

Scrutiny Panel Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ
Tuesday, 16 June 2015 at 18:00**

The Scrutiny Panel examines the policies and strategies from a borough-wide perspective and ensure the actions of the Cabinet accord with the Council's policies and budget. The Panel reviews corporate strategies that form the Council's Strategic Plan, Council partnerships and the Council's budgetary guidelines, and scrutinises Cabinet or Portfolio Holder decisions which have been called in.

Information for Members of the Public

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Scrutiny Panel – Terms of Reference

1. To fulfil all the functions of an overview and scrutiny committee under section 9F of the Local Government Act 2000 (as amended by the Localism Act 2011) and in particular (but not limited to):

- (a) To review corporate strategies;
- (b) To ensure that actions of the Cabinet accord with the policies and budget of the Council;
- (c) To monitor and scrutinise the financial performance of the Council, performance reporting and to make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions;
- (d) To review the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic and Implementation Plans;
- (e) To review the financial performance of the Council and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors;
- (f) To review or scrutinise executive decisions made by Cabinet, the North Essex Parking Partnership Joint Committee (in relation to decisions relating to offstreet matters only) and the Colchester and Ipswich Joint Museums Committee which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (g) To review or scrutinise executive decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (h) To monitor the effectiveness and application of the Call-In Procedure, to report on the number and reasons for Call-In and to make recommendations to the Council on any changes required to ensure the efficient and effective operation of the process;
- (i) To review or scrutinise decisions made, or other action taken, in connection with the discharge of functions which are not the responsibility of the Cabinet;
- (j) At the request of the Cabinet, to make decisions about the priority of referrals made in the event of the volume of reports to the Cabinet or creating difficulty for the management of Cabinet business or jeopardising the efficient running of Council business;

2. To fulfil all the functions of the Council's designated Crime and Disorder Committee ("the Committee") under the Police and Justice Act 2006 and in particular (but not limited to):

- (a) To review and scrutinise decisions made, or other action taken, in connection with the discharge of those functions by the responsible authorities of their crime and disorder functions;
- (b) To make reports and recommendations to the Council or the Cabinet with respect to the discharge of those functions.

COLCHESTER BOROUGH COUNCIL
Scrutiny Panel
Tuesday, 16 June 2015 at 18:00

Member:

Councillor Beverly Davies
Councillor Marcus Harrington
Councillor Nick Cope
Councillor Annesley Hardy
Councillor Peter Higgins
Councillor Mike Hogg
Councillor Patricia Moore
Councillor Chris Pearson
Councillor Julie Young

Chairman
Deputy Chairman

Substitutes:

All members of the Council who are not Cabinet members or members of this Panel.

AGENDA - Part A
(open to the public including the press)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief.

1 Welcome and Announcements

- a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.
- (b) At the Chairman's discretion, to announce information on:
 - action in the event of an emergency;
 - mobile phones switched to silent;
 - the audio-recording of meetings;
 - location of toilets;
 - introduction of members of the meeting.

2 Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3 Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent, to give reasons for the urgency and to indicate where in the order of business the item will be considered.

4 **Declarations of Interest**

The Chairman to invite Councillors to declare individually any interests they may have in the items on the agenda. Councillors should consult Meetings General Procedure Rule 7 for full guidance on the registration and declaration of interests. However Councillors may wish to note the following:-

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgement of the public interest, the Councillor must disclose the existence and nature of the interest and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

5 **Minutes**

To confirm as a correct record the minutes of the meeting held on 17 March 2015 and 27 May 2015.

17 03 15 9 - 16

27 05 15 17 - 18

6 **Have Your Say!**

a) The Chairman to invite members of the public to indicate if

they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

7 Decisions Taken Under Special Urgency Provisions

To consider any Cabinet decisions taken under the special urgency provisions.

8 Decisions taken under special urgency provisions

To consider any Portfolio Holder decisions taken under the special urgency provisions.

9 Referred items under the Call in Procedure

To consider any decisions taken under the Call in Procedure.

See report of Assistant Chief Executive.

Call-in - Irrecoverable Debts over £5,000

19 - 24

10 Items requested by members of the Panel and other Members

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.

11 Work Programme 2015/16

25 - 36

See report by Assistant Chief Executive

12 Financial Monitoring Report – End of Year 2014/15

37 - 58

See report of Assistant Chief Executive

13 Capital Expenditure Monitor 2014/15

59 - 66

See report of Assistant Chief Executive

14 **Exclusion of the Public (Scrutiny)**

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential 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)

15 **Portfolio Holder Report - Irrecoverable Debts over £5000**

- This report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (financial / business affairs of a particular person, including the authority holding information).

SCRUTINY PANEL

17 MARCH 2015

Present :- Councillor Davies (Chairman), Councillor Harrington (Deputy Chairman) Councillor Graham, Councillor Hayes, Councillor Higgins, Councillor Lissimore, Councillor Pearson

Substitutions: - Councillor Dennis Willets for Councillor Mark Cable
Councillor Lyn Barton for Councillor Mike Hogg

Also Present: - Councillor Young and Councillor Smith

Councillor Davies welcomed the Panel and highlighted that a decision had been taken to remove firstsite from the Review of the Council's funding and partnership delivery arrangements agenda item. Scrutiny of firstsite would take place on an individual basis during the next municipal year.

43. Minutes

RESOLVED that the minutes of the meeting held on 24 February 2015 were a correct record.

44. Work Programme 14-15

Councillor Davies introduced the Work Programme for 2014/15, and highlighted that members of the Scrutiny Panel had recommended items for inclusion on next year's work programme at the previous meeting.

Councillor Graham requested to put on record that Councillor Bass did not accept the Panel's invitation to attend a future scrutiny meeting to answer questions on the Spring Lane Bridge and the Northern Approach Road three.

Councillor Harrington stated that in the light of firstsite being removed from the meeting agenda, the arts organisation should be included on the 2015/16 Work Programme and attend the Scrutiny Panel as soon as is practicable.

Councillor Higgins suggested that Colchester Hospital University NHS Foundation Trust attend the Scrutiny Panel in advance of the scheduled departure of the Chief Executive Dr Lucy Moore.

Councillor Davies also stated that with regard to the forward plan and items changing date, she had contacted the officers responsible for an explanation, and requested that the Scrutiny Panel would be informed of future date changes.

RESOLVED that the Work Programme 14-15 be noted.

45. Review of the Council's funding and partnership delivery arrangements with Colchester Arts Centre, firstsite and The Mercury Theatre

Councillor Barton (in respect of being a member of the Mercury Theatre Board) declared their non-pecuniary interests in the following item pursuant to the provisions of Meetings General Procedure 7(5).

Councillor Davies (in respect of being a member of King Coles Kittens) declared their non-pecuniary interests in the following item pursuant to the provisions of Meetings General Procedure 7(5).

Councillor Higgins (in respect of his daughter speaking under Have Your Say!) declared their non-pecuniary interests in the following item pursuant to the provisions of Meetings General Procedure 7(5).

Have Your Say!

Andy Hamilton

Andy Hamilton attended the Scrutiny Panel to have his say regarding firstsite and the funding arrangements. He stated that firstsite had made vague promises, but public funding had continued without justification. Andy Hamilton claimed that firstsite do not permit access from the public or press to its committee meetings, or provide ticketing data when asked. Mr Hamilton stated that the continued funding to firstsite should come to an end. Mr Hamilton also suggested that Colchester Borough Council needed to become aware of the situation at firstsite as well as the issues in the cultural quarter of the Town and Vineyard Gate.

Vanessa Higgins

Vanessa Higgins attended the Scrutiny Panel meeting to speak in support of the Arts Centre, and stated that as a musician the Arts Centre played an important part in her career. Ms Higgins stated that the Arts Centre provided a respectful and hassle free environment for performing artists.

In addition, Vanessa Higgins stated that as part of running a record label the Arts Centre in Colchester is regularly discussed as a high class venue with a good reputation. Ms Higgins praised the work of Anthony Roberts in running the Arts Centre, as well as the hard work of the sound crew. She also stated that the Arts Centre remains one of her favourite music venues across the Country, and provides a place for big artists to play in Colchester.

Nick Chilvers

Nick Chilvers attended the Scrutiny Panel meeting to speak regarding firstsite; he stated that it is the responsibility of the supplier to provide an attractive product that individuals wish to attend, rather than using the facility out of civic duty. Mr Chilvers stated that the current attractions do not reflect a change in direction and will not appeal to a wider audience.

In addition, Mr Chilvers stated that the descriptions of the art work at firstsite are difficult to locate and to read, and the new café has high prices. He also stated that Colchester Borough Council should be wary of promises to improve the facility and that Councillors should visit firstsite to assess the developments before providing funding. Mr Chilvers added that the firstsite management should not be involved in the creative hub until the revamp of firstsite has been finished.

Councillor Davies

Councillor Davies thanked members of the public for attending the Have Your Say! segment of the meeting. Councillor Davies stated that the Scrutiny Panel would not be looking at the funding arrangements for the arts organisations as this is a role for the Cabinet. The Scrutiny Panel would be focusing on the service provided by the organisations in relation to the funding arrangements.

Mercury Theatre and Arts Centre Presentation

Robin Fenwick, Director of Communications and Audience Services, Anthony Roberts, Director, Colchester Arts Centre and Steve Mannix, Executive Director, Mercury Theatre gave a presentation covering information from both the Mercury Theatre and the Colchester Arts Centre.

Robin Fenwick, Director of Communications and Audience Services

Mr Fenwick highlighted that the Arts Organisations support the five-year Creative Colchester Strategy, and the shared strategic framework for the development of cultural and creative industries in the Borough.

Over the past year, there has been a combined attendance at the arts organisations of 153,000, with 12,151 being first time visitors. A total of 50.3% of those attending shows or events live outside of the Borough of Colchester. This highlights the influence of the arts organisations reaching into parts of Essex and South Suffolk. Mr Fenwick stated that bringing this volume of visitors to Colchester provides a £4.9m contribution to accommodation, retail, catering, attractions and transport.

Both arts organisations have seen a 17% increase in attendance from areas of deprivation; work has recently been undertaken with communities in St Anne's ward to regenerate an alleyway. In terms of employment, the Arts Centre and the Mercury Theatre employ 144 people in full or part time roles, and have 219 volunteers.

Collectively the two arts organisations receive £306,100 from Colchester Borough Council, which helps to unlock additional £1,09m of revenue funding from the Arts Council England and Essex County Council; meaning that for each £1 that CBC gives to the arts organisations it equates to £13.09. This funding helps the arts organisations to achieve a combined turnover of £4,007,225.

Mr Fenwick stated that the Arts Organisations had worked with a large number of partner organisations over the last financial year. The Mercury worked with Tavaziva, a touring company presenting the best of contemporary black British dance, which helped to deliver

two days of workshops and a final performance with college students. In addition the Mercury have also partnered with the National Theatre's Connections programme to give youth theatre members opportunities to perform. The Arts Centre has also worked in partnership to create the Hunt and Darton café in firstsite, and with the Sixth form College to stage the annual battle of the bands. In addition the arts organisations also support the Colchester Carnival, Christmas lights switch on and the Christmas fair.

Anthony Roberts, Director, Arts Centre

Anthony Roberts introduced the presentation for the Arts Centre, and highlighted that the venue had just won a national award from Parliament for being the best music venue. In addition the Arts Centre had also recently confirmed bookings for The Levellers and for a Sean Lock warm up gig, emphasising the size of act that the Arts Centre is able to attract.

Mr Roberts stated that the Arts Centre provides facilities for a wide variety of events, such as a Beer Festival, Farmers Market and a classical albums club. Current statistics for the Arts Centre show that there has been a known audience from ticketed events of 35,332, and an estimated audience on top of that of 10,000.

The funding level for the Arts Centre from Colchester Borough Council totals £63,500, with the Arts Council granting £190,000. This combined funding enables the Arts Centre to have a total turnover of £660,000.

The Arts Centre also provides affordable and accessible shows. In 2014, the Arts Centre Christmas Show had a reduced ticket price of £4.95, as well as a British Sign Language show, an audio described show and a relaxed show for those with Autism or Asperger's. Out of the 22 shows, nearly all tickets were sold out, and the show reached 25% of new attendees.

Steve Mannix, Executive Director, Mercury Theatre

Steve Mannix, presented information from the Mercury Theatre, stating that the projected turnover for 14/15 is £3.4m. The current model is based on a 30% grant and 70% earned income. The Theatre has also recently undertaken an organisational review to ensure that the model is fit for purpose.

As part of the Funding Agreement with Colchester Borough Council the Mercury Theatre has a remit to produce shows in Colchester and has so far created nine different shows. In addition Colchester has developed links with the West End theatres to run productions outside of London. In terms of the programmes delivered, the Theatre operates 48 weeks per year, with six to seven nights' performances per week.

The recent Pantomime, Cinderella, was record breaking for the Theatre, with a total of 25,001 attendees, of which 30% had not previously been to the Mercury Theatre. Media promotions were also used as part of this pantomime with 800 tickets offered at a price of £10. The Theatre also has a young company, working with 60 performers. In addition to the young company, the Mercury Theatre has the only scene-works shop in this part of the country which is in partnership with Colchester Institute and the University of Essex.

Audience research shows that the Mercury Theatre have also had increasing audiences, with 70.4% of seats sold on average, which is higher than the UK national average of 58%. The number of press reviews has also increased from 23 in 2012 to 87 in 2014. With regard to Audience satisfaction 95% of the audience would give their visit 4-5 stars. Feedback is then reviewed quarterly with any major actions fed back into the business.

The Theatre runs a number of relaxed performances and audio described performances. The Theatre is also a Family Arts Standard Venue providing a Baby's in Arms ticket price of £2.50. As part of the learning and participation programme there are summer schools and 30 workshops a week for a variety of different audiences. The Theatre also has a partnership with the Colchester Institute to provide work experience placements, which include a 9 day placement for those young person's not in education, employment or training. In addition there is work with the Royal Opera House Bridge which works both in and outside schools.

Steve Mannix stated that looking ahead the Mercury Theatre business plan includes three strategic themes; to create an outstanding theatre, to reach a bigger and more diverse audience and to transform the way the Theatre works. The Theatre also aims to grow the overall audience to 150,000 per annum by 2018.

In terms of future significant events, the Mercury Theatre will be holding a 'Lights Up!' festival in June, showcasing local and amateur talent. For the 2015 festival this will consist of ten shows in the main house; looking further forward the festival has already been confirmed for 2016.

As the Mercury Theatre has been successful in a Capital Grant bid, the theatre will be upgraded, with a transformed studio theatre increasing the capacity from 65 to 103, and improving access for disabled people as well as the audio systems. The main theatre will also see an upgrade, which will include an improvement of the air cooling and heating facilities.

The following issues were raised by Councillors:

- Councillor Lissimore – Questioned when the outputs and reports would be published in order to make an analysis of performance against the strategic funding targets.
- Councillor Harrington – Asked for clarification on the audience totals for the organisation; further information on the variety of shows provided for children and different audiences; whether more concessions could be provided to help those from different back grounds; what lessons were learnt from the Pantomime from the previous year.
- Councillor Barton – Asked for clarification on the ticket sales, and what measures are the Arts Organisation going to take to further attract visitors who perceive the tickets to be too cost prohibitive?
- Councillor Willets – What would be the impact if the grants were altered given to the Arts Organisations were reduced; are there plans for the Arts Centre and the Mercury Theatre to use firstsite considering that both of the other venues are highly subscribed.

- Councillor Pearson – Asked for further information on the work by the Arts Organisations with those individuals from disadvantaged groups across Colchester, including those who work at the Arts Centre and Mercury Theatre.
- Councillor Graham – Questioned the measurement against target figures and whether it would be possible to provide year on year figures.
- Councillor Higgins – What is the general state of the Mercury Theatre building? Are there links with the University?
- Councillor Hayes – Questioned whether the Arts Centre facility creates any difficulties for acoustics, and what role both the arts organisations have in providing a successful and a challenging program.
- Councillor Lissimore – Questioned what the Mercury Theatre and Arts Centre are doing right, that could be given as best practice to firstsite?

Responses to the issues raised by Councillors were provided by Steve Mannix, Robin Fenwick and Anthony Roberts;

- Output and reports will be completed for the end of year, and therefore could not be included in the report. Previous year's output can be provided to the Panel. Looking at the targets in the currently Strategic Level Agreement, Steve Mannix stated that the Mercury Theatre had improved its governance arrangements after an in-depth review earlier this year resulting in a strengthened Board of Directors. As well as developing the equality and diversity role of the Theatre working with different communities including Nepalese community and the Chinese community. In other aspects the performance of the Mercury Theatre is limited by the restrictions of the venue, particularly in terms of being able to accommodate all the performers.
- In response to Councillor Harrington, both the organisations surpassed the audience totals, and the figures provided do not include the youth and community work through the year which would total 90,000. With regard to the relaxed performances, Anthony Roberts stated that they have existed for two years, with the environment in the Theatre changing to help those children with Asperger's or Autism to watch the show. The house lights are always up and the volume of the sound effects and music are reduced. The children are also introduced to a story board in advance of the show to explain the storyline and the journey. Steve Mannix stated that relaxed shows at the Mercury Theatre had sold out, and that an additional relaxed show, James and the Giant Peach, has been planned for the summer period. As part of the relaxed shows the Theatre attended school groups beforehand to provide information on the storyboard. In terms of attracting people from different backgrounds, Mr Mannix stated that the Mercury offers £1 shows for those on Job Seekers Allowance and provides a senior matinee, which regularly sells out. Concession rates are available online, so that individuals do not have to arrive at the box office to process the booking, providing greater accessibility. With regard to last year's Pantomime, it was an artistic decision; this year the Mercury listened to the audience, worked locally and the audience rate for the show reached 92%.
- In response to Councillor Barton, the audience has increased by 10,000 over the past year. Robin Fenwick stated that the Service Level Agreement requires that 10% of all tickets sold as concessions are for young people, which has been exceeded.

Currently 6% of this goes to schools, 2% for under 26, 1% students and 1% for children; this does not include those shows dedicated to families. The Audience Development Strategy includes targeting families as part of a group, which includes families within the Garrison. The Mercury Theatre has also developed good relationships with the teacher's network and that the programme has been restructured which has a greater focus on family and youth theatre. Mr Roberts stated that the Arts Centre run a 'pay what you can' evening on a Wednesday.

- Steve Mannix stated that if the grant was halved there would be a significant impact on the work that the Theatre is able to do. The funding from Colchester Borough Council signifies support in the Arts Organisations and enables further partnerships, and further possibilities with the Arts Council and other funders. Anthony Roberts stated that funding provided allows the Arts Centre to help more new artists and young performers that would not otherwise be possible. The Hunt and Darton Cafe is an investment idea, based on providing an entry point for art in a comfortable environment, which would not have been possible without the support provided. Robin Fenwick stated that if the Arts Organisations were purely commercially based the 'Lights Up' festival would not be feasible. It would also reduce the choice in Colchester, as the organisations would have to focus on those shows that would bring in revenue and not be able to provide the number of access shows. The Mercury Theatre also participates in a social prescribing scheme, where a Doctor can prescribe attendance to the theatre. With regard to working out of firstsite, both organisations agreed that this would be possible. The Hunt and Darton Café is an example of a partnership with firstsite. Discussions have taken place for further joint working such as training and ticketing services, as well as looking across the whole of Colchester with Charter Hall and Castle Park events. Councillor Young stated that work has been undertaken at firstsite, and that the venue is achieving over 100,000 visits from members of the public.
- The level of participation from the St Anne's, St Andrew's and the Greenstead estate increased from 3,000 to 3,500. In order to grow the audience there needs to be a sustained focus on the target areas. The Mercury Theatre has a Smart Car which can be taken to local events, as well as holding events for toddlers and young children in the community. Mr Fenwick stated that the Mercury Theatre has improved its communication and it's understanding of the barriers to attending through its links to the community and audience feedback channels. Steve Mannix stated that the Mercury Theatre goes into schools and children centres with themes to help with subjects like truancy, numeracy and literacy. The statistics from the Box Office provides information on the specific wards where the ticket is purchased. Anthony Roberts stated that out of 35,000 tickets sold, 21,000 are from the Borough of Colchester, of which 40% are from category one and two Lower Layer Super Output areas. Mr Roberts also highlighted that the children's Christmas Show, whilst charged at £4.95, lost money, but these are the types of shows that the funding provided allows for.
- Steve Mannix stated that the Arts Organisations do have benchmarks against thirteen other similar theatres such as in Coventry, Salisbury, Leeds, and Liverpool. The benchmark measures such elements as salaries, and programmes, and reports quarterly; details of the benchmarking can be provided after the meeting.

- There is a ten year cycle at the Mercury Theatre for improvement at the venue developed in conjunction with Colchester Borough Homes. At the end of this financial year, the Theatre will be submitting a capital funding bid to the Arts Council help develop the whole site, which will help to accommodate workshops and develop the soundproofing. Colchester Borough Council invested in the roof at the Theatre two years ago. Councillor Young stated that during the 1970's and 1980's Colchester Borough Council set up a fund for the Mercury Theatre which has helped to provide funding for maintenance. With regard to the Arts Centre, the facility was leased to the Council by the Church, who still own the building and have recently completed a survey on the property. Steve Mannix stated that there is a significant partnership between the Mercury Theatre and the University. There are links with regards to employment, learning and development in specialist fields, and partnerships in bidding for educational funding. In addition there is a teaching space at the theatre, and the Board has an expert on apprenticeships and professional development. Steve Mannix added that on many occasions there have been queues for the student discounts, particularly with shows such as Avenue Q.
- With regard to the equipment at the Arts Centre, bands regularly provide riders where the required sound equipment is specified, which can be difficult because of the continual technological developments. In addition looking at other Church sites, there may be difficulty in soundproofing the building. With regard to the remit of the organisations, Anthony Roberts stated that it is important to provide a space for creativity and innovative performances, challenging people's perception of what they want to watch. Robin Fenwick stated that the studio theatre has been pushing the boundaries, and staged a production called Man to Man, which was challenging at first, but then proved popular. Councillor Young highlighted that this was the role of the arts organisations.
- The Mercury Theatre compiles monthly information from customer surveys, ensuring the theatre is aware of any issues, which can be problems with ticketing, or the toilet capacity of the building. The Theatre is also working with partnerships to provide a high quality programme, as this enables different performances which attract different audiences. In addition many employees live in Colchester, which allows local ownership. Anthony Roberts stated that the Arts Centre has been running for 35 years, and has not been without issues; in comparison Firstsite has only been in existence for three years.

RESOLVED that:

- a) The Review of the Council's funding and partnership delivery arrangements with Colchester Arts Centre and The Mercury Theatre be noted.
- b) The Scrutiny Panel thank the Arts Organisations for attending the Scrutiny Panel
- c) The Arts Organisations provide information to the Scrutiny Panel at the End of the year for the Strategic Level Agreement, as well as the three year plans.

SCRUTINY PANEL

27 MAY 2015

Present :-

Councillor Beverly Davies (Chairman)
Councillors Nick Cope, Annesley Hardy, Peter Higgins,
Mike Hogg, Patricia Moore, Julie Young
Substitution :- Councillor Naish for Councillor Pearson

1. Appointment of Chairman

RESOLVED that Councillor Davies be appointed Chairman for the ensuing Municipal Year.

2. Appointment of Deputy Chairman

RESOLVED that Councillor Harrington be appointed Deputy Chairman for the ensuing Municipal Year.

Scrutiny Panel

16 June 2015

Item

9

Report of	Assistant Chief Executive	Author	Jonathan Baker
			☎ 282207
Title	Call-in of Executive Decision – Irrecoverable Debts over £5,000		
Wards affected	Not applicable		

This reports sets out the procedure for the review of the decision relating to Irrecoverable Debts over £5,000 (Ref BUS-015-14)

1. Action required

- 1.1 The Panel is asked to consider the decision taken by the then Portfolio Holder for Resources and Business relating to Irrecoverable Debts over £5,000 (Ref BUS-015-14) and to consider the options available as set out in Paragraph 4.8.

2. Reason for action(s).

- 2.1 The Constitution states the Scrutiny Panel will consider decisions taken by a Cabinet Member with delegated authority for taking a decision that are subject to a call-in review.

3. Purpose of the review

- 3.1 The decision has been called-in because Councillors have evidence which suggests that the Decision Taker, in this case, Councillor Paul Smith, the then Portfolio Holder Resources and Business, did not take the decision in accordance with the Principles of decision making set out in Article 12.02 of the Constitution.

4. Procedure

- 4.1 The decision has been called-in by Councillor Willets, supported by four other councillors. The notice of the decision, the report, together with the completed request for call-in form are attached to this report.
- 4.2 In accordance with Overview and Scrutiny Procedure Rule 13 (9) an informal meeting was arranged with the Chairman of the Scrutiny Panel, the Portfolio Holder and Councillor Willets as the Lead Councillor of the Call-in. The outcome of the informal meeting will be reported to the meeting.

Have Your Say – Councillors

- 4.3 Councillors may address the Panel on the matter of the call-in. There is not a limit on the time each Councillor can address the Panel, but Councillors are asked not to deviate from the reasons why the decision was called-in, and in the case of more than one speaker, not to repeat statements already made.

Presenting the Case

- 4.4 The Chairman of the Panel shall remind speakers that the debate is confined to the reasons stated on the call-in form.**
- 4.5 Councillor Willets will attend the meeting and present the case, expanding on the reasons for the call-in, but not deviating from the reasons given on the call-in form.
- 4.6 Councillor Smith, the then Portfolio Holder for Resources and Business will respond to the points made by Councillor Willets.
- 4.7 The Chairman shall afford Councillors Willets and Smith the opportunity to confer with the Panel before inviting them to make closing remarks prior to the Panel formally voting on the matter.
- 4.8 As the original report was confidential, and contains confidential information by virtue of Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (financial/business affairs of a particular person, including the authority holding the information); if those participating in the discussion wish to debate the confidential details the Scrutiny Panel will need to go into private session.

Options available to the Panel

- 4.8 The Panel may:
- confirm the decision, which may then be implemented immediately, or
 - refer the decision back to the Decision Taker for further consideration setting out in writing the nature of its concerns, or
 - refer the decision to full Council in the event that the panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.
- 4.9 If the decision is referred back to the Portfolio Holder to reconsider the decision and he/she agrees with the views of the Panel then the decision may be implemented immediately.
- 4.10 If the Portfolio Holder does not agree with the views expressed then the matter will be referred to the Cabinet who will determine the matter.

5. Standard and Strategic Plan References

- 5.1 The Council's governance arrangements form part of the Council's commitment to customer excellence which underpins the Council's Strategic Plan vision. Scrutiny is a key function to ensure decisions have been subject to full appraisal and that they are in line with the aims of the Strategic Plan. The role of scrutiny is also an important part of the Council's risk management process, helping to check that risks are identified and challenged.
- 5.2 Publicity, equality and diversity, human rights, community safety, health and safety, risk management or financial implications regarding this matter, are included within the Portfolio Holders decision dated 14 May 2014.

COLCHESTER BOROUGH COUNCIL

RECORD OF DECISIONS TAKEN UNDER DELEGATED POWERS

Explanatory Note

The Leader of the Council has established Delegation Schemes by which certain decisions may be made by the relevant cabinet member or specific officers.

Cabinet member decisions are subject to review under the Call-in Procedure.

From the date the notice of the decision made is published there are five working days during which any five Councillors may sign a request for the decision to be reviewed (called in) and deliver it to the Proper Officer.

If, at the end of the period, no request has been made, the decision may be implemented. If a valid call- in request has been made, the matter will be referred to the Scrutiny Panel

Part A – To be completed by the appropriate Cabinet Member/Officer

Title of Report

Irrecoverable Debts over £5,000

Delegated Power

Delegation to Portfolio Holder for Resources and Business to authorise the write-off of individual bad debts over £5,000 on the recommendation of the Head of Customer Services

Decision Taken

To write off debts totalling £98,237.28 as detailed in the report

Key Decision

Not a key decision

Forward Plan

N/A

Reasons for the Decision

An ongoing review of outstanding debts is an audit requirement

Alternative Options

A regular and effective review of outstanding debts enables the Council to achieve prompt collection of all debts. The Council's Auditors have recommended that outstanding debts are regularly reviewed

Conflict of Interest

None

Dispensation by Head of Paid Service

N/A

Dispensation by Monitoring Officer

N/A

Approved by Portfolio Holder for Business and Resources

Signature Councillor Paul Smith

Date Thursday 14 May 2015

(**NB** For Key Decisions the report must be made available to the public for five clear days prior to the period for call-in commencing)

Part B – To be completed by the Proper Officer (Democratic Services)

Portfolio Holder Decision Reference Number

BUS-015-14

Implementation

Date decision can be implemented if no request (Call-in) for the decision to be reviewed has been made

After 5pm Thursday 21 May 2015

The report accompanying this decision contains exempt information and not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (financial/business affairs of a particular person, including the authority holding information)

Please contact the author **Debbie Greenwood, 01206 282522**

Call-in Procedure

The Decision Notice for this decision was published on the internet and placed in the Members' Room and the Customer Service Centre on ***Thursday 14 May 2015***

A request for reference to the Scrutiny Panel must be made by **5pm on Thursday 21 May 2015**

Signature of Proper Officer
K. Barnard

COLCHESTER BOROUGH COUNCIL

REQUEST FOR CALL IN OF DECISIONS TAKEN BY THE CABINET OR UNDER DELEGATED POWERS

Explanatory Note

This form may be used to request a call in of any decision (except urgent decisions) taken by the Cabinet or by a Cabinet Member acting under delegated powers or a Key Decision taken by an Officer under delegated powers.

This form must be signed by at least five Councillors (or by one Councillor and supported by four other Councillors via e-mail) and must be delivered to the Proper Officer within five working days of publication of the decision.

We, the undersigned, request that the following decision be scrutinised by the Strategic Overview and Scrutiny Panel or Finance and Audit Scrutiny Panel as appropriate for the reasons set out below:-

The decision contained in the Record of Decisions Taken Under Delegated Powers, Reference No. **BUS-015-14**, Thursday 14 May 2015, Irrecoverable Debts over £5,000

Reason(s) for call in:

1. Presumption for openness

While the list of debtor may be confidential, the factual report on policy, procedures, circumstances and aging of debts should be in the public domain.

2. Due weight to all material considerations

It is in the public interest that write-off of debts of this order of magnitude is subject to formal scrutiny at a Call-in.

3. Consideration of all options available

The Council's Auditors have already had to recommend that the Council's outstanding debts must be regularly reviewed. While the write-off of small debts is acceptable, it is rare for sums of almost £100,000 to be written off and this decision may attract further adverse comment from the Council's Auditors. The unacceptably high level of write-off in this decision should trigger a formal review of the process and procedures to demonstrate to the auditors and taxpayers that the procedures are robust. The option of petitioning Parliament for changes to the collection arrangements for Business Rates has not been considered, and if this is the root cause of a significant part of the problem the Decision Taker has been lax in consider essential options.

4. Clarity of aims and desired outcomes

This decision appears to set a precedent that where a benefits fraudster is declared bankrupt, the Council will not proceed with a prosecution for fraud.

Signatures	Names in Capital Letters	Lead
1. E-mail received: 20/05/2015 - 12:20	Dennis Willetts	✓
2. E-mail received: 20/05/2015 - 12:22	Ben Locker.....	<input type="checkbox"/>
3. E-mail received: 20/05/2015 - 13:41	Sue Lissimore	<input type="checkbox"/>
4. E-mail received: 20/05/2015 - 12:48	Roger Buston	<input type="checkbox"/>
5. E-mail received: 20/05/2015 - 13:09	Brian Jarvis	<input type="checkbox"/>

NB Please tick representative to attend and present case at the Panel meeting.

For Office Use:

Date and time of Receipt: _____ Action: _____

Report of	Assistant Chief Executive	Author	Jonathan Baker
Title	Work Programme 2015-16		Tel. 282207
Wards affected	Not applicable		

1. Action Required

- 1.1 The Panel is asked to consider and comment on the 2015-16 Work Programme.
- 1.2 The Panel is asked to consider the items recommended at the last Scrutiny Panel meeting for inclusion into the 2015-16 Work Programme.

2. Alternative options

- 2.1 This function forms part of the Panel's Terms of Reference and, as such, no alternative options are presented.

3. Supporting Information

- 3.1 The Panel's work programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the work programme to be reviewed and, if necessary, amended according to current circumstances.
- 3.2 At the last meeting of the previous municipal year the Scrutiny Panel recommended that the following items be considered for inclusion into the Work Programme 2015-16;
 - firstsite and the implementation of the new plan
 - Cabinet members to attend the Scrutiny Panel to provide an update on their Portfolio and the decisions made.
 - Annual Review of the Arts Organisations
 - The latest developments on devolution
 - Air Quality Control
 - Integrated transport within the borough including Rail
 - Staff Survey results and resulting action
- 3.3 As part of the scoping for items on the 2015-16 Work Programme members of the Panel may wish to identify particular objectives or request certain information to be included. To ensure that this can be incorporated in to the agenda item it is recommended that this is provided at the earliest opportunity.
- 3.4 The Chairman of the Scrutiny Panel requested the inclusion of the Forward Plan of Key Decisions as part of the work programme for the Scrutiny Panel.

4. Strategic Plan References

- 4.1 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

5. Standard References

- 5.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications.

Meeting date / agenda items and relevant portfolio
16 June 2015 <ol style="list-style-type: none"> 1. Financial Monitoring Report – End of Year 2014/15 2. Capital Expenditure Monitor 2014/15 3. Call-in of Executive Decision
21 July 2015 <ol style="list-style-type: none"> 1. Budget Strategy, Timetable and MTFF (Leader / Business and Resources) 2. Annual Report on Treasury Management (Business and Resources) 3. Annual Scrutiny Report 4. Review of Colchester Borough Homes' Performance 2014/15 5. Year End 2014/15 Performance Report including progress on Strategic Plan Action Plan
18 August 2015 <ol style="list-style-type: none"> 1. 2015-16 Capital Monitor, period April – June 2. 2015-16 Financial Monitor, period April – June 3. Strategic Plan Action Plan 2015 -18
15 September 2015 (Crime and Disorder Committee) <ol style="list-style-type: none"> 1. Safer Colchester Partnership (Crime and Disorder Committee) (Planning and Community Safety)
10 November 2015 <ol style="list-style-type: none"> 1. Local Council Tax Support – Year 15/16 2. 2015-16 Revenue Monitor, period April – September 3. 2015-16 Capital Monitor, period April – September 4. Treasury Management – Half yearly update 5. ICT Contract
8 December 2015 <ol style="list-style-type: none"> 1. 2014-15 6-monthly Performance report and SPAP (Leader / Business and Resources)
26 January 2016 <ol style="list-style-type: none"> 1. 2015-16 Revenue Budget, Capital Programme and MTFF (Pre-scrutiny of Cabinet Decision (Leader / Business and Resources) 2. Treasury Management Investment Strategy
23 February 2016 <ol style="list-style-type: none"> 1. 2015-16 Capital Monitor, period April – December 2. 2015-16 Revenue Monitor, period April – December
22 March 2016

COLCHESTER BOROUGH COUNCIL

FORWARD PLAN OF KEY DECISIONS 1 JULY 2015 – 31 OCTOBER 2015

During the period from 1 July 2015 – 31 October 2015 Colchester Borough Council intends to take 'Key Decisions' on the issues set out in the following pages. Key Decisions relate to those executive decisions which are likely to:

- result in the Council spending or saving money in excess of £500,000;
- have a significant impact on communities living or working in an area comprising two or more wards within the Borough of Colchester.

This Forward Plan should be seen as an outline of the proposed decisions and it will be updated on a monthly basis. Any questions on specific issues included on the Plan should be addressed to the contact name specified in the Plan. General queries about the Plan itself should be made to Democratic Services (01206) 507832 or email democratic.services@colchester.gov.uk

The Council invites members of the public to attend any of the meetings at which these decisions will be discussed and the documents listed on the Plan and any other documents relevant to each decision which may be submitted to the decision taker can be viewed free of charge although there will be a postage and photocopying charge for any copies made. *All decisions will be available for inspection at the Library and Community Hub, Colchester Central Library, 21 Trinity Square, Colchester and they are also published on the Council's website, www.colchester.gov.uk*

If you wish to request details of documents regarding the 'Key Decisions' outlined in this Plan please contact the individual officer identified.

If you wish to make comments or representations regarding the 'Key Decisions' outlined in this Plan please submit them, in writing, to the Contact Officer highlighted two working days before the date of the decision (as indicated in the brackets in the date of decision column). This will enable your views to be considered by the decision taker.

Contact details for the Council's various service departments are incorporated at the end of this plan.

If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, 21 Trinity Square, Colchester or telephone (01206) 282222 or textphone users dial 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Enoch House Refurbishment Contractor Appointment – to appoint the contractor for the building, heating, electrical and CBH services.	No	8 July 2015	Cabinet (Cnllrs Bourne, Cory, Feltham, Frame , Graham, B. Oxford, Smith, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report, tender report	Lynn Thomas, Housing Asset Manager (01206) 505863 Email: lynn.thomas@colchester.gov.uk
Review of Gateway to Homechoice Allocations Policy	No	8 July 2015	Cabinet (Cnllrs Bourne, Cory, Feltham, Frame , Graham, B. Oxford, Smith, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report; Revised Gateway to Homechoice Allocations Policy	Tina Hinson Housing Strategy Manager (01206) 506903 Email: tina.hinson@colchester.gov.uk
Grounds Maintenance Contract from April 2016	No	8 July 2015	Cabinet (Cnllrs Bourne, Cory, Feltham, Frame , Graham, B. Oxford, Smith, T. Young)	Cabinet report	Bob Penny, Community Development Manager (01206) 282903 Email

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Agreement to the scope of the contract and tender evaluation matrix. Delegation of award of contract to the Portfolio Holder for Communities and Leisure on basis of tender evaluation method			Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk		bob.penny@colchester.gov.uk
Colchester and Ipswich Museums Service Management Agreement	No	8 July 2015	Cabinet (Cnllrs Bourne, Cory, Feltham, Frame , Graham, B. Oxford, Smith, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report Revised Management Agreement	Ann Hedges, Chief Operating Officer (01206) 282202 Email ann.hedges@colchester.gov.uk
Housing Development Strategy	Yes	2 September 2015	Cabinet (Cnllrs Bourne, Cory, Feltham, Frame , Graham, B. Oxford, Smith, T. Young) Please contact via	Cabinet report Housing development Strategy	Michael Bennett, Estates Manager (01206) 282109 Email michael.bennett@colchester.gov.uk

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
			Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk		
Creative Business Centre – Letting of Main Building Contract	Yes	2 September 2015	Cabinet (Cnllrs Bourne, Cory, Feltham, Frame , Graham, B. Oxford, Smith, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Lee Spalding, Head of Corporate Facilities, Colchester Borough Homes (01206) 2822118 Email: lee.spalding@colchester.gov.uk
Implementing the Environmental Sustainability Strategy – Signing up to the LGA Climate Local Commitment Recommends CBC signs up to Climate Local which offers a 'next step' approach to the Council's on-going commitment to reduce	No	2 September 2015	Cabinet (Cnllrs Bourne, Cory, Feltham, Frame , Graham, B. Oxford, Smith, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Wendy Bixby, Sustainability and Projects Officer (01206) 2822566 Email: wendy.bixby@colchester.gov.uk

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
CO2 emissions, and is considered by Local Government to be a succession to the Nottingham Declaration which the Council signed up to in 2008. Signing the commitment will help track the Council's progress to meeting its ambitious carbon reduction target of 40% by 2020.					

**CONTACT ADDRESSES
FOR
COLCHESTER BOROUGH COUNCIL**

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Scrutiny Panel

16th June 2015

Item
12

Report of	Assistant Chief Executive	Author	Sean Plummer ☎ 282347 Darren Brown ☎ 282891
Title	Financial Monitoring Report – End of Year 2014/15		
Wards affected	Not applicable		

The Panel is invited to review the financial performance of all General Fund services and the Housing Revenue Account for 2014/15

1. Action required

- 1.1 The panel is asked to note the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2014/15.

2. Reason for scrutiny

- 2.1 Monitoring of financial performance is important to ensure that:
- Service expenditure remains within cash-limited budgets.
 - Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
 - Performance targets are being met.
- 2.2 This report also gives the panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

3. Background

- 3.1 The Panel last considered the revenue budget position on 24th February 2015. This showed a projected net underspend of £203k against the General Fund, along with the Housing Revenue Account being forecast to be on budget.
- 3.2 The accounts for 2014/15 have been signed and this report has been prepared using these figures, which are still subject to external audit.
- 3.3 All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.

4. General Fund – End of Year Position

4.1 The following table summarises the outturn position for each Service, the effect of the approved requests for carry forward into 2015/16, and a breakdown of the outturn position against the main non-service areas.

	Budget	Actual	Variance	c/f	Net
	£'000	£'000	£'000	£'000	£'000
Corporate & Financial Management (incl. Corporate & Democratic Core)	6,632	6,689	57	87	144
Executive Management Team	665	656	(9)	-	(9)
Community Services	6,236	5,922	(314)	296	(18)
Commercial Services	3,186	2,493	(693)	726	33
Customer Services	3,075	2,853	(222)	72	(150)
Operational Services	(520)	(654)	(134)	55	(79)
Professional Services	2,497	2,039	(458)	201	(257)
Total Services	21,771	19,998	(1,773)	1,437	(336)
<i>Technical / corporate items</i>					
Benefits, NEPP & net General Fund / HRA			(55)	111	56
Net interest account			(136)		(136)
One-off net income (misc. grants, VAT refund & banking)			(245)		(245)
NNDR, pensions and debt repayment			(1,881)	1,400	(481)
Misc. technical items			(296)	332	36
Street lighting				185	185
Total			(4,386)	3,465	(921)
Proposed use of balances (see 4.13)					450
Net surplus					(471)

4.2 The above table shows approved carry forward requests and other technical accounting adjustments totalling £3.47m. In terms of the total service requests of £1.4m, the key items are:-

- £735k in respect of specific New Homes Bonus funded items, which includes £354k allocated for affordable housing projects.
- £133k in respect of funding allocated for Local Development Framework (Core Strategy) and Community Infrastructure Levy (CIL)
- £77k in respect of homelessness initiatives/prevention work
- £160k in respect of savings made within corporate PSU required to support on-going development.
- £75k linked to asset / regeneration.
- £38k linked to various on-going projects within Customer Services.
- £40k revenue contribution to works on West Mersea pontoon.

Service Budget Position

4.3 **Appendix A** summarises the Council-wide position by expenditure group.

Appendix B provides a more detailed view of the performance of individual Service Groups. Both reports include traffic light indicators. The thresholds are as follows:

- Green – Variance less than £50k and 5% of budget
- Amber – Variance greater than £50k **OR** 5% of budget
- Red – Variance greater than £50k **AND** 5% of budget

4.4 **Appendix C** details final direct expenditure and direct income for each service with **Appendix D** detailing all budget variances analysed between expenditure and income. The majority of the more significant items have been reported to the Panel during the year.

4.5 The overall position on services has improved from that reported at Period 9. The largest changes include additional parking income and a number of service budget savings.

4.6 The overall position shown in Appendix A highlights there is a total underspend of £1.1m with additional income of over £0.6m. The cost variance needs to be viewed in the context of the budget carry forwards, for example, the £0.7m of New Homes Bonus items. In total, the position highlights that the savings included within the budget have been delivered.

Technical / corporate items

4.7. In addition to Service budgets it is necessary to review the corporate and technical items in the budget. The following paragraphs detail the most significant of these in terms of budget variances and carry forward proposals.

Net interest

4.8. The Central Loans and Investment Account (CLIA) comprises the Council's borrowing costs and investment income and has a net budget of £909k. A forecast net gain has been reported during the year and the final outturn shows an improvement of £136k. This is due to:-

- The ongoing strategy of 'internal borrowing'
- Reduced borrowing on existing programme
- Underspend on provision for new borrowing

One off net income

4.9. In the last year there have been a number of one off income gains. A large proportion of these were either achieved towards the end of year or were as a result of end of year accounting tasks. These include:-

- A VAT refund as a result of a claim
- Banking adjustments
- Miscellaneous Government grants for "new burdens"

NNDR

4.10. The business rates scheme includes a number of significant risks such as the impact of rating appeals and business failure, which are outside the Council's control. The scheme has now been in operation since 2013/14, and the Council is now in a better position to consider the ongoing impact of this financial funding arrangement alongside the associated significant risks and complexities. Whilst in the 2014/15 accounts we are showing net additional income this is in large part as a result of the way in which we are required to account for NNDR income, some specific Government grants and in particular how any in year surplus and deficits are accounted for between financial years. Given this, it is necessary to carry forward £1.4m to provide funding for adjustments in the next two years. The position will be reviewed alongside the 2016/17 budget.

4.11. The other remaining technical items include areas such as:-

- The net housing benefits budget.

- The net General Fund / HRA impact where a carry forward is proposed to mitigate any future pressure
- One-off pension strain costs which have been funded within the 14/15 budget.
- The reduced use of the capital expenditure reserve for the Community Stadium debt repayment (as reported in the 2015/16 budget).
- Corporate budget carry forward requests, including money set aside for the UCCFSR.
- Carry forward of additional income received from the Council Tax sharing agreement in respect of 2013/14.

4.12. The outturn position also reflects the agreed carry forward of £185k for street lighting.

4.13. Alongside the work to finalise the provisional outturn, consideration has been given to emerging pressures and issues. Proposals will go forward for Cabinet to consider in July and these will include the following items costing £450k.

Proposal	Comment	£'000
Customer Relationship Management (CRM) Post	To develop the CRM project within our coordinated programme of customer contact systems which need to be aligned and joined up to provide integrated online and assisted customer journeys. This work will significantly contribute to the organisations channel shift and savings targets and be a key driver towards our 'Digital by choice' ethos.	60
Disabled Facilities Grant (DFG) Post	To fund a temporary staffing resource in the Private Sector Housing team, to manage the back log of cases taken back/new cases arising as a result of ceasing to use the Home Improvement Agency.	28
Revolving Investment Fund (RIF)	Overall there is additional net income within the "commercial theme." It is acknowledged that there are ongoing revenue pressures and this will assist to meet these.	72
<i>Total Service Issues</i>		<i>160</i>
Locality budget	Proposal agreed by Cabinet as part of Community Enabling Strategy (£60k to reinstate New Homes Bonus allocation for Strategic Plan priorities and £60k for balance)	120
Town Walls	Additional one-off investment to provide for ongoing maintenance and build a fund, which will reduce the need to commit larger amounts of capital resources every few years.	100
ICT remote access project	This new solution will offer staff and members access to Colchester's IT network from a wider range of devices than is possible at present. Original indicative costs only covered the cost of a new remote access solution from Dell. Evaluation of the technical detail has shown that we need to upgrade our virtual desktop platform first. By doing these projects in tandem, good rates for services have been secured. This investment enables the Council to continue delivering effective flexible working, bringing benefits to staff, accommodation savings to the organisation and taking forward the options for mobile working for key services.	70
Total Proposed Allocations		450

Summary and impact on future years

4.14. Outturn variances are discussed with relevant service managers and the overall position is considered by Senior Management Team. One important issue is to consider the extent to which any budget variance is likely to be a recurring issue, and if so, has the 15/16 budget been adjusted to reflect this. Service managers are reviewing all outturn

variances and any recurring issues will be reported alongside the emerging 2016/17 budget strategy.

- 4.15. The 2014/15 budget included c£2.7m of savings or additional income. This included targets relating to the UCCFSR (Journey Management), the Commercial theme (including procurement) and additional income. As the outturn position shows all these targets have either been delivered, or other compensating savings or additional income have been achieved. The General Fund budget shows that total income for the year is better than budget by over £600k.
- 4.16. The 2015/16 budget was based on the plan that the 14/15 outturn would be delivered “on budget”. The final position therefore reflects an improvement and the additional surplus will therefore initially be added to balances and Cabinet will consider the proposals outlined at paragraph 4.13 and any further proposals for use of this.

5. Housing Revenue Account

- 5.1 **Appendix E** sets out the pre-audit revenue outturn for the Housing Revenue Account (HRA).
- 5.2 The outturn position is showing a net deficit of £2,955k compared to a budgeted deficit of £3,229k for the year, a favourable variance of £274k. However, there are carry forwards that reduce this variation to a favourable variance of £82k. The outturn variance needs to be considered in the context of the forecast outturn position at Period 9, which was predicting the outturn position would be on budget, and also the predicted underspend for 2014/15 contained within the 2015/16 HRA budget setting papers considered by the Panel at its meeting on 27th January 2015. The outturn position has arisen as a result of variances in several areas, and has been split between service and non-service elements.

Service Areas

- 5.3 We received £333k more income than budgeted. This primarily reflects unbudgeted Leaseholder service charge income relating to the External Decorating programme. It also includes the net impact of less rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the level of Right to Buy sales.
- 5.4 There was less expenditure than anticipated in a number of areas, the major ones being as follows; There was a net underspend on Premises costs, primarily due to a lower number of void properties than assumed in the repairs and maintenance budget, lower utility costs, along with underspends on other CBH delegated budgets such as contract cleaning and grounds maintenance work. There was a general underspend across most Supplies and Services budgets, which was partially offset by a higher contribution to our Bad Debts Provision than budgeted, reflecting the amount of write-off's during the year and the level of rent arrears at the year-end. The HRA receives recharges from a number of services and given the underspend within these areas, there is a resultant impact upon the HRA. Carry forward requests of £192k have been approved.

One-Off/Technical Items

- 5.5 Members will be aware from the 2015/16 Budget Report considered by the panel at its meeting of 28 January 2015, that as a direct result of the additional income and reduced expenditure this financial year, we have been able to use these additional revenue resources to make an additional £997k revenue contribution to fund the 2014/15 Housing Capital Programme. This has meant we have been able to minimise new borrowing, so that interest costs can be saved and our HRA headroom can be maximised to deliver our strategic priorities.

- 5.6 The HRA balance at 31st March 2015 is £2,510k. However, £910k of this balance is currently committed to future years in order to fund revenue expenditure committed to during 2014/15, together with future contributions to the Housing Investment Programme (Capital). This leaves the uncommitted HRA balance at £1,600k, which is the recommended minimum prudent level of balances. The level of balances at the year-end is broadly in line with the estimate used when the 30 year HRA Business Plan was agreed by Cabinet in January 2015.
- 5.7 The HRA is a “ring-fenced” account which means that any underspend or overspend in a given year must be retained within the HRA. The effect of the 2014/15 outturn position will need to be reflected within the Medium Term Financial Forecast (MTFF) for the HRA to establish the level of resources for future years. This will be reviewed as part of the forthcoming budget process for 2016/17.

6. Strategic Plan references

- 6.1. The priorities within the Strategic Plan are reflected in the Budget and Medium Term Financial Forecast.

7. Financial implications

- 7.1. As set out above.

8. Risk management implications

- 8.1 Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2014/15 revenue budget report that was approved by Council in February 2014 detailed a number of potentially significant risk areas that had been identified during the budget process. In addition, Heads of Service identify a number of both positive and negative risk areas during the year.

9. Other Standard References

- 9.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

Background Papers

None

Budget Monitoring Summary - Year End 2014/15

		Budget £'000	Actual £'000	Variance (fav) / adv £'000	
Account Description					
By Subjective Group					
	Employees	24,298	24,178	(120)	amber
	Premises Related	7,800	7,550	(250)	amber
	Transport Related	2,033	1,976	(57)	amber
	Supplies & Services	10,362	9,817	(545)	red
	Third Party Payments	2,174	2,069	(105)	amber
	Transfer Payments	144	81	(63)	red
	Capital Financing Costs	110	110	-	green
Subtotal Expenditure		46,921	45,781	(1,140)	amber
	Government Grant	(1,852)	(1,563)	289	red
	Other Grants & Reimbursements	(4,016)	(4,173)	(157)	amber
	Customer & Client Receipts	(19,259)	(20,024)	(765)	amber
	Income-Interest	(23)	(23)	-	green
	Inter Account Transfers	-	-	-	green
Subtotal Income		(25,150)	(25,783)	(633)	amber
Total General Fund Services		21,771	19,998	(1,773)	red
By Service Group					
	Corp & Democratic Core	259	248	(11)	green
	Corporate and Financial Management	6,373	6,441	68	amber
	Executive Management Team	665	656	(9)	green
	Community Services	6,236	5,922	(314)	red
	Commercial Services	3,186	2,493	(693)	red
	Customer Services	3,075	2,853	(222)	red
	Operational Services	(520)	(654)	(134)	red
	Professional Services	2,497	2,039	(458)	red
Subtotal General Fund Services		21,771	19,998	(1,773)	red

Budget Monitoring Report for All Services - End of Year - 2014/15

	Corp & Democratic Core	Corporate and Financial Management	Executive Management Team	Community Services	Commercial Services	Customer Services	Operational Services	Professional Services	
Account Description	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EXPENDITURE									
EMPLOYEES									
Budget	-	3,019	616	4,743	3,350	3,448	5,727	3,395	24,298
Actual	-	3,071	616	4,764	3,204	3,388	5,783	3,352	24,178
Variance	-	52	-	21	(146)	(60)	56	(43)	(120)
	green	amber	green	green	amber	amber	amber	green	amber
PREMISES									
Budget	-	12	2	2,529	3,295	-	1,950	12	7,800
Actual	-	8	2	2,559	3,079	4	1,886	12	7,550
Variance	-	(4)	-	30	(216)	4	(64)	-	(250)
	green	amber	green	green	red	amber	amber	green	amber
TRANSPORT									
Budget	-	53	5	135	31	21	1,763	25	2,033
Actual	-	37	5	109	35	15	1,753	22	1,976
Variance	-	(16)	-	(26)	4	(6)	(10)	(3)	(57)
	green	amber	green	amber	amber	amber	green	amber	amber
SUPPLIES & SERVICES									
Budget	259	3,792	48	2,532	1,479	550	1,077	625	10,362
Actual	248	3,880	40	2,359	1,005	569	1,129	587	9,817
Variance	(11)	88	(8)	(173)	(474)	19	52	(38)	(545)
	green	amber	amber	red	red	green	amber	amber	red

Budget Monitoring Report for All Services - End of Year - 2014/15

	Corp & Democratic Core	Corporate and Financial Management	Executive Management Team	Community Services	Commercial Services	Customer Services	Operational Services	Professional Services	
Account Description	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
THIRD PARTY									
Budget	-	90	-	186	1,451	-	363	84	2,174
Actual	-	90	-	174	1,390	-	324	91	2,069
Variance	-	-	-	(12)	(61)	-	(39)	7	(105)
	green	green	green	amber	amber	green	amber	amber	amber
TRANSFER PAYMENTS									
Budget	-	-	-	-	144	-	-	-	144
Actual	-	-	-	-	81	-	-	-	81
Variance	-	-	-	-	(63)	-	-	-	(63)
	green	green	green	green	red	green	green	green	red
CAPITAL FINANCING									
Budget	-	110	-	-	-	-	-	-	110
Actual	-	110	-	-	-	-	-	-	110
Variance	-	-	-	-	-	-	-	-	-
	green	green	green	green	green	green	green	green	green
TOTAL EXPENDITURE									
Budget	259	7,076	671	10,125	9,750	4,019	10,880	4,141	46,921
Actual	248	7,196	663	9,965	8,794	3,976	10,875	4,064	45,781
Variance	(11)	120	(8)	(160)	(956)	(43)	(5)	(77)	(1,140)
	green	amber	green	amber	red	green	green	amber	amber

Budget Monitoring Report for All Services - End of Year - 2014/15

	Corp & Democratic Core	Corporate and Financial Management	Executive Management Team	Community Services	Commercial Services	Customer Services	Operational Services	Professional Services	
Account Description	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME									
GOVERNMENT GRANT									
Budget	-	-	-	(319)	(22)	(377)	(1,126)	(8)	(1,852)
Actual	-	-	-	(286)	(4)	(339)	(926)	(8)	(1,563)
Variance	-	-	-	33	18	38	200	-	289
	green	green	green	amber	amber	amber	red	green	red
OTHER GRANTS									
Budget	-	(82)	-	(2,125)	(312)	(272)	(1,107)	(118)	(4,016)
Actual	-	(82)	-	(2,092)	(304)	(281)	(1,284)	(130)	(4,173)
Variance	-	-	-	33	8	(9)	(177)	(12)	(157)
	green	green	green	green	green	green	red	amber	amber
CUST & CLIENT RECPTS									
Budget	-	(621)	(6)	(1,430)	(6,222)	(295)	(9,167)	(1,518)	(19,259)
Actual	-	(673)	(7)	(1,648)	(5,987)	(503)	(9,319)	(1,887)	(20,024)
Variance	-	(52)	(1)	(218)	235	(208)	(152)	(369)	(765)
	green	red	amber	red	amber	red	amber	red	amber

Budget Monitoring Report for All Services - End of Year - 2014/15

	Corp & Democratic Core	Corporate and Financial Management	Executive Management Team	Community Services	Commercial Services	Customer Services	Operational Services	Professional Services	
Account Description	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME-INTEREST									
Budget	-	-	-	(15)	(8)	-	-	-	(23)
Actual	-	-	-	(17)	(6)	-	-	-	(23)
Variance	-	-	-	(2)	2	-	-	-	-
	green	green	green	amber	amber	green	green	green	green
INTER ACCOUNT TRANS									
Budget	-	-	-	-	-	-	-	-	-
Actual	-	-	-	-	-	-	-	-	-
Variance	-	-	-	-	-	-	-	-	-
	green	green	green	green	green	green	green	green	green
TOTAL INCOME									
Budget	-	(703)	(6)	(3,889)	(6,564)	(944)	(11,400)	(1,644)	(25,150)
Actual	-	(755)	(7)	(4,043)	(6,301)	(1,123)	(11,529)	(2,025)	(25,783)
Variance	-	(52)	(1)	(154)	263	(179)	(129)	(381)	(633)
	green	red	amber	amber	amber	red	amber	red	amber
TOTAL NET									
Budget	259	6,373	665	6,236	3,186	3,075	(520)	2,497	21,771
Actual	248	6,441	656	5,922	2,493	2,853	(654)	2,039	19,998
Variance	(11)	68	(9)	(314)	(693)	(222)	(134)	(458)	(1,773)
	green	amber	green	red	red	red	red	red	red

Actual Outturn Expenditure and Income by Service Area – Direct Costs only

		Actual Outturn		
	Area	Spend	Income	Net
		£'000	£'000	£'000
Corporate & Democratic Core		248	-	248
	Total	248	-	248
Corporate & Financial Management				
	Assistant Chief Executive	152	(4)	148
	Finance	875	(106)	769
	ICT and Communications	2,623	(328)	2,295
	People and Performance	602	(114)	488
	Governance	2,944	(203)	2,741
	Total	7,196	(755)	6,441
Executive Management Team				
	EMT	595	(7)	588
	Partner Projects	68	-	68
	Total	663	(7)	656
Community Services				
	Head of Community Services	129	(2)	127
	Cultural Services	750	(165)	585
	Community Zones	4,685	(903)	3,782
	Community Development	1,917	(1,059)	858
	Subtotal	7,481	(2,129)	5,352
	Colchester & Ipswich Museums	2,484	(1,914)	570
	Total	9,965	(4,043)	5,922
Commercial Services				
	Head of Commercial Services	155	-	155
	Place Strategy	1,567	(302)	1,265
	Economic Growth	1,337	(2,992)	(1,655)
	Corporate Asset Management	2,386	(106)	2,280
	Commercial Team - Trading	1,947	(2,365)	(418)
	Commercial Team - Housing	1,402	(536)	866
	Total	8,794	(6,301)	2,493
Customer Services				
	Head of Customer Services	128	-	128
	Customer Operations	2,349	(120)	2,229
	Customer Demands & Research	383	(7)	376
	Customer Solutions	913	(249)	664

		Actual Outturn		
	Area	Spend	Income	Net
		£'000	£'000	£'000
	Local Taxation & NNDR	203	(747)	(544)
	Total	3,976	(1,123)	2,853
	Operational Services			
	Head of Operational Services	130	-	130
	Sport & Leisure	4,202	(4,584)	(382)
	Recycling & Fleet	5,688	(3,096)	2,592
	Car Parking	855	(3,849)	(2,994)
	Total	10,875	(11,529)	(654)
	Professional Services			
	Head of Professional Services	161	-	161
	Planning, Licensing & Food Safety	1,012	(1,334)	(322)
	Environmental Health Services	815	(81)	734
	Electoral Services	421	(178)	243
	Prof Support Units	1,444	(88)	1,356
	Land Charges	211	(344)	(133)
	Total	4,064	(2,025)	2,039
	Total (all)	45,781	(25,783)	19,998

Major Outturn Variances

Note: Underspends and additional income variances are shown in brackets.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Corporate and Financial Management (incl. CDC)				
Assistant Chief Executive	(20)	0	(20)	One-off underspend on salary costs as a result of short term vacancies following FSR.
Finance	(46)	(7)	(53)	Underspends on salaries relating to vacant posts following the FSR (some of this has been requested as a carry forward to fund a temporary post and extra ABS support). Underspend on IT software licences due to aligning various support and maintenance charges into one annual invoice from April 2015, which resulted in a one off saving for 14/15. The Procurement Hub was self-funding in 14/15, resulting in more income than budgeted.
ICT and Communications	164	(27)	137	One-off costs of £93k relating to FSR redundancies, and £164k relating to UCC FSR Location and Management that was moved to revenue at the end of the year as this cannot be capitalised. Both of these have been partially offset by underspends across premises, supplies and services and transport costs. A carry forward has been requested against Comms supplies and services. More income than budget mainly due to Comms work in Business Development role.
People and Performance	(2)	(7)	(9)	Underspend on CBC travel plan transport costs, offsetting overspend due to redundancy costs from the FSR. More income than budget on the CBC Travel Plan, mainly relating to staff car parking. Carry forwards have been requested for central training and travel plan.
Governance	24	(11)	13	Overspends relating to legal consultancy costs, corporate franking and vehicle insurance, which is partially offset by underspends across supplies and services and locality budgets (this has been requested as a carry forward), member's expenses and civic fund. More income than budgeted, mainly from CBH for franking charges.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Corporate & Democratic Core	(11)	0	(11)	Underspend on external audit costs, relating to un-used contingency for additional audit work.
Executive Management Team				
EMT	(8)	(1)	(9)	Small general underspend.
Community Services				
Head of Community Services	6	0	6	Unbudgeted employee benefit costs and training course (will give a saving corporately in future years)
Cultural Services	(30)	2	(28)	Salary savings of £4k, Third Party saving of £9k (ticketing). £15.5k carry forward requested of New Homes Bonus for feasibility study for The Wonderhouse.
Community Zones	60	(66)	(6)	£40k overspend on employees mainly due to Zones overtime and temporary casual labour cover. £29k carry forward on Market Budget requested. Unbudgeted spend on Public Open Spaces offset by additional Parks income and general savings across the service area, including large savings in fuel costs.
Community Development	(143)	(17)	(160)	Carry Forward of £85.7k NHB Enabling Projects progressing across 2014/15. Savings on utilities and grounds costs. £21k additional income from education visits, car parking and retail sales at HWCP.
Colchester and Ipswich Museums	(53)	(73)	(126)	Employee underspend of £20k mainly due to one-off vacancies held. £30k Premises saving mainly due to reduced utility costs. Increased income from opening year of Castle Museum of £132k, and related increased retail sales of £29k. Under budget on grant income due to Skills for the Future project.
Commercial Services				
Head of Commercial Services	13	0	13	£10k over budget due to investment in the Essex Building Control project.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Place Strategy	(553)	(20)	(573)	£36k under-recovery of Pre-Planning Application income against budget target. Final underspend on salaries was £50k for this area due to vacant posts, compared to £80k forecast. £520k of the remaining underspend relates to unspent portions of the Affordable Housing New Homes Bonus (£354k), Local Plan and Community Infrastructure Levy (£133k) and Transportation projects (£87k) which are part of the carry forward request.
Economic Growth	(46)	269	223	The final 2014 annual head rent reconciliation for Culver Centre was £120k lower than expected – the final figures are only available at year end. This includes one-off items and clarification of these is being sought. Other shortfalls on income include 37 Queen St £49k, Colchester Business Park £29k and £25k digital strategy. Additional cost pressure in-year due to the housing wayleaves income adjustment (£70k). Some gains in year including £23k from Gosbecks Rd depot. Expenditure savings in the year including £35k on employees due to vacant posts plus £40k underspend on asset valuations both of which are part of the carry forward request.
Corporate Asset Management	(57)	11	(46)	Underspends against budget for the cleaning contract £46k, Town Hall £47k, Engineering £23k and corporate repairs & maintenance £10k. This was offset by extra costs incurred as a result of the early disposal of Angel Court £77k. The income shortfall relates to the Town Hall letting arrangement which is offset by lower costs incurred.
Commercial Team - Trading	(80)	(32)	(112)	Underspends on employees £46k and general supplies £35k. Increased levels of income for Bereavement services £79k and Monitoring & Response £12k. Building Control income was £64k lower than budget although this was offset by an under spend of £64k.
Commercial Team - Housing	(233)	35	(198)	£148k net under-spend on Homelessness/Housing Options (CBH) of which £78k relates to lower Bed & Breakfast/Homelessness Initiatives costs due to improvements in prevention work, £77k carry forward has been requested for further investment in prevention initiatives. Under spend of £50k on the Housing Options Team, and £12k in the Housing Systems team in relation to a vacant post. Lower income relates mainly to Homelessness void levels.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Customer Services				
Head of Customer Services	3	0	3	£13k carry forward requested for Customer Services Remodelling (Ignite).
Customer Operations	9	26	35	Under recovery in 2014/15 grant income for the revenues Technical team. £15k carry forward requested for print reduction pre-work.
Customer Demands and Research	(24)	-	(24)	Underspends across salary budgets resulting from vacant posts in year. £10k carry forward requested for Go-Online post.
Customer Solutions	(16)	(21)	(37)	Underspend on Welfare Benefits salary budget in year, plus over-recovery of income on Welfare Benefits external courses and a small residue from Concessionary Fares tokens.
Local Taxation & NNDR	(15)	(184)	(199)	Underspend on new NNDR team not in post for a full year, £34k carry forward requested for Income Improvement Project including NNDR posts (NHB funded). Council Tax court costs exceeded budget target by £176k at year end.
Benefits – Payments and Subsidy	(1,444)	1,500	56	HB payments were lower than the initial budget - £1.4m on expenditure and £2.1m on main subsidy. Overpayment levels were £379k higher than budget although LA Error Incentive income was £89k lower.
Operational Services				
Head of Operational Services	74	0	74	£69k vacancy factor savings not met within the group.
Sport and Leisure	(44)	42	(2)	There were controllable variances across all cost centres as you would expect in a business operating in this sector, but the overall position is that the budgets targets were achieved at year-end.
Recycling and Fleet	0	27	27	Less Food Waste grant was used in year as agreed by Cabinet. The majority of this has been offset by additional income relating to recycling credits and general domestic collections income.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Car Parking	(35)	(198)	(233)	The underspend has been requested as a carry forward to cover the costs of St Mary's Pay and Display equipment and installation. Car Parking income was above budget but due to the delays we've experienced with G4S the majority of this income was processed late in the financial year.
Parking Partnership				The North Essex Parking Partnership (NEPP) on-street and off-street accounts were in surplus by £67k at the end of the financial year (£71k surplus on the on-street account and £4k deficit on the off-street account) so there was no requirement for the Council to contribute any funds. The surplus has been retained in the NEPP ring-fenced accounts.
Professional Services				
Planning, Licensing & Food Safety	6	(230)	(224)	Overspend on Planning management and consultancy costs offset by more Planning income than budget. Licensing income higher than budget, which is mainly due to an increased amount of taxi vehicle applications. A carry forward has been requested for the whole of the service, of which some will be used to fund the licensing mobile working module and a temporary Customer Services resource.
Environmental Health Services	(43)	17	(26)	Underspent on Environmental R&M response and management and consultancy off-set by less income than budget. Less income than budget for Animal Control off-set by under-spends across all areas.
Electoral Services	38	(57)	(19)	Overspend mainly due to Election costs, off-set by predicted income to cover this. Underspend on Registration postage costs and a one off saving in electoral services IT software licenses, as this cost will start in the next financial year.
Professional Support Units	(143)	(12)	(155)	Underspends across all employee areas as a result of vacant posts due to restructure, along with IT software licences and other supplies and services costs. More income than budgeted from Braintree DC for Northgate, which offsets the additional spend. A carry forward has been requested for whole of the service, of which some will be used to for the following projects, Back-scanning and indexing, print and post, WAM upgrade and for CRM training in the systems team.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Land Charges	65	(99)	(34)	Overspends on third party payments to ECC, appeal costs and back scanning, which are offset by more income than budgeted.

Current Period – March 2015				
End Of Year 2014/15				
Account Description	Actual for Year £'000	Budget for Year £'000	Variance (under) / over £'000	
HRA - Direct & Non-Direct				
EXPENDITURE				
Employees	120	103	17	Amber
Premises Related	6,635	6,988	(353)	Red
Transport Related	0	4	(4)	Amber
Supplies & Services	828	1,206	(378)	Red
Third Party Payments	3,429	3,375	54	Amber
Transfer Payments	153	129	24	Amber
Support Services	3,543	3,778	(235)	Red
Capital Financing Costs	829	(105)	934	Red
TOTAL EXPENDITURE	15,537	15,478	59	Amber
INCOME				
Other Grants & Reimbursements	(201)	(136)	(65)	Red
Customer & Client Receipts	(30,067)	(29,692)	(375)	Amber
Income-Interest	(2)	(33)	31	Amber
Inter Account Transfers	17,688	17,612	76	Amber
TOTAL INCOME	(12,582)	(12,249)	(333)	Amber
TOTAL NET - HRA	2,955	3,229	(274)	Red
<i>Technical Items:-</i>				
Carry Forwards		(192)	192	
OVERALL - POSITION	2,955	3,037	(82)	Amber

16 June 2015

Report of	Assistant Chief Executive	Author	Graham Coleman
Title	Capital Expenditure Monitor 2014/15		☎ 282741
Wards affected	Not applicable		

The Panel is invited to review the progress against all capital schemes during 2014/15

1. Action required

- 1.1 To review the level of capital spending during 2014/15, and forecasts for future years.

2. Reason for scrutiny

- 2.1 Monitoring capital spending is important to ensure:
 - Spending on projects is within agreed scheme budgets.
 - The overall programme is delivered within budget.
- 2.2 This report also gives the Panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

3. Background

- 3.1 This report sets out details of spending for the financial year 2014/15 (April to March) and revised forecasts for future years.
- 3.2 The report includes new capital funding and changes to the capital programme.
- 3.3 The report includes capital expenditure in respect of the Housing Investment Programme, including expenditure on the Council's housing stock.

4. 2014/15 review

- 4.1 **Appendix A** sets out details of spending for the year on all schemes, along with expenditure forecasts provided by budget managers for the Quarter 3 report to provide an indication of progress during this year against schemes in monetary terms. It should be pointed out that any variances from the forecast position for the year do not indicate any over or under spending against projects as a whole, but tend to relate to timing differences between anticipated payments and actual payments to contractors. Any significant divergences from planned activity would be brought to the Panel's attention in the following paragraphs.
- 4.2 Accrued capital spending for the year totalled £21.8 million. This represents 94% of the projected spend for 2014/15.

- 4.3 It should be noted that the Capital Programme mainly consists of schemes where spending is planned across more than one year. Budget managers have profiled their forecasts for expenditure in line with expectations for 2014/15 and beyond. The table below provides a summary of the capital programme by service area:

	Total Prog.	2014/15 Spend	2014/15 Forecast	Future Years Forecast	(Surplus) / Shortfall
Service / Scheme	£'000	£'000	£'000	£'000	£'000
Corporate & Financial Mgmt	1,647.7	1,068.3	1,347.7	300.0	0.0
Operational Services	1,348.5	7.0	58.0	1,290.5	0.0
Professional Services	1,843.3	576.8	800.0	1,043.3	0.0
Commercial Services	5,303.8	1,935.1	2,620.3	2,683.5	0.0
Community Services	2,028.8	1,102.7	1,262.0	766.8	0.0
Completed Schemes	913.7	903.7	910.7	3.0	0.0
Capitalised Maintenance Schemes	99.0	34.4	34.4	64.6	0.0
Housing Revenue Account	30,932.7	16,188.6	16,188.6	14,744.1	0.0
Total Capital Programme	44,117.5	21,816.6	23,221.7	20,895.8	0.0

- 4.4 The Capital Programme has increased by £15.6 million since the previous report. Of this, £14.7m is from the introduction of Housing Investment Programme budgets for 2015/16. The increase also includes £450k for the funding of the Priory Street scheme and £295k for the Castle Museum as approved by Cabinet, £324k from Section 106 contributions, and £194k from Government Grant. Additionally sums have been added for schemes funded from New Homes Bonus, and external grants. Some expenditure of a revenue nature has been transferred to the revenue account, and the funding in the Capital Programme has been reduced accordingly. The Capital Programme now stands at £44.1 million.
- 4.5 The most significant areas of planned expenditure in the year are summarised in the following table. Any variances will simply be carried forward into the following financial year, and do not represent any over or under spending against projects as a whole:

Scheme	2014/15 Forecast £'000	2014/15 Actual £'000	RAG status
Decent Homes & Upgrades	9,843.8	9,843.8	G
Council House New Build	3,181.3	3,181.3	G
Sheltered Accommodation Review	2,283.4	2,283.4	G
Universal Customer Contact FSR – ICT	1,182.5	945.0	G
Castle Museum Redevelopment	891.2	843.7	A
St Botolphs Regeneration	876.7	869.7	G
Disabled Facilities Grants	650.0	470.7	G
Adaptations	630.8	630.8	G
Carbon Management Programme Ph3 – PV Panels	332.9	236.2	G
Moot Hall Organ	290.0	355.6	G

- 4.6 A RAG (Red, Amber, Green) status of overall project performance against capital schemes is summarised in **Appendix A**. Although there are no 'Red' schemes, a total of seven schemes were classed as 'Amber' by the budget managers. The current position against these schemes is detailed in **Appendix B** to this report.

4.7 There are currently no projected overspends or underspends on the capital programme.

5. Strategic Plan references

5.1 The Council's Capital Programme is aligned to the Strategic Plan.

6. Financial implications

6.1 As set out above.

7. Risk management implications

7.1 Risk management issues are considered as part of all capital projects.

8. Other standard references

8.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

Background papers

None

Service / Scheme	Total Programme £'000	Annual Spend £'000	Forecast 2014/15 £'000	Forecast 2015/16 £'000	(Surplus) / Shortfall £'000	RAG Status Q4 Q3	
SUMMARY							
Corporate & Financial Management	1,647.7	1,068.3	1,347.7	300.0	0.0		
Operational Services	1,348.5	7.0	58.0	1,290.5	0.0		
Professional Services	1,843.3	576.8	800.0	1,043.3	0.0		
Commercial Services	5,303.8	1,935.1	2,620.3	2,683.5	0.0		
Community Services	2,028.8	1,102.7	1,262.0	766.8	0.0		
Completed Schemes	913.7	903.7	910.7	3.0	0.0		
Capitalised Maintenance Schemes	99.0	34.4	34.4	64.6	0.0		
Total (General Fund)	13,184.8	5,628.0	7,033.1	6,151.7	0.0		
Housing Revenue Account	30,932.7	16,188.6	16,188.6	14,744.1	0.0		
Total Capital Programme	44,117.5	21,816.6	23,221.7	20,895.8	0.0		
CORPORATE & FINANCIAL MANAGEMENT							
Universal Customer Contact Fundamental Service Review - ICT	1,482.5	945.0	1,182.5	300.0	0.0	G	A
Universal Customer Contact Fundamental Service Review - Accommodation	110.7	81.1	110.7	0.0	0.0	G	G
Financial Systems Migration	54.5	42.2	54.5	0.0	0.0	G	G
TOTAL - Corporate & Financial Management	1,647.7	1,068.3	1,347.7	300.0	0.0		
OPERATIONAL SERVICES							
Flat Recycling Extension	10.3	0.0	10.3	0.0	0.0	A	A
Street Services FSR	43.8	7.0	43.8	0.0	0.0	A	A
Shrub End Depot - new baler and shed	840.5	0.0	0.0	840.5	0.0	A	A
Priory Street Car Park	450.0	0.0	0.0	450.0	0.0	G	-
Sport & Leisure FSR - Building works to Colchester Leisure World	3.9	0.0	3.9	0.0	0.0	G	G
TOTAL - Operational Services	1,348.5	7.0	58.0	1,290.5	0.0		
PROFESSIONAL SERVICES							
Mandatory Disabled Facilities Grants	1,426.2	470.7	650.0	776.2	0.0	G	G
Private Sector Renewals - Loans and Grants	417.1	106.1	150.0	267.1	0.0	G	G
TOTAL - Professional Services	1,843.3	576.8	800.0	1,043.3	0.0		
COMMERCIAL SERVICES							
Park & Ride	124.4	0.0	0.0	124.4	0.0	G	G
North Colchester Development Land	94.2	72.7	94.2	0.0	0.0	G	G
St Botolphs Regeneration	876.7	869.7	876.7	0.0	0.0	G	G
Town Centre Improvements	141.8	12.3	20.0	121.8	0.0	G	G
Town Station Square	50.0	4.4	50.0	0.0	0.0	G	G
Bus Station - CBC Enhancements	71.0	39.0	71.0	0.0	0.0	G	G
Osborne Street Bus Station	39.8	8.8	39.8	0.0	0.0	G	G
A12 Junction Facilitation	69.6	0.0	69.6	0.0	0.0	G	G
Creative Business Hub	1,574.7	21.0	30.0	1,544.7	0.0	G	G
Transcoast	26.4	0.0	26.4	0.0	0.0	G	G
East Colchester Enabling Fund	71.2	0.0	20.0	51.2	0.0	G	G
Sheepen Road	65.0	49.4	65.0	0.0	0.0	G	G
Digital Collection Centre (Wonderhouse)	30.0	5.3	30.0	0.0	0.0	G	G
Site Disposal Costs	27.3	6.6	27.3	0.0	0.0	G	A
Moler Works Site	41.4	0.0	10.0	31.4	0.0	G	G
Assistance to Registered Housing Providers	151.9	60.0	151.9	0.0	0.0	G	G
Abberton Community Fund S106	409.1	194.1	194.1	215.0	0.0	G	G
Surface Water Flooding - Distillery Lane/Haven Road	77.4	0.0	10.0	67.4	0.0	A	A
CMP Phase 3 - PV Systems	561.1	236.2	332.9	228.2	0.0	G	G
Moot Hall Organ	464.4	355.6	290.0	174.4	0.0	G	G
Cemetery Extension	125.0	0.0	0.0	125.0	0.0	G	G
Replacement of Cremators	11.4	0.0	11.4	0.0	0.0	G	G
Temporary Accommodation Review	200.0	0.0	200.0	0.0	0.0	G	G
TOTAL - Commercial Services	5,303.8	1,935.1	2,620.3	2,683.5	0.0		
COMMUNITY SERVICES							
Improving Life Opportunities	53.3	0.0	4.5	48.8	0.0	G	G
Lion Walk Activity Centre Lift	40.0	0.0	40.0	0.0	0.0	G	G
Garrison Gymnasium & MRS	0.0	0.0	0.0	0.0	0.0	A	A
Garrison Gym Rebuild	25.4	25.4	25.4	0.0	0.0	A	A
Castle Park - Playground Refurbishment	30.3	22.7	30.3	0.0	0.0	G	G
Resource Centre - Highwoods Country Park	19.1	9.7	19.1	0.0	0.0	G	G
King George V Pavilion Wivenhoe S106	1.7	0.0	1.7	0.0	0.0	G	G
Holly Trees WCs Castle Park	11.5	9.2	11.5	0.0	0.0	G	G
Castle Park Sensory Garden S106	61.5	0.9	0.0	61.5	0.0	G	G
Cook's Shipyard Playsite Wivenhoe S106	5.8	0.0	5.8	0.0	0.0	G	G
Old Heath Recreation Ground Improvements	272.1	28.9	60.7	211.4	0.0	G	G
Wivenhoe Cricket Club Pavilion	28.6	4.1	4.1	24.5	0.0	G	G
Mill Road Outdoor Gym S106	15.0	0.0	0.0	15.0	0.0	G	-
Wheatfield Way Play Area	20.0	0.0	20.0	0.0	0.0	G	-
Layer de la Haye Village Hall S106	14.9	2.0	2.0	12.9	0.0	G	-
Market Development	85.2	85.2	85.2	0.0	0.0	G	-
Walls - new merged scheme	453.2	70.9	60.5	392.7	0.0	G	G
Redevelopment of Castle Museum	891.2	843.7	891.2	0.0	0.0	A	A
TOTAL - Community Services	2,028.8	1,102.7	1,262.0	766.8	0.0		

Service / Scheme	Total Programme £'000	Annual Spend £'000	Forecast 2014/15 £'000	Forecast 2015/16 £'000	(Surplus) / Shortfall £'000	RAG Status Q4 Q3	
COMPLETED SCHEMES (OR WHERE RETENTION ONLY OUTSTANDING)							
Colchester Leisure World - Fitness Pool LACM and Modernisation	0.0	0.0	0.0	0.0	0.0	G	G
Firstsite (VAF)	1.0	1.0	1.0	0.0	0.0	G	G
CCTV Equipment and move of CCTV Monitoring Centre	255.3	251.7	252.3	3.0	0.0	G	G
Community Stadium	0.0	0.0	0.0	0.0	0.0	G	G
Town Hall DDA Sensory Project	3.6	3.0	3.6	0.0	0.0	G	G
Carbon Management Programme phase 2	4.4	0.3	4.4	0.0	0.0	G	G
Sport & Leisure FSR - IT works	0.5	0.0	0.5	0.0	0.0	G	G
Shrub End Sports Ground Car Park & West End Sports Ground Car Park S106	0.0	0.0	0.0	0.0	0.0	G	G
Clean Vehicle Technology Grant	194.0	194.0	194.0	0.0	0.0	G	-
Charter Hall Staging	11.1	11.1	11.1	0.0	0.0	G	-
Colchester School of Gymnastics S106	87.0	87.0	87.0	0.0	0.0	G	G
Royal Square & Pavilion Dedham	7.9	7.9	7.9	0.0	0.0	G	G
Castle Park Olympic Legacy Project	132.7	132.7	132.7	0.0	0.0	G	G
Visitor Information Centre relocating to Hollytrees	5.1	5.1	5.1	0.0	0.0	G	G
Layer Road Statue S106	19.8	19.8	19.8	0.0	0.0	G	G
Corunna Drive Play Area S106	20.0	19.5	20.0	0.0	0.0	G	G
Rowhedge Play Area S106	24.1	24.1	24.1	0.0	0.0	G	-
West Mersea Skate Park S106	20.0	20.0	20.0	0.0	0.0	G	G
St Annes Youth Pod S106	10.6	10.6	10.6	0.0	0.0	G	-
Rowhedge Recreation Ground MUGA and Outdoor Gym S106	43.5	43.5	43.5	0.0	0.0	G	-
Wormingford Recreation Ground S106	12.7	12.7	12.7	0.0	0.0	G	-
West Mersea Tennis Courts S106	25.0	25.0	25.0	0.0	0.0	G	-
Magnolia Drive Outdoor Adult Gym	20.0	19.3	20.0	0.0	0.0	G	-
Grove Rd Toddlers Play Area S106	10.0	10.0	10.0	0.0	0.0	G	-
Elections - Hardware	5.4	5.4	5.4	0.0	0.0	G	G
TOTAL - Completed Schemes	913.7	903.7	910.7	3.0	0.0		
CAPITALISED MAINTENANCE							
Castle Museum - Castle Bridge	70.0	5.4	5.4	64.6	0.0	-	-
Town Hall - Law Library Conversion	29.0	29.0	29.0	0.0	0.0	-	-
TOTAL - Capitalised Maintenance	99.0	34.4	34.4	64.6	0.0		
HOUSING REVENUE ACCOUNT							
Housing Improvement Programme	20,044.8	9,843.8	9,843.8	10,201.0	0.0	G	G
Adaptations to Housing Stock	1,211.8	630.8	630.8	581.0	0.0	G	G
Sheltered Accommodation Review	4,631.4	2,283.4	2,283.4	2,348.0	0.0	G	G
Council House New Build	4,625.3	3,181.3	3,181.3	1,444.0	0.0	G	G
Housing ICT Development	419.4	249.3	249.3	170.1	0.0	G	G
TOTAL - Housing Revenue Account	30,932.7	16,188.6	16,188.6	14,744.1	0.0		

Scheme	2014/15 Spend £'000	Commentary
Flat Recycling Extension	0.0	A range of different containers for the collection of food waste and plastics from flats has been identified and trial containers are being arranged with suppliers. These will be placed at different locations in the Borough and monitored for their effectiveness paying attention to contamination rates and usage. As each are designed differently, feedback from users will be gained to decide on the best option to roll out. Properties have now been selected and trials have commenced. If the trials are successful more funds will be required to purchase equipment for a Borough wide roll-out.
Street Services FSR	7.0	The Task Management technology used in Zones is not fit for purpose with regards to what is required in Recycling and Waste. A new system is being tendered for. This will be procured in partnership with Riverside Truck Rental, although this technology is also being discussed by the Essex Waste Strategy Partnership to see if a countywide solution can be found. The scheme will then be reviewed including any further spend required to deliver the priorities from the Street Services FSR.
Shrub End Depot - new baler and shed	0.0	The service is looking at different options to provide the building to house the equipment to process the recycling materials collected. A partnership approach with ECC and Riverside Truck Rental is being investigated. This may reduce the costs to the Council but needs to be examined from both a legal and financial standpoint. The expenditure has now been projected to occur in 2015/16.
Surface Water Flooding - Distillery Lane/Haven Road	0.0	To alleviate flooding in Haven Road to properties and industrial units. Silt clearance complete - waiting for Anglian Water to complete their works.
Garrison Gymnasium S106	0.0	£700k has been released from Section 299a monies and paid to the PCT in respect of refurbishment works at the ex-Garrison medical centre for use as a surgery. Further monies were due to be released to refurbish the Gym so that it can be used as a community centre. However, as the building was damaged in a serious fire this project is taking longer than initially planned.

Scheme	2014/15 Spend £'000	Commentary
Garrison Gymnasium Rebuild	25.4	Agreement to be reached on works to be funded from insurance settlement to return building to watertight shell. The fitting out works were part of the previous agreement to be carried out by the Church Group, funded from the sale of their existing premises and funds that they have raised. Issues of lease duration are being discussed with the Church Group. MoD conditions regarding overage have been raised with the Church Group to ensure obligations are transferred. Final budget allocations will enable Church group to assess which design option they are able to progress, and for the lease to be completed. Project is amber whilst the funding settlement remains unconfirmed.
Redevelopment of Castle Museum	843.7	Project funded mainly from Heritage Lottery Fund plus other contributions. The nature of this complex heritage build and the addition, at a later stage, of some new technology along with less EU funding than expected resulted in additional spend of around £295k on the budget, which was funded by Cabinet in January 2015. The 12 month defects period completed in May. Retention sums are to be paid in the next couple of months following minor works to rectify outstanding defects.