

Governance and Audit Committee Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ**

Tuesday, 10 March 2020 at 18:00

The Governance and Audit Committee considers and approves the Council's Statement of Accounts and reviews the Council's annual audit letter. The Committee also deals with the Council's governance, risk management and audit arrangements. To make recommendations to the Council on functions such as Elections and bye laws, and determine Community Governance Reviews.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published. Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

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Governance and Audit Committee - Terms of Reference (but not limited to)

Accounts and Audit

To consider and approve the Council's Statement of Accounts and the Council's financial accounts, and review the Council's external auditor's annual audit letter.

Governance

To consider the findings of the annual review of governance including the effectiveness of the system of internal audit and approve the signing of the Annual Governance Statement.

To have an overview of the Council's control arrangements including risk management and in particular with regard to the annual audit plan and work programme, and to approve the policies contained in the Council's Ethical Governance Framework.

Other regulatory matters

To make recommendations to Council on functions such as elections, the name and status of areas and individuals, and byelaws.

To determine and approve Community Governance Reviews.

Standards in relation to Member Conduct

To consider reports from the Monitoring Officer on the effectiveness of the Members' Code of Conduct, and to advise the Council on the adoption or revision of the Code.

To receive referrals from the Monitoring Officer into allegations of misconduct and to create a Hearings Sub-Committee to hear and determine complaints about Members and Co-opted Members referred to it by the Monitoring Officer.

To conduct hearings on behalf of the Parish and Town Councils and to make recommendation to Parish and Town Councils on improving standards or actions following a finding of a failure by a Parish or Town Councillor.

To inform Council and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints.

To grant dispensations, and to hear and determine appeals against refusal to grant dispensations by the Monitoring Officer.

To make recommendations to Council regarding the appointment of Independent Persons.

General

To review of the Constitution including governance issues around formal meetings, processes and member training and to make recommendations to Council.

COLCHESTER BOROUGH COUNCIL
Governance and Audit Committee
Tuesday, 10 March 2020 at 18:00

The Governance and Audit Committee Members are:

Councillor Chris Pearson
Councillor Sam McCarthy
Councillor Nick Barlow
Councillor Paul Dundas
Councillor Mark Goacher
Councillor Dennis Willetts
Councillor Barbara Wood

Chairman
Deputy Chairman

The Governance and Audit Committee Substitute Members are:

All members of the Council who are not Cabinet members or members of this Panel.

AGENDA
THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING
(Part A - open to the public)

Please note that Agenda items 1 to 6 are normally dealt with briefly.

1 Welcome and Announcements

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

2 Substitutions

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

3 Urgent Items

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

4 Declarations of Interest

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or

participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

5 Have Your Say!

The Chairman will invite members of the public to indicate if they wish to speak or present a petition on any item included on the agenda or any other matter relating to the terms of reference of the meeting. Please indicate your wish to speak at this point if your name has not been noted by Council staff.

6 Minutes of Previous Meeting

The Committee will be invited to confirm that the minutes of the meeting of 21 January 2020 are a correct record.

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7 External Audit Plan for year ending 31 March 2020 and Certification of Claims and Returns – Annual Report 2018/19 17 - 56

The Committee will consider a report summarising details of the draft audit plan provided by the Council's external auditors BDO and summarising the outcome of the External Auditor's Certification work on grant claims.

8 Financial Monitoring Report 57 - 78

The Committee will consider a report detailing the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first nine months of 2019/20, and will be requested to note the forecast budget underspend of £86k on the General Fund. This report reviews the Council's overall position based on profiled income and expenditure for the nine months to 31 December 2019, and also shows a projection of the outturn figures for the full year.

9 Update on approved capital programme 2019/20 79 - 86

The Committee will consider a report setting out progress on the 2019/20 capital programme.

10 Internal Audit Plan 2020/2021 87 - 92

The Committee will consider a report setting out the Council's Internal Audit plan for the forthcoming year, which ensures that the requirements of The Accounts and Audit Regulations 2015 are met.

11 Review of Meetings and Ways of Working Update 93 - 104

The Committee will consider a report providing an update on the initiatives undertaken as a result of the Review of Meetings and Ways of Working undertaken by the Governance and Audit Committee in 2016-2017. It provides an update on how the

recommendations from the review have been implemented. It also provides information on potential options for webcasting meetings, which would enable the principles of the review to be carried forward further.

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| 12 | <p>Review of Scheme of Delegation</p> <p>The Committee will consider a report providing a review of the Scheme of Delegation to Officers following a request from the Committee at its meeting of 29 November 2019.</p> | 105 -
140 |
| 13 | <p>Polling Districts and Polling Places Review - Update</p> <p>The Committee will consider a report presenting an update on the position of, and opportunity to review, the arrangements for key polling stations, ahead of the 2020 Local Elections.</p> | 141 -
144 |
| 14 | <p>Work Programme 2019-20</p> <p>This report sets out the current Work Programme 2019-2020 for the Governance and Audit Committee. This provides details of the reports that are scheduled for each meeting during the municipal year.</p> | 145 -
148 |
| 15 | <p>Exclusion of the Public (not Scrutiny or Executive)</p> <p>In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).</p> | |

Part B

(not open to the public including the press)

GOVERNANCE AND AUDIT COMMITTEE

21 January 2020

Present:- Councillor Lewis Barber, Councillor Paul Dundas,
Councillor Mark Goacher, Councillor Sam McCarthy,
Councillor Chris Pearson (Chairman), Councillor Dennis
Willetts

Also Present: - Councillor David King, Councillor Nick Barlow

190. Minutes of Previous Meetings

RESOLVED that the minutes of the meetings held on 29 October and 26 November 2019 be approved as correct records.

191. Have Your Say

Sir Bob Russell addressed the Committee pursuant to the provisions of Meetings General Procedure Rule 5(1) in respect of agenda item 7 relating to the annual report of Colchester Commercial Holdings Ltd, and in particular what he perceived was a lack of democratic accountability as to the operation of the company. Sir Bob accepted that in order to make a profit then business had to be done through the company, however, a particular issue that he wished to raise was the role of Amphora in the development of Queen Street bus station site. Of particular concern to Sir Bob was the fact that a restrictive covenant between Essex County Council and Colchester Borough Council in respect of the bus station was still in existence when Colchester Borough Council signed a lease of two hundred and fifty years on the sale of the site to a developer. Sir Bob pointed out that Essex County Council could refuse to remove the covenant if they wished, and he felt that it was very odd that the agreement had been entered into without this matter being resolved. A separate issue of further concern to Sir Bob, were the actions of Colchester Events Company in renting out the Town Hall to a group of budding ghost hunters on the previous Saturday, 18 February 2020. Sir Bob pointed out that there were spiritualist churches in Colchester who could be offended by this practice, and questioned whether it was appropriate to allow such groups to roam through the listed building, including areas to which the general public had no access.

Councillor Pearson responded, and explained that a written response would be sent in respect of the issue around the use of the Town Hall. In relation to the restrictive covenant held by Essex County Council, it was not possible to comment on what actions they may take in the future.

In response to the issues that had been raised, Adrian Pritchard, Chief Executive of Colchester Borough Council, explained that Amphora work on behalf of Colchester Borough Council, and that the project in question was entirely a Borough Council project and not an

Amphora project. Specifically addressing the issue of the covenant, he explained that it was common to have such covenants and agreements were commonly made which were subject to a number of conditions. In this case, Colchester Borough Council had contracted to use their reasonable endeavours to lift the covenant and although a failure to achieve this would potentially stop the works going ahead, the same could be said of a failure to obtain a necessary planning permission. Sir Bob thanked Officers for their comments.

192. Annual Review of the Council's Wholly-Owned Companies' Business Plans

The Chairman explained that members of the Scrutiny Panel had been invited to join the Committee to take part in the discussions for this item only and accordingly Councillor Bourne joined the Committee prior to the presentation of the report.

The Committee were requested to review the Council's wholly-owned companies' business plans, and Andrew Tyrrell, Client and Business Manager, and Paul Smith, Group Commercial Director, Colchester Commercial Holdings Ltd (CCHL) attended to present the report and assist the Committee. Andrew Tyrrell explained that the companies had been formed in a context of government cuts which saw the funding provided to Colchester Borough Council reduce over the past decade, and the intention was to replace this lost revenue with new revenue generated by the dividend return to the Council. He explained that although the nature of the companies was commercial, one of the key elements of this arrangement was that running through all the companies was the public sector ethos which brought social benefits to their projects. The Committee heard that this ethos was reflected strongly in the composition of the Boards of Directors of the companies, which consisted of elected Members and Colchester Borough Council's own Chief Executive. It was explained that the companies were compliant with TECKAL regulations which meant services could be traded between the companies and the Council without having to go through a tendering process. It was explained that this report constituted the second update of commercial targets that had been presented to this Committee, and the business plans ran between 2018-2021 so that versions now presented had been the subject of a light update rather than a radical refresh. The business plan of (CCHL) was the overarching plan, a public document covering all the companies activities, whilst the three business plans relating to the Amphora companies provided more operational details but were exempt from publication as they contained information that was commercially sensitive as a result.

The Committee were advised on some of the key projects currently being carried out by the companies. The heat network currently being set up by the energy company was one of only nine in the United Kingdom to have received external funding from BEIS as it was an innovative project, and the first in the United Kingdom of this scale. The Committee heard that the project would not be deliverable without the expertise contained within Colchester Amphora Energy Limited and was currently on time and on budget.

With regard to Colchester Amphora Homes Limited, it was explained that Colchester requires nine hundred and twenty new house each year to keep up with demand, and that Colchester Borough Council was using the housing company to show others the way forward in delivering significant numbers of affordable homes with 30% of the companies' new homes being affordable homes that the Council will own for us by people on the local housing needs register. The first new homes start construction soon.

The Committee heard that a particular highlight for Colchester Amphora Trading Limited (CATL) was the success of the Helpline service which had recorded six hundred and sixty new customers in the previous year and was the only helpline in North Essex that offered a

lift service where staff attend people's houses to help people who had fallen. This activity alone offered significant cost savings to the National Health Service by avoiding ambulance call outs. It was further highlighted to the Committee the benefits that the town itself had received from the delivery of the Council's events programme by CATL with particular success being achieved by events in Castle Park, the Town Hall and Charter Hall.

Andrew Tyrrell explained that in general terms, the companies are all delivering effectively against the strategic plans and measures set out for them, and the Committee was invited to consider the proposed business plans.

Councillor Pearson was particularly impressed by the work being undertaken on the Northern Gateway heat network, as the largest in the East of England, and admitted that when the companies had been initially set up, he had been sceptical of their benefits. As time went on, he explained that his view of the companies had changed as the benefits of this way of operating had become more apparent, and the meetings that take place show that there is democratic accountability in their operation.

Councillor Willetts expressed his opinion that the companies were set up initially to better manage those services they provide, and in fact were set up not in response to central government cuts but in order to obtain the advantages of being able to operate with a degree of space from local government. He further contended that in fact funding is still available to Local Authorities, but just from different sources.

He enquired how sound the governance arrangements of the companies were, and how far their governance and audit procedures were compatible with Colchester Borough Council. Councillor Willetts noted that the companies were providing services to the Council and sought assurances that CCHL was compliant as a service provider. With regard to the services that were provided, Councillor Willetts questioned whether these services could actually be obtained more cheaply from other providers. Councillor Willetts queried the long-term value of the work being carried out and pointed out that a long list of achievements did not necessarily mean that everything was operating as well as it could be. He questioned whether the way things are being done at the moment represented the best value for money, and wondered whether in the future it would be possible or practical to benchmark the Council-owned companies against the performance of a hypothetical Council service "competitor" in order to ensure that the companies were in fact delivering value for money.

The Committee discussed the difficulty in defining what actually represented 'value for money' and Andrew Tyrrell stated that the benefits of the companies were tangible, making particular reference to the expertise that the energy project had been able to attract by virtue of the fact that CAEL was a private company as opposed to a public body. And how the partnership structure between the Council and a company was allowing grant funding to be combined with renewable heat incentive payments, not available to one party on their own. Another example cited was the housing company that provide affordable homes, subsidised by private market sales.

Paul Smith addressed the Committee in relation to the issues that had been raised and explained to the Committee that as TECKAL companies, the companies have to be very inwardly focussed and compliant with the governance of the local authority which is the parent company. Paul Smith was happy to confirm that in terms of CCHL and the three subsidiary companies, there was excellent governance by Colchester Borough Council. The Committee heard that the commercial companies were operating well, and were on track to

deliver a dividend of over £500,000 to Colchester Borough Council, as the shareholder, in year three of their operation. The way that the companies were structured enabled them to be self-funding and still have the ability to return this dividend to the shareholder. Paul Smith explained that the benefits of the companies would be long term and highlighted some of the key advantages including the capacity to deliver affordable homes in developments where these were not legally required, sustainable development and value for money, and the capacity to attract expert staff from the private sector who may not otherwise have joined a local authority. The success of the events company, not just in terms of the monetary value that was provided by successful events, but the added benefit of increased footfall in the town and the associated raising of the town's profile, was highlighted. The public sector ethos of the companies was emphasised by the commitment of CAHL to provide 30% affordable housing in every development they were undertaking, and 100% affordable housing in the Military Road development they were managing for the Council.

Andrew Tyrrell explained that the Service Level Agreements (SLAs) that governed the provision of services were in place for three years and provided the benefits of stability and established practices for the companies on core services such as IT and HR, and that the SLAs were constantly monitored to ensure that the services delivered by the Council were of a high enough standard, and the feeling was that the services provided were very good. Paul Smith confirmed that the SLA was working very well and confirmed that it made sense to preserve stability in the short-term and keep them under review to ensure the agreement remained efficient.

Councillor Dundas noted that by 2022/2023 the current projects being undertaken by CAHL would be winding down and sought assurances that there were future projects in the pipeline for the company in three or four years. He further sought tangible examples of what made the housing being provided high quality, in terms of delivering something which the commercial sector would not, in terms of quality of housing, green spaces or environmental issues.

Andrew Tyrrell explained the commitment of the companies to high quality housing. An example was given that proposed development on the Creffield Road site had initially been met with an objection from a local architect who had subsequently become a supporter of the scheme due to the improved quality of the proposal designs. Such an occurrence was exceedingly rare in planning terms, showing a genuine response to feedback by a developer, and demonstrated the quality of what was being achieved by the Council's company. With regard to the Mill Road site, the heat network providing heating for those homes could not have been accomplished without the close collaboration of the energy and housing companies in a complex project, with interrelated dependencies across the companies, and this, combined with other key project goals, would make this site a flagship for the achievements of the companies and the Council. Many of the Council's Strategic Plan priorities, such as climate change, housing delivery, health and well-being, were being displayed through such projects.

Councillor Barber was pleased to see the dividend being paid by the companies, and at the progress being made by Helpline. He noted that the budget was being voted on in February, and wondered whether or not any of the commercial companies would be requiring funding in the budget for any projects that may not fall part of the current business plans. Councillor Barber further noted the plans to upgrade the town's CCTV system, which he fully supported, but enquired as to the cost of the project.

Councillor Pearson, explained that budget issues were not within the remit of this Committee, and that these were matters that would be considered by full Council.

Andrew Tyrrell explained that projects that were Council projects, but were delivered by Amphora companies on behalf of the Council, would be reflected in the budget; whilst those projects which were solely Amphora projects would not be included in the Council's budget.

Councillor Goacher enquired whether or not CCTV would be provided in areas currently not covered by the system. He also raised an enquiry about what input Councillors had into leasing decisions made by the events company on Council property seeking clarity on how Councillors would find out which acts had been booked, and he enquired who made the decisions in this regard.

Andrew Tyrrell explained that there was a comprehensive report on the CCTV provision going before Cabinet on 29 January, including the budget requirement, and that there were plans to expand the CCTV network to cover more trouble spots in town, to cover Leisure World and connect to the new Northern Gateway Sports Park. With regard to the enquiry about events, there is also a Cabinet paper being presented containing an updated Events Policy. This policy is a Colchester Borough Council policy, listing examples of acceptable and unacceptable events, as well as other matters, to guide the events at Council sites, as well as elsewhere. The Policy was revised in consultation with Council services and CATL using experience gained from the events that have been run in the past. There is no specific expectation that individual bookings would be scrutinised by the Council, as these are made in accordance with the approved policy, though opportunities or concerns are often discussed.

Councillor Pearson commented that the Governance and Audit Committee as the shareholder committee for the companies was entitled to review and recommend parameters that they think were appropriate for commercial activity, but accepted that the provision of events was still in the early days and if any improvements were needed, these would be made as time went on.

Councillor Bourne recognised the strategic importance of the companies in carrying forward the borough-wide improvements that the Council wanted to deliver for residents. Councillor Bourne commented that although much credit was rightly taken for the provision of affordable housing, the Council would also be developing sites for private housing, and she wondered whether a measure of the success of those developments could be taken by looking at the number of complaints received from new owners in relation to the construction quality of the properties, their maintenance and the provision and maintenance of public spaces within the developments. Councillor Bourne recognised the necessity of trading money and services between the Council and the commercial companies, but enquired whether there was a suitable checking device in place to ensure that services that were being traded in this way were providing the best possible value at all times. Councillor Bourne wondered whether there was any intention to expand the collection of companies in the future, and in particular companies that would provided additional social value to the community. She also stressed the need for effective scrutiny of company activity by its directors.

In relation to the issue raised about company scrutiny by directors, Andrew Tyrrell explained that very early on in the operation of the companies, Councillor Barlow had in fact identified that his role as a portfolio holder could cause a conflict of interest with his role as a company director, and had therefore stepped down from being a portfolio holder which

indicated that the company directors took their roles seriously; also illustrating the active scrutiny that occurred as the companies evolved.

Paul Smith responded to Councillor Bourne and referenced particularly the planned boulevard in the Mill Road housing project which would create a beautiful feature that would enhance the community feeling and the openness of the development, and in addition to this, the energy centre would also be part of this development. In reference to the build quality of the homes that were being produced, the Committee heard that the quality assurance programme of proper inspections throughout the build process would be to a higher standard than the checks that were more normally undertaken and in addition to NHBC certification. With regard to expanding the companies in the future, it was explained that this would be a matter for full Council to consider as part of their ongoing strategic priorities. In relation to the governance of the companies, Paul Smith explained that he had extensive experience of senior management, and that there were frequent board meetings within the companies which were all minuted and at which the activities of the companies were rigorously scrutinised. Paul Smith emphasised again that in his opinion the governance of the companies was excellent, and as inward facing companies the governance of the Council was embraced and fed into the activities of the companies.

Councillor Pearson commented that it would be useful to have a further briefing for Members on the companies, and proposed recommending to Cabinet that such a session was held at the start of each new municipal year for the foreseeable future.

Councillor Willetts referred to the published financial plan and enquired whether there was a capital statement which showed transfer of capital monies. He also enquired whether there was an active dialogue between the Alternative Methods of Service Delivery Task and Finish Group and the companies, and whether the work of the Task and Finish Group was considered by company officers.

Andrew Tyrrell explained that such capital projects were set out in Cabinet papers, and the Committee requested that in the future capital figures should be included with revenue for Members to consider.

RESOLVED that

- (a) The refreshed draft Colchester Commercial (Holdings) Business Plans, including the subsidiary companies, be noted.
- (b) The ongoing governance arrangements and the achievements of the Council's companies in the first half of 2019/20 be noted.

RECOMMENDED TO CABINET that

- (a) A Member briefing session in respect of the Council's wholly-owned commercial companies be held at the start of each new municipal year for the foreseeable future.
- (b) Future reports and documents relating to the Council's wholly-owned commercial companies include capital information together with revenue information.

193 Review of Local Code of Corporate Governance

The Committee was requested to review the revised Local Code of Corporate Governance. Hayley McGrath, Corporate Governance Manager, attended to assist the Committee and presented the report. It was explained that the draft Local Code of Corporate Governance had been considered by this Committee at its previous meeting in November 2019, and following discussions at that meeting, the wording of Principle Two of the proposed Code had been revisited and further revised. Members were advised that the Monitoring Officer had considered the proposed Code in the light of comments made by the Committee that the phrase “common purpose” may not accurately reflect political differences inherent in the Council’s structure. The proposed wording of Principle Two of the Proposed Code had therefore been changed to link the phrase “common purpose” to the Council’s Strategic Plan which had been unanimously approved at Full Council. The wording had therefore been amended to “Members and officers working together to deliver the objectives of the 2018-2021 Strategic Plan (the common purpose), with clearly defined functions and roles.”

Councillor Pearson commented that this matter had been discussed at length in the previous meeting, and he proposed that the suggested amendments to the Code be approved and recommended to Full Council for inclusion in the Policy Framework.

RESOLVED that the revised wording of Core Principle 2 of the Code of Corporate Governance be approved and the Local Code of Corporate Governance be referred to Full Council.

RECOMMENDED TO COUNCIL that the Local Code of Corporate Governance be included in the Policy Framework.

194 Interim Review of the Annual Governance Statement Action Plan

The Committee was requested to consider the Interim Review of the Annual Governance Statement Action Plan. Hayley McGrath, Corporate Governance Manager, attended to assist the Committee and presented the report. Hayley McGrath explained that every year a review was carried out on the Council’s Annual Governance Statement Action Plan, and that this report was in relation to an interim review which was undertaken to ensure that the Action Plan was being monitored and implemented through the year. It was explained that the Action Plan appended to the report set out the required actions, and managers had been requested to feed into the Action Plan the steps that had been taken to progress it.

Councillor Willetts expressed his concern at the level of fines that had been levied by the Information Commissioners Office on companies who had committed sometimes relatively minor and accidental data breaches. Given that fines had the potential to reach millions of pounds, was the Council satisfied that enough work had been done to mount an adequate defence?

Dan Gascoyne, Chief Operating Officer and the Council’s Senior Information Risk Officer, addressed the Committee and confirmed that data protection was one of the very high risks identified by the Council and considerable work would be done in the future. The Committee heard that the risks were being constantly monitored and that over the past twelve months there had been two or three cases of breaches internally that had been

reported to the Information Commissioners Office (ICO). In respect of the breaches, feedback from the ICO had been largely positive thanks to the pro-active approach that had been adopted and the actions that had been taken.

Councillor Pearson suggested that it was very important that Members were reminded of their responsibilities in relation to these risks early on in the new municipal year.

RESOLVED that the Interim Review of the Annual Governance Action Plan be noted.

195 Mid-Year Internal Audit Assurance Report 2019/2020

The Committee was requested to consider the Mid-Year Internal Audit Assurance Report. Hayley McGrath, Corporate Governance Manager, attended to assist the Committee and presented the report. The Committee was informed that they were presented with two reports during the course of the year, and that this was the mid-year report. Most of the internal audit programme was weighted towards the end of the financial year, to tie in with year end activities. The Committee heard that the messages coming out of the work had been very positive and that there had been an effective service provided over this period. As well as continuing audit reports, the recommendations from previous reports were also being continuously monitored to ensure that they were being implemented. Colchester Borough Council also provides auditing services for Colchester Borough Homes, and no issues were identified with this company.

Councillor Pearson commented that the most pressing concerns to come out of the report were the limited assurance reports, particularly where issues appeared to be ongoing in areas such as waste.

Councillor Willetts expressed his concern that there were four priority one recommendations in respect of one service. Hayley McGrath explained to the Committee that the internal audit programme was a five year programme and it was hard to predict how service areas would perform over length of time. There were limited numbers of audit days in any one year, and the allocation of these was kept under review so that if it became apparent that a service warranted an audit, then an audit scheduled in the future could be brought forward if need be. It was also explained to Members that some of the recommendations in a service area may have come about as the result of improvements to ways of working that had been made and which may have highlighted past issues.

Councillor Pearson expressed his thanks to the team for the continued sterling work that was done in this area.

RESOLVED that the contents of the Mid-Year Internal Audit Assurance Report be noted.

196 Risk Management Progress Report

The Committee was requested to consider the Risk Management Progress Report. Hayley McGrath, Corporate Governance Manager, attended to assist the Committee and presented the report. Hayley McGrath advised the Committee that they received two reports on Risk Management in a year, and that this report dealt with the work undertaken in the first six months of the year. The report set out the key strategic risks and the work that had been undertaken in the first six months of the year and following a meeting of this Committee in November 2019 the revised Risk Management Policy had been included in

the Policy Framework. Part of the ongoing work was to review the risk management process and how risks were presented to Committee, and the plan was to construct a digital register to make it more available to Officers to review and update and interrogate. The digital register would be presented to this Committee at a future meeting. The Committee heard that there had been changes made to the register presented to them, in that risks had been taken out of their previous groupings and the register is now formatted so that it runs in the level of risk from the highest to the lowest. The risk tolerance levels had also been changed and an additional level added so that there were now four and not three, and Members were invited to note that the EU exit risk had dropped down from twenty to fifteen. Members were advised that the current highest risk identified was data protection, which had been separated from cyber risk as these were two separate issues. Hayley McGrath explained that she was in the process of meeting with all the Senior Management Team to review the risks and the wording to make them easier to measure and to be able to give Members the assurances that controls had been implemented.

Councillor Willetts praised the work that was being done in relation to revising the risk matrix, and the work that Councillor King had undertaken in this regard. He questioned whether the recording of some of the risks was accurate, commenting that our perception of risk could be skewed by thinking that important matters were automatically high risks, and he wondered whether some of the risks registered as 'high risks' would really hurt the Council in practice.

Councillor King, Portfolio Holder for Business and Resources, confirmed that in his view the new risk rating system was a step forward, and he would continue to work with Officers to clarify and improve the system, with particular regard to introducing mitigation of risks into the register.

Dan Gascoyne welcomed the support of the Committee in shaping the new register, and agreed with Councillor King that re-scoring identified risks after mitigations had been put in place was a good idea. He drew the Committee's attention to the definition of the risk scores which formed part of the Strategic Risk Register, and which illuminated how the final ratings were arrived at.

Councillor Pearson commented that the risk register was necessarily an evolving document, and should be monitored and amended as circumstances changed in relation to the risks identified. Councillor Goacher requested that of risks were to be removed from the register as the result of mitigating activity, that they still be retained in the document but greyed out. Hayley McGrath confirmed that this could be done and would be considered with the adoption of the new system, together with incorporating mitigating actions into final assessments.

RESOLVED that the Governance and Audit Committee noted the progress and performance in managing risk and the current risk register.

197. Work Programme 2019-20

Matthew Evans, Democratic Services Officer, introduced the Work Programme 2019-20. The committee noted that they had requested a review of the Polling District and Polling

Station Places, and were pleased to note that this work had been concluded and a report had been added to the Work Programme for the meeting in March 2020.

Councillor Willetts noted that the Committee had carried out a thorough review of the Council's commercial companies, and queried whether the North Essex Garden Communities project should also be brought before this Committee for similar scrutiny in the near future. Of particular concern to him was the governance arrangements of the project, particularly in the light of the fact that Council had voted not to pay an additional sum of money into the project, only to find out that a substantial amount of this money had already been paid anyway.

Councillor King agreed with the sentiment that Councillor Willetts had expressed and thought it right that the project should be subject to scrutiny. He highlighted the practical difficulty that may be caused by the fact that the project was wholly owned by four Local Authorities and not just one. He cautioned that any look at this project had to be taken in a very measured way given the unique position of this Authority in the project structure.

Councillor Pearson pointed out that North Essex Garden Communities were not on the agenda for this meeting, and suggested that the best way forward would be for him to speak further with the Chief Operating Officer to determine what this Committee's remit could be with regard to this project.

The Committee agreed that there was further work to be done with regard to establishing the role of the Committee in examining the North Essex Garden Communities project, and that future consultation with senior Council Officers was necessary.

RESOLVED that

- (a) The updated Work Programme for 2019-20 be noted.
- (b) Further consideration be given to the scope of the Committee to review the North Essex Garden Communities project.

The Committee resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that the following item as they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

198. Minutes – Not for Publication Extract

RESOLVED that the not for publication extract from the minutes of the meeting held on 26 November 2019 be confirmed as a correct record.

10 March 2020

Report of	Assistant Director of Policy and Corporate	Author	Paul Cook
Title	Audit Plan year ended 31 March 2020 & Certification of Claims and Returns		282338
Wards affected	Not Applicable		

1. Executive Summary

- 1.1 This report summarises details of the draft audit plan provided by the Council's external auditors BDO and summarises the outcome of the External Auditor's Certification work on grant claims.
- 1.2 The Audit Plan for year ending 31 March 2020 summarises the auditor's assessment of the key financial statement and value for money risks facing the Council and outlines the planned audit strategy in response to those risks. It covers the work that will enable the Auditor to provide
 - An opinion on whether the Council's financial statements give a true and fair view of the financial position as at the 31 March 2020
 - A conclusion on the Council's arrangement to secure economy efficiency and effectiveness
- 1.3 The Plan which is attached as an appendix to this report; also sets out the scope of materiality levels for 2019/20 audit, the associated fees, the audit team and independent assessment, and key delivery dates.
- 1.4 The outcome of the auditor's work is expected to be reported to this committee on 28 July 2020.
- 1.5 In addition, the audit certification work carried out by our auditors BDO found no material issues.

2. Recommended Decision

- 2.1 To review and agree the Audit Plan for the year ended 31 March 2020.
- 2.2 To acknowledge the unqualified opinion of Housing Poling return and the Housing Benefit Subsidy claim

3. Reason for Recommended Decision

- 3.1 The Accounts and Audit Regulations require those charged with governance within the Council to review the proposed audit approach and scope for the 2019/20 audit.
- 3.2 The accounts and Audit Regulations require the Council to consider.
- 3.3 To note the unqualified opinion of the grant certification work carried out by BDO

4. Alternative Options

4.1 Not Applicable

5. Standard References

5.1 There are no particular references to the Strategic Plan; consultation or publicity considerations; community safety; health and safety, risk management and Equality, Diversity or Human Rights implications as a result of this report.



6. Financial implications

6.1 The audit plan sets out the external audit fees for 2019/20, which have been included in the Council's budget. There are no changes to the core audit fees or for the certification of grants however it has been noted additional costs could be incurred from the additional work as Colchester Commercial Holdings Limited will be consolidated in the Council's accounts for the first time.

6.2 For 2018/19 no separate report was needed from our auditors BDO as no material issues were identified in the certification of housing benefits subsidy or the housing capital receipts return. This resulted in an unqualified opinion and no change in fee variation.

Appendix

Audit Plan for year ended 31 March 2020.



Report to the Governance and Audit Committee

COLCHESTER BOROUGH COUNCIL

Audit Planning Report: year ending 31 March 2020

IDEAS | PEOPLE | TRUST



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WELCOME

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We have pleasure in presenting our Audit Planning Report to Governance and Audit Committee of Colchester Borough Council (the 'Council'). This report forms a key part of our communication strategy with you, a strategy which is designed to promote effective two way communication throughout the audit process with those charged with governance.

It summarises the planned audit strategy for the year ending 31 March 2020 in respect of our audit of the financial statements and consolidated entities (together the 'Group') and use of resources; comprising materiality, key audit risks and the planned approach to these, together with timetable and the BDO team.

The planned audit strategy has been discussed with management to ensure that it incorporates developments in the business during the year under review, the results for the year to date and other required scope changes.

We look forward to discussing this plan with you at the Governance and Audit Committee meeting on 10 March 2020 and to receiving your input on the scope and approach.

In the meantime if you would like to discuss any aspects in advance of the meeting please contact one of the team.

Insert named signature

Lisa Clampin

Xx February 2020



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This summary provides an overview of the key audit matters that we believe are important to the Governance and Audit Committee in reviewing the planned audit strategy for the Council and Group for the year ending 31 March 2020.

It is also intended to promote effective communication and discussion and to ensure that the audit strategy appropriately incorporates input from those charged with governance.

Audit scope

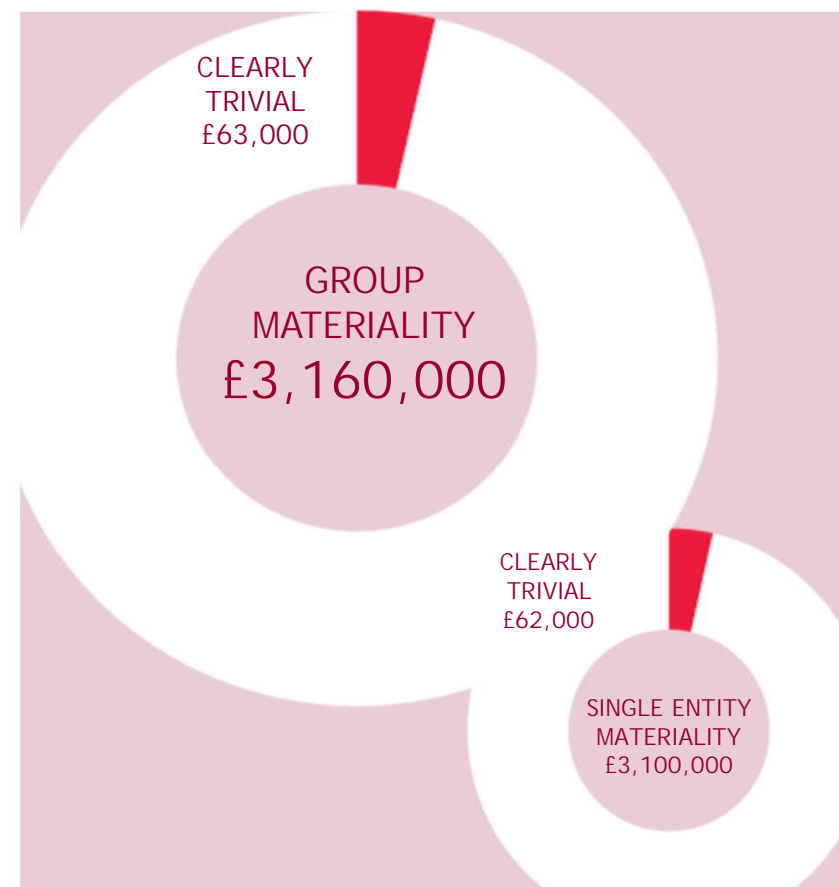
The scope of the audit is determined by the National Audit Office's Code of Audit Practice that sets out what local auditors are required to do to fulfil their statutory responsibilities under the Local Audit and Accountability Act 2014. This includes: auditing the financial statements; reviewing the arrangements to secure value for money through the economic, efficient and effective use of its resources; and, where appropriate, exercising the auditor's wider reporting powers and duties.

Our approach is designed to ensure we obtain the requisite level of assurance in accordance with applicable laws, appropriate standards and guidance issued by the National Audit Office.

Materiality

Planning materiality for the Council and Group will be set at 2% of gross expenditure for the year (prior year 1.75%). In making this change to the % materiality level we have taking into account our updated audit knowledge and experience and the results of the prior year audit. This will be revisited when the draft financial statements are received for audit.

Although materiality is the judgement of the engagement lead, the Governance and Audit Committee is obliged to satisfy themselves that the materiality chosen is appropriate for the scope of the audit.



AUDIT STRATEGY

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Our audit strategy is predicated on a risk based approach, so that audit work is focused on the areas of the financial statements where the risk of material misstatement is assessed to be higher, or where there is a risk that the organisation has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have discussed the changes to the Council, systems and controls in the year with management and obtained their own view of potential audit risk in order to update our understanding of the Group's activities and to determine which risks impact on the numbers and disclosures in the financial statements, or on its arrangements for securing economy, efficiency and effectiveness in its use of resources.

We will continue to update this assessment throughout the audit.

The table on the next page summarises our planned approach to audit risks identified.

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Risk identified	Risk rating	Fraud risk present	Testing approach	Impact of significant judgements and estimates
Management override of controls	Significant	Yes	Substantive	Medium
Revenue recognition	Significant	Yes	Substantive	Medium
Expenditure cut-off	Significant	Yes	Substantive	Low
Valuation of non-current assets	Significant	No	Substantive	High
Valuation of pension liability	Significant	No	Substantive	High
eFinancials General Ledger System upgrade	Significant	No	Substantive	Low
Sustainable finances (use of resources)	Significant	N/A	Detailed review	N/A



INDEPENDENCE AND FEES

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Independence

We confirm that the firm complies with the Financial Reporting Council's Ethical Standard for Auditors and, in our professional judgement, is independent and objective within the meaning of those Standards.

Fees

	2019/20	2018/19
Code audit fee	£48,188	£48,188
Total audit fees	£48,188	£48,188
Fees for non-audit services - audit related:		
• Certification of housing benefits subsidy claim	£13,640	£13,640
• Certification of pooled housing capital receipts return	£4,750	£4,750
Total non-audit services fees	£18,390	£18,390
Total fees	£66,578	£66,578

Amendments to the proposed fees

The 2019/20 planned Code fee is the PSAA-published level. The Scale is based on the historical position from 2012/13 and so does not reflect any of the changes in audit scope and depth linked to current audit requirements for property, plant and equipment or pensions liability valuation work or group accounts work. Discussions on the total fee impact will be held initially with officers in the context of detailed operational planning and interim audit scope so as to best mitigate increases.

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Audit scope and objectives

Key components of our audit objectives and strategy for the Group are highlighted and explained on the following pages.

Audit planning is a collaborative and continuous process and our audit strategy, as reflected here, will be reviewed and updated as our audit progresses.

We will communicate any significant changes to our audit strategy, should the need for such change arise.

Reporting	Objectives
Auditing standards	We will perform our audit in accordance with International Standards on Auditing UK (ISAs (UK)) and relevant guidance published by the National Audit Office.
Financial statements	We will express an opinion on the Council and Group financial statements, prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2019/20 and other directions.
Statement of Accounts	In addition to our objectives regarding the financial statements, we will also read and consider the other information contained in the Statement of Accounts to consider whether there is a material inconsistency between the other information and the financial statements or other information and our knowledge obtained during the audit.
Use of Resources	We will report whether we consider that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
Additional powers and duties	Where necessary we may be required to: issue of a report in the public interest; make a written recommendation to the Council; allow local electors to raise questions and objections on the accounts; or exercise legal powers to apply to the courts for a declaration that an item of account is contrary to law, issue an advisory notice or an application for a judicial review.
Report to the Governance and Audit Committee	Prior to the approval of the financial statements, we will discuss our significant findings with the Governance and Audit Committee. We will highlight key accounting and audit issues as well as internal control findings and any other significant matters arising from the audit.

AUDIT SCOPE ENTITIES, COMPONENTS AND AUDIT RISKS

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As Group auditor we are required to design an audit strategy to ensure we have obtained the required audit assurance for each component for the purposes of our Group audit opinion ISA (UK) 600

A high-level overview of how we have designed the Group audit strategy is summarised below to ensure you have clear oversight of the scope of the work we intend to perform on each entity.

Audit Risks, covered later in this report, are cross referenced to each entity to provide clarity over how these arise within your business and where the focus of the audit work will be.

The clearly trivial threshold for all components has been set at the Group level, being £63,000.



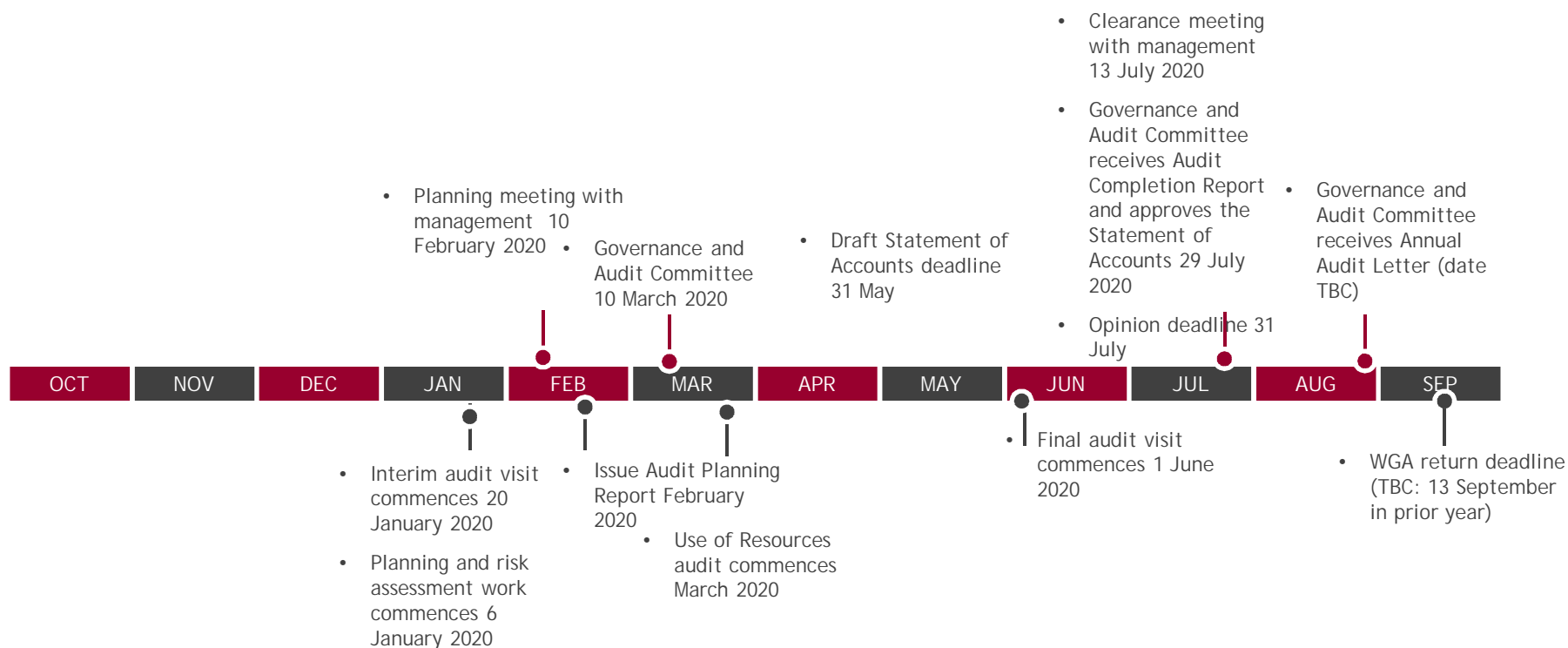
AUDIT SCOPE ENTITIES, COMPONENTS AND AUDIT RISKS 2

Entity	Nature of Operations	Audit classification	Reason for classification	Audit Risks	Audit strategy
Colchester Borough Homes Ltd	Provision of housing on behalf of the local authority. (ALMO 100% owned by the Council)	Non Significant component	Size and Risk	N/A	Analytical review at group level of the financial information and other specified procedures.
Colchester Community Stadium Ltd	Responsible for the effective running of the entire Community Stadium. (100% owned by the Council)	Non significant component	Size and Risk	N/A	Desktop review to confirm below materiality levels The Council excludes this component in the group financial statements as it does not make a material difference to the reader of the financial statements.
Colchester commercial (Holdings) Ltd	To enable Colchester Borough Council to operate its direct trading services and development functions within a more commercial culture and environment to address the challenges of ongoing Council-wide budget reductions. (100% owned by the Council) The company owns the following subsidiary companies (100% by shares): Colchester Amphora Energy Limited; Colchester Amphora Homes Limited and Colchester Amphora Trading Limited	Colchester Amphora Trading Limited- Non significant component The remaining ones are not material.	Size and Risk	N/A	Analytical review at group level of the financial information and other specified procedures.
North Essex Garden Communities Ltd	The purpose of the Company is to hold shares in each of the three Local Delivery Vehicles (LDV's), to coordinate funding of the LDV's and to oversee and hold to account the LDV's in the development of three potential garden communities in the area of North Essex. (25% owned by the Council, equal ownership with Essex County Council, Tendring District Council and Braintree District Council)	Non significant component	N/A	N/A	Desktop review to confirm below materiality levels The Council excludes this component in the group financial statements as it does not make a material difference to the reader of the financial statements.

AUDIT TIMELINE

An overview of the key dates

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Lisa Clampin

Partner

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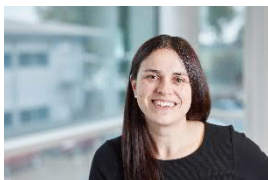
e: Lisa.Clampin@bdo.co.uk

As audit engagement lead I have primary responsibility to ensure that the appropriate audit opinion is given.

In meeting this responsibility I ensure that the audit has resulted in obtaining sufficient and appropriate evidence to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to report on the financial statements and communicate as required by the ISAs (UK), in accordance with our findings.

I will ensure that we have undertaken sufficient work to assess the Council's arrangements for securing economy, efficiency and effectiveness in the use of its resources against the guidance published by the National Audit Office.

I am responsible for the overall quality of the engagement and am supported by the rest of the team as set out here.



Alison Langridge

Manager

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I will lead on the audit of the Council. I work closely with Lisa Clampin to develop and execute the audit strategy. I will be a key point of contact on a day to day basis and will ensure that timelines are carefully managed to ensure that deadlines are met and matters to be communicated to management and the Governance and Audit Committee are highlighted on a timely basis.



Tawanda Mutenga

Audit senior

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I will be responsible for the day to day supervision of the audit team, and will be responsible for the delivery of the key audit work.

OVERVIEW

Audit risks

We have assessed the following as audit risks. These are matters assessed as most likely to cause a material misstatement in the financial statements or impact on our use of resources opinion and include those that will have the greatest effect on audit strategy, the allocation of audit resources and the amount of audit focus by the engagement team.

Key: **Significant** / **Normal**

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Description of risk	Significant risk	Normal risk	Overview of risk
1. Management override of controls			Auditing standards presume that management is in a unique position to perpetrate fraud by overriding controls.
2. Revenue recognition			Auditing standards presume that income recognition presents a fraud risk. For the Council, we consider the risk of fraudulent revenue recognition to be in respect of the accuracy and existence of revenue grants which have conditions attached.
3. Expenditure cut-off			For public sector bodies the risk of fraud related to expenditure is also relevant.
4. Valuation of non-current assets			The valuation of non-current assets is a significant risk as it involves a high degree of estimation uncertainty.
5. Valuation of pension liability			The valuation of the pension liability is a significant risk as it involves a high degree of estimation uncertainty.
6. eFinancials General Ledger System upgrade			The Council’s general ledger, eFinancials, will be upgraded during the year to move from version 4.1 to version 5.1 system. The upgrade is being treated as a major upgrade by the Council and a full system implementation is being undertaken. Data migration will be undertaken and therefore there is a risk that balances are not transferred correctly resulting in a material misstatement to the financial statements.
8. Sustainable finances (use of resources)			The update to the Medium Term Financial Forecast (MTFF) to 2023/24 has forecast further reductions in Government core grant funding. The Council has a track record of successfully achieving savings plans in previous years, largely from its commercialisation agenda. A balanced budget was set for 2019/20, however a cumulative budget gap of £2.5 million is forecast over the MTFF period.

MANAGEMENT OVERRIDE OF CONTROLS

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Auditing standards presume that management is in a unique position to perpetrate fraud by overriding controls.

Significant risk	
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	
Risk highlighted by Council	

Risk detail

- ISA (UK) 240 - The auditor's responsibilities relating to fraud in an audit of financial statements requires us to presume that the risk of management override of controls is present and significant in all entities.

Planned audit approach

Our audit procedures will include the following:

- Review and verification of journal entries made in the year, agreeing the journals to supporting documentation. We will determine key risk characteristics to filter the population of journals. We will use our IT team to assist with the journal extraction;
- Review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias; and
- Review of unadjusted audit differences for indications of bias or deliberate misstatement.



REVENUE RECOGNITION

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Auditing standards presume that income recognition presents a fraud risk.	
Significant risk	
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	
Risk highlighted by Council	

Risk detail

Under auditing standards there is a presumption that income recognition presents a fraud risk. For the Council, we consider the risk of fraudulent revenue recognition to be in respect of the accuracy and existence of revenue grants which have conditions attached.

Planned audit approach

Our audit procedures will include the following:

- Test an increased sample of grants subject to performance conditions to confirm that conditions of the grant have been met before the income is recognised in the CIES.

EXPENDITURE CUT-OFF

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For public sector bodies the risk of fraud related to expenditure is also relevant.

Risk detail

For net-spending bodies in the public sector there is also risk of fraud related to expenditure. For the Council, we consider the risk of fraud to be in respect of the cut-off of expenditure at year-end.

Planned audit approach

Our audit procedures will include the following:

- Checking that expenditure is recognised in the correct accounting period by substantively testing expenditure around year-end.

Significant risk	
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
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Risk highlighted by Council	

VALUATION OF NON-CURRENT ASSETS

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The valuation of non-current assets is a significant risk as it involves a high degree of estimation uncertainty.

Significant risk	
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
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Risk highlighted by Council	

Risk detail

Local authorities are required to ensure that the carrying value of land, buildings and dwellings is not materially different to the current value (operational assets) or fair value (surplus assets, assets held for sale and investment properties) at the balance sheet date. There is a risk over the valuation of these assets due to the high degree of estimation uncertainty and where updated valuations have not been provided for a class of assets at the year-end.

Planned audit approach

Our audit procedures will include the following:

- Reviewing the instructions provided to the valuer and the valuer's skills and expertise in order to determine if we can rely on the management expert;
- Confirming that the basis of valuation for assets valued in year is appropriate based on their usage;
- Reviewing accuracy and completeness of information provided to the valuer, such as rental agreements and sizes;
- Reviewing assumptions used by the valuer and movements against relevant indices for similar classes of assets;
- Following up valuation movements that appear unusual; and
- Confirming that assets not specifically valued in the year have been assessed to ensure their reported values remain materially correct.

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The valuation of the pension liability is a significant risk as it involves a high degree of estimation uncertainty

Significant risk	
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	
Risk highlighted by Council	

Risk detail

The valuation of the defined benefit obligation is a complex calculation involving a number of significant judgements and assumptions. The actuarial estimate of the pension fund liability uses information on current, deferred and retired member data and applies various actuarial assumptions over pension increases, salary increases, mortality, commutation take up and discount rates to calculate the net present value of the liability.

There is a risk that the membership data and cash flows provided to the actuary at year end may not be accurate, and that the actuary uses inappropriate assumptions to value the liability. Relatively small adjustments to assumptions used can have a material impact on the Council's share of the scheme liability.

Planned audit approach

Our audit procedures will include the following:

- Agreeing the disclosures to the information provided by the pension fund actuary;
- Reviewing the competence of the management expert (actuary);
- Reviewing the reasonableness of the assumptions used in the calculation against other local government actuaries and other observable data;
- Reviewing the controls in place for providing accurate membership data to the actuary;
- Contacting the pension fund auditor and requesting confirmation of the controls in place for providing accurate membership data to the actuary and testing of that data; and
- Checking that any significant changes in membership data have been communicated to the actuary.

EFINANCIALS GENERAL LEDGER SYSTEM UPGRADE

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There is a risk that balances are not transferred correctly resulting in a material misstatement to the financial statements

Significant risk	
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	
Risk highlighted by Council	

Risk detail

The Council's general ledger, eFinancials, has been upgraded during the year to move to a different version. The upgrade is being treated as a major upgrade by the Council and a full system implementation is being undertaken. Data migration will be undertaken and therefore there is a risk that balances are not transferred correctly resulting in a material misstatement to the financial statements.

Planned audit approach

Our audit procedures will include the following:

- We will review the system implementation procedures undertaken by the Council. We will test the data migration to ensure that balances have been appropriately transferred between the old system and the new system.

SUSTAINABLE FINANCES (USE OF RESOURCES)

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The Council will need to deliver its savings and achieve income targets to maintain financial sustainability in the medium term and there is a risk that these projections will not be met.

Significant risk	
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	
Risk highlighted by Council	

Risk detail

The update to the Medium Term Financial Forecast (MTFF) to 2023/24 has forecast further reductions in Government core grant funding. The Council has a track record of successfully achieving savings plans in previous years, largely from its commercialisation agenda. A balanced budget was set for 2019/20, however a cumulative budget gap of £2.5 million is forecast over the MTFF period.

Planned audit approach

Our audit procedures will include the following:

- Review the assumptions used in the Medium Term Financial Forecast, particularly around the likely levels of income from commercial activities;
- Monitor the delivery of the budgeted savings in 2019/20 and the plans to deliver identified savings for 2020/21;
- Sample a number of savings schemes and plans; and
- Hold interviews with key officers.

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Fraud

Whilst the Directors of the Council have ultimate responsibility for prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit approach includes the consideration of fraud throughout the audit and includes making enquiries of management and those charged with governance.

We have not been made aware of any actual, alleged or suspected incidences of fraud. We request confirmation from the Governance and Audit Committee on fraud and a discussion on the controls and processes in place to ensure timely identification and action.

Management believe that there is low risk of material misstatement arising from fraud and that controls in operation would prevent or detect material fraud.

Internal audit

We will ensure that we maximise the benefit of the overall audit effort carried out by internal audit and ourselves, whilst retaining the necessary independence of view.

We will review the reports issued by the Council's internal audit function although we do not plan place reliance on their work in respect of their assessment of control processes.

Laws and regulations

We will consider compliance with laws and regulations. The most significant of these for your organisation includes VAT legislation, Employment Taxes, Health and Safety and the Bribery Act 2010. We will make enquiries of management and review correspondence with the relevant authorities.

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Accounting policies

We will report to you on significant qualitative aspects of your chosen accounting policies. We will consider the consistency and application of the policies and we will report to you where accounting policies are inconsistent with the CIPFA Code of Practice on Local Authority Accounting 2019/20, applicable accounting standards or other direction under the circumstances.

Significant accounting estimates and judgements

We will report to you on significant accounting estimates and judgements. We will seek to understand and perform audit testing procedures on accounting estimates and judgements including consideration of the outcome of historical judgements and estimates. We will report to you our consideration of whether management estimates and judgements are within an acceptable range.

Financial statement disclosures

We will report to you on the sufficiency and content of your financial statement disclosures.

Related parties

Whilst you are responsible for the completeness of the disclosure of related party transactions in the financial statements, we are also required to consider related party transactions in the context of fraud as they may present greater risk for management override or concealment or fraud. Our audit approach includes the consideration of related party transactions throughout the audit including making enquiries of management and the Governance and Audit Committee.

Any other matters

We will report to you on any other matters relevant to the overseeing of the financial reporting process. Where applicable this includes why we consider a significant accounting practice that is acceptable under the financial reporting framework not to be the most appropriate.

GOING CONCERN

Directors are required to make an assessment of the Council's ability to continue as a going concern.

Directors' responsibilities

It is the Directors' responsibility to make an assessment of the Council's ability to continue as a going concern to support the basis of preparation for the financial statements and disclosures in the financial statements. This is a requirement of the accounting standards.

This assessment should be supported by detailed cash flow forecasts with clear details of the key underlying assumptions, consideration of available finance throughout the forecast period, and a consideration of the forecast's sensitivity to reasonably possible variations in those assumptions along with any other relevant factors.

The going concern assessment should cover a minimum of 12 months from the date of the directors' approval of the financial statements. However, consideration should also be given to any major events or circumstances that may fall outside this period.

Audit responsibilities

Our responsibilities in respect of going concern are:

- (a) To obtain sufficient appropriate audit evidence regarding, and conclude on, i) whether a material uncertainty related to going concern exists; and ii) the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements; and
- (b) To report in accordance with ISA (UK) 570.

We will obtain an understanding of the business model, objectives, strategies and related business risk, the measurement and review of the Council's financial performance including forecasting and budgeting processes and the Council's risk assessment process. We will evaluate:

- a) The Directors' method, including the relevance and reliability of underlying data used to make the assessment, whether assumptions and changes to assumptions from prior years are appropriate and consistent with each other.
- b) The Directors' plans for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances.
- c) The adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment and any material uncertainties that may exist.

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IT General Controls (ITGCs) are the policies and procedures that relate to many IT applications and support the effective functioning of application controls by helping to ensure the continued proper operation of information systems. They commonly include controls over data center and network operations; system software acquisition, change and maintenance; access security; and application system acquisition, development, and maintenance.

ITGCs are an important component in systems of internal control, and sometimes have a direct impact on the reliability of other controls.

IT assurance is embedded in our audit strategy to ensure the IT systems provide a suitable platform for the control environment and is undertaken in conjunction with our IT Assurance team. Our testing strategy includes a tailored range of data analytics, system configuration and IT environment testing.

We will also obtain an understanding of the information system, including the related business processes relevant to financial reporting, to include:

- eFinancials
- Capita;
- iTrent and
- Cipfa Asset Module.



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INDEPENDENCE

Under ISAs (UK) and the FRC’s Ethical Standard we are required, as auditors, to confirm our independence.

We have embedded the requirements of the auditing standards in our methodologies, tools and internal training programmes. Our internal procedures require that audit engagement leads are made aware of any matters which may reasonably be thought to bear on the integrity, objectivity or independence of the firm, the members of the engagement team or others who are in a position to influence the outcome of the engagement.

This document considers such matters in the context of our audit for the year ending 31 March 2020.

It has been brought to our attention that a junior member of staff within the department has a family member that works for the Council, as a safeguard this member of staff is prohibited from being a part of the engagement team at any time.

We have not identified any other relationships or threats that may reasonably be thought to bear on our objectivity and independence.

We confirm that the firm, the engagement team and other partners, directors, senior managers and managers conducting the audit comply with relevant ethical requirements including the FRC’s Ethical Standard and are independent of the Council.

We also confirm that we have obtained confirmation that external audit experts involved in the audit comply with relevant ethical requirements including the FRC’s Ethical Standard and are independent of the Council and the Group.

Should you have any comments or queries regarding any independence matters we would welcome their discussion in more detail.

Non-audit services

Details of services, other than audit, provided by us to the Group during the period and up to the date of this report are set out in the fees table on the following page.

Should you have any comments or queries regarding any independence matters we would welcome their discussion in more detail.

FEES SUMMARY

Fees for year ending 31 March 2020 and prior year

	2019/20	2018/19
Code audit fee	£48,148	£48,148
Additional audit fee: xxx	-	-
Total audit fees	£48,148	£48,148
Fees for non-audit services - audit related:		
• Certification of housing benefits subsidy claim	£13,640	£13,640
• Certification of pooled housing capital receipts return	£4,750	£4,750
Other non-audit services	-	-
Total non-audit services fees	£18,390	£18,390
Total fees	£66,578	£66,578



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Financial reporting

The Council is expected to have effective governance arrangements to deliver its objectives. To this end, the publication of the financial statements is an essential means by which the Council accounts for its stewardship and use of the public money at its disposal.

The form and content of the Council's financial statements, and any additional schedules or returns for consolidation purposes, should reflect the requirements of the relevant accounting and reporting framework in place and any applicable accounting standards or other direction under the circumstances.

The Council is also required to prepare schedules or returns to facilitate the preparation of consolidated accounts such as HM Treasury's Whole of Government Accounts.

The Section 151 Officer is responsible for preparing and filing a Statement of Accounts and financial statements which show a true and fair view in accordance with CIPFA Code of Practice on Local Authority Accounting 2019/20, applicable accounting standards or other direction under the circumstances.

Our audit of the financial statements does not relieve management nor those charged with governance of their responsibilities for the preparation of materially accurate financial statements.

Use of resources

Councils are required to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at their disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a Governance Statement.

In preparing its Governance Statement, the Council will tailor the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on their arrangements for securing value for money from their use of resources.

OUR RESPONSIBILITIES

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Our responsibilities and reporting - financial reporting

We are responsible for performing our audit under International Standards on Auditing (UK) to form and express an opinion on your financial statements. We report our opinion on the financial statements to the members of the Council.

We read and consider the 'other information' contained in the Statement of Accounts such as the additional narrative reports. We will consider whether there is a material inconsistency between the other information and the financial statements or other information and our knowledge obtained during the audit.

Our responsibilities and reporting - use of resources

We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

This means that we have regard to relevant guidance issued by the National Audit Office and undertake sufficient work to be able to satisfy ourselves as to whether the Council has put arrangements in place that support the achievement of value for money.

What we don't report

Our audit is not designed to identify all matters that may be relevant to the Council and the Governance and Audit Committee and cannot be expected to identify all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.



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Those charged with governance

References in this report to those charged with governance ('TCWG') are to the Council as a whole. For the purposes of our communication with those charged with governance you have agreed we will communicate primarily with the Governance and Audit Committee.

In communicating with the Governance and Audit Committee, representing TCWG of the parent and the Group, we consider TCWG of subsidiary entities to be informed about matters relevant to their subsidiary. Please let us know if this is not appropriate.

Communication, meetings and feedback

We request feedback from you on our planning and completion report to promote two way communication throughout the audit process and to ensure that all risks are identified and considered; and at completion that the results of the audit are appropriately considered. We will meet with management throughout the audit process. We will issue regular updates and drive the audit process with clear and timely communication, bringing in the right resource and experience to ensure efficient and timely resolution of issues.

Audit Planning Report

The Audit Planning Report sets out all planning matters which we want to draw to your attention including audit scope, our assessment of audit risks and materiality.

Internal Controls

We will consider internal controls relevant to the preparation of financial statements in order to design our audit procedures and complete our work. This is not for the purpose of expressing an opinion on the effectiveness of internal control.

Audit Completion Report

At the conclusion of the audit, we will issue an Audit Completion Report to communicate to you key audit findings before concluding our audit opinion. We will include any significant deficiencies in internal controls which we identify as a result of performing audit procedures. We will meet with you to discuss the findings and in particular to receive your input on areas of the financial statements involving significant estimates and judgements and critical accounting policies.

Once we have discussed the contents of the Audit Completion Report with you and having resolved all outstanding matters we will issue a final version of the report.

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TEAM MEMBER ROTATION

This table indicates the latest rotation periods normally permitted under the independence rules of the FRC’s Ethical Standard.

In order to safeguard audit quality we will employ a policy of gradual rotation covering the team members as well as other senior members of the engagement team to ensure a certain level of continuity from year to year.

Independence - engagement team rotation

Senior team members	Number of years involved	Rotation to take place after
Lisa Clampin Engagement lead	2	9 years
Alison Langridge Manager	2	9 years

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MATERIALITY: DEFINITION AND APPLICATION

Concept and definition

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to monetary misstatements but also to disclosure requirements and adherence to appropriate accounting principles and statutory requirements.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality therefore has qualitative as well as quantitative aspects and an item may be considered material, irrespective of its size, if it has an impact on (for example):

- Narrative disclosure e.g. accounting policies, going concern; and
- Instances when greater precision is required (e.g. Remuneration and Staff Report and related party transactions).

International Standards on Auditing (UK) also allow the auditor to set a lower level of materiality for particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Calculation and determination

We have determined materiality based on professional judgement in the context of our knowledge of the Group, including consideration of factors such as industry developments, financial stability and reporting requirements for the financial statements.

We determine materiality in order to:

- Assist in establishing the scope of our audit engagement and audit tests;
- Calculate sample sizes; and
- Assist in evaluating the effect of known and likely misstatements on the Group financial statements.

Reassessment of materiality

We will reconsider materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality if we had been aware.

Further, when we have performed all our tests and are ready to evaluate the results of those tests (including any misstatements we detected) we will reconsider whether materiality combined with the nature, timing and extent of our auditing procedures, provided a sufficient audit scope.

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If we conclude that our audit scope was sufficient, we will use materiality to evaluate whether uncorrected misstatements (individually or in aggregate) are material.

You should be aware that any misstatements that we identify during our audit, both corrected and uncorrected errors, might result in additional audit procedures being necessary.

Unadjusted errors

We will communicate to you all uncorrected misstatements identified during our audit, other than those which we believe are 'clearly trivial'.

Clearly trivial is defined as matters which will be of a wholly different (smaller) order of magnitude than the materiality thresholds used in the audit, and will be matters that are clearly inconsequential, whether taken individually or in aggregate.

We will obtain written representations from the Governance and Audit Committee confirming that in their opinion these uncorrected misstatements are immaterial, both individually and in aggregate and that, in the context of the financial statements taken as a whole, no adjustments are required.

We will request that you correct all uncorrected misstatements. In particular we would strongly recommend correction of errors whose correction would affect compliance with contractual obligations or governmental regulations. Where you choose not to correct all identified misstatements we will request a written representation from you setting out your reasons for not doing so and confirming that in your view the effects of any uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as whole.

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BDO’s audit quality cornerstones underpin the firm’s definition of audit quality.

BDO is committed to audit quality. It is a standing item on the agenda of the Leadership Team, who in conjunction with the Audit Stream Executive, monitors the actions required to maintain a high level of audit quality within the audit stream and address findings from external and internal inspections. We welcome feedback from external bodies and are committed to implementing necessary actions to address their findings.

We recognise the importance of continually seeking to improve audit quality and enhancing certain areas. Alongside reviews from a number of external regulators, the firm undertakes a thorough annual internal Audit Quality Assurance Review and as a member firm of BDO International network we are also subject to a quality review visit every three years. We have also implemented additional quality control review processes for all listed and public interest entities.

More details can be found in our Transparency Report at www.bdo.co.uk



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Overview

The FRC released their Audit Quality Review (AQR) results for the 7 largest accountancy firms in July 2019 for the review period 2018/19. A copy of all of the reports can be found on the [FRC Website](#). We are very proud of our results in this review period where, for the second year running, 7 of the 8 files reviewed were assessed as either good or requiring only limited improvements.

Firm's results

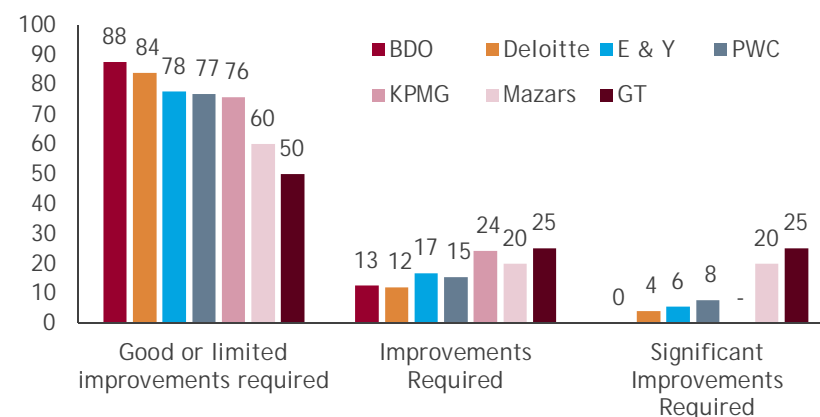
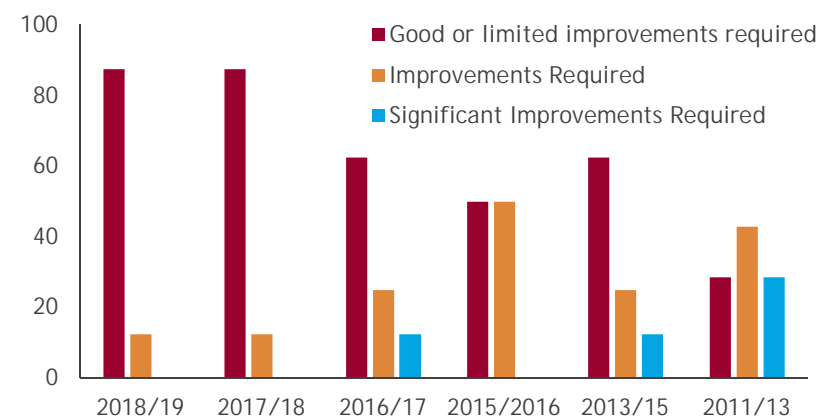
The graphs demonstrates our performance in relation to the other 6 largest firms and our continuous improvements and maintenance of that improvement over the last 6 review periods .

We include details of our model 'The Cycle of Continuous Improvement'. We acknowledge that the firm has performed well over the last few years however we are not complacent and need a strong process in place to maintain this high level of audit quality and deal rapidly and effectively with issues as they arise. This also highlights how our program of root cause analysis plays an important role in high audit quality.

We would encourage you to read our report which includes:

- Details of the root cause analysis we have been undertaking to address issues raised;
- The actions we have/are undertaking to address the issues raised by the AQR; and
- A number of areas of good practice the AQR review team identified whilst undertaking their review.

More details will be included in our Transparency Report which will be available on our www.bdo.co.uk.



AQR RESULTS 2018/19

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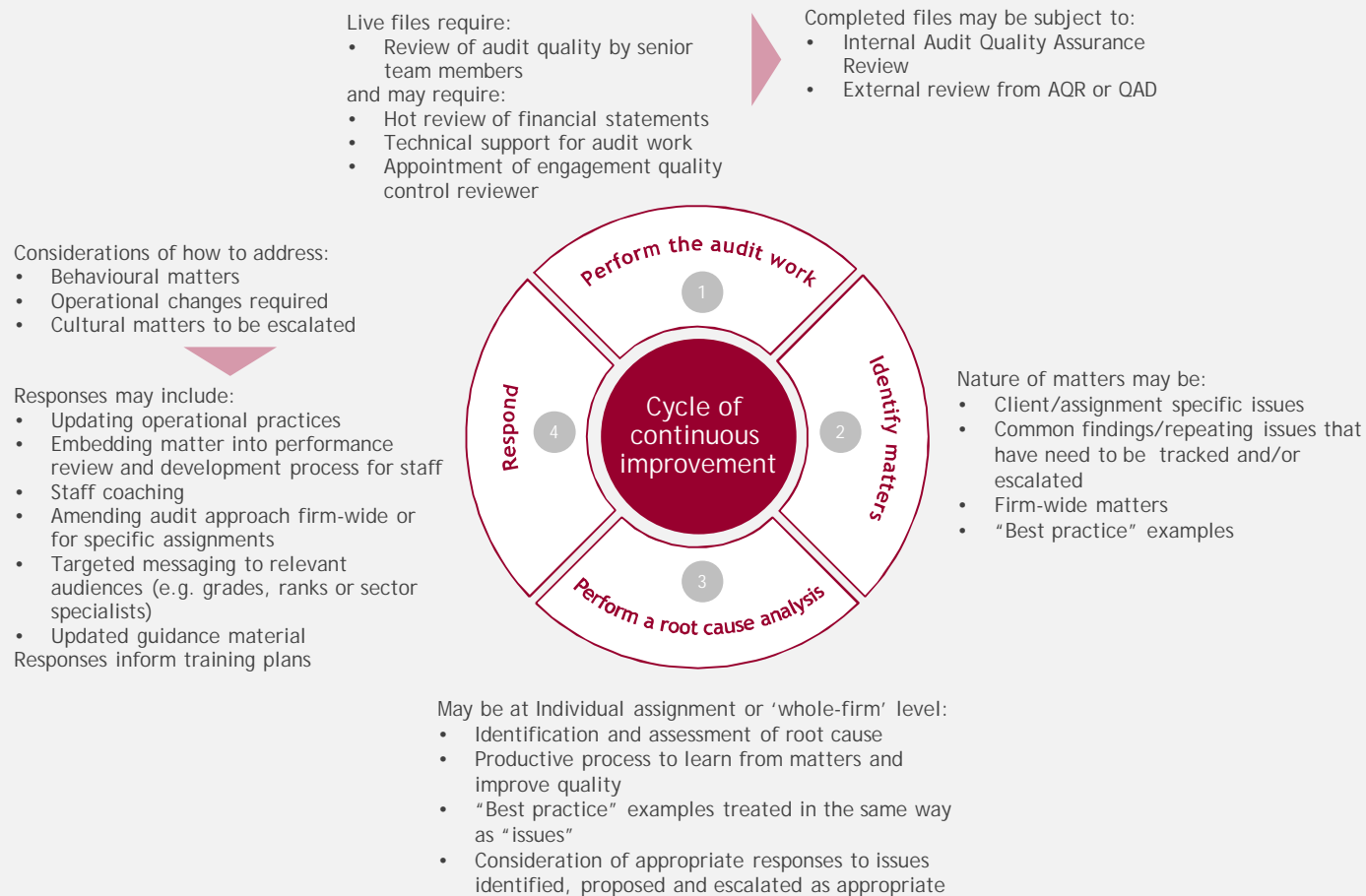
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The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the company and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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10 March 2020

Report of	Assistant Director for Corporate and Improvement Services	Author	Paul Cook ☎ 505861 Darren Brown ☎ 282891
Title	Financial Monitoring Report – April to December 2019		
Wards affected	Not applicable		

1. Executive Summary

1.1 This report gives the Committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets. The financial position is summarised as follows:-

- The General Fund is showing a net underspend against services of £932k as at period 9. This includes less expenditure of £81k and more income of £851k, compared to profiled budgets.
- The current forecast outturn position for the General Fund is a net underspend of £86k.
- The Housing Revenue Account is showing a net underspend of £322k as at period 9, and is forecast to be on budget at the year-end.

1.2 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. Furthermore, detailed work will be undertaken during Quarter 4 to ensure forecast outturn positions are robust, and any resulting necessary action to mitigate any forecast budget variance will be considered. In addition, Senior Management Team (SMT) continues to monitor the budget position on a monthly basis. The final end of year position will be reported for scrutiny purposes and the impact of this on balances will be considered by Cabinet as part of the budget strategy for 2021/22.

2. Action required

2.1 The Committee is asked to consider the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first nine months of 2019/20, and to note the forecast budget underspend of £86k on the General Fund.

3. Reason for scrutiny

3.1 Monitoring of financial performance is important to ensure that:

- Service expenditure remains within cash-limited budgets.
- Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
- Performance targets are being met.

- 3.2 This report also gives the Committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

4. Background

- 4.1 This report reviews the Council's overall position based on profiled income and expenditure for the nine months to 31 December 2019, and also shows a projection of the outturn figures for the full year. All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.

Summary Position

- 4.2 The projected outturn for the General Fund is currently a net underspend of £86k. The Housing Revenue Account forecast outturn position is currently to be on budget.
- 4.3 The General Fund position is set out in more detail in the following paragraphs and the HRA position explained in paragraphs 4.18 to 4.21. Budgets carried forward from 18/19 are now included in the schedules within this report, and as such will be monitored as part of the overall position.

General Fund – Position to 31 December 2019

Service Budgets

- 4.4 Appendix A shows the current budget variances and forecast outturn variances by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding Benefits, NEPP & JMC) of £932k (favourable). This comprises total expenditure being £81k lower than expected and total income being £851k higher than expected. Appendix B breaks these variances down by subjective group.
- 4.5 The net position to date is broadly in-line with the net forecast outturn position. There are changes expected to expenditure and income variances between period 9 and the year-end, and this reflects a number of factors such as:
- Income either decreasing, or not continuing at the level to date for the remainder of the financial year.
 - The profiling of budgets and the impact of changes in spending and income patterns.
 - Areas where adjustments will take place as part of the closure of accounts (for example where income has been received in the current year but relates to the next financial year).
 - Budgets currently unspent for which a carry forward at year-end may be identified

Income

- 4.6 Income to the Council is below profiled budgets to date in a number of areas, with Land Charges, Trade Waste and Sport & Leisure being the most noticeable area. However, whilst Sport & Leisure are forecasting a shortfall in income of £325k, they have identified and are forecasting £246k of savings, negating some of the impact of any shortfall in income.
- 4.7 Income is above targets in a number of areas to date, but most notably in Planning, Building Control and Domestic Waste. The Council has also received £429k in respect of the agreed surrender of the Rowan House lease. As reflected in the 20/21 budget, this will be carried forward at year-end to mitigate the associated cost pressures over the next 3 years. As one of our main risk areas, income will continue to be closely monitored by officers on a monthly basis.

Expenditure

- 4.8 There are variances against profiled budgets in a number of services areas, predominantly within premises, transport and supplies & services costs. This can be as a result of profiling of budgets as well as timing of expenditure.
- 4.9 Benefits payments are not shown in Appendix A & B to avoid distorting the reported position for Service Groups. It is currently projected that this area will be on budget at year end, when the final subsidy claim is paid. Furthermore, NEPP and JMC variances are not included in the Appendix A & B totals, given these areas are ring-fenced and are reported to the relevant joint committee.

Outturn Forecast / Risk Areas

- 4.10 This is the third review this year of the 2019/20 budget position, and the current forecast outturn is a net underspend of £86k.

	£'000	
Service budgets	564	See paras. 4.11 – 4.12 and Appendix C
Technical / Corporate Items	(650)	See para. 4.13
Potential net underspend	(86)	

Service Budgets

- 4.11 The following table sets out the forecast outturn for all service areas, with outturn variances. This shows a net forecast overspend of £564k. The largest areas contributing to this are;

- the net position on agency/employee costs and the impact of the vacancy factor target potentially not being met within Environment, partially offset by additional recycling credit income;
- one-off costs associated with amendments to the lease of the River Colne, removal of boats from the Hythe and the demolition of United Way cottages
- a net underspend in parking
- an overspend in Policy & Corporate, primarily in ICT, Finance, Governance and Planning
- an underspend forecast within Community primarily arising from vacant posts
- an underspend in Customer from vacant posts and a reduced requirement for Arcus Licences
- a net overspend in Sport & Leisure.
- reduced income of £100k which relates to a delay in Turnstone income.

Service	Forecast outturn		
	<i>Expenditure</i>	<i>Income</i>	<i>Net</i>
	£'000	£'000	£'000
Policy & Corporate (incl. CDC)	264	283	547
EMT	7	-	7
Community	(29)	19	(10)
Customer	(218)	99	(119)
Environment	202	(63)	139
Total all services	226	338	564

- 4.12 Appendix C sets out details of all forecast variances against service budgets at the year-end totalling £564k. To provide some context on the scale of the variances shown in Appendix C, a percentage value has been included within the comments which shows the proportion of the relevant budget that it represents. For example, an underspend due to vacant posts or the vacancy factor would be expressed as a proportion of the total employees budget for that area.

Corporate / Technical Items

- 4.13 The budget includes a number of corporate and technical budget areas such as net interest earnings, the provision to repay debt, pension costs and some non-service specific grants. It is currently expected there will be an underspend of £650k within these areas, and the following table provides a further breakdown;

Area	Net £'000	Comment
Net Interest	(50)	It is currently expected that net interest costs will be £50k less than the budget, due to the timing and level of new borrowing required for the capital programme, and interest rates currently being achieved on investments are higher than assumed in the budget
North Essex Garden Communities (NEGC)	(350)	The 2019/20 budget set aside £350k of New Homes Bonus to make the 2019/20 NEGC contribution. The saving now identified for 2019/20 reflects the Council's decision not to make the contribution.
Business Rates	(250)	Business rates collection continues to improve, and the forecast surplus has increased, following completion of the latest statutory return.
Total	(650)	

NEGC / Amphora

- 4.14 The Committee has asked for further financial information on North Essex Garden Communities and the Amphora companies. Appendix E sets out a table of the information provided by NEGC Ltd on financial performance compared to their budget, which is what they have provided to all of the shareholder local authorities. Appendix F sets out a breakdown of the Commercial Companies information contained in Appendix A, along with a table that sets out the Equity Investment and Loan Drawdowns relating to the Commercial Companies as set out in the capital programme.

Summary position and action proposed

- 4.15 The forecast outturn shows a potential net underspend of £86k. There are a number of factors which are contributing to this position, with the main ones being:-
- Less income due to demand, e.g. Sport & Leisure
 - Less income caused by external delays e.g. Northern Gateway
 - More expenditure due to demand e.g. Recycling & Fleet
 - Less expenditure caused by vacant posts e.g. Community and Customer
 - One-off costs e.g. removal of boats, demolition costs
 - Gains from corporate and technical items, e.g. NEGC contribution, Business rates and net interest

- 4.16 There remain a number of potential changes to the forecast in particular such as those corporate technical budgets relating to Benefits, Business Rates and the Council Tax Sharing agreement. These and other normal end of year items mean that we expect the final outturn to be within the budget.
- 4.17 The financial position for 2019/20 was considered as part of the proposals set out in the 2020/21 budget and it was reported that for the purpose of assessing any impact on balances the outturn position was assumed to be “on budget”. The updated forecast position shows that this is still expected to be achieved.
- 4.18 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, SMT continues to monitor the budget position on a monthly basis. The final end of year position will be reported for scrutiny purposes and the impact of this on balances will be considered by Cabinet as part of the budget strategy for 2021/22.

Housing Revenue Account

- 4.19 The Housing Revenue Account (HRA) is a ring-fenced account which is affected by a number of variable factors. At the end of December 2019, the HRA is showing a net underspend of £322k compared to the profiled budget for the same period. This is primarily due to lower expenditure on Premises costs of £643k and £345k less income than budgeted.

Position to date

- 4.20 Premises related costs are showing an underspend of £482k as at the end of September 2019. Overall, there is a net underspend of £379k on Repairs and Maintenance, which primarily relates to the timing of expenditure on repairs and maintenance of pumping stations, Homeless Persons Units and other delegated areas. There are further underspends of £64k on Council Tax on void properties, and £92k on Grounds Maintenance budgets, and £101k on Utility and Water costs which relate to the timing of expenditure.
- 4.21 We have received £345k less income at the end of December 2019. This primarily reflects the net impact of rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the level of Right to Buy sales, along with the timing of acquisition and additions to our housing stock.

Forecast Outturn

- 4.22 The HRA is currently forecast to be on budget at the year-end. Any underspend or overspend that occurs in the year will be used to fund a greater/lesser proportion of our Housing Capital Programme through a variation to the Revenue Contribution to Capital.

5. Standard References

- 5.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

6. Strategic Plan references

- 6.1. The priorities within the Strategic Plan are reflected in the Medium-Term Financial Forecast. This makes assumptions regarding government grant/funding and Council Tax income, and identifies where necessary savings will be found in order to achieve a balanced budget. The 2019/20 revenue budget was prepared in accordance with the Strategic Plan's priorities, in the context of the Council facing growing financial pressures. Budget monitoring enables the financial performance against these priorities to be assessed.

7. Financial implications

- 7.1. As set out above.

8. Risk management implications

- 8.1. Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2019/20 revenue budget report that was approved by Council in February 2019 detailed a number of potentially significant risk areas that had been identified during the budget process. In addition, Assistant Directors identify a number of both positive and negative risk areas during the year.

Background Papers

None

Period 9 – Current Budget Variances and Forecast Outturn Variances by Service Area

Area	Position to date			Forecast Outturn		
	Spend	Income	Net	Spend	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core						
	17	(86)	(69)	22	(50)	(28)
Total	17	(86)	(69)	22	(50)	(28)
Executive Management Team						
EMT	4	-	4	7	-	7
Total	4	-	4	7	-	7
Community						
Assistant Director Communities	1	-	1	3	-	3
Licensing & Food Safety	6	(14)	(8)	13	8	21
Community Safety	(13)	-	(13)	(16)	-	(16)
Environmental Health Services	13	(1)	12	19	2	21
Building Control	(10)	(32)	(42)	(11)	(34)	(45)
Community Initiatives	(41)	-	(41)	(6)	-	(6)
Private Sector Housing	(61)	34	(27)	(25)	12	(13)
Bereavement Services	(120)	11	(109)	(3)	24	21
Cultural Services	(12)	3	(9)	(3)	7	4
Colchester Museums	16	3	19	-	-	-
Subtotal	(221)	4	(217)	(29)	19	(10)
Colchester & Ipswich Museums	96	(23)	73	67	(19)	48
Total	(125)	(19)	(144)	38	-	38
Customer						
Assistant Director Customers	(3)	-	(3)	(2)	-	(2)
Customer Business	13	(19)	(6)	(73)	74	1
Local Taxation & Business Rates	(25)	(51)	(76)	(10)	(2)	(12)
Customer Solutions	(15)	(137)	(152)	38	(70)	(32)
Customer Experience	(231)	80	(151)	(164)	97	(67)
Electoral Services	166	(7)	159	(7)	-	(7)
Subtotal	(95)	(134)	(229)	(218)	99	(119)
Benefits - Payments & Subsidy	(2,895)	6,030	3,135	-	-	-
Total	(2,990)	5,896	2,906	(218)	99	(119)
Environment						
Assistant Director Environment	(1)	-	(1)	(3)	-	(3)
Neighbourhood Services	51	(43)	8	315	(43)	272
Car Parking	(16)	(17)	(33)	(110)	(20)	(130)
Subtotal	34	(60)	(26)	202	(63)	139

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
	Parking Partnership (NEPP)	228	(153)	75	239	(400)	(161)
	Total	262	(213)	49	441	(463)	(22)
	Policy & Corporate						
	Assistant Director Policy & Corporate	(24)	-	(24)	(26)	-	(26)
	Finance	(29)	-	(29)	91	-	91
	ICT	95	(39)	56	97	(1)	96
	People and Performance	(26)	17	(9)	8	30	38
	Governance	(15)	19	4	33	38	71
	Place Strategy	183	(53)	130	(29)	-	(29)
	Planning	214	(123)	91	114	(70)	44
	Housing	87	(43)	44	-	-	-
	Communications	61	(3)	58	16	10	26
	Subtotal	546	(225)	321	304	7	311
	<i>Company Related:-</i>						
	Client – Commercial Company	-	-	-	-	-	-
	Corporate Asset Management	(82)	(14)	(96)	(9)	-	(9)
	Commercial & Investment	(3)	(589)	(592)	193	1	194
	Sport & Leisure	(281)	253	(28)	(246)	325	79
	Total	180	(575)	(395)	242	333	575
	Total (excl. Benefits, NEPP & JMC)	(81)	(851)	(932)	226	338	564
	Total (all)	(2,652)	5,003	2,351	532	(81)	451

Current Budget Variances and Forecast Outturn Variances by Subjective Group

		Position to date			Forecast Outturn		
		Actual	Budget	Variance	Actual	Budget	Variance
	Subjective	£'000	£'000	£'000	£'000	£'000	£'000
	Expenditure						
	Employees	17,589	17,509	80	23,585	23,551	34
	Premises Related	5,218	5,726	(508)	7,434	7,522	(88)
	Transport Related	1,349	1,571	(222)	2,181	2,276	(95)
	Supplies & Services	6,348	5,765	583	9,081	8,650	431
	Third Party Payments	3,656	3,723	(67)	4,743	4,799	(56)
	Transfer Payments	272	219	53	293	293	0
	Capital Financing Costs	0	0	0	110	110	0
	Total	34,432	34,513	(81)	47,427	47,201	226
	Income						
	Government Grant	(1,285)	(1,142)	(143)	(1,192)	(1,142)	(50)
	Other Grants & Reimbursements	(2,707)	(2,345)	(362)	(3,735)	(3,563)	(172)
	Customer & Client Receipts	(16,293)	(15,968)	(325)	(20,892)	(21,469)	577
	Income-Interest	(158)	(137)	(21)	(200)	(183)	(17)
	Inter Account Transfers	0	0	0	0	0	0
	Total	(20,443)	(19,592)	(851)	(26,019)	(26,357)	338
	Net	13,989	14,921	(932)	21,408	20,844	564

Forecast Outturn Variances

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
EMT				
Executive Management Team	7	-	7	Overspend forecast due to recruitment costs (100%), and employee costs due to the implementation of locally determined pay awards in accordance with the Councils agreed pay strategy (0.6%), which are partially offset by an underspend on consultancy costs (68%).
Community				
Assistant Director Communities	3	-	3	Employees overspend due to the implementation of locally determined pay awards in accordance with the Councils agreed pay strategy (2.3%).
Licensing and Food Safety	13	8	21	Employees overspend on re-grading of 2 posts and additional training (2.6%). £16k overspend on Legal and Veterinary fees offset by £13k Research underspend. Shortfall in income relating to Food Safety for Re-inspections and Advice services (100%) offset by more Licensing Income (3.7%).
Community Safety	(16)	-	(16)	Employees underspend (13.5%) – Community Safety officer not yet in post.
Environmental Health Services	19	2	21	Overspend (5.6%) due to not having had sufficient vacant posts to date to achieve the vacancy factor target.
Building Control	(11)	(34)	(45)	Employees underspend of £8k due to vacant posts (2.3%). £34k more income due to higher demand (8.5%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Community Initiatives	(6)	-	(6)	Employees underspend (1%) due to savings on a vacant post that has now been filled by the appointment of an apprentice. Small underspend of £4k on grants (0.7%).
Private Sector Housing	(25)	12	(13)	Employees underspend of £43k (7.9%) due to an HMO vacant post and small savings in a Support Officer role in Healthy homes. This is offset by a £15k overspend on Legal fees. £26k more grant from CCG contributing to Healthy Homes manager post. This is offset by £38k (26.9.3%) less income primarily in HMO Licences and the redress penalty scheme.
Bereavement Services	(3)	24	21	Employees underspend of £12k (5.5%) due to a vacant post, which has now been filled. This is offset by an £9k one off cost for a new music system. Shortfall in income of £24k, mainly in burials (1.6%).
Cultural Services	(3)	7	4	Underspend on overtime and casual staff costs (2.13%) plus payments to coach companies (29.2%) offset by IT Licences overspend (77%). Shortfall in events sale income (6%).
Colchester and Ipswich Museums (CIMS)	67	(19)	48	CIMS is a ring-fenced budget. There is a forecast overspend of £39k (1.35%) on salaries, mainly due to vacancy target of £20k yet to be met, overtime costs and some relocation costs. There is a large overspend on water costs in the Castle which is currently being investigated, and an overspend relating to the installation of a new CCTV system in Heckworth. The forecast also includes overspend on costs relating to Exhibitions (material and removal costs). £15k (9.8%) additional retail income and £6k more income for hire and staff costs reimbursement for Exhibitions related costs.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Customer				
Assistant Director Customers	(2)	-	(2)	Forecast underspend on employee costs due to a reduction in PA costs (1.7%).
Customer Business	(73)	74	1	The majority of the forecast underspend relates to employee costs following the early end of the MacMillan contract (31/12/2019) (25%). The shortfall of income mainly relates to the budgeted income reimbursement of MacMillan costs (25%) offset slightly by unbudgeted income from the Town Centre BID totalling £12k (100%).
Local Taxation & Business Rates	(10)	(2)	(12)	Underspend on employee costs of £18k due to a delay in recruiting into a fixed term post (5%) partially offset with £7k unbudgeted expenditure on legal costs within NNDR (100%). The income forecast relates to unbudgeted interest received within Council Tax (100%).
Customer Solutions	38	(70)	(32)	Underspends on employee costs of £41k due to vacant posts, partially offset with an £18k overspend on training costs following team restructures (22%). Unbudgeted expenditure of £35k on Hub security costs (100%), £5k on audit fees (50%), £5k each on print and postage costs The net additional income is due to extra income from the DWP (£50k) and partial reimbursement of Hub security costs from ECC and CBH. (100%)
Customer Experience	(164)	97	(67)	Following a procurement exercise for the replacement of legacy Civica Systems, Northgate's Assure product is the preferred supplier. The requirement for Arcus licenses is reduced for 19/20 creating an underspend of £89k (27.34%). Implementation of

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				Northgate will begin early 2020 with some costs falling within this financial year but with the majority falling into 20/21. Net underspend within the Contact & Support Centre (3%) and the Web & Digital Development team (5.38%) is due to Management team secondments and special unpaid leave. Land Charges income is forecast to be £92k less than the budget (31%).
Electoral Services	(7)	-	(7)	The net underspend relates to reduced employee costs due to a team restructure. (5%)
Environment				
Assistant Director Environment	(3)	-	(3)	An employee underspend is due to a reduction in the PA's hours.
Neighbourhood Services	315	(43)	272	Following negotiations with ECC, £160k more income is forecast relating to additional food waste credits (11.58%.) This is partially offset by a shortfall in Market & Street Trading (32.91%) and Trade Collections (10.5%) although actions are being taken to increase fee income in the future. £175k overspend on employee costs is forecast due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (2.9%) There is a forecast overspend on Agency Staff (5.43%) but this has been mitigated in the service by other in year savings resulting in the net forecast overspend being £38k. Clear sacks and caddie stock levels are high and although purchasing for recycling kit is expected to slow down as a result of the introduction of a Voucher for all kit, an overspend of £70k is forecast (32%). This will be monitored against demand. A £32k overspend is included to represent the costs incurred to recover sunken boats at Hythe Quay.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Car Parking	(110)	(20)	(130)	£67k one-off gain from the Off-street reserve balance (100%), £30k underspend against the Middleborough Car Park service charge (44%) and £10k underspend forecast on NNDR costs (1%). A net £20k additional income is forecast across parking with a shortfall on P&D offset with gains on Season Tickets (20%) and PCN's (6%).
North Essex Parking Partnership (NEPP)	239	(400)	(161)	NEPP budgets are ring-fenced and are expected to operate within budget, with any surplus or deficit being transferred to the Decriminalised Parking Reserve at year-end.
Policy & Corporate (incl. CDC)				
Corporate & Democratic Core	22	(50)	(28)	Overspend forecast on Banking Transaction Charges (16.5%) and parish council grants (3%) More income forecast from Council Tax Sharing Agreement (9%).
Assistant Director Policy & Corp	(26)	-	(26)	Forecast underspend on salaries due to change of Assistant Director (21%).
Finance	91	-	91	Forecast overspends on employee costs due to recruitment costs and agency costs to cover vacant posts, slightly offset due to vacant posts (3%), unbudgeted costs due to the ABS system upgrade (58%) and across other supplies and services costs (31%).
ICT	97	(1)	96	Forecast overspend across supplies and services mainly on management and consultancy costs to maintain legacy systems (127%) and IT costs (10%), partially offset by an underspend on employee costs, mainly due to vacant posts (1%). £1k more income due to back dated street naming income (104%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
People & Performance	8	30	38	Overspends mainly on management and consultancy costs due to the implementation of the BCE shared payroll service, following agreement of the business case (100%) offset slightly by two months underspend on payroll inter authority payment as started in June (17%) and employee costs due to vacant post (0.5%). Less income forecast from staff car parking since changing to MiPermit £34%).
Governance	33	38	71	Overspends across employee costs mainly due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies and due to the implementation of locally determined pay awards in accordance with the Councils agreed pay strategy, and casual staff due to Events cover (13%). Overspends on corporate postage (62%), members printing costs (104%) and Legal books and periodicals due to changing to online subscriptions (114%), offsetting underspend due to re-tender of the insurance contract (2.9%) £20k income pressure from Rowan House restructure target that will not be received (100%), less income from Legal Fees (32%) and from CBH for postage costs (29%).
Place Strategy	(29)	-	(29)	Underspend across employee costs due to vacant posts (2.8%), printing costs (67%) and Housing Strategy software licence (48%).
Planning	114	(70)	44	Overspend forecast due to planning appeal costs (100%), software licences (100%) and management and consultancy costs (18%). £70k estimate forecast on planning fees income (5.8%).
Communications	16	10	26	Forecast overspend on licences due to one off previous years spend (35%) and on employee costs mainly due to not having had sufficient vacant posts yet this year to achieve the budget target for

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				vacancies (1.6%). Less income forecast than budget from roundabout advertising (50%).
Corporate Asset Management	(9)		(9)	Underspends on cleaning contract due to re-tender coming in less than budget (8%), NNDR due to revaluation (50%) and cost of installing water fountains less than anticipated (1.3%), offsetting forecast overspend on R&M (19%) and unbudgeted works to Council Chamber in Town Hall (100%).
Commercial & Investment	193	1	194	Commercial properties have some unplanned cost pressures including responsive repairs, business rates and water although the repairs cost will be offset by insurance income - overall a £27k (10%) overspend has been forecast. £120k one-off cost for the amendments to the lease of the River Colne, and £50k estimated for the demolition of the United Way cottages. Income is now forecast to be on budget. Within this position there is a £100k shortfall forecast in relation to the Northern Gateway site as this is now unlikely to be achieved in 19/20 as updated planning consent is to be sought. A £31k shortfall has been forecast against the Culver Centre following announcements of a rent reductions which are indicative of the retail market. These have been offset by a number of smaller gains including £12k on the David Lloyd site; £15k on various Vineyard/Osborne Street properties, £22k on the land at Axial Way and a net £8k on the Nunns Road and Osborne Street car parks.
Sport and Leisure	(246)	325	79	Expenditure savings have been forecast on utility costs based on recent Smith Bellerby estimates - £30k (17.2%) electricity and £25k (12.6%) on gas. Employee savings due to vacancies and restructuring have been forecast at £60k (2.2%). Savings on Supplies and Services £65k (11%) and Third Party payments £21k (33.7%) due to savings on Highwoods re-charges.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				<p>An income shortfall of £325k (6.27%) is forecast. This includes a forecast shortfall on Lifestyles membership sales of £47k, the year to-date average growth up to end of Dec is 0.57% (£5k), however, this is 4.74% (£44k) down compared to year to date profile. New processes are in place to encourage membership sign-up with additional customer contacts being made when existing memberships expire. All income areas have both team and, in some cases, individual targets in place to increase income. Beauty Therapy, Aqua Springs, Activa Gym, LEAP, Highwoods and Tiptree all forecasting to hit or slightly exceed income targets. All other areas of income forecasting to be less than target include £120k Pools, £23k Swimming Lessons, £36k Zoggs' sales, Dryside £12k, £68k Catering and £36k from the Car Park. A number of initiatives are in place including additional comms/marketing to generate awareness of Aqua Springs and Leisure Pool are booked i.e. Facebook boosts and Go Target campaigns etc.</p>

December 2019 Account Description	Current Period - December 2019			Forecast Year-End Position		
	Profiled Budget to Period 9 £'000	Actual to Period 9 £'000	Variance (under) / over £'000	Annual Budget £'000	Projected Outturn £'000	Variance (under) / over £'000
HRA - Direct & Non-Direct						
EXPENDITURE						
Employees	132	151	19	177	163	(14)
Premises Related	5,097	4,454	(643)	6,838	6,724	(114)
Transport Related	-	1	1			
Supplies & Services	635	587	(48)	1,097	1,097	-
Third Party Payments	2,942	2,938	(4)	3,545	3,545	-
Transfer Payments	141	149	8	188	188	-
Support Services	2,639	2,639	-	3,444	3,444	-
Capital Financing Costs	-	-	-	14,949	14,665	(284)
TOTAL EXPENDITURE	11,586	10,919	(667)	30,238	29,826	(412)
INCOME						
Other Grants & Reimbursements	(97)	(68)	29	(129)	(129)	-
Customer & Client Receipts	(22,677)	(22,361)	316	(29,782)	(29,370)	412
Income-Interest	(1)	(1)	-	(31)	(31)	-
Inter Account Transfers	-	-	-	(107)	(107)	-
TOTAL INCOME	(22,775)	(22,430)	345	(30,049)	(29,637)	412
TOTAL NET - HRA	(11,189)	(11,511)	(322)	189	189	-

Financial Summary 2019/20 – North Essex Garden Communities Project (this table shows project costs, not Colchester's costs)

		Position to date			
		Full Year Budget	Profiled Budget to Pd 9	Actual to Pd 9	Variance Pd 9
	Subjective	£'000	£'000	£'000	£'000
	Direct Expenditure				
	Employees	417	293	295	2
	Premises Related	165	143	138	(5)
	Transport Related	42	60	30	(30)
	Supplies & Services	1,407	1,085	1,082	(3)
	Transfer Payments	-	-	-	-
	Capital Financing Costs	-	-	-	-
	Total	2,031	1,581	1,545	(36)
	Direct Income				
	Government Grant	(600)	(600)	-	600
	Other Income	-	-	(3)	(3)
	<i>Other Grants & Reimbursements:-</i>				
	Essex County Council	(150)	(150)	-	150
	Colchester Borough Council	(150)	(150)	-	150
	Braintree District Council	(350)	(350)	(350)	-
	Tendring District Council	(350)	(350)	(350)	-
	Total	(1,600)	(1,600)	(703)	897
	Use of NEGC Reserves	(431)	-	(842)	(842)
	Net	-	(19)	-	19

Financial Summary 2019/20 – Amphora Revenue

		Position to date				
		Full Year Budget	Profiled Budget to Pd 9	Actual to Pd 9	Variance Pd 9	Comments
	Subjective	£'000	£'000	£'000	£'000	
	Direct Expenditure					
	Third Party Payments	1,884	1,779	1,779	-	This is the management fee paid to Amphora relating to CCTV and the Commercial team
	Total					
	Direct Income					
	CCHL Dividend	(393)	-	-	-	This is the budgeted dividend to be delivered at year-end
	Total	(393)	-	-	-	
	Net	1,491	1,779	1,779	-	

Financial Summary 2019/20 – Amphora Capital

		Spend to Pd 9	Forecast Spend 19/20
		£'000	£'000
Equity Investment:			
	Colchester Commercial Holdings	1,580	1,580
Sub-Total		1,580	1,580
Drawdown of Loan Facility			
	Amphora Homes	400	400
	Amphora Energy	800	900
Sub-Total		1,200	1,300
Total		2,780	2,880

Report of	Assistant Director – Corporate and Improvement	Author	Paul Cook ☎ 505861
Title	Update on approved capital programme 2019/20		
Wards affected	Not applicable		

1 Action required

- 1.1 To review progress on the 2019/20 capital programme.

2 Reason for Scrutiny

- 2.1 To ensure that spending on projects is within agreed budgets
- 2.2 Projects are delivered to the required level to support service delivery objectives
- 2.3 The Council maximises its available capital resources, supporting the Council's Treasury Management Strategy and associated statutory requirements.
- 2.4 Members have assurance that the key risks associated with the capital programme are being managed to ensure efficient and effective delivery of the programme.
- 2.5 To hold Service Managers and Portfolio Holders accountable for budgets and project delivery.

3 Background and Improved Reporting Arrangements

- 3.1 Since the revised 2019/20 programme approved by Budget Council capital allocations have been increased for some projects with significant changes set out in the table below. These additional allocations are recommended to 11 March 2020 Cabinet. Please note these additional allocations are assumed in the Appendix.

Scheme	Need for increased allocation	19/20 £k	20/21 £k
Colchester Northern Gateway North	Additional Highway Works, revised costs where provisional sums included in the original contract, establishment of additional contract contingency		1,500
Colchester Northern Gateway South	Tenders exceed programme allocation	-310	660

- 3.2 In order to focus monitoring on significant projects reporting changes have been made as set out below.

- 3.2.1 Some significant projects (Colchester Northern Gateway North; Colchester Northern Gateway South; Digital Strategy) have previously been reported as a number of separate rows. These are now combined to give a transparent report of overall project cost.
- 3.2.2 The reporting structure has been revised to treat all projects under £100k total cost as a single combined line.
- 3.2.3 Projects are now reported in order of total value rather than grouped by responsible Assistant Director.
- 3.3 Comments on amber rated projects are set out below. More detail is available in the Appendix. Within the Appendix comments are subdivided into the key project management domains of timing, cost and complexity.
 - 3.3.1 Stanway Community Centre is slightly delayed because of a contamination survey.
 - 3.3.2 There are delays in spending the full allocation for Disabled Facilities Grants. Systems and staffing improvements are being made.
 - 3.3.3 The Shrub End Depot project has been delayed by management changes during which time the opportunity has been taken to improve the scheme design.
 - 3.3.4 Equity advances and lending to be directed to Colchester Amphora Housing Limited are delayed on two projects due to planning issues. This has led to a significant timing delay.
 - 3.3.5 There is a slight timing delay in on the Colchester Northern Gateway Sports Park.
 - 3.3.6 There are also timing delays on the Town Centre allocation.
 - 3.3.7 The Digital Strategy is awaiting final approval of the Government funding

4 .Strategic Plan references

- 4.1 The Council's Capital Programme is aligned to the Strategic Plan.

5 Financial implications

- 5.1 Within this report

6 Environmental and Sustainability Implications

- 6.1 The Capital Programme reflects the Council's declaration of a Climate Emergency and its commitment to becoming carbon neutral by 2030. The environmental and sustainability implications of individual programmes will be thoroughly assessed with reference to the definition of sustainable development set out in the National Planning Policy Framework.

7 Equality and Diversity Implications

- 7.1 Equality and diversity issues for individual projects are assessed in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

8 Risk management implications

- 8.1 Risk management issues are considered as part of individual capital projects. Currently the key risk within the capital programme as reported relates to the finalisation of funding arrangements to enable key schemes primarily within the RIF to progress. Relevant officers

are endeavouring to formalise funding arrangements where necessary. The position is being continuously monitored.

9 **Other standard references**

9.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

10 **Background papers – None**

Project Update Q3 2019/20 (£k)	Total programme 19/20 onwards	Actual to Q3 19/20	19/20 Forecast	Actual as % of forecast	20/21 Forecast	21/22 Forecast	22/23 Forecast	RAG Status
Lending to Housing Company	28,800	400	400	100.0%	1,400	7,500	19,500	Amber
Colchester Northern Gateway North	24,317	13,657	18,616	73.4%	5,701			Amber
HRA - Housing Improvement Programme	8,663	3,644	8,663	42.1%				Green
HRA - Purchase of properties	7,400	4,353	7,400	58.8%				Green
Equity investment in Housing Company	7,300	1,500	1,500	100.0%	300	5,500		Amber
Mercury Theatre Redevelopment Phase 2	6,631	1,850	3,881	47.7%	2,750			Green
Colchester Northern Gateway South	5,844	417	941	44.3%	4,910			Amber
Colchester Northern Gateway Heat Network	4,089	20	500	4.0%	3,589			Green
HRA - New Build on Garage Sites	3,907	33	407	8.1%	3,500			Green
Mandatory Disabled Facilities Grants	3,459	568	1,222	46.5%	957	1,280		Amber
Digital Strategy	3,450		400	0.0%	3,050			Amber
Waste Fleet Vehicles	2,816	2,529	2,665	94.9%	151			Green
Lending to Energy Company	2,520	800	900	88.9%	700	500	420	Green
Town Centre	2,185	116	500	23.2%	1,685			Amber
Other projects	1,145	383	1,071	35.8%	93			Green
Shrub End Depot	1,041	28	100	28.0%	941			Amber
HRA - Council House New Build	759	310	759	40.8%				Green
HRA - Adaptations to Housing Stock	722	457	722	63.3%				Green

Project Update Q3 2019/20 (£k)	Total programme 19/20 onwards	Actual to Q3 19/20	19/20 Forecast	Actual as % of forecast	20/21 Forecast	21/22 Forecast	22/23 Forecast	RAG Status
Grants to Registered Providers (1-4-1 Right To Buy Receipts Funded)	671	225	225	100.0%	446			Green
Jacks - St Nicholas St	644	389	644	60.4%				Green
HRA - Housing ICT Development	617				617			Green
Heritage Lighting	350	54	350	15.4%				Green
HRA - Sheltered Accommodation	300	61	300	20.3%				Green
Pre-development and feasibility funds	250				250			Green
Private Sector Renewals - Loans and Grants	235	45	62	72.6%	100	73		Green
Castle Park Improvements	183	163	183	89.1%				Green
Digital Strategy	173	86	173	49.7%				Green
Town Hall Boilers	160	115	160	71.9%				Green
East Colchester Enabling Fund	141		141	0.0%				Green
CCTV Monitoring	127	25	127	19.7%				Green
Castle Park Cricket Pavilion Extension S106	125				125			Green
Sport & Leisure Asset Review	120				120			Green
Local Authority Carbon Management (LACM) - Car Park LED lighting	119	4	119	3.4%				Green
Stanway Community Centre	118	22	118	18.6%				Amber
St Botolph's Public Realm	118	2	10	20.0%	108			Green

Project Update Q3 2019/20 (£k)	Total programme 19/20 onwards	Actual to Q3 19/20	19/20 Forecast	Actual as % of forecast	20/21 Forecast	21/22 Forecast	22/23 Forecast	RAG Status
Walls	110	15	13	115.4%	50	47		Green
Totals	119,609	32,271	53,272	60.6%	31,543	14,900	19,290	

Comments on amber rated schemes

Lending to Housing Company

The comments below apply also to the later row equity investment in housing company

Timing: Creffield Road gained permission in 2019 and completed a land transfer on 27 February 2020. The site is on course to start construction soon and complete in March 2021.

The other two sites in the programme will be delivered but the advances will be made mainly in 2021/22. The Council will gain dividend income from the house sales as the schemes roll forward

There are delays in the determination of the Northern Gateway South planning application which includes the Mill Road housing site. There is an expectation to build 350 (105 affordable, 245 private) houses at Mill Road.

At St Runwald Street the initial scheme has been revised but still needs to navigate the planning process prior to any land disposal and related equity investment.

Cost: remains on budget.

Complexity: High due to the intrinsic links to the wider Northern Gateway and traffic modelling for this whole growth area.

Colchester Northern Gateway North

Timing: Target Sports Hub completion of May 2020 has been pushed back to practical completion of August opening September 2020.

Cost: Work ongoing with funders to meet funding criteria and with end users of the completed Sports Hub facility.

Complexity: No new issues
Colchester Northern Gateway South
Timing: Some delays on completion of the Boulevard
Cost: Increased cost on receipt of tenders
Complexity: No new issues
Mandatory Disabled Facilities Grants
<p>Timing: There have been a total of 69 grants paid as of 14.2.20.</p> <p>Total spend is £676,466 year to date. There are 40 grants approved with a total commitment standing at £393,621 at the end of Quarter 2. Total Spend and commitment is £1,070,087.</p> <p>There was a total of 62 DFGs completed in 2018/19, compared to 80 in 2017/18</p>
Cost: The grant funding is ringfenced to this purpose
<p>Complexity: The Healthy Homes Team have worked with the Business Improvement Team to reduce grant and loan processing time by finding efficiencies, and to review and update the Financial Assistance Policy. A new grant process will be implemented in April 2020. This work will also support the transfer of an optimised process into the new Northgate system, ensuring an inefficient process is not replicated.</p> <p>Ways are being identified to improve efficiency by transferring to a Ferret Information Systems digital applications form system, offered by. This will reduce the need for physical paperwork when administering grant applications. Northgate migration is scheduled for June/July 2020. This new system is expected to bring greater efficiency and improve the customer experience.</p>
Town Centre
Timing: The programme will be delivered but some spend in 2020/21.
Cost and complexity: No new issues
Shrub End Depot

Timing: There has been some time taken to get new management up to speed on the project.
Cost: No variations to report
Complexity: During this time careful consideration is being taken on the impact of any changes; this has included consultation with a Waste and Transfer Station specialist. An initial conversation has also been had with a workspace specialist. Draft master plans will start to be drawn up shortly.
Stanway Community Centre
Timing: Three weeks late due to contamination surveys on site.
Complexity: No variance to report
Cost: No variance to report

10 March 2020

Report of	Assistant Director of Policy & Corporate	Author	Hayley McGrath
Title	Internal Audit Plan 2020/21		☎ 508902
Wards affected	Not applicable		

1.0 Executive Summary

- 1.1 The Accounts and Audit Regulations 2015 require that 'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'
- 1.2 To ensure that the Council complies with these requirements it maintains a five-year program of the key areas to be audited, then annually a plan is agreed with management about the specific areas to be covered during the next financial year. The annual plan is then submitted for committee approval.

2.0 Recommended Decision

- 2.1 The committee are asked to consider and agree the suggested Internal Audit plan for 2020/21, shown in appendix 1.

3.0 Reason for Recommended Decision

- 3.1 Internal Audit is a key element of the Council's Corporate Governance framework. A relevant and comprehensive audit programme, and implementation of audit recommendations, gives assurance to members and management that services are operating effectively, efficiently and economically and in accordance with legislative requirements and professional standards.

4.0 Alternative Options

- 4.1 The alternative is to not agree a plan for 2020/21 and to decide on an ad-hoc basis which areas are to be audited during the year. However, this option will not ensure that all key areas are audited and will reduce the effectiveness of the internal audit service.

5.0 Background Information

- 5.1 The Council operates a five-year program that covers all the functions that it is anticipated will be reviewed in those years. This is an overview of the areas that require assurance, and annually the specific audits, taking into account changes in service delivery, are agreed with senior management and members. Fundamental systems, such as the General Ledger, need to be reviewed every year to provide assurance for the final accounts process, and these are known as 'managed audits'. 2020/21 is the final year of the current five-year plan.
- 5.2 The current Internal Audit contract provides for 325 auditing days a year. For 2020/21 a total of forty days are allocated to follow-ups and management, leaving 285 days to be allocated to other areas. Currently there are no audits to be carried forward from 2019/20.
- 5.3 The Corporate Governance Manager has discussed the plan and timings with senior managers to ensure that there is commitment in supporting the auditors whilst carrying out the reviews. It has also been agreed with the Council's external auditors.
- 5.4 A total of fifteen days have been included in the plan to review significant contracts and twenty-five to review IT systems and processes. These items will be identified during the year as required.
- 5.5 It should be noted that the Internal Audit contract is based on the same timeframe as the five-year plan, however the current supplier has declined to deliver the final year of the contract. Therefore, the service is currently being tendered and a new supplier will be taking over from 01 April 2020. The plan agreed for 20/21 will form the basis of the new service but may be subject to change once a long-term plan is finalised with the new supplier. Any changes will be reported to this committee.

6.0 Colchester Borough Homes & Colchester Commercial Holdings Ltd

- 6.1 Colchester Borough Homes (CBH) have their own agreed audit plan which is administered by the Council's auditors. The coverage of the plan is decided by CBH and is not reported to this committee.
- 6.2 However there are a few CBH systems that involve input from the Council, and it is appropriate that in these circumstances the audit resource required to provide assurance is shared by, and reported to, both organisations. In 2020/21 there is three 'shared' audits which have been included on the attached audit plan.
- 6.3 The audit plan has been rearranged to reflect the Council's new operational structure and several audits have been identified as now coming under Colchester Commercial Holdings Ltd (CCHL). Whilst previously the Council has identified all the audits required for CCHL, it is now more appropriate for a number of days to be allocated to the company, to decide how they are used.
- 6.4 However, the Council will require assurance over specific areas, especially in the first few years of operation, therefore a few key areas for review (joint audits) have been identified on the plan along with a general allowance for CCHL to decide how to use, which has been set at fifteen days.

7.0 Strategic Plan References

- 7.1 The audit plan has been set with due regard to the identified key strategic risks to the Council, therefore ensuring the effectiveness of the processes required to achieve the strategic objectives.

8.0 Risk Management Implications

- 8.1 Agreeing an audit plan enhances the ability of the Council to control its risks and therefore will support the internal control process.

9.0 Environmental and Sustainability Implications

- 9.1 There are no environmental or sustainability implications as a result of this report.

10. Other Standard References

- 10.1 There are no particular references to consultation or publicity considerations or financial; community safety or health and safety implications.

Appendices

Appendix A – Draft Internal Audit plan for 2020/21.

Five Year Audit Plan @ 01 January 2020							
	Audit Area	Managed Audit / A.G.S	2016/17	2017/18	2018/19	2019/20	2020/21
Cross Cutting							
	Site Cash Ups	✓	3	5	3	5	3
	Corporate Governance & Scrutiny	✓		12		12	
	Single Data Set	✓	5	5	5	5	5
	Security of Premises		2	2	0	2	2
	Access Cards				8		
Communities							
	Building Control Fees			8			8
	Cemetery and Crematorium			7			10
	Museums - Merged Services inc. Admissions, Shops and Inventories	✓	12	12	15	12	10
	Lion Walk Activity Centre				5		
	Food Control					8	
	Use of Grant funding		8				
	Animal / Pest Control				8		
	Private Sector Housing - Financial Assistance - DFG				10		
	Environmental Protection					8	
	Licensing - alcohol and entertainment, gambling		8				
	Rechargeable works					8	
	Licensing for taxis			8			
	HMO		7				
Customer							
	Debtors	✓	10	5	5	10	5
	Corporate Debt (including bailiffs)				10		
	Council Tax	✓	10	5	5	10	5
	Housing Benefit / Local Tax Support Scheme	✓	12	12	12	12	12
	Housing Benefit Overpayments	✓		8			8
	NNDR / Business Rates	✓	10	5	5	10	5
	Discretionary Housing Payments & Exceptional Hardship Payments				8		
	Corporate PSU / Management Arrangements		10				
	Utility bills				5		
	Land charges		7				
	Freedom of Information			7			
	Electoral registration						
	Complaints		8				
Environment							
	Fuel Usage		10				
	Green spaces						5
	Allotment and Beach Huts		8				
	Parking Services Income / Partnership	✓	15	15	15	15	15
	Waste Management			10			
	Fleet Management					10	
	Highwoods Country Park			8			
	Zone Working				10		
	Use of equipment / vehicles		8				
	Contracting with 3rd Parties		8				
	Abandoned vehicles						6
Corporate & Improvement							
	Contract Management Audits			15	15		15
	Procurement / Purchasing					15	
	Purchasing cards		3			3	
	Health and Safety				8		7
	Performance Management of Staff				5		
	Recruitment and Retention					10	
	Sickness/Leave/Flex Absence & Flexible Working		10				
	Creditors (including CI scheme)	✓	5	10	5	5	10
	General Ledger	✓	10	5	5	10	5
	Risk Management	✓	7		7		7
	Treasury Management	✓	5	5	8	5	5
	General IT - (to be allocated)		25	25	25	25	25
	Budgetary Control						10
	BCP / Emergency Planning		8				
	Insurances				8		

	Payroll	✓	10	10	7	10	7
	VAT					15	
Place & Client Services							
	S106 Monies				10		
	Planning Policies - consultants and salaries						10
	Planning Fees			10			10
	Garden Communities				10		
Joint with Colchester Commercial Holdings Ltd							
	CCTV + Helpline				12		
	Commercial and Investment Property			10			0
	Events			10			10
	Hire of Stadium				3		
	Leisure World - Core functions, includes joint use centres	✓	10	10	10	10	10
	Leisure World - Other - inc catering and bars		10				
	CCHL / CBC contract management and governance						10
	Additional testing for CBC corporate audits					7	7
	CCH allocated days					15	15
Joint with Colchester Borough Homes							
	HUB processes and procedures				3		
	Housing Rents	✓	5	5	5	10	5
	Management of Expenditure CBH	✓		8			8
	Homelessness / Housing Needs Register			10			10
	RTB			10			
	Total No. of Days		269	277	275	267	285

10 March 2020

Report of	Assistant Director of Corporate and Improvement Services	Author	Richard Clifford ☎ 507832
Title	Review of Meetings and Ways of Working Update		
Wards affected	Not Applicable		

1. Executive Summary

1.1 This report provides an update on the initiatives undertaken as a result of the Review of Meetings and Ways of Working undertaken by the Governance and Audit Committee in 2016-2017. It provides an update on how the recommendations from the review have been implemented. It also provides information on potential options for webcasting meetings, which would enable the principles of the review to be carried forward further.

2. Recommended Decision

2.1 To the note the progress on the recommendations arising from the Review of Meetings and Ways of Working.

2.2 To consider the potential benefits of webcasting public meetings and to consider whether to make a recommendation to Cabinet that this be explored further.

3. Reason for Recommended Decision

3.1 At its meeting in July 2016 the Governance and Audit Committee requested that a review of meetings and ways of working be undertaken. This decision was subsequently confirmed by Full Council. Following the completion of the review, the Committee made a number of decisions and recommendations, and the Committee has requested an update on the review, looking in particular at streaming and Have Your Say! and identifying other options that would help encourage public engagement with meetings.

4. Alternative Options

4.1 No alternative options are proposed.

5. Background Information

5.1 At its meeting in July 2016 the Governance and Audit Committee requested that a review of meetings and ways of working be undertaken. This decision was subsequently confirmed by Full Council. The objectives of the review were to:-

- Improve public participation at meetings
- Make public meetings more accessible and engaging for residents;
- Make the way we work more flexible to improve the opportunity for an improved diversity of Councillors;
- Offer Councillors a more efficient way of working through the better use of technology.

5.2. Through 2016 and 2017 the review looked at a number of issues to address these objectives, and the views of Councillors and members of the public were sought through meetings and consultation exercises. These included three public meetings to provide an opportunity for members of the public to speak to councillors and the Democratic Services team about the meetings processes. Following the completion of the review, the Committee made a number of decisions and recommendations, which are summarised below.

- The live audio streaming of all public meetings of the Council, Committees and Panels;
- A trial of the use of digital agendas by the Governance and Audit Committee and the Scrutiny Panel. Following the trial digital (paperless) agendas were introduced to all meetings held in rooms where there were suitable facilities (i.e. the Grand Jury Room);
- Changes to the Have Your Say! arrangements in the Meetings General Procedure Rules to allow members of the public one further minute to speak following a response to their initial comments;
- Revised report templates including an executive summary to allow readers to gain a quicker and easier understanding of the main issues;
- The Governance and Audit Committee trialled a later meeting start time but, following the conclusion of the trial and a consultation exercise with Councillors and officers, did not recommend any changes to the 6.00pm start time for formal meetings;
- Further consideration be given to the introduction of mandatory training. This was considered by the Member Development Group which led to the introduction of a requirement that all Councillors undertake training in GDPR, safeguarding and equality and diversity, and that all new chairmen undertake chairing skills training within four months of their appointment;
- A more proactive approach be taken to promoting meetings through social media;
- Options for improving the room for councillors in the Town Hall (known as the Members Room) be considered further by the Group Leaders.

5.3 At its meeting on 29 October 2019 the Governance and Audit Committee requested an update on the review, looking in particular at streaming and Have Your Say! At its meeting on 26 November it also requested that the review look at issues relating to Councillors' access to Council IT systems and to how Councillors were introduced to or made aware of the Council's ethical governance policies.

Live Audio Streaming

5.4 Live audio streaming (broadcasting) of meetings was introduced in March 2017 using a low-cost solution provided by AudioMinutes. Detailed summaries of listening figures demonstrate encouraging levels of engagement, particularly in respect of high-profile meetings such as the Planning Committee meeting on 28 February 2019 when a peak of 214 live listeners was recorded. The most current statistics are set out in the Appendix to this report.

5.5 Experience gained over the last three years has suggested that the audio broadcasts are becoming more of a necessity, certainly attendance at meetings by reporters has diminished and there have been a number of enquiries when technical issues have caused the broadcast uploads to fail. This has prompted consideration about what the public might want from the Council's meetings arrangements, the way meetings are delivered for the Council and what they are like from the public's perspective, which, in turn, has prompted another look at what benefits webcasting might deliver.

5.6 Preliminary discussions have been held with the market leader, Public-i on the basis of an installation in the Council Chamber, integrating with the existing microphone units, with the following indicative costings:-

1. Lease contract – To provide and install three HD quality cameras, webcasting software, hosting and support for a typical 60-hour contract for any period between one and five years starting at £24k for one year, reducing to below £15k annually for a £72k five year contract.
2. Purchase and installation by the Council of cameras, AV rack, associated equipment, integration with microphones and cabling at a cost of approx. £19k plus
Lease contract - Webcasting software, hosting, support and on-line monitoring for a typical 60-hour contract for any period between one and five years starting at £11k for one year, reducing to below £8k annually for a £38k five year contract.

5.7 The Council Chamber has the considerable benefit, so far as webcasting is concerned, of having fixed seating positions and is the current venue for Council and Planning Committee meetings, which would provide coverage of many (but not all) of the most well attended meetings of the Council. Due to their multi-function character, the Grand Jury Room and Moot Hall are less conducive to a webcasting set up and, as such, may require separate portable equipment with additional resource requirement for setting up, or otherwise delivered on a one-off event webcasting service basis.

5.8 Some of the potential benefits of webcasting would be:

Accessibility:

- Transcription / subtitling technology increases accessibility and engagement for those with hearing difficulties
- Software provides viewer with direct access to presentations being made at meetings,
- Software integrates with CMIS and can be followed from the existing Committee pages on the website,
- Creates a Council meeting presence on YouTube and/or Facebook.
- Enables those unable to attend meetings due to health or accessibility reasons to engage with meetings and decision making.

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Transparency:

- Increases the visibility of decision making,
- Improves public access to Council decision making,
- Provides better context than audio streaming,
- Makes meetings easier to follow and understand,
- Raises the profile of decision-making.

Accuracy:

- The video helps keep the content in context while also providing an accurate and reliable record of the meeting;
- Automatic transcription and sub-titling feature.

Sustainability

- Allows meetings to be followed remotely, reducing carbon emissions from transport in line with the Climate Emergency.

Public-i have indicated that they would be very willing to make a presentation to Councillors and/or senior officers.

5.9 The availability of webcasting facilities in the Council Chamber, which is used as a wedding venue, would be a marketable opportunity and could be an additional income source for the Events Company.

5.10 There are also other alternative webcasting providers, such as Auditel which has some local authority clients, whilst other local authorities have moved away from third party providers, opting to develop an in-house solution. There could also be a potential solution through a third party which would deliver an unsophisticated solution using one fixed dome camera and broadcasting using YouTube. This solution is currently being trialled and further information may be forthcoming in future months. However, it would be important to bear in mind that, whilst this type of solution may possibly integrate with the Council's committee pages on the website (CMIS), it would not deliver important added accessibility benefits of sub-titling.

Digital Agendas

5.11 All meetings held in the Grand Jury Room are now run as digital only meetings. This encompasses all routine meetings of the Council's Committees and Panels, except Full Council and Planning Committee. This means that the assumption is that Councillors will not be provided with a hard copy agenda and councillors will access their papers online through the website or the MyCMIS app. It is accepted that the move to digital agendas has been challenging and involved a considerable culture change for councillors and officers. Some councillors have indicated a preference to continue to receive hard copies of agendas and the Democratic Services team do accede to these requests. There is anecdotal evidence that such requests for paper copies of agendas are increasing.

5.12 In terms of copies of agendas for members of the public, one hard copy is always available for members of the public, but experience has shown that the demand for paper copies has lessened and the members of the public are increasingly accessing meeting papers digitally.

5.13 To facilitate the transition to digital agendas, arrangements were made to provide an ipad on a loan basis to those councillors who required a suitable device. Currently a total of six ipads are out on loan.

5.14 The Democratic Services team have provided equipment such as portable charging points to ensure that councillors are able to power their devices during the course of meetings.

5.15 The table below shows the reduction in the Councillors print budget as a result of the move to digital agendas for most Committee and Panel meetings:-

Municipal year	Final outturn on the Democratic Services printing budget
2015-16	£21,633.72
2018-19	£6,649.26

Meeting Rooms

5.16 In order to move forward and roll out digital agendas further for Full Council and Planning Committee meetings, changes to the infrastructure of the Council Chamber would be necessary. This would necessitate the installation of power points and USB points.

Consideration could be given to introducing webcasting alongside digital upgrades to the Council Chamber, to provide power and USB ports to each bench. Indicative costs in 2018 for this was reported to be approx. £12.5k.

5.17 There are a few Councillor seating spaces in the Council Chamber which do not currently have an individual microphone whilst the sloping surface and small dimensions of the bench / desks are challenging constraints in the digital meeting age. In order to facilitate the use of digital agendas in the Council Chamber consideration may need to be given to the purchase and installation of additional microphone units or the entire replacement of the system for a more discreet microphone system to make the desk spaces more usable.

5.18 The infrastructure within the Town Hall can also limit public engagement in the meetings process. The public seating arrangements in the Council Chamber are limited, particularly for Full Council meetings when most of the seating is taken by Councillors. This leaves very limited seating for members of the public and officers at the rear of the Chamber. There is seating for approximately 25 in the public gallery. However, the view from the public gallery is very restricted. In terms of wheelchair access, there is access to the Town Hall from the entrance at the rear of the Town Hall, off St Runwald Street. However, the lift is comparatively small and, without assistance, not all wheelchair users can use it. This need for assistance can also be a deterrent for wheelchair users who wish to readily access the meeting rooms themselves and the restricted space in the Council Chamber when used for Full Council meetings is becoming of increased concern as there is very little capacity to make available even one dedicated space for a wheelchair user wishing to observe or address the meeting.

Have Your Say!

5.19 The Have Your Say arrangements contained in the Meetings General Procedure Rules were amended to allow members of the public a further minute to comment further on any response they may have received in response to their original comments. The aim of this was to make the Have Your Say! element of the meeting more of a dialogue.

5.20 There has been a significant increase in overall numbers of Have Your Speakers at meetings, as shown by the table below, which gives details of numbers of speakers at meetings in 2015-16 municipal year compared with the 2018-19. Cabinet, Council and Local Plan Committee have all seen dramatic increases in the numbers of speakers. Whilst the increase in numbers may in part be a result of a couple of very high profile issues and not be solely attributable to the change in procedures itself, it does indicate an increased public engagement with the Council decision making processes, in line with the objective of the Review of Meetings and Ways of Working project. The introduction of the revised Have Your Say! arrangements has had an impact on the length of the Have Your Say sections of meetings.

Committee Meeting	Number of Meetings during 2015/16	Number of Public 'Have Your Say' speakers	Average Number of speakers per meeting	Number of Meeting during 2018-19	Number of Have Your Say! speakers	Average number of speakers per meeting	Percentage of variance
Cabinet	7	12	1.7	7	38	5.4	218%
Crime and Disorder Committee	1	1	1	2	2	2	67%
Council	6	18	3	5	36	7.2	140%
Governance Committee	5	0	0	6	3	0.5	N/A
Licensing Committee	7	0	0	6	13	2.2	N/A
Local Plan	6	11	1.8	5	37	7.4	311%
Planning Committee	21	87	4.1	17	60	3.5	-15%
Policy and Public Initiatives Panel	-	-		6	40	6.7	N/A
Revolving Investment Fund Committee	4	2	0.5	5	0	0	-100%
Scrutiny Panel	9	7	0.8	9	6	0.7	-13%
Trading Board	6	1	0.2	-	-		N/A
Total	72	139	1.9	78	236	3	45%

Members Room

5.21 Work has continued on options around improvements to the facilities available to councillors at the Town Hall, and in particular the room for Councillors, known as the Members Room. The Councillor Development Group has looked at the issue in some detail. As part of the Council's Building Maintenance programme, there was an ongoing programme of upkeep for the Town Hall. The Group Rooms were the next area of the Town Hall due for redecoration under this programme and a programme of internal improvements is being undertaken to the Group Rooms to bring them up to date. This was overdue, as some of the rooms had not been redecorated for over 20 years. This would include new furniture and increased data and charging points.

5.22 Arrangements to swap the Liberal Democrat Group Room with the Members Room are also underway, which will provide a more private and secure location for the Group Room. The new members room will be equipped with improved catering facilities, including a small kitchen, a wall mounted TV and data and charging points. These works are scheduled to be undertaken in by April 2020.

Mandatory Training

5.23 The Member Development Group considered the recommendation of the Governance and Audit Committee that further consideration be given to mandatory training. This led to the introduction of a requirement, adopted by Council, that all Councillors undertake training in General Data Protection Regulations (GDPR), safeguarding and equality and diversity, and that all new chairmen undertake chairing skills training within four months of their appointment. Council also approved a sanction whereby a Councillor's allowance could be withheld if they did not complete the mandatory training.

5.24 All new Committee Chair appointed in 2019 and 2020 have completed Chairing Skills training within four months, in line with the policy. In terms of GDPR, safeguarding and equality and diversity, the Council has sought to provide this through a series of traditional briefings in 2018 and then through online training. Where Councillors can demonstrate that they have undertaken similar training elsewhere, for example at another public authority, that is deemed to meet the requirement. The table below demonstrates the number of current councillors who have completed training on each of these subjects:-

GDPR	43
Safeguarding	44
Equality and Diversity	26

The online course on equality and diversity was released significantly later than the courses on GDPR and safeguarding. The Member Development Group has been monitoring levels of compliance with mandatory training and will consider further methods to increase take up.

5.25 At its meeting on 26 November 2019, the Governance and Audit Committee reviewed the Council's ethical governance policies. In the Committee debate issues about how Councillors were made aware of these important policies were raised, given that they set out standards of conduct and behaviours for Councillors and imposed requirements upon Councillors. The Committee recommended that this issue form part of this review. The Ethical Governance policies were adopted by Full Council at its meeting in December 2019, and all Councillors were provided with copies as part of the Council Summons. In addition, the Monitoring Officer writes to all Councillors annually reminding them of the Council's Ethical Governance Policies and providing links to the relevant policies. The visibility of the policies could be raised by including a direct link to them from the Councillors' page on the Council's intranet, Colin. Going forward it is suggested that the Ethical Governance policies be specifically highlighted as part of the induction process for new Councillors. The Governance and Audit Committee usually undertakes training on Code of Conduct issues at the start of the municipal year and this could be extended to cover issues relating to the ethical governance policies.

Promotion of Meetings through Social Media

5.26 The Council promotes its meetings through its Twitter account. A tweet is sent when the agenda is published, with a link to the meeting page containing the agenda. A reminder is sent on the day of the meeting reminding residents of the ability to attend and speak under Have Your Say!

5.27 As an indication of the benefits of using social media, the table at Appendix 2 gives figures for meetings of Planning Committee through 2019. The level of engagement varies from meeting to meeting, but it is notable that tweets are routinely viewed several hundred times, and a tweet relating to a meeting in February 2019 generated 43 clicks on the link to the Committee page on the website.

Access to IT systems

5.28 The Council provides all Councillors with Microsoft 365 accounts which enables access to the Microsoft Office suite (Word, Excel, Outlook, PowerPoint, SharePoint and more) through a single password. Microsoft 365 is a "cloud" service which means it can be accessed from any web browser or on any device without the need to log in to a "corporate device". Microsoft 365 also works on any device and is always up to date; meaning it is a secure and accessible productivity tool. Councillors also have access to information about meetings including meeting agenda packs through the Committee pages on the website, or through the My CMIS app on a laptop or device. Most information is publicly available through the website, although access to information which has been classified as not for publication can only be accessed via logging into CMIS.

5.29 Councillors are enabled to use either company devices or their own devices to access Council systems and IT security and policy is designed to be compliant and robust but also light touch; aiming to avoid locking down systems or services to the point where functionality is compromised. This approach provides challenges and relies upon each individual user (whether Officer or Councillor) taking responsibility for the systems they use and the data they access.

5.30 The Council's approach and focus on 'Cloud' and 'proportionate security' is advanced when compared to other organisations in the sector and we are regularly commended by partners who are impressed by the Council's focus on making digital tools available and adoption of new capabilities. The Council has invested in training and adoption resources over the last few years and will continue to do so.

6. Equality, Diversity and Human Rights implications

6.1 An EIA for the Council's decision making processes is available on the Council 's website at the link [here](#) or by following the pathway www.colchester.gov.uk / How the Council works / Equality and Diversity / Equality Impact Assessments / Corporate and Improvement Services / Decision Making and Meetings.

7. Strategic Plan References

7.1 The Review of Meetings and Ways of Working supports the "Encourage belonging, involvement and responsibility in all the borough's communities" strand of the [Strategic Plan 2018-21](#). Improved public engagement with the Council's decision-making process indirectly supports all Strategic Plan priorities.

8. Financial Implications

8.1 The financial implications relating to webcasting and introducing charging points and USB points to the Council Chamber are set out in the body of the report.

9. Environmental and Sustainability Implications

9.1 Environmental and sustainability benefits arising from the Review of Meetings and Ways of Working include:-

- A significant reduction in the production of printed agendas, together with associated benefits from the reduction in car journeys to deliver agendas to the Town Hall, and to deliver agendas to Councillor's homes.

- Audio streaming of meetings allows members of the public and Councillors to listen to meetings remotely, rather than travel to meetings at the Town Hall, reducing emissions from car journeys. These benefits are likely to be increased by webcasting.

10. Standard References

10.1 There are no particular references to the consultation or publicity considerations; community safety; health and safety or risk management implications.

Appendices

Appendix 1; Audio minutes listening statistics

Appendix 2: Engagement with Tweets relating to Planning Committee

APPENDIX 1 - AudioMinutes Listeners March 2019 to February 2020:

Month	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Live Minutes	1761	421	981	1933	6813	1167	589	1570	1047	2020	1693	907
Archive Minutes	4065	1214	774	2766	7266	2395	1735	1213	1228	6251	2833	1710
Total Minutes	5826	1635	1755	4699	14079	3562	2324	2783	2275	8271	4526	2617
Live Listeners	120	51	82	106	379	69	88	50	33	117	60	32
Archive Listeners	653	287	146	559	1327	589	400	333	266	1113	395	271
Total Listeners	773	338	228	665	1706	658	488	383	299	1230	455	303
Ave Live Duration	14.68	8.25	11.96	18.24	17.98	16.91	6.69	31.40	31.73	17.26	28.22	28.34
Ave Archive Duration	6.23	4.23	5.30	4.95	5.48	4.07	4.34	3.64	4.62	5.62	7.17	6.31
Peak Live Listeners				111	Planning Committee 4 July 2019							
Most Listeners				550	Council 5 December 2019							

Bold Font – denotes highest score in category

Key:

Live Minutes - the number of minutes streamed live to listeners during meeting webcast

Archive Minutes - the number of minutes of audio played from the meeting archive

Total Minutes - the sum of the above

Live Listeners - the number of listeners connected to live webcasts

Archive Listeners - the number of listeners connected to the meeting archive

Total Listeners - the sum of the above

Average Live Duration - the average time spent listening to live meetings

Average Archive Duration - the average time spent listening to audio from the meeting archive

Other Background Statistics

Time spent at meetings 2018 to 2019:

- Planning Committee - 32 hours 5 minutes
- Council meetings – 16 hours 40 minutes
- Cabinet – 17 hours 3 minutes

Cost of printing Council Summons December 2019: £1,178

Cost of hiring in Marks Tey Radio for meetings in the Moot Hall: £980

Appendix 2

Engagement with Tweets relating to Planning Committee sent from Colchester Borough Council twitter account.

Planning Cttee	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Reach	1202	976	679	976	829	1175	900	1036	876	794	1080	820
Engagement	12	5	6	5	10	10	20	13	4	5	9	7
Link clicks	6	0	5	4	6	9	20	12	2	5	6	6
Reach	1179	1302	1054	1693		1052	870	1257	1074	1373	1385	931
Engagement	6	10	6	17		7	7	18	9	12	6	6
Link clicks	4	6	4	14		3	6	13	6	6	0	5
Reach	972	1327	1029	1512		855		814	960		1008	1103
Engagement	9	14	5	2		6		9	14		3	20
Link clicks	3	8	5	1		6		5	8		3	13
Reach	746	2006		1261				938			550	
Engagement	12	65		6				14			3	
Link clicks	6	43		3				9			1	
Reach	866										777	
Engagement	10										7	
Link clicks	8										4	

Reach: Number of times tweet was viewed on a users timeline
Engagement: Number of times tweet was opened
Link Clicks: Number of times the link contained in the tweet was clicked.

10 March 2020

Report of	Monitoring Officer	Author	Andrew Weavers ☎ 282213
Title	Review of the Scheme of Delegation to Officers		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report provides a review of the Scheme of Delegation to Officers following a request from the Committee at its meeting of 29 November 2019.

2. Recommended Decision

- 2.1 To note the contents of this report.

3. Background

- 3.1 The law provides that local authorities can discharge their functions by way of committees (in the case of Executive functions by delegation by the Leader of the Council to individual Executive councillors; i.e. Cabinet Portfolio Holders) or to officers. Any delegations to Officers must be agreed by Councillors clearly specified and be contained within the Local Authority's Constitution.
- 3.2 Article 12 of the Council's Constitution sets out the various levels of decision making within the Authority and Part 3 contains the Scheme of Delegation to Cabinet Members and the Scheme of Delegation to Officers.
- 3.3 The Scheme of Delegation to Officers (attached at Appendix 1) comprises 2 parts. The first is the delegations agreed by the Leader of the Council (executive functions) and the second part contains delegations from Full Council and its committees (non-executive functions). The Scheme of Delegation to Officers only deals with delegations in relation to Colchester Borough Council. It does not deal with matters delegated to officers of the Council's companies which are the responsibility of the respective companies. Each of the companies will have their own arrangements in place.
- 3.4 The Scheme of Delegation to Officers was last approved by the Leader of the Council and noted by Cabinet at its meeting on 29 January 2020. The delegations from the Planning Committee we last approved on 9 January 2020. Both schemes were updated to reflect changes to the Senior Management Team. The delegations from the Licensing Committee were agreed by Full Council at its meeting on 23 May 2018.
- 3.5 It is worth noting that in addition to the Scheme of Delegation to Officers individual delegations to officers for a particular purpose are often made. These are mostly around authority to award contracts but are to be made in consultation with the relevant Portfolio Holder. If any of the delegated decisions (whether they derive from the Scheme of Delegation or individual delegations) amount to a Key Decision (as defined in the Constitution) the decision must be published (in the same manner as a Portfolio Holder decision) and will be subject to call-in thereby enabling an ability for scrutiny.

- 3.6 The Scheme of delegation to officers provides clear framework of delegated decisions to officers under which they must operate including financial limits. The operation of the Scheme has not caused any constitutional concerns and is kept under review by the Monitoring Officer who would take action if the Constitution was not being adhered to.

4. Strategic Plan References

- 4.1 The manner in which the Council governs its business is an underpinning mechanism in the Council's Strategic Plan aims to set out the direction and future potential for our Borough.

5. Publicity Considerations

- 5.1 The Scheme of Delegation Officers forms part of the Constitution which is published on the Council's website

6. Risk Management

- 6.1 An approved scheme of delegation to officers minimises the risk to the Council that it could be held to be found to be acting ultra vires in regard to actions taken by officers.

7. Financial, Equality, Diversity and Human Rights, Consultation, Health, Wellbeing and Community Safety, Health and Safety and Environmental and Sustainability Implications

- 7.1 None.

SCHEME OF DELEGATION TO OFFICERS

January 2020

The Leader of the Council has delegated to individual members of the Cabinet most of the executive powers of implementation within the confines of the Council's budget and policy framework.

In addition, the Council has delegated some of its regulatory powers to the Planning Committee, Local Plan Committee, Licensing Committee and Governance and Audit Committee.

In order to ensure that business is conducted efficiently and that services are provided to the specified standards, the Council, the Leader of the Council, Planning Committee, Local Plan Committee and Licensing Committee has delegated some of their powers to officers.

There are two schemes of delegation which have been approved by the Leader of the Council:

1. Powers delegated to Cabinet Members.
2. Powers delegated to officers.

The following conditions apply to the powers delegated to officers by the Leader of the Council, the Council, Planning Committee, Local Plan Committee and Licensing Committee.

1. Every delegated power shall be exercised in the name of the Council.
2. The exercise of delegated powers shall be subject to the decision not being contrary to any policy of the Council as embodied in a formal resolution and recorded in the minutes of the Council or Cabinet.
3. All Key Decisions taken under this scheme are subject to the Call-in Procedure.
4. No officer shall exercise any delegated power that comprises a Key Decision unless that decision is contained within the Council's Forward Plan and complies with the Forward Plan process.
5. An officer exercising delegated powers shall do so in a manner consistent with the policy of the Council current at the time. The Proper Officer shall be the final arbiter of the interpretation of policy in relation to any matter.
6. In exercising delegated powers, an officer may incur expenditure only if appropriate provision has been made in the approved annual estimates and/or capital programme except as otherwise provided for in Financial Regulations.
7. No action may be taken which is contrary to the Council's Constitution.

8. Where powers to acquire or dispose of property or land are being exercised, the delegation is subject to such acquisition or disposal being in accordance with terms approved by the District Valuer or other professional officer.
9. Delegated powers to acquire property shall not include power to acquire property compulsorily and any proposal to make a Compulsory Purchase Order shall be submitted to the Council as a recommendation.
10. Powers delegated to an officer may be exercised by another officer acting on behalf of the named officer, provided the latter has authorised the other officer so to act.
11. The Proper Officer may require that a decision which may be taken by an officer under this scheme shall be referred to the Council, the Leader of the Council or the Committee, as appropriate, for determination.
12. An officer exercising delegated powers in respect of any Key Decision shall record the decision and the reasons for it on the Decision Notice and shall deliver it to the Proper Officer who shall publish the Decision Notice in the approved manner.

Note Any reference to an Act of Parliament or Statutory Instrument shall include any statutory amendment or modification thereof.

SCHEME OF DELEGATION BY THE LEADER OF THE COUNCIL TO OFFICERS

Delegated to the Chief Executive

GENERAL

1. To act as District Controller in all emergency matters.
2. To implement the electoral registration function.

HUMAN RESOURCES

1. The implementation of locally determined pay awards to the employee group in accordance with the Council's agreed pay strategy for Council employees.
2. To hear and determine all appeals by employees relating to dismissal following the Council's Disciplinary Procedures.

Delegation to Strategic Directors and Chief Operating Officer

1. Where matters have been delegated in this Scheme to named Assistant Directors, the delegation may also be exercised by a Strategic Director or the Chief Operating Officer.
2. Power to authorise requests in relation to applications for, renewal of and cancellation of covert or directed surveillance in accordance with the Regulation of Investigatory Powers Act 2000. Any application that involves any confidential material (as defined within the Act) must be authorised personally by the Chief Executive.

Delegated to the Chief Executive, Strategic Directors, Chief Operating Officer and all Assistant Directors

FINANCIAL RESOURCES

1. To authorise financial remedies or compensation including; waiver or reduction of fees, ex-gratia or goodwill payments up to £3000 (Chief Executive) or £1000 (Assistant Directors).
2. To incur revenue expenditure and recover revenue income up to the levels contained in the annual estimates of expenditure and income or any other approved revisions thereto.
3. Authority on behalf of the Council subject to sub paragraph (a) to enter into any contract or variation(s) for works , supplies and services which do not exceed the value of £100,000 or does not form part of a series of contracts or variations the total aggregate value or amount of which does not exceed £100,000.

(a) Provided that such contract(s) or variation(s) are in accordance with the existing practice of the Council and the expenditure involved is authorised within the Council's Financial Procedure Rules.

Delegated to the Chief Executive, Strategic Directors, Chief Operating Officer and all Assistant Directors (continued)

4. To dispose of surplus or obsolete equipment, plant, vehicles and stock on the most favourable terms in accordance with the Council's Financial Regulations.
5. When a contract is won in open competition with another local authority or public body, following acceptance of the tender, power to offer to amend the tender sum if the authority or body is prepared to waive the requirement of a performance bond.
6. To employ such sub-contractors as may be required to fulfil all obligations entered into by the Council.
7. To purchase such works, supplies or services required to fulfil all obligations entered into by the Council.

HUMAN RESOURCES

1. Subject to corporate policies and standards, to determine staffing levels for services within their Services, including variations to meet budgetary and business plan requirements and to maintain efficient and effective services.
2. Subject to corporate policies and standards to determine recruitment, training and dismissal of staff.
3. Subject to corporate policies and standards to approve secondary employment, leave, overtime, training courses, membership of and attendance at professional bodies, granting of ex-gratia payments up to £1000 (Chief Executive) or £500 (Assistant Directors) to staff for damage and/ or destruction of personal items resulting directly from their employment.

GENERAL

1. In respect of every function of the Council, power to serve Notices under section 16 of the Local Government (Miscellaneous Provisions) Act 1976 requiring information on interests in land.
2. To select shortlists of contractors to be invited to tender for contracts with the Council from those available pursuant to the Contract Procedure Rules.

CUSTOMERS

1. To manage customers demand for Council services and the availability of multi-channel service delivery via the Council's on-line processes and customer service via the Council's customer relationship management systems.
2. To manage the Council's triage function for customers to ensure they receive the level of service their request and need deserves.
3. To manage the Council's corporate complaint handling process.

TAX COLLECTION

The collection and recovery of any Council Tax, rates or residual community charge payable and to carry out or make appropriate arrangements for the carrying out of all the Council Tax, rating and residual community charge functions of the Council including the following powers in respect of Council Tax, residual community charge and national non-domestic rating:-

Council Tax and Residual Community Charge

- To impose and/or quash penalties.
- To take summary proceedings in the Magistrates Court for recovery (including penalties).
- To exercise distraint, issue requests for information, apply for attachment of earnings orders, deduction from income support, committal to prison and to issue winding up/bankruptcy proceedings and charging orders.
- To select and appoint bailiffs and tracing agents.
- To refund all payments and interest where appropriate.
- To estimate occupancy level for collective community charge when the landlord has defaulted.
- To execute arrest warrants issued by the Magistrates' Court and to select and appoint suitably qualified contractors if necessary.

National Non-Domestic Rating

- To take summary proceedings in the Magistrates Court for recovery.
- To exercise the Council's power of distraint, committal to prison, bankruptcy/winding up proceedings.
- To select and appoint bailiffs and tracing agents.
- To refund all payments and interest where appropriate.
- To grant allowances under section 44A of the Local Government Finance Act 1988.
- To grant discretionary relief under section 47 of the Local Government Finance Act 1988 within criteria set down by the Council.
- To reduce or remit liability on the grounds of hardship under section 49 of the Local Government Finance Act 1988 within criteria set down by the Council.
- To execute arrest warrants issued by the Magistrates' Court and to select and appoint suitably qualified contractors if necessary.

BENEFITS

1. To operate and administer the Council Tax Support Scheme, including the recovery or waiving of overpayments, and to determine whether to accept late applications (i.e. backdating of support) where appropriate. To also consider topping up payment to vulnerable people who demonstrate exceptional hardship and who are not in receipt of maximum Council Tax Support.
2. To operate and administer the and the Council Tax Benefit Scheme and the recovery of overpayment Council Tax Benefit and including the waiving of recovery of overpayments and to accept late applications (including consideration of backdating of benefit) where appropriate and to top up the benefit payable to the most vulnerable who are not in receipt of maximum benefit.
3. To operate and administer the Housing Benefit Scheme and the recovery of overpayment Housing Benefit and including the waiving of recovery of overpayments and to accept late applications (including consideration of backdating of benefit) where appropriate and to top up the benefit payable to the most vulnerable who are not in receipt of maximum benefit.
4. The use of debt collection agencies to recover Housing Benefit and Council Tax Benefit overpayments.
5. To commence legal proceedings for the recovery of Housing Benefit overpayments and in cases of fraud.
6. To operate the Council's welfare rights advice service and Macmillan advice service (in accordance with the agreed contractual arrangements).

HUMAN RESOURCES

1. The signing and issuing of all contracts of employment and of any associated terms and conditions.

GENERAL

1. To operate the local land charges service.
2. To administer electoral registration and manage the elections function.

COMMUNITY SAFETY

1. To carry out projects on behalf of the community safety partnership and devise and initiate projects that address crime and disorder in the Borough.

ARTS AND CULTURE

1. Power to take action within the approved budget and policy objectives of the Council in relation to management and funding of the Mercury Theatre, Colchester Arts Centre, Firstsite and any similar organisations.
2. Power to take action within the approved budget and policy objectives of the Council in relation to the promotion and encouragement of events of cultural and artistic merit.

ENVIRONMENTAL PROTECTION

1. Power to agree payments for compensation arising under section 20 of the Public Health (Control of Disease) Act 1984, up to the limit prescribed in the Council's Financial Management Procedures for payments from the Insurance Provision, when satisfied by the Section 151 Officer that the claims are reasonable and justified.
2. To administer relevant environmental protection provisions, give directions, serve notices, enforce, carry out works in default, issue formal cautions and to lay information and complaints to Court in relation to offences in appropriate cases under the following Acts and any Act or Acts extending or amending the same or incorporating them and under any order or regulations made under the said Act or Acts:

Animal Welfare Act 2006

Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018

Anti-Social Behaviour Act 2003

Building Act 1984

Clean Air Act 1993

Clean Neighbourhoods & Environment Act 2005

Control of Pollution Act 1974

Dogs Act 1871

Dangerous Dogs Act 1991

Dangerous Dogs Act (Amendment) 1997

Dogs (Fouling of Land) Act 1996

Environment Act 1995

Environmental Protection Act 1990

Environmental Damage (Prevention and Remediation) Regulations 2009

Essex Act 1987

Local Government Act 1972

Local Government (Miscellaneous Provisions) Act 1976

Local Government (Miscellaneous Provisions) Act 1982

Noise & Statutory Nuisance Act 1993
Pollution, Prevention & Control Act 1999
Prevention of Damage by Pests Act 1949
Private Water Supplies Regulations 2009
Public Health Act 1936
Public Health Act 1961
Water Industries Act 1991
Health and Safety at Work etc. Act 1974
Food Safety Act 1990
European Communities Act 1972 and legislation made thereunder
Sunday Trading Act 1994
Health Act 2006

3. Power to object to applications for consent to discharge under section 119 of the Water Industry Act 1991.
4. To authorise works being carried out in default up to a maximum cost of £5,000 in cases where a breach of legislation can be remedied by the Council carrying out works in default.
5. Control of the drainage of paved areas under section 84 of the Building Act 1984.
6. Power to take appropriate action under the Safety at Sports Grounds Act 1975 (as amended) following consultation with Essex County Council and Essex Police.
7. Service of Notices under section 262 of the Public Health Act 1936 relating to culverting of watercourses and ditches, and the institution of legal proceedings where Notices are not complied with after consultation with the Ward Councillors.
8. Power to reply to consultations from Essex County Council on licences for the disposal of refuse.
9. Arrangements for funerals under the Public Health (Control of Disease) Act 1984.
10. Take all necessary legal action required to enforce the provisions of relevant legislation relating to the following environmental protection functions:
 - Air quality
 - Contaminated land
 - Culverting of watercourses and ditches
 - Smoke from bonfires
 - Determination of applications for the installation of boilers, furnaces and chimneys
 - Filthy and verminous premises, articles and persons
 - Houseboats
 - Noise from construction sites
 - Noise in the street

- Obstructed, blocked or defective drains and private sewers and/or insufficient provision of drainage
 - Overflowing cesspools and septic tanks
 - Prescribed processes liable to give rise to air pollution
 - Prevention of damage by pests
 - Private Water Supplies
 - Re-securing empty or unoccupied buildings
 - Statutory nuisances
 - Surface water drainage
 - Water supply
 - Employment of persons relating to health and safety at work in premises
 - Sunday trading
 - Licensing, registration and hygiene standards of food premises and other commercial or domestic premises
 - Quality, safety and content of food produced, sold or stored within the Borough of Colchester
 - Control of infectious diseases
 - Port Health matters
 - Dog control
 - Pest control
 - Sale or keeping of animals
11. To act as lead officer for the Council in accordance with the Essex Countywide Traveller Joint Committee Agreement.
12. Power to serve notices under section 19, commence legal proceedings under section 20 and provide certificates under section 22 of the Criminal Justice and Police Act 2001 in relation to closure orders where there are suspected unauthorised sales of alcohol or breach of licence conditions or unauthorised licensable activities taking place at premises.
13. To work with the NHS and other Health Bodies regarding health issues for residents in the Borough.
- (Delegated to Colchester Borough Homes as part of the Management Agreement dated 9 August 2013 except the agreed client reserved functions)(paragraphs 14 & 15 only).
14. To administer relevant anti-social behaviour provisions, give directions, serve notices, enforce, carry out works in default, issue formal cautions and to lay information and complaints to Court in relation to offences in appropriate cases under the following Acts and any Act or Acts extending or amending the same and under any order of regulations made under the said Act or Acts:
- Anti -social Behaviour Act 2003
 - Crime & Disorder Act 1998
 - Criminal Justice & Police Act 2001
 - Criminal Justice & Public Order Act 1994
 - Housing Act 1996
 - Local Government Act 1972

Delegated to Assistant Director for Communities (continued)

- Local Government Act 2000
 - Police & Justice Act 2006
 - Policing and Crime Act 2009
 - Protection from Harassment Act 1997
 - Serious Organised Crime & Police Act 2005
15. To take all necessary legal action required to enforce the provisions of relevant legislation relating to the following anti-social behaviour control functions:
- Behaviour which causes alarm, distress or harassment to persons not of the same household
16. Anti-Social Behaviour, Crime and Policing Act 2014, authority to:
- Apply for, vary or discharge a civil injunction under sections 1 to 21
 - Apply for, vary or discharge a Criminal Behaviour Notice under sections 22 to 33
 - Issue a Community Protection Notice under sections 43 and 53
 - Carry remedial works in default following the issue of a Community Protection Notice under section 47
 - Issue Fixed Penalty Notices to anyone who has failed to comply with a Community Protection Notice under section 52
 - Make, vary and discharge a Public Spaces Protection Order under sections 59 to 75
 - Issue Fixed Penalty Notices to anyone who has committed an offence by failing to comply with a Public Spaces Protection Order under Section 68
 - Issue, cancel or vary Closure Notices under sections 76 to 84
 - Enforcement of Closure Orders under sections 85 to 93

PUBLIC PROTECTION

1. Anti-Social Behaviour, Crime and Policing Act 2014, authority to:
- Issue a Community Protection Notice under Sections 43 and 53
 - Carry remedial works in default following the issue of a Community Protection Notice under Section 47
 - Issue Fixed Penalty Notices to anyone who has failed to comply with a Community Protection Notice under Section 52
 - Make, vary and discharge a Public Spaces Protection Order under sections 59 to 75
 - Issue Fixed Penalty Notices to anyone who has committed an offence by failing to comply with a Public Spaces Protection Order under Section 68

COMMUNITY

1. Power to take action within the approved budget and policy objective of the Council in relation to the management and maintenance of Activity Centres for the purpose of providing activities for older people.

PRIVATE SECTOR HOUSING

1. To authorise works being carried out in default up to a maximum cost of £5,000 in cases where a breach of legislation can be remedied by the Council carrying out works in default.
2. To exercise the powers available under the provisions of Parts 1, 2, 3, 4 and 7 of the Housing Act 2004 ("the 2004 Act") and any orders or regulations made in respect of private sector housing and in particular to:
 - administer the relevant enforcement provisions and serve notices or orders including taking emergency remedial action in appropriate cases as provided for in Part 1 of the 2004 Act
 - be the Proper Officer for the purposes of section 4(2) of the 2004 Act (dealing with official complaints)
 - impose reasonable charges for enforcement action as allowed for by Section 49 of the 2004 Act
 - administer the relevant licensing provisions and determine applications for licences as provided for in Part 2 or Part 3 of the 2004 Act
 - administer the additional control provisions in relation to residential premises including the application of management orders, empty dwelling management orders and overcrowding notices as provided for in Part 4 of the 2004 Act
 - approve and enter into such nomination, management and other agreements as shall be necessary for the purpose of implementing management orders or empty dwelling management orders under Part 4 of the 2004 Act.
 - authorise officers to enter premises in connection with their duties under sections 131, 239, 243(3) and paragraph 3(4) of Schedule 3 and paragraph 25 of Schedule 7 of the Act and to authorise officers to require documents to be produced under section 235 of the 2004 Act
 - take appropriate enforcement action in accordance with the provisions of the Act to recover any costs, expenses, fees or other monies due to the Council from actions taken under the provisions of the 2004 Act
 - determine applications for HMO licences under Part 2 of the 2004 Act
 - grant, revoke or vary such licences and issue any necessary notices or certificates for those purposes
 - grant temporary exemption from licensing under section 62 of the 2004 Act.
 - determine the conditions that should be attached to HMO licences that are granted or varied
 - exercise the enforcement provisions in respect of the licensing of HMO's set out in Part 2 of the 2004 Act
 - the implementation of the transitional arrangements for HMO licensing under section 76 of the 2004 Act and the issue of any necessary notices or certificates
 - The issue of civil penalty notices as an alternative enforcement option to the taking of prosecution proceedings

3. To administer relevant private sector housing provisions, give directions, serve notices, enforce, carry out work in default, issue formal cautions and to lay information and complaints to Court in relation to offences in appropriate cases under the following Acts and any Act or Acts extending or amending the same or incorporating them and under any order or regulations made under the said Act or Acts:
 - Public Health Act(s) 1936 and 1961
 - Local Government (Miscellaneous Provisions) Acts 1976 and 1982
 - Building Act 1984
 - Housing Act 1985
 - Environmental Protection Act 1990
 - Housing Act 2004
 - Energy Act 2013
 - Enterprise and Regulatory Reform Act 2013

PRIVATE SECTOR HOUSING

1. The determination of applications for housing advances.
2. To reclaim money recoverable where conditions relating to house renovation grants are not met, subject to a right of appeal to the appropriate Cabinet Member.
3. To administer the provisions of the Council Financial Assistance Policy for Private Sector Housing including Disabled Facilities Grants, Disabled Facilities Assistance, Home Safety Grants, Home Repair assistance, Home Renovation Assistance, Landlord energy Efficiency Grants, HMO Fire Safety Grants, Landlord Renovation Grants and Landlord Empty Property Loans and in particular to determine all applications, authorise payment of grants or loans, issue certificates, reclaim monies where conditions relating to grants or loans are not met or when a property is sold.

COMMUNITY PARTNERSHIPS

1. Power to take action within the approved budget and approved policy objectives of the Council in relation to:
 - a) the promotion of Community Partnerships
 - b) the management and maintenance of the Community Partnerships Team
 - c) the Responsible Authorities Group.

PARTNERSHIP WORKING

1. To represent the Council's interests on the Members Council of Colchester Hospital University NHS Foundation Trust in the absence of the Portfolio Holder.
2. To represent the Council's interests on the North East Essex Children's Trust Board and the Health and Wellbeing Board.

3. To represent the Council's interests on any partnership with which the Council may be involved from time to time.

TOURISM

1. Power to take action within the approved budget and policy objectives of the Council in relation to liaison with other tourist agencies and the development of tourism policies.
2. Power to take action within the approved budget and policy objective of the Council in relation to the management and maintenance of a Visitor Information Centre and the promotion of the Borough for tourism purposes.

MUSEUMS

1. Power to take action within the approved budget and policy objectives of the Council in relation to the museum service.
2. Agreement of reproduction and copyright fees in respect of museum items.
3. Power to take action within the approved budget and policy objectives of the Council in relation to the presentation, conservation and/or restoration of archaeological sites and monuments.
4. Power to take action within the approved budget and policy objectives of the Council in relation to the care of the Council's art collection and artifacts.
5. Power to agree minor amendments to fees and charges relating to museum services in response to changes in market forces after consultation with the appropriate Cabinet Member.
6. To act as lead officer for the Council in accordance with the Colchester and Ipswich Joint Museums Committee Agreement.

SAFEGUARDING

1. To act as the Council's designated Safeguarding Lead Officer.
2. To act as the Council's Lead Counter Signatory to the Disclosure and Barring Service.
3. To ensure that the Council complies with its equality and diversity responsibilities.

CEMETERY & CREMATORIUM

1. Power to take action within the approved budget and policy objectives of the Council in relation to the cemetery and crematorium.
2. The granting of Rights of Burial at the cemetery other than the fixing of charges.

BUILDING REGULATIONS

1. The approval, disapproval or rejection of plans for the purposes of building regulations and power to dispense with or relax building regulations under statutory requirements.
2. Power to take appropriate action under sections 7 and 13 of the Essex Act 1987 relating to building regulations.
3. Power to take appropriate action under section 77 and 78 of the Buildings Act 1984 in respect of dangerous buildings.
4. Power to take appropriate action and to serve counter-notices relating to the demolition of buildings under sections 80 and 81 of the Buildings Act 1984.
5. To act the Appointing Officer under the Party Wall etc Act 1996.

GENERAL

1. To make objections to the registration of Goods Vehicle Operating Centres pursuant to the approved policy.

Scrap Metal Dealers Act 2013- Delegation of Functions:

Function	Delegated to Assistant Director for Communities
The grant, issue, renewal or variation of a Scrap Metal Dealer Licence	Where the applicant is deemed to be a suitable person and no objections are received
The refusal or rejection of an application for a Scrap Metal Dealer Licence	Where no representations are received
The revocation of a Scrap Metal Dealer Licence	Where no representations are received
To ensure all Scrap Metal Dealer Licences are reported to the National database	In all instances

ENVIRONMENTAL PROTECTION

1. To apply for an injunction to prevent the occurrence of indoor or outdoor entertainments (or similar events) where, in the opinion of the Assistant Director for Environment, there is risk that a nuisance or a hazard to health and/or safety may be created and to give an undertaking in damages to a court if required.
2. Power to institute legal proceedings under the Dogs (Fouling of Land) Act 1996.
3. To prosecute applicants for hackney carriage and private hire licences who give false information on their application forms.
4. Power to institute legal proceedings under the Shops Act 1950 and the Sunday Trading Act 1994.
5. Power to institute legal proceedings under legislation relating to the quality, safety and content of food.
6. Power to institute legal proceedings under the Environmental Protection Act 1990 in relation to litter control subject to a report to appropriate Cabinet Member on action taken.
7. Power to institute legal proceedings in respect of the unauthorised disposal of trade refuse at Civic Amenity Sites.

GENERAL

1. Power to administer and effect changes in Members' Allowances consequent upon Councillors and any co-opted persons appointment changes.
2. Power to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where the Proper Officer considers that such action is necessary to protect the Council's interests.
3. Power to authorise appearances in Court pursuant to section 60(2) of the County Court Act 1984 and section 223 of the Local Government Act 1972 on behalf of the Council.
4. Power to designate officers of the Council or nominated third parties who are performing statutory functions on behalf of the Council as 'authorised officers' for the purposes of carrying out any of the Council's functions under statutory enactments or regulations as may be relevant to that officer including the appointment and authorisation of inspectors under Section 19 of the Health and Safety at Work etc. Act 1974.
5. To institute proceedings where the requirements of Notices under section 16 of the Local Government (Miscellaneous Provisions) Act 1976 requiring information on interests in land are not complied with within the statutory time limits.

Delegated to Assistant Director for Corporate and Improvement (continued)

6. Power to make an application for an Anti- Social Behaviour Order under section 1 of the Crime and Disorder Act 1998.
7. Power to institute proceedings relating to abandoned vehicles under the Refuse Disposal (Amenity) Act 1978 (as amended by the Clean Neighbourhoods and Environment Act 2005).
8. To act as registrar of Local Land Charges.

HIGHWAYS

1. Power to take prosecutions arising out of Section 6 of the Essex Act 1987 (damage to grass verges etc).
2. Power to prosecute offences under Paragraph 10 of Schedule 4 to the Local Government (Miscellaneous Provisions) Act 1982 relating to illegal street trading.
3. Authority to determine house numbering and street names under sections 64 and 65 of the Town Improvement Clauses Act 1847 where there are no objections and power to object to a suggested street name.
4. Authority to alter the names of streets in accordance with section 21 of the Public Health Act Amendment Act 1907.

HUMAN RESOURCES

1. The signing and issuing of all contracts of employment and of any associated terms and conditions.
2. To manage the process in relation to employees' grievances and dismissals.
3. To approve regrading following evaluation in accordance with the approved job evaluation scheme.
4. To authorise agreements in respect of applications made to the Advisory Conciliation and Arbitration Services. These agreements to be only used in instances where there are pending employment tribunal claims and with the prior agreement of the relevant Assistant Director. Each agreement must be supported by the appropriate analysis which clearly defines the business benefits of the agreement.
5. To manage and administer the Council's payroll system.
6. To manage employee health and safety.

PUBLIC SECTOR HOUSING

1. After consultation with the Assistant Director for Communities, to commence injunction proceedings against tenants causing nuisance/annoyance to their neighbours where he/she is satisfied upon evidence that it is appropriate to do so.

<p style="text-align: center;">Delegated to Assistant Director for Corporate and Improvement (continued)</p>

FINANCIAL RESOURCES

1. The operation of the Collection Fund including the power to invest surplus monies and to borrow to cover any shortfall in monies required by the Fund.
2. To implement variations to the interest rates chargeable on all Council mortgages and to determine the date for implementation in accordance with the notifications received from the Secretary of State subject to the appropriate Cabinet Member being informed of the action taken.
3. The Council's Treasury Management Function in accordance with the approved Treasury Policy Statement.
4. Matters relating to procurement and the Council's procurement strategy.
5. Authority to exercise discretion to agree such arrangements as are considered appropriate with borrowers in arrears to assist them in meeting their mortgage obligations.

ICT

1. To act as client under the telephony contract with Virgin Media.
2. To manage confidentiality, integrity and availability of ICT systems.
3. To manage and co-ordinate responses in relation to freedom of information and data protection requests.

TOWN TWINNING

Power to take action within the approved budget and policy objective of the Council in relation to town twinning (except civic aspects).

NEIGHBOURHOODS

1. To manage the Council's Neighbourhood teams in order to improve local streets through street cleaning, litter collection, dog fouling and street care including abandoned cars and graffiti. In addition to provide environmental education, support, advice and enforcement to encouraging positive behaviour change and support local communities as part of consultation work and help coordinate and promote community events.
2. Power to serve notices under sections 92 and 93 of the Environmental Protection Act 1990 in relation to Litter Abatement Notices and Street Litter Control Notices subject to report to appropriate Cabinet Member on action taken.
3. Power to take all necessary action under the following sections of the Highways Act 1980: -

<u>Section</u>	
25	To respond to consultations concerning creation of footpath or bridleway by agreement
151	Soil washed on to streets
152	Removal of projections from buildings
153	Opening of doors on to streets
154	Cutting or felling trees
164	Removal of barbed wire
165	Dangerous land
166	Forecourt abutting street
174	Execution of street works
179	Control of construction of cellars
293 & 294	Powers of entry
296	Execution of works
297	Information as to ownership of land
305	Recovery of expenses
4. Power to take all necessary action in relation to vehicles for sale on a road and vehicles being repaired on a road under sections 3 and 4 of the Clean Neighbourhoods and Environment Act 2005
5. Power to take appropriate action regarding abandoned vehicles under sections 3, 4 and 5 of the Refuse Disposal (Amenity) Act 1978 (as amended by the Clean Neighbourhoods and Environment Act 2005).
6. Power to erect suitable Notices on grass verges etc under section 6 of the Essex Act 1987.
7. Power to arrange for the removal of vehicles on grass verges etc under section 6 of the Essex Act 1987.
8. Day to day operation of markets and the granting of Christmas markets.
9. Fixing and levying of charges in accordance with Council policy in relation to street trading.

10. The granting, suspension or revocation of street trading licences.

WASTE COLLECTION

1. Power to take action within the approved budget and policy objectives of the Council in relation to domestic refuse collection, trade waste collection, recycling, composting, workshops, fleet and toilets.
2. Service of notices under section 46 of the Environmental Protection Act 1990 for the provision of waste receptacles including the issuing of fixed penalty notices and prosecution if necessary.
3. To negotiate and agree contracts for the sale of material collected for recycling or salvage and from time to time to review the operation of such contracts to determine that best value is being achieved in relation to the Council's objectives.

TRAFFIC MANAGEMENT & PARKING

1. Temporary road closures under the Town Police Clauses Act 1847 in connection with functions, after consultation with Essex County Council and the Police.
2. To consolidate into a single order any waiting restriction orders currently in force when amendments to waiting restrictions in the villages are proposed.
3. Power to approve and rescind Traffic Regulation Orders relating to disabled parking bays under the Road Traffic Regulation Act 1984.
4. Day to day management of car parks, residents' parking schemes and decriminalised parking including determination of applications from organisations for the short-term use of car parking spaces on public car parks which are similar to applications previously agreed by the appropriate Cabinet Member.
5. To enable management of parking under appropriate sections of legislation, a power to make or vary Off Street Car Park Orders and Traffic Regulation Orders under either the Road Traffic Regulation Act 1984 or the Traffic Management Act 2004 (as appropriate).
6. To consolidate into a single order any waiting restriction orders currently in force when amendments to waiting restrictions in the villages are proposed.
7. Power to approve and rescind Traffic regulation Orders relating to disabled parking bays under the Road Traffic Regulation Act 1984.
8. To act as lead officer in accordance with the North East Essex Parking Partnership Joint Committee Agreement.

PARKS AND RECREATION

1. Power to take action within the approved budget and policy objectives of the Council in relation to the promotion and encouragement of recreational events.

2. Power to take action within the approved budget and policy objectives of the Council in relation to liaison with voluntary organisations and clubs in the development and use of sporting and recreational facilities.
3. The granting of easements, way leaves, licences and sale of small areas of parks and recreation land.
4. Letting of beach hut sites and administration thereof other than fixing of charges.
5. Letting of open spaces, allotments and recreation grounds other than fixing of charges.
6. Granting free use of open spaces and recreation grounds to charitable, voluntary and non-profit making organisations.
7. Refusal of applications for the purchase of land held as open spaces, recreation grounds and allotments.
8. Acceptance or refusal of open space donated to the Council in accordance with the conditions of planning consents.
9. Power to take such action as considered necessary to deal with dangerous trees on land under the operational management of the Council.
10. All matters relating to the enforcement of and prosecution of alleged offenders relating to all leisure relating byelaws made by the Council and in particular: -
 - (a) The Maldon District and Colchester Borough Byelaws relating to the River Blackwater made by the Maldon District Council and the Council and confirmed on 21 July 1999.
 - (b) The byelaws for the proper regulation of the speed of pleasure boats within the Harbour of Colchester made by the Council on 7 June 1972 and confirmed on 26 March 1973 (as amended by the byelaws made on 10 June 1985) and confirmed on 19 July 1985.
 - (c) The Seashore byelaws made by the Council on 29 August 2001 and confirmed on 5 November 2001.
11. To provide play equipment on play areas.
12. Power to take action under the Wildlife and Countryside Act 1981.
13. Granting and management of mooring rights in the River Colne.
14. Power to take such action as may be necessary to deal with dangerous trees under section 23 of the Local Government (Miscellaneous Provisions) Act 1976 and to appoint other named officers to enter land to ascertain whether action should be taken under section 23 of the Act.

SPATIAL POLICY

1. Power to take action within the approved budget and approved policy objectives of the Council in relation to:
 - (a) Local Plan and Neighbourhood Planning functions;
 - (b) Development of policy for the provision of homes, jobs and places to create sustainable communities;
 - (c) Development of policy and project implementation with regard to planning and transportation.
2. Power to take action under the Conservation (Natural Habitats) Regulations 1994.

HOUSING POLICY

1. Power to take action within the approved budget and policy objective of the Council in relation to housing strategies.
2. Power to take action within the approved budget and policy objective of the Council in relation to the dissemination of information regarding all housing matters.
3. To act as lead officer for the Council in accordance with the Management Agreement dated 9 August 2013 between the Council and Colchester Borough Homes (as amended and/or varied from time to time).
4. To manage the Housing Revenue Account budget.

WASTE POLICY

Power to take action within the approved budget and approved policy objectives of the Council in relation to development of policy and project implementation with regard to waste.

ENTERPRISE

Power to take action within the approved budget and approved policy objectives of the Council in relation to the promotion of economic development.

GENERAL

Power to take appropriate action under Part II of the Land Drainage Act 1991 (facilitating or securing the drainage of land or dealing with flooding).

Power to take appropriate action under Part 8 of the Anti-Social Behaviour Act 2003 (and regulations made thereunder) in relation to high hedges.

Delegated to Assistant Director for Place and Client Services (continued)
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ASSETS OF COMMUNITY VALUE

To manage and administer the Council's Register and process in relation to Assets of Community Value under the Localism Act 2011.

PUBLIC SECTOR HOUSING

(Delegated to Colchester Borough Homes as part of the Management Agreement dated 9 August 2013 except the agreed client reserved functions)

1. The assessment of housing need of applicants admitted to the Housing Needs Register, the allocation of tenancies of Council dwellings, the nomination of applicants for tenancies of Registered Social Landlord dwellings.
2. To use any Council dwellings within the Housing Revenue Account for the purposes of Part VII of the Housing Act 1996 and to use bed and breakfast accommodation for homeless families in cases of emergency.
3. Determination of applications relating to homelessness under Part VII of the Housing Act 1996.

COLCHESTER BOROUGH HOMES LIMITED

1. Authority to act as client officer for the Council in relation to matters related to Colchester Borough Homes Limited
2. Authority to act as the Council's shareholder representative in relation to Colchester Borough Homes Limited and to cast the Council's vote at any relevant Board or shareholder meeting.

COLCHESTER COMMERCIAL (HOLDINGS) LIMITED

1. Authority to act as client officer for the Council in relation to matters related to Colchester Commercial (Holdings) Limited and its subsidiary companies.
2. Authority to act as the Council's shareholder representative in relation to Colchester Commercial (Holdings) Limited and to cast the Council's vote at any relevant Board or shareholder meeting.

COLCHESTER COMMUNITY STADIUM LIMITED

1. Authority to act as client officer for the Council in relation to matters related to Colchester Community Stadium Limited
2. Authority to act as the Council's shareholder representative in relation to Colchester Community Stadium Limited and to cast the Council's vote at any relevant Board or shareholder meeting.

**Delegated to Assistant Director for
Place and Client Services (continued)**

NORTH ESSEX GARDEN COMMUNITIES LTD

The provision of support for the delivery of Garden Community objectives and the Council's client role for North Essex Garden Communities Limited.

Delegated to the Monitoring Officer

GENERAL

1. To respond on behalf of the Council to all enquiries from the Local Government and Social Care Ombudsman and Housing Ombudsman including the determination of levels of compensation payable in respect of local settlements.
2. To agree with Assistant Directors responsibility for any other Acts or regulations that may be relevant to Assistant Directors' area and to maintain a written record of such delegations.
3. Power to designate officers of the Council or nominated third parties who are performing statutory functions on behalf of the Council as 'authorised officers' for the purposes of carrying out any of the Council's functions under statutory enactments or regulations as may be relevant to that officer including the appointment and authorisation of inspectors under Section 19 of the Health and Safety at Work etc Act 1974.
4. Power to authorise appearances in Court pursuant to section 60(2) of the County Court Act 1984 and section 223 of the Local Government Act 1972 on behalf of the Council.
5. Power to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where the Proper Officer considers that such action is necessary to protect the Council's interests.
6. To sign on behalf of the Council all Inland Revenue Land Transaction Return Forms, Land Registry declarations and forms and Court declarations and forms and any other legal documentation required.

Delegated to the Section 151 Officer

1. Authority to write-off individual bad Council Tax and Community Charge debts up to £5,000.
2. Authority to write-off individual bad National Non-Domestic Rate debts up to £5,000.
3. Authority to write-off individual irrecoverable Housing Benefit Overpayments up to £5,000.
4. Authority to write-off individual bad debts not exceeding £5,000.

SPORT AND LEISURE - GENERAL

1. Power to take action within the approved budget and approved policy objectives of the Council in relation to the management and maintenance of sport and leisure facilities including Colchester Leisure World and joint sports use facilities in the Borough
2. Power to agree minor amendments to fees and charges relating to sport and leisure services in response to changes in market forces.

COMMUNITY ALARMS

Power to take action within the approved budget and policy objective of the Council in relation to the management and provision of the Council's community alarm (Helpline) service for the elderly.

CCTV

Power to take action within the approved budget and policy objective of the Council in relation to the management and provision of the Council's CCTV system to contribute to the reduction of crime and disorder in Colchester.

REGENERATION

Power to take action within approved programme, budget and policy objectives of the Council in relation to regeneration activities across the Borough as a whole and specifically in the four main regeneration areas: St Botolph's, East Colchester, North Colchester and the Garrison.

PROPERTY

1. To grant licenses, easements and way leaves and agree the sale of small areas of land and electricity sub-station sites.
2. To manage and let land or property held in advance of the Council's requirements and held for investment purposes.
3. To let and assign leases in respect of shops on Council housing estates.
4. To grant leases on the Council's industrial estates after consultation with the appropriate Cabinet Member.
5. To negotiate and agree rent reviews on the Council's leasehold properties.
6. Power to take action within the approved budget and approved policy objectives of the Council in relation to the management and maintenance of the Council's assets.

**SCHEME OF DELEGATION TO OFFICERS BY:
THE COUNCIL
PLANNING COMMITTEE,
LOCAL PLAN COMMITTEE
LICENSING COMMITTEE**

SCHEME OF DELEGATION TO OFFICERS BY THE COUNCIL

Delegated to the Chief Executive

ELECTIONS

1. To act as the Electoral Registration Officer.
2. To act as the Returning Officer for the following elections: Borough Council, Parish Council, County Council, Parliamentary and European Parliamentary elections.
3. All other functions relating to elections and electoral registration.
4. Fees for and conditions of supply of elections documents.

GAMBLING ACT 2005

1. Power to request a review of Premises Licences.

Delegated to Chief Executive, Strategic Directors, Chief Operating Officer and Assistant Directors

1. Power to appoint officers for particular purposes (appointment of "Proper Officers").
2. Power to appoint staff (below Assistant Director level), and to determine the terms and conditions on which they hold office (including procedures for their dismissal).
3. Power to make payments or provide benefits in cases of maladministration.

Delegated to the Section 151 Officer

1. Functions relating to local government pensions.
2. Duty to make arrangements for proper administration of financial affairs etc.
3. Power to make and amend Financial Regulations.

SCHEME OF DELEGATION TO OFFICERS BY THE PLANNING COMMITTEE

Delegated to Assistant Director for Place and Client Services

1. The determination of all planning applications irrespective of scale and size (including changes of use and all applications for Listed Building Consent, Certificates of Lawfulness, applications for the determination as to whether prior approval is required, consent to display advertisements and other notifications) except any application:
 - (a) significantly contrary to adopted policies or a departure from the development plan, and which is recommended for approval;
 - (b) which any Ward Councillor requests in writing to the Assistant Director for Place and Client Services within 25 days of notification, should be subject of consideration by the Committee;
 - (c) which constitutes a major application on which a material planning objection(s) has been received in the stipulated time span and the officer recommendation is to approve;
 - (d) which constitutes a major application, that is recommended for approval and where a section 106 Agreement is required (excluding unilateral undertakings);
 - (e) submitted by or on behalf of a Colchester Borough Council Councillor, Honorary Aldermen (or their spouse/partner) or by any Council officer (or their spouse/partner); or
 - (f) submitted by or on behalf of Colchester Borough Council (for clarity, this does not include applications made by other parties on land owned by the Council where the development is not by or on behalf of the Council).
2. The determination of any application for a determination as to whether the prior approval of the authority will be required under The Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2015 (as amended, or any Order replacing, re-enacting or modifying that Order).
3. The determination of applications for the approval of reserved matters or minor material amendments, unless the Planning Committee at the granting of the outline / original planning permission indicates that it requires to determine the aforementioned matter itself.
4. The determination of details required by a condition on a planning permission and applications for a non-material amendment, unless the Planning Committee at the granting of the outline / original planning permission indicates that it requires to determine the aforementioned matter itself.
5. Authority to refuse planning applications where a proposed section 106 Agreement remains uncompleted for six months from the decision regarding its provision.

**Delegated to Assistant Director for Place and Client Services
(continued)**

6. Authority to make observations on applications to be determined by another planning authority.
7. Authority to appoint consultants where the Council's case may be enhanced or when specialist information needs to be provided.
8. That, subject to written confirmation from the Chief Finance Officer and the Monitoring Officer, the Assistant Director for Place and Client Services be authorised to agree the release of funds secured by means of a legal agreement under the Planning Acts for expenditure, for purposes solely in accordance within the specified legal agreement. Such delegated powers would only operate where such expenditure is entirely in accordance with the legal agreement attached to the development.
9. Where an appeal has been lodged against a refusal of planning permission, the Assistant Director for Place and Client Services has authority to conclude a legal agreement which complies with the Council's current policies where we would expect to see the provision of such requirements a may include affordable housing, open space contribution, education contribution in circumstances where time does not permit a referral to the Planning Committee.
10. Where an application has already been considered by the Planning Committee who have given authorisation to enter into a legal agreement delegated authority is given to the Assistant Director for Place and Client Services to agree alterations whereby: -
 - (a) The mechanism for delivering the required outcomes for the agreement have changed, but the outcome remains the same (including changes to triggers, phasing and timing);
 - (b) There is a need to issue a delegated refusal where a legal agreement is not completed within the statutory time limit and it is considered by the Assistant Director for Place and Client Services reasonable to do so;
 - (c) There is a need to remove a legal agreement from a local land charge where all clauses have been compiled with;
 - (d) To enter into a new planning obligation relating to gain previously secured that needs to link back to a previous planning permission via a Deed of Variation.
11. Authority to institute proceedings in respect of any offence against the advertisement regulations, including prosecution where it is considered appropriate. In the cases where repeated prosecution fails, this includes the authority to seek an injunction under Section 222 of the Local Government Act 1972.

**Delegated to Assistant Director for Place and Client Services
(continued)**

12. Authority to institute proceedings in respect of any enforcement actions where a valid notice exists, no appeal decision thereon is pending, the prescribed time for compliance with the notice has expired, and where the breach of planning control continues to exist.
13. Authority to sign and serve "Planning Contravention Notices" under the Town and Country Planning Act 1990, Sections 171(C) and 171(D), and to arrange for the institution of proceedings where the requirements of such Notices are not complied with within statutory time limits.
14. Authority to sign and serve enforcement notices, stop notices, temporary stop notices, section 215 notices, section 224 discontinuance notices or breach of condition notices under the Town and Country Planning Act 1990 (Parts VII & VIII) and Listed Building Enforcement Notices under Town and Country Planning (Listed Building and Conservation Areas) Act 1990 (Part IV).
15. Power to serve a notice under Section 330 of the Town and Country Planning Act 1990 (to require information as to interests in land).
16. Authority to give a screening opinion under the Town and Country Planning (Environmental Impact Assessment) Regulations 1999 (as amended) as to whether an Environmental Impact Assessment is required and to determine the scope of the environmental issues to be covered in any such assessment.
17. Authority to defend the Council's decision in respect of any appeal proceedings, provided that where any additional or revised information is submitted which may overturn the Council's initial decision; the case shall be referred back to Planning Committee to determine the Council's case only in circumstances where the Committee itself made the initial decision. In the event that timescales do not allow the matter to be referred back to Planning Committee, then the Assistant Director for Place and Client Services shall consult the Planning Committee Chairman, and Group Spokespersons, before determining the Council's case. In the unlikely event that none of the foregoing is possible, then as an emergency procedure, a Strategic Director or the Chief Operating Officer can determine the action required, which will be reported to the Planning Committee as soon as is practical thereafter.
18. Authority to institute legal proceedings (including the serving of injunctions and enforcement notices) under the Town and Country Planning Act 1990 (Part VII and Part VIII) and the Town and Country Planning (Listed Building and Conservation Areas) Act 1990 (Part IV) where it is considered the most appropriate remedy in relation to the circumstances of the case, and expedient to do so.
19. Authority to prosecute for the failure to comply with the statutory time limit imposed by any notices served in respect of Section 16 of the Local Government (Miscellaneous Provisions) Act 1976 and Sections 171C, 171D and 330 of the Town and Country Planning Act 1990, or for providing false/misleading information.

Delegated to Assistant Director for Place and Client Services (continued)
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20. Power to make orders for the creation, diversion or extinguishment of public rights of way.
21. Authority to administer the Hedgerow Regulations 1997 and to issue notices in accordance with the Council's policy.
22. Determination of enforcement cases where:
 - (a) investigations conclude that no breach of planning has occurred and therefore no further action is required; or
 - (b) a breach of control has occurred, but it is not expedient in the public interest to take action; or
 - (c) investigations conclude that a breach has occurred in excess of four years or ten years (as appropriate) and is therefore, immune from further action.
23. Power to make and confirm tree preservation orders where there are no unresolved objections thereto and to determine applications to carry out works to preserved trees and trees in Conservation Areas.

**SCHEME OF DELEGATION TO OFFICERS BY THE
LOCAL PLAN COMMITTEE**

Delegated to Assistant Director for Place and Client Services
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1. Power to approve Neighbourhood Plan Area Designation Applications made in accordance with the Neighbourhood Planning (General) Regulations 2012 (as amended).

SCHEME OF DELEGATION TO OFFICERS BY THE LICENSING COMMITTEE

Delegated to Assistant Director for Communities
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1. Determination of applications and issue of licences, permits, registrations and certificates where no objections have been received in respect of: -

Caravan Sites
Dangerous Wild Animals
Dog Breeding Establishments
Food Exports
Food Hawkers
Food Premises
Hackney Carriage and Private Hire Vehicles drivers and operators
House to House and Street Collections
Hypnotism – exhibitions, demonstrations or performances
Pet Shops
Pleasure Boats and Boatmen
Premises and persons involved in acupuncture, tattooing, ear piercing and electrolysis
Riding Establishments
Sex Shops
Zoos
2. Revocation or suspension of licences, permits, registrations, certificates.
3. Approval of individual identification signs for display on taxis and private hire vehicles, after consultation with the Chairman of the Licensing Committee.
4. To determine applications for permission to place advertisements on hackney carriages and private hire vehicles.

Licensing Act 2003 – Delegation of Functions

Function	Licensing Committee	Assistant Director for Environment
Section 18(3) Application for a premises licence	Where representations have been received	Where there are no representations
Section 25A(6) Disapplication of Designated Premises Supervisor	Following police objection	Where there are no representations
Section 31(3) Application for a provisional statement	Where representations have been received	Where there are no representations
Section 35(3) Application to vary a premises licence	Where representations have been received	Where there are no representations
Section 39(3) Application to vary a Designated Premises Supervisor	Following police objection	Where there are no representations
Section 41B Application for a Minor Variation		Where representations have been received
Section 44 (5) Transfer of a Premises Licence	Following police objection	Where there are no representations
Section 48(3) Interim Authority Notice	Following police objection	Where there are no representations
Section 52(2) (3) Determination of application to Review a Licence	All cases	
Section 72(3) Application for Club Premises Certificate	Where representations have been received	Where there are no representations
Section 85(3) Application to vary Club Premises Certificate	Where representations have been received	Where there are no representations
Section 88 (2) or (3) Determination of application to review a Club Premises Certificate	All cases	
Section 105(2) Decision to give counter notice following police objection to Temporary Event Notice	All cases	
Section 120(7) Application for Grant of Personal Licence	Following police objection	Where there are no representations
Section 124(4) Revocation of Personal licence where convictions come to light after grant etc	All cases	

Licensing Act 2003 – Delegation of Functions (continued)

Function	Licensing Committee	Assistant Director for Environment
Section 167(5) Review following Closure Order	All cases	
Decision on whether a complaint is irrelevant, frivolous, vexatious		All cases
Decision to object when the local authority is a consultee and not the lead authority		All cases
Dispensation of the need to hold a hearing if all persons required by the Licensing Act 2003 (other than the Authority) have written and agreed that it is unnecessary		All cases

Gambling Act 2005 - Delegation of functions:

Function	Committee	Assistant Director for Environment
Application for a premises licence	Where representations have been received	Where there are no representations or representations have been withdrawn
Section 204 Application for a provisional statement	Where representations have been received	Where there are no representations or representations have been withdrawn
Application to vary a premises licence	Where representations have been received	Where there are no representations or representations have been withdrawn
Transfer of a Premises Licence	Following representations from the Gambling Commission	Where there are no representations from the Gambling Commission
Section 201 Determination of application to Review a Licence	All cases	
Section 224 Decision to issue a counter notice in respect of a Temporary Use Notice	All cases	
Sections 271 and 273 Application for club gaming permit or club machine permit	Where representations have been received	Where there are no representations or representations have been withdrawn
Cancellation of a Gaming Permit or Club Machine Permit	All cases	
Licensing Policy in respect of powers under the Gambling Act 2005	To make recommendations to Council	

10 March 2020

Report of	Assistant Director of Customer	Author	James Bennett
Title	Polling Districts and Polling Places Review - Update		☎ 282242
Wards affected	All Wards		

1. Executive Summary

- 1.1 A Polling Districts and Polling Places Review was conducted in 2019. The findings of this review were presented to the Governance and Audit Committee on 03 September 2019.
- 1.2 The Governance and Audit Committee requested a future update, and opportunity to review, the arrangements for key polling stations, ahead of the 2020 Local Elections.

2. Recommended Decision

- 2.1 To agree Appendix A – Update on Polling Stations.

3. Reason for Recommended Decision

- 3.1 The Governance and Audit Committee recommended to Full Council that it approved and adopted the Polling Districts and Polling Places report of 03 September 2019. This was indeed agreed by Full Council on 16 October 2019. However, the Governance and Audit Committee requested that officers provided updates on particular polling stations, ahead of the 2020 Local Elections. Appendix A outlines these updates.

4. Alternative Options

- 4.1 None.

5. Background Information

- 5.1 During 2019 a scheduled review of Polling Districts and Polling Places was undertaken. Electoral area boundaries remain unchanged, with only limited changes to polling places. Although the report was agreed and recommended to Full Council concern remained with regards to particular temporary polling stations. This report provides an update addressing these concerns.

6. Equality, Diversity and Human Rights implications

- 6.1 The polling stations listed in Appendix A ensure inclusive accessibility.

7. Standard References

- 7.1 There are no particular references to consultation, publicity consideration, financial implications, health, wellbeing and community safety implications or risk management implications.

8. Strategic Plan References

- 8.1 The Council's Strategic Plan sets out four themes one of which being: Responsibility – Encouraging everyone to do their bit to making our borough even better. One of the five priorities under the Responsibility theme is to 'Promote responsible citizenship by encouraging residents to get involved in their communities and to identify solutions to local issues.' The polling stations referenced in Appendix A provide inclusive and accessible sites for residents to exercise their democratic rights.

9. Risk Management Implications

- 9.1 There are no risk management implications.

10. Environmental and Sustainability Implications

- 10.1 The polling stations identified in this update are easily accessible to electors across the relevant polling district and are within reasonable walking distance.

Appendices

- Appendix A – update of polling stations.

Appendix A – Update on Polling Stations

Polling District	Shrub End – BF
Ward	Shrub End
Polling Station	Paxman Academy, Paxman Avenue, CO2 9DQ.
Electorate	2854
Background	Temporary use of Shrub End Social Club has now ended. Following successful negotiation Paxman Academy has been adopted as the polling station.
Polling Place	Shrub End polling district

Polling District	Willows & Monkwick - AB
Ward	Berechurch
Polling Station	Thomas Lord Audley School, Monkwick Avenue, Colchester, CO2 8NJ.
Electorate	1052
Background	At the European Parliamentary Election on 23 May 2019, the Thomas Lord Audley School was unavailable due to exams. As an interim measure, the Abbots Community Hall, Ladbroke Drive, was used as the polling station with no issues. Following successful discussions with Thomas Lord Audley School the school has agreed to the polling station remaining in the established location of the school gymnasium hall.
Polling Place	Willows & Monkwick and Barnhall polling districts

Polling District	Home Farm – AR
Ward	Prettygate
Polling Station	Cococare, 2 London Road
Electorate	2051
Background	Following redevelopment of Home Farm School, we used temporary structures in the school grounds for the 2019 Local and European Elections. These arrangements provided challenges and to allow scope to adopt a more suitable polling station Prettygate Ward was adopted as the polling place. The team actively sought alternatives and successfully adopted a new polling station located in the hall at Cococare, 2 London Road.
Polling Place	Prettygate Ward

Governance and Audit Committee

Item
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10 March 2020

Report of	Assistant Director Corporate and Improvement Services	Author	Matthew Evans ☎ ext. 8006
Title	Work Programme 2019-20		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the current Work Programme 2019-2020 for the Governance and Audit Committee. This provides details of the reports that are scheduled for each meeting during the municipal year.

2. Recommended Decision

- 2.1 The Committee is asked to note the contents of the Work Programme for 2019-20.

3. Reason for Recommended Decision

- 3.1 The Work Programme of this Committee is kept under review throughout the municipal year to ensure that business is progressed and Members have the opportunity to review upcoming agenda items.

4. Alternative Options

- 4.1 This function forms part of the Committee's Terms of Reference and, as such, no alternative options are presented.

5. Background Information

- 5.1 The Governance and Audit Committee deals with the approval of the Council's Statement of Accounts, audit, other miscellaneous regulatory matters and standards.
- 5.2 The Committee's Work Programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the Work Programme to be reviewed and, if necessary, amended according to current circumstances.
- 5.3 Members are asked to note that this Committee was scheduled to receive two separate reports on External Audit Plan for year ending 31 March 2020, and Certification of Claims and Returns – Annual Report 2018/19, but these items

have been amalgamated together and will be dealt with by the single report presented at Agenda item 7.

6. Standard References

- 6.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety, environmental and sustainability implications or risk management implications.

7. Strategic Plan References

- 7.1 Governance is integral to the delivery of the Strategic Plan's priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing.
- 7.2 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self-governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

WORK PROGRAMME 2019-20

Governance and Audit Committee
Meeting date / Agenda items -
Governance and Audit Committee - 25 June 2019
<ol style="list-style-type: none"> 1. Draft Annual Statement of Accounts 2018/19 2. Year End Internal Audit Assurance Report 2018/19 3. Review of the Governance Framework and Draft Annual Governance Statement 4. Committee on Standards in Public Life Consultation on Local Government Ethical Standards Response 5. Polling District and Polling Place Review 6. CCHL – Annual report
Governance and Audit Committee - 30 July 2019
Governance and Audit Committee briefing – 23 July 2019 6pm followed by Statement of Accounts training and Code of Conduct refresher session
<ol style="list-style-type: none"> 1. Audited Statement of Accounts 2018/19 and Annual Audit letter 2. 2018/19 Year End Review of Risk Management

Governance and Audit Committee - 3 September 2019
<ol style="list-style-type: none"> 1. Colchester Borough Homes Annual Report and Governance Statement 2. Financial Monitoring Report – April to June 2019 3. Capital Expenditure Monitor 2019/20 4. Treasury Management 18/19 Report 5. Polling District and Polling Place Review
Governance and Audit Committee - 29 October 2019
<ol style="list-style-type: none"> 1. Local Government and Social Care Ombudsman Annual Review 2018/19 2. Health and Safety Policy and Annual Report 3. Equality and Safeguarding Annual Update 4. Annual Audit Letter 2018/19
Governance and Audit Committee – 26 November 2019
<ol style="list-style-type: none"> 1. Review of the Council's Ethical Governance Policies 2. Annual Review of the Members' Code of Conduct and the Council's Localism Act "Arrangements" 3. Review of Local Code of Corporate Governance 4. Review of Member/Officer Protocol 5. Gifts and Hospitality – Review of Guidance for Councillors and Policy for Employees 6. Treasury Management – Half Yearly Update 7. Annual Review of Business Continuity
Governance and Audit Committee - 21 January 2020
<ol style="list-style-type: none"> 1. Interim Review of the Annual Governance Statement Action Plan 2. Risk Management Progress Report 3. Mid-Year Internal Audit Assurance Report 2019/20 4. CCHL Half-Year Performance Report 5. Annual Review of the Council's Companies' Business Plans 6. Review of the Local Code of Corporate Governance – clarified wording

Governance and Audit Committee - 10 March 2020
<ol style="list-style-type: none">1. External Audit Plan for year ending 31 March 2020 and Certification of Claims and Returns – Annual Report 2018/192. Financial Monitoring Report3. Capital Expenditure Monitor 2019/204. Internal Audit Plan 2020/215. Review of Meetings and Ways of Working Update6. Review of Scheme of Delegation7. Polling District and Polling Station Place Review - update