephone or online. Details about this are on the next page. Please do not attend County Hall as no one connected with this meeting will be present.

**For information about the meeting please ask for:**

Emma Tombs, Democratic Services Manager

**Telephone:** 033303 22709

**Email:** [democratic.services@essex.gov.uk](mailto:democratic.services@essex.gov.uk)

### **Essex County Council and Committees Information**

All Council and Committee Meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972.

In accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, this meeting will be held via online video conferencing.

Members of the public will be able to view and listen to any items on the agenda unless the Committee has resolved to exclude the press and public from the meeting as a result of the likely disclosure of exempt information as defined by Schedule 12A to the Local Government Act 1972.

#### **How to take part in/watch the meeting:**

**Participants:** (Officers and Members) will have received a personal email with their login details for the meeting. Contact the Democratic Services Officer if you have not received your login.

#### **Members of the public:**

##### **Online:**

You will need to visit the ECC Democracy YouTube Channel

<https://tinyurl.com/yynr2tpd> where you will be able watch live or view the meeting at a later date. If you want to ask a question at the meeting, please email

[democratic.services@essex.gov.uk](mailto:democratic.services@essex.gov.uk) by noon on the day before the meeting. Please note that your question must relate to an item on the agenda for the meeting.

## Accessing Documents

If you have a need for documents in, large print, Braille, on disk or in alternative languages and easy read please contact the Democratic Services Officer before the meeting takes place. For further information about how you can access this meeting, contact the Democratic Services Officer.

The agenda is also available on the Essex County Council website, [www.essex.gov.uk](http://www.essex.gov.uk). From the Home Page, click on 'Running the council', then on 'How decisions are made', then 'council meetings calendar'. Finally, select the relevant committee from the calendar of meetings.

Please note that an audio recording may be made of the meeting – at the start of the meeting the Chairman will confirm if all or part of the meeting is being recorded.

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1	<b>Membership, apologies, substitutions and declarations of interest</b>	5 - 5
2	<b>Minutes: 24 November 2020</b>	6 - 14
3	<b>Questions from the public</b>  A period of up to 15 minutes will be allowed for members of the public to ask questions or make representations on any item on the agenda for this meeting. No statement or question shall be longer than three minutes and speakers will be timed.  If you would like to ask a question at this meeting, please email <a href="#">Democratic Services</a> by 12 noon the day before (Monday 14 December).	
4	<b>SELEP Getting Building Fund: Shovel Ready Projects Approval (FP/828/10/20)</b>  The Equality Impact Assessment is available <a href="#">online</a>	15 - 25
5	<b>The Helena Romanes School, Great Dunmow - a new learning village, including primary provision (FP/779/08/20)</b>  The Equality Impact Assessment is available <a href="#">online</a>	26 - 33

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| <b>6</b>  | <b>Re-procurement of Bus Services at Park and Ride Sites (FP/836/10/20)</b>  | <b>34 - 41</b> |
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| <b>7</b>  | <b>Land for Development in Colchester (FP/853/10/20)</b>   | <b>42 - 46</b> |
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| <b>8</b>  | <b>Optimisation of Essex Housing - Contract Novation and Loan Agreements (FP/820/09/20)</b>  | <b>47 - 56</b> |
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| <b>9</b>  | <b>Award of Bio-Waste Service Orders (FP/850/10/20)</b>  | <b>57 - 61</b> |
|           | The Equality Impact Assessment is available <a href="#">online</a>   |                |
| <b>10</b> | <b>Decisions taken by or in consultation with Cabinet Members (FP/881/11/20)</b>   | <b>62 - 63</b> |
| <b>11</b> | <b>Dates of Future Meetings</b><br><br>Members are asked to note that:<br>1. The next meeting of the Cabinet will take place via Zoom at 10.00am on Tuesday 19 January 2021.<br>2. The meeting of the Cabinet originally scheduled for Tuesday 23 February 2021 will now take place one week earlier, on <b>Tuesday 16 February 2021</b> . This is in order to accommodate a change in the date for Full Council which will now meet on 23 February,<br>In addition, and following previous notification of meeting dates for 2021, dates for the early part of 2022 are now confirmed as:<br>18 January, 15 February, 15 March, 19 April and 24 May |                |
| <b>12</b> | <b>Urgent Business</b><br><br>To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.  |                |

## Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

The following items of business have not been published on the grounds that they involve the likely disclosure of exempt information falling within Part I of Schedule 12A of the Local Government Act 1972. Members are asked to consider whether or not the press and public should be excluded during the consideration of these items. If so it will be necessary for the meeting to pass a formal resolution:

**That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.**

**13 Confidential Appendix: The Helena Romanes School, Great Dunmow - a new learning village including primary provision (FP/779/08/20)**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**14 Confidential Appendix: Land for Development in Colchester (FP/853/10/20)**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**15 Confidential Appendix: Optimisation of Essex Housing, Contract Novation and Loan Agreements (FP/820/09/20)**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**16 Confidential Appendix: Award of Bio-Waste Service Orders (FP/850/10/20)**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**17 Urgent Exempt Business**

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

**Committee:** Cabinet

**Enquiries to:** Emma Tombs, Democratic Services Manager  
[Emma.tombs@essex.gov.uk](mailto:Emma.tombs@essex.gov.uk)

**Membership, Apologies, Substitutions and Declarations of Interest**

**Recommendations:**

To note:

1. Membership as shown below
2. Apologies and substitutions
3. Declarations of interest to be made by Members in accordance with the Members' Code of Conduct

**Membership**  
(Quorum: 3)

**Portfolio**

Councillor D Finch	Leader of the Council (Chairman)
Councillor K Bentley	Deputy Leader and Infrastructure (Vice-Chairman)
Councillor T Ball	Economic Development
Councillor S Barker	Customer, Communities, Culture and Corporate
Councillor R Gooding	Education and Skills
Councillor D Madden	Performance, Business Planning and Partnerships
Councillor L McKinlay	Children and Families
Councillor J Spence	Health and Adult Social Care
Councillor S Walsh	Environment and Climate Change Action
Councillor C Whitbread	Finance

## Minutes of a meeting of the Cabinet that was held remotely on Tuesday 24 November 2020

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### Present:

Councillor	Cabinet Member Responsibility
Councillor D Finch	Leader of the Council (Chairman)
Councillor T Ball	Economic Development
Councillor S Barker	Customer, Communities, Culture and Corporate
Councillor K Bentley	Deputy Leader and Infrastructure
Councillor R Gooding	Education and Skills
Councillor L McKinlay	Children and Families
Councillor D Madden	Performance, Business Planning and Partnerships
Councillor J Spence	Health and Adult Social Care
Councillor S Walsh	Environment and Climate Change Action
Councillor C Whitbread	Finance

Councillors Canning, Durham, Goggin, Grundy, Hedley, Henderson, Mackrory, Mitchell, Pond and Turrell were also present.

### 1. Membership, Apologies, Substitutions and Declarations of Interest.

The report of Membership, Apologies and Declarations was received and the following were noted:

1. There had been no changes to membership since the last meeting of Cabinet.
2. Declarations were made during the meeting as follows:
  - Councillor A Goggin declared a Code interest in agenda item 6 (Expansion of Colne Community School and College, Brightlingsea) in that the pedestrian crossing to be installed in conjunction with the project was located close to his home (minute 6 below refers).
  - Councillor I Henderson declared a Code interest in agenda item 8 (Acknowledgement of the Interim Report of the Essex Climate Action Commission) in that he is a member of the Commission (minute 8 below refers).

### 2. Minutes: 20 October 2020

The minutes of the meeting held on 20 October 2020 were agreed as a correct record and would be signed by the Chairman.

**3. Questions from the public**

None received.

**4. Flexible Use of Capital Receipts Strategy (FP/849/10/20)**

The Cabinet considered a report which recommended a strategy for the flexible use of capital receipts in the 2020/21 financial year. The strategy identified the revenue investments made that met the criteria to qualify for this funding treatment.

**Resolved:**

1. That the Council is recommended to approve the Flexible Use of Capital Receipts Strategy as set out in the Appendix to report FP/849/10/20.
2. That any use of the Strategy is subject to a decision in accordance with Financial Regulations and the Scheme of Delegation.

**5. Proposed Harlow Investment Fund (FP/825/10/20)**

The Cabinet was asked to agree to invest £5m in the proposed Harlow Investment Fund, a proposed £50m fund seeking to invest in property in Harlow.

In introducing the report, the Cabinet Member for Economic Development recorded his thanks to County Councillors from Harlow electoral divisions for their assistance in progressing the Fund.

The following information was provided in response to questions from Councillors Mackrory and Pond:

- As yet, no information was available regarding potential candidates for the Council's nominee as a director of the Investment Fund.
- The Cabinet Member for Finance undertook to provide a written response clarifying the £1.1m cost of borrowing as referred to in paragraph 5.1.2 of the report.
- Creation of the Fund may facilitate work with partners to mitigate challenges associated with the permitted development of office buildings into residential accommodation.

**Resolved:**

1. That the investment of £5m in the Harlow Investment Fund was agreed in principle.
2. That the Executive Director, Place and Public Health is authorised to enter into an agreement to subscribe for or purchase shares in the Harlow Investment Fund Limited Partnership and such other entities as may be required in order to participate in the Fund, subject to his being satisfied,

after consulting the Leader, the Cabinet Member for Economic Growth, the Cabinet Member for Finance, the Monitoring Officer and the Section 151 Officer that the agreements and structure provide sufficient protection for the Council's investment.

3. That the Fund Investment Principles and the reserved matters with respect to the Fund are as set out in Appendices 3 and 4 respectively to report FP/825/10/20.
4. That the Council's nominee for appointment as a director of the Investment Fund is to be determined by the Leader of the Council.

6. **Expansion of Colne Community School and College, Brightlingsea (FP/806/09/20)**

(Information contained within a confidential appendix was taken into account in reaching a decision on this issue – minute 14 below refers.)

Councillor A Goggin declared a Code interest in this item – minute 1 above refers.

The Cabinet was asked to endorse the expansion of Colne Community School and College by increasing capacity from 8 Forms of Entry (FE) to 10 FE provision (1240 places to 1500 places) in order to meet the need for secondary school places in the locality and to enter into a contract to expand the school.

Speaking as the local Member, Councillor Goggin welcomed the project, which would facilitate installation of a much-needed pedestrian crossing near to the school.

The following responses were provided in response to questions by Councillor Mackrory:

- The aims for the building design were to provide a new-build extension and significant improvements to the fabric of the existing accommodation, as well as to improve energy efficiency.
- The Cabinet Member for Education and Skills undertook to provide a written response with detailed information on the sources of funding for the project.

**Resolved:**

1. That a contract is directly awarded to Pick Everard under the terms of Essex Professional Services Framework for professional design, planning and survey services and all the pre-construction work necessary to establish a final de-risked design and cost to build twelve new classrooms with facilities and internal remodelling work at Colne Community School and College, Brightlingsea.



2. That authority is delegated to the Cabinet Member for Education and Skills to:
  - a. Agree the proposed design and the launch of the competitive procurement for the construction through the Essex Construction Framework (2);
  - b. Agree the winning bidder;
  - c. Award the construction contract to the successful bidder once he is satisfied that:
    - i. An agreement is in place with the academy trust which allows the work to go ahead;
    - ii. The school has all necessary permissions in place to expand; and
    - iii. Funding is in place to fund the likely cost of the expansion.
3. That authority is delegated to the Head of Infrastructure Delivery to:
  - Issue instructions to commence the works once satisfactory planning permission has been granted for the works; and
  - Ensure that collateral warranties between Essex County Council, the contractor and sub-contractors and the school are in place
4. That the capital budget for construction and associated fees is approved, as per the profile stated in the confidential appendix to report FP/806/09/20 (minute 14 below refers) which requires the reallocation of £1.308m of unutilised budget within the existing education capital programme to this project in 2022/23 and the £822,000 of the existing budget allocated for this project in 2021/22 is slipped into 2022/23 in order to fund the revised expenditure profile.

**7. Wickford Pupil Referral Unit (PRU) (FP/823/10/20)**

The Cabinet's agreement was sought for the Council to self-deliver the construction of a 100-place pupil referral unit (PRU) on the site of the former Curriculum Development Centre in Alderney Gardens, Wickford. The full cost of the construction (£6.9m) would be provided by the Council using the Essex Construction Framework and the PRU would be operated by the South Essex Children's Support Service – a maintained PRU.

Approval was also sought for the appointment of the contractor for the work.

Speaking as the local Member, Councillor Ball expressed his support for the project.

Responding to a question by Councillor Mackrory, the Cabinet Member for Education and Skills acknowledged that there had been a substantial increase in the level of permanent exclusions over the last three years and that the level of referrals for pupils requiring PRU support was growing. This was a national trend with a range of complex causes and it was not possible to identify any single influencing factor. The situation in Essex was subject to ongoing monitoring.

**Resolved:**

1. That approval is given to the procurement of contracts for demolition of the existing site and construction of a new pupil referral unit (PRU) in Wickford through a design and build mini competition using the Essex Construction Framework.
2. That authority is delegated to the Head of Infrastructure Delivery to enter into a contract with Keir Construction Eastern for design and new build, when he is content that the following conditions have been met:
  - Satisfactory planning permission has been granted
  - The construction costs are within the agreed budget and represent value for money.
3. That the new PRU will be operated by the Council.

8. **Acknowledgement of the Interim Report of the Essex Climate Action Commission (FP/829/10/20)**

Councillor I Henderson declared a Code interest in this item – minute 1 above refers.

The Cabinet was asked to accept and welcome the interim report of the Essex Climate Action Commission. The report brought together the Commission's recommendations from its meetings held to date on the following themes:

- Adapting to an already changing climate;
- Transport; and
- The Built Environment.

The Leader of the Council welcomed the report and acknowledged the opportunity it offered for the Council to rise to the challenge of Climate Change. On behalf of the Cabinet, he recorded thanks to Commission members and those providing support for their contribution.

Councillors Pond, Turrell and Henderson welcomed the report and expressed their support. The following responses were provided to points raised:

- It was agreed that the following comments on the report would be fed back to Commission through the Cabinet Member for Environment and Climate Change Action:
  - That consideration be given in including a section on air quality.
  - That some of the transport recommendations, in particular those related to creation of Low Traffic Neighbourhoods and School Streets, could be more ambitious.
  - That the format of the report be revised to make it more suitable for reading on screen.

- Air quality was not strictly a climate change issue, although initiatives such as the creation of school streets would address local air quality issues.
- An inclusive, consultative approach would be taken to reaching decisions on the Council's actions in response to the report, and there were a number of ways for Opposition Group members to raise any issues of concern.
- It was confirmed that early action would be taken in response to any 'quick wins' identified in the Commission's report, for example those relating to Public Rights of Way,

**Resolved:**

1. That thanks are recorded to the Essex Climate Change Commissioners for their hard work and efforts in helping advise the Council on the actions it can take to address Climate Change.
  2. That the interim report of the Essex Climate Action Commission, as set out in Appendix 1 to report FP/829/10/20, is accepted and welcomed.
  3. That consideration of the Commission's recommendations is prioritised
  4. That a more detailed and considered response to the Commission's interim report is brought to a meeting of the Cabinet early in 2021, which would include those recommendations that can be agreed as priorities to action, which require a more significant action plan to be developed, discussions with partners or detailed cost analysis and which might require some further questions to be asked of the Commission by the Council.
9. **To agree the procurement of a new Contract for Electricity Generation from landfill Gas at Bellhouse Closed Landfill Site (FP/822/10/20)**  
(Information contained within a confidential appendix was taken into account in reaching a decision on this issue – minute 15 below refers.)

The Cabinet considered a report which outlined the options for safe management of landfill and gas and sought its agreement to procure a new long-term contract for landfill gas management at Bellhouse Closed Landfill Site.

**Resolved:**

1. That a competitive procurement process is undertaken to appoint a provider to manage and generate energy from Landfill Gas at the Bellhouse closed landfill site for an initial period of 20 years, with the option to extend for a further five-year period, using the evaluation criteria set out in paragraph 3.16 of the contract.

2. That authority to award the contract is delegated to the Cabinet Member for Environment and Climate Action.

10. **Integrated Waste Handling Contract Service Delivery (FP/803/09/20)**  
(Information contained within a confidential appendix was taken into account in reaching a decision on this issue – minute 16 below refers.)

The Cabinet considered information about the Council's arrangements, as the Waste Disposal Authority (WDA), to ensure suitable arrangements for the disposal of certain wastes and the provision of recycling centres. Its approval was sought for the approach to the replacement of the current Integrated Waste Handling Contract.

The following information was provided in response to questions by Councillors Henderson and Pond:

- The Council's aim was to provide a top of the range suite of recycling centres. However, at present there were no plans to make any changes to the existing service.
- Engagement with Trades Unions and staff representatives in relation to transfer of employment had already begun and all arrangements, including those relating to staff terms and conditions, would be managed in accordance with TUPE (the Transfer of Undertakings (Protection of Employment) Regulations).
- The need to maximise recycling would continue to be a significant factor.

**Resolved:**

1. That after the expiry of the current contract on 31 March 2022, the Council will assume responsibility for operating Recycling Centres for Household Waste (RCHW) and Waste Transfer Stations (WTS) directly.
2. That the Director, Environment and Climate Change Action will undertake a detailed appraisal of options for the delivery of the RCHWs and WTSs, bringing a recommended approach back to Cabinet for further decision in early 2021.
3. That the Council goes out to the market to procure contractors to provide:
  - a. Waste Haulage Services;
  - b. Plant and Equipment, including vehicles, operational plant and waste containers for efficient operation of the services;
  - c. Material Marketing Services to sell or pay for the treatment of waste collected.
4. That authority to approve the procurement approach, evaluation criteria, contract length and terms of the award of the contracts is delegated to the Cabinet Member for Environment and Climate Change Action in consultation with the Cabinet Member for Finance.

**11. Decisions taken by or in consultation with Cabinet Members (FP/831/10/20)**

The report of decisions taken by or in consultation with Cabinet Members since the last meeting of the Cabinet was noted. The report included details of decisions exempted from being on the Forward Plan and those exempt from call in in response to the Covid-19 pandemic.

**12. Date of Next Meeting**

It was noted that the next meeting of the Cabinet will take place on Tuesday 15 December 2020 at 10.00am. The meeting was expected to take place online.

**13. Urgent Business**

There was no urgent business.

**Exclusion of the Press and Public**

**Resolved:**

That the press and public be excluded from the meeting during consideration of the remaining item of business on the grounds that it involves the likely disclosure of exempt information as specified in paragraph 3 of Schedule 12A of the Local Government Act 1972 – information relating to the financial or business affairs of any particular person).

**14. Confidential Appendix: Expansion of Colne Community School and College, Brightlingsea (FP/806/09/20)**  
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/806/09/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 6 above refers).

**15. Confidential Appendix: To agree the procurement of a new Contract for Electricity Generation from Landfill Gas at Bellhouse Closed Landfill Site (FP/822/10/20)**  
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/822/10/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 9 above refers).

16. **Confidential Appendix: Integrated Waste Handling Contract (FP/803/09/20)**  
(Press and public excluded)

The Cabinet considered the Confidential Appendix to report FP/803/09/20 which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 10 above refers).

17. **Urgent Exempt Business**

There was no urgent exempt business.

There being no further business, the meeting closed at 10.49am.

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Chairman

15 December 2020

**Forward Plan reference number:** FP/828/10/20

<b>Report title:</b> SELEP Getting Building Fund: Shovel Ready Projects Approval	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Steve Evison – Director for Sustainable Growth	
<b>Date:</b> 15 December 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Paul Chapman Principal Economic Growth and Regeneration Officer – <a href="mailto:paul.chapman@essex.gov.uk">paul.chapman@essex.gov.uk</a> or Claudia McKibbin – Partnership Co-Ordinator - <a href="mailto:claudia.mckibbin@essex.gov.uk">claudia.mckibbin@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## 1. Purpose of Report

- 1.1 The purpose of this report is to seek approval for the passporting of a grant of twenty six million, five hundred and eight thousand pounds, £26,508,000 of Getting Building Funding (GBF) from the South East Local Enterprise Partnership (SELEP) to the grant recipients detailed in this report.
- 1.2 The report also requests approval to proceed with the Harlow Library refurbishment project, which is one of the projects that ECC as a scheme promoter has been successful in bidding for grant funding for under the GBF.

## 2. Recommendations

- 2.1. Agree to enter into a service level agreement with SELEP Ltd to accept the grant funding of the Getting Building Fund for the projects listed in appendix A.
- 2.2. Subject to the release of the funding by SELEP, agree to enter into grant agreements with the promoters of those schemes in appendix A which are not promoted by ECC.
- 2.3. Add £9,078,376 into the 2020/21 Capital Programme for planned expenditure in the current financial year as set out in section 6.1.
- 2.4. Agree to procure a contract for the refurbishment of Harlow Library and relocation of Adult Community Learning (ACL) Harlow as set out in paragraph 3.8 and authorise the Head of Infrastructure Delivery to enter into a contract for the necessary works.
- 2.5. Note that funding for the Tendring Bike Scheme and Cycle Infrastructure Project will not be released until authorised by Cllr Kevin Bentley Deputy Leader, Cabinet Member for Infrastructure.

### **3. Summary of issue**

- 3.1. The Getting Building Fund was launched by Government as a response to the secondary economic impacts of the COVID-19 lockdown. LEPs were asked to submit a list of potential projects in the first instance, which were reviewed and approved by MHCLG. A guidance on prioritisation was also submitted by MHCLG, which the SELEP Strategic Board took into consideration when allocating funding.
- 3.2. The projects listed in Appendix A have been selected by the SELEP Strategic Board which met on 16 July 2020 to agree a preferred list of 34 “shovel ready” projects across the LEP area to proceed through the Government’s £85 million Getting Building Fund.
- 3.3. These projects were selected based on their deliverability within the short timescales and their impact in creating jobs and supporting the economic recovery and are due to be expended by March 2022. The projects have then been through a SELEP sponsored two stage application process that included input from Independent Evaluators. The projects have then been presented to and approved by the SELEP Accountability Board on the 16 October 2020 and the 20 November 2020.
- 3.4. A short description of each project, the area(s) it will impact and the amounts of GBF requested along with any match funding linked to the application and the total project value are listed in the Project Description table in Appendix A.
- 3.5. The responsibility for establishing the spend of the GBF and project delivery remain with Essex County Council as the Upper Tier Authority and ECC will seek to administer the funding in accordance with the funding agreement with SELEP. The delivery of the projects will sit with each recipient of the GBF funding as set out in Appendix A.

#### **Essex County Council as Scheme Promoter**

- 3.6. Essex County Council has put forward 5 ‘shovel ready’ projects, which have already been approved by cabinet members or the cabinet’s approval to progress. These are Rocheway Independent Living, Extension of the Full Fibre Broadband Roll-out and Acceleration of full-fibre broadband deployment projects have been previously approved by ECC to progress.

#### **Tendring Bikes and Cycle Infrastructure**

- 3.7. Tendring Bikes and Cycle Infrastructure project requires approval by Cllr Kevin Bentley Deputy Leader, Cabinet Member for Infrastructure but is not yet ready for formal approval. Accordingly, Cabinet is asked only to agree in principle to accept the funding for this scheme and note that there will be a further decision by the Cabinet Member. Funding for the Tendring Bikes & Cycle Infrastructure project will be subject to a decision for ECC to proceed – if a decision is not approved then ECC acting as the upper tier authority who has received the



funding from SELEP will not transfer the GBF funding for the is project. If the Tendring Bikes & Cycle Infrastructure project is not approved by ECC acting as the scheme promoter, the GBF award allocations will go back to SELEP for redistribution within the SELEP-wide area.

### **Harlow Library refurbishment and relocation of ACL**

- 3.8. Diversification and attracting additional income to the library space is a stated aim of Essex County Council's Library services<sup>1</sup>. Hosting of the ACL provision within Harlow Library supports this strategic aim. The Harlow Library building was built in the 1960s and is dated and tired-looking and is currently underused with significant vacant space and declining footfall, despite being in a prominent position at the heart of the town centre.
- 3.9. Intelligence shows us that Harlow has a large skills deficit with 26% of adult residents in Harlow having no qualifications and only 17.6% of adult residents in Harlow having Level 4 qualifications and above. The location of the current ACL site is not easily accessible for all residents in Harlow. Visibility of the site is poor and public transport to the location is limited. In recent year, attendance at ACL Harlow has been declining, in part due to the location. The number of enrolments has declined since 2015/16 where there were 1902 enrolments and in 2019/20 there were only 1238. Numbers have declined nationally in relation to Adult Learning and this is due a number of considerations, particularly around funding. In relation to this specific project the relocation of ACL to a more centralised offer will help to address the skills deficit within Harlow and now more than ever, support individuals that are affected by the Covid-19 economic crisis.
- 3.10. The possible relocation of ACL Harlow to Harlow Library was identified as an opportunity as the need for library services are changing. Having both services in the same centrally located site will lead to improved and accessible services to support and encourage a step-change in engagement and provision of learning and skills and digital technology.
- 3.11. The proposal would see the remodelling of the current Harlow Library includes the remodelled space and relocation of Adult Community Learning (ACL). The proposed project and associated Getting Building Funding presents a unique opportunity This provides an opportunity to increase access to and awareness of learning, to increase utilisation of both services and respond to the identified need to provide a better-quality adult learning offer which will drive outcomes and access to opportunity for Harlow residents – as well as providing an improved facility for library users.
- 3.12. If approved, ECC will undertake a procurement exercise to appoint a supplier to carry out the works in accordance with ECC's procurement rules. The existence of free space within the current library means that library services will be maintained.

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<sup>1</sup> Essex Future Library Services Strategy 2019 to 2024

The relocation of ACL will not lead to any reduction in the number of books in Harlow Library or in services operated from the library. It should be noted that those learners who travel to the ACL centre by car will in future need to pay for car parking.

## 4. Options

- 4.1 **Option 1 – Do not accept the funding.** The thirteen listed projects which have been allocated GBF funding would need to apply elsewhere for funds, reducing the likelihood that the proposed schemes would be delivered. The Government allocation of £26.5m would be returned to SELEP to redistribute.

**Option 2 – Accept the funding for the 13 GBF Projects.** ECC as SELEP's Accountable Body will then release funding to ECC as the sponsoring upper tier authority to in turn, transfer to the individual projects, upon proof of eligible spend. This will provide each applicant with access to the funding to deliver the requirements set out by Government in the initial invitation to fund "shovel ready" projects.

## 5. Links to Essex Vision

- 5.1. This report links to the following aims in the Essex Vision

- Enjoy life into old age
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

- 5.2. This links to the following strategic aims in the Organisational Plan:

- Enable inclusive economic growth
- Help people get the best start and age well
- Help create great places to grow up, live and work

## 6. Issues for consideration

### 6.1. Financial implications

The total capital programme cost is estimated to be £68.8m, of which £26.5m will be funded by GBF Grant. The table below shows the amount of GBF funding for each project:

GBF Funding by scheme	2020/21 £	2021/22 £	Total £	ECC Contribution £	Other Contribution £	Total Project Cost £
Essex County Council - Acceleration of Full-fibre	680,000	-	680,000		7,189,329	7,869,329
Braintree District Council - Horizon 120 Enterprise Centre	-	7,000,000	7,000,000	-	9,000,000	16,000,000
Essex County Council - Extension of Full-fibre Broadband	1,820,000	-	1,820,000		600,000	2,420,000
Essex County Council - Harlow Library	-	977,000	977,000	176,261		1,153,261
Essex County Council - Tendring Bikes & Cycle Infrastructure	672,000	1,634,000	2,306,000	100,000		2,406,000
Essex County Council - Rocheway Independent Living Scheme	713,000	-	713,000	4,701,247	422,000	5,836,247
<b>Total Essex County Council</b>	<b>3,885,000</b>	<b>9,611,000</b>	<b>13,496,000</b>	<b>4,977,508</b>	<b>17,211,329</b>	<b>35,684,837</b>
Tendring District Council - Jaywick Market & Commercial Space	170,973	1,801,027	1,972,000	50,000	105,535	2,127,535
Castle Point Borough Council - Labworth Car Park	326,000	374,000	700,000	-	211,696	911,696
Harlow District Council - Nexus Building at Harlow Enterprise zone	586,000	1,014,000	1,600,000	-	10,162,000	11,762,000
Harlow District Council - Modus Building at Harlow Enterprise zone	1,960,000	-	1,960,000	-	5,000,000	6,960,000
Harlow College - Remodelling of buildings to provide new 'T' levels	103,778	1,396,222	1,500,000	-	2,000,000	3,500,000
Swan Commercial Services - NU Living Modular Housing Factory	2,046,625	2,483,375	4,530,000	-	-	4,530,000
Chelmsford City Council - Tindal Square	-	750,000	750,000	-	2,610,000	3,360,000
<b>Total - all projects</b>	<b>9,078,376</b>	<b>17,429,624</b>	<b>26,508,000</b>	<b>5,027,508</b>	<b>37,300,560</b>	<b>68,836,068</b>

Additions to the Capital Programme to include planned expenditure in 2020/21 are being requested in this paper. Additions to the Capital Programme in 2021/22 will be made through the 2021/22 budget setting process.

GBF Funding is transferred to the partner authority (ECC) under the terms of a notional agreement due to its dual role as accountable body for SELEP Ltd. It is a requirement that all GBF monies transferred are used for the purpose for which it has been allocated and meets the conditions of the grant. Any GBF transferred may be required to be repaid if the conditions are not met. A back to back agreement will be put in place between ECC and the promoter containing the following conditions

- No grant funding will be paid unless ECC is satisfied that such payment has been used for proper expenditure in the delivery of the projects and in accordance with the agreed budget and timings;
- The requirement to repay all or part of the funds received if the accountability board requests so.
- Cost overruns are to be covered by the Scheme Promoter.

Where a project is being delivered by a private sector partner ECC will seek to limit its financial risk should the organisation fail to deliver the project or the outputs, In such cases ECC may seek an appropriate security, such as a charge over asset, prior to signing the grant agreement, to reduce the risk to an acceptable level.

## **6.2. Legal implications**

6.2.1 ECC is receiving the GBF funding from SELEP and this will be passed to the recipients set out in Appendix A via grant agreements in line with the terms of the grant conditions received from MHCLG.

6.2.2 Payment will be made by MHCLG to ECC as the Accountable Body for SELEP and funding can only be deployed in accordance with decisions made by Accountability Board and SELEP's Strategic Board in line with the standards set out in the National Local Growth Assurance Framework.

6.2.3 ECC should comply with any terms mandated by SELEP and the Ministry of Housing, Communities & Local Government.

## **7. Equality and Diversity implications**

7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8. List of appendices**

Appendix A: Project Descriptions Table

Appendix B: Equality Impact Assessment

## **9. List of Background papers**

Business Cases for each project

## APPENDIX A

Getting Building Fund Project Descriptions Table

Project Name	Scheme Promoter	Project Description	Total GBF funding (£)
Enterprise Centre for Horizon 120 Business Park	Braintree District Council	<p>"The provision of an Enterprise Centre for local businesses, comprising: An incubation hub for start-ups; An innovation hub for small businesses focusing on innovation and growth; An entrepreneurship hub for businesses aiming to stabilise and consolidate their activities; A flexible conference hall that can be transformed into smaller units; A virtual hub for businesses owned and run by single individuals or couples working from home; Grow-own units for smaller businesses to grow into; Shared facilities such as meeting rooms, training facilities (virtual and physical), a common reception area; Training facilities run by training companies."</p> <p>Total Project Capital cost: £16.0m</p>	£7,000,000
Swan Modular Housing Factory	Swan Housing, Basildon	<p>This proposal is to seek funding for a modular housing factory in Basildon. The new facility is immediately adjacent to Swan's current factory, established in 2017, providing 70 jobs and producing c450 homes p.a. The new facility will deliver up to an additional 1,000 homes per year. The factories will provide homes across Swan's programme and for third parties – in total a pipeline of some 8,000 new homes. The combined capacity of 1,450 homes p.a. could be doubled if second shifts were to be introduced.</p> <p>Total Project Capital cost: £4.530m</p>	£4,530,000
Tendring Bike scheme and Cycle Infrastructure	Essex County Council	<p>To deliver a bespoke bike scheme and cycle network infrastructure within Jaywick Sands and Clacton aimed at tackling inequality within one of the most deprived communities in Essex. The bike scheme would be a community-based project to help overcome the barriers to sustainable travel as a result of inequalities, help tackle rising unemployment and to align with the government agenda of active travel and physical activity post Covid-19. Lack of transport options is recognized as a factor in joblessness and insufficient transport provision is a reason for declining employment and access to skills suggesting that wider availability of cycling for transport has the potential to reduce transport inequality and promote access to jobs and</p>	£2,306,000

Project Name	Scheme Promoter	Project Description	Total GBF funding (£)
		<p>education. The scheme directly links to the wider Clacton Town Centre FHSF and sustainable infrastructure proposed as a result of this programme.</p> <p>This is an ECC project which does not yet have internal approval.</p> <p>Total Project Capital cost: £2.406m</p>	
Jaywick Market & Commercial Space	Tendring District Council	<p>Scheme to build a commercial facility and vibrant local market on a gateway site in Jaywick Sands (already in Tendring District Council's ownership) in response to a known undersupply of commercial space and a high level of credible demand for affordable light industrial, studio and basic office facilities within the area. The proposal is to construct 13 low cost units offering 9,500sq ft lettable area and a covered local market of 20 affordable pitches. This will form part of a programme of wider generation and will deliver an extensive range of positive social impacts to help alleviate the severe deprivations experienced by much of the Jaywick Sands community which is the most deprived in the country - including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration, especially amongst younger people and significantly improved health benefits through affordable access to fresh foods. It is highly deliverable and quick to implement.</p> <p>Total Project Capital cost: £2.128m</p>	£1,972,000
Modus	Harlow Council	<p>"Modus is a development of five manufacturing and light industrials units specifically designed to support the life sciences and supportive supply chain and production sectors. The units will allow for a vertical supply chain existence within the Harlow Science park and allow for cross working opportunities between industry participants.</p> <p>Modus is a development of five research, manufacturing and light industrials units specifically designed to support the life sciences supportive supply chain and production sectors. The units will allow for a vertical supply chain existence within the Harlow Science park and allow for cross working opportunities between industry participants. Modus also allows for tenants from a broad range of skills and engineering areas which provide exceptional variety of job types within Harlow."</p> <p>Total Project Capital cost: £6.960m</p>	£1,960,000

Project Name	Scheme Promoter	Project Description	Total GBF funding (£)
Extension of the full-fibre broadband rollout	Essex County Council	<p>Project required deploy ultrafast broadband for rural premises in Essex, extending the currently ongoing rollout programme. Potential for economic activity in these areas is substantial. Demand for fast broadband services is nearly 15% higher here than the average for Essex. Funding requested would enable fast deployment and maximise the capacity of the existing delivery arrangements by adding as much scope as possible within the existing live rollout contracts. This project complements the other Essex broadband projects on the list (LFFN and acceleration). There is no scope overlap.</p> <p>This is an internal ECC project that has received internal governance approval.</p> <p>Total Project Capital cost: £2.420m</p>	£1,820,000
Nexus	Harlow Council	<p>Nexus is a new high-grade office building as part of the Harlow Science and Innovation Park that will provide tenanted space on the two upper floors bringing valuable employment to the town within the life science and wider supportive sectors. The ground floor will be a co-working environment to provide incubation for new businesses and flexible space for established businesses reacting to the changes presented by the Covid pandemic. The building has recently passed practical completion and funding is now required for secondary fit-out for tenants and to produce the co-working environment.</p> <p>Total Project Capital cost: £11.762m</p>	£1,600,000
Remodelling of buildings at Harlow College to provide new 'T'-levels	Harlow College	<p>Remodelling of two ageing buildings within the College's estate to support new 'T'-Levels in Construction, Digital, Education &amp; Childcare and Health &amp; Science. GBF funding will extend the scope of the remodelling to provide additional workshop spaces, higher quality teaching areas, and a sustainable energy centre, supporting significant job creation in key sectors for Harlow and the surrounding areas.</p> <p>Total Project Capital cost: £3,50m</p>	£1,500,000
Harlow Library	Essex County Council	<p>Scheme facilitating the redevelopment of Harlow Library and relocation of ACL into the town centre as well as initial feasibility on delivery of up to 33 homes on the current ACL site to regenerate a deprived estate. Harlow Library occupies a prime site in the heart of the town centre - the building is oversized and under occupied, providing a significant opportunity for redevelopment into a modern skills and learning hub for the district. The scheme will see the</p>	£977,000

Project Name	Scheme Promoter	Project Description	Total GBF funding (£)
		<p>relocation of ACL from its current sub-optimal site into a refurbished and expanded Harlow Library, creating a modern centre in the heart of the town centre. Through development of new visible facilities and alignment with the courses offered by Harlow College and requirements of businesses it is envisaged that the skills levels of residents can be enhanced through courses offering training and skills required by the expanding and relocating employers to Harlow such as PHE and PAH. The relocation of the ACL site free-up land for alternative uses, furthering the ongoing estate regeneration programme and accelerating the transformation of Harlow. The library enhancement also supports the TC regeneration aims.</p> <p>Funding of this project will be subject to ECC governance to approve the project. This is an internal ECC project that is in</p> <p>Total Project Capital cost: £1.153m</p>	
Tindal Square, Chelmsford	Chelmsford City Council	<p>An investment of £3.35m to remove traffic from Tindal Square, creating a high-quality public space complimenting investment in Shire Hall, a Grade II listed building. It will connect the northern end of the pedestrianised High Street with the Bond Street development in the City Centre. The project will support post COVID19 city centre modernisation sustaining the economic performance of one of the region's primary retail destinations. Public realm investment can have a multiplier effect of x3 for every £1 invested in terms of spend elsewhere in the local economy. The project will have an economic impact of close to £10m.</p> <p>Total Project Capital cost: £3.360m</p>	£750,000
Rocheway Independent Living	Essex County Council	<p>The building had been vacant since the college relocated in 2013. A development of 14 new private homes which acts as a facilitating first phase, providing site infrastructure for phase 2 - 60 independent living (Extra Care) apartments for older people. Providing jobs in the construction sector alongside jobs in the care sector through the independent living provision to meet the growing demands of Essex's ageing population. The scheme also protects and improves community facilities on the wider site with new changing and parking facilities being provided for ongoing use of the sites green space by local sports clubs.</p> <p>This is an internal ECC project that has received internal governance approval.</p> <p>Total Project Capital cost: £5.525m</p>	£713,000



Project Name	Scheme Promoter	Project Description	Total GBF funding (£)
Labworth Car Park, Canvey Island	Castle Point Borough Council	<p>Resurfacing of main seafront car park which is in poor state of repair with porous eco-blocks will reduce localised flooding and be sympathetic to the local environment visually. Changes to access/egress with improve safety, marked bays will increase car parking capacity. Provision of disabled bays and electric charging points will future proof the car park and align to the green recovery objective. This improved and modernised seafront infrastructure given its proximity to the beach and to local (primarily seasonal) businesses as well as the town centre will improve the attractiveness of the seafront and visitor experience, increase parking capacity and be beneficial to the local economy in the longer term.</p> <p>Total Project Capital cost: £912,000</p>	£700,000
Acceleration of full-fibre broadband deployment	Essex County Council	<p>Project will fund broadband infrastructure for very hard to reach business premises, which are currently due for removal from the planned fibre broadband rollout due to high costs, leaving these businesses with no prospect of accessing fast internet within the next two years or longer. These are hard-to-reach business premises in need of faster connectivity as soon as possible in order to support their recovery from the Covid 19 impact. This project complements the other Essex broadband projects on the list (LFFN and rural extension). There is no scope overlap. This is an internal ECC project that received internal governance approval.</p> <p>Total Project Capital cost: £7.869m</p>	£680,000
Total GBF Funding			£26,508,000

**Forward Plan reference:** FP/779/08/20

<b>Report title:</b> The Helena Romanes School, Great Dunmow – a new learning village including primary provision	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Clare Kershaw, Director, Education	
<b>Date:</b> 15 December 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Monica Bird, School Organisation Officer, email: <a href="mailto:monica.bird@essex.gov.uk">monica.bird@essex.gov.uk</a> or Bryony Dick – Project Sponsor, email: <a href="mailto:bryony.dick@essex.gov.uk">bryony.dick@essex.gov.uk</a>	
<b>County Divisions affected:</b> Dunmow	

**NOT FOR PUBLICATION**

This report contains a confidential appendix which is exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

## 1. Purpose of Report

- 1.1. This report asks the Cabinet to approve the expansion of The Helena Romanes School (“HRS”) to include 420 primary school places as part of a new learning village on a relocated site on Buttley’s Way in Great Dunmow, to meet growing demand for primary age places in the local area.

## 2. Recommendations

- 2.1 Agree that ECC supports the proposed expansion of Helena Romanes School, Great Dunmow to include 420 primary school places with effect from September 2021 and the relocation of the new primary provision to a new learning village site in Buttley’s Way in September 2022.
- 2.2. Agree the capital budget for the construction and associated project fees for the primary element of the new learning village and associated temporary accommodation as profiled in the confidential annex.
  - Including to increase the Capital Programme budget for HRS Primary element from £7.886m to £9.626m as detailed in the confidential appendix with the increase applying to 2022/23 financial year and the increase to be funded by ECC borrowing.
  - Including to re-profile the existing budget as follows : 2020/21 £1.524m decrease; 2021/22 £3.257m decrease; 2022/23 £4.781m increase
  - The incremental requirement on the Capital Programme for this proposal will be covered by offsetting reductions elsewhere in the Education Capital Programme.

- 2.3 Authorise the Head of Infrastructure Delivery to enter into a funding agreement with Saffron Academy Trust to provide temporary accommodation for the new primary element at the current HRS site for the 2021/22 academic year.
- 2.4 Authorise the Head of Infrastructure Delivery, in consultation with the S151 Officer, to enter into a funding agreement with Saffron Academy Trust to deliver the expansion project at a value no greater than that set out in paragraph 1.3 of the Confidential Appendix once satisfied that the following have been met:
1. Satisfactory planning permission has been granted;
  2. the construction costs for the primary element of the school are within the agreed budget, compliant with ECC's benchmarking rates, and so represent value for money
  3. the Academy is permitted to expand under the terms of its agreement with the Secretary of State for Education
  4. the Academy has appropriate authority in place to dispose of its existing freehold, and
  5. the Academy has funding to construct the new learning village; and
  6. the Academy has attained approval from the Education and Skills Funding Agency (ESFA) to enter into any necessary borrowing arrangements.

### 3. Summary of issue

- 3.1 ECC has a statutory duty under section 14 of the Education Act 1996 to ensure that there are sufficient school places for children living in the county. In order to do this ECC monitors birth rates, new housing developments and patterns of parental preference across groups of schools. This information is used to predict pupil numbers and to ensure there are sufficient places to meet demand in the area.
- 3.2 The latest forecast from Essex County Council's 10 Year Plan for Meeting the Demand for School Places in Essex 2020-2029 shows a growing demand for primary places in Great Dunmow over the next 10 year period and indicates a need for additional primary capacity in the area from 2020 onwards.

#### Reception Place Forecast for the Dunmow Planning Group

Year	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
+/-	-22	-13	-36	-40	-52	-66	-82	-98	-115	-115
Schools in this planning group										
Dunmow St Mary's Primary, Great Dunmow Primary, Great Easton CE Primary										

- 3.3 Growth in the area has come about through significant new housing to both the east and west of the Town. A new education site, as part of a large housing development to the West of Great Dunmow, is the only currently available option to meet the extra demand for primary school places. The site was included in the dismissed draft Local Plan for Uttlesford, and is included in the current Neighbourhood Plan for Great Dunmow, to enable the relocation of Helena Romanes School. This Neighbourhood Plan was adopted on 8 December 2016.

Even if new housing is significantly delayed due to COVID-19 or Brexit impacts, there is still a requirement for additional primary school capacity, based on the number of families living in the Great Dunmow area, which cannot be accommodated at the current two primary schools in the area (see below.)

- 3.4 Both primary schools in Great Dunmow (Dunmow Primary and Dunmow St Mary's) are full and over capacity across all year groups. Additional primary school capacity as part of the proposed learning village will be able to alleviate the pressure in higher year groups, should we require the school to open up additional classes to accommodate these children.
- 3.5 To address this HRS propose to create a new learning village that will consist of three elements – primary, secondary and sixth form (with potential for Early Years in the future), and will operate as an all-through school where a single school provides multiple phases of a child's education. The benefits of all-through provision is that standards of learning are more likely to be consistent with children staying in the same Trust. Transition between primary and secondary school is easier as children remain at the same school and are already familiar with surroundings and what happens at Year 7. Benefits to the Trust are there are shared resources, staff and facilities across all three educational phases.

## CONSULTATION

- 3.6 A decision was taken by the governing body to change the age range of HRS from 11-18 to 4-18; and to increase the size of the school by 457 places from September 2021. Expansion of the Academy to accommodate a younger age range will require a new primary building.
- 3.7 The Academy undertook a consultation between 18 September 2020 – 30 October 2020, on the proposed expansion to expand the age range of the School with effect from 1 September 2021. The consultation explained the proposal and was published on the Academy's website. Responses to the consultation could be made via email. No public consultation event was held due to COVID-19 restrictions.
- 3.8 Two (2) responses were received. Neither specifically said they were against the proposal, but just raised concerns. The concerns raised are below and the response from HRS (in italics) is below

**Respondent 1:** not against the proposal as such, but some concerns regarding how primary aged children would be temporarily accommodated on the existing HRS site and whether any building works or modifications may disrupt current GCSE/A Level students at HRS

*The temporary primary provision will be small scale and located away from the main school buildings. It is envisaged that the provision will be occupied for one year by a small number of children.*

*Works to install the temporary provision will be undertaken at times that will cause minimal disruption to students and staff in the secondary school.*

**Respondent 2:** no specific objections regarding the proposal to move HRS to a new site. Some concerns regarding the temporary primary provision on the existing HRS site around security, separation from secondary students, accessibility for parents, impact on wider existing school, traffic disruption & volume, parking issues. Main concern was regarding potential impact on sixth form provision.

*The initial phase of the proposal would see a very small temporary primary provision on the current school site. This temporary provision would involve one temporary classroom, with the possibility of a second, for the 2021-22 academic year. As a consequence, there would be limited impact on the school site and access onto it. Access to the site will, however, be taken into account when planning the start and end times of the primary school day for the 2021-22 year. While the location of the temporary site is still under discussion, it will not impact either the sixth form building or Sixth Form provision.*

## **Procurement**

- 3.9 HRS proposes to manage the project to ECC and DfE standards. HRS propose that the secondary school and sixth form accommodation is built at the same time as the primary age accommodation to ensure greatest value for money can be achieved through the construction project, and to realise the advantages of an education village. Construction of the secondary school and sixth form elements of the learning village are to be funded by the academy trust through sale of the existing school site.
- 3.10 HRS has worked alongside ECC to consider a contingency plan to provide places at the existing HRS site by the construction of temporary classbases for the primary intake of children for September 2021. Both primary and secondary provision will move to the learning village for September 2022.
- 3.11 ECC will ensure that the project is monitored constantly during each stage of the project, with “milestone approvals” to be met before the project can proceed to the next stage. ECC has sufficient resources to review and ensure that the project meets ECC outcomes and programme objectives, as required in the funding agreement.

## **ECC Policy**

- 3.12 A stated priority of the ‘Essex Organisation Strategy 2017-2021’ is to ‘offer children good economic prospects by providing an outstanding education in Essex’. ECC is under a duty to promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child’s educational potential. It must also ensure that there are sufficient schools in the county to promote diversity and increase parental choice.
- 3.13 ECC has a statutory duty to secure sufficient school and Early Years childcare places within its area. This is encapsulated in the latest iteration of *The 10 Year Plan for Meeting the Demand for School Places in Essex 2020-2029* document and the ECC’s Corporate Outcome 1: Children in Essex get the best start in life. The key role of the planning function is to maintain a balance between the supply and demand of good

school places, with regard to future projections of pupil numbers, demographic trends and policy priorities.

#### **4. Options**

##### **Option 1 – Support the proposal to enter into a Funding Agreement with Helena Romanes School to fund the construction of the primary element of the new learning village. (recommended)**

- 4.1 The proposal for HRS to build new primary provision as part of its proposed expansion is fully supported as the most viable option for additional primary places in the area by the time required. With no available options at local primary schools (neither can accommodate further temporary or permanent expansion), and no timely options available through housing development sites, this option provides a solution for the short/medium term. For the longer term, 2027 and beyond, another primary school will be required in Great Dunmow and two potential sites are included in extant, but as yet unimplemented, s106 agreements.
- 4.2 This recommended option is linked to the relocation of the existing HRS School to the new site of the learning village, as delivery of the complete learning village on the new site, as one project, delivers efficiency and cost savings on the construction costs. The relocation will require HRS to secure funding for that relocation which is dependent on the value and saleability of its existing site for residential development. HRS has been improving the potential to sell and extract value from its existing school site through undertaking relevant surveys and submitting a planning application for outline permission to develop circa. 200 homes on their existing site (decision anticipated December 2020). HRS is in discussion with a number of organisations about sale of its site to finance its relocation, and with the DfE and the ESFA on the necessary approvals to create the Dunmow learning village Essex County Council and Essex Housing are meeting with HRS on a regular basis to review progress.
- 4.3 Beyond school place expansion, other benefits of supporting this proposal and enabling the relocation and expansion of HRS delivery of an all-through learning village, include:
- Additional jobs and economic benefit associated with the construction of new school buildings and to meet the needs of new housing
  - Delivery of a 21<sup>st</sup> century school building for primary and secondary. The current building is in need of significant repair.
  - If successful the approval of this will be for the third all-through school in Essex.

##### **Option 2 – do nothing (not recommended)**

- 4.4 The option to do nothing is not recommended as there is a need to increase pupil places in the Great Dunmow area and the proposed new provision as part of an expanded HRS is a solution to meet the continued increase in demand for school places and for ECC to meet its statutory duty to provide a school place for every child.

**Option 3 – Open a free school through the new academy process (not preferred, but the fall-back position)**

- 4.5 ECC has previously tried to open a primary free school in Great Dunmow. A statutory process was held, but a sponsor for a new primary was not confirmed by the DfE as the proposed site for the free school was not secured. This was due to delays on development of the land at Smith's Farm in Great Dunmow (which remains undeveloped).
- 4.6 ECC could once again seek to open a primary free school through the presumption process, on Buttley's Way, but this is not the preferred option for the following reasons:
- 4.6.1 This would not result in the education advantages associated with the HRS learning village proposal (see 3.5).
  - 4.6.2 This option would not enable us to increase primary school capacity in time to meet demand anticipated until at least 2023.
  - 4.6.3 There is efficiency and cost saving in delivering the additional two forms of entry primary provision as part of a larger learning village construction project, this would be lost in the case of opening a free school.
  - 4.6.4 While education land is being allocated for education use, and it could potentially be used to open a free school, this would run counter to aspirations alluded to in Great Dunmow Town Council's neighbourhood plan, which has the land earmarked for relocation of HRS.
  - 4.6.5 Should the learning village proposal prove unviable at any stage and not commence, then ECC would be able to take ownership of the education land, that is to be secured through a s106 agreement, to use for a free school and ensure sufficiency of school places. While this does not deliver the desired beneficial outcomes as Option 1, it would enable ECC to meet its minimum statutory obligation, and remains a fall back option to medium term need for primary school places in Great Dunmow.
  - 4.6.6 Should this option need to be implemented additional governance would be required to establish the required budget, financing, and gain necessary permissions. Based on recent viability studies for new primary schools to be delivered by ECC, additional budget of £1m could potentially be required to deliver a primary free school on Buttley's Way for September 2023.
  - 4.6.7 As well as the cost of building a stand alone free school for September 2023 on Buttley's Way, additional costs would be incurred to provide school places outside of Great Dunmow to meet the need for additional school places, as there are no other primary expansion options available at the existing Great Dunmow primary schools.
    - Temporary accommodation for 2022/23 academic year - £350,000 capital

- Home to School Transport – based on the current average cost per pupil for transport, revenue costs would be in the region of £16,000 per year for seven years for the 2021/22 Reception cohort, and £32,000 per year for seven years for the 2022/23 Reception cohort, totalling £336,000 (and potentially more for mid-year applications to higher year groups where there is no spare capacity).

## **5. Next steps**

- 5.1 The Cabinet decision will confirm funding for the construction costs and delivery of the primary school element of the learning village, and that it will be self-managed by HRS.
- 5.2 ECC will enter into a funding agreement with HRS at a value no greater than that set out in paragraph 1.1 of the Confidential Appendix

## **6. Issues for consideration**

### **6.1 Financial implications**

**The proposal is seeking an increase against the allocated budget for this project as set out in the confidential appendix, it will be mitigated by reductions in other areas of the Education Capital Programme.**

#### Capital

- 6.1.1 Please see the confidential financial appendix for capital financial information.

#### Revenue

- 6.1.2 This scheme is not anticipated to increase Home to School transport costs as the additional forecast demand for school places would be met locally by this proposal.
- 6.1.3 Furniture and fittings costs are as shown in the Confidential Appendix along with the associated financing arrangements.

### **6.2 Legal implications**

- 6.2.1 ECC does not control the size of the school as it is an academy, this is for the Academy Trust and the Department for Education to agree in accordance with the terms of the funding agreement between the school and the Secretary of State. ECC is able to fund expansion of the school as this is authorised by the Academies Act 2010.
- 6.2.2 ECC has a statutory duty to commission enough supply of school places. ECC is responsible for funding the 'basic need' provision of additional school places in Essex at all schools, including academies.



6.2.3 ECC has a duty to take such steps as reasonable to avoid substantial disadvantage to a disabled person. The duty to make reasonable adjustment is triggered when there is a substantial disadvantage. The duty requires the school to take positive steps to ensure that disabled pupils can fully participate in the education provided by the school. The duty is an anticipatory one, owed to pupils in general. Thought should be given in advance of what disabled pupils may require and what adjustments may need to be made for them. Schools cannot delegate these duties.

## **7. Equality and Diversity implications**

7.1 The Public Sector Equality Duty applies to ECC when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful;
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The equality impact assessment which has been carried out indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8. List of appendices**

8.1 Appendix A – Equality Impact Assessment

8.2 Confidential Appendix

## **9. List of Background papers**

9.1 Consultation document.

**Forward Plan reference number:** (FP/836/10/20)

<b>Report title:</b> Re-procurement of bus services at Park and Ride Sites	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Andrew Cook, Director, Highways and Transportation	
<b>Date:</b> 12 December 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Rachael Price, Lead for Commercial Operations, Integrated Passenger Transport Unit, <a href="mailto:rachael.price@essex.gov.uk">rachael.price@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## 1. Purpose of Report

- 1.1 This report requests approval for supporting the continuation of the current service model for the park and ride bus services and the re-procurement of bus services for all three sites.

## 2. Recommendations

- 2.1 Agree the procurement of the bus services for the three Park and Ride Sites for a four-year period from 25 September 2021 with the option of extending each contract for up to a further three-year period in one-year extensions on the basis set out in paragraph 3.7 of the report.
- 2.2 Agree that the Director, Highways and Transportation is authorised to approve the terms of the new contracts and the entering into such contracts following completion of the procurement process.
- 2.3 Agree to extend the agency agreement that is currently in place with Chelmsford City Council for the management of the two Chelmsford Park and Ride Sites for a further two-year period from September 2023 to September 2025.

## 3. Summary of issue

- 3.1 ECC manages park and ride services ("P&R Services") in Colchester and two in Chelmsford. The P&R Services are a key part of the Climate Change Commission commitment to reduce congestion and support economic growth through access to local businesses. This is in line with the following ECC Strategic Priorities:
  - Improve the health of people in Essex
  - Help to secure sustainable development and protect the environment
  - Facilitate growing communities and new homes
  - Limit cost and drive growth in revenue
  - Re-imagine how residents' needs can be met in a digital world

- 3.2 The 3,425 car parking spaces across the 3 sites facilitated approximately 1.45m passenger journeys per annum pre COVID-19. This is composed of commuters travelling from across Essex and the wider region as well as daytime leisure travellers. The service supplies key transport links to city centres, hospitals and universities. However, as the country went into lock down following the outbreak of COVID-19 in March 2020, all P&R sites were temporarily closed. The Sandon and Colchester sites were reopened in July and Chelmer Valley in August, as people returned to work and education. The social distancing guidelines and government messaging to continue to work from home if you can, and if you have to go to work to avoid public transport if you can, has resulted in passenger figures being low and they currently sit between 10 and 20% of pre-COVID-19 levels. The current view is that it will take up to two years to return to pre-COVID-19 figures although this is difficult to predict.
- 3.3 P&R Services are a core part of ECC's approach to sustainable travel. Those using the service contribute to reduced congestion and carbon emissions and improved air quality in urban centres.
- 3.4 Currently the facilities management of the two Chelmsford sites, Sandon and Chelmer Valley is provided through an agency agreement with Chelmsford City Council which expires in September 2023. It is proposed that this arrangement continues for a further two years during which time consideration will be given to a future model of operating these sites. The Current agency agreement with Chelmsford CC allows the extension until 2025. The facilities management of the Colchester P&R site is included in the MITIE contract and therefore no action is needed.
- 3.5 The existing bus services are currently provided under gross cost contracts to ECC. ECC pays the full cost of operating the services, sets the fares and retains all the revenue. A number of other models for this service have been considered. In December 2018, a market engagement exercise showed the commercial market had little appetite for providing the bus services commercially. There are very few commercial services which pass the sites and those that do don't have capacity for the numbers of passengers who use the P&R Services, so additional bus services would need to be provided. There is also the risk the operator could choose to only run the service at the most profitable times, and this could impact usage. There was also no indication that there would be a saving to the taxpayer with this model.

*Procurement Approach for bus services*

- 3.6 There are two operational contracts relating to the three sites. The Colchester P&R is serviced by Arriva and this contract was awarded in 2014 to begin in 2015. The facilities management element of the contract is provided by Mitie. Sandon and Chelmer Valley P&R is serviced by First and was awarded in 2016. The facilities management element of the contract is provided by Chelmsford City Council. Both bus service contracts have now reached their maximum extension period and now require a re-procurement exercise prior to the contract end date of 25 September 2021. Both contracts have been in place since March 2015 and are unable to be extended any further.

- 3.7 It is proposed that a competitive one stage tender exercise will be completed and will be evaluated on a 70% price and 30% quality basis. The total contract value of approximately £12m will require a full OJEU process. The aim is that the contract(s) will be tendered for the three sites over two lots: Chelmsford and Colchester. The suppliers will have the option to submit a combined bid for the two contracts should they wish to do so.
- 3.8 It is proposed that the new bus contract(s) will be awarded on the same financial basis as the current contract i.e. that ECC buys the service and keeps all bus fare revenue. This will place full risk of passenger numbers and hence revenue income fluctuation with ECC but will also enable ECC benefit from all revenue generated from all aspects of the service and its operation.
- 3.9 It is recognised that as a service that contributes toward a number of strategic priorities, and as a result of current impact on travel patterns and passenger transport usage, the provision of P&R services will continue to require public subsidy for some time to come.
- 3.10 The procurement will seek to encourage bids that utilise greener vehicle technologies. Euro 6 diesel already offers significant air quality benefits over previous standards. Additionally ECC is keen to encourage bids utilising technologies that can be delivered at pace, such as hybrid technologies, including geofenced hybrid technologies which will enable all-electric running in urban areas; and other vehicle powertrains that offer climate change and air quality benefits, such as hydrogen.

#### **4. Options**

##### **Option 1 - Continue with the current model and re-procure bus services for all the Park and Ride sites (recommended option)**

- 4.1 The operational management of both sites is currently delivered by ECC. At Colchester the facilities management is under contract to MITIE and at Chelmsford this is provided by Chelmsford City Council.
- 4.2 This option keeps the current model where ECC procures the bus services, retains the fare and parking revenue, commercially exploits the site e.g. events, sets, leads the growth and marketing strategy and sets the timetable, fares and vehicle specification. But it also introduces greater flexibility in the service specifications to reduce cost such as flexibility to determine timetables, vehicle specification, site operations where it is considered savings could be made.
- 4.3 Procuring these services will provide ECC with the best value for money, as demonstrated through the tender, and will ensure a bus service continues to be supplied to the residents of Essex. For many residents this service also reduces the stress of driving into the town and city centres. In addition, it will align with the Climate Change Commission commitment to reduce congestion and carbon emissions.

## **Option 2: Commercialise the bus services (not recommended)**

- 4.4 This option would hand responsibility for the P&R Services to a commercial provider in its entirety. The provider would set timetables, fares and vehicle specifications, keep all the revenue and take all the risk. All accountability for service provision would transfer to the commercial provider who could flex the service to keep costs low. A gain share could ensure that the investment by Essex taxpayers can start to be recouped. For example, the contract could say that ECC receive a percentage of the profit if passenger numbers rise.
- 4.5 However, ECC would not have direct control operationally of the service but is likely to continue to be held responsible for it. For example, ECC would not have a say in the frequency of the service provided or the level of the fares set. The operator could choose to only run service at the most profitable times such as peak times Monday to Friday. This could in turn impact usage. In addition, there is no guarantee that ongoing taxpayer investment won't be needed. The market may consider the commercialising model is not financially viable without additional taxpayer money and ECC would continue to pay for a net cost contract. With this model revenue is kept by operators and ECC cannot create a single managed off-street parking estate. This reduces the opportunities to work with the City and Borough Councils to provide a joint parking and sustainable transport strategy.
- 4.6 In December 2018, a Market Engagement exercise showed the commercial market had little appetite for this model. There are very few commercial services passing these sites. Market engagement to date indicates due to COVID-19 the interest for this model by the operators has lessened due to risk of revenue and outlay: the suppliers may price in contingency risk. In addition, the current passenger usage may deter interest further.

## **5. Next steps**

- 5.1 Following approval, ECC will begin the procurement of bus services for the three sites in two lots. The suppliers will have the possibility to submit a combined bid for the two contracts.

## **6. Issues for consideration**

### **6.1 Financial implications**

- 6.1.1 The existing budget provision included in the medium-term resource strategy (MTRS) for park and ride is as follows:

	2020/21 Original Budget £	2021/22 Aspirational Budget £	2022/23 Aspirational Budget £
<b>Expenditure</b>			£
Public Transport Contracts	2,488,023	2,488,023	2,488,023
Other	243,556	243,556	243,556
	<b>2,731,579</b>	<b>2,731,579</b>	<b>2,731,579</b>
<b>Income</b>			
Fare Income	(2,009,237)	(2,050,389)	(2,091,541)
Other	(109,413)	(109,619)	(110,471)
<b>Total Income</b>	<b>(2,118,649)</b>	<b>(2,160,008)</b>	<b>(2,202,013)</b>
<b>Total Controllable Budget</b>	<b>612,929</b>	<b>571,570</b>	<b>529,566</b>

6.1.2 The Park and Ride expenditure budget for 2020/21 totalling £2.732m includes budget for the provision of bus services and maintenance of sites, this is estimated to cost £2.488m in 2020/21 as shown above.

6.1.3 The current financial year has experienced a number of situations that have impacted the above budget including:

- the closure of park and ride sites due to COVID-19
- the reopening of park and ride sites, with a reduced bus service provision
- the introduction of park and pedal at all sites
- significant reduction in passenger numbers due to the requirement to socially distance on public transport leading to a reduced bus provision and significantly reduced fare income.

If these pressures continue into the following financial years, there is a risk that a cost pressure may materialise above and beyond what is stated below.

#### 6.1.4 Financial Risk

Whilst the current contractual costs are fixed up until September 2021, there is a risk that a revenue pressure materialises if services are unable to be procured at nil % price increase and therefore within the existing budgetary envelope. This risk may materialise due to a number of factors including, but not limited to:

- The impact of inflation. The current contractual costs were fixed on award (5-7 years ago), therefore there has been no inflationary uplift. It is possible that we will see the impact of 5-7 years inflation in the returned tenders. The impact of this is unknown, but the below table helps to provide context in terms of the additional cost per annum at alternative % levels of price increase. It is worth noting that any additional cost will result in a revenue budget pressure for future years and this does not take account of the impacts of COVID-19 on passenger fare income

Additional Cost per Annum	2% Cost escalation £	5% cost escalation £	7% cost escalation £	10% cost escalation £	12% cost escalation £
Public Transport	49,760	124,401	174,162	248,802	298,563

- The risk associated with COVID-19. There is a risk that contractor's price the risk of COVID-19 in which results in a cost increase.

The current 2020/21 net controllable budget for Park and Ride is £612,929, this assumes a pre-COVID-19 level of fare income (circa £2m) is achieved. As stated above, due to COVID-19 there are significant pressures reported on Park and Ride fare income as passenger figures currently sit between 10% and 20% of pre-COVID levels. This is due to the requirement to socially distance on public transport leading to reduced passenger numbers. ECC has reduced the frequency of bus services currently as demand remains quite low.

Consequently, cost pressures are being reported in this financial year across all park and ride sites, if these pressures continue into future years, and contractual costs increase beyond that which is budgeted for in 2020/21, then the financial burden and cost to the council of providing the park and ride services increases. This creates a continued risk to revenue. The current view is that it will take up to two years to return to pre-COVID-19 figures although this is difficult to predict. The following table represents the potential funding gap which may arise due to the loss of fare income:

Sensitivity Analysis on Fare Income levels	5% Pre-Covid Fare Income achieved	10% Pre-Covid Fare Income achieved	15% Pre-Covid Fare Income achieved	20% Pre-Covid Fare Income achieved	5% Pre-Covid Fare Income achieved	10% Pre-Covid Fare Income achieved	15% Pre-Covid Fare Income achieved	20% Pre-Covid Fare Income achieved
	2021/22				2022/23			
	£	£	£	£	£	£	£	£
Total Expenditure	2,731,579	2,731,579	2,731,579	2,731,579	2,488,023	2,488,023	2,488,023	2,488,023
Total Income	(212,139)	(314,658)	(417,178)	(519,697)	(215,048)	(319,625)	(424,203)	(528,780)
Net Position	2,519,440	2,416,920	2,314,401	2,211,881	2,272,974	2,168,397	2,063,820	1,959,243
Current Net Controllable Budget	571,570	571,570	571,570	571,570	529,566	529,566	529,566	529,566
Funding Gap	1,947,870	1,845,350	1,742,831	1,640,311	1,743,408	1,638,831	1,534,254	1,429,677

Further, sensitivity analysis has been undertaken to assess the impact of the above risks on the budget envelope. As shown below, if contracts cannot be awarded at current contract cost then it has a negative impact on the total controllable budget.

	2020/21 Original Budget	Impact of 2% cost inflation	Impact of 5% cost inflation	Impact of 7% cost inflation	Impact of 10% cost inflation	Impact of 12% cost inflation
<b>Expenditure</b>						
Public Transport Contracts	2,488,023	2,537,783	2,612,424	2,662,184	2,736,825	2,786,585
Other	243,556	243,556	151,732	151,732	151,732	243,556
	<b>2,731,579</b>	<b>2,781,339</b>	<b>2,764,156</b>	<b>2,813,916</b>	<b>2,888,557</b>	<b>3,030,141</b>
<b>Income</b>						
Fare Income	(2,009,237)	(2,009,237)	(2,009,237)	(2,009,237)	(2,009,237)	(2,009,237)
Other	(109,413)	(109,413)	(109,413)	(109,413)	(109,413)	(109,413)
<b>Total Income</b>	<b>(2,118,649)</b>	<b>(2,118,649)</b>	<b>(2,118,649)</b>	<b>(2,118,649)</b>	<b>(2,118,649)</b>	<b>(2,118,649)</b>
<b>Total Controllable Budget</b>	<b>612,929</b>	<b>662,690</b>	<b>645,506</b>	<b>695,267</b>	<b>769,907</b>	<b>911,492</b>

The total controllable budget required will increase above the figures presented if fare income falls below an annual £2.009m.

## 6.2 Legal implications

6.2.1 ECC must comply with the Public Procurement Regulations 2015 when procuring the new bus services. The proposal set out in 3.8 is a lawful way of achieving that.

6.2.2 The agency agreement entered into with Chelmsford City Council gives it operational discretion to run the park and ride site and it is therefore outside the scope of the Public Contracts Regulations 2015. It is understood that the contract permits extension to 2025 in any event.

## 7. Equality and Diversity implications

7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.



**8. List of appendices**

Equality Impact Assessment

**9. List of Background papers**

None

**Forward Plan reference number:** FP/853/10/20

<b>Report title:</b> Land for development in Colchester	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Paul Crick, Director Performance, Investment and Delivery	
<b>Date:</b> 15 December 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Gwyn Owen, Head of Essex Housing Tel: 033301 36120 Email: <a href="mailto:Gwyn.Owen@essex.gov.uk">Gwyn.Owen@essex.gov.uk</a>	
<b>County Divisions affected:</b> Drury	

### **Confidential Appendix**

This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

## **1. Purpose of Report**

- 1.1 To ask the Cabinet to agree that the next phase of work should be undertaken to develop Essex County Hospital, Colchester (the site) for the development of 120 homes.

## **2. Recommendations**

- 2.1 To agree to undertake a procurement process and to enter into a design and build contract for the first of the three construction phases set out in paragraph 3.4 with the award of contract to be delegated to the Director of Performance, Investment and Delivery.
- 2.2 To agree to undertake a procurement process for a demolition contractor via the Mitie Facilities Management contract with the award of contract to be delegated to the Head of Essex Housing.
- 2.3 Note that it is proposed to transfer the site to Essex Housing LLP and that this is the subject of a separate report to this meeting.

## **3. Summary of issue**

- 3.1 The former Essex County Hospital closed in 2018 and all services were relocated. It is to be purchased by ECC in December 2020 from East Suffolk and North Essex NHS Foundation Trust following the successful approval of the planning submission to Colchester Borough Council for 120 homes in July 2020. The purchase of the site by Essex County Council is authorised by a separate decision (FP/807/09/20).

- 3.2 The Site is in an ideal location for the development of a housing scheme, it is based in a residential area very close to the town centre. Estimates of capital receipts from sale of units (see Confidential Appendix) have been independently valued.
- 3.3 It is proposed that the Site will be developed in three stages of development as set out below. The first will be see the design and construction of 63 residential units, followed by a second stage of 38 units and a final phase of 19 units. Phasing the development will align the build rate with the anticipated sales rate which will help ensure strong market demand for the completed units. If sales rates are faster than anticipated, there will be scope to increase the rate of construction in future phases. Phasing will also enable portions of the site to be built out safely (using undeveloped parts of the site to store equipment and materials for example). Furthermore, the specification of each phase can be tweaked to ensure it remains in-line with market trends.
- 3.4 Since ECC agreed to purchase the Site (FP/006/11/17), ECC has exchanged contracts for the purchase of the site with the aim to complete the purchase of the site once planning conditions are discharged. Completion of the purchase is on track for December 2020 and demolition will start as soon as possible. ECC has undertaken extensive due diligence in respect of the Site, including archaeology, condition surveys on all buildings, demolition and asbestos surveys across the site, a detailed design/cost analysis of the new development, assessment of the local residential market in Colchester and ensuring alignment with all other planning related requirements. Design work undertaken and planning permission secured in July 2020 (increasing units achieved from 108 to 120 through improved scheme design). Extensive archaeological digs have been undertaken across the site in areas where excavation is possible prior to demolition. A final phase of archaeology will be undertaken once demolition is complete.
- 3.5 Market valuations and construction costs have been reviewed (by Savills, Fenn Wright, William H Brown and Potter Raper respectively) in October 2020 taking into account the impact of COVID-19 on the housing and construction markets.

### **Procurement**

- 3.6 The Site currently has a range of buildings with the historic buildings with architectural merit or specific historic value being retained and all other buildings being removed as they are not suitable for residential conversion. Approval is requested in this report to procure a demolition contractor via the Mitie Facilities Management contract. The procurement will be undertaken via a design and build contract under competitive tender, with a minimum quality requirement and evaluated based on 100% price. Whilst the primary evaluation criteria will be cost, consideration will also be given to the quality of design proposals, programme, health and safety plan, methodology of works and traffic management plan.
- 3.7 ECC will undertake the procurement for Phase One of the Site for the construction of circa 63 residential units. The procurement will be undertaken

via the open procedure, with bids evaluated on 70% price and 30% quality. Authority is requested to delegate authority to award the contract to the successful contractor to the Director of Performance, Investment and Delivery.

3.8 Subject to a separate decision by ECC, it is anticipated that the Site will transfer to Essex Housing Development LLP during Phase One. Once the Site has transferred over to the LLP, the remaining phases will be delivered by the LLP and the LLP will complete the construction of circa 38 residential units for Phase Two and circa 19 units for Phase Three.

3.9 The key business drivers for developing the Site are to:

- Help meet the local housing need through the development of housing;
- Support economic growth and regeneration through the utilisation of surplus brownfield land on an iconic gateway site in Colchester
- Reduce the need for development on greenbelt and greenfield land;
- Utilise public sector land to provide additional housing units; and
- Following completion of the scheme by the LLP, the completed units will either be sold or retained for rent which will be subject to a further decision.

#### 4. Options

4.1 Option 1 – Dispose of the land on the open market. This approach would result in a lost opportunity to develop the Site.

4.2 Option 2 – Continue to develop the Site out as specified in this report. This is the recommended option and is financially viable as set out in the confidential appendix.

4.3 If the proposals in this report are approved, the next steps/ key milestones are as outlined in the table below:

Milestone Description	Original Date	Forecast Date
Cabinet Approval	September 2019	December 2020
Commence Demolition	September 2019	December 2020
Anticipated transfer of the Site to Essex Housing Development LLP	N/A	February 2021
Commence Construction	September 2020	August 2021
Sales Complete	February 2022	October 2024

4.4 Changes to timescales have been made as a result of:

- Timescales for vacation of site and decommissioning were extended at the request of Colchester Hospital meaning that timescales for due diligence (i.e. intrusive surveys) to inform the planning application had to similarly be extended
- Delays to determination of planning application and negotiation of section 106 agreement as a result of Covid-19

- The build programme for the final scheme is now phased with timescales reflecting the anticipated sales rate for the completed units

## **5. Links to Essex Vision**

5.1 This report links to the following aims in the Essex Vision:

- Enjoy life into old age
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world

5.2 This links to the following strategic aims in the Organisational Plan:

- Enable inclusive economic growth
- Help people get the best start and age well
- Help create great places to grow up, live and work
- Transform the council to achieve more with less

## **6. Issues for consideration**

### **6.1 Financial implications:**

6.1.1 The existing scheme budget includes the funding required for 2020/21 and the 2021/22 requirement will be finalised through ECC's 2021/22 budget setting process. A summary of the capital and revenue budget profiling is contained in the confidential appendix to this document.

6.1.2 While the project has been de-risked through the due diligence work undertaken and obtaining planning permission some risks still exist as included within the confidential appendix.

### **6.2 Legal implications**

6.2.1 ECC has the power under the Local Authorities (Land) Act 1963 to develop land for the improvement or development of its area. The aim of this scheme relates principally to ensuring that housing is available to meet the needs of Essex residents.

6.2.2 The proposed building contract will be a JCT Design and Build Contract and will be procured in accordance with the Public Contracts Regulations 2015, and ECC's Procurement Policies. The contract will be structured so that it can be novated from ECC to Essex Housing Development LLP upon transfer of the Site under a separate decision.

## **7. Equality and Diversity implications**

7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 An initial equality impact assessment was carried out on 5 December 2018. This EqIA indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. There is no reason to believe that the position has changed since then

## **8. List of appendices**

8.1 Confidential Appendix

8.2 Equality Impact Assessment

## **9. List of Background papers**

None

**Forward Plan reference number:** FP/820/09/20

<b>Report title:</b> Optimisation of Essex Housing – Contract Novation and Loan Agreements	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Paul Crick, Director, Performance, Investment and Delivery	
<b>Date:</b> 15 December 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Gwyn Owen, Head of Essex Housing. Telephone 03330 136 120 email <a href="mailto:gwyn.owen@essex.gov.uk">gwyn.owen@essex.gov.uk</a> )	
<b>County Divisions affected:</b> All Essex	

### **Confidential Appendix**

This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

## **1. Purpose of Report**

- 1.1 Essex Housing is ECC's in-house development arm which works with public sector partners across Essex. It was established in 2016 to identify and bring forward surplus land in order to help address general, specialist and affordable housing need, generate capital receipts and deliver revenue benefits.
- 1.2 In July 2020, Cabinet agreed to the establishment of a limited liability partnership, Essex Housing Development LLP (the Development LLP). The Development LLP will be used to undertake all Essex Housing development activity in accordance with its delivery plan. This decision seeks approval to novate the necessary contracts and provide loans to the Development LLP for each site to undertake these obligations.

## **2. Recommendations**

- 2.1 Agree the novation of all contracts set out in Appendix A to Essex Housing Development LLP.
- 2.2 Agree to provide Essex Housing Development LLP with a credit facility for each site up to the amount listed in the Confidential Appendix, with repayment terms to be set in accordance with paragraph 2.3.
- 2.3 Agree that interest rates will be set by the Section 151 Officer at the lowest benchmarked rate but that if it is not possible to benchmark then at the prevailing Public Works Loans Board (PWLB) rate at the time plus the applicable EU reference rate.

- 2.4 Authorise the disposal of Rocheway and Essex County Hospital to Essex Housing Development LLP following valuations at the point of disposal at a price to be approved by the Cabinet Member for Economic Development in accordance with paragraph 3.8 of the report.

### **3. Summary of issue**

- 3.1 Essex County Council has established a limited liability partnership, Essex Housing Development LLP. It is 99% owned by ECC and 1% owned by an ECC owned company, Seax Trading Limited. Cabinet approved the Development LLP's Annual Delivery Plan, which outlines the sites that the Development LLP will be taking forward over the next 12 months.
- 3.2 To date, Essex Housing has access to approved funding within Essex County Council's capital programme to bring forward 895 homes (41% of which are specialist or affordable). Of these:
- 64 have been built and either sold or are currently being marketed
  - 194 have planning permission in place
  - 163 are awaiting determination
  - The remaining units are in design
- 3.3 Currently, the delivery of these homes is spread across the following approved projects:
- Harlowbury, Harlow
  - Rocheway, Rochford
  - Shernbroke, Waltham Abbey
  - Mundon Road, Maldon
  - Purford Green, Harlow
  - Essex County Hospital, Colchester
  - St Peter's, Chelmsford
  - The Friary, Maldon

#### **Essex Housing Contracts**

- 3.4 For each site, ECC procures expertise from a variety of consultants and contractors. Depending on the nature and constraints of each site, these include architects, engineers, planners and agents. As the Development LLP has been established to undertake development activity on behalf of ECC, it is proposed to novate these contracts to the Development LLP to take forward these projects as agreed by Cabinet as part of the Development LLP's Annual Development Plan. The contracts that are proposed for novation, with effect from 1 February 2021, are set out in the Appendix A.
- 3.5 As the Development LLP has no staff, the Essex Housing team will provide development management services for the novated contracts to the LLP as part of the services provided by ECC to the LLP. The providers under the contracts that novate to the LLP will continue to deliver the services that they



were procured to provide and there will be no change to the services or how they are managed.

### **Rocheway and Essex County Hospital**

- 3.6 Rocheway is owned freehold by ECC and was occupied by a vacant school building, which was built in 1937. The school building was most recently used by Adult Community Learning. The site was vacated in July 2015 and the buildings were demolished in November 2018. The site is surplus to ECC educational requirements. ECC approved a decision in 2016 (FP/315/11/15) to work up a planning application for the site comprising of private homes and an independent living scheme for older people. Full planning consent was granted for 14 private homes and a 60 unit independent living scheme for older people (30 affordable, 30 private). A subsequent decision approved ECC awarding the build contract for the first phase of 14 private homes and site infrastructure to Rose Builders. This phase is in construction with completion due in 2021.
- 3.7 In 2018 ECC agreed to purchase Essex County Hospital subject to full planning consent. A report has been presented to this Cabinet to request authority to purchase the site, procure a contractor to undertake demolition and procure a separate contractor to construct the first phase of circa 63 residential units.
- 3.8 It is proposed that the Rocheway site and (if Cabinet approves the separate Essex County Hospital decision) the Essex County Hospital site will transfer to the LLP. The LLP will then progress the construction of both schemes through to completion. The work being undertaken on the two sites means that the value of the schemes will continue to increase up until the point of transfer. Section 123 of the Local Government Act 1972 requires ECC to secure the “best consideration that can reasonably be obtained” or seek formal consent for the disposal. As a result, a valuation will be undertaken at the point of transfer to inform the decision to dispose of these properties to the LLP which will be undertaken by the Cabinet Member for Economic Development.
- 3.9 Following completion of the schemes by the LLP, the completed units will either be sold or retained for rent which will be subject to a further decision by ECC, following a recommendation by the LLP.

### **Financing Arrangements**

- 3.10 In addition to the novation of contracts, Essex Housing Development LLP requires both capital and working capital funding to enable delivery of the projects outlined in the Confidential Appendix.
- 3.11 It is proposed that ECC provide funding to the Development LLP via loan agreements, on a project by project basis. The loan agreements will cover funding to support capital project costs such as, the values of contracts novated in Appendix A, demolition costs and construction costs. The ‘Development Financing’ required for all approved business cases is outlined in the confidential appendix.

- 3.12 All funding provided by ECC to the LLP will be subject to an approved CMA and supporting Business Case, which will authorise spend relating to due diligence, design and any other necessary pre-construction work. A subsequent Business Case and CMA will be required to approve any funding in relation to construction and disposal costs. All decisions will be reviewed in accordance with ECC's governance.
- 3.13 In addition, the loan agreements will also facilitate the transfer of existing Essex Housing "assets under construction" or "Work In Progress" to be transferred to the Development LLP. This will cover all capital expenditure incurred to date by ECC for Essex Housing projects. The loan agreements that will be put in place will allow for the LLP to pay for these assets over time. Values by project are outlined in the Confidential Appendix.
- 3.14 The Development LLP will require working capital funding in the form of a working capital loan from the Council to enable it to initially operate at a loss. The terms of this loan will be determined in accordance with 6.1.10 and will be funded from the Council's own working cash balances. Cashflow management support is expected to be provided to the LLP with the aim of keeping their accounts in a broadly neutral position each day. This funding will be managed through ECC's own cash balances.
- 3.15 Supported by the LLP's annual budget setting processes, the Cabinet Member for Economic Development and Cabinet Member for Finance (in conjunction with the S151 Officer and Monitoring Officer) will determine which schemes are supported by the Council and approve the funding needed to undertake planning and to procure a contractor.

#### **4. Options**

- 4.1 Option 1 – novate the contracts, establish loan agreements and transfer land to Essex Housing Development LLP. This would enable the Development LLP to begin operation (recommended option). Essex Housing has successfully delivered a number of housing schemes. Based on learning to date it is believed there is an opportunity to deliver even greater benefits more efficiently through improving Essex Housing's operating arrangements and operating part of Essex Housing through a Limited Liability Partnership (LLP) structure.
- 4.2 Option 2 – do nothing. This would mean Essex Housing Development LLP cannot be implemented and the subsequent benefits of the proposed model would not be realised.

#### **5. Links to Essex Vision**

- 5.1 This report links to the following aims in the Essex Vision

- Enjoy life into old age

- Provide an equal foundation for every child
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

For more information visit [www.essexfuture.org.uk](http://www.essexfuture.org.uk)

5.2 This links to the following strategic aims in the Organisational Plan:

- Enable inclusive economic growth
- Help people get the best start and age well
- Help create great places to grow up, live and work
- Transform the council to achieve more with less

## 6. Issues for consideration

### 6.1. Financial Implications

- 6.1.1 It is assumed that any future capital expenditure arising in respect of Essex Housing development activity will increase the Council's Capital Financing Requirement (CFR) i.e. because the Council will finance this activity from borrowing.
- 6.1.2 The Council must set cash resources aside to repay its CFR. In relation to the Essex Housing loans, this means that the Council must either apply the capital receipts generated from the repayment of the loans by the LLP to repay the related CFR or make Minimum Revenue Provision (MRP) annually to repay the debt (or a combination of the two). This will be determined by ECC.
- 6.1.3 It is expected that capital receipts generated by the LLP will be used to repay the loans provided by the Council, which will be defined under the repayment terms agreed set out for each project.
- 6.1.4 It is recommended that ECC provide capital loan financing on a project by project basis, with this approach (i.e. Project Financing) to be reviewed annually, by ECC and Essex Housing Development LLP.
- 6.1.5 The estimated capital loan funding requirements, by scheme, based on a Project Financing approach, are set out in the confidential appendix. Outlined below are the maximum total loan values to be authorised for 2020/21 and 2021/22:

<b>Loans Provided To LLP</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
WIP Funding	11,043,134	0
Land Funding	To be agreed	0
Development Funding	2,015,471	12,332,171
<b>Total Loan Value</b>	<b>13,058,605</b>	<b>12,332,171</b>

- 6.1.6 Any additional funding which exceeds the values outlined in 6.1.5 and all funding for future years beyond 2021/21 will be subject to further decisions and approved Business Cases for each project.
- 6.1.7 Working capital loan funding will be capped at £5m and will be funded by the council's own working cash balances, with terms to be approved by the S151 Officer on an annual basis.
- 6.1.8 ECC is expected to receive income as a result of providing loans to the LLP. Repayment terms and the expected income to be realised will be agreed on a project by project basis in-line with 6.1.10 and will be subject to S151 Officer approval.
- 6.1.9 ECC will be borrowing at PWLB rates which are likely to be lower than the rate at which ECC will lend to the LLP. Any margin between the two rates will be realised by ECC as income. This will be established through the framework set out in 6.1.10.
- 6.1.10 The interest rate to be paid by the LLP will be set in line with State Aid rules. As a result, benchmarking against comparable entities will be undertaken and the rate will be set at the lowest benchmarked rate. If it is not possible to undertake benchmarking then the interest rate will instead be set at the prevailing PWLB rate at the time plus the applicable EU reference rate. Following Brexit, the interest rate to be paid by the LLP will continue to be set in line with the State Aid rules in effect at the time.

## **6.2 Legal implications**

- 6.2.1 The proposal seeks to novate the agreements set out in Appendix A from Essex County Council to Essex Housing Development LLP. The original agreements contain provisions that permit the Council to transfer the agreement to a third party. Transfer of these contracts from the Council to the Development LLP is in line with the Public Contracts Regulations 2015.
- 6.2.2 The proposed loans from the Council to the Development LLP are to be provided in accordance with state aid rules and set out within loan agreements.
- 6.2.3 The Council is obliged to obtain the best consideration reasonably obtainable on the disposal of its own property unless the Secretary of State consents to the disposal or the disposal falls within the terms of the Local Government Act 1972. A further decision will be put forward to outline the terms of the disposal that would achieve best value for the Council.

## **7 Equality and Diversity implications**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of appendices**

Appendix A – List of Contracts to be Novated

Confidential Appendix

EqIA

## **9 List of Background papers**

None

## APPENDIX A

### 1. Contract Novation Detail

Scheme	Supplier
<b>The Friary</b>	
Architect	Chetwoods
PM	Potter Raper
QS	Potter Raper
CDM	Chetwoods
Landscaping	Wynne Williams
Structural and Civils	Flatts
Mechanical and Electrical	MLM
Planning	Bidwells
Historic Planning	Turley

<b>Harlowbury</b>	
Architect	Saunders
PM	Oxbury
QS	Potter Raper
Transport	PJA
Structural and Civils	Flatts
Mechanical and Electrical	Richard Jackson
Planning	Phase 2
Principal designer	Alderton Assc

<b>Primrose</b>	
Architect	Chetwoods
PM	Potter Raper
QS	Oxbury
Structural and Civils	Richard Jackson
Mechanical and Electrical	AWA
Planning	Bidwells
Communications	Connect
Landscape	Allen Pyke
Traffic	MLM
Principal designer	Chetwoods

<b>Rocheway</b>	
<b>Architect</b>	Stanley Bragg
<b>EA</b>	Oxbury
<b>Structural and Civils</b>	Pick Everard
<b>Mechanical and Electrical</b>	Brontide
<b>Planning</b>	Bidwells
<b>Principal designer</b>	Stanley Bragg
<b>Sales Agent</b>	Countrywide Residential Solutions
<b>Construction</b>	Rose Builders

<b>Shernbroke</b>	
<b>Architect</b>	Saunders Boston
<b>PM</b>	Oxbury
<b>QS</b>	Oxbury
<b>Structural and Civils</b>	Symmetrys
<b>Mechanical and Electrical</b>	Flatts
<b>Planning</b>	Strutts
<b>Communications</b>	Connect PA
<b>Principal designer</b>	Saunders Boston

<b>St Peters</b>	
<b>Masterplan</b>	Saunders Boston
<b>QS</b>	Allen Dadswell
<b>Planning</b>	Phase2
<b>Communications</b>	Connect PA
<b>Soil Investigation</b>	Richard Jackson Ltd

<b>Essex County Hospital</b>	
<b>Masterplan</b>	Chetwoods
<b>Architect</b>	Chetwoods
<b>PM</b>	Potter Raper
<b>QS</b>	Potter Raper
<b>Traffic</b>	Waterman
<b>Structural and Civils</b>	MLM
<b>Mechanical and Electrical</b>	Flatts
<b>Planning advice for Masterplan</b>	Strutts
<b>Planning</b>	Strutts
<b>Historic Planning</b>	Turley
<b>Communications</b>	Connect PA
<b>Landscape</b>	Robert Myers

<b>Purford Green</b>	
<b>PM</b>	Oxbury
<b>QS</b>	Oxbury

<b>Planning</b>	Phase 2
<b>Mechanical and Electrical</b>	Brontide
<b>Architect</b>	Stanley Bragg
<b>Structural</b>	Picks
<b>Ecology (Knotweed removal)</b>	JKC
<b>PD</b>	Alderton Associates



**Forward Plan reference number:** FP/850/10/20

<b>Report title:</b> Award of Bio-Waste Service Orders	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Sam Kennedy, Director for Environment and Climate Action	
<b>Date:</b> 15 December 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Jason Searles – Head of Strategic Development and Compliance email Jason.searles@essex.gov.uk	
<b>County Divisions affected:</b> All Essex	

This report includes a confidential appendix which is **NOT FOR PUBLICATION** because it includes exempt information by virtue of paragraph 3 of schedule 12A to the Local Government Act 1972.

## 1. Purpose of Report

- 1.1. Essex County Council (ECC) established a framework agreement in January 2019 for the treatment and disposal of bio-waste streams to fulfil its obligation as a waste disposal authority.
- 1.2. This report seeks approval to award eight service orders to multiple bio-waste treatment and transport providers following a mini-competition conducted pursuant to the Bio-Waste Disposal Framework Agreement (0554).

## 2. Recommendations

- 2.1 Agree to award service orders to the bio-waste service providers identified in paragraph 3.6 for the amounts and sites listed in the table.

## 3. Summary of issue

- 3.1 In accordance with the previous Cabinet Decision (FP/944/09/17) a bio-waste framework agreement was procured (the “Framework Agreement”) and is now in place for use by ECC and Southend on Sea Borough Council (SBC) for
  - Lot 1: Green Garden Waste Treatment
  - Lot 2: Food Waste Treatment
  - Lot 3: Mixed Food and Green Garden Waste Treatment
  - Lot 4: Transfer and Transport
- 3.2 Following the setting up of the Framework Agreement, a number of mini-competitions have been run and service orders awarded to meet the bio-waste treatment needs of ECC and SBC. The current service orders for the treatment and management of separately collected food waste and mixed food and garden waste are due to expire on 31 March 2021 and need to be replaced to ensure statutory waste disposal obligations can be fulfilled.

- 3.3 A mini-competition has been run across the Framework Agreement lots detailed below to ensure that appropriate solutions could be identified to meet the anticipated future needs of ECC and SBC.

**Lot 2:** Treatment of food waste

**Lot 3:** Treatment of mixed garden and food waste

**Lot 4:** Transfer and transport

- 3.4 Bids under Lot 1 (treatment of green garden waste) have not been sought as sufficient arrangements are in place for this waste type until 2023.
- 3.5 All due diligence of provider disposal facilities was carried out during the procurement of the Framework Agreement in 2018. The mini-competition evaluation is based 100% on price and evaluated using an award model based on a whole system cost, ensuring the total cost is considered when awarding service orders. This evaluation approach is consistent with the terms of the Framework Agreement.
- 3.6 Following evaluation of all mini-competition bids received, the providers detailed in Table 1 offered the most economically advantageous tenders for the required service need and are accordingly recommended for award of service orders to ensure that ECC can meet its obligations as the waste disposal authority.

**Table 1**

<b>Lot</b>	<b>Provider</b>	<b>Location</b>	<b>Tonnage Award</b>
<b>Lot 2:</b> Food Waste	Severn Trent	Colney Heath	5,000 - 10,000
	Biogen	Halstead	5,000 - 10,000
	East London Bio-gas	Dagenham	20,000 - 30,000
	Saria Re-Food	Dagenham	0 – 5,000
	Severn Trent	Longcross	0 - 5,000
<b>Lot 3:</b> Mixed Food and Garden	Envar Composting	Huntingdon	40,000 – 50,000 (Year 1) 15,000 – 20,000 (Year 2)
<b>Lot 4:</b> Transfer and transport	Hadleigh Salvage	Hadleigh	20,000 – 30,000 (Year 1) 0 – 5,000 (Year 2)
	James Waste	Rochford	0 – 5,000

- 3.7 Guaranteed Minimum Tonnage (GMT) applies to the lower end of each tonnage range and obligate ECC to either provide this amount of material to the provider for treatment per annum or pay the equivalent gate fee charge as if this amount had been delivered. The GMT has been set at a level based on historic bio-waste arisings to minimise the risk of insufficient material being available for treatment.
- 3.8 Tonnage awards are per annum for the period April 2021 to March 2023 unless otherwise indicated as applicable to year 1 (April 2021-March 2022) or year 2

(April 2022-March 2023). The differing tonnage awards across year 1 and 2 reflect anticipated future service changes impacting biowaste arisings for the service order periods.

#### **4. Options**

##### **4.1 Option 1 – Do Nothing:**

This is not recommended. By doing nothing and not awarding new service orders, ECC would not have an outlet for the disposal of separately collected bio-waste beyond March 2021. A do-nothing approach would place the Council at a high risk of being unable to meet its statutory obligations as Waste Disposal Authority or would necessitate the use of higher cost disposal routes.

##### **4.2 Option 2 – Award Service Orders:**

This is the recommended approach. By awarding service orders as detailed in paragraph 3.6 the required capacity will be secured to ensure that ECC is able to fulfil its statutory waste disposal obligations for the next 24 months with respect to food and mixed food and garden bio-waste streams through an optimised value for money route.

#### **Next steps**

- 4.3 Subject to approval of this decision, ECC will enter into the services orders with the relevant providers identified in paragraph 3.6.

#### **5. Issues for consideration**

##### **5.1 Financial implications**

- 5.1.1 The financial evaluation of treatment options for bio-waste cannot be based solely on the disposal price per tonne and cannot be evaluated in isolation as they are linked to contractual haulage payments made through the Integrated Waste Handling Contract. These are known as whole system costs upon which the evaluation is based.
- 5.1.2 In order to try and secure the best price from off-takers, guaranteed minimum tonnage has been offered by ECC where possible for the 24 month period. However, some contingency arrangements are needed where offering a guaranteed minimum tonnage is not appropriate.
- 5.1.3 The cost of the award for each service order is set out in the confidential Appendix. The treatment cost for the anticipated tonnage arising during the contract period totals £3.3m, with the GMT at £2.6m. For this calculation, it is assumed that any service orders awarded without a GMT are awarded on a contingency basis and receive zero tonnes during the service order period.

- 5.1.4 The proposed cost award is in line with anticipated expenditure in the current Medium Term Resource Strategy (MTRS) and will be contained within the approved service budget. The 2021/22 existing MTRS allocates £2.858m to the disposal of this provision. The total award based on forecast tonnages under this procurement would cost £2.917m (c.£60,000 more). The service will offset this pressure via a small benefit in the residual waste procurement. The inflationary increase incorporated into the MTRS would alleviate this pressure for 2022/23, based on the tonnage forecast assumptions.

## **5.2 Legal implications**

- 5.2.1 The Framework Agreement was procured and implemented in accordance with the Cabinet Decision (FP/944/09/17) and the published tender documents.
- 5.2.2 The Framework Agreement provides for mini-competitions to be carried out when services are needed by ECC. The mini-competition has been conducted in accordance with the published procedures for awarding service orders under the Framework Agreement and notification letters will be issued to successful bidders pending approval of this decision. Under the Public Contracts Regulations 2015, a standstill period is not required for awards under a framework agreement.
- 5.2.3 Subject to approval of this decision, service orders will be completed in order to allow providers sufficient mobilisation time prior to commencement of the service orders.

## **6. Equality and Diversity implications**

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

- 6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

**7. List of appendices**

- 7.1 Equality Impact Assessment
- 7.2 Confidential Appendix – Service Order Values

**8. List of Background papers**

Framework agreement

**Forward Plan Ref No. FP/881/11/20**

<b>Report title:</b> Decisions taken by or in consultation with Cabinet Members	
<b>Report author:</b> Secretary to the Cabinet	
<b>Date:</b> 15 December 2020	<b>For:</b> Information
<b>Enquiries to:</b> Emma Tombs, Democratic Services Manager, 03330 322709	
<b>County Divisions affected:</b> All Essex	

The following decisions have been taken by or in consultation with Cabinet Members since the last meeting of the Cabinet:

**Leader of the Council**

**FP/882/11/20** Funding for Adult Social Care: COVID 19 Response

**FP/897/11/20** Appointment of ECL Non-Executive Directors

**Decisions exempt from call in**

**\*FP/835/10/20** Concessionary Fares Settlement 2021/22

**Decisions exempt from the Forward Plan and call in**

**\*FP/887/11/20** Allocation of Contain Outbreak Management Fund

**Deputy Leader & Cabinet Member for Infrastructure**

**FP/884/11/20** Roman Road, Mountnessing, Brentwood – Request for a Signalised Crossing

**FP/888/11/20** Implementation of No Waiting at Any Time Restrictions Essex Way/Florence Close, Brentwood

**FP/894/11/20** Audley End Road, Audley End, Saffron Walden 30mph and 40mph speed limit

**FP/903/12/20** Mill Road, Colchester – Proposed 20MPH Speed Limit

### **Cabinet Member for Children and Families**

- FP/899/11/20** COVID-19 Winter Grant Scheme for Members for 2020/2020
- FP/901/12/20** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 359
- \*FP/892/11/20** Allocation of the Covid Winter Grant Scheme and agreement to direct award for free school meal vouchers

### **Cabinet Member for Customer, Corporate, Culture and Communities**

- \*FP/857/10/20** Decision to extend and amend the Council's Microsoft Enterprise Licence Agreements

### **Cabinet Member for Education and Skills**

- FP/889/11/20** Appointment and Re-Appointment of School Governors by Essex LA - Schedule 358
- FP/890/11/20** Proposed expansion of Barling Magna Primary Academy, Rochford
- \*FP/824/10/20** Final decision on the proposed expansion of Lawford CE Primary School

### **Cabinet Member for Finance**

- FP/886/11/20** Impacts of COVID ASC - Recovery funding request
- FP/891/11/20** Social Care Case Management Programme – Drawdown from Reserves
- FP/902/12/20** Addition to the Capital Programme – Harlow Library and Adult Community Learning (ACL)

### **\* Key Decisions 5**

**Decisions taken that were exempt from call in: 1**

**Decisions taken that were exempt from the Forward Plan and call in: 1**