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SOUTHEND-ON-SEA BOROUGH COUNCIL

Policy and Resources Scrutiny Committee

Date: Wednesday, 1st December, 2021

Time: 6.30 pm

Place: Council Chamber - Civic Suite

Contact: S. Tautz (Principal Democratic Services Officer)

Email: committeesection@southend.gov.uk

AGENDA

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Questions from Members of the Public
- 4 Minutes of the Meeting held on 7 October 2021 (Pages 1 - 2)

**** **ITEMS CALLED-IN/REFERRED DIRECT BY CABINET - 2 NOVEMBER 2021**

- 5 **Annual Report - Comments, Complaints and Compliments 2020/21**
(Pages 3 - 26)

Minute 424 (Cabinet Agenda Item No. 11 refers).
Referred direct by Cabinet to all three Scrutiny Committees.

- 6 **Seaway Leisure** (Pages 27 - 62)

Minute 417 (Cabinet Agenda Item No. 4 refers).
Called-in by Councillors Cox and Davidson.

- 7 **SO46 Report** (Pages 63 - 64)

Minute 429 (Cabinet Agenda Item No. 16 - Item No. 1 refers).
Called-in by Councillors Cox and Davidson.

**** **ITEMS CALLED-IN FROM THE FORWARD PLAN**

None

**** **ITEMS FOR PRE-CABINET SCRUTINY**

None

**** **OTHER SCRUTINY MATTERS**

8 Association of South Essex Local Authorities - Joint Committee (Pages 65 - 72)

To receive the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities (ASELA) held on 28 October 2021.

9 Joint In-Depth Scrutiny Project 2021/22

To receive an update on the progress of the joint in-depth scrutiny project for 2021/22.

TO: The Chair & Members of the Policy and Resources Scrutiny Committee:

Councillor D Garston (Chair), Councillor S Habermel (Vice-Chair)
Councillors S Buckley, D Cowan, T Cox, T Cowdrey, M Davidson, M Dent, S George, M Kelly, D McGlone, J Moyies, D Nelson, I Shead, A Thompson, S Wakefield and P Wexham

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SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Policy and Resources Scrutiny Committee

Date: Thursday, 7th October, 2021
Place: Council Chamber - Civic Suite

4

Present: Councillor D Garston (Chair)
Councillors S Habermel (Vice-Chair), S Buckley, D Cowan, T Cox,
M Davidson, M Dent, S George, M Kelly, D McGlone, K Mitchell*, J Moyies,
D Nelson, I Shead, A Thompson, S Wakefield and P Wexham

*Substitute in accordance with Council Procedure Rule 31.

In Attendance: Councillors I Gilbert and P Collins (Cabinet Members), O Brown, S Meah-Sims and S Tautz

Start/End Time: 6.30 pm - 7.30 pm

396 Apologies for Absence

Apologies for absence were received from Councillor T Cowdrey (Substitute: Councillor K Mitchell).

397 Declarations of Interest

The following interests were declared at the meeting:

- (a) Councillors I Gilbert and P Collins (Cabinet Members) - Interest in the called-in item; attended pursuant to the dispensation agreed at Council on 19 July 2012, under S.33 of the Localism Act 2011.
- (b) Councillor S Habermel – Agenda Item 5 (Selective Licensing) - Landlord of property not within the areas of designation for the Selective Licencing Scheme - Non-pecuniary interest.
- (c) Councillor I Shead - Agenda Item 5 (Selective Licensing) - Landlord of property within the areas of designation for the Selective Licencing Scheme - Pecuniary interest (withdrew).
- (d) Councillor S George - Agenda Item 5 (Selective Licensing) - Council's representative on the South Essex Alliance of Landlords and Residents (SEAL) - Non-pecuniary interest.
- (e) Councillor S Wakefield – Agenda Item 5 (Selective Licensing) – Landlord of House in Multiple Occupation (HMO) property within the Borough - Non-pecuniary interest.

398 Questions from Members of the Public

The Committee noted the response of the Cabinet Member for Public Protection to questions submitted by Mr D Webb, which would be sent to Mr Webb as he was not present at the meeting.

399 Minutes of the Meeting held on 2 September 2021

Resolved:

That the minutes of the meeting of the Committee held on 2 September 2021 be confirmed as a correct record and signed.

400 Selective Licensing

The Committee considered Minute 333 of the meeting of the Cabinet held on 14 September 2021, which had been called-in to the Policy and Resources Scrutiny Committee, together with a report of the Interim Executive Director (Growth and Housing) that provided an update on the work underway to prepare for the implementation of the Selective Licensing scheme within neighbourhoods in the Milton, Kursaal, Victoria and Chalkwell wards.

The Leader of the Council undertook to provide a written response to questions raised by members of the Committee with regard to the financial implications of the Selective Licensing Scheme, specifically the cost of the specialist software procured for the management of the Scheme and the number and cost (including on-costs) of officers required to manage and enforce the Scheme.

Resolved:

1. That the matter be referred back to the Cabinet for reconsideration, with reference to the additional information requested by the Committee in relation to the financial implications of the Selective Licensing Scheme.
2. That, in accordance with Council Procedure Rule 39, the matter be referred to full Council for consideration.

Note: This is an Executive Function
Cabinet Member: Councillor I Gilbert

401 Joint In-Depth Scrutiny Project 2021/22

The Committee received a report of the Executive Director (Legal and Democratic Services) on progress with regard to the joint in-depth scrutiny project for 2021/22.

Resolved:

That the report be noted.

Note: This is a Scrutiny function

Chair: _____

Southend-on-Sea Borough Council

Report of Executive Director (Legal and Democratic
Services)

to

Cabinet - 2 November 2021

Report prepared by:

Val Smith – Knowledge and Data Privacy Manager
(overarching)

Charlotte McCulloch – Customer Service & Complaints
Manager (Section 4)

Michael Barrett – Complaints Officer (Section 5)

Cabinet Member (overarching) - Cllr Collins

Cabinet Member Appendix B Report – Cllr Nevin

Cabinet Member Appendix C Report – Cllr Burton

Annual Report – Comments, Complaints and Compliments – 2020/21

All Scrutiny Committees

A Part 1 Public Agenda Item

1. Purpose of Report

An effective complaint system delivers:

- Early warning of things going wrong
- Root cause analysis which finds out what is causing a problem and does something about it
- Fair outcomes for individuals who complain
- Individual outcomes which are applied to the wider customer base
- Continuous improvement of products/processes and people skills
- Appropriate remedies where things have gone wrong.

This report is to:

- Provide performance information about general comments, complaints and compliments received across the Council for 2020/21
- Provide an annual report concerning compliments, concerns and complaints received about the Council's Children and Adults' social care functions.
- Report to councillors on the findings of certain Local Government and Social Care Ombudsman investigations

2. Recommendations

To note the Council's performance in respect of comments, complaints, and compliments and Ombudsman investigations for 2020/21 and to refer the report to all Scrutiny Committees (Sections 4 and 5 to the People Scrutiny Committee only).

3. General Comments, Complaints and Compliments Process

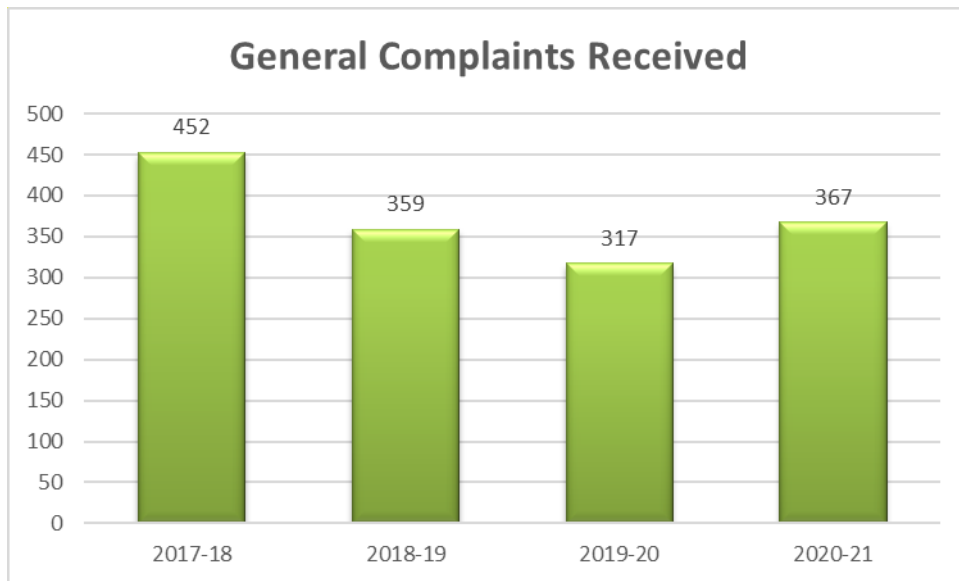
3.1 Background

Complaints which do not have a specialist process are considered under the General Comments, Complaints and Compliments procedures. The Local Government and Social Care Ombudsman recommends councillors receive an annual report on the operation of the process and insight arising from it.

3.2 Complaints

367 complaints were received through the General complaint process in 2020/21.

This Graph shows the number of complaints received and a comparison with the previous three years.



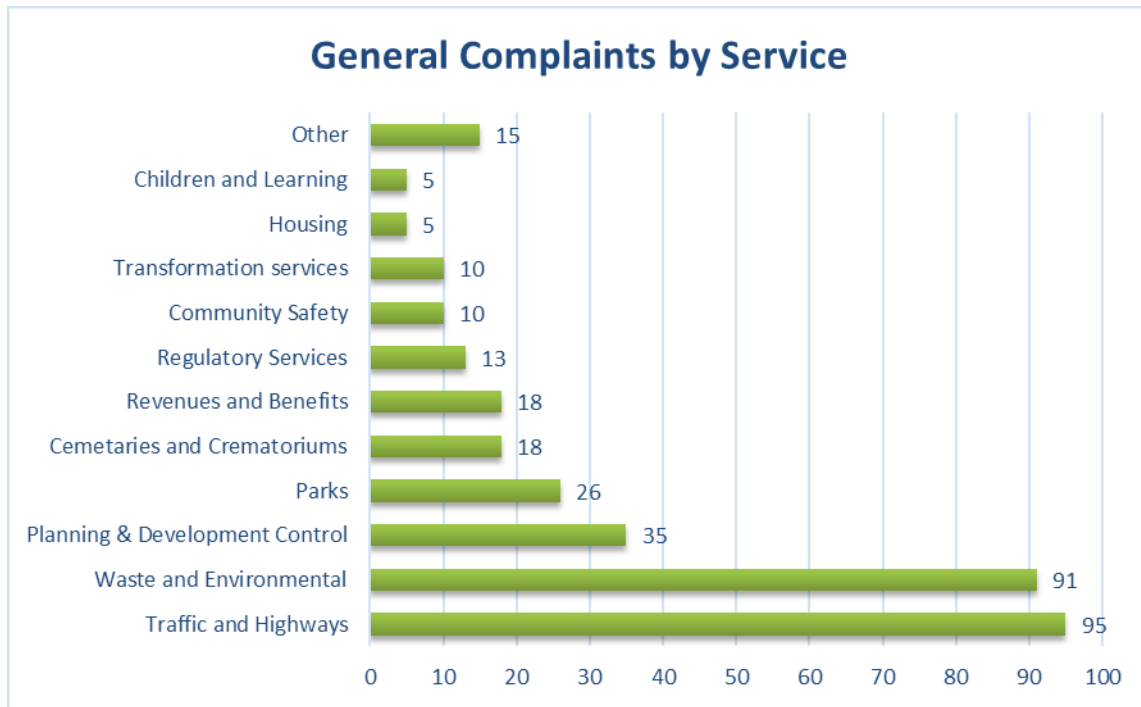
The number of complaints made under the general process has remained stable despite the challenge to the organisation posed by the pandemic.

3.3 Overall Response Times

341 complaints were resolved in 2020/21, of these 81.82% were responded to within the relevant timescale.

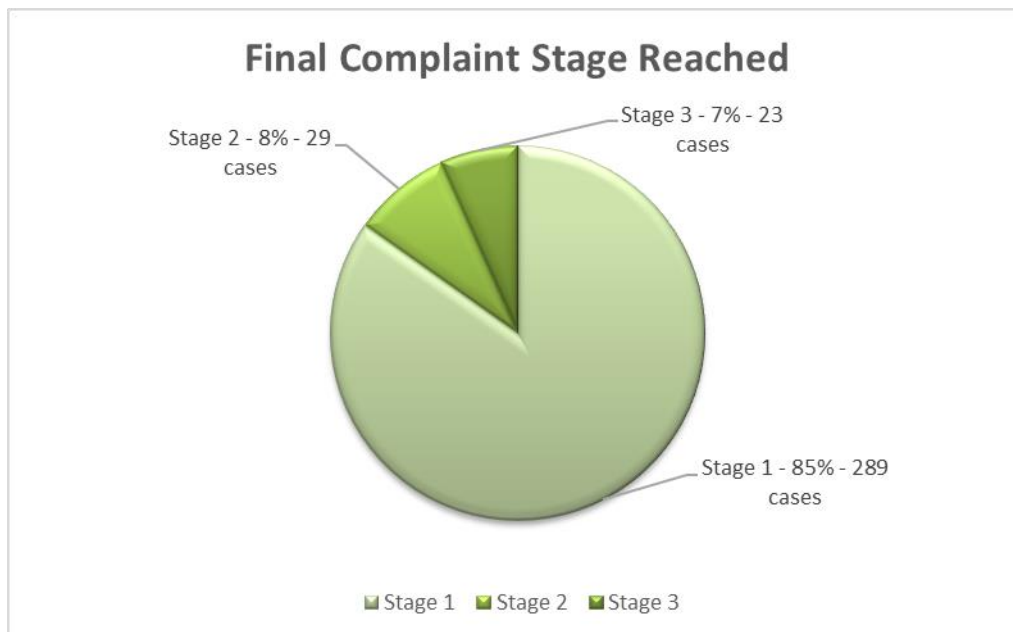
3.4 Breakdown of Resolved Complaints by Service Area

The resolved complaints related to the following services:



3.5 Stage reached by complaints

There are three stages to the general complaints process. At each stage a more senior manager looks at the complaint with a stage 3 response being sent jointly by a member of Corporate Management Team and the Leader of the Council. The following chart shows the Stage of the complaint process at which the complaints were resolved during the year:



Those who make a complaint have the option, usually at the conclusion of the complaint process, to approach the Local Government and Social Care Ombudsman. This is explored in more depth in section 6.

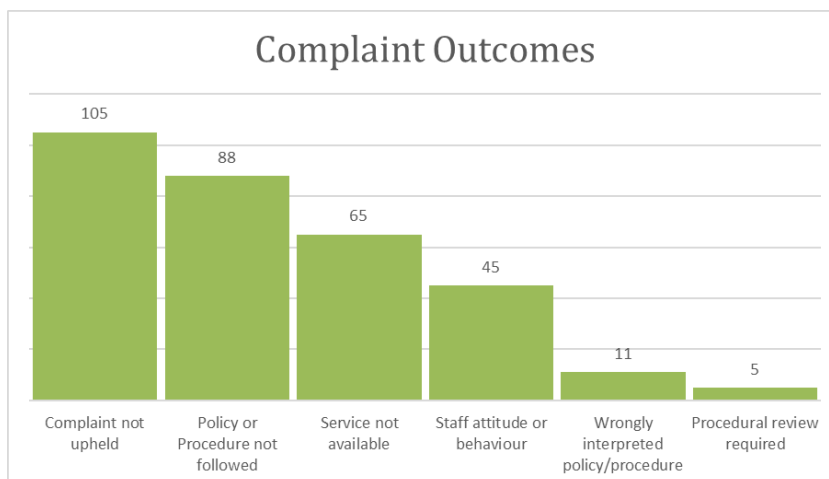
3.6 How Complaints Are Received

Most commonly those who make a complaint contact the Council by e-mail or on-line form with 94% received in this way, the same as the previous two years. This reflects the general shift to use of electronic means when interacting with the Council.

The Council remains committed to keeping all complaint channels available, including telephone and letter, to meet its equalities obligations and to comply with Ombudsman best practice. A formal complaint may be received over social media but would be moved to more conventional channels for resolution.

3.7 Nature and Outcome of Complaints

The following chart shows the outcome of the 319 complaints for which the data is held:



67% of these complaints were upheld, and of these over 80% were remedied with the offer of a solution or service or a meaningful apology. In a small number of cases a remedial payment was made.

3.8 Comments and Compliments

When comments are received, they are responded to by the service concerned and the person making the comment is acknowledged where appropriate and advised if their suggestion is to be taken up.

Compliments are acknowledged where appropriate and shared with the appropriate line management to inform the service or member of staff. This may then inform the staff member's performance discussion.

116 compliments were received in 2020/21 through the general process.

3.9 Monitoring and Reporting

Data from complaints is used in a responsive way to inform service analysis and improvements and is regularly reported to the Good Governance Group and in the quarterly council health check report.

3.10 Conclusion

The process continues to deliver a professional response to individual complaints, a robust system of complaint monitoring and real service improvements.

4. Adult Social Care Statutory Process

4.1 Background

This section is the report of the Executive Director for Adults and Communities concerning compliments concerns and complaints received about its adults' social care function throughout the year.

The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 provide a single process for health and social care services. With the increase in integrated services, the single process makes it easier for patients and service users to make complaints and allows them to make their complaint to any of the organisations involved in their care. One of the organisations will take the lead and co-ordinate a single response.

There is a single local resolution stage that allows a more flexible, customer focused approach to suit each individual complainant. At the outset, a plan of action is agreed with the complainant to address their complaint. Amendments to the plan can be agreed at any stage of the process.

The regulations do not specify timescales for resolution and a date for response is agreed and included in each plan. Response times are measured against the agreed dates in the plans.

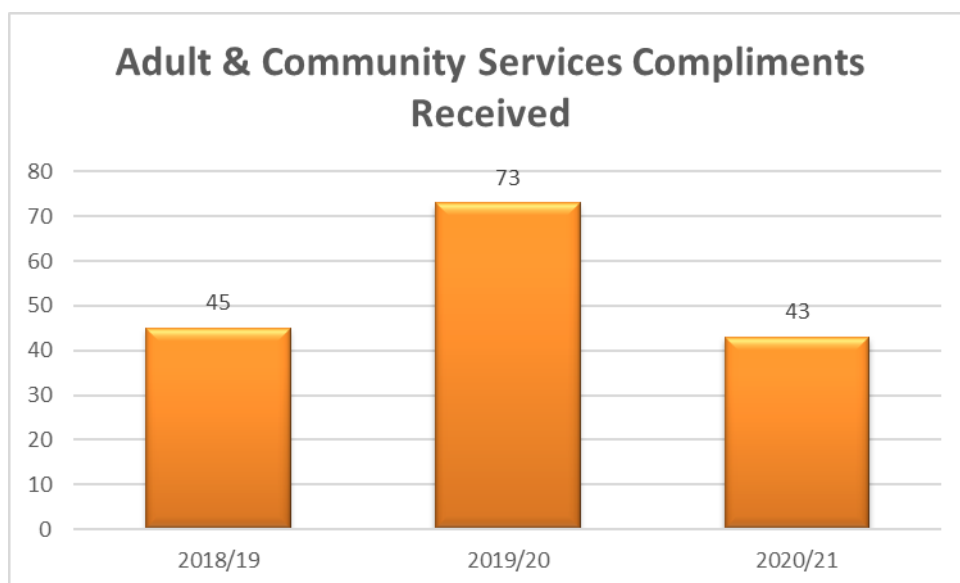
When the local authority believes that it has exhausted all efforts to achieve a local resolution, and the customer remains dissatisfied, the next step is referral to the Local Government Ombudsman. This is explored in more depth in section 6.

4.2 Compliments

Compliments are a very important feedback and motivational tool, and members of staff are encouraged to report all compliments they receive to the Customer Services Manager for recording. All compliments are reported to the Group Manager of the Service to pass on their thanks to the staff member and the team. This practice has been well received by staff.

Adult and Community Services received 43 compliments about its social care services in 2020/2021.

This graph shows the number of compliments received in 20120/2021 and a Comparison with previous two years



4.3 Concerns

The current regulations require the local authority to record concerns and comments as well as complaints. Some people wish to provide feedback to help improve services, but they do not wish to make a formal complaint, and this process facilitates that.

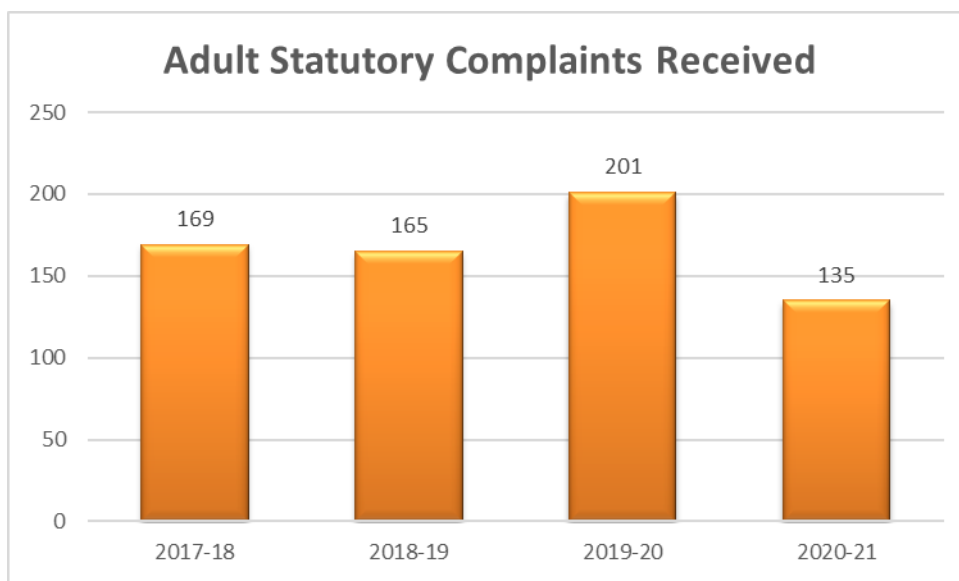
Adult and Community Services received 1 'concern' about its social care services in 2020/2021.

All concerns and comments are considered to identify areas for improvement and responses are made where appropriate or requested.

4.4 Complaints

Adult Services received and processed a total 135 statutory complaints about its statutory social care services in 2020/21

This Graph shows the total number of complaints received and processed by Southend-on-Sea Borough Council during 2020/21 and a comparison with the previous three years.



The complaints received in 2020/21 have seen a decrease by 33% on the previous year. This decrease has been seen in internal services and domiciliary care, where residential care has remained the same.

Whilst there is a decrease in complaints, comparisons cannot be drawn from the previous year due to the exceptional circumstances within which we operated during 2020/21. The pandemic saw resources within the care sector stretched and priorities were diverted to responding to the additional measures and guidelines put in place by the Government.

More families took over the responsibility of caring for their elderly relatives and there was a reluctance to use Residential Homes, due to the potential risks. This combined with an appreciation by the public of the pressure the care sector was facing, there was a possible reluctance to make complaints which may have contributed to the significant reduction.

The number of complaints represents 4.6% of the adults that we provided a service to in 2020/21

Complaints logged through the council's complaints process is only one way in which a complaint can be made. Many concerns or issues are resolved locally with the Social Worker and/or provider, rather than through the formal statutory complaint process. In addition, complaints about external providers can be raised directly with them and these are not recorded by the Council.

4.5 Overall Response Times

Adherence to response times is measured by compliance with the agreed dates set out in the individual complaint plans. There is no statutory requirement with regards to response timescales, however we recognise the importance of trying to achieve a speedy resolution to complaints and generally aim to resolve complaints within 10

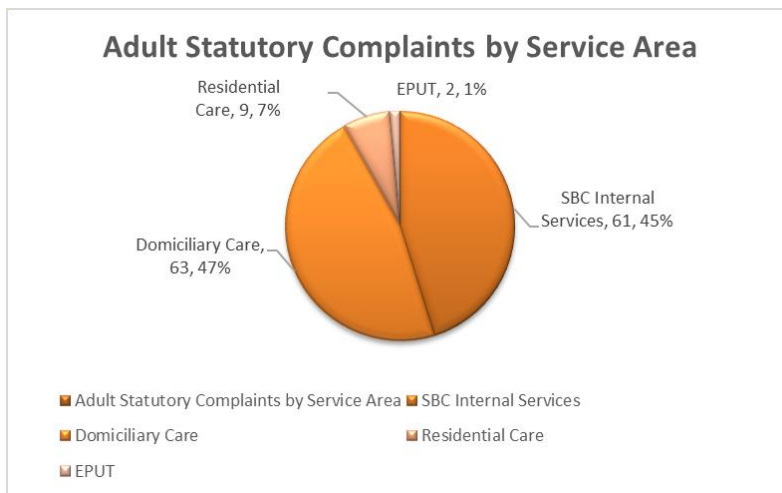
working days. However, depending on the complexity of the complaint raised, agreement is made with complainants on an acceptable timescale for a response.

Out of the 135 complaints received, 4 complaints were withdrawn prior to response and 3 were moved to Safeguarding Concerns. Therefore, out of the 128 complaints responded to, 50 complaints (39%) were responded to within the initial timescales agreed locally between the complaints service and the complainant.

Whilst this is low and a decrease on the previous year, it is understandable that resources were focused on responding to the pandemic and implementing government guidance as their main priority.

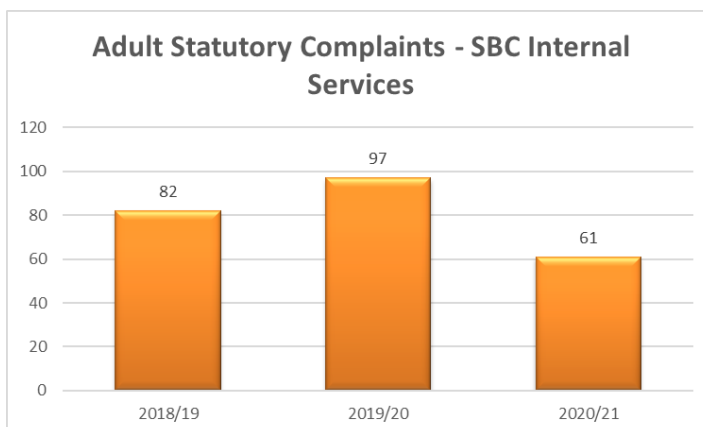
Whilst every effort is made to meet the timescales agreed, if it transpires through the course of the investigation this will not be possible, the complainant is kept informed and updated accordingly.

4.6 Breakdown of Complaints by Service Area



4.7 Complaints about Internal Southend Council Services

Out of the total 135 complaints received 61 complaints were received regarding Internal Southend Council Services. This is a decrease of 37% on 2019/20.



Of the 61 complaints received about Internal Services, 56 required a response, 26 (46%) were given a full response within the timescales agreed.

Some Complainants raise more than one issue therefore the 56 complaints raised related to 61 Issues.

Of these 61 Issues – 31 were upheld
 7 were partially upheld
 16 were not upheld
 6 were unable to reach a finding
 1 is still ongoing

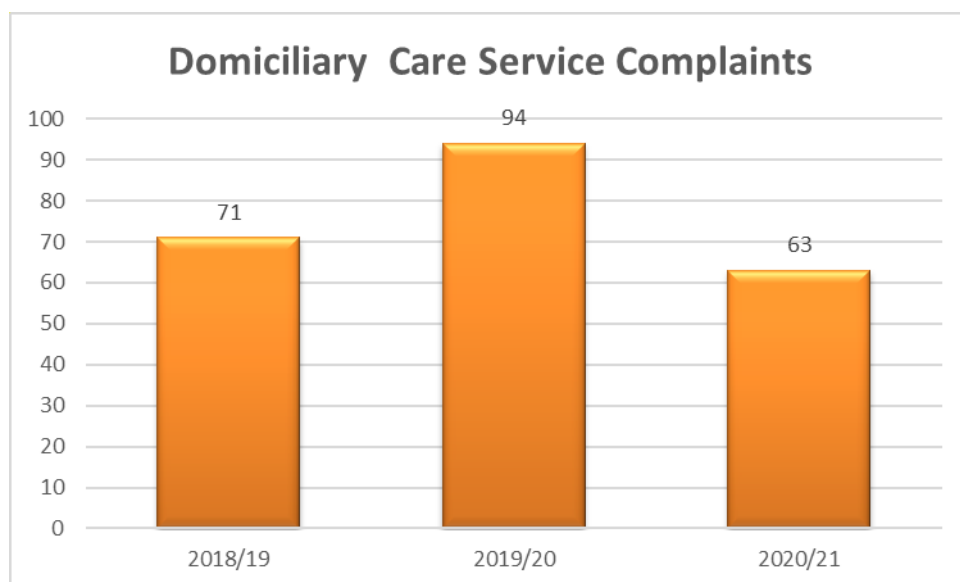
The top four issues were:-

	<i>Total</i>	<i>Outcome</i>
Care charges not explained	26	8 Not upheld
Financial loss	9	2 Not upheld
Delay/ Failure to keep informed	8	1 Not upheld
Professionalism	3	2 Not upheld

4.8 Complaints about services from Commissioned Providers

4.8.1 Domiciliary Care

Of the 135 complaints received by Southend-on-Sea Borough Council, 63 were about Domiciliary Care Providers. This is a decrease of 32% on 2019/20.



Of the 63 complaints received, 60 required a response. 19 (31%) were responded to within the timescales agreed.

60 complaints related to 98 issues that were raised.

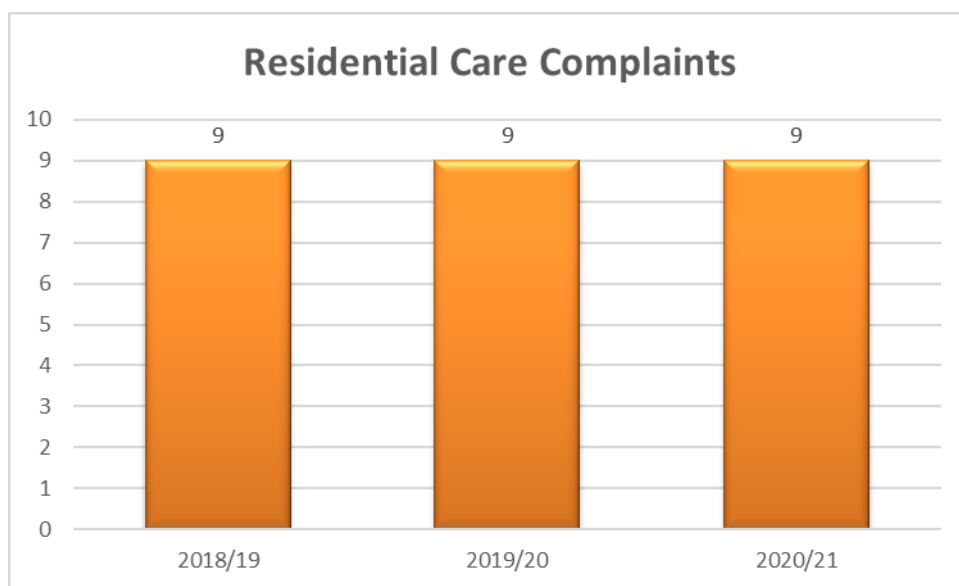
Of the 98 Issues raised – 52 were upheld
 5 were partially upheld
 23 were not upheld
 17 were unable to reach a finding
 1 No response received

The top four issues were: -

	<i>Total</i>	<i>Outcome</i>
Timing of planned homecare calls	15	5 Not upheld
Short Visits	10	2 Not upheld
Rude / Bad attitude of staff	9	4 Not upheld
Missed Calls	8	0 Not upheld

4.8.2 Residential Care

9 complaints were received about Residential Care homes. This represents 1% of the number of adults placed in Residential Care under a Southend-on-Sea Borough Council contract.



4 complaints were responded to with the timescale agreed (44%)

Over the 9 complaints 14 issues were raised. The complaints concerned a number of different Residential Homes and the issues raised varied with no one particular area highlighted as a distinct concern.

Our Contracts Team and Complaints Team continue to work with the residential and domiciliary care providers to address issues and effect improvements around complaints handling.

4.9 Monitoring & Reporting

Statistical data regarding complaints about our commissioned home care providers are provided quarterly to inform the Contract Monitoring Meetings.

Complaints are monitored by the Complaints Manager for any trends/emerging themes and alerts the relevant service accordingly.

Complaints information is fed into the monthly operational meetings where issues regarding providers are shared. This is to ensure that a full picture is gathered regarding the providers service delivery and identify any concerns or trends that may be emerging.

4.10 Learning from Complaints

The Council continues to use complaints as a learning tool to improve services and to plan for the future. Local authorities are being asked to show what has changed as a result of complaints and other feedback that it receives.

Improvements made in 2020/21, as a result of complaints: -

- 2020/21 was a challenging year for everyone, the complaints team adapted quickly to working from home and embraced the new technology which meant the complaints service continued throughout.
- Ensure financial information and the implications are consistently communicated and understood by the Adult and/or their family.
- Provided guidance and clarity on the NHS Covid funding.

5. Children's Social Care Statutory Process

5.1 Background

This section is the report of the Executive Director for Children and Public Health concerning compliments and complaints received about its children's social care function throughout the year.

Complaints in the children's services are of 2 types, Statutory and General.

The law also says that children and young people (or their representative) have the right to have their complaint dealt with in a structured way. The statutory procedure will look at complaints, about, for example, the following:

- An unwelcome or disputed decision
- Concern about the quality or appropriateness of a service;
- Delay in decision making or provision of services;
- Attitude or behaviour of staff
- Application of eligibility and assessment criteria;
- The impact on a child or young person of the application of a Council policy

- Assessment, care management and review.

The General Complaint Procedure which is explained in Section 3 above would be used when issues giving rise to the complaint fall outside the scope of the above statutory procedure.

Within children's services most complaints fall under a statutory process within the Children's Act 1989, where the expected performance regarding response times is described. This is also an area routinely reviewed within an inspection or regulatory visit. They are also mainly about how the actions of our staff are perceived by the families they interact with and therefore the majority of complaints include complaints about specific members of staff.

The process for complaints regarding children's statutory services has three stages.

Stage 1 affords an opportunity to try to find a local resolution usually at team manager level. If the complainant is not satisfied with the outcome, they may request to proceed to stage 2.

At stage 2, the Department appoints an Investigating Officer, and an Independent Person to investigate the complaint. The Investigating Officer is a senior service worker who has not been associated with the case, and the Independent Person is someone who is not employed by the council, but has experience of children's issues, social care or investigations. The stage 2 response is reviewed and approved by the Director of Children's Services.

If the complainant is still not satisfied, they may proceed to stage 3. At this stage, the complaint is referred to an Independent Review Panel of three independent panel members with one member acting as Chair. They will review the stage 2 investigation and outcome, and will make recommendations. These recommendations are reviewed by the Deputy Chief Executive, who formally responds to the complainant.

The process is based on the premise that at each stage, a more senior officer responds on behalf of the Department.

Those who make a complaint have the option, usually at the conclusion of the complaint process, to approach the Local Government and Social Care Ombudsman. This is explored in more depth in section 6.

The Complaints team encourages and supports Team Managers to resolve complaints at the earliest stage, including before they become formal complaints. We also advise a face to face meeting regarding the issues before the formal stage 2 process is started. This is thought to resolve the outstanding issues as early in the process as possible and in a way which many find less formal and adversarial for the complainant.

The numbers of compliments and complaints indicated in this report may not reflect the quality of the support generally provided by the social work teams, rather they are the opposite ends of our client satisfaction range, meaning that the majority of service users and their families are satisfied with the professional support provided.

5.2 Compliments received in 2020/21

This year we have recorded 51 compliments, a reduction from the 2019/2020 figure of 62, however, this is still significantly above previous years.

An issue with compliments is that unlike complaints they do not need a specific response, and so there is a possibility that in the past and in current years some compliments may have been made verbally or in an email and not then passed on to the complaints team to be formally logged.

5.3 Complaints received in 2020/2021

Performance on complaints information is reported quarterly so that senior management are kept regularly informed.

Over the previous two years, complaint numbers have been consistent, however during the first nine months of 2020/21 there was an increase in the number of complaints received, as well as those escalating to stage 2. Had we continued at that rate we would have had a total of around 100 complaints.

However, as can be seen below, we received only 15 complaints in the 4th quarter, the previous 3 quarters had averaged 25/quarter. This is not normally a seasonal matter and fluctuations tend not to be too large. For context, in the 4th quarter of 2019 we had 20 complaints.

Complaints by Qtr	2019/20 complaint	2020/21 complaint
q1	20	27
q2	21	21
q3	29	27
q4	20	15
Total	90	90

The number of complaints reduced significantly from January onwards, possibly in part due to the effects of Covid 19. The total number of complaints received across the year is still in line with that of the previous two years. It can be seen below that the reductions in complaints were in January, before Covid 19 restrictions were imposed but awareness/anxiety were growing, and in March when lockdown restrictions were imposed. The February and March figures are low but in line with the previous year.

4th Quarter complaints

	2019/20 complaint	2020/21 complaint
JAN	3	3
FEB	7	7
MAR	10	5
Qtr 4 total	20	15

We record and report on the number of complaints received, and also on the number of issues raised. This better allows us to help identify the things which create complaints, as well as better manage our responses to the complainant.

In 2020/21 the 90 complaints were made up of 129 separate issues raised. On average each complaint was made up of 1.4 issues. In 2019/20 we received 90 complaints, which were made up of 145 issues.

5.4 Complaints Stage 1

In 2020/21 we received 90 complaints in total, the same as in 2019/20. However, there was an increase in the number of corporate complaints, and obviously an equal reduction in statutory complaints.

	2020/21		2019/20	
	No.	%	No.	%
STATUTORY COMPLAINTS	73	81%	83	92%
CORPORATE COMPLAINTS	17	19%	7	8%
TOTAL	90		90	

The reason or cause of each complaint and issue received is recorded. Of the 129 issues received in 2020/21 they are categorised and distinguished as below.

COMPLAINTS/ISSUES BY DESCRIPTION	NUMBER	
Biased	7	5.4%
Breach of confidentiality	4	3.1%
Delay delivering service	1	0.8%
Delay/failure to keep informed	7	5.4%
Failure to take account of S/U or families views	20	15.5%
Inappropriate Behaviour	3	2.3%
Insufficient Support	23	17.8%
Meeting minutes not sent or delay in sending	1	0.8%
Non-adherence to procedure	14	10.9%
Not returning calls/e-mails	2	1.6%
Outcome of decision/assessment	4	3.1%
Poor communication style	10	7.8%
Professionalism	29	22.5%
Rude / unhelpful	4	3.1%
Grand Total	129	

There are broader themes within the types of complaints which seem to drive many of the areas of complaint. The same general themes run through the complaints each year.

From the perception of the complainant they are;

- Professionalism,
- Insufficient Support,
- Failure to take account of the views of the family/service user.

Put simply,

- They feel that at times our staff are unprofessional, are slow at decision making. That the support provided is not sufficient or timely.
- They feel we are not listening to them or taking their views and concerns seriously, decisions are made without them.
- They feel we don't follow our own processes and procedures, and that decisions can be arbitrary.

5.5 Complaints Stages 2 and 3

All stage 2 and 3 complaints were "paused" due to the Covid 19 pandemic and were resumed in the late summer of 2020, with all those involved working and communicating remotely. This is in line with guidance from the government generally and the specific Local Government and Social Care Ombudsman advice.

During 2020/21 we dealt with 8 complaints at stage 2, some of which were carried over from the delay caused by Covid 19. One of these was withdrawn by the complainant and we have concluded the remaining 7.

Of the complaints which have been concluded at stage 2, five have opted to escalate to stage 3. We have completed three of these with two in the process of the panels being held in the near future. We will continue to hold these remotely even though Covid 19 restrictions are easing.

To better manage the number of complaints being escalated beyond stage 1 of the complaints process, we advise the complainant and suggest that they meet with the social work manager/staff involved to discuss the issue and hopefully resolve it in a constructive way rather than the more formal and time-consuming stage 2 process.

5.6 Outcomes

During the year there were 129 different issues complained about within the 90 complaints made. This does not mean that the complaints are valid.

After investigation at stage 1, 20 (16%) were upheld and 19 (15%) were partially upheld. The majority 78 (60%) were found to be not upheld, while 31% (16% + 15%) were found to be upheld or partially upheld, where the complainant was found to be correct or partially correct and there was some fault in our actions or processes. The balance were complaints where we were unable to make a finding or that were found to be out of our jurisdiction.

5.7 Staff

Of the 129 issues raised in the complaints, there were 68 (53%) in which staff were identified. Although it appears high, this is a slightly lower proportion than we have seen over the last 3 years. This is a reflection of the often emotionally charged environment that the social workers work in, where a disputed family breakup or chaotic situation can lead to a parent or close family member feeling confused, isolated or misunderstood. The outcomes for the complaints where particular staff are named are in line with the overall outcomes.

5.8 Management of complaints

After some improvement over the last couple of years the performance in the timeliness of response to the complaints had declined in 2019/20, although this has improved in the last year, 2020/21, but is still below 50% of complaints responded to within ten working days.

5.9 Complaints by children

Children are defined as those who are under 18 years old. During 2020/21 we received 3 separate complaints from young people, which is in line with most of the previous years, with the exception of last year which had a high figure of 8.

Most of these young people were supported by an advocate, and where not they were offered the services of one. Any young person wishing to make a complaint and who does not have an advocate is always advised to use one and is provided with contact details and helped to contact the advocacy service.

In addition we also received 3 complaints from young people who were care-leavers, in the 18-24 age bracket, and who had issues with some aspect of their earlier care or arrangements for leaving care.

5.10 Learning from Complaints

The Council continues to welcome complaints as a means of improving services and to plan for the future. Local authorities are asked to show what has changed as a result of complaints and other feedback it receives.

Examples of improvements made as an outcome of complaints;

- Following a Stage 1 response if the complainant remains dissatisfied, a meeting can be offered with a manager to try to resolve the issues and avoid going to stage 2 of the complaints process.
- That all parties concerned are kept updated on developments and actions taken by our staff.
- That, in all cases where MARAT has concluded that a case of domestic abuse is high risk, team managers should consider if a risk assessment should be completed before any Local Authority employee is required to have face to face contact or visit the homes of the service users. This is to ensure that the

Local Authority discharge their duty of care to the families involved and our staff.

Where claims of bias or unfairness are concerned;

- That staff now provide both parents with a confirmation letter when their child's file is closed.
- That in the cases involving separated parents, staff have been made aware that they must not appear to favour or support one parent, and as much as possible, communication should be consistent between parties. To identify an advocate to provide support if one party needs additional support

5.11 Areas for improvement

To build on the development of the routine monthly and quarterly management reporting, so that we can identify and then address the issues which cause people to make complaints by improving our services and how they are delivered.

6. Local Government and Social Care Ombudsman (LGSCO)

6.1 Background

This section constitutes the report of the Monitoring Officer concerning complaints to the Local Government and Social Care Ombudsman throughout the year and fulfils the Monitoring Officer's reporting duty under section 5(2) of the Local Government and Housing Act 1989 and the Local Government Act 1974.

The Monitoring Officer must provide councillors with a summary of the findings on all complaints relating to the Council where in 2020/21 the Local Government and Social Care Ombudsman (LGSCO) has investigated and upheld a complaint.

6.2 What the LGSCO Investigates

The LGSCO investigates complaints about 'maladministration' and 'service failure', generally referred to as 'fault'. They consider whether any fault has had an adverse impact on the person making the complaint, referred to as an 'injustice'. Where there has been a fault which has caused an injustice, the LGSCO may suggest a remedy.

The Council works with the LGSCO to resolve complaints made to the Ombudsman. Most complaints are resolved without detailed investigation.

The LGSCO may publish public interest reports concerning a Council or require improvements to a Council's services.

The Ombudsman's annual letter provides statistics focused on three key areas:

Complaints upheld – The LGSCO uphold complaints when they find some form of fault in an authority's actions, including where the authority accepted fault before they investigated.

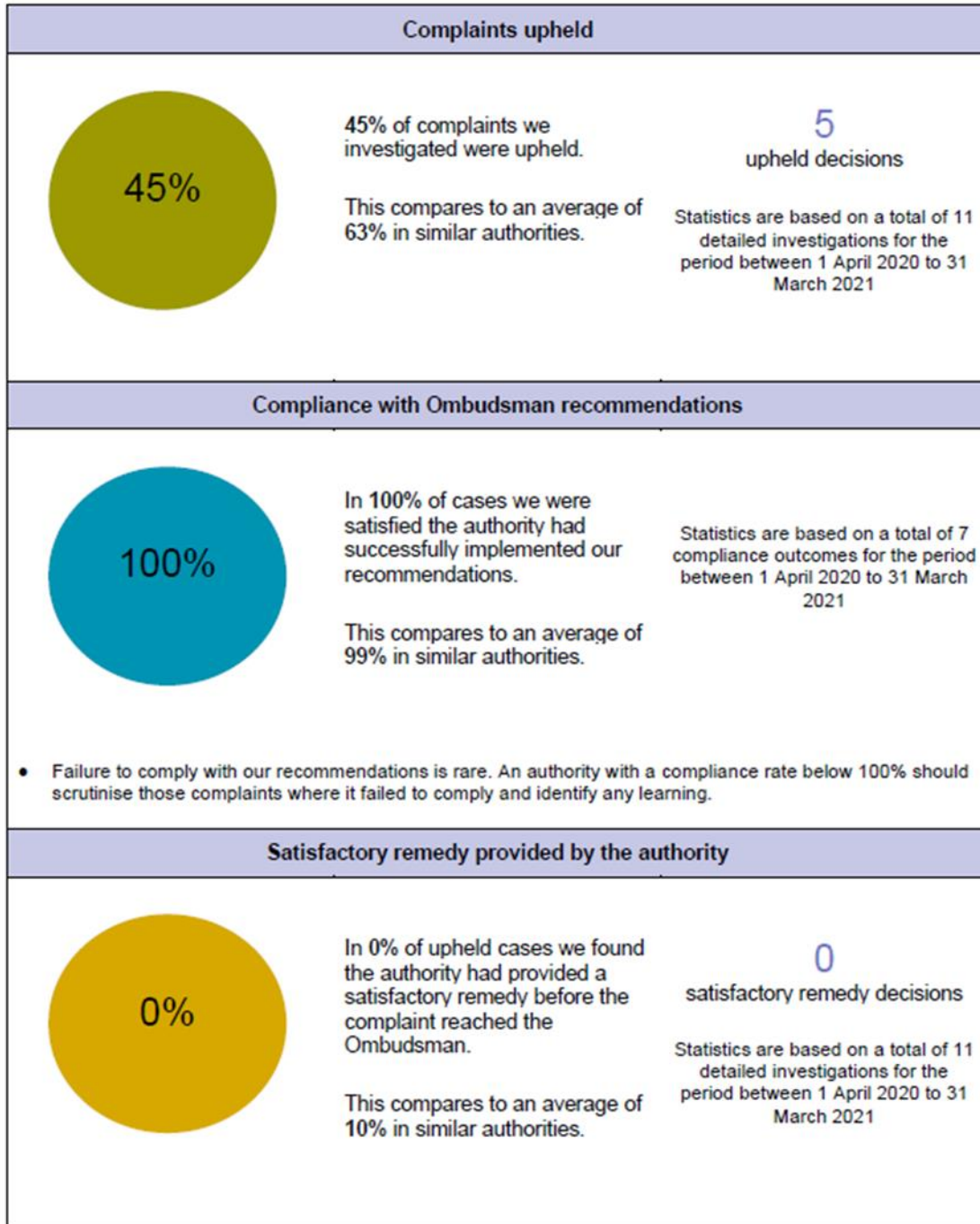
Compliance with recommendations – The Ombudsman recommends ways for authorities to put things right when faults have caused injustice and monitor their compliance with the recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the authority upheld the complaint and the Ombudsman agreed with how it offered to put things right.

6.3 Statistics from the LGSCO annual review letter

Statistics from the annual review letter of the LGSCO are as follows:

Southend-on-Sea Borough Council
For the period ending: 31/03/21



NOTE: To allow authorities to respond to the Covid-19 pandemic, we did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints we received and decided in the 20-21 year. Please consider this when comparing data from previous years.

Full details and the Ombudsman’s annual letter are available on the [LGSCO website](#).

6.4 Complaints made to the LGSCO

In 2020/21, 39 complaints and enquiries were made to the LGSCO in respect of Southend-on-Sea Borough Council.

44 decisions were made by the LGSCO, as follows:

Advice Given	6
Closed after initial enquiries	12
Incomplete/Invalid complaint	2
Not upheld	6
Referred back for local resolution	13
Upheld	5
Number of decisions made	44

6.5. Number of decisions investigated in detail by the LGSCO

The LGSCO concluded 11 detailed investigations in respect of Southend-on-Sea Borough Council in the period between 1 April 2020 and 31 March 2021 with 5 complaints being upheld.

Year	18/19	19/20	20/21
Number of detailed investigations	7	10	11
Number of detailed investigations upheld	4	7	5
Upheld rate	57%	70%	45%

6.6. Complaints upheld by the LGSCO

The following is a summary of the upheld complaints:

Function	Education & Children's Services
Summary of complaint	The Ombudsmen find North East London NHS Foundation Trust delayed Miss X's son, G, accessing autism support. Miss X suffered distress and time and trouble chasing. The Ombudsmen also find Southend-on-Sea Borough Council delayed issuing G's Education, Health and Care Plan by over 18 months. That fault caused Miss X distress, uncertainty and time and trouble.
Service improvement recommendations	Education and Health Care Plans: The Council and the CCG to detail what improvements they have introduced when jointly working with other organisations on EHCPs. To include how the Council plans to chase parties when they do not provide information for Education, Health and Care plans in a timely manner.
Agreed remedy	Apology, financial redress and improve procedures.

Function	Education & Children's Services
Summary of complaint	The complainant alleges that the Council's Special Guardianship allowance practice was not in accordance with statutory guidance, and it also withdrew financial support for his legal assistance. The Ombudsman has found fault in the Council's understanding of the statutory guidance, which has affected the allowance paid to the complainant, and to other family foster carers, during the first two years since they were granted a Special Guardianship Order. The Ombudsman has also found fault in the way the Council withdrew the financial support for legal assistance to the complainant. The Council has accepted the recommended actions to remedy this complaint.
Service improvement recommendations	The Council to review from 2013 the financial support for special guardians who previously were family foster carers. The Council to review and amend its Special Guardianship allowance practice so it is in accordance with the legislation, statutory guidance, and caselaw; ensuring that, any change to the Council's revised practice/policy is considered by Cabinet members and/or Scrutiny Committee; and review other special guardians, whose SG allowance was wrongly reduced over the two year transitional period and make backdated payments. See Item ten, Cabinet paper 15 June 2021 for more details.
Agreed remedy	Apology, financial redress and changes to policy and procedures.

Function	Education & Children's Services
Summary of complaint	Summary: Mr X complained about the way the Council dealt with his application and appeal for help with transport for his 18-year-old son who has special educational needs to attend college. The Ombudsman finds there was fault by the Council. The Council has agreed to arrange a fresh appeal hearing and review its policy on post-16 education transport.
Service improvement recommendations	The Council to review its policy and Transport Policy Statement on post-16 education transport to ensure they comply with the law and statutory guidance. This should include reference to deciding whether transport is necessary and should set out the policy on transport for students with special educational needs and disabilities. The Council to consider combining its application and appeal processes for all pupils with special educational needs and disabilities to ensure their needs are properly taken into account in the process.
Agreed remedy	Reconsideration of decision, financial redress. Change to policy and procedures.

Function	Highways & Transport
Summary of complaint	Mr Y complains the Council did not properly consider his application for two dropped kerbs. He says the Council delayed in referring his application to the correct committee. The Ombudsman finds fault in how the Council handled Mr Y's application and for a lack of clarity in its policy.
Service improvement recommendations	The Council to review and update its vehicle crossings policy, to include an indication of the timeframe in which it will progress applications, how it will update applicants if there are delays, clear details of its procedure for considering applications based on exceptional circumstances and any factors it will not normally consider as exceptional circumstances.
Agreed remedy	Apology, reconsideration of decision, financial redress. Change to policy and procedures.

Function	Housing
Summary of complaint	Summary: Mrs X complains about the Council's handling of her application to join the housing register. She says the Council ignored medical evidence and disrepair issues of damp and mould. She also says the Council delayed in accepting her onto the register. We find fault with the Council for not properly considering Mrs X's medical evidence. This caused a delay in her being accepted onto the register. We also find fault with the Council's complaint handling.
Service improvement recommendations	None.
Agreed remedy	Apology, financial redress.

6.7 Conclusion

The Council is co-operating fully with the LGSCO and successfully collaborating with them to identify the appropriate resolution for complaints made.

7. Future developments

The way in which both general and statutory complaints are administered is currently under review as part of the Business Support restructure.

8. Other Options

None. Reporting of general complaint performance is required by the Local Government and Social Care Ombudsman as demonstration of good practice. Reporting concerning social care complaints and Ombudsman decisions is required by law.

9. Reason for Recommendation

To ensure the Council continues to have transparent and effective complaint procedures.

10. Corporate Implications

10.1 Contribution to Southend 2050 Road Map

Feedback both positive and negative is a direct source of information about how services provided by the Council are being experienced in practice.

This insight may relate to any of the themes and outcomes of the Southend 2050 road map.

10.2 Financial Implications

Service improvements continue to result in meaningful outcomes for customers. A robust complaint process with thorough investigation and a positive approach reduces the likelihood of financial remedies being recommended by the LGSCO.

10.3 Legal Implications

These reports ensure compliance with legislation requires that statutory processes be in place to deal with complaints relating to child and adult social care and to produce annual reports concerning them. These reports also need to be shared with the Care Quality Commission and the Department of Health.

The report of the Monitoring Officer ensures section 5/5A of the Local Government and Housing Act 1989 (which requires the Monitoring Officer is required to prepare a formal report on all upheld Ombudsman complaint decisions) is met.

10.4 People Implications

Effective complaint handling is resource intensive but benefits the organisation by identifying and informing service improvements, development needs and managing the process for customers who are dissatisfied.

10.5 Property Implications

None identified

10.6 Consultation

The Advocacy Services and Representations Procedure (Children) (Amendment) Regulations 2004 confer a duty on local authorities to provide information about advocacy services and offer help to obtain an advocate to a child or young person wishing to make a complaint. All children and young people wishing to make a complaint are offered the services of an advocate.

10.7 Equalities and Diversity Implications

The complaints process is open to all and has multiple methods of access for customers. Adjustments to the process are made for those who require it because of a protected characteristic.

Although most commonly the process is accessed through e-mail and on-line forms, traditional methods such as post are available and where necessary a complaint can be transcribed over the telephone or be made in person.

This supports those who might otherwise be inhibited from using the process, perhaps through vulnerability.

10.8 Risk Assessment

Personal data regarding comments, complaints and compliments are recorded in approved centralised systems which can only be accessed by nominated officers.

10.9 Value for Money

Resolving a complaint as early as possible in the process reduces officer time spent dealing with concerns as well as providing the opportunity to improve service delivery.

10.10 Community Safety Implications

None identified

10.11 Environmental Implications

None identified

8. Background Papers - None

Southend-on-Sea Borough Council

Report of Deputy Chief Executive and
Executive Director (Finance and Resources)

To

Cabinet

On

2 November 2021

Agenda
Item No.

6

Report prepared by:
Alan Richards, Director of Property & Commercial

Seaway Leisure Financing Strategy

Relevant Scrutiny Committee: Policy and Resources Scrutiny Committee

Cabinet Members:

Councillor Ian Gilbert – Leader of the Council and Cabinet Member for Regeneration

Councillor Paul Collins – Cabinet Member for Corporate Services and Performance
Delivery

Part 1 (Public Agenda Item)

1. Purpose of Report

To propose a financial and commercial structure which will enable the delivery of the Seaway Leisure development whilst also providing greater ownership and an improved, long-term sustainable commercial return to support the future financial sustainability of the Council. The development will contribute to the Southend 2050 Ambition, provide the year-round, all weather leisure facilities and support Southend's economic recovery through inward investment and job creation and enable Southend to compete with nearby towns and cities in terms of this offer.

This report therefore seeks to achieve the following objectives:

- 1. To explain in clear terms the proposed financial and commercial structure of the transaction, in particular the introduction of an Annuity Lease and the principles of the consequential amendments to the existing legal structure.**
- 2. To set out the financial benefits and risks of the proposed approach, including the use of some reserves to reduce financial risk and improve the commercial return and long-term income stream financial sustainability for the Council.**
- 3. To enable an approach to the funding market with an entirely fundable proposition which enables the development to clear the viability hurdles necessary for it to proceed, with benefits for all parties.**

NOTE: Members are advised that this report contains numerous links to reference material and key documents and is therefore best read electronically via the Council's website or Mod.gov. This has been done to enable the report to flow and to provide easy access to the relevant information whilst keeping the document pack manageable and reducing the need for excessive printing.

2. Recommendations

That Cabinet are asked to;

- 2.1 Note the significant economic benefits that the proposed Seaway Leisure development will bring as outlined in the approved [25 February 2020 Cabinet report](#) and to note that the project is a clear Council commitment and a Southend 2050 Roadmap project.**
- 2.2 Note that the Council has commissioned CBRE to undertake a review of the development, specifically in relation to the elements at a) to c) below:**
 - a) Undertake financial due diligence on Turnstone Estates Ltd (and its company structure, including Turnstone Southend Ltd, the subsidiary special purpose vehicle for Seaway Leisure) and to advise on their suitability as a partner for the Council,**
 - b) Review the proposed Seaway development and its appropriateness including reviewing the anticipated economic benefits; and**
 - c) Look at the most suitable and deliverable funding models for the development and consider the risks and benefits associated with them**
- 2.3 Agree that officers proceed with the final negotiations of terms with Turnstone Southend Limited (TSL), and Turnstone Estates Ltd (as parent company guarantor as appropriate) to enable the proposition to be presented to the funding market on the basis set out in sections 7.12 to 7.15 of this report and at the same time proceed to secure the necessary legal and financial advice on those terms to robustly protect the Council's position.**
- 2.4 Note officers will update terms with Homes England in relation to the grant funding associated with the Rossi Factory, 1-3 and 29 Herbert Grove having regard to the proposed revisions.**
- 2.5 Approve the use of up to a maximum of £10m (Ten Million Pounds) of the Council's capital reserves as equity in the proposed development to enable the different and significantly improved commercial terms as illustrated in the Financial Implications section below, and thereby significantly reduce the Council's financial risk and an improved annual income stream.**
- 2.6 Note officers will look to identify grant funding opportunities which enable the Council's proposed equity investment to be reduced and/or replaced with grant funding.**

- 2.7 Delegate authority to the Executive Director (Finance and Resources) in consultation with the Leader of the Council and the Cabinet Member for Corporate Services and Performance Delivery to authorise:
- a. the approach to the market for funding at the relevant time
 - b. to finalise and agree (with independent advice as required) any final terms following responses to the proposition from the funding market
 - c. to authorise any relevant actions including the execution of all necessary documentation including that arising from recommendations 2.3 to 2.6 above.
- 2.8 To note that the Executive Director (Finance and Resources) will report the exercise of the above specific delegations to a relevant Cabinet.

3. Background

- 3.1 The Cabinet has received several reports on the proposed Seaway Leisure development, the most recent being the report to. The 25 February 2020 report sets out in detail the history and the case for the proposed development and therefore that case is not restated here although members are encouraged to re-read that report for background and context.
- 3.2 At that meeting, Cabinet resolved ([minute 866 refers](#)):

(1) That option 2 set out in the submitted report be approved, namely the Council maintains its support for the Development and does not serve notice to terminate the Agreement at least until such time as the final decision has been made on the planning application 18/02302/BC4M.

Such support would be maintained on the basis of:

- ***The economic case including the significant job opportunities that the development will bring;***
- ***The contribution to the Council's published Ambition and Outcomes;***
- ***The level of commitment made by the Council and Turnstone;***
- ***The desire to maintain the currently committed tenants;***
- ***The progress which has been made to date;***
- ***The reduced risk of the Homes England funding claw back.***

(2) That while the planning appeal is running, negotiations be progressed with Turnstone about the possibility of a lease-wrapper/income strip lease model to accelerate delivery and provide additional rent for the Council through a different model and any other matters which would accelerate delivery.

- 3.3 This report relates principally to 3.2 (2) above. Officers have been extensively progressing this recommendation from Cabinet despite the pressures and impact of the Covid-19 pandemic on the Council, the leisure market and the economy as a whole, and the recommendations in this report result from the detailed work undertaken with external advisers and Turnstone.

- 3.4 As housing delivery accelerates through consented developments such as Better Queensway, Roots Hall, Fossetts Farm and other smaller developments, it will be crucial that employment space is also created through developments such as Seaway and Airport Business Park Southend to ensure that jobs are created to support both the growing population and the economic recovery and growth of Southend as it becomes a city.
- 3.5 The development of a significant leisure-led, modern family entertainment complex is something that residents and visitors alike should rightly expect in Southend, without the need to travel out to other parts of Essex to find, talking spend away from Southend and adding avoidable traffic to our busy networks.

4. The Current Position – Planning

- 4.1 The Planning Application ([18/02302/BC4M](#)) has been through the formal planning process including the relevant statutory consultation. The Council's [Development Control Committee](#) considered the Application on 15 January 2020 where a decision was deferred.
- 4.2 Following that meeting, TSL made an appeal against the Council's non-determination. The Council's [Development Control Committee](#) reconvened on 27 May 2020 and resolved "***That the Planning Inspectorate be informed that, had an appeal for non-determination not been submitted and the Committee had the power to determine the application, the Committee would have granted planning permission subject to [the conditions]***" [[Minute 10 of Development Control Committee on 27 May 2020 refers](#) and sets out the full schedule of conditions].
- 4.3 The Planning Inspectorate upheld the appeal and issued its decision granting planning permission for the proposed development subject to various conditions on 9 October 2020. The appeal documents are available on the [planning portal](#).
- 4.4 Subsequently, two applications to vary conditions relating to external seating, renewable energy and the timing of the BREEAM certificate under references [20/02156/AMDT](#) and [21/00705/NON](#) have also been granted permission with decisions issued on 11 October 2021 and 28 July 2021 respectively.

5. Developer, Scheme and Financial Review

- 5.1 Following the granting of planning permission in October 2020, and while TSL has been working to refine the conditions to make the planning permission satisfactory to them to enable delivery, the Council has commissioned new advisors, CBRE, in relation to the proposed development and to support the further work and negotiations relating to the second part of minute 866 referenced above:

“That while the planning appeal is running, negotiations be progressed with Turnstone about the possibility of a lease-wrapper/income strip lease model to accelerate delivery and provide additional rent for the Council

through a different model and any other matters which would accelerate delivery.”

5.2 In particular, CBRE¹ has been commissioned to undertake a review covering the three principal elements set out below:

a) financial due diligence on Turnstone Estates, the company structure and directors and to advise on their suitability as a partner for the Council; and

b) to review the proposed Seaway development, whether it is still the right fit for Southend and whether the [projected economic benefits](#)² are reasonable; and

c) to advise on the viability of the current funding structure and to consider alternatives to this, advising the Council on the options and recommending the most suitable and deliverable funding models for the development in the context of the associated risks and benefits.

5.3 CBRE have issued to the Council a summary of their findings addressing the three sections above. The summary advice is attached at **Appendices 1-3**:

5.4 In high-level terms, CBRE has concluded and advised the Council that:

5.4.1 In relation to 5.2 a) above: Turnstone Estates Limited appears to be a suitable company for the Council to engage with on the Seaways project (see **Appendix 1** for further detail).

5.4.2 In relation to 5.2 b) above that: Based on the research and analysis undertaken into the proposed Seaways scheme, CBRE is of the opinion that the scheme remains broadly appropriate and has the prospect of delivering the benefits expected. It is suggested that a number of modifications could be made and risks mitigated prior to construction which should be considered, subject to balancing the planning risk (see **Appendix 2** for further detail).

5.4.3 In relation to 5.2 c) above that: Based on the analysis undertaken into the funding options for the Seaways scheme, CBRE is of the opinion that the only viable funding option is by Council intervention akin to many other similar schemes in the country, with grant funding a desirable additional source of funds (see **Appendix 3** for further detail).

¹ [Leisure | Experience Economy | CBRE](#)

² full [Economic Benefits Assessment](#) submitted as part of the planning application (18/02302/BC4M).

6. Turnstone's Current Position

6.1 TSL remains fully committed to Seaway Leisure, and this is demonstrated as follows:

- TSL has remained committed to the project since its inception and has continued to invest time and money to progress it;
- To date, TSL has committed over £1.5m of its own capital to the project at risk;
- Planning permission has been secured (October 2020) and the conditions varied where necessary as referenced above (July and October 2021);
- TSL has commissioned Toolbox to support with further survey, branding and marketing work, details of which are on the [TSL Website](#) and the [Seaway website](#) which also includes details of the committed anchor tenants and quotes from Empire Cinemas, Hollywood Bowl and Travelodge, reproduced at **Appendix 4** for ease of reference;
- TSL has continued to refine the design within the parameters of the planning situation referenced above;
- Work has continued to extend the arrangements with the current pre-lets as outlined below.

Pre-let situation:

- Empire Cinemas (contracted & extension agreed)
- Hollywood Bowl (contract extended)
- Travelodge (contract to extend agreed pending completion)
- Terms are agreed with 3 restaurant tenants and with solicitors (confidential until contracted)
- Discussions are advanced with 2 further leisure tenants (confidential until contracted)

6.2 Significantly, TSL expect, and CBRE agree that there is a good prospect these will all be in place and that the combined income from these (c.£1.7m) represents a significant proportion of the total projected rent (over 70%) expected when fully let and this is a higher percentage than many other pre-let schemes of a similar nature providing a good degree of rent cover and confidence.

6.3 Additionally, the three contracted anchor tenants are all on retail price index linked rents (capped and collared) which further mitigates the Council's exposure to the Annuity Lease rent increases which will also be similarly linked.

7. The Financial Challenge and proposition

7.1 The main hurdle for the development is that the development funding market has changed significantly, and the traditional debt and equity funding model originally envisaged for Seaway Leisure is no longer a viable option, as it is with other similar schemes.

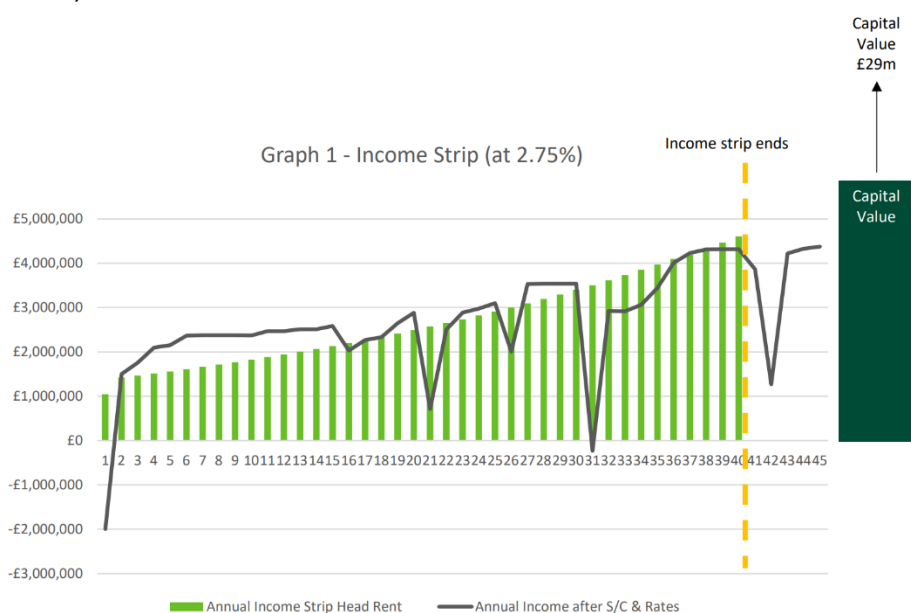
7.2 Under a traditional development model (with debt and equity funding), the end sale price for the development would be higher than the development costs,

therefore creating a profit position for the developer. In the case of Seaway, and many similar developments across the country, the sale price is now below the sum of the build cost and profit margin required to be able to fund the development. Therefore, it is not fundable or deliverable under the traditional funding route. This position has been reviewed and confirmed by CBRE and is also evident in the wider marketplace with many comparable schemes facing similar challenges and relying on public sector intervention to enable them (See **Appendix 5**).

7.3 The development will however provide a rental and parking income stream which, along with the public sector covenant (in this case the Council), can be used as an alternative funding route with long-term annuity funds becoming very active in this market over recent years. In general terms, an investment fund would purchase a long-term index-linked rental income stream from the Council and due to the very low risk to the fund of this income stream, a low yield will be generated meaning that sufficient capital can be raised privately to fund the construction plus a reasonable developer’s profit margin (reduced to reflect changed risks but nevertheless essential for it to proceed). Furthermore, the full reversionary value of the asset would pass to the Council at the end of the lease (maximum 40 years, possibly as little as 30 years) and thereafter the Council would be at liberty to enjoy the full income stream without a rent payment to the fund. It could at this time retain the asset, sell it, redevelop it or do otherwise as it sees fit at that time.

7.4 If the Council and TSL agree to proceed on this basis, there are mutual benefits and a change in the risk profile and it is important for Councillors to appreciate these changes in considering the recommended approach by officers. It is also of great importance that the Council considers the long-term financial sustainability of the Council and the need to both unlock inward investment, jobs and development whilst also securing long term income, generated with good knowledge of, and mitigation of the associated risks.

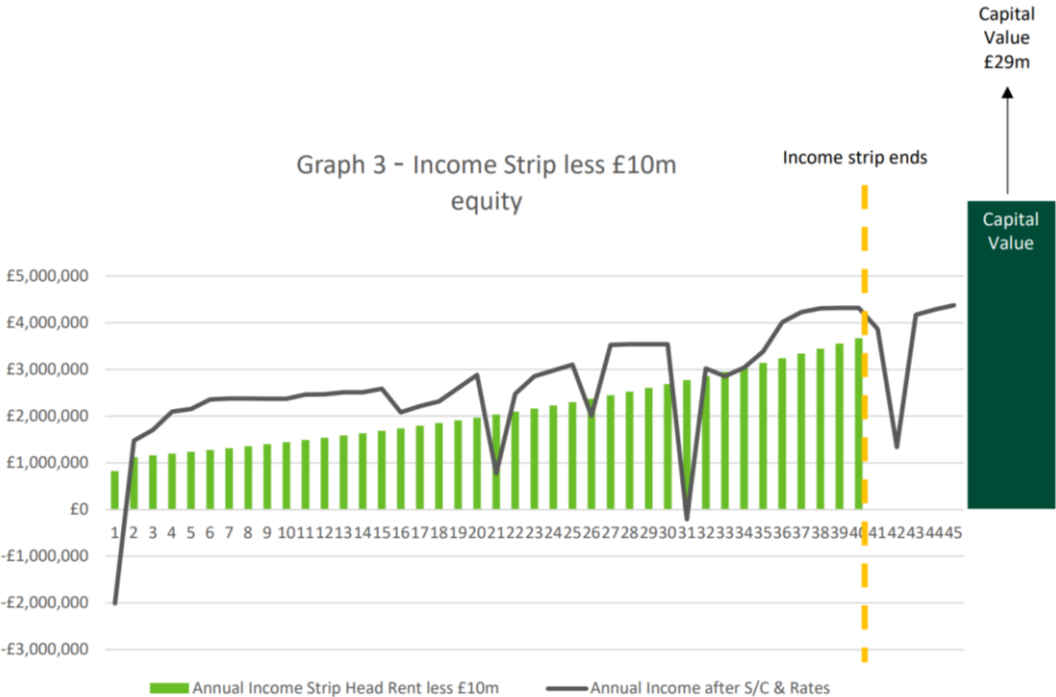
7.5 The graph below models the above proposal over a 40-year term (for illustrative purposes):



7.6 This shows in green the rent that the Council would need to contract to pay to the fund (which will up-front the capital to deliver the development) and in black, a realistic view of the income profile from rents making some conservative assumptions around lease events. For example, in this illustration at year 21 it envisages a rent-free period being provided to Empire as part of a lease renewal situation. This may or may not be required, but is used to demonstrate the risks associated with the commercial income.

7.7 The white area above the green bars and below the black line, mainly before year 20, shows a positive cashflow position for the Council. The position over the following 20 years is much more variable in this illustration, but it is important to note that the yellow dotted line indicates the end of the income strip lease. At this point the full capital value and all future income sits with the Council in perpetuity. The graph above shows a purely indicative value of £29m for the scheme at the end of the Annuity Lease. This is a conservative figure for the future value used to make the point that the reversionary value will pass to the Council.

7.8 The Council has entirely within its gift the opportunity to prudently apply some of its financial reserves (equity), or to seek grant funding up front to reduce the amount of capital required from the fund. The reason the Council may choose to adopt this position (and why it is recommended), is that this reduces greatly the net income risk for the Council and means that the development then moves to a position where it is cash-positive for almost all of the income strip lease term and again the capital value and all future income sits with the Council at the end of the lease term. This is illustrated in the model below:



7.9 It can very clearly be seen that in this example, with the Council investing £10m of equity (from reserves, without any borrowing cost) the return to the Council on that investment is not only strong, but also sustainable throughout the income strip lease term, thereby significantly reducing the cashflow risk during the income

strip lease term. The indicative value at the end of the Annuity Lease is the same, in the illustration above, £29m again.

7.10 It is for this reason that the use of some equity and/or grant funding is recommended as the preferred option to both unlock the development, secure the economic benefits and deliver a long-term sustainable income stream to the Council.

7.11 In addition to the net rental and net car parking income, the Council would receive a significant level of business rates revenue. This additional business rates revenue of circa £1m plus per annum is only available to the Council if the development proceeds and members are aware of the need for the Council to identify and maximise new income opportunities.

7.12 What will be needed to enable this:

7.12.1 The current Agreement for Lease (varied 2 May 2019) would require further variation, although the head lease will still be required. The main variation would be the reduction in the rent payable under the headlease from £282,000 p.a. to a peppercorn for at least the part of the term equal to the term of the Annuity Lease (30-40 years). This is because the headlease would serve a different purpose, principally to provide the funder with a leasehold interest out of which to grant the Annuity Lease back to the Council. This does not mean that the Council will receive less income simply that the income will be derived through the Annuity Lease as opposed to the Headlease and will in fact be higher (see paragraph 7.15.1 below).

The proposed structure can be illustrated simply as follows:



7.13 Main changes required to the Lease (to be granted by SBC to the Fund/TSL):

Change required	Reason for change
Rent reduced to a peppercorn for at least the duration of the Annuity Lease	Because the Council will receive its income directly from the occupational tenants rather than via the headlease.
The Council to receive an option to break the lease at the expiry of the Annuity Lease	So that the Council can acquire the Funder/TSLs interest for £1 at that point

7.14 Additional conditions required in the Agreement for Lease between SBC and TSL:

Additional Condition required	Reason for condition
TSL to enter into legal agreements with Occupational Tenants that are expected to produce aggregate annual rental payments (after the expiry of any incentives) of at least 100% of the initial rent that SBC may expect to pay under the Annuity Lease (SBC would be able to waive this condition if appropriate)	This is required to mitigate the Council's income risk by ensuring that sufficient contracted income is in place up front.
TSL to secure a fixed price JCT construction contract	To mitigate the construction cost risk for all parties with cost over-run risk to sit with TSL.
TSL to secure funding for the full development cost (and for the terms and funder to be approved by the Council acting reasonably);	The Council and CBRE will be involved in this process to ensure appropriate market engagement and the identification of a suitable fund on optimal terms. It will ultimately be for TSL to select the fund but the Council will be involved and will need to approve, acting reasonably.
HCA (now Homes England) Condition - re-valuation of the arrangement in the context of the Homes England conditions relating to the funding for 1-3 Herbert Grove, 29 Herbert Grove and the Rossi Factory;	Will need to be reviewed and revalued following the approval of the variation to the structure.
A resetting of the Longstop Dates so that TSL would have 24 months to satisfy all conditions precedent (extended in the event of a planning appeal or judicial review). Either party may rescind the agreement if conditions remain unsatisfied after 24 months and/or following a Planning Appeal or JR Period	If the Council agrees to the recommendations so that the scheme can then progress, the longstop dates will need to be varied in order for funding to be raised against the development because the current longstop dates have now past.

7.15 The Annuity Lease Principal Terms (To be granted by the Fund to SBC)

- a) The Council will need to enter in to a lease for between 30 and 40 years (term to be agreed, once funding offers on a range of terms have been assessed and analysed);
- b) Rent will be payable from completion of the Annuity Lease;
- c) Initial rent will be calculated as a percentage of the total capital cost, determined through an open market process for the most appropriate funder.

SBC's approval will be required if the percentage exceeds that in the pre-marketing estimate;

- d) Rent will be reviewed annually to RPI or CPI and capped at [less than 5%] and collared at [up to 1%] - figures to be determined following the response from the market;
- e) The Council will be entitled to receive all rents from Occupational Tenants (but will be liable for void periods);
- f) The Council will only be able to assign to another local or government agency of equivalent or better financial standing;
- g) The Council will be responsible for repairs (although the occupational leases will pass these obligations through to occupational tenants either directly for the units, or via a service charge for the common parts leaving the Council only liable for voids).

7.16 The financial benefit of this revised approach to the funding of the development is that Southend Borough Council (SBC) would receive a much higher income stream than via either the current car park, or the original development structure. The Council will receive all income from the Car Park and the occupational tenants net of void costs and occupational rates linked to the car park and the cost of management will be a service-charge cost again recoverable from the occupational tenants. The income that SBC would receive would be calculated as follows:

Council Net Income = Occupational Rents + Net Car Park Income – (Annuity Rent + Void Costs)

Whilst the exact figures will not be known until the development is constructed and fully let, the models illustrating the financial position are included above with the model for the recommended option being at paragraph 7.8 including the beneficial impact of applying Council capital reserves to improve the annual revenue position.

7.17 Balance of Risk and Reward

7.17.1 As a result of the changes above, the parties will take on a different balance of risk and reward. The principal risks are set out below:

7.17.2 TSL will retain the development risk – the responsibility to deliver the development on budget for the Fund and the Council. TSL will be responsible for any cost over-run and this will eat in to their pre-agreed level of development profit.

7.17.3 TSL also carries the letting risk and it is proposed that this risk is carried by TSL for up to 3 years or until the development is fully let. During this time, they would also be responsible for putting in place all the asset and property management contracts and arrangements which would then novate across to the Council when they step away. This reduces the Council's early-years' risk considerably. If TSL is unable to secure the required amount of pre-let occupational income, the Council will not be obliged to take the Annuity Lease (although the Council could

waive this if the threshold is close). The pre-let threshold will be that no less than 70% of the occupational rent must be contracted.

7.17.4 The Council will carry the long-term obligation to pay the rent to the fund under the Annuity Lease and this rent will rise annually by indexation. This risk is mitigated by a good market exercise for the funding, by capping the amount of annual increase and through ensuring that a proportion of the occupational rent is linked to comparable inflation mechanisms, as is the case.

7.17.5 Void risk during the Annuity Lease – this risk will sit with the Council as it does across the commercial portfolio. An Asset Management regime will be established to ensure that voids are foreseen where possible and managed quickly and effectively. This risk cannot be completely mitigated as it is dependent on the property and leisure market and economy generally. The development in general is expected to have a positive impact on the local economy, and to address leisure, and food and beverage offers that are currently absent from Southend and which many residents travel out of Southend for (although it may introduce competition which could affect some businesses).

7.17.6 Risk of the Council income (currently from parking) falling significantly on grant of the Headlease, or on expiry of the Annuity Lease is mitigated through a requirement that rent is paid at £282,000 p.a. from drawdown of the headlease until the grant of the Annuity Lease at which point the Council's income will flow under the Annuity Lease and by ensuring that there is a mechanism in the Headlease to ensure that in the event that for whatever reason the option is not put or called at the end of the Annuity Lease, that the rent under the Headlease reverts to 11% of the net rent for the whole development reviewed to RPI (capped and collared at [1% and 4%-5%] respectively) every five years.

7.17.7 Importantly, there is the risk of not enabling the development to consider and the incredibly significant benefits that have been assessed, and re-appraised by CBRE, that would not be delivered (including 500+ jobs, c.£50m of private investment, significant development activity on the Town Centre, regional leisure facilities and c.£15m of annual linked spend in the Town Centre and seafront areas). Furthermore, as Southend becomes a city, the expectation that high quality leisure facilities of this nature are available centrally increases and this need is reflected in the Southend 2050 Ambition, Outcomes and Roadmap.

7.17.8 See also **Appendix 3**.

7.18 Indicative Delivery Timescale (subject to commercials, funding, legals, Homes England agreement):

<i>Event</i>	<i>Timing</i>
Cabinet cycle	Nov – Dec 2021
Instruct Solicitors - legal documents	Nov 2021
Exchange Contracts (conditional)	Feb 2022
Secure Pre-lets	Q3 2021 to Q1 2022
Progress Scheme Design Information	Q3 – 2021 to Q1 - 2022
Contractor Appointed	Q3 2022
Contract unconditional	Q3 2022
Start on Site	Q3 2022
Scheme Opening	Q2 2024

7.19 Other situations where this model has been applied:

7.19.1 For the reasons set out above, this model of funding a variety of different developments has been, and is being applied in many local authority areas by public sector bodies, in particular local authorities but also some universities and health bodies.

7.19.2 The most local and relevant example is that at Colchester Northern Gateway where Colchester Borough Council have recently agreed to make a similar change to their arrangements with Turnstone Colchester Ltd in relation to the delivery of the Northern Gateway development. The Northern Gateway development is out of the town centre, but is in other respects comparable in scale and nature, being anchored by Cineworld and Hollywood Bowl. Colchester Council, through its Amphora business, has agreed to enter into an annuity lease to unlock the development. Only limited details are available on this transaction which appears to have been dealt with under Part 2.

7.19.3 Set out in **Appendix 5** is a summary of several other comparable examples illustrating that in almost all cases, the public sector has needed to intervene to secure delivery using either PWLB or annuity lease models. Members will be aware that in Southend we have also used a similar model to enable the developments at Roots Hall and Fossetts Farm.

8. Other Options

8.1 Cabinet of course has other options available to it and it could:

- a) Agree to proceed with the income strip model but proceed with the higher risk option of not investing any equity or grant money. This would unlock the delivery of the development but would expose the Council to a higher level of financial risk and a lower level of return for the duration of the income strip lease, as a larger amount of capital will need to be provided by the fund to finance the development. The proposed use of Council equity and/or grant funding is recommended to secure the same benefits with a stronger commercial position and return to the Council.
- b) Agree to proceed as recommended with a reduced level of equity/grant invested which would partly mitigate the risks and improve the income stream to a degree.
- c) Consider financing the whole development using PWLB for part or all. The Council would have to account for the borrowing at 7% in its accounts which would make it more expensive in the short term, although this would have the benefit of fixed, stable interest and principal payments over the term. In financial terms, this is not as advantageous as the recommended option and it would add heavily to the Council's borrowing. Councils are also discouraged from using PWLB for commercial property transactions unless they are primarily for regeneration or other operational purposes so a case would have to be carefully made.
- d) The Council could use some of the equity investment differently and perhaps use it to provide temporary additional parking during construction however alternative parking would require planning permission and would use a significant amount of the equity investment therefore lessening the commercial benefit of the use of reserves.
- e) If Cabinet does not wish to enable the development and would prefer to wait and see if the traditional funding market recovers, it could opt to do nothing and not change the current structure. TSL and CBRE have advised that this would mean that the scheme is unable to be brought forward, therefore the Southend 2050 Ambition, the jobs, inward investment and linked high street and seafront spend would not be realised and without a plan to finance and deliver the scheme, pre-lets would be challenging to maintain beyond the short term. In addition the income stream that would flow from this development would not be available to support the medium to long term financial sustainability of the Council.
- f) The existing agreement includes a longstop date which has elapsed. Cabinet has previously agreed to extend this (supported vote at Council) so that the planning situation could be resolved and this alternative delivery proposition could be worked up as clearly stated in minute 868 referred to above. Nevertheless, the option for the Council to terminate the agreement remains although again, following this course of action would mean that the benefits to be derived from the scheme would be foregone and all the work and financial commitment by TSL articulated in paragraph 6.1 above would be wasted. There are reputational,

contractual and commercial risks associated with this option and it is not recommended.

9. Reasons for Recommendations

- 9.1 The recommended approach enables the Council to apply a small proportion of its capital reserves to de-risk this major development and give it the required support to enable delivery of the project with a fully balanced risk and reward approach.
- 9.2 The benefits of the proposed development have been clearly stated in preceding papers to Cabinet. Cabinet has clearly articulated its wish to see more leisure, culture, and tourism in the Town and to actively support the economic recovery of the Town, particularly the town centre.
- 9.3 It is important that the Council explores different options, such to create new long-term income streams which also support the economic recovery and provide greater financial security and certainty for the Council in the long term whilst also building the business rates base. The Council will rely increasingly on new income streams arising through schemes such as this in the future which deliver new, long term income streams and an increase in the non-domestic rates income base budget.
- 9.4 It is important for the Council to stimulate and enable development of its land and property to catalyse further private investment across the Town.
- 9.5 It is important that Southend is enabled to compete with other regional centres and that Southend residents have access to first class leisure facilities within the Borough, rather than having to travel out of the Borough taking with them their money which could better be spent in the Borough whilst using road capacity, adding to congestion, and negatively impacting air quality.

10. Corporate Implications and Contribution to the Southend 2050 Ambition and Road Map

- 10.1 The Southend 2050 contributions are set out fully in the [25 February 2020](#) Cabinet Paper.

10.2 Financial Implications

10.2.1 The financial implications are fully set out throughout this report and the recommended approach fully supports the requirement asked of officers in the 25 February 2020 cabinet report.

10.2.2 The proposed annuity lease funding method enables the development to proceed, provides the Council with a higher degree of control in the long term as it will be the direct landlord for all the occupational tenants and at the end of the Annuity Lease term will own the scheme outright without having invested any up-front capital.

10.2.3 In essence the development will have been delivered by TSL and the fund repayment will have been financed from occupational rents leaving the Council with an income producing capital asset at the end of the Annuity Lease plus the additional financial benefits of a net rent throughout the Annuity Lease Term (subject to the risks set out). In addition, the Council's overall budget will benefit from not only any profit rent, but also the additional significant business rate income of circa £1m plus per annum generated through the development.

10.2.4 Members are asked to note and consider in making their decision that the Council's current MTFP as agreed at Budget Council in February 2021 has a budget gap of £20.7M. Since then this has been reviewed in light of various announcements, review of areas in the MTFP and awaiting the full details of the recently announced Comprehensive Spending Review, which are all expected to increase the current four year budget gap. A revised approach to the funding structure of this scheme offers a fully balanced risk and reward approach and will enable the council to generate a long term sustainable rental income higher than originally envisaged whilst also capturing a significant permanent uplift in business rates income of circa £1m plus per annum. This additional permanent long term income stream will support the delivery of the Council's Medium Term Financial Plan and is one of the innovative Council schemes that are being progressed which will put the Council onto a much firmer footing for its financial sustainability into the medium to long term.

10.2.5 The Council due to its strong financial management over the past decade is in a strong position to contribute upto £10m from its capital reserves to enable a higher longer term annual revenue income stream to be generated and this contribution from reserves is fully supported by the Council's S151 officer.

10.2.6 The Council's S151 officer has also been fully involved in the detailed work and negotiations throughout on this complex finance arrangement and proposed funding restructure, which will be one of many ways to secure the medium to long term financial sustainability of the Council. Again full endorsement of the recommended approach in this report to a new funding structure for this scheme is provided by the Council's S151 officer.

11. Legal Implications

11.1 The Council will procure the necessary and appropriate legal advice to enable the structure to be robustly documented and to consider and mitigate any associated risks.

11.2 In exercising the delegated authority set out in the recommendations above, due regard must be had to the outcome of this advice which will need to be kept under review at all stages.

11.3 The variations required to the existing Agreement for Lease with TSL in order to implement the revised structure and interpose the new Council Annuity Lease should not result in the overall transaction moving away from being a land

transaction and should not therefore carry any public procurement implications or risks.

- 11.4 As with the earlier variations made to the Agreement in May 2019, even if the further variations now needed to the Agreement in order to effect the required changes are significant, there is no legal difficulty in effecting these through amendments to the existing Agreement as opposed to it necessitating an entirely new legal agreement.
- 11.5 Under the revised funding model proposed, the equity investment by the Council is not a payment to TSL for the works which could have subsidy control implications. Rather, this is in the nature of a reverse premium for the grant of the Council's Annuity Lease thereby reducing the amount of capital which needs to be financed through the Annuity Lease, mitigating the cash flow risk to the Council and strengthening the revenue proposition.

NOTE: It would be prudent for Counsel to also advise on the revised structure to double check this proposed arrangement can be delivered without giving rise to unacceptable procurement or other risks and that the proposed new structure remains within the parameters of a land transaction therefore outside procurement legislation – Sharpe Pritchard is advising with Counsel.

12. People Implications

- 12.1 There are no direct People Implications, although as with any major scheme, there may be some variable resourcing issues to be managed as the transaction progresses and internal resources will be supported with specialist advice as required.

13. Property Implications

- 13.1 As set out in the report.

14 Consultation

- 14.1 The Seaway Leisure proposed development has been the subject of ongoing consultation by TSL for several years.
- 14.2 Aside from the various Cabinet cycles, the Council's website has included a section on the proposed development for a long time and the Council has issued various media statements relating to the development.
- 14.3 It has received regular media attention and been the subject of public engagement events and dialogue by TSL including the recent work that they commissioned via Toolbox which included a survey and a series of focus groups with stakeholders and an [updated website for Seaway Leisure](#).
- 14.4 The Southend 2050 Ambition and roadmap, established through resident and business voices have always made clear commitments in relation to Seaway and have been widely published and consulted on.

14.5 The Business Partnership Executive have remained supportive of the proposed development throughout.

15 Equalities and Diversity Implications

15.1 The proposal is intended to create better opportunities for all to access high-quality year-round leisure in the Borough and the jobs and economic benefits associated. This new development will meet all current regulations in terms of accessibility including the introduction of over 100 car charging points (secured by planning condition), a facility currently lacking across the Borough.

16. Risk Assessment

16.1 The proposed new arrangements present a different balance of risk and reward for the parties as set out in this report, particularly in section 7.17.

17. Value for Money

17.1 This report is all about delivering improved value for money for the Council and for Southend and the financial and value considerations are articulated throughout the report alongside consideration of the rebalancing of risk and reward.

18. Community Safety Implications

18.1 Addressed through the planning process and set out in previous papers. The proposed development will include a CCTV scheme and more importantly will include a new public realm and much greater natural surveillance through increased hours and seasons of use arising from the new uses. The development will also include new public toilets enabling the demolition of the existing block (currently partly closed due to fire damage).

19. Environmental Impact

19.1 The proposed development has been designed to meet BREEAM 'Very Good' level and this is now conditioned in planning terms.

19.2 Planning conditions have been used to secure excellent electric vehicle charging provisions. The proposed development includes 550 parking spaces, and the planning condition provides that 'at least 20% of all the car parking spaces shall have an electric charging point provided capable of charging vehicles from the outset and every car parking space shall be future proofed so that electric charging points can be installed when demand requires' which will make this the most significant electric charging facility in the Borough with 110 spaces initially and the potential for 550 spaces to be enabled for EV charging in the longer term.

19.2 Reducing trips out of Southend for leisure activity with the development being within walking distance of either homes or public transport links (rail/bus) for a

great many residents, or in any event leading to shorter journeys and less congestion on major routes out of Southend.

20. Background Papers and Links

- 20.1 The Council's website includes a summary chronology of the project to date with links to all relevant reports and decisions: [Seaway Project Introduction – Seaway Project – Southend-on-Sea Borough Council](#)
- 20.2 [25 February 2020](#) Cabinet Paper.
- 20.3 [Opening the door to development in Southend | LSH](#) and full [Economic Benefits Assessment](#) submitted as part of the planning application ([18/02302/BC4M](#)).

21. Appendices

Appendix 1 – CBRE Summary assessment of Turnstone Estates Ltd

Appendix 2 – CBRE Summary assessment of Seaway Leisure

Appendix 3 – CBRE Summary assessment of the Funding Risks

Appendix 4 – Statements form Anchor Tenants ([from Seaway Website](#))

Appendix 5 – Other comparable examples across the country

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Appendix 1 – Turnstone Estates Limited

CBRE has researched and analysed the appropriateness of Turnstone Estates Limited (TEL) and its subsidiary Turnstone Southend Limited (TSL) as counterparties for Southend-on-Sea Borough Council in relation to the Seaways project.

Personnel

TEL has an experienced management team, with a long association with the company. The senior directors are professionally qualified and from CBRE’s dealings with them, they appear sufficiently knowledgeable, experienced and competent to undertake a scheme such as the development of Seaways. There are no court orders, CCJs or history of companies entering administration under their directorship.

Corporate Structure

TEL holds a large number of subsidiary development companies, including TSL. The majority of subsidiaries relate to a specific development or project, and this structure is similar in nature to other development companies that CBRE has worked with. The continuity between shareholders, company directors and ultimate beneficial owners across all these companies gives comfort as to the structure.

Financial Overview

TEL is a company of low risk (Experian Rating) that does not present any financial concerns, with an Experian Credit score of 94/100 (as at June 2021). Other subsidiary companies, including TSL are higher risk, with TSL receiving a score of only 5/100 (as at June 2021). However, CBRE believe this is due to the nature of the holding structures and SPVs, with TSL having not undertaken significant financial activity since being formed as it solely relates to the unstarted Seaways scheme. To mitigate risk caution may need to be exercised if contracting directly with any subsidiary, including but not limited to securing guarantees from TEL if appropriate.

Delivery Model

TEL is a small entity with four employees, as such it relies on a range of consultants and contractors to deliver development projects. For Seaways it has assembled a team of professionals to advise and assist them. Whilst CBRE has not undertaken detailed due diligence on each of these counterparties we believe they represent an appropriate mix of advisers reflecting the needs of a project such as Seaways.

Track Record

TEL has a well-established track record in development spanning over 30 years and has delivered a number of mixed-use leisure schemes. The field of development in leisure is relatively niche and there are very few other companies with a strong track record in the sector and region. The company can demonstrate a track record in every sub-sector that is relevant for Seaways and has provided evidence of securing lettings to relevant occupiers on a range of schemes. TEL has recently agreed to develop a new leisure scheme in Colchester, to be delivered through a similar structure to the current proposals for Seaways.

CBRE is of the opinion that TEL appears to present a suitable counterparty for the Council to engage with on the Seaways project. However, CBRE provide our advice from a property / development perspective. Should matters progress, we would recommend the Council engage with a suitable financial professional in respect of detailed financial due diligence on Turnstone, if required.

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Appendix 2 – The Seaways Development

CBRE has researched and analysed the appropriateness of the proposed development at Seaways and whether it is likely to deliver the desired and predicted outcomes.

Market Conditions

COVID-19 has created significant challenges for the leisure market, putting extreme pressure on operators. Most leisure businesses made a loss over 2020 and reopening through 2021 has been slow and highly regulated. As a result there have been a number of insolvencies, CVAs and capital raises for operators. However, there is an expectation that as the sector reopens there will be pent up demand to aid a meaningful recovery into 2022. Staycations in 2021 ought to benefit the Southend market and hotels nationally to drive this recovery.

In order to ensure that Seaways performs to expectations the recovery of the market should be monitored, and the scheme can be derisked by securing pre-lets with occupiers committing to the scheme.

Scheme Status

The developer has secured key anchor tenant pre-lets to the largest units and operators. We understand these have recently been agreed to be extended (in legals) and relate to a significant proportion of the expected income from the scheme. However, there remains a large number of units without pre-lets. Whilst we understand positive conversations with operators are progressing, and we have seen strong demand from the leisure market, we would recommend that the anchors and some further pre-lets are legally secured before final commitment to the scheme is given.

We would also recommend monitoring the rents achieved on these agreements and liaison with the developer in relation to the options for management of the car park as part of the asset.

Scheme Costs

CBRE has reviewed the construction cost plan and believe that it is broadly in line with market expectations. There are a number of areas where clarification is necessary from TEL to confirm our assumptions and we would recommend that as the project progresses this is reviewed further. We understand the construction is likely to be delivered by way of fixed price contract with appropriate liquidated and ascertained damages in the event of delays, which again should be reviewed and confirmed in due course.

Prospect of Delivering Benefits

Having reviewed the Economic Benefits Assessment produced by Lambert Smith Hampton (December 2018), CBRE is of the opinion that there is no reason not to expect the benefits articulated as a result of construction to be delivered in line with forecasts.

The operational benefits of the scheme are based upon an assumption that the scheme becomes fully let and trades in line with forecasts. As such further pre-lets would be required to give greater confidence of those benefits being delivered over time.

Based on the research and analysis undertaken into the proposed Seaways scheme, CBRE is of the opinion that the scheme remains broadly appropriate, and has the prospect of delivering the benefits expected. It is suggested that a number of modifications could be made and risks mitigated prior to construction which should be considered, subject to balancing the planning risk.

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Appendix 3 – Financial Risks (confidential)

CBRE has reviewed the financing options for Seaways, including the options for the Council to vary the existing agreement and provide a subsidiary lease to enable the funding of the scheme.

Traditional Debt and Equity Funding

As a result of current market conditions (see Appendix 2), the traditional funding markets are constrained and challenged. Based on the projected costs and value the scheme is not viable on a traditional funding basis and therefore traditional funding is not possible.

It is CBRE’s opinion that if the Council were to wait for market conditions to return to a level that is favourable enough for traditional funding it may be a considerable time before the market supports this, and it is more than likely that the scheme would not come forward with TEL and therefore would not be delivered, or deliverable within a reasonable timeframe.

Funding Grants

There are currently a number of grants available for real estate development across the UK. Central Government has been promoting a “levelling up” and “Covid recovery” agenda. These grants are particularly seeking opportunities that are able to be progressed quickly, will bring forward new jobs and opportunities and enhance the local economy. We would suggest that the Seaways project could meet this criteria well and that such grants should be explored if they reduce the funding gap of the scheme and enhance the impact on any intervention by SBC. However, it should be noted that any such grants would not cover the entire development cost, but a minority proportion of it.

Council Intervention

As a result of the lack of available funding, the most achievable way to fund the scheme is through Council intervention. This could be effected through a number of routes, but all would be on the basis of the Council expecting to receive surplus income over the period of the funding (above and beyond the cost of the funding) and retaining the asset into perpetuity.

- Direct Lending – either through public works loan board (PWLb) or Council reserves
- Annuity Lease – through the signing of an index-linked lease of not more than 40 years with the reversion remaining with the Council and no up-front Capital requirement on the Council.

In both examples the Council is forecast to receive a significantly higher income than expenditure in servicing the finance.

In order to mitigate the Council’s risk in such a transaction it would be recommended that:

- a sinking fund is maintained to cover ongoing or unforeseen costs; and
- a hurdle of contractual pre-lets is met before funding is released; and
- TEL is required to provide financial assurances as to the performance of the scheme’s income in the early years post completion (by way of profit erosion / rental top ups)

With these mitigants in place it appears reasonable to forecast that the development would bring forward the economic and social benefits forecast as well as a sustainable long-term financial return to the Council over the period of the transaction, followed by full ownership of the asset at the point of reversion.

Based on the analysis undertaken into the funding options for the Seaways scheme, CBRE is of the opinion that the only viable funding option is by Council intervention, with grant funding a desirable additional source of funds.

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WHO'S COMING

WHO'S COMING TO SEAWAY LEISURE?



Ready, set, film!

This new cinema will soon bring you all the latest blockbuster movies with 11 screens and IMAX to choose from. Empire Cinemas aim to provide a memorable cinema experience, offering big stage productions and events on the big screen. Whether it is theatre, opera, ballet, music or sport, customers can sit back and enjoy the experience in high definition.

If you've got mini movie-lovers, don't miss out on Empire Jnrs, where some of the best and newest kids films on show. After all, you're never too young to be introduced to the magic of the big silver screen. But remember to hold onto your popcorn – you don't want to make a mad dash for more halfway through!

Empire Cinemas was founded in 2005 following the mergers of Odeon and UCI and Cineworld and UGC. The Office of Fair Trading ruled that both new groups should lose a number of their cinemas which created an opportunity for Empire Cinemas to be created.

Today, EMPIRE continues as the leading independently-owned cinema chain in the UK with 14 locations and 129 screens including our brilliant IMPACT® and IMAX® screens. Plus soon to open in Basildon in 2022 and Peterborough later this year.



We are thrilled to bring this multiplex cinema to Southend-on-Sea at Seaway Leisure, and we look forward to entertaining local film fans for many years to come. Despite the current difficulties caused by the pandemic across the leisure and hospitality sector, Empire Cinemas remain confident that cinema will continue to be at the heart of the community. Watching a film on the BIG Screen is a truly immersive experience like no other – an escape from the ‘everyday’, something that cannot be replicated in home or on mobile devices.

Justin Ribbons, CEO



hollywood bowl

Ready, set, bowl!

You will soon be able to get your bowling shoes on and show us your best strike! Hollywood Bowl will be equipped with 20 lanes, a licensed bar, Hollywood Diner, pool tables and an amusements zone cram-jammed with the latest games. Helping to bring families and friends together for affordable fun and healthy competition – all under one roof.

The fun doesn't stop there! With brilliant entertainment packages on offer for the whole family, your friends or even your colleagues, Hollywood Bowl will soon be the new place to be.

You will even be able to enjoy a taste of Hollywood, with delicious hand-crafted burgers, gourmet hotdogs, creamy shakes and much more!



As the UK's leading bowling and competitive socialising brand, we're very excited to bring Hollywood Bowl's unique family offering of all-inclusive fun to the people of Southend, as part of the transformative Seaway Leisure project. Our aim will be to encourage guests to join us for a bowl, game or two in the amusements, a meal and drinks when the destination leisure scheme opens in 2023.

Stephen Burns, CEO



Ready, set, sleep!

Coming soon to Seaway, this brand new Travelodge hotel is designed to give you a rested night sleep with style and comfort in mind. With a grand total of 80 rooms, a bar and cafe on site – each room will be equipped with all the facilities you need for a comfortable stay.

Located close to *soon to be announced* restaurants and coffee shops, Hollywood Bowl and EMPIRE Cinemas, this Travelodge hotel makes the ideal base allowing you to eat, watch, play and of course stay.

Travelodge is the UK's largest independent hotel brand, with more than 570 hotels and 40,000 guest bedrooms, across the UK as well as in Ireland and Spain.



We're delighted to be opening our second Southend hotel at Seaway Leisure. The new leisure hub is the ideal location for our hotel as consumers want their leisure amenities close together so that they can maximise their free time. Southend-on-Sea is one of the UK's top holiday destinations and annually attracts 6 million visitors, and with more Britons holidaying at home now, our new hotel will be a magnet

to attract more visitors to the area which is great news for the local economy. As research shows our customers will spend on average double their room rate during their stay with local businesses which equates to an annual multi-million spend.

Tony O'Brien, UK Development Director

Appendix 5

Below is a schedule of comparable schemes across the UK, researched by CBRE, which are at varying stages. Typically, these have been enabled through the intervention of the public sector to enable them:

Scheme	Description	Public Intervention	PWLB / Lease Wrapper
The Glassworks, Barnsley	Cinema and Shopping Centre	✓	Annuity Lease
Queensgate Extension, Peterborough	Cinema and Shopping Centre Extension	X	Privately Funded
East Square, Basildon	Cinema, Retail, Public Realm	✓	PWLB
Riverside Square, Bedford	Cinema	✓	PWLB
Blackpool Central Entertainment Complex, Blackpool	Car Park, Entertainment complex and hotel	✓	PWLB
Northern Gateway, Colchester	Cinema, Retail and Hotel	✓	Annuity Lease
The Colonnades, Croydon	Cinema and Retail	✓	PWLB
Rochdale Riverside, Rochdale	Shopping and Cinema	✓	Annuity Lease
Barrons Quay, Northwich	Shopping Centre and Cinema	✓	PWLB
Northgate, Chester	Cinema, MSCP and Market	✓	PWLB
Times Square, Warrington	Cinema, Council Office and Market	✓	PWLB
The Redrock, Stockport	Cinema and MSCP	✓	PWLB
Market Walk, Chorley	Cinema and M&S Store	✓	PWLB

SECTION 2: SCHEME REVIEW

Leisure Parks: Public Sector Intervention

It is unsurprising that over the past 12 months very little by way of leisure development has been brought forward across the UK. However, several notable schemes have been recently completed or are under construction. Typically these have been brought forward where the public sector has intervened. The following case studies have had varying success and we have commented on the key takeaways from them on the following page.



The Glassworks, Barnsley

Uses / Occupiers	Creating a new town centre for Barnsley Cineworld cinema, Superbowl bowling, Lounges, Nandos, regional local independents with library, public square, markets, retail, MSCP
Location	Town centre location, adjacent to shopping centre, fronting onto the high street
Developer	Queensberry
Funder	Council wrap lease by Barnsley
Timing	Under construction, due to PC Q4 2021 / Q1 2022
Commentary	Pre-lets to a number of operators, confidence given to occupiers by Council's commitment to the scheme Further F&B units have not been let in the current market, but the agents remain positive that these will come forward closer to completion



Queensgate Extension, Peterborough

Uses / Occupiers	A town centre restaurant and leisure hub 77,000 sf, £60m extension to the existing centre 10 screen cinema pre-let to Empire on the roof
Location	Town centre location, forms part of the shopping centre
Developer	Invesco (owner) Lendlease (Manager) McLaren Construction (Contractor)
Funder	Invesco
Timing	Under construction, completion due in Q4 2021
Commentary	Has been challenging to secure pre-lets to restaurant units, even in an existing city-centre location with a John Lewis anchor



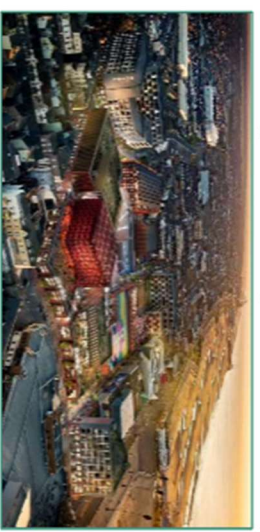


Riverside Square, Bedford

Uses / Occupiers	Town centre restaurant and leisure hub Vue cinema, Premier Inn, Anytime Fitness, Wagamamas, Zizzi's, Miller & Carter Steakhouse, Albero Lounge, Treat Street, Naughty Pizza Bridges Espresso, GBK & MexiCo units have closed.
Location	Town centre, riverside location, in close proximity to shopping centre
Developer	Bouygues Development and Coplan Estates
Funder	Bedford Council
Timing	Opened 2017, fully let by October 2020
Commentary	Scheme has not traded well since opening and demonstrates that where there is insufficient cinema demand and too many restaurants the whole scheme can become challenged. F&B lettings have been difficult, with numerous vacancies

SECTION 2: SCHEME REVIEW

Key Learnings from Case Studies

These case studies demonstrate two key messages: (1) public sector intervention can bring confidence to a scheme to attract occupiers and investment partners, and (2) however, the scheme still requires the property fundamentals of the right scheme in the right location with the right offer for occupiers and the target users. It is key for successful delivery of these schemes that this has been proven through pre-lets across a variety of units.

	<p>Blackpool Central Entertainment Complex, Blackpool</p>	<p>Uses / Occupiers</p> <p>Ambitious new leisure scheme Phase 1 offers a flying theatre, virtual reality centre, multimedia exhibition space, gaming park, diner, food hall, events square and 150-bedroom hotel MSCP, apartments, further F&B and 250 bed hotel planned for phase 2</p>		<p>Northern Gateway, Colchester</p>	<p>Uses / Occupiers</p> <p>10 acre site located on fringe of Colchester Cinema: 12 screen cinema (Empire) F&B: 7 restaurant units, 2 drive-thrus Hotel: 90-bed hotel Leisure: 2 indoor units, climbing wall Car park: 750 space car park</p>		<p>The Colonnades, Croydon</p>	<p>Uses / Occupiers</p> <p>Out of town leisure offer 9 retail / leisure units, with a further 3 constructed in 2019, including Crazy Golf, Kid's Adventure Playground, Nuffield Gym, Premier Inn, McDonalds, Nandos, Pizza Hut, KFC, Costa and on site car parking</p>
<p>Location</p> <p>Town centre and seafront location.</p>	<p>Location</p> <p>Out of town location towards the north of Colchester.</p>	<p>Location</p> <p>Out of town / suburban location towards south west of Croydon.</p>						
<p>Developer</p> <p>Nikal and Media Invest Entertainment</p>	<p>Developer</p> <p>Turnstone Estates Limited</p>	<p>Developer</p> <p>n/a</p>						
<p>Funder</p> <p>Likely to be underwritten by council in JV</p>	<p>Funder</p> <p>Likely to be funded by Council wrapper/lease</p>	<p>Funder</p> <p>Croydon Council</p>						
<p>Timing</p> <p>Seeking delivery for 2022 onwards, subject to funding</p>	<p>Timing</p> <p>Target construction start Q4 2021</p>	<p>Timing</p> <p>Acquired 2018, second phase completed in 2019</p>						
<p>Commentary</p> <p>The Council has intervened by disposing of 17 acres to the JV, including CPO action on 10 acres. Including creation of c.1,000 jobs and £75m of GVA.</p>	<p>Commentary</p> <p>A similar scheme to Seaways, with sufficient pre-lets to enable the Council to take a wrapper/lease over the whole. This is the only way a development such as this can be funded in current market conditions.</p>	<p>Commentary</p> <p>An example of Council intervention (albeit by way of acquisition rather than funding) where desired outcomes have not been met. The asset continues to trade poorly (with a lack of occupier demand) and the asset is worth significantly less than was paid.</p>						

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CABINET

Tuesday, 2nd November, 2021

COUNCIL PROCEDURE RULE 46

The following action taken in accordance with Council Procedure Rule 46 is reported. In consultation with the appropriate Cabinet Member(s):-

1. The Executive Director (Finance and Resources) authorised:

- 1.1 Offer to purchase the former Beecroft Gallery, Station Road, Westcliff
Approval not to exercise a right of first refusal for the Council to purchase the Beecroft Art Gallery building as it fails against the standard criteria assessment for commercial property acquisition where the Council will consider a range of factors including existing income and income projection, location, strategic value, regeneration opportunities, vacancy risks and costs, return on investment, building quality and environmental considerations, as further exemplified in the financial implications.

2. The Executive Director (Neighbourhoods and Environment) authorised:

- 2.1 Introduction of EV Charging Points Pilot
The commencement of the statutory consultation process to implement the electric vehicle parking only restrictions in both Warrior Square car park and Alexandra Street car park, subject to any objections received. Any unresolved objections will be dealt with by the service area and not referred back to the Traffic Regulations Working Party and Cabinet Committee

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

8

Date: Thursday, 28th October, 2021

Place: Council Chamber, Castle Point Borough Council, Kiln Road, Thundersley, Benfleet, SS7 1TF

Present: Councillor C Hossack (Chair) (Leader - Brentwood Borough Council) Councillors S Wootton (Vice-Chair) (Leader - Rochford District Council), A Baggott (Leader - Basildon Borough Council), G Butland (Cabinet Member - Essex County Council), M Coxshall (Cabinet Member - Thurrock Borough Council), I Gilbert (Leader - Southend-on-Sea Borough Council) and A Sheldon (Leader - Castle Point Borough Council)

In Attendance: P Glading (Chairman - Opportunity South Essex) (Co-Opted Member), L Carpenter (ASELA Lead Chief Executive - Thurrock Borough Council), A Horgan (Head of Governance - Castle Point Borough Council), A Hutchings (Strategic Director - Rochford District Council), A Lewis (Interim Chief Executive - Southend-on-Sea Borough Council), C Mills (ASELA Lead Chief Financial Officer - Castle Point Borough Council), S Logan (Chief Executive - Basildon Borough Council), S Summers (Chief Operating Officer - Brentwood Borough Council), S Tautz (ASELA Secretariat), A Wardle (ASELA Communications Lead) and M Whiteley (Programme Director)

Start/End Time: 10.00 am - 11.40 am

1 ELECTION OF CHAIR AND VICE-CHAIR

On the nomination of Councillor S Wootton, seconded by Councillor A Sheldon, and with the unanimous support of the Joint Committee:

Resolved:

- (1) That Councillor C Hossack be elected as Chair of the Joint Committee for the remainder of the municipal year.

On the nomination of Councillor A Sheldon, seconded by Councillor A Baggott, and with the unanimous support of the Joint Committee:

Resolved:

- (2) That Councillor S Wootton be elected as Vice-Chair of the Joint Committee for the remainder of the municipal year.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor K Bentley (Leader - Essex County Council) (Substitute: Councillor G Butland), A Grant (Interim Chief Executive – Castle Point Borough Council), G Jones (Chief Executive - Essex County Council) and J Stephenson (Joint Chief Executive - Brentwood Borough Council and Rochford District Council).

3 DECLARATIONS OF INTEREST

No declarations of interest were made at the meeting.

4 WELCOME AND INTRODUCTION FROM THE CHAIR

On behalf of the Committee, the Chair paid tribute to the valuable contribution made to the success of the work of the Association of South Essex Local Authorities (ASELA) by David Marchant, the former Chief Executive of Castle Point Borough Council who had sadly passed away earlier in the year.

The Chair welcomed Leaders, councillors and officers to the first public meeting of the Joint Committee, which was also being live streamed to the internet. The Chair outlined the purpose of ASELA as a partnership of local authorities that had first come together in 2016 to collaborate on the delivery of growth and prosperity in the South Essex region.

The Chair reported that the ASELA authorities had been working together across existing local government boundaries to help deliver improved infrastructure and economic growth, through arrangements agreed as part of a Memorandum of Understanding in 2018 that had culminated in the submission of a Growth and Recovery Prospectus to the Government in July 2020, that set out a vision and proposition for South Essex. The Chair indicated that as the activities of ASELA had matured and moved forward, it had been necessary to establish the Joint Committee as a formal, accountable, and transparent governance arrangement for the delivery of relevant priorities.

The Chair emphasised that as part of the ASELA governance arrangements, there would be no transfer of powers currently held by any constituent local authority to the Joint Committee, in order to maintain the sovereignty of partners. Members were reminded that no decision could be taken by the Joint Committee which related to any matter in the preserve of a specific constituent authority unless that authority indicated its agreement to the proposal.

5 ASSOCIATION OF SOUTH ESSEX LOCAL AUTHORITIES (ASELA) - PRIORITIES & PROGRAMMES

The Joint Committee considered a report and received a presentation from the lead Chief Executive for ASELA, with regard to the current interrelated key 'anchor' programmes that had arisen from the development of the Growth and Recovery Prospectus for South Essex in July 2020, the delivery of each of which were intended to have a positive impact for residents and business.

The Committee received an overview of the progress that had so far been achieved against each key programme and it was reported that a fuller update on current progress against each of the programmes would be made later in the meeting.

The Joint Committee was advised that South Essex was one of only two areas in the country where partnership arrangements with Homes England had been agreed to facilitate the 'unlocking' of stalled housing developments and that a report would be made to the next meeting with regard to the agreement of a Memorandum of Understanding with Homes England. The lead Chief Executive emphasised that, notwithstanding the partnership with Homes England, the planning process remained a sovereign issue for each local authority through the existing local plan processes, but that the partnership arrangement would generate resources to progress schemes where planning permission had already been agreed, but where significant infrastructure requirements had been identified.

It was reported that, alongside the key programmes, the development of interconnected strategies and delivery proposals for other aspects of the Growth and Recovery Prospectus would be considered by the Committee going forward, including future transport and mobility requirements, a joined-up active travel network and sustainable energy systems, all of which would underpin the achievement of the key programmes whilst also complementing similar work undertaken across Essex. The Committee was also advised that a Joint Strategic Plan was also to be developed to give oversight of the delivery of the ASELA key programmes.

Resolved:

- (1) That the report and presentation be noted.
- (2) That the appreciation of the Joint Committee for the work of Thurrock Borough Council on the delivery of the Thames Freeport Programme so far, be noted.

6 ASSOCIATION OF SOUTH ESSEX LOCAL AUTHORITIES (ASELA) - JOINT COMMITTEE GOVERNANCE ARRANGEMENTS

The Joint Committee considered a report of the lead Monitoring Officer for ASELA, with regard to matters set out within the governing documents for the Committee. Members noted that the governing documents provided for them to be reviewed on an annual basis to ensure that the governance arrangements remained fit to support the ambitions of ASELA, and that the first review would be undertaken in February/March 2022.

It was reported that confirmation had been received from Essex County Council of its membership of the Joint Committee going forward.

Following the appointment of Opportunity South Essex as a non-voting co-opted member of the Joint Committee, the Chair formally welcomed the Chairman of Opportunity South Essex to the meeting.

Resolved:

- (1) That the arrangements contained in the Governing Documents for the Joint Committee as set out in Appendix 1 to the report, be noted.

- (2) That Southend-on-Sea Borough Council provide secretariat to the Joint Committee until further notice.
- (3) That Castle Point Borough Council act as the Accountable Body in relation to the functions and resources of ASELA until further notice.
- (4) That Opportunity South Essex be appointed to the Joint Committee as a co-opted Member (without voting rights).
- (5) That the Joint Committee consider the possible co-option of additional member(s) (without voting rights) to membership of the Committee, to bring appropriate expertise around the Climate Change/Carbon Zero agenda.

7 ASSOCIATION OF SOUTH ESSEX LOCAL AUTHORITIES - FINANCE REPORT (OCTOBER 2021)

The lead Chief Financial Officer for ASELA presented the Finance Report for October 2021, which set out the current financial position for ASELA and the key work programmes, including the budgeted income and expenditure, and provided assurance in relation to the arrangements for financial management and reporting in respect of the budget.

Members were advised that the Finance Report would be presented to each meeting of the Joint Committee, and, at the present time, there were no financial issues or concerns to be brought to the attention of the Committee.

It was reported that a reserve was maintained to manage fluctuations in spending plans between years and that, at the end of the current financial year, the balance on the reserve was forecast to be a surplus of £202,000.

The Joint Committee was advised that the current financial position of ASELA did not yet reflect its ambition that going forward, work programmes would become fully self-funded, although it was noted that programme and finance leads would seek to identify and pursue appropriate opportunities to achieve this.

Resolved:

- (1) That the report be noted.
- (2) That further information be circulated to the Joint Committee to provide detail of the additional funding provided by the ASELA authorities and the income received from other partners in 2021/22, as set out within the Income and Expenditure Summary of the Finance Report.
- (3) That a report be made to the next meeting of the Joint Committee with regard to the current level of impact arising from the 'South Essex No Use Empty Scheme.'

8 THAMES FREEPORT PROGRAMME HIGHLIGHT REPORT

The Joint Committee received a report setting out the progress of the Thames Freeport programme.

It was reported that, as part of the budget announcement on 27 October 2021, the Chancellor of the Exchequer had confirmed that the Thames Freeport, with tax sites at London Gateway, the Port of Tilbury and Ford in Dagenham, would be amongst the first designated freeport areas in the country, alongside Humber and Teesside, and would be able to commence initial operations from 19 November 2021.

The Joint Committee was advised that it was anticipated that an appointment as chair of the private sector board for Thames Freeport would be announced on 1 November 2021. It was also reported that the final Business Case for Thames Freeport was required to be submitted to the Government by 3 February 2022 and that it was anticipated that the completion of the business case within this timescale would be achievable with the support and resources currently provided by ASELA.

It was requested that an update on the current status of the proposed Freeport East, covering Harwich and Felixstowe, be provided to all members of the Joint Committee.

Resolved:

- (1) That the Thames Freeport programme highlight report be noted.
- (2) That the appreciation of the Joint Committee for the work of the private sector partners leading the delivery of the Thames Freeport programme, and Thurrock Borough Council (as the lead Accountable Authority), the London Borough of Barking and Dagenham and the London Borough of Havering, be noted.

9 INFRASTRUCTURE & HOUSING PROGRAMME HIGHLIGHT REPORT

With the agreement of the Joint Committee, consideration of this report was deferred until the meeting to be held in February 2022, to enable full consideration to be given to the implications of relevant announcements made by the Chancellor of the Exchequer as part of the budget presentation for 2022/23 and the opportunities that these presented.

10 SOUTH ESSEX ESTUARY PARK PROGRAMME HIGHLIGHT REPORT

The Joint Committee received a report setting out the progress of the South Essex Estuary Park (SEE Park) programme.

It was reported that work was progressing well on Phase 1 of the programme around the delivery of the Central Thames Marshland path in view of its relationship to the proposed Thames Freeport, which would be part of the focus of the formal launch of the SEE Park in March 2022.

The Joint Committee was advised that all partners were working collaboratively to deliver the ambitions for the SEE Park and that specific local government and private sector expertise would be called upon by the Project Team when considered necessary to support and challenge the delivery of the programme. It was reported that the SEE Park programme also had regard to the priorities of the Climate Commission to tackle the climate challenge across Essex and the 'Green

Bonds' initiative to raise funding for projects that would deliver environmental benefits.

Members were advised that branding and marketing opportunities for the SEE Park were being developed alongside a communications plan, which would be brought to the Joint Committee for consideration and requested that details of relevant actions to progress the delivery of elements of the SEE Park be reported to the next meeting.

Resolved:

That the SEE Park programme highlight report be noted.

11 FULL FIBRE DIGITAL PROGRAMME HIGHLIGHT REPORT

The Joint Committee received a report setting out the progress of the Full Fibre Digital programme.

It was reported that the rollout of a local full fibre network to public service premises (including GP Surgeries and fire stations) using Government grant funding was nearing completion and would be delivered on-time and within budget. The Joint Committee was advised that the rollout of full fibre to village halls and community centres had also commenced and was anticipated to be completed by the end of 2021/22

The Joint Committee was informed that significant investment interest had been expressed in the programme by private sector fibre operators/carriers and infrastructure providers, as a result of the success of the rollout of the local full fibre network. Members were advised that work was also being undertaken to identify coverage "Not Spots" across the South Essex region and to identify sources of funding to ensure that services could be delivered from the new fibre infrastructure.

It was requested that information around some of the local impacts arising from the delivery of the Full Fibre Digital programme, be provided to all members of the Joint Committee to demonstrate the success of the programme so far.

Resolved:

That the Full Fibre Digital programme highlight report be noted.

12 SOUTH ESSEX TECHNICAL UNIVERSITY PROGRAMME HIGHLIGHT REPORT

The Joint Committee received a report setting out the progress of the South Essex Technical University programme.

It was reported that the Technical University was intended to go-live on a virtual basis for the first cohort of students from September 2023, although the development of a relevant curriculum was likely to present a challenge in the meantime, given that the programme was business lead, and that degree opportunities and apprenticeships would need to meet the business requirements

of the key private sector partners that were leading the programme and local employers, whilst also providing a future pipeline of relevant skills.

The Joint Committee was advised that the financial business case and procurement arrangements for the University were being developed by the Partnership Board for consideration at the next meeting. It was reported that challenges had also been identified around ensuring that schools and education providers in the most deprived wards in South Essex and the wider area, both supported and were fully engaged with the development of the Technical University and the opportunities that it presented for apprenticeship programmes for local young people and the future skills pipeline for local businesses.

Resolved:

That the South Essex Technical University programme highlight report be noted.

13 LOWER THAMES CROSSING

With the agreement of the Committee, the Chair requested that a presentation be made to a future meeting with regard to the current proposals for the Lower Thames Crossing, to ensure that this was complemented by the work of ASELA and could help to support its key programmes, particularly around the Thames Freeport.

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