

Report of	Chief Executive	Author	Richard Block Richard.block@colchester.gov.uk
Title	End of Year Update		
Wards affected	All wards		

1. Executive Summary

- 1.1 This meeting is the final Cabinet meeting in the 2022/2023 municipal year. This report provides an end of year update to Cabinet on key areas and priorities for the Council.
- 1.2 Updates and proposed next steps are provided which will ensure Cabinet can provide oversight and direction to ensure the continuation of Council business during the election period until the first meeting of Cabinet in the new municipal year in June 2023.
- 1.3 The report will also ensure any incoming Cabinet has a clear understanding of the status of the Council's key priorities allowing a seamless transition into the new municipal year.

2. Recommended Decision

- 2.1 To consider progress against key Council priorities and areas of work in the 2022/2023 municipal year and the proposed next steps.
- 2.2 Identify any further action required to ensure the continuation of delivery and a smooth transition into the new municipal year.

3. Reason for Recommended Decision

- 3.1 To ensure satisfactory delivery of key Council priorities and a smooth transition into the municipal year 2023/2024.

4. Alternative Options

- 4.1 There are no appropriate alternative options.

5. Background Information

- 5.1 2022/2023 has seen the initiation and continuation of the delivery of significant areas of work and priorities for the Council. This is against a backdrop of the most challenging financial conditions in recent memory.
- 5.2 Key priorities, the key challenge, achievements, and next steps are outlined below. This will ensure any incoming Cabinet has a clear understanding of the status of these and ensure a seamless transition into the new municipal year.

Budget and Medium-Term Financial Forecast

Challenge

- 5.3 2022/2023 has been a challenging year to manage the in-year budget due to service pressures, a cost-of-living crisis, inflationary pressures and a significant in-year pay claim. The scale of the financial pressures is demonstrated by the 5 largest areas of cost pressure shown below:

Cost Pressure	Description
740K	Neighbourhood Services staff costs
700K	In year pay award
492K	Sport & Leisure inflation and other service pressures
359K	Less Planning Income
191K	Corporate building pressures

- 5.4 The 2023/2024 budget has also been the most challenging budget to balance in recent memory due to the same external factors. This is at a time of post pandemic financial recovery and after successive years of previous budget reductions and associated efficiency programmes. The Council faces a budget gap of £6.95M in 2023/2024 which is more than a quarter of the controllable revenue budget.
- 5.5 The ambitious capital programme has also come under exceptional pressures, from supply chain and construction difficulties, delays and inflation. This was reflected in one of the key recommendations arising from the Local Government Peer Challenge to review the capital programme.
- 5.6 Significant challenges have also been experienced in progressing the audit of previous end of year accounts due to nationally reported issues with resources in external audit firms.

Achievements

- 5.7 Despite facing multi-million pound in-year budget pressures, the most recent forecast budget outturn position is for a £434K net overspend through a programme of in year savings and increased interest earnings. Further work will continue to identify ways to mitigate the net 22/23 overspend with the aim of ending the year on budget.
- 5.8 Work has been undertaken throughout the year to deliver a balanced budget for 23/24 including several cross-party budget workshops and the Leader's budget alumni meetings. A total of £5.25M of savings along with the use of £1.7M of reserves have been identified to deliver a balanced budget for 23/24.

5.9 The review of the Council's Capital Programme is also nearing completion.

Strategic Plan and Delivery Plan

Challenge

- 5.10 The Strategic Plan sets the priorities for the City and the Council for the next three years. The current Strategic Plan was published in March 2020 and runs to March 2023.
- 5.11 The key challenge for 22/23 has been to continue delivery against the existing plan whilst developing a new plan for 2023 to 2026 against a difficult financial backdrop and a requirement for organisational and service change.

Achievements

- 5.12 Despite the challenges significant delivery has been demonstrated against key strategic aims identified by Cabinet in June 2023. This includes significant and sustained help to residents most vulnerable to the cost-of-living crisis. Work has been undertaken with partners to provide many hundreds with financial help, support or advice, as well as support to the foodbanks and those helping others. Further details are provided at appendix 1.
- 5.13 A significant "Future of Colchester" public consultation was conducted including a resident survey, focus groups and Policy Panel activity to inform a new Strategic Plan.
- 5.14 The resulting "City Fit for the Future" Strategic Plan recognises the significant transformation of Council services required to respond to future challenges and to provide high quality essential services.
- 5.15 The Strategic Plan sets the framework for the Council's 3 year Medium Term Financial Forecast. The plan also recognises that in the future it is even more important that the Council works with and enables other organisations to support delivery of key priorities for the city.
- 5.16 The Local Government Peer Challenge emphasised the need for a strong link between priorities and capacity to deliver. As such, a delivery plan for 2023/2024 based on capacity and resources was also developed and approved by Cabinet in March 2023.

Local Government Association Peer Challenge

Challenge

- 5.17 The Local Government Association peer challenge process provides independent and external improvement support and challenge through a peer review, conducted by a team of councillors and senior officers from other local authorities. It is expected that Councils undertake a Corporate Peer Challenge every 5 years.
- 5.18 Prior to 22/23, the previous peer challenge of Colchester City Council was conducted in June 2014.

Achievements

- 5.19 Colchester invited a peer challenge team to conduct a peer challenge during the week starting 26 September 2022.

5.20 The team deployed a hybrid approach with four days on site in Colchester but with some interviews conducted remotely. During this time, they gathered information and views from more than 45 meetings, in addition to further research and reading, meeting either virtually or in person with over 150 people across the period of the challenge.

5.21 Following the peer challenge the team issued a report with the key highlights including:

'With the opportunities afforded by their plans for growth, the new Member and Officer Leadership team and, most crucially, city status, the City Council and Colchester, the place is on the cusp of something great.'

Colchester City Council has good self-awareness and understands the communities it serves and the economy across the borough.

Colchester has an incredible heritage and culture offer that competes nationally and Colchester City Council has worked hard over the years to develop resilient and productive relationships and partnerships to ensure this heritage and cultural offer can thrive.

Colchester City Council is driven and has a strong desire for achievement and delivery, with fantastic people, including staff, councillors, and partners'.

5.22 The report also made 8 key recommendations and as a result an action plan was developed and approved by Cabinet. Delivery against the action plan is well underway with many relevant work streams referred to in this report.

City Status and Year of Celebration

Challenge

5.23 City Status didn't come with a pot of money, special tax breaks, or a magic wand but it does come with potential, further regional, national and international recognition, a sense of pride, positivity, and opportunity.

5.24 Our status as a city is deserved and one that will provide opportunities for all. Realising these opportunities won't happen in a single year or be limited to what the City Council does, it will be about how everyone works together to build on the strengths Colchester already has.

5.25 It will be about communities, businesses, the public and voluntary sector and especially our young people. It will be about our urban centres and our rural communities, our amazing heritage, culture and economy and the new and exciting modern city opportunities to come.

5.26 In place terms, City Status enhances our competitive position, which is important. There's a need to compete with other places for talent/skills, new business creation, relocations, and investment. Colchester has an excellent track record on inward investment having secured an identifiable £333.8m between 2015-2021.

Achievements

5.27 Maximising the benefits of city status is a key element of the Strategic Plan Delivery Plan referred to previously in this report. "Our Year of Celebration"

already includes over 20 events across the urban and rural areas and this keeps growing.

- 5.28 Commemorating the 375th anniversary of the Siege of Colchester has been planned and is going to be a real spectacle. Colchester City Tiptree Jam will be on sale at the Visitor Information Centre later in the year and Gladiators are coming to Colchester Castle!
- 5.29 A new marketing toolkit is helping to promote our Year of Celebration, and a collaborative marketing approach will bring together key Colchester organisations and leaders to help promote our City and all it has to offer.
- 5.30 A key highlight of the year was the recent successful royal visit which showcased the best of Colchester and provides a great start to the year of celebration.

City Regeneration and Renewal

Challenge

- 5.31 Colchester is changing as the way people work, shop and spend their leisure time changes. In common with places across the country, there has been a dramatic growth in e-commerce. With an expansion in the choice of leisure options and an increase in homeworking, city centres need to adapt to retain their vibrancy.
- 5.32 A key finding from the “Future of Colchester” public consultation was that residents have real desire for a vibrant City Centre and see this as a key priority for the City Council.

Achievements

- 5.33 In 2022-23, the Council collaborated with partners to develop a new Economic Strategy for the wider city. The strategy sets out high-level priorities for work to maintain and boost the strength of our economy.
- 5.34 During 2022-23 the Council worked with Essex County Council and partners to develop a comprehensive masterplan for the City Centre. This plan establishes a shared understanding of the area's strengths. It will discourage piecemeal activity, and instead lay the foundations for everyone to pull in the same direction.
- 5.35 Our Town Deal programme has secured £19m of government funding to boost Colchester's economy, create jobs, tackle inequalities, and make lasting improvements to our place.
- 5.36 2022-23 started with our submission of detailed business cases for each of the Town Deal's projects to government which were approved.
- 5.37 During 22/23 a considerable amount of planning and preparatory work has been carried out. Towards the end of the year this has started to transition into delivery, with work well underway to develop the new digital learning suite at the Wilson Marriage Centre, archaeology work completed at the Essex County Hospital and Digital Working Hub sites, a full Heritage Lottery Fund (HLF) bid for the project to bring Jumbo back into use submitted, and a successful HLF Expression of Interest to bring Holy Trinity Church back into use also achieved.

Levelling Up Fund

- 5.38 In 22-23 we built on our Town Deal work by bidding to the second round of the governments Levelling Up Fund. This bid was submitted jointly with Essex County Council and was for almost £20 million to make a long-lasting improvement to the St Botolph's area of the City Centre.
- 5.39 Our Levelling Up programme will regenerate a key part of our City Centre, making a long-lasting visual improvement to the public realm, kick-start quality car-free housing schemes which will bring a much-needed boost to footfall for City Centre businesses, reduce the anti-social behaviour currently experienced in this area, significantly enhance Colchester's heritage assets and its appeal to visitors, and improve the facilities for cycling and walking. We are now mobilising, with governance and management arrangements agreed.

Shared Prosperity Fund

- 5.40 To support the work of our partners to regenerate Colchester's economy, and to tackle inequalities, during 22-23 we submitted a successful investment plan to access funding for the Government's Shared Prosperity Fund. We were successful in securing £1.3m and have allocated this to a wide range of initiatives being led by partners in the public and voluntary sector to boost jobs, tackle inequalities, and improve life chances.
- 5.41 Some projects have started already with the rest beginning throughout 23-25. These include work to boost Colchester's vibrant creative sector, help for local people to access jobs in the construction and health sectors, support to enable more volunteering, and support for a new community supermarket providing low-cost food to help tackle the cost-of-living crisis.

Council Organisation Health and Leadership

Challenge

- 5.42 The work to redesign the Senior Leadership arrangements within the City Council has been driven by the demands of the post COVID 19 Pandemic-environment in which we operate, the financial challenges we must now confront following many years of budget cuts, the prospect of further reductions in our revenue budget, the uncertain global environment, and the changing needs of the people of Colchester.
- 5.43 This is set in the context of a rapidly changing workforce with hybrid working and flexible arrangements now established as business as usual, the pressing need to invest in the organisational development of our workforce, unmanageable workloads which need to be reduced and the drive to maximise the skills and experience of our existing people to provide attractive and rewarding career paths.
- 5.44 It is imperative that strategic and operational delivery capacity of our senior team is maximised at pace, to tackle the fundamental transformation challenges which lie ahead.

Achievements

- 5.45 Phase 1 of this work is complete with the establishment of the Senior Leadership Board which is shown at appendix 2. This has delivered a £200k saving and ensured that the strategic capacity and skills of the team are maximised and aligned with the delivery of the Council's Strategic Plan.

- 5.46 Work on Phase 2 is underway; this Phase aims to extend the Senior Leadership Board arrangements to create an extended Senior Leadership Team (SLT). This new arrangement is already working in shadow form.
- 5.47 It is now necessary to formalise the arrangements to ensure we have clear and collaborative leadership arrangements in place, which will drive the delivery of the new Strategic Plan (2023/26) priorities and the resulting organisational changes which will ensue. To assist with this stage of the work design principles have been agreed.
- 5.48 Reference to these design principles has resulted in a draft operating model which will:
- play to our strengths as a team,
 - reflect the priorities of Colchester City Council as a key system player
 - recognise the system wide working environment in which we operate
 - deliver the opportunities being created by collaborative working arrangement across Essex and specifically North Essex
 - reflect the drive to create modern services for a modern City with enabled communities
 - mirror the requirement for transitional arrangements which will leave scope for the outputs of other work e.g. the review of CCHL which will reset our commercial operating model
- 5.48 The draft proposals are the result of extensive collaboration and co-design across the shadow senior leadership team and the teams affected by change. Full details of the operating model will be provided to Cabinet in the form of a presentation at the Cabinet meeting when this report is considered.

The Family of Council Companies

Challenge

- 5.49 A key recommendation of the Peer Challenge was to:
- “Commission an independent review of Colchester Commercial Holdings Ltd, and its subsidiaries, also undertake an internal review of Colchester Borough Homes to assess whether the companies are realising the benefits they were established to deliver.”*

Achievements

- 5.50 Cabinet responded swiftly and commissioned Risk Assessments of Colchester Commercial Holdings Ltd (CCHL) and Colchester Borough Homes (CBH) at the end of 2022. A full strategic review of CCHL and the subsidiary companies was commissioned in January 2023.
- 5.51 In response to the findings of the reviews for CCHL:
- An Interim Managing Director for CCHL has been recruited to replace the retiring MD and has taken up role in March 2023.
 - A new Oversight Board has been established to ensure that the CCC Executive, Chair of Governance and Audit Committee and Senior Team works together with the Chair and Managing Director of CCHL
 - Any changes to the Constitution required to address conflicts identified will be made at the Annual Meeting in May
- 5.52 In response to the findings of the risk assessment for Colchester Borough Homes, the Council was reassured by the substantial assurance found in terms of the Board's

effectiveness and organisational competency and is working with CBH on recommendations relating to strengthening the oversight of compliance requirements and reporting to the City Council Senior Board and Executive.

Key Partners and Partnership arrangements

Challenge

- 5.53 Colchester City Council has some extremely strong partnership arrangements, many in place over several years which enable significant scope and opportunities for input, insight and collaboration on key areas of work.
- 5.54 For example, as part of the commitment made in our respective Local Plans, Colchester City Council and Tendring District Council are working with Essex County Council to deliver a Garden Community on the borders of both Local Authorities
- 5.55 As outlined in this report there is transformational investment going into the City Centre over the next 4-5 years through the Town Deal Programme and Levelling up Fund. In addition, Colchester City Council and Essex County Council hold significant assets in terms of buildings and key pieces of land that can assist with the regeneration of the City Centre if appropriate partnership working is in place.

Achievements

Tendring Colchester Borders Garden Community

- 5.66 A Joint Committee comprising the three Authorities was established with the first meeting in February 2022. This is the first Joint Committee of its kind in Essex with delegated authority to support the Planning process. Progress has been positive with a submission version Development Plan Document (DPD) prepared to take to public consultation in May 2023. A shared Planning and Programme Team is funded by the three authorities to provide the resource to progress the work.

Team Colchester

- 5.67 To ensure there is the strategic oversight and alignment of ambition and delivery of city centre regeneration, Essex County Council and Colchester City Council have formed a strong partnership in 'Team Colchester' where the Leaders of both councils and key Portfolio Holders come together to provide the steer. So far Team Colchester has:
- co-commissioned a Masterplan for the City Centre which is now being considered by the Local Plan committee for consultation and adoption as a Supplementary Planning Document
 - Secured in partnership Levelling Up fund investment into the St Botolph's area of the City Centre to tackle issues such as poor air quality, anti-social behaviour, lack of cycling and walking access and connectivity between rail, bus and active travel options.
 - Agreed shared investment to work towards a transport interchange in the medium term.

Other Key Partnerships

- 5.68 Key relationships have been formed or strengthened in other key areas:
- By joining the Key Cities network of leading non conurbation cities and engaging on the national stage

- By developing a Partnership Agreement with the University of Essex, to be signed shortly and by continuing to keep close to the Garrison, meeting our obligations under the Armed Forces Covenant
- By continuing to work closely with health and voluntary sector partners, through One Colchester and other forums, securing their help, funding and support, and assisting them in turn to address some of the most challenging issues of our times
- Through Greater Essex discussions, exploring the potential benefits of devolution
- Securing further cooperation and joint working with other local authorities, to help mutual cost efficiency and resilience

Summary of next steps and Conclusion

- 5.68 The 2023/2024 municipal year has been challenging with some of the most difficult financial challenges in recent history. However, significant progress has been made in responding to those challenges with a balanced budget set for 23/24.
- 5.69 The Council has a new Strategic Plan and a solid delivery plan backed up with effective partnerships and significant external funding to maximise the opportunities for Colchester.
- 5.70 A summary of proposed next steps for the areas described in this report is shown in the table below:

Priority/area	Next Steps	Date
Budget and Medium Term Financial Forecast	Delivery of savings approved through the 23/24 budget. Report to Cabinet and Governance and Audit on Capital Programme Review	Quarterly reports to Governance and Audit and Cabinet from June 2023 June 2023
Strategic plan/delivery plan	Closing report for 20-23 strategic plan Mid-year report on 23-26 Strategic Plan	July 2023 November 2023
Peer Challenge	Action plan update to Cabinet Follow up visit from Peer Team	June 2023 July 2023
City Status and year of celebration	Delivery of year of celebration with reports to Cabinet on progress	Throughout year with regular updates to Cabinet.
City Regeneration and renewal	Implementation of Economic Strategy Delivery Plan.	April 2023

	<p>Consult on the draft City Centre Masterplan plan ahead of formal adoption into Planning Policy.</p> <p>Start on site across various Town Deal Projects</p> <p>For the LUF start detailed engagement with communities and stakeholders, letting contracts, and conducting the detailed planning work necessary.</p> <p>Delivery of grants to improve shopfronts with the Business Improvement District.</p>	<p>June 2023</p> <p>Autumn/Winter 2023</p> <p>Throughout 2023</p> <p>Throughout 2023</p> <p>From May 2023</p>
Council organisation and family of companies	<p>Formal consultation with Group Managers impacted by changes.</p> <p>Implementation of new management arrangements</p> <p>Strengthened governance across the Family of Companies including regular meeting of the Chief Executives/Managing Director and Council Leader with the Chairs of Board.</p> <p>These will now be used to identify opportunities to strategically align, collaborate, reduce duplication and improve efficiency across the organisations.</p> <p>Richard Carr, the Interim Managing Director of CCHL will work with an oversight board to implement the outcomes and recommendations from CCHL review with updates provided to the Governance and Audit Committee.</p>	<p>April 2023</p> <p>June 2023</p> <p>April 2023</p> <p>March 2023 onwards</p>
Key Partnerships	Garden Community DPD will progress to Examination in	Examination in Public October / November 2023

	<p>Public</p> <p>Key infrastructure such as the route for the Rapid Transit System starts on site in North Colchester and the contract for the first phase of the Link Road will be placed</p> <p>Team Colchester will be used to deliver the ambitious city centre regeneration programme including the projects funded by the recent successful Levelling Up Fund bid.</p>	<p>Following Consultation and Submission over the Spring / Summer Comm 2023</p>
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6. Equality, Diversity and Human Rights implications

- 6.1 Consideration has been given to equality and diversity issues in respect of any decisions to implement the priorities set out in this report in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

7. Strategic Plan References

- 7.1 The progress in this report supports all the core themes of the 2020 – 23 Strategic Plan and help set the platform for delivery against the new Strategic Plan from April 2023 onwards.

8. Consultation

- 8.1 There are no specific additional consultation considerations arising from this report.

9. Publicity Considerations

- 9.1 There are no specific additional consultation considerations arising from this report.

10. Financial implications

- 10.1 There are no new financial implications associated with this report.

11. Health, Wellbeing and Community Safety Implications

- 11.1 Much of the delivery detailed in this report will have a positive direct and indirect impact on, health, wellbeing and community safety.

12. Environmental and Sustainability Implications

- 12.1 Delivery against several of the priorities detailed in this report will also have a positive impact on environmental sustainability of both the Council and the Borough.

13. Health and Safety Implications

- 13.1 There are no direct health and safety implications associated with this report.

. 13. Risk Management Implications

- 13.1 The progress reported in this report will help to mitigate the risks facing the Council in delivering its strategic priorities for the borough.

Appendices

Appendix 1 – Achievements against the strategic plan

Appendix 2 – Council senior leadership arrangements

Background Papers

None