

## **CABINET**

### **14 October 2015**

*Present:* - Councillor Smith (Chairman)  
Councillors Bourne, Cory, Feltham, Frame, Graham and B. Oxford

*Also in attendance:* - Councillors Cope, Davies, Hayes, Hazell, J. Maclean, G. Oxford, Sykes, Scott and Willetts

### **32. Minutes**

*RESOLVED* that the minutes of the meeting held on 2 September 2015 be approved as a correct record.

### **33. Have Your Say!**

George Penny addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to express his concern about cuts to the police budget in Essex. This was particularly concerning whilst the allowances to senior councillors in Essex were being increased. Whilst it was taking on average 114 days to investigate a crime, it was wrong to close police stations and reduce the number of Police Community Support Officers. The cuts hurt morale in the force and made communities feel more vulnerable. The cuts would have a particularly severe impact on rural areas, especially when considered alongside the decision by Essex County Council to turn street lights off. A well funded police force would help provide employment and public security.

Councillor Smith, Leader of the Council, thanked Mr Penny for his comments and indicated that the issue would be the subject of a debate at the Council meeting on 21 October.

Stuart Bond addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to express his concern about the proposed reversal of the traffic direction and upgrade of the car park in Priory Street. The stated aims of the upgrade of the car park in improving access to the Roman Wall would be compromised by the reversal of the traffic flow. The reversal of the traffic flow would also increase the risk to school pupils at St Thomas More's school and those using the churches and mosque on Priory Street, and also to the elderly residents of the Dell. These risks would be exacerbated by the fact that there was no useable pavement on the residential side of

Priory Street which meant that residents have to cross the road immediately on leaving their homes. The reversal of the traffic flow would increase the amount of traffic using Priory Street and the speed of the traffic. It was also likely to increase air pollution.

Councillor Frame, Portfolio Holder for Economic Growth and Planning, and Councillor Dominic Graham, Portfolio Holder for Street and Waste Services, stressed the need for residents and representatives of Priory Street to be provided with information about Essex County Council's plans. The issue of the traffic reversal had got caught up with the Borough Council's plans to open up the Roman Wall which was an entirely separate project.

### **34. Leisure World Colchester Strategy and Business Plan**

The Head of Operational Services submitted a report a copy of which had been circulated to each Member together with minute 82 of the Trading Board meeting of 23 September 2015.

Tim Swallow, Group Manager, Sport and Leisure, made a presentation to Cabinet, setting out how Leisure World had successfully developed since the introduction of the recommendations of the Fundamental Service Review. It had achieved its financial targets and had seen a dramatic increase in participation, It was now regarded an important community hub and its success had been recognised externally. Membership numbers had increased and the facilities and equipment on offer improved. Technology had been widely used to improve efficiency and customer experience. It had managed to successfully strike a balance between a successful commercial enterprise and a community facility. It had demonstrated an ability to increase income following investment and there was clear evidence to support growth. The Strategy and Business Plan clearly set out the areas requiring investment and when payback would be achieved.

Councillor Willetts attended and with the consent of the Chairman addressed the Cabinet. It was acknowledged that Leisure World was a popular and well used facility. It was beginning to look a little tired and needed a plan of improvements. The lack of key financial information in the report was highlighted. Whilst it was agreed that funding was required if Leisure World was to be maintained as a first rate facility, some concern was expressed about the overall strategy. Whilst the Council was seeking to develop and improve its own facility, it was also supporting the development of competing facilities at Northern Gateway. The Council should decide which option it favoured and allocate resources accordingly.

Councillor Feltham, Portfolio Holder for Communities and Leisure Services stressed that the Council did have a strategy. Considerable work had been undertaken to understand the market and position Leisure World accordingly. Leisure World was not competing with the luxury operators who were planning to open facilities in Northern Gateway. Leisure World had demonstrated the need for investment and proved that it could meet the targets and proposals set out in the Business Plan. This was a safe, reliable proposal.

Councillor Cory, Portfolio Holder for Resources, Councillor Bourne, Portfolio Holder for Housing and Public Protection, Councillor Frame, Portfolio Holder for Economic Growth and Planning, Councillor Oxford, Portfolio Holder for Customers and Councillor Smith,

Leader of the Council and Portfolio Holder for Strategy, all expressed their support for the proposal. In particular the success of the commercial approach taken by Leisure World was highlighted, which vindicated the decision to retain Leisure World within the public sector. The contribution of staff at Leisure World to its success was stressed. The business case was compelling and promised a good rate of return within a comparatively short period.

*RESOLVED* that:-

- (a) The Strategy and Business Plan for Leisure World Colchester that covers the period 2016 to 2020 be approved.
- (b) The funding proposal set out in Section 9 of the Head of Operational services report for the investment required by the Strategy and Business Plan be approved.

### *REASONS*

The Strategy and Plan is designed to ensure that Leisure World Colchester is given the opportunity to continue the growth that has resulted from the improvements introduced as part of the Fundamental Service Review (FSR) of Sport & Leisure. This will put it in the best position to maintain its share in a competitive marketplace as well as grow its income by attracting new customers.

As the Strategy and Plan does contain commercially sensitive information that would be useful to direct competitors of individual services provided at Leisure World Colchester the detailed Plan is on Part B of the agenda.

### *ALTERNATIVE OPTIONS*

Other options could range from no investment to even further expansion of the facilities available. However, it is felt that the option presented in this Business Plan represents the best option for retaining customers and growing the business.

## **35. 2016/17 Revenue Budget**

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

Councillor Davies attended and with the consent of the Chairman addressed the Cabinet to make the following points:-

- It was of concern that no new growth was forecast as this was a great opportunity.
- More detail was needed about how the further income from New Homes Bonus would be used.
- It was hoped that a range of different scenarios had been considered and modelled in preparing the budget.
- Whether the business rates pool would enable the budget to be balanced.

- It was of concern that 45% of New Homes Bonus was being used to prop up the budget and that concerns about the reliance of New Homes Bonus had been expressed by the auditor.
- The size of the potential budget gap in the Medium Term Financial Forecast.

Councillor Cory, Portfolio Holder for Resources, responded and introduced the report to Cabinet. There was currently a budget gap of £355,000 which the administration was working hard to close. A prudent approach to New Homes Bonus was being taken going forward and the reliance on it was being reduced year on year. It was now being used to support one off projects rather than to support the revenue budget. In terms of business rates, the Council was awaiting further details from the government of the new strategy. It was expected that the budget outturn review would identify cost reductions which would support the delivery of a balanced budget.

Councillor Bourne, Portfolio Holder for Housing and Public Protection, highlighted the impact of changes in the government's budget to social housing rates, which could lead to a reduction of £143 million over the 30 years of the HRA Business Plan. This would have a significant impact on plans to improve the housing stock and sheltered housing schemes. The position was worsened by an aggressive marketing campaign on right to buy and the extension of right to buy for housing association tenants, which would be financed by forcing the Council to sell off its most valuable housing stock.

*RESOLVED* that:-

- (a) The updated 2016/17 budget forecast as set out at paragraph 6.1 of the Assistant Chief Executive's report showing a current gap of £355k be noted.
- (b) It be noted that officers are working towards delivering a balanced budget and that progress has been made to identify savings to assist with the delivery of the budget strategy.
- (c) The cost pressures set out at paragraph 7.1 of the Assistant Chief Executive's report be included in the 2016/17 budget forecast.
- (d) The provisional savings set out at section 9 of the Assistant Chief Executive's report be included in the 2016/17 budget forecast.
- (e) The potential 2016/17 budget forecast variables and risks set out in Section 11 of the Assistant Chief Executive's report be noted.
- (f) The decision to be included in any NNDR pooling submission for 2016/17 be delegated to the Portfolio Holder for Resources following consideration of:
  - further work to update NNDR forecasts for 2015/16 and 2016/17
  - confirmation of those authorities wanting to be in the pool.
- (g) The position on the Housing Revenue Account set out in section 13 of the Assistant Chief Executive's report be noted.

(h) The capital programme position set out in section 14 of the Assistant Chief Executive's report be noted and the change set out in section 14.2 of the Assistant Chief Executive's report be agreed.

## *REASONS*

The Council is required to approve a budget strategy and timetable in respect of the year 2016/17.

## *ALTERNATIVE OPTIONS*

There are different options that could be considered and as the budget progresses changes and further proposals will be made and considered by Cabinet and in turn Full Council.

### **36. Update on the Waste Prevention and Recycling Options Appraisal Task and Finish Group**

The Head of Operational Services submitted a report a copy of which had been circulated to each Member.

Nick Chilvers addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to seek further information about the focus group whose views had informed the work of the Task and Finish Group. In particular he asked for information about numbers, the demographics of the group and how members were recruited.

Councillor Willetts attended and with the consent of the Chairman addressed the Cabinet. He supported the recommendation that the work of the Task and Finish Group be placed on hold. This was necessary as he believed that the administration's work on a new waste strategy was in disarray. The consultation work that QA Research had undertaken on behalf of the Task and Finish Group had shown that the main strands of the administration's policies were very unpopular and that therefore time was needed for the development of a new waste strategy.

Councillor Scott, Chairman of the Waste Prevention and Recycling Options Appraisal Task and Finish Group, attended and with the consent of the Chairman addressed the Cabinet. The Group accepted the need to update the waste strategy. Other authorities, including Essex County Council, would also be reviewing their strategies so this would be a good opportunity to undertake a review and work together where appropriate. The Group had prepared material for a public consultation exercise and this would still go ahead following the approval of the new strategy. The Group was of the view that it should be placed on hold for the minimum period of time.

Councillor Graham, Portfolio Holder for Street and Waste Services explained that the focus group had been set up by QA Research, who had been commissioned to evaluate residents' views on waste issues. They had been asked to ensure they used a wide demographic across the borough. Views had been sought from over 1000 people across all wards. The administration was committed to a genuine public consultation and wanted to know resident's views on how the borough should deal with waste. The consultation questions prepared by the Task and Finish Group would be issued once the waste

strategy had been approved.

*RESOLVED* that:-

- (a) The good work undertaken by the Task and Finish group be noted and a new waste strategy be developed that identifies the outcomes desired by Cabinet in terms of the management of waste for the future.
- (b) To place on hold the activity of the Waste Prevention and Recycling Options Task and Finish group until the development of a new waste strategy is completed which could be presented to Cabinet at its meeting on 27<sup>th</sup> January 2016. At this point Cabinet could consider whether it wants to give new terms of reference to the Task and Finish Group.

#### *REASONS*

The current Terms of Reference for the Task and Finish Group agreed by Cabinet in October 2014 have been met in terms of the four major items set out. The group has asked for and received wide ranging information on the management of waste and the group should be thanked for the commitment and effort put into understanding the subject. As a result of this work it has been identified that the Council needs to identify its desired outcomes for the management of waste and recycling by the development of a new waste strategy.

#### *ALTERNATIVE OPTIONS*

The Council last reviewed its waste strategy in 2008 and as such it requires updating. The alternative to this is to not review the Council's objectives for the management of waste and recycling through a revised strategy, which is not a desirable position in which to consider future options for the management of waste and recycling.

### **37. 2014/15 Year End Review of Risk Management**

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member together with minute 15 of the Governance Committee on 8 September 2015.

Councillor Cory, Portfolio Holder for Resources, highlighted that risks 4d (Potential impact of future central government decisions to reduce public funding, including that of our partners) and 6(c) (Inability to deliver the budget strategy as planned, arising from changes to Government funding/decisions and general impact of economic climate) had significantly increased. In respect of 4d, this was exacerbated by the government's failure to provide clear direction or detailed information on key policy proposals. The risk management strategy would ensure that risks were well managed.

*RESOLVED* that:-

- (a) The risk management work undertaken during 2014/15 be noted.
- (b) The current strategic risk register be noted.

(c) The proposed Risk Management Strategy for 2015/16 be approved.

*RECOMMENDED TO COUNCIL* that Risk Management Strategy 2015/16 be included in the Council's Policy Framework.

#### *REASONS*

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.

During the year progress reports are presented to the Governance Committee detailing work undertaken and current issues. This report was presented to the Governance Committee on 8 September 2015 where they approved its referral to this meeting.

The Risk Management Strategy is one of the key corporate governance documents that supports the Constitution of the Council and forms part of the Policy Framework. Accordingly any amendments have to be approved by full Council.

#### *ALTERNATIVE OPTIONS*

No alternative options were proposed.

### **38. Internal Audit Contract Tender**

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

*RESOLVED* that authority be delegated to the Portfolio Holder for Resources to appoint a contractor for the Council's Internal Audit service to commence from 1 April 2016.

#### *REASONS*

The Internal Audit contract is due to expire on 31 March 2016 and it is therefore necessary to carry out a tender exercise to procure a new contract.

The tender evaluation process will not be completed prior to the Cabinet meeting on 25 November and the next Cabinet meeting after that is 27 January 2016. However a decision will need to be made by the end of December 2015, to allow for any handover period required.

Based on the current value it is not envisaged that the award of the contract will constitute a key decision. However it is felt appropriate to seek prior approval for authority to be delegated to the Portfolio Holder for Resources as there is the potential for the costs to increase or the length of the contract to be extended, which may result in the value increasing above the key decision threshold.

#### *ALTERNATIVE OPTIONS*

Delay the decision to appoint the contractor until the Cabinet meeting in January 2016, which would result in the appointment not being confirmed until February 2016.

If there is a change in contractor this will result in a shortened handover period where it may not be possible to ensure that the full Internal Audit programme is in place from 1 April 2016.

### **39. Progress of Responses to the Public**

The Assistant Chief Executive submitted a progress sheet a copy of which had been circulated to each Member.

*RESOLVED* that the contents of the Progress Sheet be noted.

#### *REASONS*

The progress sheet was a mechanism by which the Cabinet could ensure that public statements and questions were responded to appropriately and promptly.

#### *ALTERNATIVE OPTIONS*

No alternative options were presented to the Cabinet.

**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.**

### **40. Leisure World Colchester Strategy and Business Plan**

The Head of Operational Services submitted a report a copy of which had been circulated to each Member together with minute of the Trading Board meeting of 23 September 2015.

*RESOLVED* that:-

- (a) The Strategy and Business Plan for Leisure World Colchester that covers the period 2016 to 2020 be approved.
- (b) The funding proposal set out in Section 7 of the Head of Operational Services report for the investment required by this Strategy and Business Plan be confirmed.

#### *REASONS*

The Strategy and Plan is designed to ensure that Leisure World Colchester is given the opportunity to continue the growth that has resulted from the improvements introduced as part of the Fundamental Service Review (FSR) of Sport & Leisure. This will put it in the best position to maintain its share in a competitive marketplace as well as grow its income



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#### *ALTERNATIVE OPTIONS*

Other options could range from no investment to even further expansion of the facilities available. However, it is felt that the option presented in this Business Plan represents the best option for retaining customers and growing the business.