

Scrutiny Panel

Tuesday, 12 October 2021

Attendees: Councillor Lyn Barton, Councillor Tina Bourne, Councillor Mark Cory, Councillor Derek Loveland, Councillor Lorcan Whitehead, Councillor Dennis Willetts, Councillor Barbara Wood
Apologies: Councillor Nigel Chapman
Substitutes: Councillor Pauline Hazell (for Councillor Nigel Chapman)

314 Minutes of Previous Meeting

RESOLVED that the minutes of the meeting held on 17 August 2021 be confirmed as a correct record.

315 Review of Colchester Borough Homes Performance 2020-21

The annual performance review for Colchester Borough Homes [CBH] was presented by Dirk Paterson, Chairman of the CBH Board, Philip Sullivan, Chief Executive of CBH, and Lyndsay Barker, the Council's Strategic Director of Policy & Place.

The Strategic Director of Policy & Place introduced Philip Sullivan as having been appointed Chief Executive, succeeding Gareth Mitchell in the role. Thanks were given to Karen Loweman, Director of Operations, and Matt Armstrong, Director of Business Improvement, who had jointly acted to cover the duties of Chief Executive during the interregnum. Tribute was paid to the work of CBH during the course of the pandemic, including work to maintain service delivery and crucial maintenance work. In November 2020, the Council's Cabinet signed a five-year extension to the Management Agreement with the company. The two-year project to bring in a new housing management system had been completed in August 2021, on time and on budget. In other work, new housing had been completed in places such as Creffield Road [Colchester] and Hardings Close [Fordham], and the renovation of Elfreda House accomplished.

The Chairman of the Board highlighted the strength of the organisation and the oversight provided by the Board, and also by the Council's bodies such as Scrutiny Panel. The Chairman thanked the former Chief Executive, Gareth Mitchell, for his contribution to the Company, as well as the Directors of Operations and Business Improvement for their work as joint interim Chief Executives, prior to the unanimous decision to appoint Philip Sullivan to the position.

The data on performance and tenants was presented, alongside information on the main areas of work for the Company. Concerted effort had been made to increase the voice of tenants in giving their views on how the Company operated, with around 90 tenants now involved in regular engagement. This included input into Board meetings and use of video conferencing. CBH had also prioritised the safe but visible work carried out on essential operations during lockdowns. Every tenant aged over 65 had

received phone calls from officers, to keep in contact. All tenants received written communications covering subjects such as safety advice regarding Covid-19. Work was conducted with partners to support tenants, including delivery of prescriptions and parcels, and financial advice was provided to around 1,300 residents over the course of 2020-21.

All service areas were now judged to be high-performing and low-cost within the benchmarking work carried out by independent assessors, Housemark.

The Chief Executive outlined the cooperation between staff and residents to improve and maintain sheltered accommodation, the awarding of community funding grants and other support to communities, as well as the holding of Good Neighbour and Best-kept Garden awards.

New housing and garage site redevelopments were described, alongside redevelopments of the sheltered accommodation at Enoch and Worsnop Houses, as well as the work planned for Elfreda House. Other major project work included the Mercury Rising project as a success.

The Board was described, holding the executive to account and now better reflected the demography of the tenants of CBH. The recruitment of Board Members was detailed, with a skills matrix used to identify types of skill which need to be sought. Training is also given, as well as opportunities to work and learn with other Arm's Length Management Organisations.

Challenges to the Company were summarised. Regulatory and legislative compliance had never been so important. Scrutiny and oversight had been increased and CBH was prepared. A challenge described was inflation from both material costs and wage inflation in the private sector. This was being mitigated by maximising the benefits from the new housing system and its ability to gain value for money.

The new management agreement combined building on service provision for the future and development of wider input into the policies of the Council. The new Strategic Plan had been developed, consulting with internal stakeholders, the Council, external partners and others.

The Panel discussed the partnership work conducted by CBH during lockdowns, including with the One Colchester Partnership, as well as the excellent performance of the Company during the pandemic, maintaining full gas safety certification on properties, disabled adaption works and widespread insulation of properties (160 properties in total). Praise was given to the communications carried out to show what CBH was doing, aimed at both the public and members.

The Chief Executive and Chairman of the Board answered a broad range of Committee questions. It was explained that 'Interim accommodation' referred to accommodation provided to individuals in need who were being assessed as to whether the Council owed a homelessness duty. Regarding questions on void [empty property] repairs work, the Panel were informed that this was not a simple matter. Whereas private sector providers could provide low turnaround times, this was often at the expense of quality. CBH invested significantly in lowering repair times, whilst

maintaining a high standard of work. Slight delays had been recorded over the past year as lockdowns had caused the cessation of contractor working. CBH had to continue work in-house, but with lower capacity over the short-term, void turnaround times had slightly increased. The company maintained a balance between speed and quality of customer experience. 87% satisfaction showed good performance, in contrast to comparable providers.

Waiting list pressures were expected to increase as numbers of service users increased. There was permanent pressure on temporary accommodation, and over 200 households in temporary accommodation. Each three-bed property that became available attracted around 300 applicants, indicating that many households were subject to overcrowding in their current situations. The Housing Team continued to manage the waiting list and policy changes had helped and waiting list size remained a key driver for future strategies. CBH would be guided by the Council but recommended that no options be taken off the table. All suggestions from members would be welcomed.

The Strategic Director of Policy & Place noted that Cabinet had committed to increase the housing supply, by buying existing properties and building new ones. Land assets would be used to maximise housing supply. Strategic discussions were held with CBH on the Cabinet's future priorities, following a challenging year of increased importance of legislative compliance. High performance needed to be maintained, whilst avoiding burnout of staff. Project management skills would be of key importance.

The Panel discussed the need to ensure that any diversification of the Company's work did not entail significant additional risks to CBH or the Council. The Chief Executive gave assurance that CBH would continue to work efficiently on projects such as the Northern Gateway and would only ask for additional Council resources should it maximise its work on projects on behalf of, or with, the Council.

The Panel asked for information on the new Chief Executive. Philip Sullivan explained that he had worked for 25 years in housing and local government and was a Fellow of the Royal Institution of Chartered Surveyors and a Member of the Chartered Institute of Housing. He voiced his appreciation of CBH's staff commitment, quality of the Board and the strong relationship with the Council and future opportunities, including with the Town Deal and 'Heart of Greenstead' Project.

The Panel discussed the data provided on the Council's tenant base. Demographic disparities between tenants and the overall population of the Borough were explained. There was a high percentage of long-term tenants in Council properties, with 51% being older residents. The long-term tenancing of Council properties by existing tenants meant that younger people and people from minority ethnicity demographics were currently underrepresented within the tenantry of the Council.

The Company's work on antisocial behaviour was covered, with vital closure orders being secured, even during lockdowns. Satisfaction levels were high where officers supported and worked with neighbourhoods and victims.

The guests answered questions regarding work with difficult tenants and eviction use. Eviction remained an option of last resort and was not a quick fix, especially given the

delays and backlogs affecting the Courts service.

In response to questions, the Chief Executive explained that Glyphosate weedkillers were no longer used in some areas, and the aim was to cease any use of these by April 2022.

The governance of CBH was scrutinised. The Chairman of the Board explained that the past two years had seen the company increase its Board's skillsets and improve its diversity. Oversight structures had been overhauled, including the formation of an Operations Committee to monitor performance. Further improvement was being sought by increasing resident empowerment and opportunities to hear from service users. The Residents' Panel had been rebranded and refocused, but CBH was working to go further and faster on widening resident involvement.

A success story was related, where CBH achieved a one-week turnaround of properties to house 109 homeless people in furnished properties, with connected utilities. The Company was ambitious in performing to house as many as possible for best value for money. New-build property costs averaged at around £145k; more building of properties was required in order to maximise value for money.

A Panel Member requested greater details on the benchmarking data, the comparable housing providers and what the data given meant. The Chairman of the Board explained that he had given presentations to each political group on the Council to provide such information, including on the HouseMark data and benchmarking exercise. All performance indicators were measured against data from several hundred housing providers, so the results recorded in the presentation slides showed the performance in comparison to those organisations. Owing to its density, only an overview of the benchmarking data had been provided on the slide, but the Chairman offered to provide the full set of HouseMark data to any member of the Panel who wished to see it. The Panel Member explained that the extra information would help the Panel in its work and asked that it be provided as part of the next annual review of CBH.

The guests were asked what they would like to see in order to adapt the CBH/Council relationship so as to maximise what the Company could offer to the Council and the Borough. The Chairman of the Board explained that the relationship was about maintaining an equilibrium. The Council was the sole member to which the Board of CBH reported. Formal officer meetings strengthened the relationship, including quarterly four-way meetings between CBH and the Council. These and other meetings ensured that Council scrutiny was effective. It was noted that there had been other councils which had taken back control of their housing stock, dissolving their Arm's Length Management Organisations. These were examples of where relationships had broken down. The Chairman of the Board explained that it was largely for the Council to explain what work it wanted from the Company. Suggestions for new partnership working were always welcome. The Strategic Director of Policy & Place described the Council/CBH relationship as being mature, where challenging discussions could be held. A challenging time lay ahead, with the need to produce an updated Housing Revenue Account Business Plan. Conversations continued to ensure that all key challenges and priorities were met, and to identify future opportunities. The primary priority was still for the Company to achieve its core functions and obligations to the

Council. A new CBH Strategic Plan was expected to be published in the New Year.

The Panel queried the delineation between the work of CBH and of Colchester Commercial Holdings Ltd and the Amphora companies, also wholly owned by the Council, how the relationships worked and how the organisations avoided any inefficient overlap of operations. The Chairman of the Board explained that CBH was structured very differently to the Amphora companies and, whilst it was important for them to work well together, it would not be appropriate for CBH to comment on the work of Colchester Commercial Holdings. The Strategic Director of Policy & Place gave an example of collaborative working being the '100 Homes' project. Funding and specifications were provided by the Council, whilst maintenance and management of the new properties would be conducted by CBH. Delivery delays had been experienced due to increases in demand and prices.

Although the Panel made no official recommendations, the Strategic Director of Policy & Place gave assurance that the points and suggestions from the Panel would be taken forward to future conversations with the Portfolio Holder for Housing and with CBH.

RESOLVED that the SCRUTINY PANEL has reviewed the performance of Colchester Borough Homes (CBH) during 2020/21, with particular regard to the Performance Summary Information for 2020/21.

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Local Council Tax Support Scheme 2022 - 2023

Jason Granger, Group Manager – Customer, and Cllr Lissimore, Deputy Leader and Portfolio Holder for Resources, presented the report and Support Scheme. The Panel was informed that the Council could change entitlement for those of working age, but not the entitlement for those of pensionable age. It was proposed that no change be made and to keep entitlements at the current level.

The Panel discussed the proposals, welcoming the avoidance of reductions, and asked for details of the metrics used to inform the decision to recommend 'no change.' The increase in uptake and the planned review of the situation in January 2022 were queried, including questions as to what exactly would be reviewed in January 2022. The Group Manager explained that officers had consulted regularly with colleagues from across Essex. Colchester's scheme remained one of the most generous, and there was no appetite shown by other authorities to change their schemes. The January review, by Cabinet, would be to ensure the situation regarding uptake, Covid effects etc would continue to be monitored.

Officers were asked whether the Council could be even more generous, especially in helping the most vulnerable, and whether the January review would be too late to effectively identify and mitigate impacts on household incomes. The Group Manager explained that the Scheme and eligibility would be set by Full Council in December 2021, to meet the statutory deadline in place. Comprehensive analysis had been carried out as part of the long process to get to this point, and, in answer to questions as to whether approval could be delayed, a delay would risk the deadline being missed.

Pam Donnelly, Strategic Director of Customer & Relationships, was noted as working on winter resilience preparations and other ways in which to help those households in need of support. Councillor Lissimore, Portfolio Holder for Resources and Deputy Leader, gave the view that it was not possible to predict what would happen over this winter, but that a positive move was the opening of the Community 360 centre in the old Poundland site on Long Wyre Street. Partnership working enabled the best help and support to be provided to residents. Certainty was needed as to what the Council was putting in place and it was the view of officers that the proposed rates of support were the best course of action.

The view was expressed by a Panel member that it would assist the Panel's work to see the comparative data from other local authorities which was used to inform the recommendations of officers on this item. Furthermore, the inclusion of any benchmarking data in reports, where possible, was extolled as a way to help scrutiny be effectively carried out. The Group Manager explained that the benchmarking data had been provided to the Portfolio Holder and agreed to work with the Portfolio Holder to expand the future Cabinet and Council reports on this item to show this data.

RESOLVED that the SCRUTINY PANEL has reviewed and commented on the proposed Local Council Tax Support scheme commencing 1 April 2022.

317 Budget Strategy 2022/23 and Transformation

Councillor Lissimore, Portfolio Holder for Resources and Deputy Leader, and Paul Cook, Head of Finance, presented the draft budget report and thanked all officers who had contributed. Significant transformation savings had been found, which had allowed the move to restore locality budgets to their old levels of £2,000 per member. It was noted that some assumptions would not be fully understandable until January, but satisfactory progress had been made thus far in the budget-setting process.

Councillor King attended remotely and, with the consent of the Chairman, addressed the Panel to welcome progress on the budget but also to raise the potential for a Youth Zone to be provided, working with the Onsite organisation. Councillor King argued that the Youth Zone would not cost the Council £1m per year, as the projected revenue cost to the Council had been calculated at £400k per year, with a commitment for three years. The one-off capital commitment was calculated at around £4.2m and potential sources for this funding were given by Councillor King. Cross-party support and work to achieve a Youth Zone were requested, to find a way to keep this within the draft budget, amending its content accordingly.

The Portfolio Holder for Resources responded, to warn that none of the Council's partners thought a new Youth Zone would be viable at this time, and to question why the previous administration had not allocated funding and found a site for this project. If partners were to believe that the project had become viable, this could be considered again at that point. It was noted that youth services were not within the Council's remit, being the responsibility of Essex County Council [ECC], and argued that the best approach would be to work with ECC on improving youth services, such as those on offer at the Town House. That venue was a purpose-built site, currently under-utilised and capable of providing more services.

Regarding funding, the Portfolio Holder argued that no suggestions had been made to Cabinet as to where to make the cuts to the budget which would be necessary so as to find the necessary funding, and that Colchester did not have many large businesses of the type which were usually approached for funding. The £400k per year revenue cost to the Council was only likely to increase over time, especially if third-party funding was not found.

The Chairman noted that, when the Panel last examined the Town Deal, it had recommended that the Panel take the scrutiny and oversight role over the Town Deal and its project business cases, given that the Council was the Accountable Body for the Town Deal. This had been approved by Cabinet on 1 September 2021, along with others, with some amendments.

Concern was raised that the Youth Zone had been removed from the Medium-Term Financial Forecast [MTFF] before Members had been given a chance to fully discuss it and seek ways to allow it to be kept in that document. A Panel member argued that this was contrary to Cabinet's decisions made after considering the aforementioned recommendations already made by the Scrutiny Panel. The Portfolio Holder reminded the Panel that Budget Workshops had been scheduled, with one held already, which gave the opportunity for discussions and suggestions. No suggestions were made at the Workshop. If suggestions were made at future workshops, then these could be examined and potentially changes could be made to the budget and/or the MTFF.

A Panel member suggested that the Youth Zone could remain in the MTFF for now, to give members an opportunity to find alternative sources to fund the ongoing revenue costs which had been calculated for it. It was argued that this would not affect the 2022-23 budget, only the MTFF. The Portfolio Holder for Resources disagreed with this view, noting that the Council's finance officers had recommended that it be removed from the MTFF at this time. Paul Cook, Head of Finance expanded upon this, explaining that the withdrawn funding had been noted. A robustness statement was needed for the 2022-23 Budget and MTFF. The Council needed to address gaps in the Budget so it had been judged appropriate to remove the Youth Zone from the MTFF, pending further discussions to work towards balancing the Budget. The Panel member argued that this went against the most recent recommendations from the Scrutiny Panel, as relating to the Youth Zone and amended and then accepted by Cabinet.

Concern was expressed by another member of the Panel that there was a worrying trend relating to the increasing cumulative budget gap, as shown in 11.9 of the draft report to Cabinet [Appendix A]. It was queried whether the content on dealing with budget pressures was light on detail, given the severity of the pressures noted.

Returning to the issue of the Youth Zone, the Panel Member voiced dissatisfaction with the under-use and state of the Town House, the County Council's youth services facility in Colchester, and asked if it was not the case that this could be used or converted to carry out the role of a Youth Zone. Having had discussions with Adrian Pritchard, Chief Executive, the Panel member related that the Chief Executive's view had been that annual revenue costs to the Council would be likely closer to £1m per year, rather than £400k.

A view was put by the Panel member that it was not appropriate to expect informal members' briefings to produce alternatives to source the necessary funding for a Youth Zone. It was asked whether the Scrutiny Panel could recommend the formation of a working group or task and finish group to look at this instead, to ascertain any potential ways to implement and fund a Youth Zone. It was contended that it was not appropriate to maintain the aim of providing a Youth Zone without specifying how future budgets could be managed to make the necessary funding available. The Portfolio Holder for Resources reiterated Cabinet's position that, if a Youth Zone was to be pursued, specificity was needed as to what cuts members wished to make to Council spending in order to fund it, and the view that it was more appropriate to work collaboratively with the County Council to improve its youth service provision.

The Panel discussed the Town House, its hours of operation and services offered, and the County Council's plans for it. A view was given by a Panel member that the County Council's plans only included capital investment funding, but no ongoing increase in revenue funding, which would be needed to increase services, activities and staffing capacity. Panel members gave the view that youth services were a necessity, not a luxury, and noted that the Council had constantly aimed to work with the County Council to improve provision in the Borough. A guarantee was requested that the County Council would work to provide services accessible to young people across the Borough, and that these must be provided as soon as possible.

The Portfolio Holder for Resources outlined the work of the Youth Strategy Group during the past six years of its operation but regretted that the Group had only had sporadic participation from other elected members, with many meetings having had to be cancelled due to lack of attendance. The Group had been tasked with having oversight as to how funding for youth services was used and had quadrupled available funding by bringing in external partners such as Firstsite. The Group had developed a good reputation and the Portfolio Holder exhorted elected members of the Council to attend its meetings.

Panel members noted that the Youth Strategy Group only had a budget of £25k per year, and a Panel member argued that the Council had tried to work with the County Council, even though the County Council had cut youth services budgets year on year. It was posited by one Panel Member that the Portfolio Holder for Resources, as also being a deputy Cabinet Member on the County Council, was in a position to help improve youth services in the Borough of Colchester. Another Panel member argued that Cabinet was working to continue to provide services whilst balancing a difficult budget, then asking whether the expansion in use of the Town House could be used as a stepping stone to future wider investment and expansion in youth services. The Portfolio Holder for Resources agreed that the Town House was under-utilised but explained that the funding from the Town Deal could be used as a catalyst to increase its use. A counter comment from a member of the Panel was made to note that the Town House had no facilities for a gym, a sensory room or a skatepark, amongst other facilities which a Youth Zone could provide.

Questions were asked regarding the reprofiled income budget for parking income, now increased to £600k. The Head of Finance explained that this was at a preliminary stage of monitoring and that it was expected that some sources of income would recover in the coming municipal year, including a recovery in income from parking.

Greater clarity and detail on this would be possible when the draft budget was due to be considered in January 2022. A Panel Member raised concern that parking income might be being expected to cover gaps within the budget. The Portfolio Holder for Resources explained that parking charges were a balance, with the Council wishing to promote sustainable and active transport options, whilst also promoting car park use for those who need it and who cannot use alternatives to their car. The Panel were reminded that this had also been the approach of the previous administration, with constant changes to car use, town use and other variables meaning that constant changes were necessary to maintain balance.

Answering questions regarding the Council's expected work on Disabled Facilities Grants adaptations to residential properties, the Head of Finance explained that there would now be more flexibility and fewer regulations, so more funds could now be put into assessing grants and administering these.

Returning to discussions relating to Youth Zones, the Panel considered potential ways in which this could be further considered, and possible ways for funding, support and a site could be found. The Portfolio Holder for Resources underlined that the Head of Finance had recommended removing content relating to Youth Zones from the MTFF until such time as, potentially, ways could be found and suggested by members to source additional funding and/or reduce Council costs in other areas. The Panel discussed ways in which a dedicated group could be set up to consider the pertinent issues and any potential suggestions. Dan Gascoyne, Chief Operating Officer, advised the Panel that the formation of a formal task and finish group would have resource implications for the Council which would, at this time, be difficult to meet. It was recommended that these matters would be better considered as part of the work of the scheduled budget workshops. The Chief Operating Officer underlined the statutory duty for the Council to present a balanced budget, accompanied by a robust MTFF. It was then explained that content relating to a Youth Zone could be reintroduced into the MTFF in January 2022, if alternative budgetary options could be found to make it possible. The Panel discussed whether it might be possible for a task and finish group to swiftly form and meet, to produce recommendations, or whether a more informal group or sub-group would be more-easily set up and produce recommendations.

Councillor Dundas, Portfolio Holder for Strategy and Leader of the Council outlined his concerns regarding the budgetary assumptions which had previously been made relating to Youth Zone provision, and the idea of presenting an MTFF which included content which went against recommendations from the Council's Finance Team. The original estimate of £400k per year revenue cost to the Council, £800k match funding and financial support from the County Council were all assumptions from 2020, since which time significant changes had been seen relating to Council finances. The Leader gave the view that, at this time, it would be irresponsible to include Youth Zone provision within the MTFF without being able to set out how this would be funded. The Leader estimated that the total cost was likely to be around £8m and gave his view that, if a task and finish group was agreed to look at ways to provide a Youth Zone, it would need to set terms of reference to detail that it would cover identification of an appropriate site, ways to provide the necessary capital funding and the funding to cover the ongoing revenue costs. The Portfolio Holder for Resources gave assurance that Cabinet would reinstate the MTFF content regarding Youth Zone funding, should

viable funding options and a site be found in the future. Paul Cook, Head of Finance confirmed that, should viable proposals be found for funding, Cabinet could then agree to reinclude a Youth Zone in the MTFF before the Budget goes to Full Council for approval.

Councillor King, with the consent of the Chairman, addressed the Panel to note that the report had not made it clear that the removal of the £400k per year revenue cost of a Youth Zone had been as a result of a recommendation from the senior financial officer of the Council, and noted that it was good practice to accept such recommendations, whilst exploring options which might allow for this content to be reintroduced in the future.

RECOMMENDED to CABINET that further work be conducted by a sub-group of the Scrutiny Panel, to identify and discuss potential options for providing and funding a future Youth Zone, whilst maintaining a balanced budget for the Council.

318 Work Programme 2021-22

It was noted that officers were continuing to try to find a convenient time for Councillor Crow, Portfolio Holder for Environment and Sustainability, to appear before the Scrutiny Panel in the course of the 2021-22 municipal year.

RESOLVED that the work programme has been noted and approved for 2021-22.