

SCRUTINY PANEL

13 December 2022

Present:- Cllr Willetts (Chair), Cllr Laws, Cllr Lilley, Cllr McCarthy, Cllr Scordis, Cllr Smith

Substitute Members:- None

Also in Attendance:- Cllr Fox, Cllr King

375. Minutes

The Minutes of the meeting held on 8 November 2022 were confirmed as a true record.

376. Items requested by Members of the panel and other Members

Councillor Willetts proposed that the Council's intended response to the LGA Peer Challenge be brought to Scrutiny Panel for consideration before a report is considered for decision by Cabinet.

The Panel considered the briefing note which it had received on the Council's approach to insurance, and its policies, noting that it did not consider that there were any indications of systematic failures and that it showed the Council had an effective approach to insurance matters. The Panel judged that the document had been useful and that further consideration by the Panel was not necessary at this time.

Owen Howell, Democratic Services Officer noted that the previously requested item on Cabinet's approach to negotiation with Alumno [regarding the previously proposed development of a mixed residential/retail site between Firstsite and Queen Street] might soon be able to be scheduled. The Chairman explained that a recent judgement had ruled that Alumno's legal action could not be taken forward, which could potentially mean that this item could soon be scheduled, subject to the Monitoring Officer's advice. The Panel discussed what exactly it would wish to see contained in that review, noting the wish to avoid covering matters which had concluded where limited value could be gained for the future. It was suggested that a review would give an opportunity to cover Cabinet decision making on what had proved to be a controversial matter, and on which details had yet to be seen, particularly in light of widespread public concern at the time. A Panel member queried whether decision making by the County Council could likewise be examined.

Councillor King, Leader of the Council, agreed that it would be reasonable for Scrutiny Panel to examine the issue to seek lessons to be learned, particularly given the controversial nature of the plans which had been previously proposed for the site in question. The Leader urged caution, as the matter [including the legal aspects] was not yet concluded, with the possibility for further legal aspects to arise. Good work was now being done with Essex County Council [ECC] and the Leader highlighted that an examination of the subject in question would necessitate going over a time and actions when the relationship between ECC and the Council was more fractious.

The Panel further considered the matter, noting that the decision-making processes could be examined, but with a view given that this was not what most people were concerned about. It was suggested by Panel members that it would not be possible to examine at this time the aspects which would be of greatest interest to the public, including whether the plans that had been previously proposed represented a good deal for the Council, or the relationship between Cabinet and Alumno during the relevant periods of time.

RESOLVED that SCRUTINY PANEL would: -

- a) Review at a future meeting the Council's intended response to the LGA Peer Challenge before a report is considered for decision by Cabinet
- b) Not, at this time, request an item regarding the Council's approach to insurance and its insurance policies
- c) Defer any consideration of the relationship and negotiations between Cabinet and Almuno, regarding the previously proposed Queen Street development, until the Monitoring Officer could provide a view as to when this would be possible, being dependent as to when this could be conducted in open public session of the Panel

377. Portfolio Holder Briefing from Councillor Fox [Deputy Leader and Portfolio Holder for Local Economy and Transformation]]

Councillor Fox, Deputy Leader and Portfolio Holder for Local Economy and Transformation, presented highlights from work being conducted relating to his portfolio. This included the City Centre Masterplan, working with ECC and other partners to deliver for the centre of Colchester, working cross-party. The current public engagement process was nearing its conclusion and very positive responses had been received. A new Strategic Plan was also currently being worked upon, with consultations feeding into it. Budget pressures were key factors determining much of what could be included in this Plan. The Deputy Leader gave examples as to how the Council had developed and evolved, and how residents' needs and wants had also changed over time.

A new app had been developed by the Council, working with partners, to improve the reporting of issues and charting of resolutions carried out by officers. Should this prove successful, the app could be marketed for sale to other local authorities.

A list of events held for the public in Colchester was given, including cycling, concerts, art events and more. Significant challenges existed for the sport and leisure sectors. Examples included chlorine shortages for use in swimming pools like at Leisure World. Assurance was given that the Council's team was working well to ensure services kept going.

The work of officers on transformation and change was outlined. The importance of the Council championing the local economy, with its partners and the business community, was underlined. There continued to be a need to support businesses and investment across the Colchester area. The North Essex Economic Board was looking at options for training and development, such as retrofitting opportunities in house building, health and care sectors and in the development of health and care technology.

The work of the Member Development Group continued, with a new Code of Conduct being drafted, revised meeting procedure rules and the taking forward of member development plans, designed to help councillors to undertake their roles. Work had also

continued on how to make improvements based on the findings of the Charter Status process.

The Panel considered the briefing provided, with a point being made that there were now multiple centres across the Colchester area, including the traditional centre of Colchester, Tollgate and the Northern Gateway. The Deputy Leader agreed that Colchester would not be as it was in the past and outlined the benefits of out-of-town centres for retail, addressing different demands to the city core. The Council's aim was to compliment what was already in existence, rather than to cause competition, balancing different interests and maximising our regional attractions, including tourist attractions such as Wivenhoe, Dedham and Rowhedge. The Northern Gateway development would continue to pursue a mix of entertainment and sport options.

The Panel discussed the additional costs facing facilities such as Leisure World. Energy costs had increased, but there were currently no plans to reduce pool temperature. The Council had tough targets on controlling its power consumption and would look at new ways to provide heating. The Deputy Leader confirmed that he received updates from Colchester Commercial Holdings Ltd [CCHL], and the Council had governance structures in place. The Portfolio Holder himself did not directly intervene in these structures, where oversight was provided by the CCHL Board and the Council's Governance and Audit Committee. The Pandemic had had major effects on the CCHL companies, and it had been judged an appropriate time for the Council to review their structure and to see if they remained the appropriate way in which to approach the work they undertook. Such corporate structures were relatively new in local government, so it was important to review arrangements.

Answering questions as to how work was conducted with the Board of CCHL, the Deputy Leader explained that he held regular meetings with the directors of CCHL. The companies had been set up to deliver a commercial attitude, different to the approach taken to delivering other Council services. This covered a breadth of work, including providing a new energy/heating network and new housing, including some built for commercial purposes.

A Panel member gave the view that the provision of leisure and entertainment options was moving Northwards, making them harder to access for residents in the South of the Colchester area. The Deputy Leader was asked if he agreed that transport options were lacking and failing residents, especially those relying on public transport. The Deputy Leader gave assurance that there were no plans to move Leisure World or its services, with the Council acutely aware of the needs for facilities to be available for residents across the area. Sport and Leisure activities should be dispersed across the area, with a particular problem being that Colchester was under-resourced with swimming facilities, which needed to be addressed.

Agreement was given by the Deputy Leader that bus routes were outdated and that bus companies delivered the services that suited their interests, not those of residents. The planned Rapid Transit System [RTS] would provide a link from the East, into the City and then to the North. This meant that it would be a good time to review transport links across the area, and the Deputy Leader argued that there would be no point building a new bus station unless bus routes were improved and made more convenient for passengers. The Council had no power over bus provision, but it was important that the Council gave its views on what transport services were needed, even when control lay with ECC.

The Deputy Leader praised the officers who continued working to deliver services, through

a number of very challenging years, including the Pandemic and the current economic challenges. Budget constraints and inflation made it hard to deliver services and the capital programme. The Deputy Leader explained that the Council would work with CCHL and CBH to share services, and potentially with other local authorities and local organisations. This could potentially include the sharing of senior roles with others, especially where recruitment proved to be difficult. The Council remained a 'Living Wage Employer', although the cost of living had hit staff, especially those on lower pay grades. Any pay awards would be targeted at lower-income officers.

The Chairman thanked the Deputy Leader for his briefing and for answering the Panel's questions.

378. Colchester's Economic Strategy 2022-25

Councillor Fox, Deputy Leader and Portfolio Holder for Local Economy and Transformation, introduced the report and explained that the Strategy updated the Council's priorities as to how to boost the local economy, increase infrastructure (such as roads, healthcare, digital economy and broadband coverage), improve pay levels and inspire new projects.

Matt Sterling, Strategic Economic Growth Manager, explained that the Economic Strategy was closely linked to the Housing Strategy, and that it set out high-level priorities, alongside specific projects and actions and fitted these into an action plan. The three main strands of the strategy were firstly data (including economic trends, information and the strategy's evidence base), secondly engagement (with business and public sector representatives, one-to-one and partnership meetings), and thirdly an understanding of the Administration's priorities. All the priorities were intended to boost all parts of the area, urban and rural.

Inclusive economic growth was to be supported, with focus on business innovation and increasing the availability of skills. The Council aimed to leverage additional investment and infrastructure spending, whilst aiming to decarbonise and foster environmental sustainability. The Action Plan would set out how the Council intended to realise its aims.

Work was planned with ECC and the University of Essex on developing new care tech ideas and products. Detailed plans would be produced to court investments.

A digital work hub would be created to serve small technology businesses, alongside a new training hub. Details were given of grants won to increase the amount of training provided locally. A bid for the second round of levelling up funding was described. This included £20m for the city centre, and was accompanied by a bid for £500k from the rural prosperity fund.

The wide range of partnerships was described, including with the North Essex Economic Board, the University and with Colchester Ambassadors. These partnerships supported start up business and firms conducting importing and exporting.

Colbea advised on how to reduce business costs and emissions, assisted by ECC.

A Panel member raised concern that the Strategy did not contain much detail as to where the Council wanted to see Colchester in three-years-time, and what achievements it expected to see in that time, should the Strategy and action plan be carried out successfully. The Strategy did not spell out how residents of deprived areas would be

targeted and how to convert the Strategy into results.

The Strategic Economic Growth Manager confirmed that specific targets to improve life chances were a key priority for him. Regarding predictions and expected outcomes, caution was given that it was likely that the more specific predictions were, the less ambitious the plans would be. It was hard to predict the next three years, but the Strategy was to give a clear sense of what the Council would do and for what it would aim. Targets would be set for each year and progress reports produced. The Strategy committed the Council to areas of activity and annual targets would flow from that.

The Panel considered the Strategy in comparison to those of other local authorities and queried what the unique selling points were for Colchester's Strategy. It was asked whether similarities to other plans were inevitable. The Strategic Economic Growth Manager gave assurance that similarities were not surprising, given that tier 2 local authorities had the same powers as each other, the same core responsibilities and similar needs. It was elements such as the commitment to a real living wage which differentiated Colchester's Strategy from many others. The Council was performing well in achieving its targets and more information would be in the development plan and outcomes reports.

More information was requested on what would be done to encourage tourism and whether infrastructure such as the Rapid Transit System (RTS) would give opportunities for new conference facilities and tourist options. The Strategic Economic Growth Manager confirmed work would be conducted on encouraging tourism and visits, within the Strategy. Focus on specific sectors had been avoided in this Strategy, but a bespoke tourism strategy was being considered, as this was a crucial part of the local economy.

The positives shown by the Strategy were discussed, including work with the University and the growth figures shown compared to those elsewhere. Increased income and value could be used to lead to higher wages and salaries. Significant amounts had been spent on training and the tech sector already in the years examined, and large amounts of data gathered relating to this.

The Leader summarised the Strategy as a prospectus to lay out the Council's way ahead, utilising good data and good people to set how the City positioned itself. Partnership with others, including businesses, would be key and was much more effective than it had formerly been.

The Leader and officers were asked what the Council's approach would be towards the large scale migration of workers who lived in Colchester but worked elsewhere. Colchester benefited from the spending of their income, but not from their skills and labour. The Strategic Economic Growth Manager confirmed that his team had considered this issue and that it was included within the evidence base for the Strategy. The move to home working was a widespread trend and move away from commuting. This represented an opportunity to keep people in higher-paid jobs based in Colchester, but also a challenge as individuals could reside here but work elsewhere.

The Deputy Leader noted that the delivery plan would likely give the details requested by the Panel and that it would be key to see the additional funding leveraged on the back of the funding awards won by the Council. The Chairman expressed the assurance that the Panel had received from the Strategic Economic Growth Manager that metrics would be included in the delivery plan.

The Chairman thanked the Strategic Economic Growth Manager and confirmed that the Panel noted the quality and thoroughness of the report and Strategy, and did not wish to make any formal recommendations to Cabinet.

379. Half Year April – September 2022 Performance Report Key Performance Indicators (KPI) and Other Performance News

Councillor David King, Leader of the Council and Portfolio Holder for Strategy, introduced the report as a clear read, including the showing of where the Council had fallen short or faced challenges. Caution was given that, given the financial pressures, there was a need to examine budget consequences from where extremely high performance was achieved, and the opportunity cost of increasing performance in different areas. Panel members agreed with the importance of balancing performance achievements with the draw they required on officers and finances.

The Panel considered the performance indicators and it was noted that most of the 'red' KPI figures had been habitually so, and for understandable reasons. Performance on sickness leave was discussed, attributable to a number of reasons. The Panel accepted that the causes of sickness levels were not being ignored.

The Panel considered performance in collection of garden waste. It was suggested that not all residents could compost all garden waste. Richard Block, Chief Operating Officer, explained that collection of garden waste would become a statutory duty, via the Environment Act 2021, and that the Council would need to consider whether or not to charge for collections.

RESOLVED that the Scrutiny Panel has reviewed performance against Key Performance Indicators and, where Key Performance Indicators have not been met, ascertained that appropriate corrective action has been taken.

380. Half Year covering April to September 2022 Performance Report - 2020-2023 Strategic Plan Action Plan

Councillor David King, Leader of the Council and Portfolio Holder for Strategy, extolled the improvements in how these documents were presented, in a clearer way than in previous years. The challenge was to connect the Strategic Plan with the means to deliver and the resources available.

The Panel considered the report and the Chairman noted that no major issues were evident within it, and that any recommendations to Cabinet should only be on major issues.

A Panel member highlighted that the inflation assumption for this year had been set at 2% and that the difference between assumption and reality had serious implications for the Council. The Council continued to do its best in very difficult circumstances, but it was impossible to provide the same services on a smaller income and with higher costs. An example given was Leisure World, where energy costs were much higher and income to the Council therefore lowered.

The Leader explained that the time lag between crises and effects meant that it was likely that effects of the 'cost of living crisis' would be reflected in the coming municipal year and the new Strategic Plan. The Council was just managing at present, but services at current levels could not continue indefinitely, with the Council mindful of the stresses on residents

that council tax had.

The Panel agreed that, at present. There were no areas of concern on which it wished to make recommendations.

381. Local Council Tax Support Scheme 2023/24

Adam Wood, Benefits and Support Manager, explained the proposal to increase entitlement from 80% up to 85%. Around 5,500 households were affected, amongst those which had been most hit by UK economic problems. The cost of this change would be around £40k extra per year, expected to be recovered elsewhere such as by reducing write-offs and recovery costs. An overview was given of the consultation responses received.

The Panel discussed the importance of payment requirements being matched to ability to pay, with a need for increased generosity on the part of the Council at this time. In response to questions, the Benefits and Support Manager confirmed that there had been an increase in cancellations of direct debit orders in the past year. A Panel member suggested that direct debits could be promoted as being the easiest way to receive automatic payment of disbursements from Government, such as the recent £150 rebate on council tax, automatically paid to those who were on direct debit schemes.

The Panel agreed that the proposed changes were necessary, the additional cost was not large, and that the Scheme should be recommended for approval.

RECOMMENDED to CABINET that the proposed LCTS scheme for 2023/24 be approved.

382. Work Programme 2022-2023

The Panel agreed two additional dates for meetings in 2022-23, for 16 January 2023 and 15 March 2023.

RESOLVED that the work programme for 2022-2023 be approved, with the addition of new meeting dates on 16 January 2023 and 15 March 2023.