



08 February 2022

Dear Councillor

ASSOCIATION OF SOUTH ESSEX LOCAL AUTHORITIES (ASELA) - JOINT COMMITTEE - THURSDAY, 10TH FEBRUARY, 2022

Please find enclosed, for consideration at the next meeting of the Association of South Essex Local Authorities (ASELA) - Joint Committee taking place on Thursday, 10th February, 2022, the following report(s) that were unavailable when the agenda was circulated.

Agenda No Item

5. **Association of South Essex Local Authorities - Finance Report (Pages 1 - 4)**

7. **Infrastructure & Housing Programme - Highlight Report (Pages 5 - 8)**

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Joint Committee – 10th February 2022	Agenda Item 5	
ASELA Financial Report	Contact Officer Lance Wosko lwosko@castlepoint.gov.uk 01268 882223	

Introduction

This report is intended to:

- Present the current financial position and the 2022/23 for ASELA to the Joint Committee for information.

Report

1. Background

- 1.1 The budget for ASELA is set at the start of the financial year based on fully funded expenditure plans. Provisional budgets for future years are also compiled to aid longer term financial planning.
- 1.2 Castle Point Borough Council maintain a separate accounting structure for ASELA and produce monthly financial monitoring reports which are shared with Programme Implementation Directors, ASELA Chief Executives and Finance leads.
- 1.3 Financial and operational monitoring is enabled through the routine highlight reporting mechanism undertaken by each Programme Implementation Director, supported by a Finance lead, and which are also reported on this agenda.
- 1.4 Financial implications detailed in highlight reports are monitored against the budget set at the start of the financial year. Changes to a programme budget may occur when additional external funding is confirmed which enables increased programme spend.

2. Investment projects enabled by ASELA

- 2.1 The table on the following page provides a breakdown of the **£10.8m** of external investment / funding which has been enabled by ASELA since July 2017.

Investment Projects Enabled by ASELA	£000's
Income	
Local Full Fibre Network - Phase 1	(4,492)
Local Full Fibre Network - Phase 2	(2,500)
South Essex No Use Empty Scheme	(1,200)
Planning Delivery Fund	(871)
Highways England - SEE Park	(815)
Homes England Accelerated Housing Delivery	(520)
Homes England New Settlements	(250)
Technical University Public and Private Sector Investment	(110)
East of England Local Government Association Investment	(50)
Total Income	(10,808)

3. 2021/22 Current Financial Position and 2022/23 Budget

3.1 The 2021/22 forecast and 2022/23 budgeted income and expenditure for ASELA, as well as an early indication of 2023/24, is summarised in the table below:

Income and Expenditure Summary	2021/22 £000's	2022/23 £000's	2023/24 £000's
Income			
Partnership Investment	(420)	(420)	(420)
Other partners			
Homes England	(340)	0	0
Highways England	(65)	(750)	0
SE Tech Uni – private sector investment	(30)	0	0
Additional funding ASELA authorities			
SEE Park – Thurrock	(200)	0	0
SE Tech Uni – Essex CC	(60)	0	0
Cost Reimbursement (Thurrock/Freeport)	(30)	0	0
Total Income	(1,145)	(1,170)	(420)
Programme Expenditure			
SEE Park	416	870	25
South Essex Technical University	184	0	0
Full Fibre Digital	50	220	25
Thames Freeport	60	0	0
Infrastructure and Housing	375	0	0
Operating and Other Costs	126	55	55
Total Expenditure	1,211	1,145	105
In year (surplus) / deficit	66	(25)	(315)
ASELA Reserve			
Balance brought forward	(77)	(11)	(36)
In year (surplus) / deficit	66	(25)	(315)
Balance carried forward	(11)	(36)	(351)

- 3.2 A reserve is maintained to manage fluctuations in expenditure plans between years. At the end of the current financial year the balance on the reserve is forecast to be **£11k** surplus.
- 3.3 The statement does not yet reflect the ambition of ASELA that going forward work programmes become fully self-funded.
- 3.4 For 2022/23, the programmes are being progressed but there remains some imprecision on the certainty and/or timing of the various income streams. As the programmes progress, business cases are approved and clarity is gained, the budgets will be adjusted with the income and associated expenditure being reflected appropriately.

4. Recommendations:

That the Joint Committee note the content of the report.

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Report Date:	January 2022
Programme Name:	ACCELERATED HOUSING DELIVERY FOR SOUTH ESSEX
ASELA Chief SRO:	Jonathan Stephenson
Programme Implementation Director:	TBC
Lead Officer/Programme Manager:	Ian Butt / Chris Twigg

Decision:	<ol style="list-style-type: none"> 1 To note the Memorandum of Understanding signed between ASELA and Homes England 2 To approve further work to unlock housing sites that already approved by constituent Councils 3. To note further planned action to support market stimulation. This includes work with Housing Associations, Small Medium Sized Enterprises and guidelines for new settlements and urban extensions
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Programme Summary

Overall Programme Summary and focus:

- Unlocking already planned housing sites to accelerate delivery and meet set targets through a series of interventions
- Ensuring schemes are Infrastructure led and deliver affordable housing
- Sites identified by councils
- Staged and segmented approach through a series of tranches of sites
- Establishing and capitalising on a Placed Based Partnership with Homes England and MHCLG (MOU)
- Market stimulation – Housing Associations, SME House builders and developers
- Guidelines for good place making for new settlements and urban extensions
- Preparation of a South Essex Joint Strategic Framework

The current phase of works (January to March 2022) is focused on:

- Strategic Place Based Partnership with Homes England
 - This is a trailblazing partnership that unites Homes England, DLUHC and ASELA to support delivery of planned housing in South Essex, including increased affordable homes, without compromising quality. It is one of two in the UK.



- The principles of the Partnership is set in an Memorandum of Understanding (MOU) and Business Plan. The MOU was signed by the Chair of the Joint Committee and the Chair of Homes England on 17 January 2022
- The MOU creates the framework for the partnership and outlines the scope of the governance arrangements
- The Business Case sets out the scope of the project, funding ask and resource requirements. The Business Case remains in preparation.

- Sites pipeline
 - Priority work is on identifying out of the 29 first tranche sites identified in South Essex can and will be delivered between 2022 and 2025) and update on the sttaus of the long list of 130 sites for the second tranche (2025 to 2030)
 - Through the spending review we seek commitment to the first tranche funding on sites which guarantee delivery in that time period
 - The Spending Review and Budget in November committed greater resources for Housing (c£4 billion) further informationon how it will be allocated is expected in the Spring
 - These sites will be segmented to target a range of government funds, including social impact funds
 - Applications for funding will be coordinated through ASELA
 - Further work on other interventions is ongoing

- Market stimulation
 - First stage of work completed – funded by LGA Housing Advisors fund
 - Brought together four major Housing Associations to create the broad framework for a partnership between ASELA and the housing associations.
 - Housing Associations are a key driver and deliverer of regeneration and support affordable housing delivery for private developers
 - Further work is planned strengthening the links between the Housing Associations, SME housebuilders and ASELA
 - Engagement with the SMEs to establish similar partnership, best understand barriers and blockages; and how to increase SME market share

- New settlements and urban extensions
 - Homes England sponsored project that is looking at effective engagement to vision and plan new settlements; embedding a new model for stewardship during construction and post completion; and creation of a digital twin for engagement and stewardship
 - Outputs will includes principles of good place making for large scale developments; how a ‘day in the life’ will be managed; principles and strategy for effective engagement with local residents; guidelines for assessing the cumulative impacts of major development on strategic infrastructure; how the collection, sharing and use of data can facilitate better place making and stewardship.
 - Work to be completed by March 2022
 - Engagement with Leaders will be essential – should this be Leaders or Leaders and relevant portfolio holder and a facilitated discussion.
 - There will be a separate workshop for other stakeholders

- South Essex Joint Strategic Framework
 - As local plans are in preparation, a non-statutory joint strategic framework will complement local plans
 - It will provide a set of principles to achieve:
 - i. Good place making
 - ii. Infrastructure investment
 - iii. Tackling climate change
 - iv. Managing growth
 - Captures and provides a commentary for the coordination of the ASELA programmes as set out in the Prospectus
 - It does not allocate sites or establish development targets – i.e.e housing targets for each borough (that will be left for local plans)
 - Report to the Joint Committee in June
 - Engagement with Leaders in February 2022 on first draft

Unplanned Requests/Activities

- Work continues on resources for this project
- Resources for 2022 onwards to be agreed

Project Status (What is going well/not going well):	Description of RAG Status and Key Project Decisions/Direction/Action:	
<p><i>Strategic Place Partnership with Homes England</i> MOU signed Resource requirements in progress and there is a need to agree requirements for 2022/23 onwards On going discussions with CEOs and Homes England in respect of leadership and resources</p> <p><i>Sites Pipeline</i> It is not clear what the final settlement for grant or loan funding from the Spending Review will be Range of existing funding sources being explored further</p>	Scope	GREEN
	Risk	AMBER
	Issue	GREEN
	Cost	GREEN
	Time	GREEN

Project Status (What is going well/not going well):	Description of RAG Status and Key Project Decisions/Direction/Action:	
<p><i>Market stimulation</i> Work has been progressing well, working in collaborations with Housing Associations and SME's and creating a specification for a new project to develop the strategy for new settlements where planned.</p> <p><i>New settlements and urban extensions</i> Work underway</p> <p><i>South Essex Joint Strategic Framework</i> Early composite draft nearing completion</p>		