

CABINET

27 January 2016

Present: - Councillor Smith (Chairman)
Councillors Bourne, Cory, Feltham, Frame, Graham, B. Oxford and T. Young

Also in attendance: - Councillors Davies, Knight, Laws, Lissimore, Willetts

54. Minutes

RESOLVED that the minutes of the meeting held on 25 November 2015 be approved as a correct record.

55. Have Your Say!

Nick Chilvers addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to request that the Portfolio Holder for Customers be involved in the development of the waste options consultation. In particular he stressed the need for it to be easy for those who were not online or did not have access to technology to give their views. This was particularly important for older residents, many of whom had strong views and would want to submit their views. He suggested that Age UK or a similar organisation be asked to look at the consultation in advance of its publication. All party leaders should ensure the consultation was promoted in their leaflets.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, stressed the importance of getting responses from residents, whether or not they had access to technology. Councillor B. Oxford, Portfolio Holder for Customers, stressed that she would ensure that she was fully involved and would ensure that all residents had an opportunity to give their views.

Councillor Dennis Willetts addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). Following the Planning Committee meeting on 17 December 2015 a website over which he had indirect control had published an allegation that Councillor Frame had asked the Chairman of the Planning Committee to resign. Councillor Frame maintained that there was no foundation to the allegation and Councillor Willetts offered an unreserved apology to Councillor Frame.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, and Councillors Frame, Portfolio Holder for Economic Growth and Planning, thanked Councillor Willetts for

his apology.

56. 2016/17 General Fund Revenue Budget, Council Tax and Medium Term Financial Forecast

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member together with minutes 45 and 46 of the Scrutiny Panel meeting of 26 January 2016.

Councillor Laws attended and with the consent of the Chairman addressed the Cabinet and stressed that he was pleased to see the resources devoted to town centre heritage in the budget, such as the Roman Gate Interpretation. However, he queried the allocation of £30,000 for the development of two websites and was concerned that no funding had been allocated to repair the broken light fixtures on Trinity Church. He also suggested that All Saints Church should be illuminated.

Councillor Cory, Portfolio Holder for Resources, stressed the importance of the online records projects. The illumination of Trinity and All Saints Churches would be considered further in due course.

Councillor Cory introduced the report and explained that the Council had been able to reduce the impact of the cuts in funding by operating in a more commercial way and generating income. This had enabled the Council to bring in an additional £464,000 of income above that forecast. The New Homes Bonus was now used to support one off items, such as the improvements in waste and recycling services, locality budgets and Colchester's Big Choice. Council Tax was frozen for the sixth year in a row whilst investment in services continued. The Medium Term Financial Forecast position was difficult, as revenue grant would continue to decline and the proposals in the consultation on New Homes Bonus indicated that was likely to reduce in future. The Government proposed that these reductions in funding be offset by increasing Council Tax. He thanked officers for their help in bring forward the budget proposals.

Members of the Cabinet highlighted the growth items and investments in services contained in the proposed budget including:-

- Investment in waste services, including an additional route and an extra waste vehicle and crew;
- Phase 2 of the Fixing the Link project;
- SOS Bus grant;
- Improved street cleaning service;
- Additional funding for tourism and for the Mercury Theatre;
- Support for community enabling services;
- £1.4 million further investment in Leisure World;
- Welfare Rights service;
- Garden Settlements Project;
- Creative Business Centre;
- Housing and Health Programme.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, stressed that this was a very impressive budget which supported front line services whilst freezing Council Tax and maintaining reserves at a prudent level, despite cuts in central government funding. It also provided the basis for future growth, with investments that would deliver in future years.

RESOLVED that:-

(a) It be noted that the outturn for the current financial year is forecast to be within budget.

(b) The provisional Finance Settlement figures set out in Section 4 of the Assistant Chief Executive's report be noted including the required return of estimated business rates income as set out at paragraph 4.7.

(c) The summary of the consultation paper on the New Homes Bonus set out at Appendix C of the Assistant Chief Executive's report be noted and a response be made by the relevant Portfolio Holder and reported to the next Cabinet meeting.

(d) The cost pressures, growth items, proposed use of New Homes Bonus (including the allocation in 2017/18), savings and increased income options identified during the budget forecast process as set out at Appendices D, E, F and H of the Assistant Chief Executive's report be agreed.

(e) The use of New Homes Bonus allocated for Strategic Plan priorities as set out at Appendix G of the Assistant Chief Executive's report be agreed.

(f) The 2016/17 Revenue Budget requirement of £23,909k (see paragraph 5.13 of the Assistant Chief Executive's report) and the underlying detailed budgets set out in summary at Appendix I and Background Papers of the Assistant Chief Executive's report be agreed and *RECOMMENDED TO COUNCIL* subject to the final proposal to be made in respect of Council Tax.

(g) *RECOMMENDED TO COUNCIL* Colchester's element of the Council Tax for 2016/17 at £175.23 per Band D property, which represents no change from the current rate noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any changes arising from the formal Finance Settlement announcement and final completion of the business rates NNDR 1. This will be prepared in consultation with the Leader of the Council.

(h) The Revenue Balances for the financial year 2016/17 as set out at Appendix M of the Assistant Chief Executive's report be agreed and it also be agreed that the:-

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- the minimum level be set at a minimum of £1,900k
- £838k of balances, including sums carried forward from 2015/16, be applied to finance items in the 2016/17 revenue budget

(i) The updated position on earmarked reserves set out in section 8 of the Assistant Chief Executive's report and the release of £20k from the S106 monitoring reserve and

£1,537k from the NNDR reserve be agreed.

(j) It be agreed and *RECOMMENDED TO COUNCIL* that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 9.3 of the Assistant Chief Executive's report.

(k) The Medium Term Financial Forecast for the financial years 2016/17 to 2019/20 set out in section 11 of the Assistant Chief Executive's report be noted

(l) The position on the Capital Programme shown at section 12 of the Assistant Chief Executive's report be noted and the inclusion of the following items in the Capital Programme be agreed and *RECOMMENDED TO COUNCIL*:-

- £1.31m for the ICT strategy.
- £190k for the Local Authority Carbon Management Plan

(m) The comments made on the robustness of budget estimates at section 13 of the Assistant's Chief Executive report be noted.

(n) The 2016/17 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the background paper at Appendix S of the Assistant Chief Executive's report be agreed and *RECOMMENDED TO COUNCIL*.

REASONS

The reasons for the decisions were set out in detail in the Assistant Chief Executive's report.

ALTERNATIVE OPTIONS

Various options were investigated at every stage of the budget setting process.

57. 2016/17 Housing Revenue Account Estimates

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member together with minute 45 of the Scrutiny Panel meeting of 26 January 2016.

Councillor Bourne, Portfolio Holder for Housing and Public Protection, highlighted the serious impact of the changes announced in the summer budget and the Housing and Planning Bill on the Housing Revenue Account. The proposed decrease in social housing rents would have a minimal impact on rent levels but would severely impact on the HRA Business Plan. It would lead to a significant drop in income and as a consequence funding for new build and investment in the housing stock had been put on hold.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, and Councillor Feltham, Portfolio Holder for Communities and Leisure Services, also expressed their disappointment about the impact of the changes announced by the government, which had been announced without consultation. This undermined the trust that would be placed

on agreements with central government in future.

RESOLVED that:-

- (a) The 2016/17 HRA revenue estimates as set out in Appendix A of the Head of Commercial Services report be approved.
- (b) Dwelling rents as calculated in accordance with central Government's rent policy be approved (as set out in paragraph 4.7 of the Head of Commercial Services report).
- (c) The HRA revenue funded element of £6,508,200 included within the total management fee for Colchester Borough Homes (CBH) be approved (as set out in paragraph 4.13 of the Head of Commercial Services report).
- (d) The revenue contribution of £3,902,000 to the Housing Investment Programme included in the budget be noted (paragraph 4.27 of the Head of Commercial Services report).
- (e) The HRA balances position in Appendix B of the Head of Commercial Services report be noted.
- (f) The Medium Term Financial Forecast (MTFF) set out at Appendix C of the Head of Commercial Services report and the 30 Year HRA financial position set out at Appendix E of the Head of Commercial Services report be noted.

REASONS

Financial Procedures require the Head of Commercial Services to prepare detailed HRA estimates for approval by the Cabinet, setting the new rent levels for the new financial year.

ALTERNATIVE OPTIONS

No alternative options were set out but it was open to Cabinet to approve different proposals to those outlined in the Head of Commercial Services report.

58. Housing Investment Programme 2016/17

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member together with minute 45 of the Scrutiny Panel meeting of 26 January 2016.

Councillor Bourne, Portfolio Holder for Housing and Public Protection, explained that Housing Investment Programme would ensure that the housing stock was maintained in a safe condition and would remain fit for purpose. However in view of the position on the Housing Revenue Account some elements of the planned maintenance programme would need to be cancelled.

The continued investment in Sheltered Accommodation Improvements was highlighted. This would enable the improvements to Enoch House to be completed and work to

commence on two more schemes.

RESOLVED that:-

- (a) The Housing Investment Programme for 2016/17 be approved.
- (b) The Capital Medium Term Financial Forecast (CMTFF) set out at Appendix A of the Commercial Services report be noted.

REASONS

Each year as part of the process to agree the Council's revenue and capital estimates the Cabinet is required to agree the allocations to the Housing Stock Investment Programme. These allow for work to be undertaken to maintain, improve, and refurbish the housing stock and its environment.

Following the Cabinet meeting on the 30 November 2011 it was agreed in principle to accept a proposed 5 year Housing Investment Programme (HIP) as the framework for procuring housing related planned works, improvements, responsive and void works and cyclical maintenance, subject to overall budget decisions in January 2012 and annually thereafter.

It was also agreed that the proposed 5 year investment programme would be linked to the Asset Management Strategy (AMS) and reviewed annually in the light of available resources and for each annual allocation to continue to be brought to Cabinet for approval as part of the overall HIP report.

The Colchester Borough Homes (CBH) Board has been apprised of the content of the Cabinet report submitted on the 30 November 2011 and is now seeking approval for the 2016/17 Capital programme being the fifth year of the (HIP).

The Head of Commercial Services report seeks the release of funds under grouped headings as described in the AMS and supported by the Management Agreement dated 9th August 2013, which governs the contractual relationship between Colchester Borough Council (CBC) and CBH.

ALTERNATIVE OPTIONS

No alternative options were set out but it was open to Cabinet to approve different proposals to those outlined in the Head of Commercial Services report.

59. Review of Gateway to Homechoice Allocations Policy

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member.

RESOLVED that the revised Allocations Policy be approved.

REASONS

To ensure that the Allocations Policy complies with current legislative requirements and changes to regulations.

To ensure that the policy remains up-to-date, relevant and contributes to the Council's ambitions for affordable housing and tackling homelessness.

ALTERNATIVE OPTIONS

The current Allocations Policy could be kept unchanged. However, this could leave Colchester Borough Council and the other council's open to legal challenge from applicants as the policy would not comply with new regulations that were introduced by the Government in April 2015.

60. North Essex Garden Settlements – Project Governance Arrangements

The Monitoring Officer submitted a report a copy of which had been circulated to each Member.

Councillor Frame, Portfolio Holder for Economic Growth and Planning, explained that the Council was working with Braintree District Council, Tendring District Council, Essex County Council and the Department of Communities and Local Government to look into the potential of the garden settlements as a way of delivering new self-contained settlements. The principles underpinning the Garden Cities concept were set out in the report and particular attention was drawn to the commitment to mixed tenure homes and types that were affordable for ordinary people and to the provision of a surrounding belt of countryside which would ensure that any such developments would not be additions to existing settlements. The proposals in the report were concerned with the governance arrangements for the project.

RESOLVED that:-

- (a) That the Leader of the Council, the Portfolio Holder for Economic Growth and Planning and the Chief Executive (or their nominated representative) be authorised to represent and to make executive decisions on behalf of the Council, in accordance with the Council's Constitution, on the Joint Shadow Delivery Board in accordance with the Governance Structure, set out in Appendix A to the Monitoring Officer's report.
- (b) Authority be delegated to those Officers appointed by the Chief Executive to represent the Council on the Joint Steering Group and relevant delivery/project teams to make decisions in accordance with the relevant terms of reference, as set out in Appendix A of the Monitoring Officer's report.
- (c) The outcome of the recent bid for grant funding from the Department of Communities and Local Government (DCLG) to progress the Garden Settlements concept and provides on-going support and partnership working together with Braintree District Council, Essex County Council and Tendring District Council to deliver the project, be noted.
- (d) That the Council hold the DCLG grant funding on behalf of the North Essex Garden Settlements Project and that authority to approve expenditure of the grant funding be

delegated to the Joint Steering Group in accordance with the project.

(e) The desire of the Joint Shadow Delivery Board to deliver the development through a special purpose vehicle be noted and advice be commissioned.

(f) The Leader of the Council be authorised to make a decision to establish a special purpose delivery vehicle following receipt of a detailed report and dependent on no concerns being raised by either the Council's Section 151 or Monitoring Officers. Should any material changes or substantial financial investment by the Council be required, a further report be presented to Cabinet for further decisions.

REASONS

To seek Cabinet's on-going support, working together with Braintree District Council, Essex County Council and Tendring District Council, to progress the concept of 'garden settlements' using the funding recently awarded by the DCLG and to approve governance arrangements for the project.

ALTERNATIVE OPTIONS

No alternative options were proposed.

61. Waste Vision

The Head of Operational Services submitted a report a copy of which had been circulated to each Member together with minute 38 of the Scrutiny Panel meeting of 8 December 2015.

Councillor Lissimore attended and with the consent of the Chairman, addressed the Cabinet. She did not consider that the Vision for Waste Management could be considered as a strategy for waste management and if left uncertainty as to how waste recycling and waste would be managed. There was no reason why the survey on waste should be delayed further and it should be issued shortly in an accessible format.

Councillor Davies, Chairman of the Scrutiny Panel, attended and with the consent of the Chairman addressed the Cabinet, to express her disappointment about the lack of detail or meaningful content provided in the Vision. The Scrutiny Panel had been promised that it receive a draft Strategy to scrutinise.

Councillor Graham, Portfolio Holder for Street and Waste Services, explained that since 2008 the amount of waste sent to landfill had significantly reduced and recycling rates had increased from 33% to 43%. Colchester was the best performing Council with weekly collections in Essex. He thanked the Task and Finish Group for the significant contribution it had made. The survey would be issued in March, once the Vision had been adopted by Full Council. It would be undertaken by a professional market research company, and he urged Councillors to encourage residents to engage and respond.

The Vision set out the aspirations of the Council and would provide a basis on which future decisions on waste management would be taken. It emphasised the Council's priorities, such as a commitment to producing high quality materials from recycling and the need to

consider the environmental impact of the whole system of waste management.

Councillor Cory, Portfolio Holder for Resources, explained that as a past member of the Waste and Recycling Options Task and Finish Group, he felt it had done good cross party work. The Vision provided an opportunity to refocus the Council's approach to waste management

RECOMMENDED TO COUNCIL that the Council adopt the Vision for Waste Management as part of the Council's Policy Framework.

RESOLVED that:-

- (a) The timeframe set out in section 7 of the Head of Operational Services report for carrying out a public consultation on waste collection methods be agreed.
- (b) Cabinet's thanks to the Waste Prevention and Recycling Options Appraisal Task and Finish Group for its work to date be recorded. The terms of reference of the group now being fulfilled, the Task and Finish Group will hereby come to an end.

REASONS

Cabinet received a report updating it on the work of the Waste Prevention and Recycling Options Appraisal Task and Finish Group at its meeting on 14 October 2015. Cabinet identified that the Council needed to identify its desired outcomes for the management of waste and recycling going forward and the work of the group was paused, while the Vision for how waste should be managed was prepared.

As the Waste Vision forms part of the Council's policy framework, it will require adoption by Full Council.

The existing Terms of Reference for the Task and Finish Group has been met and there are no further items of business that the group could currently contribute to.

ALTERNATIVE OPTIONS

The Council last reviewed its waste strategy in 2008 and as such it requires updating to reflect the Council's current vision for the management of waste. The alternative to this is to not review the Council's objectives for the management of waste and recycling, which is not a desirable position in which to consider future options for the management of waste and recycling.

The Cabinet could consider retaining a Waste Task and Finish Group, but it would need to develop and agree new tasks for it to work on.

62. ICT Strategy – Technology 2018

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member together with minute 47 of the Scrutiny Panel meeting of 26 January 2016.

Councilor Davies, Chairman of the Scrutiny Panel, attended and addressed the Cabinet to

endorse the minute of the Scrutiny Panel's discussions on the ICT Strategy. She drew Cabinet's attention to a conversation she had had with a member of staff that indicated that there may be some issues with transferring calls with the new telephone system.

Councillor Cory, Portfolio Holder for Resources, introduced the report and highlighted that it was proposed to invest an additional £560,000 over and above the cost of "standing still" in new technology. This would enable officers to support residents, help residents help themselves and help Councillors receive and share information. Investment would be in new and cloud base technologies with the aim of improving both the reliability and resilience of the Council's systems. He would take part in the pilot study and ensure that members' views were represented, particularly around single access points and passwords. The need to ensure residents without access to technology were not left behind was appreciated. More efficient use of technology could free up resources for a better service for those without access to technology.

Councillor B. Oxford, Portfolio Holder for Customers, supported the proposals in the report and stressed the importance of ensuring residents were able to contact the Council in the way they wanted to.

RESOLVED that the Council's ICT Strategy and associated investment plan be approved.

REASONS

To enable the implementation of the ICT Strategy, which will

- enable existing systems to continue to function where appropriate
- ensure that our ICT matches our aspirations and operational service delivery
- build resilience and business continuity, reducing our reliance on complex, 'legacy' networks and systems, with clearer financial unit costs.

ALTERNATIVE OPTIONS

The alternative option would be not to approve the ICT Strategy, but that would leave some systems without appropriate support, impact on system reliability and prevent or delay the improvements which are needed to deliver the technology which will enable the Council to continue to respond effectively to its customers.

63. Revised Contract Procedure Rules

The Monitoring Officer submitted a report a copy of which had been circulated to each Member.

RESOLVED that the revised Contract Procedure Rules contained at Appendix 1 to the Monitoring Officer's report be approved.

REASONS

Following the implementation of the Public Contracts Regulations 2015 which implements the latest EU Procurement Directive, the Council is required to update its Contract Procedure Rules to make them compliant. Other Amendments to the Rules reflect

changes to the internal responsibility for the procurement team.

ALTERNATIVE OPTIONS

No alternative options were presented.

64. Request for Delegated Authority in Connection with Procurement of Planned Preventative Maintenance Contracts for CBC and CBH

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member.

RESOLVED that authority for agreeing to enter into a contract(s) with the future Planned Preventative Maintenance (PPM) contractor(s) be delegated to the Portfolio Holder for Resources.

REASONS

Tenders for the future delivery of PPM for CBC and CBH were returned on 7th January 2016 following an OJEU tender process. 32 tenders were returned in all and they are currently in the process of being analysed. The tender returns are also being compared against the existing Property Services framework administered by Essex County Council (ECC) which could also be used by the Council to deliver PPM if it is deemed to provide better value for money than the returned tenders.

The total value of the four year PPM contract(s) is expected to be around £1m which would normally require a Cabinet decision to proceed. However, due to the unexpectedly high number of prequalification questionnaires (PQQs) received and subsequent tender returns, the full analysis of the tenders and the comparison against the ECC framework will not be complete in time for the Cabinet meeting scheduled for 27th January 2016. The following Cabinet meeting scheduled for 16th March 2016 is then too late for orders to be raised for the successful contractor(s) and for the contractor(s) to mobilise in time for the new contracts to start on 1st April 2016.

Delegating authority to the Portfolio Holder would allow an order to be placed with the successful contractor(s) by mid-February at the latest which would give sufficient time for the contractor(s) to mobilise and be ready to start on 1st April 2016.

ALTERNATIVE OPTIONS

If the contractors that currently deliver PPM for CBC and CBH are willing, then it may be possible to extend their current commissions for three months by way of separate orders issued to each. This would allow for the future provision of PPM to be agreed at the Cabinet meeting on 16th March 2016. Rates for the three month extension of each contract would have to be negotiated with each individual contractor and the new contracts would then start three months later than planned in the first year.

65. Half Yearly Performance Report Including Progress on Strategic Plan Action Plan

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member together with minute 40 of the Scrutiny Panel meeting of 8 December 2015.

Councillor T. Young, Portfolio Holder for Community Safety, Licensing and Culture, presented the report and demonstrated a good level of performance. Of the Key Performance Indicators, 12 were green, two were amber and none were red. However, Cabinet was not complacent and would continue to monitor performance closely.

RESOLVED that:-

- (a) The progress update of the Strategic Plan Action Plan for the period ending 30 September 2015 be noted.
- (b) The performance update on the Council's key performance measures for the period ending 30 September 2015 be noted.
- (c) The recent awards and accreditations received by the Council be noted.

REASONS

The Council has agreed a number of key performance areas which it uses as part of its Performance Management Framework to help monitor progress and improvement. This report provides an update of our indicators along with a half-yearly review of progress against our Strategic Plan Action Plan.

ALTERNATIVE OPTIONS

No alternative options were proposed.

66. Progress of Responses to the Public

The Assistant Chief Executive submitted a progress sheet a copy of which had been circulated to each Member.

RESOLVED that the contents of the Progress Sheet be noted.

REASONS

The progress sheet was a mechanism by which the Cabinet could ensure that public statements and questions were responded to appropriately and promptly.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.