

Cabinet Meeting

**Moot Hall, Town Hall, High Street,
Colchester, CO1 1PJ**

Wednesday, 13 October 2021 at 18:00

The Cabinet deals with the implementation of all Council services, putting into effect the policies agreed by Full Council and making recommendations to Full Council on policy issues and the budget.

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.

Have Your Say!

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Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms..

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COLCHESTER BOROUGH COUNCIL
Cabinet
Wednesday, 13 October 2021 at 18:00

Leader and Chairman	Councillor Paul Dundas (Conservative) Councillor Crow (Conservative) Councillor Ellis (Conservative) Councillor Laws (Conservative) Councillor Lissimore (Conservative) Councillor B. Oxford (Highwoods Independent)
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AGENDA
THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING
(Part A - open to the public)

Please note that Agenda items 1 to 5 are normally dealt with briefly.

Live Broadcast

Please follow this link to watch the meeting live on YouTube:

[\(107\) ColchesterCBC - YouTube](#)

1 Welcome and Announcements

The Chairman will welcome members of the public and Councillors to the meeting and remind those participating to mute their microphones when not talking. The Chairman will invite all Councillors and Officers participating in the meeting to introduce themselves.

2 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.

3 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.

4 Minutes of Previous Meeting

Cabinet will be invited to confirm that the minutes of the meeting held on 1 September 2021 are a correct record.

01-09-21

7 - 20

5 Have Your Say! (Hybrid meetings)

Members of the public may make representations to the meeting. This can be made either in person at the meeting or by joining the meeting remotely and addressing the Council via Zoom. Each representation may be no longer than three minutes. Members of the public wishing to address the Council remotely may register their wish to address the meeting by e-mailing democratic.services@colchester.gov.uk by 12.00 noon on the working day before the meeting date. In addition a written copy of the representation will need to be supplied for use in the event of unforeseen technical difficulties preventing participation at the meeting itself.

There is no requirement to pre register for those attending the meeting in person.

6 Decisions Reviewed by the Scrutiny Panel

The Councillors will consider the outcome of a review of a decision by the Scrutiny Panel under the call-in procedure. At the time of the publication of this agenda, there were none.

7 Economy, Business and Heritage

7(i) Colchester's Bid for City Status

21 - 24

Cabinet will consider a report on Colchester's bid for City Status, following on from the invitation for local authorities to submit bids for City Status to mark the Queen's Platinum Jubilee.

8 Resources

8(i) Budget 2022/23 and Medium Term Financial Forecast

25 - 42

The Cabinet will consider a report which sets out the current position on the 2022/23 budget and Medium Term Financial Forecast 2022/23 to 2025/26.

8(ii) **2020/21 Year End Review of Risk Management** 43 - 64

Cabinet will consider a report providing an overview of the Council's risk management activity undertaken during the financial year from 1 April 2020 to 31 March 2021.

9 **General**

9(i) **Progress of Responses to the Public** 65 - 66

Cabinet will consider a report giving an update on the progress of responses to members of the public who had made representations under the Have Your Say provisions at meetings of Council and Cabinet.

10 **Exclusion of the Public (Cabinet)**

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example 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).

Part B
(not open to the public including the press)

11 **Resources (Part B)**

Resources (Part B)

11(i) **Update on the Northern Gateway Heat Network and Contract for the Construction of the Energy Centre**

Cabinet will consider a report providing an update on the Heat Network at Northern Gateway and inviting it to award the contract for the construction of the Energy Centre and remaining network infrastructure to the winning bidder.

<p style="text-align: center;">CABINET 1 September 2021</p>

Present: - Councillor Dundas (Chairman)
Councillors Crow, Ellis, Laws, Lissimore and B. Oxford

Also in attendance: Councillors Cory*, Goss*, Fox,
Goacher, Harris*, McCarthy, Pearson*, Willetts, T.
Young

**Attended remotely*

584. Minutes

RESOLVED that the minutes of the meeting held on 7 July 2021 be confirmed as a correct record.

585. Have Your Say!

Sir Bob Russell addressed the Cabinet pursuant to the provisions of paragraph 5(1) of the Meetings General Procedure Rules to express his concern that that the Friends of Colchester Museum had not been consulted about the formation of Colchester Museum Development Foundation. The Friends of Colchester Museum was a long established group , which was passionate about Colchester's heritage and museums, and was well informed. It had a large membership and its meetings were well attended. It should have been consulted about this significant development. It was noted that the Friends of Ipswich Museum had a trustee on the board of the new Development Foundation, but despite there being 12 Trustees, no comparative arrangement had been made for the Friends of Colchester Museum.

Councillor Laws, Portfolio Holder for Economy, Business and Heritage, explained that he believed that there was capacity for a number of vehicles to channel support for the Museum Service and it was right that the Council should have a vehicle under its control to secure corporate support and funding. He would look at the issues raised about the governance of the Foundation

Councillor T. Young attended and with the consent of the Chair addressed the Cabinet to express his concern about the impact of the proposed cut to Universal Credit. 1613 tenants of Colchester Borough Homes claimed Universal Credit, 475 of which lived in Greenstead. The withdrawal of the £20 uplift proposed for October 2021 meant this group would lose in total £1.68 million per annum. Many residents relied on this for essentials such as food and rent, and it would have an impact on rent collection rates. Nearly 40% of Universal Credit claimants were in work. Further information would be sent to the Leader

of the Council and the administration should call on the government to abandon the withdrawal of the £20 uplift.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, explained that he understood the impact of withdrawal of the £20 uplift and he would look at the further information provided. Cabinet would be considering a request from the Policy Panel to consider the implications of the end of the £20 uplift to Universal Credit later in the meeting.

Councillor Harris attend and with the consent of the Chair, addressed the Cabinet. He supported the comments made by Councillor T. Young in respect of Universal Credit. Following the discussion at Council on the Queen's Platinum Jubilee celebrations, arrangements were being made in Monkwick to use its Annual Fun Day to mark the Platinum Jubilee. However, where communities did not have annual events such as this to build on, they needed to be given the necessary support to ensure that celebrations could take place, as such events strengthened communities. For example, it should be made easy and inexpensive to apply for road closures.

Councillor Laws, Portfolio Holder for Economy, Business and Leisure, responded to emphasise that he understood the importance of communities coming together to celebrate such events and that the processes to set up such events should be straightforward. He would look at the issue.

Councillor Fox attended and with the consent of the Chair, addressed the Cabinet on the impact of recent events in Afghanistan. There had been considerable concern in local communities. Locally based soldiers had played an important role in the evacuation, and the community had also responded by welcoming those seeking refuge and providing charitable donations. The recent letter to Group Leaders was welcomed, and it was important to recognise locally all those service personnel who had served in Afghanistan over the past twenty years. What support was being provided to those arriving from Afghanistan, and was the support provided by the government to the Council adequate? If not, a strong message needed to be sent to government,

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy supported Councillor Fox's comments in respect of support for service personnel. As a garrison town it was appropriate that there was some form of civic recognition. Colchester had been one of the first authorities to offer to help with and to receive refugees. At present the Home Office were providing wrap around care for the refugees but the Council would begin to get involved in supporting them as time went on as they would require long term support. The Council was receiving significant financial support from the government.

Councillor Pearson attended and with the consent of the Chairman, addressed the Cabinet in support of the recommendations in respect of the Policy Panel work programme. When the Leader of the Council had attended the first meeting of the Panel this municipal year he had been open minded about requests from the Panel to look at issues, despite the limited terms of reference. Councillor T. Young had highlighted the importance of the issues around Universal Credit. Whilst it was two years since the Council had declared a climate emergency, planning policy did not fully reflect issues around sustainability. It was hoped that the Cabinet would look at the request positively.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, indicated that this issue would be discussed in detail later in the meeting. Whilst he was open minded about the requests from the Policy Panel, he was not convinced that the Policy Panel was the right forum for consideration of planning policy and, as the Monitoring Officer had advised, these issues would be best addressed by the Local Plan Committee. Councillor Ellis, Portfolio Holder for Housing and Planning, indicated he was grateful to the Policy Panel for highlighting the issue, but that this was a matter for the Local Plan Committee.

Councillor Goss attended and with the consent of the Chair, addressed the Cabinet. He had not received the written response he had been promised at the last Cabinet meeting in respect of issues on grass cutting and the Fixing the Link project. Issues around the quality of grass cutting remained and the situation did not appear to be improving. Concerns were also expressed about green algae on the River Colne, about the security of sites at Northern Gateway to prevent unauthorised encampments from Travellers and broken paving on the High Street.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, indicated that officers were closely managing the situation in respect of grass cutting and he believed the situation was improving. Consideration was being given to asking the Policy Panel to look at issues relating to the future of the Grounds Maintenance contract. Councillor B. Oxford indicated that a written response would be sent in respect of the Fixing the Link project. Councillor Crow, Portfolio Holder for Environment and Sustainability, indicated that issues in respect of algae were being looked at. It was understood that in previous years, algae had been physically collected and removed from the river and he had asked officer to examine this option.

Councillor Cory attended and with the consent of the Chair, addressed the Cabinet and expressed his support for the comments by Councillor T. Young in respect of Universal Credit. He also endorsed the comments made in respect of Afghan refugees and that Colchester would welcome and support them as it had Syrian refugees in the past. However, concern was expressed about the communications with the public on the issue. There needed to be more communications to thank service personnel who had served in recent operations in Afghanistan. When he had been Leader and there had been issues of such significance he had communicated with residents directly through the website and ensured the website gave residents and business the information they needed. The Council was not communicating effectively on the Afghan situation and was not providing information about how residents could help by providing charitable donations. The Council had an important role to play in coordinating the community response.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, confirmed that communications was within his Portfolio and that the website contained considerable information on how residents could help. He would discuss with Communications Team if more could be done. However, the Home Office had asked for details about the resettlement of refugees to be kept confidential so full details could not be given. Councillor Laws, Portfolio Holder for Economy, Business and Heritage, stressed the need to consider the need to provide empathy and support for residents of Colchester who had relatives in Afghanistan. Councillor Lissimore, Portfolio Holder for Resources, highlighted that the administration had done several media interviews locally and nationally on the issue and it was notable that media outlets had approached Colchester on the issue. This demonstrated that the administration had been communicating effectively.

Councillor Scordis attended and with the consent of the Chair, addressed the Cabinet to ask what the strategy was to tackle those residents who refused to recycle and what was being done to reduce the amount of litter in the borough. Councillor Crow, Portfolio Holder for Environment and Sustainability indicated that he would send a written answer on the recycling issue. Councillor B. Oxford, Portfolio Holder for Communities, expressed her strong dislike of litter and that she would be looking for strong enforcement action.

586. Year End April 2020 – March 2021 2020-2023 Strategic Plan Action Plan

The Assistant Director, Corporate and Improvement Services, submitted a report a copy of which had been circulated to each Member together with draft minute 306 of the Scrutiny Panel meeting on 20 July 2021.

RESOLVED that

- (a) There has been satisfactory delivery against the Strategic Plan Action Plan and that the Council has made satisfactory progress in meeting its strategic goals.
- (b) The profile of communications on environment and sustainability issues be raised.

REASONS

To ensure the Council has robust performance management of delivery against key strategic goals.

ALTERNATIVE OPTIONS

No alternative options were presented to Cabinet.

587. Year End April 2020 – March 2021 Performance Report Key Performance Indicators (KPI) and Other Performance News

The Assistant Director Corporate and Improvement Services submitted a report a copy of which had been circulated to each Member.

RESOLVED that the performance against Key Performance Indicators over the period April 2020 – March 2021 be noted and it be noted that where Key Performance Indicators have not been met that appropriate corrective action has been taken.

REASONS

To review year end performance for 2020 – 2021 and ensure robust performance management of key Council services.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

588. Policy Panel recommendations on Options for Covid-19 Commemorations

Cabinet considered the recommendations made by the Policy Panel at its meeting of 4 August 2021 in respect of options for Covid 19 commemorations, a copy of which had been circulated to each Member.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, and Councillor B. Oxford, Portfolio Holder for Communities, thanked the Policy Panel for the recommendations. It was important to commemorate those whose lives had been lost or affected by the pandemic and to thank those who had helped and supported the community. There was slight concern about the sensitivity of some of the language used and whilst the spirit of the recommendations was welcomed it was proposed to slightly alter the wording

RESOLVED that:-

- (a) The Council supports with guidance and logistical provision including free hire of venue the plans for a service of remembrance being developed by the High Steward of Colchester, the Mayor's Office and any other agencies who may wish to be involved such as the emergency services.
- (b) The Council puts together a package of support for local community groups including Town and Parish Councils in the Borough who wish to bring about their own memorials or events.
- (c) A design for a memorial bench and wording for the plaque be drawn up;
- (d) The Assistant Director Environment and the Corporate Governance Manager set up a small working group of relevant officers and representatives of other organisations, such as One Colchester and the BID, to ensure that Covid commemorative activities are coordinated throughout the Borough and not all actions remain the responsibility of the Council.

REASONS

It was important to commemorate those whose lives had been lost or affected by the pandemic and to thank for those who had helped and supported the community. Cabinet considered that the wording of the word two recommendations should be amended to ensure it was sensitive to those whose lives had been impacted by Covid 19.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to agree the recommendations from the Policy Panel.

589. Unlocking the Potential of Colchester's High Street and Town Centre

Cabinet considered the motion submitted to Council at its meeting on 14 July 2021 and which stood referred direct to Cabinet. A copy of the motion had been circulated to each

member.

Councillor Fox attended and with the consent of the Chair addressed the Cabinet and expressed his regret that the motion had not been debated at Council where all members could have given their views. The Covid 19 pandemic had revealed some structural issues in the town centre that needed to be addressed. The town centre had several strengths that could be built on. It was a centre for retail, social and cultural life. It was also a forum for community action and the centre of Colchester's civic life. However, it had lost a number of significant retail units: both large chains such as Debenhams and independents such as Jacks. Outcomes from the motion would include increased transparency and knowledge of who owned the High Street. Where vacancies came up there was a role for the Council and the BID to make it known to the community that opportunities were available. This would facilitate new business and community groups. There would be increased residential provision in the town centre and more attention should be paid to those communities who lived on the edge of the town centre. There needed to be more use of the sustainable travel options into the town centre to reduce the impact of car use. In the wake of Covid the tax system needed to be reformed so it stopped penalising local shops. The unfairness of this and impact on Colchester needed to be highlighted to government. Devolved funding was also important. When the government made funding available through initiatives such as the Town Deal, decisions on how this should be used should be taken locally.

Councillor Goss attended and with the consent of the Chair addressed the Cabinet as joint sponsor of the motion. This was a make or break year for many businesses in the town centre, following the impact of the pandemic. Many businesses welcomed the support provided by the Council. The proposals in the motion would help ensure continued long-term support for businesses and the town centre and would command cross party support. Business rates reform would help level the playing field with online businesses and would help increase town centre footfall.

Councillor Laws, Portfolio Holder for Economy, Business and Heritage, thanked Councillor Fox for the motion. It was also important to take account of those small businesses operating outside of the town centre. The importance of the public realm in the town centre was also now accepted across all political groups and the support for section 215 planning enforcement powers was welcomed. The work by partners such as the BID and Lion Walk in improving the town centre, such as the improved signage, also needed to be acknowledged.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, broadly welcomed the motion. However, a consultation on a review of business rates had already taken place and to approve a motion calling for such a review was unnecessary and would make the Council appear that it was unaware of a significant national consultation. The interim report published on the issue suggested that some small businesses felt that a reform of business rates would not significantly help them as the main motivation of buying online was convenience and choice rather than price. If the Council disagreed with the final conclusions of the review, that would be the appropriate time to write to the government on the issue. Whilst he was supportive of the principle of making information available on ownership of high street properties this needed to take account of GDPR issues.

Councillor Lissimore, Portfolio Holder for Resources, stressed that the administration could

explore the creation of Community Improvement Districts. The BID was already working with town centre communities to improve their situation. It would be useful to explore whether Community Improvement Districts could be used to support local shopping centres such as Prettygate and Shrub End. In respect of making information available on ownership of high street properties, this should not compel the release of commercially sensitive information and the wording of the motion needed to be amended to reflect that. The use of planning enforcement powers was welcomed and this was already done to secure the use of vacant premises by arts groups.

It was proposed that the motion be approved subject to the deletion of the first resolution in respect of business rates and the amendment of the third resolution so it read:

- Make public data held by the Council on the ownership of high street properties accessible so that community groups seeking to buy empty shops through a community share offer have the information they need to do so.

RESOLVED that the motion be approved and adopted subject to the deletion of the first resolution in respect of business rates and the amendment of the third resolution so it read:

- Make public data held by the Council on the ownership of high street properties accessible so that community groups seeking to buy empty shops through a community share offer have the information they need to do so.

REASONS

Cabinet was generally supportive of the motion but considered that the first resolution was unnecessary because the government had already consulted on the review of business rates. The resolution on the ownership of high street properties needed to be amended to take account of GDPR concerns and to prevent the release of commercially sensitive information.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to approve and adopt the motion.

590. Colchester Town Deal

Cabinet considered the recommendations made by the Scrutiny Panel in respect of Colchester Town Deal at its meeting on 17 August 2021. A copy of the recommendations had been circulated to each member.

Councillor Cory, as Chair of the Scrutiny Panel, attended and with the consent of the Chair addressed Cabinet in support of the recommendations. The Council held the Town Deal funds and was ultimately accountable for the funding so it was right that the Scrutiny Panel take on the role of scrutinising the Council's role and actions as the Accountable Body and

look at issues such as risk management. The Scrutiny Panel had discussed the merits of the Youth Zone and there was cross party support for the concept. The Panel's recommendation was to ensure that the Youth Zone was treated as a priority and to ensure that funding was set aside so that the opportunity to create a Youth Zone was not lost.

Councillor Willetts attended and with the consent of the Chair, addressed the Cabinet. It had been an excellent piece of scrutiny and had identified the respective responsibilities of the Council and the Town Deal Board and had clarified the governance arrangements. There was widespread political support for the provision of a Youth Zone in Colchester. However, there was a shortfall of £1.1 million of capital funding plus the recurring revenue funding which would need to be found elsewhere. The Council was not the statutory provider of youth services but the Council could seek to use its general powers of competence to pursue the provision of a Youth Zone. However, match funding would normally be provided to the statutory authority so it may be difficult to attract external funding. Also no site was yet identified. It was also arguable as to how far the Youth Zone met the intervention points for funding through the Town Deal. The Panel was supportive of asking Cabinet to look at ways of increasing funding for the Youth Zone. It was clear that the Council would need to find an additional £800,000 from its budget to bridge the funding gap and commensurate savings would need to be made from service budgets. As the Youth Zone had all party support, an all-party group should be asked to recommend to Cabinet how these savings could be made.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, stressed that it was important that there was oversight by the Scrutiny Panel of the Council's role as Accountable Body for the Town Deal. Whilst he was supportive of the Youth Zone, the revenue costs were a huge challenge. If the Council failed to get the support of Essex County Council as the statutory provider, there could be difficulties to securing match funding and therefore the revenue costs could increase up to £1.3 million per annum. This would need complete political support from all groups as to how the savings needed should be secured to achieve a balanced budget. It was proposed that suggestions as to how these savings could be achieved should be considered at the forthcoming budget workshops.

In view of this it was proposed that the recommendation (b) be amended to read as follows:-

"Cabinet includes investigation into funding of Youth Zone as part of ongoing budget setting process and works with Members and Budget Workshops to identify estimated £400,000 to £1.3m annual revenue costs necessary, suitable site and capital funding, alongside the Town Deal allocation of funding for youth services provision, mindful of the legal requirement to deliver a balanced revenue budget. "

RESOLVED that:-

(a) The Scrutiny Panel takes on the role of scrutinising the Council's role and actions as Accountable Body for Colchester's Town Deal programme, including oversight of Risk Management and scrutiny of financial decisions;

(b) Cabinet includes investigation into funding of Youth Zone as part of ongoing budget setting process and works with Members and Budget Workshops to identify estimated £400,000 to £1.3m annual revenue costs necessary, suitable site and capital funding, alongside the Town Deal allocation of funding for youth services provision, mindful of the legal requirement to deliver a balanced revenue budget.

REASONS

Cabinet considered that it was important that there was oversight by the Scrutiny Panel of the Council's role as Accountable Body for the Town Deal. In view of the potential revenue costs of a Youth Zone there needed to be complete political support from all groups as to how the savings needed should be secured to achieve a balanced budget. It was proposed that suggestions as to how these savings could be achieved should be considered at the forthcoming budget workshops.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to agree the recommendations from the Scrutiny Panel.

591. External Funding from North Essex Clinical Commissioning Group (NEECCG) and East Suffolk and North Essex Foundation NHS Trust (ESNEFT).

The Assistant Director Communities submitted a report a copy of which had been circulated to each Member.

RESOLVED that the Council accept the funding from the NEECCG and ESNEFT set out in the Assistant Director's report on behalf of the Health Alliance and distribute it as per the Health Alliance agreement.

REASONS

This significant amount of funding was very welcome. It provides the means to address key strategic priorities for the Council and wider partners, through the delivery of tangible workstreams. This vital funding is critical to addressing the existing health inequalities, exacerbated by Covid and adding much needed capacity to the charity and voluntary sector in Colchester and North East Essex, and, ultimately delivering improved outcomes in health and wellbeing for residents while tackling deep-rooted inequalities.

ALTERNATIVE OPTIONS

To reject the offer of additional funding from health system partners or ask them to seek an alternative mechanism of distribution.

592. Local Government and Social Care Ombudsman: Annual Review Letter 2021

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

RESOLVED that the contents of the Local Government and Social Care Ombudsman's Annual Review Letter for 2021 be noted.

REASONS

To inform the Cabinet of the contents of the Local Government and Social Care Ombudsman's Annual Review Letter relating to Colchester Borough Council for 2021.

ALTERNATIVE OPTIONS

No alternatives were presented to the Cabinet.

593. Colchester Commercial Holdings Ltd (CCHL): recommendation from Governance and Audit Committee

Cabinet considered draft minute 268 of the Governance and Audit Committee meeting of 27 July 2021, a copy of which had been circulated to each Member.

Councillor Willetts, as Chair of the Governance and Audit Committee, attended and with the consent of the Chair addressed the Cabinet. The Governance and Audit Committee was the shareholder Committee for CCHL and it received regular reports on the performance of the company and its subsidiaries. It had delivered a dividend of £500,000 in the last financial year. However, it had no financial reserves of its own and was entirely dependent on the Council for funding. Therefore, it had no financial independence and was not able to develop further businesses. It was acknowledged that there were risks in giving local authority owned commercial companies too much independence, but it was the Committee's view that the potential for increased financial flexibility with an acceptable level of risk should be explored. This could allow it to develop its balance sheet strength and be more financially independent and provide the potential to deliver an increased dividend to the Council.

Councillor Lissimore, Portfolio Holder for Resources, explained that there was a balance between CCHL being backed by the Council and answerable to it, and giving it some free rein to operate independently. At this stage what was proposed a report to look the issues and she was confident the Committee would look at both the short-term and long-term implications of any subsequent report.

Councillor Ellis, Portfolio Holder for Housing and Planning, supported the recommendation. CCHL had been operating successfully for several years and it was a good idea to explore the issue of greater freedoms and the necessary checks and balances further. There was no risk to the Council at this stage.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, stressed that the proposal had cross-party support and this could be compromised if the Cabinet began to amend the proposal.

RESOLVED that CCHL be commissioned to provide a detailed report examining the best method to develop Balance Sheet strength so CCHL can be more financially independent, while operating under the Governance and Management Agreement framework which governs the operation of the companies.

REASONS

As set out in draft minute 268 from the Governance and Audit Committee.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

594. Policy Panel recommendations on the Panel's future Work Programme

Cabinet considered by the recommendations made by the Policy Panel at its meeting of 4 August 2021 in respect of its future work programme, a copy of which had been circulated to each Member.

Councillor McCarthy, Chair of the Policy Panel, attended and with the consent of the Chair, addressed the Cabinet. As well as seeking approval for the recommendations he was seeking mutual agreement on the Panel's Terms of Reference. The Panel enjoyed effective cross party working for the good of the borough. In previous years, Councillors and members of the public could bring ideas to the Panel and if the Panel considered it would be of benefit to the borough, it would request approval from Cabinet. It's role should not be simply to rubber stamp Cabinet ideas or be drip fed work that Cabinet considered was not important enough for it to do. It should work alongside Cabinet to improve the borough. The Leader had attended the first meeting in June and had acknowledged the need for Panel members to put forward their own initiatives to Cabinet. The terms of reference for the Panel should be amended to restore the following:

"To proactively identify issues and legislative changes that may require review and improvement and to seek Cabinet's agreement as to whether and how they should be examined."

If the proposals for the work programme were not agreed, Cabinet should give its reasons and also consider whether they could be dealt with elsewhere. One of the proposals had been suggested by a senior officer. The Panel had a talented pool of members and there had never been an occasion where its debate had not been worthwhile. It was always open to Cabinet not to agree its recommendations, but it seemed counter productive not to allow those discussions to take place.

Councillor Goacher attended and with the consent of the Chair addressed the Cabinet in support of the recommendations for its work programme. He shared the concerns expressed by Councillor McCarthy on the role of the Panel. In respect of the recommendation on planning policies, the Council had declared a climate emergency in 2019 but policies in respect of sustainability were not yet in place. This meant that issues relating to sustainability could not be fully addressed at Planning Committee, which was a source of frustration to residents. If the issue was to be considered by the Local Plan Committee instead, this needed to be done urgently.

Councillor Cory attended and with the consent of the Chair addressed the Cabinet. As a previous Leader he understood the need to streamline processes and the difficulty that conflicting advice from a Panel could cause. However, the changes to the terms of reference of the Policy Panel had gone too far and there was cross party concern on the

Panel about their role. Cabinet should accept the proposed change in the terms of reference which was reasonable and would allow the Panel to put forward its own ideas for its work programme. Cabinet would only benefit from a greater diversity of ideas.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, explained that he considered that more collaboration and better communication between Cabinet and the Policy Panel would address the issues raised and he was not minded to change the Panel's Terms of Reference. Regular meetings between the Chair of Cabinet and the Chair of the Policy Panel should be set up. In terms of the recommendations, he was concerned by the recommendation in respect of planning policies. The Monitoring Officer had advised that was a matter for the Local Plan Committee, and his advice should be taken seriously. The other recommendations were supported and it was also suggested that the Panel look issues relating to the Ground Maintenance Contract

Councillor Crow, Portfolio Holder for Environment and Sustainability indicated he would support the recommendation in respect of the River Strategy, and that this could look at issues relating to algae. It could also examine issues relating to how the river could be used to support health lifestyles and related issues on access to the river.

RESOLVED that approval be given to the Policy Panel to add the following items to its work programme: -

- (a) Consideration of the implications associated with the end of the £20 uplift to Universal Credit, and what local support the Council can potentially give to those on low incomes and to address financial inequality within the Borough;
- (b) Review of, and recommendations relating to, proposed Neighbourhood Services Policies (Litter Strategy, Rubbish Bin Policy, Graffiti Policy, Drone Policy);
- (c) River Strategy Development.
- (d) The future of the Grounds Maintenance contract.
- (e) Regular meetings between the Chair of Cabinet and the Chair of the Policy Panel be scheduled.

REASONS

The recommendation in respect of Planning Policies was not agreed as this was a matter for the Local Plan Committee.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to agree the recommendations from the Policy Panel or to agree to them subject to amendment.

The Cabinet resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

595. The Operational Model for the Local Full Fibre Network (LFFN)

The Assistant Director, Place and Client Services, submitted a report a copy of which had been circulated to each Member.

RESOLVED that:-

- (a) The operating model of the LFFN network as outlined in the Assistant Director's report via a Concession Agreement granted to CATL be agreed
- (b) Authority to agree any other resultant matters relating to the detailed terms of the concession agreement, as described in the Assistant Director's report, be delegated to the Assistant Director for Place and Client Services, in consultation with the Portfolio Holder for Resources.

REASONS

As set out in the Assistant Director's report.

ALTERNATIVE OPTIONS

As set out in the Assistant Director's report.

Report of	Mandy Jones, Assistant Director, Place & Client	Author	Karen Turnbull ☎ 282915
Title	Colchester's Bid for City Status		
Wards affected	All Wards		

1. Executive Summary

- 1.1 In 2022 the Queen celebrates her Platinum Jubilee and there is an open call for Local Authorities to submit bids for city status for their towns. The Administration has asked for Colchester to bid for city status to recognise its historic, economic and cultural importance.

2. Recommended Decision

- 2.1 Cabinet is requested to note the process to deliver Colchester's bid for city status, the plan for engagement and the timescale required.
- 2.2 To recommend to Full Council that it endorses and supports Colchester's bid for City Status.
- 2.3 To delegate authority to agree the final wording of Colchester's application for City Status to the Portfolio Holder for Economy, Business and Heritage.

3. Reason for Recommended Decision

- 3.1 City status will enhance Colchester's image and reputation and provide support for a more confident recovery from the economic impact of the pandemic. However, there is a strict deadline for submission of the bid and there is an opportunity to engage with a variety of groups and individuals to seek their support, both for the bid and for the key messages about Colchester it contains.

4. Alternative Options

- 4.1 City status is an honour conferred by Her Majesty the Queen. In the last 20 years there have been four opportunities to apply: the Millennium, 2002 Queen's Golden Jubilee, the 2012 Queen's Diamond Jubilee and next year Her Majesty will confer city status to celebrate her Platinum Jubilee. There are no alternative options.

5. Background Information

- 5.1 Colchester has applied for City Status on three previous occasions, the last being 10 years ago to celebrate the Queen's Diamond Jubilee.
- 5.2 The Government requirement is as follows:
- A summary of the application comprising no more than one A4 page.

- b) An introduction comprising no more than eight A4 pages of text, highlighting why the area deserves city status / Lord Mayor or Provost status, with particular reference to the area's:
- Distinct identity;
 - Civic pride;
 - Cultural infrastructure, interesting heritage, history and traditions
 - Vibrant and welcoming community;
 - Record of innovation;
 - Sound governance and administration;
 - Associations with Royalty; and
 - Other particularly distinctive features, age, residents or communities who have made widely recognised significant contributions to society and cultural infrastructure.
- c) A profile of the area, including statistics, to assist understanding of the area and its bid in comparison to the bids of other applicants. Information which it would be helpful to include would be:
- The resident population of the area;
 - Economic activity, including the number of people who work (but do not reside) in the area;
 - Information on public green spaces, sport and leisure facilities, and shopping centres; and
 - Information on local authority support (of any kind) for the voluntary sector.

The profile should comprise no more than ten A4 pages (including numbers, any tables and graphics).

- d) Up to 50 photographs of permanent features of the area

Deadline

The absolute deadline for submission is 8th December 2021.

Key Messages

- Britain's First Roman City with a 2000-year heritage
- Fastest growing town
- Ultrafast digital connectivity
- Inward investment hot-spot
- Strong Royal links throughout medieval and modern times
- Regional creative and cultural destination
- Partnership work transforming community health and wellbeing services
- Internationally important and relevant
- Environmentally important and sustainable
- A place of opportunity

6. Equality, Diversity and Human Rights implications

- 6.1 City status would support the Council's aim of improving Colchester's economic competitiveness so that everyone benefits

7. Strategic Plan References

- 7.1 City status would support the aims of the Strategic Plan, particularly the aspirations around growing a better economy so that everyone benefits and celebrating our heritage and culture.

8. Engagement

8.1 A draft plan to engage people and organisations with Colchester's bid is based around:

- Endorsement – seeking the support of stakeholders to support the bid. Using their networks and meetings to spread the word of ambition and boldness, sending a fresh message out about Colchester and its aspirations, whether or not the bid is successful.
- Testimonials – seeking support from organisations and individuals around why Colchester should attain city status.

These responses will be included in the bid document. They may also be published in other media for PR purposes.

9. Publicity Considerations

9.1 City status would bring national and international media attention to Colchester as the UK's newest, and also first, city.

10. Financial implications

10.1 The bid for city status will be delivered within existing budgets.

10.2 Should city status be conferred, a plan would be developed to communicate the transition from town to city over an agreed period of time.

11. Health, Wellbeing and Community Safety Implications

11.1 There are no health, wellbeing or community safety implications.

12. Health and Safety Implications

12.1 There are no health and safety implications.

13. Risk Management Implications

13.1 There are no risk management implications.

14. Environmental and Sustainability Implications

14.1 There are no environmental and sustainability implications.

Report of	Assistant Director, Corporate & Improvement	Author	Paul Cook <input type="checkbox"/> 505861 Darren Brown <input type="checkbox"/> 282891
Title	Budget 2022/23 and Medium Term Financial Forecast		
Wards affected	All		

1 Executive Summary

- 1.1 The report sets out the current position on the 2022/23 budget and Medium Term Financial Forecast 2022/23 to 2025/26.

2 Recommended Decision

- 2.1 That the transformation savings set out in Section 6 and Appendix A of this report be approved.
- 2.2 That Locality Budgets be increased to £2,000 per councillor from 2022/23 onwards as set out in Section 8 of this report
- 2.3 That Arts Partners are funded at current levels in 2022/23 and from 2023-24 onwards as set out in Section 9 of this report.
- 2.4 To note the updated Medium Term Financial Forecast 2022/23 to 2025/26 set out in Section 11 of this report.
- 2.5 To note the updated Medium Term Financial Forecast assumptions 2022/23 to 2025/26 set out in Appendix B of this report.
- 2.6 That the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources be authorised to submit National Non-Domestic Rates Return 1 to the Department of Levelling Up, Housing and Communities and determine the Council's continuing membership of the Essex Business Rates Pool.
- 2.7 That the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources determine the reserves to be used in 2021/22 and 2022/23 to fulfil the requirements to meet Covid costs set out in Section 16 of this report.
- 2.8 That the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources determine the 2022/23 taxbase and notify preceptors in accordance with the statutory timetable.
- 2.9 To recommend to Council that Colchester becomes an opted in authority to Public Sector Audit Appointments for 2023/24 audit appointments as set out in Section 20 of this report.

3 Reason for Recommended Decision

- 3.1 To balance the 2022/23 budget and revise the Medium Term Financial Forecast.

4 Alternative Options

- 4.1 The Council is obliged to balance its budget on an annual basis. There are no alternatives.

5 Overview

- 5.1 The Council's budget and Medium Term Financial Forecast reflect progress in transforming Council services and achieving long term financial sustainability.
- 5.2 07 July 2021 Cabinet was able to drive forward recovery from the impacts of Covid and associated lockdowns and other restrictions on Council services, the community, and the local economy. New Homes Bonus was allocated to support the delivery of the Council's strategic priorities for 2021/22 and ensure that core Council services are performing as effectively as possible.

6 Transformation Programme

- 6.1 07 July 2021 Cabinet agreed the following objectives for the transformation programme to ensure it has direction and delivers the requirements of the Council: The objectives of the transformation programme are to:
- Enable delivery of the Council's priorities in the 2020-23 Strategic Plan, Covid recovery and new socio-economic norms.
 - Achieve Medium Term Financial Forecast sustainability by reducing costs and increasing income.
 - Engage with and value our staff, Members, customers, communities, and businesses.
 - Work with system partners to integrate our activities, optimise resources and provide greater resilience.
 - Agree recommendations to inform the 2022-25 Budget Processes.
 - To be ambitious, agile, inclusive, environmentally sustainable, and digital by default.
- 6.2 To achieve these objectives, a vision for transformation has been agreed, as follows:
- **ENABLING:** A council which is focused on the future of its people, place and businesses, enabling its residents to improve their quality of life.
 - **INNOVATIVE:** A council which is truly open in its thinking, embracing opportunities for change and innovative in delivery.

- **COMMERCIAL:** A council which works its assets, opens-up further commercially minded opportunities and maximises its income earning potential.
- 6.3 Transformation opportunities have now been identified and these are summarised in the table below and set out more fully in Appendix A.

7 Budget pressures 2022/23 onwards

- 7.1 The Medium Term Financial Forecast allows £500k steps each year from 2022/23 for new cost pressures
- 7.2 Services will therefore need to contain pressures other than basic pay inflation and contract inflation in 2022/23. The Medium Term Financial Forecast cost pressures allocation will be required for Council wide pressures.
- 7.3 The Medium Term Financial Forecast provides for contractual inflation. The main inflationary increase likely to affect the Council is pay inflation. The position on supplies and services is being carefully watched. The Capital Programme and Revenue Budget will be updated for any impacts in reports to January Cabinet.
- 7.4 The Medium Term Financial Forecast reported to 07 July 2021 Cabinet provided £400k per annum from 2023/24 as a funding contribution to a Youth Zone. This provision has been removed in the current update pending discussions with the County Council and other stakeholders on future options to meet youth needs in Colchester and recognition that, without Tier 1 Local Authority support for the scheme, total funding required per annum could be up to £1.3m plus associated capital expenses.

8 Locality Budgets

- 8.1 In July 2021 Cabinet restored locality budgets in 2021/22 to £2,000 per councillor. The Medium Term Financial Forecast now provides for this increase to continue from 2022/23 onwards.

9 Funding for Arts Partners

- 9.1 Given the importance of the arts and culture to community wellbeing and supporting the recovery of the local economy, and the improved financial position, post covid, the Council can commit to four-year funding agreements from 2023/24 for arts organisations, including the provision for an annual inflationary increase. These budgets are already assumed in the Medium Term Financial Forecast.

10 Sales Fees and Charges

- 10.1 23 November 2020 Cabinet agreed that fees and charges would increase annually by the past three years' average rate of council tax increase. The Medium Term Financial Forecast assumes that these inflationary increases are used by services to meet the cost of increments and other local service pressures.
- 10.2 Fees and charges increases identified as savings in this report are in addition to the annual increase assumption set out in 10.1 above.
- 10.3 Full fees and charges proposals for 2022/23 onwards will be recommended to 17 November 2021 Cabinet. This is in accordance with the agreed budget timetable.

11 Updated Medium Term Financial Forecast

- 11.1 In some budget areas it has now been possible to make more favourable assumptions compared to 2021/22 budget setting. These changes are set out in the table below, along with other one-off items within the 21/22 budget that are falling out in 22/23.
- 11.2 Income budgets have been increased to reflect faster than anticipated economic recovery and management action particularly in sport and leisure and car parking. Market prices have improved in the recycling service. It is now expected some Amphora dividends will be available from 2022/23

Improvement in income assumptions 22/23 versus 21/22 budget setting assumptions	£k
Sport & Leisure	(900)
Parking Income	(600)
Commercial & Investment Properties	(500)
Amphora non-housing dividend	(250)
Sub-Total	(2,250)
Other one-off 21/22 budget items falling out in 22/23	£k
Contractor Payments (Paper & Plastic)	(650)
Interest Payable/Minimum Revenue Provision	(300)
Transformation costs	(250)
Recovery costs	(250)
Recycling Materials (Boxes & bags)	(110)
Rowan House Refurbishment - estimated revenue implications	(55)
Social Lottery Initial Prize Fund	(50)
ECC Trade Tipping costs	(27)
Staffing costs	(17)
Income from Paper	(15)
Credit Claim Income	193
Sub-Total	(1,531)
Total	(3,781)

- 11.3 The Medium Term Financial Forecast is also now revised to reflect considerable progress on transformation. Appendix A provides detailed templates supporting the achievement.
- 11.4 Other key variables in the Medium Term Financial Forecast cannot be updated until the 2022/23 Local Government Finance Settlement becomes available in December 2021.
- 11.5 The revised Medium Term Financial Forecast at this stage is set out in the table below. Current planning assumptions are set out in Appendix B to this report.
- 11.6 The Amphora non-housing dividend is assumed to be £250k in 2022/23; £450k in 2023/24; and £650k in 2024/25 in line with the base Medium Term Financial Forecast assumption. Housing dividends are one-off gains and are assumed to be

used for capital financing purposes. Dividend forecasts for the Medium Term Financial Forecast period have not yet been finalised by Amphora.

- 11.7 Amphora dividend forecasts will be refreshed in the Budget Report to January 2022 Cabinet. If housing dividends are used at a proportionate level to support the Medium Term Financial Forecast, it may be necessary to revise capital financing assumptions. Additional minimum provision may also be required on advances to Amphora that are not able to demonstrate progress against business plans.
- 11.8 The 2022/23 budget gap is £869k at this stage of the budget timetable. This demonstrates the progress made towards balancing the 2022/23 Budget. The remaining savings requirement, as well as the significant gap in later years, is being addressed through the Council's Transformation Programme.
- 11.9 Some use of reserves is already planned to address Covid pressures over the entire MTFF period.

2022/23 Budget and MTFF	22/23	23/24	24/25	25/26
	£'000	£'000	£'000	£'000
Previous year's budget	21,247	20,701	22,257	23,447
Cost pressures & Growth items	1,461	1,421	940	940
Capital financing	250	475	200	200
Income losses	0	(350)	(200)	(200)
Transformation and recovery	0	0	0	0
Savings	(1,257)	(290)	(50)	(50)
Use of new homes bonus for one-off investment	(1,000)	300	300	0
Current year's budget	20,701	22,257	23,447	24,337
Business rates	(5,580)	(5,123)	(4,667)	(4,544)
Govt - Covid Funding	0	0	0	0
Govt Grant	0	0	0	0
New Homes Bonus	(950)	(950)	(950)	(950)
Council Tax	(13,027)	(13,475)	(13,929)	(14,392)
Previously planned use of reserves	625	750	750	750
Covid use of reserves	(900)	(400)	(200)	(200)
Budget Gap Cumulative	869	3,059	4,451	5,001

12 Medium Term Financial Forecast Consultation

- 12.1 The budget strategy and timetable have ensured that information is available for Scrutiny Panel and input from all Members.
- 12.2 A Budget Workshop was held on 20 September 2021. Further Budget Workshops are timetabled for 22 November 2021 and 17 January 2022. The workshops ensure that all members have been able to share in the task of meeting the budget challenge.
- 12.3 Group Leaders been offered the opportunity to meet with officers to assist with consideration of any alternative budget proposals.

- 12.4 Statutory consultation with business ratepayers and parish councils will take place.
- 13 Risk Management Implications**
- 13.1 Extensive modelling work has been undertaken to understand the impacts and variables arising from the crisis. Staff and support costs are evidence based but will be subject to transformation work.
- 13.2 Leisure and commercial income are very dependent on factors beyond the Council's control including the return of consumer confidence, and the pace of recovery.
- 13.3 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions described within the report.
- 13.4 All the above and other significant uncertainties and risks will have to be managed. Further material change is likely to budget assumptions and the actions needed to ensure a balanced budget.
- 14 Council Tax**
- 14.1 The 2021/22 limit for district council tax increases without a referendum was 2% or £5 (whichever was the larger). The Medium Term Financial Forecast assumes the same regime for 2022/23 and that a £5 increase is made in each financial year. These remain low council tax rates compared to other district councils.
- 14.2 Medium Term Financial Forecast assumptions on collection rates and Local Council Tax Support take-up are set out in Appendix B.
- 14.3 In order to set the council tax base in November and inform preceptors, delegated authority is now sought to set the taxbase

15 Business rates

- 15.1 In January 2022 the S151 Officer will return National Non-Domestic Rates Return 1 to the Ministry of Housing Communities and Local Government. This will set out expected business rates income for the Council, preceptors, and Government. Collection and appeals assumptions for 2022/23 will be informed by 2021/22 progress.
- 15.2 In 2020/21 a collection fund deficit of £32.194m arose. The deficit reflects the high value of reliefs granted in accordance with Government regulations during Covid. In accordance with Government rules, the deficit will be spread in the collection fund over the three financial years 2021/22 to 2023/24. The deficit is covered by government grants already received and currently held in reserve. Due to the extension of reliefs into 2021/22 it is expected a further deficit will arise in that financial year.
- 15.3 Business rates assumptions in the Medium Term Financial Forecast assume a £500k annual reduction in government funding. Funding changes are normally made by reducing the Council's business rates retention. The reduction could be a change in New Homes Bonus entitlement. The need for such a reduction in 2022/23 and later financial years is expected to be clarified in the 2022/23 Local

Government Finance Settlement expected in December 2021. Possible funding changes are set out in Section 16 of this report.

- 15.4 The Council continues to participate in the Essex business rates pool. It is unlikely there will be any major gain from the Pool in 2022/23, but the position will need to be reviewed and the pool may need to be reconfigured if 100% business rate retention is implemented.
- 15.5 The Government has suggested it will implement 100% business rates retention in 2022/23. It is uncertain now whether implementation will go ahead. If implementation goes ahead in 2022/23 it is unclear how this will impact the Council until the 2022/23 local government finance settlement is published.
- 15.6 Business rates assumptions will be updated in the January 2022 Budget Report. Any major variations will be dealt with through the Business Rates reserve.

16 Capital Financing

- 16.1 The allocation for capital financing in 2022/23 and later years is based on the current capital programme and capital receipt assumptions. The provision will be updated when the capital programme is reset in January 2022. No major variation is expected at this stage.

17 Use of Reserves for Covid

- 17.1 The Medium Term Financial Forecast assumes significant use of reserves for Covid. The usage is set out in the table in Section 11 of this report. The usage is in addition to £2.400m to be used in 2021/22 already agreed in the 2021/22 budget process. The usage is necessary to bridge over forecast income losses and other factors during economic recovery.
- 17.2 The reserves to be used for Covid will be determined at a later stage of the budget process or during 2022/23. It is therefore recommended that the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources determine the reserves to be used.

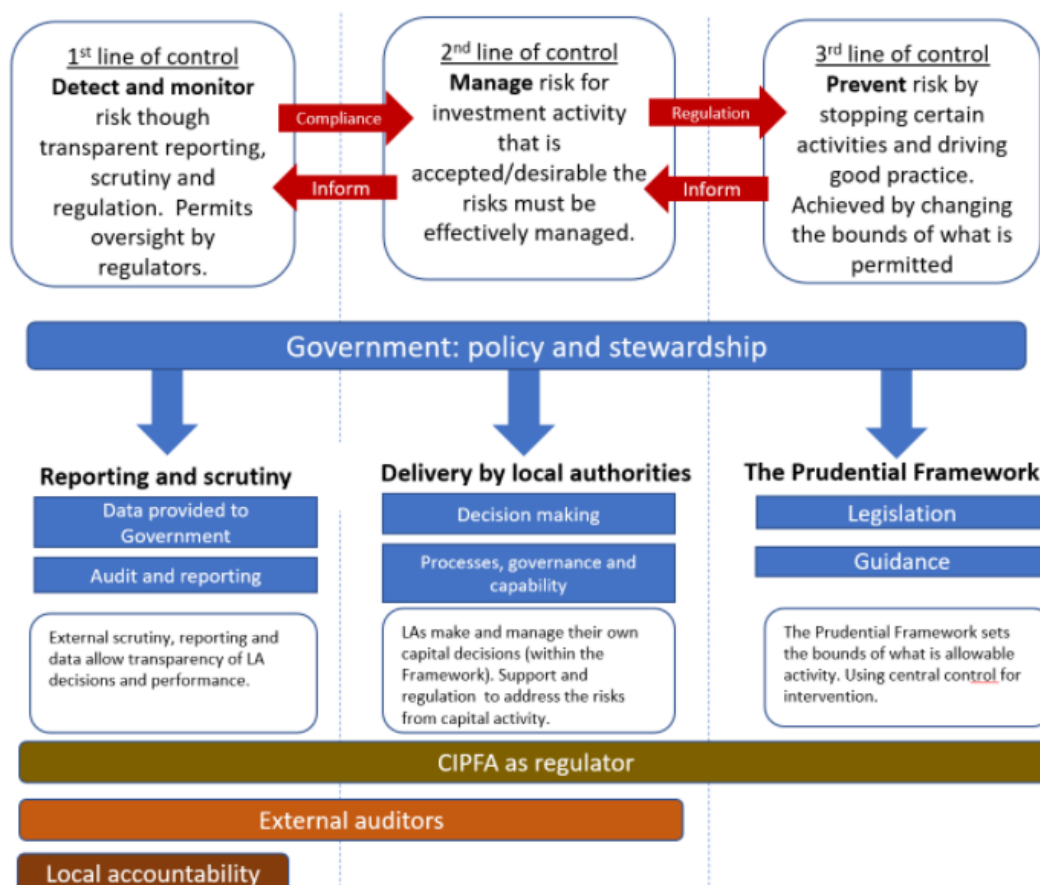
18 National Insurance Changes

- 18.1 In September 2021 Government published *Building Back Better: Our plan for Health and Social Care*. In tax year 22/23 employers and employees will pay an additional 1.25% National Insurance Contribution rate. The increased contributions will fund social care reforms.
- 18.2 In 23/24 the increased contributions will be replaced by a levy at the same value. Public sector employers will be compensated for the impact of the levy on their budgets in order to ensure the NHS and local authorities do in fact receive additional resources.
- 18.3 The Medium Term Financial Forecast assumes the increased Employer's National Insurance Contributions or levy from 22/23 onwards.

19 Government Policy on Local Authority Borrowing

- 19.1 In a Policy Paper published 28 July 2021, the Ministry of Housing Communities and Local Government announced it intends to tighten local authority capital and borrowing controls. (See diagram below.)
- 19.2 It is not expected any current or planned Council borrowing will be affected, but full details are awaited.

Figure 1: Three-lines of control model for strengthening the capital system



20 External Audit Appointments

- 20.1 Public Sector Audit Appointments Ltd have invited Colchester to opt into their procurement process for five year contracts commencing with 22/23 audits. The cost to the Council of running its own procurement process would be considerable and opting in is recommended. There have been difficulties in fulfilling current external audit requirements. These issues are unlikely to be resolved by Colchester acting in isolation. In accordance with the Regulations opting-in requires Full Council approval before 11 March 2022.
- 20.2 Colchester opted in for the last round of auditor appointments. Public Sector Audit Appointments Ltd suggest that their national scheme from 2023 will build on the range of benefits already available for members:

- transparent and independent auditor appointment via a third party;
- Specialist team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- a value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members
- avoids the necessity for local bodies to establish an auditor panel and undertake an auditor procurement
- concerted efforts to work with other stakeholders to develop a more sustainable local audit market.

21 Government Funding

21.1 The Budget and Three-year Spending Review will be released on 27 October 2021.

21.2 Major changes to local government funding planned by the Department of Levelling Up, Housing and Communities for some time have been delayed due to Covid-19. Possible changes are set out in the table.

1	Fair Funding	Settlement Funding Assessments include assumed need to spend in the calculation. The basis has been largely unchanged for many years. A Fair Funding review could increase or decrease Colchester's Settlement Funding Assessment. This will depend on what new basis of calculating spending needs is adopted and when it is implemented.
3	100% business rates retention	An increased business rates share will replace some government grants. A key consideration will be how changes in business rates income are to be shared between local authorities and government. How long will local authorities be able to retain growth in business rates? How much will be reallocated to other parts of the country as part of the "tariff" and "top-up" adjustments
4	Spending Review	How will local government's share of public spending be changed? Will the distribution between second and first tier authorities change?
5	New Homes Bonus	The Government has yet to announce the revised New Homes Bonus Scheme

21.3 In view of all the uncertainties over future government funding, the Medium Term Financial Forecast provides £500k downward steps in each successive financial year.

22 Recovery and Strategic Priorities

22.1 Post-Covid recovery, for the Council, our customers, communities and businesses, is of critical importance. This is the key focus of activity in 2022/23.

23 2021/22 Outturn

- 23.1 It is expected the 2021/22 outturn will be on budget and there are no significant variances affecting the budget process.

24 Financial implications

- 24.1 As set out in the report.

25 Environmental and Climate Change Implications

- 25.1 All budget measures are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

26 Equality and Diversity Implications

- 26.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

27 Other Standard References

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

	2022/23
	£'000
22/23 Transformation Programme Savings:-	
Digital services use of revenues and benefits new burdens funding from Department for Work and Pensions	(50)
Digital Communications enabling a reduction in print and post	(20)
Digital Office enabling a reduction in central stationery	(7)
Digital service delivery enabling a reduction in mileage claims	(20)
Transformation of office working and benefits from Rowan House refurbishment	(60)
Savings from budgets repeatedly underspending in recent financial years	(250)
Sport and Leisure improved performance	(250)
Fees and charges generated over and above average council tax increase	(145)
Extension of market and public events	(30)
Parks & Countryside Sites Strategy	(10)
North Essex Parking Partnership Agreement beyond 2022 including Service Level Agreements	(5)
Healthy Homes – Disabled Facilities Grant covering more of the cost of delivery of services	(20)
Local Fast Fibre Network	(50)
Efficient use of Anti-Social Behaviour resources	(25)
Total Savings	(942)

APPENDIX A CONTINUED – TRANSFORMATION BUSINESS CASE

Transformation Objectives	<p>A programme has begun to transform the organisation and harness the positive changes and learning from the Pandemic.</p> <p>The objectives of the transformation programme are to:</p> <ul style="list-style-type: none"> • Enable delivery of the Council's priorities in the 2020-23 Strategic Plan, Covid recovery and new socio-economic norms. • Achieve MTEF sustainability by reducing costs and increasing income. • Engage with and value our staff, Members, customers, communities, and businesses. • Work with system partners to integrate our activities, optimise resources and provide greater resilience. • Agree recommendations to inform the 2022-25 Budget Processes. • To be ambitious, agile, inclusive, environmentally sustainable, and digital by default.
Introduction to Themes	<p>To achieve these objectives, a vision for transformation has been agreed, which covers three themes:</p> <p>ENABLING:</p> <ul style="list-style-type: none"> • A council which is focused on the future of its people, place and businesses, enabling its residents to improve their quality of life. • This includes: <ul style="list-style-type: none"> ○ Recognising the power that already exists within our communities. ○ Facilitating our communities to reach their full potential, creating and leading change for themselves, being more resilient and making greater use of the assets and strengths that exist within. <p>INNOVATIVE:</p> <ul style="list-style-type: none"> • A council which is truly open in its thinking, embracing opportunities for change and innovative in delivery. • This includes: <ul style="list-style-type: none"> ○ Implementing next generation digital solutions. ○ Identifying ongoing efficiencies to generate savings and increased income. ○ Upgrading practices to deliver better results to our customers. ○ Encouraging a consistent culture of innovation across the whole organisation, where: <ul style="list-style-type: none"> ▪ Services across CBC and partners are more joined up. ▪ Constructive challenge to the status quo is welcomed. ▪ Organisational design and leadership are optimised to deliver innovation. <p>COMMERCIAL:</p> <ul style="list-style-type: none"> ▪ A council which works its assets, opens-up further commercially minded opportunities and maximises its income earning potential. ▪ This includes: <ul style="list-style-type: none"> ○ Generating commercial activity and scoping feasibility of new opportunities ○ Efficient delivery of key commercial projects to maximise net benefits to the organisation and its subsidiaries ○ Optimising income generation ○ Building and creating a financially strong company structure with commercial value

Workstream One Description	Maximising Fees & Charges We are reviewing all fees and charges to ensure that, as a minimum, they are market comparable. In some cases, we are seeking to include maximum cost recovery. The Medium Term Financial Forecast already assumes an inflationary increase across fees and charges. This proposal is the value to which fees and charges can be increased above inflation to meet market forces and/or the charges of neighbouring authorities.		
Theme Alignment	Enabling	Innovative	Commercial
			✓
	Identified Savings & Income		
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Maximising service fees and charges	145	100	100
Positive benefits, issues, risks and impacts	Some fees and charges are set by government regulation (planning fees and housing benefit overpayments). Other services face market competition which limits the level of increases that can be made.		

Workstream Two Description	Service Development and Marketing <ul style="list-style-type: none"> A full strategic review of the way that Green & Blue infrastructure (Parks, Open space, Countryside, Coast) is managed would create opportunities to consider appropriate commercialisation of these assets (for example greater educational activities). Review of Service Level Agreements with partner organisations including support costs for 'off street' parking services and percentage parking income split with Town & Parish Councils for CBC assets It has been clarified with MHCLG that the capital Disabled Facilities Grants can be used for wider purposes, thereby saving revenue costs. Within the Cemetery & Crematorium, a small-scale restructure is proposed. This will create a new role, the remit for which will be linked to succession planning and new income generation, creating a benefit to net profit. A review has identified service areas where there is potential for spending to fall below, and/or income to exceed, current budget levels, specifically: <ul style="list-style-type: none"> Planning Bereavement Services Land Charges have exceeded the 20/21 income target and are able to maintain that increase in 22/23. Extension of Market and Public Events Trade Waste Business Opportunity 		
Theme Alignment	Enabling	Innovative	Commercial
		✓	✓
	Identified Savings & Income		
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Service Development and Marketing	340	0	0
Positive benefits issues, risks and impacts	By adopting a more commercial approach, it is possible to improve the income profile of a range of services without significant impact on service delivery or staffing.		

Workstream Three Description	LFFN The Council's fibre infrastructure (which was substantially paid for by government funding), is a wholesale core infrastructure designed to facilitate next-generation, ultrafast connectivity between backhaul (connection to the core internet in London) and local distribution networks that will be built by (primarily) external investors. It is also capable of providing connectivity across the Council's own sites, including the large number of social housing units.		
Theme Alignment	Enabling	Innovative	Commercial
		✓	✓
	Identified Savings & Income		
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
LFFN	50	50	50
Positive benefits, issues, risks and impacts	The MTFF already assumes £110k income in 22/23 with £50k annual increases thereafter. This additional income reflects further progress with the network and greater clarity on the delivery mechanism in the form of a concession agreement between the Council and Amphora.		

Workstream Four Description	Sport & Leisure Increased marketing and enhanced customer service including better use of technology for bookings will enable a faster recovery profile, above and beyond the increases that have already been projected/assumed.		
Theme Alignment	Enabling	Innovative	Commercial
	✓	✓	✓
	Identified Savings & Income		
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Increase in income target further to marketing, customer service improvements & digital intervention in 2021/22	250	100	100
Positive benefits, issues, risks and impacts	The Medium-Term Financial Forecast already assumes £1.1million less income in 22/23 compared to the pre-Covid budget. It also assumes a £150k improvement in 23/24 so therefore a c.£1m deficit on previous income levels is currently assumed. These interventions will reduce the potential loss of income. Given the competitive leisure market, delivery will need to be carefully monitored.		

Workstream Five Description	Digital Transformation <ul style="list-style-type: none"> “Digital by default” remains a key objective of the Transformation programme and reflects our ambition to produce efficiencies, innovations and opportunities through digital development. The Covid-19 pandemic prompted a successful acceleration of our digital roadmap, and we will continue to develop the potential of our people and technology, whilst maximising customer satisfaction. 		
Theme Alignment	Enabling	Innovative	Commercial
	✓	✓	
	Identified Savings & Income		
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Digital Transformation	47	0	0
Positive benefits, issues, risks and impacts	This workstream captures some of the benefits that have come through the improved digital and home working practices initiated as a result of the Covid-19 pandemic. As the practices are now embedded, and as most staff continue to work largely from home, there will be no impact felt by the organisation. Use of these resources will continue to be monitored.		

Workstream Six Description	Service Innovations and Efficiency <ul style="list-style-type: none"> Progress has been made to enable customers and residents to do more for themselves, where our services have and are continuing to implement cloud-based systems which are accessible on any device. Savings have been realised in the contact and support and the benefits service, as less resource is needed to assist customers and residents. Services have also improved their processes by joining up with partners and working with data in a digital environment. Efficiencies in the Housing Benefit service means that we can increase their ongoing yearly saving from £100k to £150k due to the service being able to absorb new work as and when it arises. The saving will come from New Burdens income and Benefits will manage the extra work as part of their BAU workload. Transformation of Rowan House – the re-design and refurbishment of office space to reduce carbon emissions and the identification of surplus space to generate an income opportunity. Shared Services – the MTFF already assumes £130k of savings in 22/23 and £40k in 23/24 and we will continue to investigate and develop opportunities across a wide range of services. As an Anchor Institution, working across the pan-Essex Anchor movement, we will continue to work with other institutions to extend employment opportunities to the residents of North East Essex. 		
Theme Alignment	Enabling	Innovative	Commercial
		✓	✓
	Identified Savings & Income		
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	2024 – 2025
Service Innovations and Efficiency	110	0	0
Positive benefits issues, risks and impacts	Revising our model of office-based working and regenerating the Rowan House site, will provide a better working environment and additional revenue and will support our strategic plan of environmental sustainability.		

Workstream Seven Description	Partnership Working <ul style="list-style-type: none"> Smarter and more collaborative delivery of work to address anti-social behaviour in non-HRA properties, managing the workload across Partnerships, Vol Sector and within Environment Health and Community Services. Continues theme in 21/22 budget setting. 		
Theme Alignment	Enabling	Innovative	Commercial
	✓	✓	
	Identified Savings & Income		
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Smarter delivery of work to address anti-social behaviour in non-HRA properties	25	0	0
Positive benefits, issues, risks and impacts	A more collaborative approach with community policing, CBH and Communities themselves, has enabled a more efficient use of Anti-Social Behaviour resources. CBC Community Safety team will continue to work with key partners to manage relevant workloads and minimise any impact to service delivery.		

	Total Savings & Income (£000's)		
	22/23	23/24	24/25
TOTAL PROJECTED SAVINGS & INCOME FROM COMMERCIAL THEME	922	250	250

MEDIUM TERM FINANCIAL FORECAST Assumptions 2022-2026	22/23	23/24	24/25	25/26	Comments
District council tax increase	£4.95	£4.95	£4.95	£4.95	Maximum increase under 2021/22 referendum principles assumed to apply 2022/23. 2022/23 referendum principles will be announced in the local government finance settlement
Council tax base increase	+1.0%	+1.0%	+1.0%	+1.0%	This is the average in past years. Covid does not appear to have had a significant impact. Will be further updated January 2022.
Council tax collection rate	+97.5%	+97.5%	+97.5%	+97.5%	Pre-Covid a 99% collection rate was assumed. Will be further updated January 2022.
LCTS take-up compared to pre-Covid	+12.5%				Pre-Covid take-up had been slowly declining. This is a prudent maximum increase. Will be further updated January 2022.
Business Rates					
Contractual inflation	0.240	0.240	0.240	0.240	This is a realistic provision based on previous years' budgets.
Pay inflation	2%/0.400	1%/0.200	1%/0.200	1%/0.200	This is a realistic provision based on previous years' budgets.
Allowance for additional cost pressures	0.500	0.500	0.500	0.500	Allocations will be confirmed by January 2022 Cabinet.
Government grant for Covid costs	0.000	0.000	0.000	0.000	No additional support assumed 2022/23 onwards

13 October 2021

Report of	Assistant Director of Corporate and Improvement Services	Author	Hayley McGrath ☎ 508902
Title	2020/21 Year End Review of Risk Management		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report provides members with an overview of the Council's risk management activity undertaken during the financial year from 01 April 2020 to 31 March 2021.
- 1.2 Effective management of risk is essential to ensuring that the Council's aims and objectives are achieved. The Council has therefore approved a Risk Management Strategy, which is included in the policy framework. This provides a comprehensive risk management process that is embedded across the organisation and includes a strategic risk register (which is the responsibility of the Senior Management Team), operational risk registers which are produced by each service, project risk monitoring and specific risk mitigation initiatives.
- 1.3 The Risk Management strategy and processes are reviewed annually to ensure that they are still appropriate to the Council's needs and continue to be effective in identifying and mitigating risks to its aims and objectives.
- 1.4 The key strategic risks are:
 - Covid-19 Pandemic
 - Spending Power
 - Compliance
 - Financial Inequality
 - Cyber Security
 -

2. Recommended Decision

- 2.1 Consider and comment on the Council's progress and performance in managing risk during the period from April 2020 to March 2021.
- 2.2 Consider and comment on the current strategic risk register.
- 2.3 Approve the proposed risk management strategy for 2021/22 and recommend to Full Council that it be included in the Council's Policy Framework.

3. Reason for Recommended Decision

- 3.1 Cabinet has overall ownership of the risk management process and is responsible for endorsing its strategic direction. Therefore, the risk management strategy states that Cabinet should receive an annual report on progress and should formally agree any amendments to the strategy itself.

3.2 During the year progress reports are presented to the Governance and Audit Committee, detailing work undertaken and current issues. This report was presented to the Governance and Audit Committee on 27 July 2021, where they approved its referral to this meeting.

3.3 As part of the Policy Framework, any changes and reviews of the strategy need to be approved by Cabinet and ratified by Full Council.

4. Alternative Options

4.1 There are no alternative options to consider

5. Background Information

5.1 The aim of the Council is to adopt best practice in the identification, evaluation, cost-effective control and monitoring of risks across all processes, to ensure that risks are properly considered and reduced as far as practicable.

5.2 In broad terms risks are split into three categories:

- Strategic – those risks relating to the long term goals of the Council
- Operational – risks related to the day-to-day operation of each individual service
- Project – the delivery risks of specific initiatives.

5.3 Identified risks, in all three categories, are judged against levels of probability and impact to give them an overall score. This allows the risks to be shown as 'high, medium or low' which enables a prioritised action plan to be set for managing risks. A high score does not mean that a risk has, or will definitely, occur.

5.4 In many cases the causes of risks are outside of the Council's control, such as general economic issues. The Council cannot stop these risks from occurring (the probability score) but can put plans in place to mitigate against their effect if they occur (the impact score). Likewise, there are occasions that risks can be reduced with preventative actions but there is not much that can be done to mitigate their effect if they do occur, such as a failure to protect public resources. Therefore, some risks will tend to maintain the same score, regardless of the controls that the Council puts in place.

6 Work undertaken during the period

6.1 There were no fundamental changes to the risk management function, or the processes used to identify and control risk, during 2020/21.

6.2 During the year the majority of risk management activity was assisting with the response to the pandemic. Senior Management Team continually reviewed the Council's business continuity plans in response to the emerging information about Covid-19, the economic lockdown and sector-specific guidance affecting operational activities, to ensure that essential services continued to be delivered, with some staff being redeployed where necessary.

6.3 Work has continued to develop the insurance and risk programmes for Colchester Commercial (Holdings) Limited, to ensure that emerging commercial risks are appropriately managed.

6.4 During the year the Council was asked to manage the insurance programme for Colchester Borough Homes (CBH). This included the procurement of insurance and the

management of claims. This has resulted in an overall saving for CBH and has provided better coverage.

- 6.5 Support continues to be provided, reviewing the risk elements of event plans, to both the Colchester, and the Community Stadium, Safety Advisory Groups.
- 6.6 The risk registers for the Joint Museum Service and the North Essex Parking Partnership both continue to be produced and reported to the joint committees.

7 Strategic Risk Register

- 7.1 During 2020/21 the strategic risk register was reviewed by the Senior Management Team every quarter and reported to the Governance and Audit Committee every six months. The current register is shown at Appendix 1. These risks have been mapped onto a risk matrix, shown at Appendix 2, that shows the risk profile before, and after, mitigating actions.
- 7.2 The Corporate Governance Manager reviewed the strategic risks with the Senior Management Team in June 2021 to ensure that the identified risks were still appropriate.
- 7.3 For the majority of 2020/21 the Council's strategic risks were consistent. The main risk was the impact of the pandemic, including the effect on finances.
- 7.4 Many of the mitigating activities identified, and implemented, as a direct result of the Council's risk strategy and Strategic Risk Register have helped the organisation, with its partners, to cope with the impacts of Covid-19. For example, strong partnership working, effective communications and prudent financial management.

8. Risk Management Strategy for 2021/22

- 8.1 The Council's current approach to managing risk was introduced in 2006/07. A requirement within the strategy, and also of the annual audit assessment, is to review the approach each year to ensure that it is still appropriate to the Council's needs.
- 8.2 Therefore a review has been undertaken and the strategy has been updated for 2021/22. The revised strategy is attached at Appendix 3. There are no changes proposed to the risk process, with amendments only to external review comments and the updating of external guidance references.

9. Equality, Diversity and Human Rights implications

- 9.1 There are no equality, diversity or Human Rights implications as a result of this report.

10. Strategic Plan References

- 10.1 The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore, the risk process supports the achievement of the strategic objectives.

11. Risk Management Implications

- 11.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

12. Environmental and Sustainability Implications

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

13. Other Standard References

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

Appendices

Appendix 1 – The strategic risk register

Appendix 2 – Risk Matrix

Appendix 3 – Risk Management Strategy for 2021/22

Colchester Borough Council Strategic Risk Register
Draft For Cabinet September 2021

Appendix 1

				Initial Score										Residual Score		
Ref	Risk Title	Description	Strategic / Recovery Strand	P	I	O	RATING	Consequences	Mitigation	Lead	P	I	O			
ST4	Covid-19 Pandemic	Ongoing, and recovery, impacts of the COVID-19 pandemic on the council, the communities, our customers and the economy. The uncertainty of planning for future service delivery alongside the threat of further infection waves and restrictions.	Service Provision	5	4	20	Very High	The ongoing and future impacts of the COVID-19 pandemic including service and staff resilience and shortages, including through self-isolation, additional service pressures, short term changes in policy and alert status disrupting delivery of strategic priorities, impacts on service delivery with additional cost pressures and potentially reduced income levels alongside additional work to support recovery.	Delivery of the revised Strategic Plan which incorporates recovery objectives and additional burdens (e.g. outbreak controls). Specific recovery actions, including Reopening of the High Street, being monitored through the project management process. Maximise the use of available government support including income loss grant.	Chief Operating Officer	4	3	12			
ST2	Spending Power	Following two single-year spending reviews in 2021 the Government is committed to a Comprehensive Spending Review in 2021. This will impact on Council funding for 2022/23, with the Ministry for Housing, Communities and Local Government not one of the departments with 'protected' departmental expenditure limits (DEL).	Finance	4	4	16	Very High	Changes could be favourable or adverse for the Council's funding. If adverse, the Council could lose the opportunity to develop further, may have enforced changes to service delivery and covid recovery. Adverse impact on local residents / resources. Missed opportunities to boost local economy. Conflict between Council / Government agendas. Reduction in levels of service provision and potential withdrawal of services.	Maintain a constant review of the budget situation, including the impact of decisions from central government. Identify additional actions and areas for increasing income as necessary, including through the Council's Transformation Programme. Reduce reliance on New Homes Bonus to support the base budget. Lobby Government for a fair, multi-year funding settlement.	Chief Operating Officer	4	3	12			
SP4	Compliance	Failure to protect public funds and resources – ineffective probity / monitoring systems/legislative breaches. Especially as a result of the rapid changes in service delivery required to respond to the impacts of Covid-19	Finance	3	5	15	Very High	Service delivery failure. Financial and reputational loss by the Authority. Personal liability of Officers and Members. Legal actions against the Council. Loss of stakeholder confidence in the Borough. Inability to sustain costs. Failure to delivered balanced budget as planned. A need to use balances / reserves or to adapt financial plans to deal with impact of changes. Required to use Reserves & Resources to fund capital priorities. Severe impact on cash-flow leading to negative effect on performance targets.	Ensure the outcomes of the assurance systems that form the internal control environment, (including Internal Audit, Risk Management, Budget process, Corporate Governance and performance management) are appropriately reported so that issues and concerns are managed, and variances are spotted at an early stage. Horizon scanning upcoming legislative / policy changes	Chief Operating Officer	3	4	12			
CO3	Financial Inequality	The current, and future, impacts of Covid 19 are likely to increase the number of vulnerable residents leading to greater financial inequality and increasing the number of residents seeking support from the Council.	Community	3	4	12	High	The Council fails to support our most vulnerable residents leading to an increase in crisis intervention.	Regularly monitor the impact of the resources allocated to supporting customers, to ensure that they are signposted to appropriate providers/partners. AT THE CURRENT TIME, DUE TO THE UNKNOWN IMPACTS OF COVID-19, MITIGATION DOESN'T REDUCE THE SCORE.	Strategic Director, Customers and Relations	3	4	12			
SP3	Cyber Security	The Council suffers a successful cyber attack on it's computer systems.	Service Provision	4	4	16	Very High	Potentially severe disruption to core services, with financial, legal and reputational impacts for the Council, and potentially significant harm caused to residents.	Ongoing review of IT policies and protocols to ensure that they are fit for purpose and implement a training program for all staff and members. Implementing defined action plans to rapidly respond to any attacks on our systems to help minimise any potential damage. CBC suffered a targeted cyber attack in December 2020, which was successful in breaching the security protocols. However the activation of the rapid response plans to lock accounts, reset all passwords and introduce new measures (including multi factor authentication for all users) were effective in limiting the impact and demonstrated the effectiveness of the mitigation measures in place.	Assistant Director, Corporate & Improvement	3	3	9			

				Initial Score									Residual Score		
Ref	Risk Title	Description	Strategic / Recovery Strand	P	I	O	RATING	Consequences	Mitigation	Lead	P	I	O		
CO1	Partnership Delivery	Failure or inappropriate performance management of one or more strategic partnerships or key contracts E.g. Haven Gateway, LEP, ICS, CBH, Emergency Services	Community	3	4	12	High	The cost of service delivery is increased however quality decreases. Failure to deliver key priorities. Reputational and financial loss by the Authority. Failure to deliver expected outcomes through partnerships. Requirement to repay external funding granted to partnership – taking on the liabilities of the 'withdrawn' partner. External assessment of the Councils partnerships are critical and score poorly.	Review the assessment process for proposed strategic partnerships (to ensure that they will satisfy the Council's objectives) that needs to be signed off by EMT before commitment to new partnerships is made.	Strategic Director, Customers and Relations	3	3	9		
ST3	Partnership Commitment	Change of direction / policy within key partner organisation and they revise input / withdraw from projects. Increased risk due to partners having to review service provision in response to the impacts of Covid-19 on their business.	Strategic	4	3	12	High	The cost of service delivery is increased however quality decreases. Failure to deliver key priorities. Reputational and financial loss by the Authority. Failure to deliver expected outcomes through partnerships. Requirement to repay external funding granted to partnership – taking on the liabilities of the 'withdrawn' partner. External assessment of the Councils partnerships are critical and score poorly.	Set a formal relationship / performance review process to be used by all partnerships and ensure results are reported to senior management. Ensure that Exec Board and Leadership review partnerships on a regular basis. Embed Scrutiny Cttee process for key partnerships including CBH and the Safer Colchester Partnership.	Strategic Director, Customers and Relations & Strategic Director, Policy & Place	3	3	9		
CO2	CBC Function	The expectation remains that the Council will step in to deliver services when other providers either fail or reduce service provision	Community	4	3	12	High	The Council suffers from a loss of reputation as customers' expectations are not met. There is increased demand on existing services leading to a reduction in standards of delivery.	Ensure that Cabinet set a clear and consistent message about the role of CBC for customers and partners.	Strategic Director, Customers and Relations	3	3	9		
CM1	Service Innovation	Not taking or creating opportunities to maximise the efficient delivery of services through shared provision, partnerships or commercial delivery	Service Delivery	4	3	12	High	If not properly managed then either the Council could lose the opportunity to develop further or may have enforced changes to service delivery. Adverse impact on local residents / resources. Missed opportunities to boost local economy. Conflict between Council / Government agendas. Reduction in levels of service provision and potential withdrawal of services.	Clear approach and 'roadmap' for transforming the Council including an 'innovation' strand, monitored by the Senior Management Team and reported to Cabinet as part of the budget process.	Strategic Director, Policy & Place	3	3	9		
SP1	Data Protection	Sensitive data, in any format, is not correctly managed, processed or protected from loss or theft in line with GDPR and Data Protection Act requirements.	Service Provision	3	4	12	High	Potentially severe disruption to core services and/or data theft, with financial, legal and reputational impacts for the Council, and potentially significant harm caused to residents from any breach, potential financial losses, directly or indirectly e.g. ICO fines.	Ongoing review of data security policies and protocols to ensure that they are fit for purpose and implement a training program for all staff and members as required. Provision of secure CBC devices to staff and Members.	Chief Operating Officer	2	4	8		
PR1	Budget Strategy	Inability to deliver the budget strategy as planned.	Finance	3	4	12	High	Failure to deliver the planned budget. Unplanned additional use of balances / reserves or to adapt financial plans to deal with impact of changes. May be a need to make in-year budget and service changes.	Ensure effective use of the controls built into the annual budget strategy, to enable the organisation to respond quickly to changes. Regular monitoring of actual spend/income and sensitivity analysis to consider the impact on income streams and the capacity of the organisation to deliver services. Regular and open reporting and updating of the budget position through Cabinet, prudent use of reserves where necessary to mitigate in-year losses. Transformation Programme established early in 2021 to contribute savings to balance the 22/23 and future year's budgets.	Chief Operating Officer	2	4	8		

				Initial Score							Residual Score		
Ref	Risk Title	Description	Strategic / Recovery Strand	P	I	O	RATING	Consequences	Mitigation	Lead	P	I	O
OP1	ICT	Major system failure causing significant service disruption	Operational	2	5	10	High	The accelerated use of technology in 2020 and increasing reliance on IT to continue normal business leaves the Council potentially vulnerable to any major system failure, across all service areas.	Continue to shift any remaining legacy systems into more resilient, cloud-based solutions in line with ICT strategy. Ensure that the IT Disaster Recovery plan, and service plans, adequately reflect the organisation's requirements and provide an effective framework for maintaining service provision. Regularly review the IT development strategy to ensure it continues to support the organisations ambitions and provides appropriate safeguards for IT service delivery.	Assistant Director, Corporate & Improvement	2	4	8
SP5	Staff Wellbeing	The sustained response to the pandemic to ensure continued (and additional) service delivery, results in staff reaching their personal resilience levels, leading to organisational fatigue.	Service Provision	3	4	12	High	Decline in service performance. Disengaged and demotivated staff. Efficiency and productivity reduction. Inability to meet changing requirements and needs. Insufficient capacity to deliver the transformation programme. Customer perceptions decline as we deliver less. Loss of key staff.	Monitor staff morale and trends using staff surveys and by monitoring the People Dashboard; and ensure good communications with staff, exploiting new technologies such as Yammer. Implement the action plan for the People Strategy; ensuring that performance is regularly monitored. Regularly report the progress of the learning and development strategy, including financial considerations and business behaviours, and exploring training alternatives. Use it as an opportunity to review individuals in the community who could be retrained and reskilled, using processes such as supported internships.	Assistant Director, Corporate & Improvement	2	3	6
EF1	Capacity	The Capital programme contains more projects than the Council has the ability to deliver due to limited resources including specialist staff.	Efficiency	3	3	9	Medium	The Borough Council is unable to deliver the priorities as set out in the strategic plan and key projects are delayed, increase in cost or fail to be delivered. Inability to leverage additional resources.	Manage the recruitment and development processes to ensure that the organisation has the appropriate skills and expertise. Frequently review the Capital Programme to ensure that programmes are realistic and deliverable with available resources and / or identify any additional resources required to deliver key projects. Agile methodology enables project scopes to be adjusted through effective governance processes. Establishment of the Capital Programme Steering Group (informal Cabinet) to oversee the entire capital programme and address any capacity and other risks before they become issues.	Assistant Director, Corporate & Improvement	3	2	6

RISK MATRIX
July 2021

Low Risks	Medium Risks	High Risks
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Initial Score Matrix

Scoring 1-5

Risk Tolerance Line

Probability of Occurrence	5 Very High				ST4	
	4 High			CM1 ST3	CO2 ST2	
	3 Medium			CO5 EF1	CO3 PR1 CO1 SP5 SP1	SP4
	2 Low					OP1
	1 Very Low					
		1 Very Low	2 Low	3 Medium	4 High	5 Very high
Severity of Impact						

Residual Score Matrix

Scoring 1-5

Risk Tolerance Line

Probability of Occurrence	5 Very High					
	4 High			ST4 ST2		
	3 Medium		EF1	CM1 ST3 CO2	CO1 SP3	CO3 SP4
	2 Low			CO5 SP5	PR1 OP1	
	1 Very Low					
		1 Very Low	2 Low	3 Medium	4 High	5 Very high
Severity of Impact						

Risk Management Strategy 2021/22

**A guide to the Council's approach to
managing risk.**

Draft for committee approval

RISK MANAGEMENT STRATEGY

This document outlines the Council's commitment to managing risk in an effective and appropriate manner. It is intended to be used as the framework for delivery of the Risk Management function and provides guidance to ensure management of risk is a routine process for all services.

INTRODUCTION

Strategy will ensure that:

1. The management of risk contributes towards ensuring effective service delivery and the achievement of the Council's strategic objectives.
2. Members and the Senior Management Team own, lead and support on risk management.
3. Ownership and accountability are clearly assigned for the management of risks throughout the Council.
4. There is a commitment to embedding risk management into the Council's culture and organisational processes, at all levels, including strategic, programme, project and operational
5. All members and officers acknowledge and understand the importance of risk management as a good governance process, by which key risks and opportunities are identified, evaluated and managed.
6. Effective monitoring and reporting mechanisms are in place to continuously review the Council's exposure to, and management of, risks and opportunities.
7. Best practice systems for managing risk are used throughout the Council, including mechanisms for monitoring and reviewing effectiveness against agreed standards and targets.
8. Accountability to stakeholders is demonstrated through periodic progress reports and an annual statement on the effectiveness of and the added value (benefits) from the Council's risk management strategy, framework and processes.
9. Where possible the Council's approach is regularly assessed by an external, independent body against other public sector organisations, national standards and Best Practice.
10. The Risk Management Strategy is reviewed and updated annually in line with the Council's developing needs and requirements.

Endorsement by Adrian Pritchard, Chief Executive

“Colchester Borough Council is committed to ensuring that risks to the effective delivery of its services and achievement of its overall objectives are properly and adequately controlled. It is recognised that effective management of risk will enable the Council to maximise its opportunities and enhance the value of services it provides to the community. Colchester Borough Council expects all officers and members to have due regard for risk when carrying out their duties.”

A handwritten signature in black ink that reads "A. R. Pritchard." The signature is fluid and cursive, with a long, sweeping underline that extends to the right.**WHAT IS RISK MANAGEMENT**

Risk Management is the control of business risks in a manner consistent with the principles of economy, efficiency and effectiveness. It is an essential performance management process to ensure that both the long- and short-term objectives of the Council are achieved and that opportunities are fully maximised.

Risk Management is not about eliminating risk, as this would limit the ability of the organisation to develop and deliver its ambitions. Its purpose is to recognise the issues that could affect the achievement of objectives and develop actions to control, or reduce, those risks. Acknowledgement of potential problems and preparing for them is an essential element to successfully delivering any service or project. Good management of risk will enable the Council to rapidly respond to change and develop innovative responses to challenges and opportunities.

The ‘Delivering Good Governance in Local Government’ 2016 framework, jointly issued by The Chartered Institute of Public Finance & Accountancy and the Society of Local Authority Chief states that there are seven core principles of good governance including ‘Managing risks and performance through robust internal control and strong public financial management’. The document goes on to state ‘Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.’

BACKGROUND

A process for managing risks was first adopted by the Council in 2003 and since then has been developed to ensure that it continues to be an effective management system. This strategy defines Colchester Borough Council's definition of risk and the processes to be followed.

In broad terms risks are split into three categories:

- Strategic – those risks relating to the long-term goals of the Council.
- Operational – risks related to the day-to-day operation of each individual service.
- Project – consideration of the risks occurring as a result of the Council's involvement in specific initiatives.

The following are some of the practical ways that risks are managed and how effectiveness is measured:

- Provision of a comprehensive strategic register, that is regularly reviewed.
- Provision of operational risk registers for all service areas.
- Consideration of risk in Committee reports.
- Development of a comprehensive risk register for the project management programme and consideration of risk as a project management tool.
- Successful internal and external assessment.
- Provision of advice to other authorities regarding our management of risk.

This has led to a practical and workable approach to managing risk, which has resulted in the Council becoming more risk aware and actually taking more risks, as demonstrated by the comprehensive project risk register. Colchester is also highly regarded for managing risk by both our insurers and other authorities.

The 2018/19 internal audit of risk management gave a substantial assurance opinion. Six recommendations were raised during the audit relating to embedding the risk management process in Colchester Commercial Holdings Company Ltd, development of e-learning and reporting of operational risk registers.

OWNERSHIP

The responsibility to manage risk rests with every member and officer of the Council however it is essential that there is a clearly defined structure for the co-ordination and review of risk information and ownership of the process.

Appendix 3 is from the CIPFA/SOLACE risk management guide, Chance or Choice. It is a generic map of responsibility for each part of the risk management process.

The following defines the responsibility for the risk management process at Colchester:

Cabinet – Overall ownership of the risk management process and endorsement of the strategic direction of risk management.

Portfolio Holder for Resources – Lead Member for the risk management process

Governance and Audit Committee – Responsible for reviewing the effectiveness of the risk management process and reporting critical items to Cabinet as necessary.

Performance Management Board (PMB) – Ownership of the strategic risks and overview of the operational risks. Actively support the Risk Management Strategy and framework.

Chief Operating Officer – Lead officer for the risk management process, demonstrating commitment to manage risk.

Assistant Director Corporate & Improvement – Responsible for co-ordination of the risk management process, co-ordinating and preparing reports and providing advice and support.

All Assistant Directors – Ownership, control and reporting of their service's operational risks. Contribute to the development of a risk management culture in their teams.

All Employees – To understand and to take ownership of the need to identify, assess, and help manage risk in their individual areas of responsibility. Bringing to the management's attention at the earliest opportunity details of any emerging risks that may adversely impact on service delivery.

Internal Audit, External Audit and other Review Bodies – Annual review and report on the Council's arrangements for managing risk throughout the Council, having regard to statutory requirements and best practice. Assurance on the effectiveness of risk management and the control environment.

AIMS & OBJECTIVES

The aim of the Council is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.

The risk management objectives of Colchester Borough Council are to:

- Integrate risk management into the culture of the Council
- Ensure that there are strong and identifiable links between managing risk and all other management and performance processes.
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Prevent injury, damage and losses and reduce the cost of risk
- Raise awareness of the need for risk management by all those connected with the Council's delivery of services.
- Ensure that opportunities are properly maximised through the control of risk.
- Reduce duplication between services in managing overlapping risks and promote 'best practise'.

STRATEGIC RISK MANAGEMENT

Strategic risks are essentially those that threaten the long-term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally effect service provision, such as proposals to dramatically change the corporate assessment process.

Strategic risks will be controlled using a register that will detail the risks and associated controls. The register will be owned by the Senior Management Team, with ownership for risks being assigned to individual officers, and will be reviewed every quarter. The strategic risks will be reported to the Governance & Audit Committee at least twice a year.

OPERATIONAL RISK MANAGEMENT

Operational risks are those that threaten the routine service delivery of the Council. Each service area will have their own operational risk register that details the risks associated with providing the service. These registers will be reported, in summary format, to the Senior Management Team and committee on an annual basis. High risks and the success in controlling them will be reported to Senior Management Team on a quarterly basis, as these will help in the formulation of the strategic risk register.

LINKS

It is essential that risk management does not operate in isolation to other management processes. To fully embed a risk management culture, it has to be demonstrated that risk is considered and influences all decisions that the Council makes. It is essential that there is a defined link between the results of managing risk and the following:

- The Strategic Plan
- Service Plans
- Revenue and Capital Budgets
- Annual Internal Audit Plan

ACTION REQUIRED

The following actions will be implemented to achieve the objectives set out above:

- Considering risk management as part of the Council's strategic planning and corporate governance arrangements.
- Ensuring that the responsibility for risk management is clearly and appropriately allocated
- Maintaining documented procedures for managing risk
- Maintaining a corporate approach to identify and prioritise key services and key risks across the Council and assess risks on key projects.
- Maintain a corporate mechanism to evaluate these key risks and determine if they are being adequately managed and financed.
- Establish a procedure for ensuring that there is a cohesive approach to linking the risks to other management processes
- Including risk management considerations in all committee reports
- Providing risk management awareness training to both members and officers.
- Developing risk management performance indicators.
- Establishing a reporting system which will provide assurance on how well the Council is managing its key risks and ensures that the appropriate Members and officers are fully briefed on risk issues.
- Preparing contingency plans in areas where there is a potential for an occurrence to have a significant effect on the Council and its business capability.
- Regularly reviewing the risk process to ensure that it complies with current national Governance Standards and Best Practice.
- Developing risk management links with key partners and contractors, to ensure that principles are adopted in all areas of service delivery.

REVIEW

To ensure that the risk management process is effective it will need to be measured and reported to PBM, Governance & Audit Committee and Cabinet. As well as a structured reporting process of risks and controls during the year there will need to be an annual review demonstrating the success of the following:

- The inclusion of risk management principles within Service Plans and budgets.
- The development of the Internal Audit plan based on the risk issues.
- Achievement against identified performance indicators.
- Members consistently ensuring managing risk is considered as part of the decision-making processes within the Council.
- Service managers making recommendations that regard risk as an opportunity as well as a threat.
- Risk management principles being considered in service reviews, for example in areas such as options for change and service improvements.
- Changes in risk being independently identified and assessed by Service Managers
- Compliance with the use of resources criteria and self assessment requirements.

Suitable opportunities to benchmark the risk management service against other organisations should also be explored, to ensure that it is effective, and the work carried out by the Council conforms to best practise.

The three appendices attached give greater detail of key areas:

Appendix 1 – Outline of the risk management process

Appendix 2 – Details of how Risk Management will be reported.

Appendix 3 – CIPFA guidance on Risk Management Responsibilities

APPENDIX 1

The Risk Management Process

Risk Management is a continual process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them and / or responding to them. The risks faced by the Council are constantly changing and the continual process of monitoring risks should ensure that we can respond to the new challenges. This process is referred to as the risk management cycle.

Stage 1 – Risk Identification

Identifying and understanding the hazards and risks facing the council is crucial if informed decisions are to be made about policies or service delivery methods. There is detailed guidance available on how to identify risks which includes team sessions and individual knowledge. Once identified a risk should be reported to the relevant Assistant Director who will consider its inclusion on the relevant risk register. If the risk is identified in between register reviews, then it is reported to the Risk & Resilience Manager for information and the Head of Service is responsible for managing the risk.

Stage 2 – Risk Analysis

Once risks have been identified they need to be systematically and accurately assessed. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to it.

Stage 3 – Risk Control

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and / or reducing the severity of the consequences should it occur.

Stage 4 – Risk Monitoring

The risk management process does not finish with the risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of the risk has changed over time.

APPENDIX 2

Reporting

No matter how good the process to identify and control risks is, it will not be effective unless the information gained from it is reported and used to influence other management issues / processes. Therefore, it is essential that there is a defined process and timetable for reporting the results of the risk management process to both members and officers.

Types of Report

- The strategic risk register is reviewed a minimum of twice yearly by PMB, with interim reports quarterly as required.
- Six monthly review of the operational risk registers and a summary report of these reviews to PMB
- Project risks are reported through the project management process and reported to the project management board. Significant issues will also be included in the reporting process to PMB
- A six-monthly report is provided to Committee (Governance and Audit) detailing the current strategic and high-level operational risks and the progress made in controlling them.
- An annual report reviewing Risk Management activity and an action plan for the coming year – taking into account changes in methodology and results of internal and external reviews. Going to PMB, Governance & Audit and Cabinet.
- Ad-hoc reports need to be provided to PMB when new, significant risk issues arise.

The reports can be summarised as follows:

	Services	P.M.B.	Governance & Audit	Cabinet
Quarterly		Review of strategic risk register		
6 Monthly	Review of operational risk register	Summary of operational review from services	Progress report of strategic & high-level operational risks	
Yearly		Scrutiny of annual progress report to cttee on R.M.	Endorsement of annual progress report on R.M.	Summary of past years work on R.M.

Appendix 3

Risk Management Responsibilities – CIPFA / SOLACE Guidance

	Framework, Strategy and Process	Identifying risk	Analysing Risk	Profiling risk	Prioritising action based on risk appetite	Determining action on risk	Controlling risk	Monitoring & Reporting	Reporting to external stakeholders.
Members	Agreeing the Framework, Strategy and Process Determined by Officers	Identifying risk	Analysing Risk	Profiling Risk	Determining the risk appetite and prioritising risk. Agreeing the priorities determined by officers			Reviewing the effectiveness of the risk management process.	Reporting to external stakeholders on the framework, strategy, process and effectiveness.
Risk Management Team	Providing advice And support to the executive Management Team and Members	Providing advice and support.	Providing Advice and support	Providing advice and support	Providing advice and support			Co-ordinating the results for reporting to the corporate management team and members	
Senior Management Team	Determining the framework, Strategy and Process	Identifying strategic and cross-cutting issues	Analysing Strategic and cross-cutting issues.	Profiling strategic and cross-cutting issues.	Determining the risk appetite and prioritising strategic and cross-cutting issues	Determining action on strategic and cross-cutting issues. Delegating responsibility for control.		Monitoring progress on managing strategic and cross-cutting risks and reviewing the implementation of the risk management framework, strategy and process. Reporting to members.	Reporting to external stakeholders on the framework, strategy, process and effectiveness.
Assistant Director Corporate & Improvement	Providing Advice and Support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Co-ordinating the results for reporting to the executive management team and members	Preparing draft reports for the corporate management team and members to issue.
Service Managers / G.M.T's		Identifying service Risks	Analysing Service risks.	Profiling service risks.	Prioritising action on service risks.	Determining action on service risks. Delegating responsibility for control.		Monitoring progress on managing service risks. Reporting to the group management team	
Employees, contractors And partners		Maintaining awareness of risks and feeding these into the formal process.	Maintaining awareness impact of risks and feeding information into the processes				Controlling risk in their jobs.	Monitoring progress on Managing job related risks Reporting to the service manager.	

PETITIONS, PUBLIC STATEMENTS, QUESTIONS

(i) Have Your Say submissions from members of the public

Date of Meeting	Details of Members of the Public	Subject Matter	Form of Response	Date Completed
1 September 2021	Sir Bob Russell	Colchester Museum Development Foundation	Response provided at the meeting by Councillor Laws, Portfolio Holder for Economy, Business and Heritage	

Date petition received	Lead Petitioner	Subject Matter	Form of Response	Date Completed
No valid petitions received in this period.				

