

Cabinet Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ
Wednesday, 13 July 2016 at 18:00**

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

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COLCHESTER BOROUGH COUNCIL
Cabinet
Wednesday, 13 July 2016 at 18:00

Members:

Leader and Chairman Councillor Paul Smith (Liberal Democrats)
 Councillor Tina Bourne (Labour)
 Councillor Mark Cory (Liberal Democrats)
 Councillor Annie Feltham (Liberal Democrats)
 Councillor Dominic Graham (Liberal Democrats)
 Councillor Mike Lilley (Labour)
 Councillor Beverley Oxford (The Highwoods Group)
 Councillor Tim Young (Labour)

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 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.

3 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.

4 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 relating to the terms of reference of the Committee/Panel 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 relating to the terms of reference of the Committee/Panel not on this agenda.

5 Minutes

To confirm as a correct record the minutes of the meeting held on 25 May and 8 June 2016.

25-05-16

7 - 8

6 **Call-In Procedure**

To consider any items referred by the Scrutiny Panel under the call-in procedure. At the time of the publication of this agenda, there were none.

7 **Strategy**

7(i) **EU Referendum Impact** 19 - 24

See report by the Chief Executive

8 **Resources**

8(i) **2017-18 Budget Strategy, Medium Term Financial Forecast and Budget Timetable** 25 - 54

See report by the Assistant Chief Executive

8(ii) **Member Development Group: Annual Report to Cabinet 2015-16** 55 - 78

See report by the Assistant Chief Executive

9 **Safer Communities and Licensing**

9(i) **North Essex Parking Partnership - Lead Authority** 79 - 84

See report by the Head of Operational Services

10 **Business, Leisure and Opportunities**

10(i) **Request for Delegated Authority in Connection with Health and Fitness Refurbishment at Leisure World, Colchester** 85 - 88

See report by the Head of Operational Services

11 **General**

11(i) **Progress of Responses to the Public** 89 - 90

To note the contents of the Progress Sheet.

11 Exclusion of the Public (Cabinet)

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

Part B

(not open to the public including the press)

12 Minutes (Part B)

To confirm the contents of the not for publication extract from the minutes of the meeting 8 June 2016.

12(i) 08-06-16 - not for publication extract

- 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).

Cabinet

Wednesday, 25 May 2016

- Attendees:** Councillor Annie Feltham (Portfolio Holder for Business, Leisure and Opportunities (and Deputy to the Leader of the Council)), Councillor Dominic Graham (Portfolio Holder for Waste and Sustainability), Councillor Michael Lilley (Portfolio Holder for Safer Communities and Licensing), Councillor Beverley Oxford (Portfolio Holder for Customers), Councillor Paul Smith (Chairman and Portfolio Holder for Strategy), Councillor Tim Young (Portfolio Holder for Culture and Regeneration (and Deputy Leader of the Council))
- Apologies:** Councillor Tina Bourne (Portfolio Holder for Housing and Public Protection), Councillor Mark Cory (Portfolio Holder for Resources)

76 Appointment of Deputy Chairman

RESOLVED that Councillor Tim Young be appointed Deputy Chairman of the Cabinet for the ensuing municipal year.

CABINET

8 June 2016

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

Also in attendance: - Councillors Barton, Barlow, Coleman, Cope, Davidson,
Davies, Hazell, Laws, G. Oxford, Scordis, Scott, Willetts
and Wood

76. Minutes

RESOLVED that the minutes of the meeting held on 16 March 2016 be approved as a correct record.

77. Have Your Say!

Councillor Laws addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) about the Roman Walls. He welcomed the extra resources allocated to the Roman Walls but reiterated his desire to see the walls lit in the evenings, particularly the west walls. He also asked that the scheme whereby stones that fell from the wall could be handed in at the Castle and then reused in future repairs, be reintroduced. Also, given the scale and the perpetual nature of the works, he asked whether there would be scope for the contractor to train an apprentice stone mason. This would provide a local person with an excellent opportunity and develop a key skill within the borough.

Councillor Young, Portfolio Holder for Culture and Regeneration, indicated that he would consider the suggestions made by Councillor Laws. Lighting the walls was under consideration but this would involve significant resources.

Trevor Orton addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). He expressed his concern about the state of the town centre which he believed to be dirty. He was particularly concerned about the condition of the pavements and places where rubbish was piled up. When he had reported his concerns he had been told the Council only had two street cleaning machines, one of which was broken. He contrasted the situation in Ipswich where the streets were cleaned regularly. He also noted that a plate in the Town Hall clock was missing.

Councillor Cory, Portfolio Holder for Resources, highlighted that repairs to the Town Hall clock would be progressed shortly. Councillor Lilley, Portfolio Holder for Safer

Communities and Licensing, indicated that he would raise Mr Orton's concerns with the zone managers. Councillor T. Young, Portfolio Holder for Culture and Regeneration, stressed the need for the Council to educate residents and visitors to prevent littering. However, he did not accept the criticisms made about the state of the town centre. He asked that the comments made in response to Mr Orton's comments be investigated.

Councillor Hazell addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). She called on the Portfolio Holder to submit a supplementary response to Essex County Council's consultation on children's centres. Evidence on the indices of multiple deprivation were missing from the supporting evidence submitted with the original response. It was important this was addressed in order make the strongest possible case to Essex County Council.

Councillor Feltham, Portfolio Holder for Business, Leisure and Opportunities, indicated that the administration would be giving a greater emphasis to deprivation. She would be happy to consider submitting further evidence and invited Councillor Hazell to provide her with the information she wished to be submitted.

78. Mercury Theatre Redevelopment

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

Steve Mannix, Executive Director of the Mercury Theatre and Daniel Buckroyd, Artistic Director of the Mercury Theatre, made a presentation to Cabinet setting out the success of the Mercury in terms of audience numbers and the contribution it made to the local economy. They highlighted the Mercury's ambitions to grow its audience and improve the physical infrastructure of the theatre. This would be funded through funding from the Arts Council, Colchester Borough Council and Essex County Council and through public fundraising by the Mercury. The funding from the Arts Council would be released in two stages, with the first stage being an award to enable a detailed bid for the next stage of funding to be prepared.

Councillor Davies attended and with the consent of the Chairman, addressed the Cabinet. Whilst the report did not fully set out all the work that would be covered by the Stage 1 funding, she was happy to support the proposals.

Councillor T. Young, Portfolio Holder for Culture and Regeneration, thanked Steve and Daniel for their presentation. There had been no major investment in the building since it had been built. The theatre was a wonderful advert for Colchester and attracted visitors and generated tourism. It also provided valuable outreach work. The proposals enjoyed cross party support.

Cabinet members also expressed their support highlighting the quality of the Mercury's artistic work and its success as a business. This meant that the further investment in the Mercury was low risk and was likely to generate significant economic and social benefits. The improvements to the sustainability of the building were also emphasised. In response to questions from the Cabinet, it was explained that the Mercury was looking at how it could continue to hold performances in Colchester whilst the theatre was closed, including

possibly holding productions in the Castle Park.

RESOLVED that authority be delegated to the Chief Operating Officer in consultation with the Portfolio Holder for Culture and Regeneration to spend the Stage One funding to enable the Stage Two Bid to be submitted in the appropriate time scale.

REASONS

The Council has been successful in obtaining Stage One funding of £478,730 from the Arts Council to enable it to make a detailed bid for additional funding of £3.5m from the Arts Council for a redevelopment of the Mercury.

The total cost of the redevelopment is £9m and is also supported by a direct contribution of £1m by Colchester Council and £1m from Essex County Council. The Mercury has a fund raising target of £1.8m.

At this point Arts Council have awarded £478,730 of funding to enable a detailed bid for the next stage of funding.

The Council is the project owner as the building is owned by the Council and the Stage One funding will be given to the Council.

Delegating the spend of the Stage One money will allow the project to move forward to the required time scales.

ALTERNATIVE OPTIONS

Not to delegate the authority to spend which could put a higher risk around timescales as the Stage Two bid has to be submitted within eighteen months of notification of Stage One Money.

79. Repairs to Roman Walls

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

Philip Wise, Heritage Manager, made a presentation to Cabinet setting out a brief history of the walls, the Management Plan and the past programme of repairs. Maintaining and repairing the walls would maintain an important part of Colchester's heritage, reduce damage to the walls from the elements and reduce the costs of future maintenance. It was proposed that once the large programme of repairs outlined in the report was complete, there would be a series of smaller projects in future years.

Councillor Cory, Portfolio Holder for Resources, explained that the significant investment in the walls demonstrated the administration's desire to support and protect heritage. Councillor T. Young, Portfolio Holder for Culture and Regeneration, highlighted the level of investment in the Roman Walls since the administration was formed. This played a significant role in generating tourism and he thanked the staff involved for their work.

RESOLVED that:-

- (a) The repairs to the Roman Walls within Colchester Town Centre be proceeded with.
- (b) A contract be entered into with the successful contractor to undertake the aforementioned works.

REASONS

The Roman Walls that surround Colchester Town Centre are a scheduled ancient monument and Colchester Borough Council as the custodian of these walls has a duty to inspect and periodically repair the same to ensure that the walls remain safe and to limit the deterioration of the structure of the walls as far as is reasonably practicable.

ALTERNATIVE OPTIONS

Decide not to undertake the repairs. However, if these are not undertaken then there is a danger that sections of wall could become unsafe and also that Historic England will withdraw any offers of funding towards future repairs.

80. SEAX Essex Building Control Shared Service for delivery of Building Control Regulation Service

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

Councillor Hazell attended and with the consent of the Chairman addressed the Cabinet to express her frustration about the use of acronyms in the report, which she did not consider gave sufficient information to members of the public about the new shared service.

Councillor Graham, Portfolio Holder for Waste and Sustainability, explained that joining the SEAX Building Control Shared Service would generate efficiencies of approximately £150,000 per annum and provide a more resilient building control service better able to operate in a competitive commercial environment. Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, explained that working with other Councils in this way to improve services and generate income helped mitigate against the reduction in income from central government.

RESOLVED that:-

- (a) Colchester Borough Council join the SEAX Essex Building Control Shared Service with effect from the planned operational launch date of 1 January 2017. This incorporates acceptance of the following:
- Current financial information and projections
 - The provisional time scales outlined in the mobilisation plan
 - Acceptance of the Partnership Agreement (the governance arrangements), as it stands at the present with only Heads of Terms
- (b) Authority be delegated to the Head of Commercial Services in consultation with

Portfolio Holder for Waste and Sustainability to:-

- (i) approve any changes in the Host Authority Business Plan;
 - (ii) sign-off the final version of the Partnership Agreement.
- (c) To appoint the relevant Cabinet Member to the Partnership Management Board.
- (d) A budget provision be agreed for the one-off set-up costs.
- (e) Authority be delegated to the Head of Commercial Services in consultation with the Portfolio Holder for Waste and Sustainability to continue to act as Host Authority based on any changes to the Business Plan - Colchester Borough Council has agreed to host SEAX Essex Building Control and as such all partner authority staff, income and expenditure will move to CBC.
- (f) To note that the other authorities involved in the Shared Service will be required to formally delegate the discharge of their statutory building control function by a resolution under Section 101 of the Local Government Act 1972 and other enabling enactments via the shared service hosted by Colchester Borough Council.
- (g) To note the extensive work undertaken by Trading Board to oversee and guide the delivery of this strategically important initiative.

REASONS

By creating a shared service the Council will create greater resilience in its building control service, create potential savings for the Council, give more effective support to economic development in the district and provide a better service to customers. Colchester Borough Council has agreed to host SEAX Essex Building Control and as such all partner authority staff, income and expenditure will move to CBC.

All local authority Building Control teams are facing a number of issues which are affecting the viability of the service and as a consequence Colchester Borough Council has been working with six other partner Authorities across Essex with a view to forming a single Building Control shared service, hosted by Colchester Borough Council that will, through the benefits of scale, be better able to tackle these issues.

The outcomes of the work to date demonstrate a clear case for change and the potential to create savings for the partnering Authorities by developing a collaborative working arrangement. A high level Business Case produced by Colchester Borough Council to enable the partnering Authorities: Basildon, Braintree, Colchester, Harlow, Maldon, Tendring, and Uttlesford to present to their respective decision making bodies, for a decision on joining the SEAX Essex Building Control Shared Service. It is envisaged that all Authorities will have a confirmed position by the end of July, with a planned date for the commencement of the service being 1 January 2017.

ALTERNATIVE OPTIONS

- (a) Do nothing

- (b) Restrict the service
- (c) Keep in house and invest

81. Colchester Borough Homes Private Sector Leasing Scheme

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

Councillor Bourne, Portfolio Holder for Housing and Public Protection, explained that the Private Sector Leasing Scheme was an innovative response to the growing problem of homelessness, particularly homelessness arising from the private rented sector. Not only had there been a significant increase in the number of applications for homeless households to be rehoused since 2013, the proportion being accepted had grown. As a last resort the Council had had to house some households in bed and breakfast accommodation outside the borough. The Private Sector Leasing Scheme would increase the number of landlords able to provide accommodation to families threatened with homelessness. This would reduce the reliance on temporary solutions such as bed and breakfast accommodation, and would allow households to remain close to existing schools and support networks. The scheme would be managed by Colchester Borough Homes, which would provide reassurance to both landlords and residents.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, and Councillor Feltham, Portfolio Holder for Business, Leisure and Opportunities, expressed their support for the scheme. This was a flexible solution to a problem created by central government policies. Homelessness was a growing problem, despite unemployment falling and economic growth in the borough. This scheme would help those who had no prospect of purchasing their own home. Whilst the Council's preferred solution would be to continue to build Council housing, government policies prevented this.

RESOLVED that:-

- (a) Colchester Borough Council enter into a private sector leasing scheme (the Scheme) for the reasons set out in the Head of Commercial Services report and that Colchester Borough Homes manage the Scheme on behalf of the Council.
- (b) The Council grant non-secure tenancies to tenants occupying properties leased through the Scheme where there is a duty to provide accommodation for people who are homeless or threatened with homelessness.
- (c) Decisions regarding the implementation of the scheme be delegated to the Head of Commercial Services in consultation with the Portfolio Holder for Housing and Public Protection.

REASONS

Under the terms of the Management Agreement with CBH, decisions on future opportunities for CBH to expand or develop services need to be approved by Cabinet.

The Council, as the local housing authority, has powers and duties under Part VII of the Housing Act 1996 (as amended) to secure accommodation for households who are

homeless.

CBH manages the housing advice and homelessness process on behalf of the Council whilst the duty to provide suitable temporary accommodation remains with the Council.

Private sector landlords can be reluctant to provide accommodation directly to people who are threatened with homelessness. It is intended that the Scheme will be of interest to private sector landlords because the Council will be responsible for the rent and the condition of the properties in accordance with the terms of any lease agreed.

It is intended that the proposed Scheme will reduce the reliance on and the cost of bed and breakfast accommodation at a time when demand for housing options and homelessness services is increasing.

ALTERNATIVE OPTIONS

Not to adopt a Private Sector Leasing Scheme and rely on existing temporary accommodation providers and bed and breakfast accommodation both inside and outside the Borough.

Enhance incentives given to private landlords to let their properties to households who are homeless rather than CBC/CBH creating their own scheme. CBH currently manages a Home Finder Scheme, which provides landlords with tenants without a finders/matching fee, and pays the landlord an advance deposit to secure the accommodation on behalf of the tenant. This scheme is unlikely to generate enough properties to address current pressures on the housing options and homelessness service.

82. Request for Delegated Authority to Agree New Insurance Contract

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

RESOLVED that authority for agreeing the new insurance contract be delegated to the Portfolio Holder for Resources.

REASONS

The current contracts for insurance expire on 31 July 2016. A tender exercise is therefore currently being carried out by the Council's insurance brokers to obtain quotes for a new package. The results of this exercise are not scheduled to be available from the brokers until late June 2016, which will not allow sufficient time to be able to seek Cabinet approval for the new arrangements, and allow for any potential handover to a new supplier, prior to the expiry of the current contract.

ALTERNATIVE OPTIONS

The alternative is to request approval of the new contract at the Cabinet meeting on 13 July 2016. Whilst this would be before the expiry of the current contract it would not allow for any handover arrangements to be put in place, if the supplier changes. This could result in the need for the current suppliers to extend cover for a period of time whilst new

working processes are implemented, which they are under no obligation to do.

83. Trading Board Annual Report 2015/16

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

Councillor Scott attended and with the consent of the Chairman addressed the Cabinet in her capacity as the current chairman of the Trading Board. She paid tribute to the work of the Board in 2015-16 and expressed her delight at her appointment as Chairman. She looked forward to continuing the cross party approach which had served the Board well the past. The Annual Report demonstrated the value of the Council's innovative commercial approach. In particular she welcomed the flexible approach taken to marketing and promotion of services, the retention of key staff and the customer focused approach. The commercial approach helped the Council deal with cuts in government funding.

Councillor Davidson attended and with the consent of the Chairman addressed the Cabinet. It had been a pleasure to serve on the Trading Board under former Councillor Havis. The Board had worked well with cross party support. He thanked in particular Graham Lewis, Commercial Manager, and Rob Hill, Commercial Transition Manager, who had enthused other officers. The commercial approach had produced better quality services whilst generating income.

Members of the Cabinet expressed their support for the work of the Trading Board. Not only had it improved services and generated income, it had done so by keeping services in house, which maintained their democratic accountability. In particular the success and high customer satisfaction rates of Helpline and Bereavement Services were noted.

RESOLVED that:-

(a) The Trading Board Annual Report 2015/16 be received and noted, and that it be published and promoted.

(b) The following headlines from the Annual Report be noted:-

- On target profit achieved by the Helpline, Bereavement Services, Monitoring Centre and Building Control businesses;
- The progress made in relation to Strategic Ambitions.

(c) The Cabinet's thanks to the members of the Trading Board in 2015-16, former Councillor Havis, Councillor Harris, Councillor Bentley, Councillor Buston, Councillor Davidson, Councillor Ellis, Councillor Goss and former Councilor Knight, and to former Councillor Turrell and Chief Executive Adrian Pritchard for their work in establishing the Board, be formally recorded

REASONS

To note the work that the Trading Board has undertaken in the past municipal year as set

out in the Annual Report.

ALTERNATIVE OPTIONS

Not to agree to publication of the Annual Report.

84. Appointments to External Organisations and Council Groups

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

RESOLVED that:-

- (a) The representatives for the Municipal Year 2016/2017 to the various external organisations and Council groups listed in Appendix A of the Assistant Chief Executives' report be agreed, such appointments to cease if the representatives cease to be members of the Council during the year, with Councillor Scott appointed as the representative on the Campaign for Rural Essex, with Councillor Chillingworth as substitute member.
- (b) Those Councillors who are not members of the Council groups for the Municipal Year 2016/2017 be confirmed as a pool of members able to act as substitute members on Council groups, in accordance with the normal requirements relating to substitute members set out in the Council's Constitution.
- (c) The Leader of the Council be authorised to make a determination where a nomination is deemed to be in dispute, if a vacancy occurs or if an appointment needs to be made to a new organisation during the course of the municipal year.
- (d) The reports from appointees to external organisation and council groups about the work undertaken in 2015-16, as set out in Appendix B of the Assistant Chief Executives' report, be noted.

REASONS

It is important for the Council to continue to make formal appointments to certain organisations and council groups such as those with statutory functions, our key strategic and community partners and groups with joint working arrangements.

ALTERNATIVE OPTIONS

No alternative options are proposed other than to authorise the Leader of the Council to make a determination where a nomination is deemed to be in dispute.

85. Progress of Responses to the Public

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

RESOLVED that the contents of the Progress Sheet be noted.

REASONS

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

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

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

86. Minutes – Not for Publication Extract

RESOLVED that the not for publication extract from the minutes of the meeting held on 16 March 2016 be confirmed as a correct record.

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

87. Repairs to Roman Town Walls

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

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

88. SEAX Building Control Shared Service for the Delivery of Building Control Regulation Services

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

Report of	Chief Executive	Author	Adrian Pritchard
Title	EU Referendum Impact		☎ 282211
Wards affected	All		

This report concerns the decision to leave the European Union and the potential impact, risks, mitigation and business confidence as a result of that decision.

1. Decision(s) Required

- 1.1 To consider the potential impact, increased risks, possible mitigation of these risks and the business confidence as a result of the outcome of the referendum on the decision to leave the European Union.
- 1.2 To note the potential impact on the Borough and the Council of the decision to leave the EU and to monitor the affects as they become clearer.

2. Reasons for Decision(s)

- 2.1 It is clear that there will be a number of impacts and increased risks as a result of the outcome of the referendum and the decision to leave the European Union.
- 2.2 While these impacts and risks are still emerging and it will be some time before we know exactly what will happen we need to start considering how we can help a number of our communities, businesses and partners to mitigate potential risks. We also need to consider the potential impact on business confidence in the Borough, together with the Council itself as a business and its funding.

3. Alternative Options

- 3.1 It is still unclear how the decision will affect business, communities and the Council and the alternative option is to defer any planning, however that could increase our risks further.

4. Supporting Information

- 4.1 The outcome of the referendum was a vote to leave the European Union. At the moment it is unclear what the impact will be or the timescales for implementation. While there is still much to emerge we are already seeing a level of uncertainty in the financial markets.
- 4.2 There are already a number of sources that are trying to make predictions but these are often contradictory. For example some sources suggest a rise in interest rates, others a reduction. Some businesses will benefit from a lower exchange rate while others will see their costs increase. Certain organisations in Colchester including the Council receive

EU funding for specific projects. This will cease over the next two years but what, if anything will replace those funding opportunities.

5. Proposals

- 5.1 We need to consider how we help various communities mitigate the potential impact of the decision. There are a number of sectors where risk will have increased:
- Business – an increased level of uncertainty
 - House Building – uncertainty about what may happen to house prices
 - Education – in particular the University whose student base is drawn from having a number of students from the EU and are partway through a major investment period.
 - Residents from the European Union who will be unclear of the impact
 - Organisations that were due to receive European Union funding or have European funding bids in the pipeline for projects which benefit the borough and its residents.

6. Strategic Plan References

- 6.1 A number of our Strategic Plan objectives could be impacted:
- Thriving – attracting business and selling Colchester as a destination
 - Prosperous – generating opportunities for growth and supporting infrastructure
 - Welcoming – a place where people can grow and be proud to live

7. Business Sector

- 7.1 The Colchester economy has a proven track record of resilience which enabled it to weather well the 2008 recession compared to other locations. The fundamentals of that economic resilience have subsequently been strengthened by significant investment, business creation and business growth across the Borough. This legacy will help Colchester businesses to meet the challenges and benefit from any opportunities arising from the decision to leave the EU.
- 7.2 The GVA (gross value added) measure of goods and services produced in the Borough point to an increase (in £ millions) from 3,410m in 2014 to 3,493m in 2015. This growth was expected to continue to 2021 with a predicted forecast of 4,057m. This indicates a significant healthy base of economic growth in the Borough and it is to be hoped that this will help the Borough ride any negative economic impacts coming from the decision.
- 7.3 From 2010 to 2015 the number of businesses (* businesses with an annual taxable turnover of at least £83,000) has increased by 7% from 7,380 to 7,905. 83% of businesses are micro businesses, 14% were small employing between 10 to 49 and only 6% are medium employing over 50. In addition the number of self-employed in the Borough increased from 12,700 in 2014 to 15,800 in 2015 – an increase of 19.2%. So it can be seen that the Colchester economy and its growth is primarily based on small enterprises which are vulnerable to changes to their individual markets. Much of the concern is how these smaller firms will be affected by changes within the EU trading environment.
- 7.4 Colchester has been undergoing a '£3bn' transformation regenerating a number of areas around the Borough bringing new housing, creating new jobs, new culture and leisure experiences and new opportunities for investment. However it is uncertain how the uncertainty caused by the EU decision will affect any planned investment in our Borough. Some large investments which private sector investors could be considering for

Colchester may be delayed or put in abeyance. This could potentially affect the growth trajectory for the Borough over the coming years. We will look to monitor housing investment and house development as we know Colchester has a continuing need to build more houses for future generations.

- 7.5 Colchester is a strategic location for business and has been one of the high growth hotspots in Essex. Independent research shows that Colchester is ranked 51st (out of 433) for high growth and economic performance. The EU is the major trading partner for the East of England, accounting for 56% of the region's goods exports. The latest figures for 2015 shows the value of exports from the East of England to the EU was £11.4 billion. One particular economic strength of the Colchester business base is the University of Essex, one of the World's top 2% of Universities contributing £259m to the local economy. The development of the Knowledge Gateway is seen as perhaps the single biggest economic opportunity for our Borough. However this itself is dependent on a vibrant and prosperous University. The University currently takes a significant number of students, postgrads, researchers and lecturers from the EU. It is vital that this relationship is maintained. The University will be seeking to protect its attractiveness to students across the world and some of those factors will be controlled by the University, but others will depend on international financial and political matters which will change as a result of the UK leaving the EU.
- 7.6 The Colchester Economic Growth Strategy 2015 to 2021 sets out clear priorities for a buoyant, resilient and diverse economy. These include job creation, increasing skills and retaining talent, creating and supporting business, improving infrastructure and securing inward investment and funding. The delivery of the strategy focuses on the employment sectors best placed to drive economic growth such as creative and digital industries.
- 7.7 Colchester has benefitted from a mix of investment and funding. This includes both public sector investment such as the Creative Business Centre (£2.6m) and private sector investment such as the Fenwick's refurbishment (£38m). In the past five years 550,000 euros of EU funding has been secured to deliver the SU Ports, Transcoast and the Creative Urban Renewal in Europe (CURE) projects. Whilst it is currently assumed current EU funding will be honoured for the next two years it is, however, also the case that new funding relying on us finding EU partners is likely to stop virtually immediately. We will also be talking with our LEP (Local Enterprise Partnership) which is currently the point of access to Millions of euros of EU funding over this coming couple of years to understand which programmes will continue to run and over what timescales.
- 7.8 In 2009 Colchester Borough Council successfully worked with public and private sector partners to deliver support and assistance to local businesses experiencing difficulties. These included business surgeries, business mentors and debt counselling. We have already started horizon scanning to understand the extent to which we would need to consider bespoke arrangements if necessary but at this stage it is considered the strength of the Borough Business base is that it should be able to withstand short term fluctuations in markets. Beyond that the Council, with its other economic development partners including Essex County Council, Haven Gateway Partnership and the South East Local Enterprise Partnership stands ready to support further businesses and the business sector should leaving the EU prove to be damaging to our economic prosperity in the longer term.

8. Community Cohesion

- 8.1 The Borough of Colchester has a proud history and tradition of being a welcoming place and one which is inclusive in its approach and its support for vulnerable and persecuted people.

- 8.2 We have seen a rise nationally in racial tension and of race hatred in isolated instances. The Borough Council condemns such behaviour and will look to ensure that our policies and our actions are ones of promoting community cohesion and racial harmony. We will look to work with our partners in promoting social cohesion and making all of our residents and the contributions they make to our society irrespective of their nationality and their country of origin ones to celebrate. EU residents are an integral part of the Colchester community and will be respected for their role and contribution to life in the borough.

9. Consultation

- 9.1 N/A

10. Publicity Considerations

- 10.1 It is likely that our business communities will want to be reassured that we are planning ahead to consider how we try to help mitigate any emerging impacts of the decision to leave the EU.

11. Financial implications

- 11.1 We have a strong record in budget management within the Council and will continue to look for opportunities to increase income and deliver efficiencies. However, lower rates of Council Tax and Business Rate collection could be the result of the predicted levels of economic growth failing to materialise. This coupled with higher payments on Council Tax support payments would also have an adverse effect on the Council's financial position. While we do not yet know the potential impact on the Council and its finances there are some risks which we will both monitor and actively manage so that we can continue to deliver the range and quality of services to our residents and businesses.

12. Equality, Diversity and Human Rights implications

- 12.1 As has been stated earlier there are growing reports of an increase in racist incidents across the country and we know we have some communities from the EU. We need to support these communities as any impact for them emerges.

13. Community Safety Implications

- 13.1 The decision to leave the EU may increase community tension between different community sectors in Colchester which the police, councils and community groups must take action to reduce or prevent.

14. Health and Safety Implications

- 14.1 N/A

15. Risk Management Implications

- 15.1 There are a number of risks that are starting to emerge and others that are still unclear. In particular we know that the economic markets are unsettled by change and this could impact on our economic prosperity and the Council finances.
- 15.2 We are increasingly funded by Government from the New Homes Bonus and retention of part of the business rates rather than a block Government grant. If we see a decline in

house building and/or reduction in business growth then we could face increased budget pressures.

Report of	Assistant Chief Executive	Author	Sean Plummer ☎ 282347 Darren Brown ☎ 282891
Title	2017/18 Budget Strategy, Medium Term Financial Forecast and Budget Timetable		
Wards affected	Not applicable		

This report asks Cabinet to:

- **Note the current financial position for the financial years 2015/16 and 2016/17**
- **Agree the use of balances**
- **Note the budget forecast and timetable for the 2017/18 budget**
- **Note the updated Medium Term Financial Forecast for the period to 31 March 2020**
- **Note an update of the Revenue Balances position**
- **To note the Capital Programme.**

1. Decisions Required

- 1.1. To note the pre-audit outturn position for the financial year 2015/16.
- 1.2. To agree to release funding from balances for projects set out at paragraph 3.4
- 1.3. To note the budget forecast, approach and timetable for the preparation of the 2017/18 budget and updated position in respect of balances.
- 1.5 To note the updated Medium Term Financial Forecast as set out at Appendix B.
- 1.6 To note the latest position in respect of the Capital Programme and agree the additional funding for the Priory Street car park scheme set out in section 7.

2. Reasons for Decisions

- 2.1. The Council is required to approve a financial strategy and timetable in respect of the financial year 2017/18, and a Medium Term Financial Forecast (MTFF) for the two subsequent financial years.

3 Financial Overview 2015/16 and 2016/17

Financial Year 2015/16

- 3.1. The Pre-Audit Outturn report for the year to 31 March 2016 was presented to the Scrutiny Panel on 21 June 2016.

- 3.2. The position shows a net underspend on budgets of £791k after allowing for a number of agreed carry forward items. A number of factors have contributed towards this position including:
- The main service income lines show £0.9m of additional income compared to the budget. The main gains being parking, planning and bereavement services.
 - Net interest costs of £0.2m and savings from the lower than budgeted pay award of £0.1m have been delivered as identified and reported during the year.
 - Redundancy costs of £0.4m including pension strain payments have been absorbed without needing to use balances.
 - £0.5m of projects from the assumed in-year underspend (agreed by Cabinet in November 2015) have been funded including the Big Choice grant scheme.
- 3.3. The 2015/16 budget included c£2.2m of savings or additional income. As shown these have all been delivered or compensating savings have been found. The 2016/17 budget was based on the plan that the 2015/16 outturn would be delivered “on budget”, although it was acknowledged at the time that a net surplus was forecast. The final position therefore reflects an improvement and the additional surplus has initially been added to balances.
- 3.4. *Financial Year 2016/17*
At this stage in the financial year it is difficult to assess potential variances (both positive and negative). The position will be reported throughout the year to Scrutiny Panel. There are a number of proposed allocations totalling £351k which are being recommended to be funded from balances:-

Proposal	Comment	£'000
Garden Communities	See Appendix A	250
Building Control Project	As agreed at Cabinet on 8 June 2016	101
Total Proposed Allocations		351

- 3.5. Based on the above proposals balances would remain above our recommended level. Scrutiny Panel will receive reports during the year on the budget position.

4. Budget Forecast for 2017/18

- 4.1. Appendix B sets out a budget forecast for 2017/18 and a Medium Term Financial Forecast (MTFF) for the subsequent two years including the key assumptions. The Government has set out provisional funding figures for 2016/17 to 2019/20 which include the removal of all Revenue Support Grant. During the next few months the result of the consultation on the New Homes Bonus are expected to be published. In addition draft consultation proposals for how the 100% localisation of Business Rates will operate are also expected later in the year. The Council is responding to the increasing budget pressures faced by identifying new ways of working to deliver savings and increased income. The EU referendum result has now added a level of uncertainty and risk to the Council budget plans and this is considered throughout this report. These issues provide the backdrop for considering the budget strategy for 2017/18.
- 4.2. The current forecast budget gap for 2017/18 is £0.8m and is summarised in the following table:-

	2017/18	note
	£'000	
Base Budget	23,959	
Adjustment for c/f items (one off items)	(111)	See MTFF (Appendix B)
Cost Pressures (net of one off changes)	956	
Growth Items (net of one off changes)	156	
Savings	(1,300)	
Forecast Base Budget	23,660	
<i>Funded By:</i>		
Revenue Support Grant	(920)	See para.4.6.
Business Rates Baseline	(4,038)	
<i>Settlement funding</i>	<i>(4,958)</i>	
Increase in NNDR / taxbase above baseline	(900)	See paras. 4.7 to 4.10
New Homes Bonus	(5,754)	See para 4.27
Total Gov't grants	(11,612)	
Council Tax	(11,010)	See para 4.30 to 4.22
Use of Reserves	(272)	
Total Funding	(22,894)	
Budget gap	766	

4.3. The key assumptions in respect of the 2017/18 forecast are:

Government Funding & Business Rates

4.4. The 2016/17 Finance Settlement included the announcement of an “offer” of a four year funding settlement. This key points to note are:-

- In return for accepting the offer councils are required to publish an “efficiency plan”
- There will still be an annual settlement which will include changes to take account of final business rate multipliers.
- There may also be changes such as transfer of functions to or between local authorities or any unforeseen events. Though not mentioned at the time, the EU referendum result may now have an impact on the actual settlement in the coming three years.

4.5. Councils have until 14th October 2016 to decide whether to “apply to accept” this offer. No real guidance has been provided on what should be included in the efficiency plan, explaining that it should be locally owned and locally driven. It has to cover the four year period and be “open and transparent about the benefits” this will bring to the Council and community. Cabinet will decide whether to accept the deal and any efficiency plan at the next meeting in September.

4.6. The following table sets out the four year figures for 2016/17 to 2019/20. These show a total reduction of £2.1million (35%) from April 2017 with a reduction next year of almost £1m (17%).

	Actual	Provisional allocations			
	2016/17	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	(1,978)	(920)	(275)	446	
Business Rates Baseline	(3,960)	(4,038)	(4,157)	(4,290)	
<i>Settlement Funding Assessment (SFA)</i>	<i>(5,938)</i>	<i>(4,958)</i>	<i>(4,432)</i>	<i>(3,844)</i>	
Reduction (£'000)		980	526	588	2,094
Reduction (%)		-17%	-11%	-13%	-35%

- 4.7. The localisation of Business Rates (NNDR) was introduced in 2013/14. For 13/14 and 14/15 we had been broadly budgeting at the baseline level, but since the 15/16 budget additional income has been included.
- 4.8. One of the main risks within the current scheme is that businesses can appeal their Rateable Value (RV), and get decisions backdated. This means there is a risk that we have to refund business rates in respect of previous years, and also the ongoing income may drop. To put some of this into context, currently about a half of the total RV of the borough is under appeal. We have made provision for appeals in our accounts, but this is an area which is impossible to predict.
- 4.9. Looking ahead, the budget forecast currently assumes that we might see an increase in our retained NNDR income of £100k in 17/18. Throughout the year we will continue to monitor income levels and appeal decisions, and will revisit this assumption as appropriate. As we now retain a proportion of business rate income we share some of the risk if businesses close or move. It is recognised that the impact of the EU referendum will be felt to a varying extent by business. As such, the risk or uncertainty around the Council's retained income may mean that income projections will need to be reviewed.
- 4.10. For 2015/16 and 2016/17 the Council has been part of an Essex business rate "pool". The rationale for this is that the pool provides an opportunity to keep a greater share of NNDR income above the baseline. Based on figures provided as part of the 2015/16 closure of accounts there is an estimated gain of £0.2m, however, this is subject to change and therefore will be reviewed later in the year when figures are finalised. It is too early to estimate any additional income that we might achieve from this arrangement in 16/17; any such gain would not be accounted for until 2017/18, and it is unlikely that we will be able to estimate this as part of the 2017/18 budget setting process.

Inflation and costs

- 4.11. For 2017/18 a planning figure has been included for general changes to "pay and prices" in line with the approach used in recent years. It will be necessary to review forecasts for specific areas including pay and energy costs in due course and this is therefore subject to change.
- 4.12. During 2016 the actuarial review of the pension fund will take place with the outcome of this reported in the autumn. An assumption of an increased cost of £250k is shown for 2017/18 to recognise the potential impact from this review. It is not clear of any impact the EU referendum result will have on the performance of the Essex pension fund and therefore this may have an impact on future contributions. A further allowance for the impact of pensions 'auto enrolment' which is due in 2017 has been made. Both these assumptions will be reviewed later in the year.
- 4.13. No other specific cost pressures are currently included in the 2017/18 forecast, however, the following are specific risk areas where we expect that issues may be quantified:-
- Changes to housing benefit administration grant
 - Review of income targets
- 4.14. The MTFF reflects that the government grant being used to support the costs of food waste collection will run out in the next two years. This is currently being reviewed and it

is expected that the cost pressure in 2017/18 will reduce as the grant. The only other specific change is the inclusion of the revenue implication of the ICT strategy.

- 4.15. There are a number of potential risks for which no allowance is currently made. These include:-
- an increase in interest costs which are currently being minimised through internal borrowing
 - demands on services arising from growth in the Borough,
 - cost pressures arising from any contract changes, specifically the current ICT contract.
- 4.16. These items and any other emerging issues will be reviewed as the budget progresses and any changes will be reported to Cabinet accordingly.

Growth Items

- 4.17. An allowance has been built into the budget forecast to continue the locality budgets of £2,000 for Ward Councillors in 2017/18. The budget also assumes that the funding from New Homes Bonus allocated for investment in projects will continue to be available and that this will increase by £150k due to the planned reduced use to support the base budget.

Savings

- 4.18. The 17/18 budget forecast includes £1.3m of savings and income This comprises the following:
- Commercial income (£0.5m). This reflects the business plans for trading services, including the events service, and also forecast income from commercial assets.
 - Sport and leisure business plan (£0.2m). The savings and increased income reflect the projections in the business plan agreed by Cabinet. This includes the assumption that inflation will not be allocated to the sport and leisure budget.
 - Digital challenge (£0.6m). Cabinet agreed the Digital Challenge business case on 16 March 2016. This set out savings and income of £0.6m for 2017/18. Detailed plans have been produced to track delivery of the various activities required to achieve the target in 17/18 and later years.
 - The assumption that parish grants in respect of LCTS (Local Council Tax Support) will reduce in line with the Council's reduction in the SFA.
- 4.19. The MTFF includes forecast savings for beyond next year. These include projections for all the above areas.

Council Tax

- 4.20. It was reported to Cabinet that the Government's Spending Power forecasts assumed an annual increase in Council Tax of 1.75%. In the final Settlement the Government announced that all district councils would be allowed to increase their Council Tax by the higher of £5 or 2%. For Colchester the limit is therefore £5 which would currently equate to an increase of 2.85%. The Government has updated their "Spending Power" forecasts to assume that councils do increase Council Tax up to this limit.
- 4.21. The 2017/18 budget forecast and MTFF has therefore been updated to reflect a planning assumption of an increase in Band D Council Tax of £5. This does not represent a formal proposal at this stage and the impact on the budget position of a freeze in Council Tax is also shown for comparison purposes.

- 4.22. An allowance for an increase in Council Tax income through growth in the tax base of 1% pa is also included in the forecast.

Local Council Tax Support (LCTS)

- 4.23. The Local Council Tax Support Scheme (LCTS) was approved by Full Council in December. This replaced Council Tax benefits and, as has previously been reported, places a number of changing risks to the Council, such as:-
- *Recovery of Council Tax.* There is a risk of a lower level of collection of Council Tax, given that more people have to pay Council Tax.
 - *Recovery costs and resources.* The number of people paying Council Tax has increased and the impact on resources has to be considered.
 - *Demand.* Under the previous benefit scheme there was no direct financial impact on the Council of changes in the amount of benefit paid. Under the LCTS scheme the Government grant is a fixed sum and therefore any increase is borne by all of the major preceptors including Colchester.
- 4.24. The Government funding for LCTS is provided within the revenue support grant and retained business rates figures, which as explained earlier in the report is forecast to reduce by c17% in 2017/18. Consideration will need to be given to the impact of this on any cost of the LCTS.

New Homes Bonus (NHB)

- 4.25. The Government published a consultation paper on changes to the New Homes Bonus: "New Homes Bonus: Sharpening the Incentive". The consultation asked for views on options on changes to the New Homes Bonus in order to "better reflect authorities' delivery of new housing. Views were also sought on reducing the number of years in which current and future payments are made". Cabinet considered the Council's response to the consultation and we expect the Government to consider all responses and produce proposals for changes to the NHB in the next few months.
- 4.26. The New Homes Bonus is a key element of the financial support for local authorities and the Government has stated that the New Homes Bonus will continue indefinitely, but with changes.
- 4.27. The 2017/18 budget forecast and MTFF includes the New Homes Bonus used in the Government's spending power projections. This is only *indicative* as the future sums will change depending on the outcome of the consultation and actual housing numbers. The MTFF assumes that given that New Homes Bonus will continue "indefinitely" and that it will continue to be used to support the base budget. However, recognising the risk that the level of NHB may reduce further, it is proposed that the MTFF shows a planning assumption that £150k less of the NHB in each year will be used to support the base budget. It is also assumed that the annual contribution of £250k to the RIF (Revolving Investment Fund) will continue. Based on the Government's figures this will therefore leave a reducing sum available to support new. These assumptions are set out in the following table.

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Grant	5,714	5,754	3,615	3,469
<i>Use of grant:-</i>				
Base budget	1,783	1,633	1,483	1,333
Contribution to RIF	250	250	250	250
Mercury Theatre (2nd year)		500		
Support for new schemes	3,393	3,081	1,702	1,716
Affordable housing allocation *	288	290	180	170
Total grant	5,714	5,754	3,615	3,469

*This is indicative only and the budget assumption is that the bonus made for affordable homes will continue to be allocated to housing projects.

- 4.28. The current budget strategy and MTFF assumes that any reductions in New Homes Bonus in 2017/18 and beyond will result in a reduction in the level of one-off investment provided. The NHB will remain a risk until there is clarity on the changes to the scheme. The Council will also need to be aware of any negative impact on the house building market following the "leave" referendum result.

Summary of Budget Forecast

- 4.29. There are a number of significant budget risks and variables that will affect the 2017/18 budget process and these are set out within Appendix B. It will therefore be important to consider and respond to any changes in the budget forecast and this will be reported to Cabinet throughout this year.
- 4.30. In summary there is a forecast budget gap of circa £0.8m. This already reflects planned savings of £1.3m. It should be noted that at this stage this gap could change based on a number of emerging factors.

Delivering the 2017/18 Budget

- 4.31. The Council's approach to the budget is that it is primarily driven by the Strategic Plan. We have adopted a number of different ways to identify savings or additional income to support Strategic Plan priorities and to meet a number of substantial cost pressures. The strategy for the last few years has been broadly based upon identifying opportunities to make efficiencies, mainly through the FSR process, maintaining and where possible increasing income and through exploring different ways to deliver services.
- 4.32. The Budget Group comprising Cabinet members and senior officers has operated for several years and continues to provide an overview of all possible budget opportunities, monitoring progress and taking relevant reports. Work has already started and has identified a number of possible options. In outline these include:-

Outturn Review

- 4.33. In the last two years reviews of the outturn position have been carried out to identify where budgets should be adjusted to reflect where they are not fully spent, or where we receive more income. A further outturn review is planned for the 17/18 budget.

NNDR Income

- 4.34. As mentioned earlier, we will review the level of income expected from retained business rates as part of the 2017/18 budget.

Other reviews

- 4.35. There are a number of other areas that will be considered during the year. These will include:-
- Confirmation of savings and income from commercial activities and digital challenge
 - A number of budget options for efficiencies, income or reductions
- 4.36. The Council's approach to budgets has always been to consider the longer-term impact of decisions. The budget process for 2017/18 will continue to reflect this by recognising that some service changes (reductions, income and growth) will often be delivered over a period longer than a year.
- 4.37. Appendix C sets out the proposed budget timetable.

Housing Revenue Account (HRA)

- 4.38. The HRA is a ring fenced account that relates to costs and income in respect of the Council's housing stock. The HRA budget and rent setting process is carried out alongside the General Fund budget and elements of the process are carried out simultaneously. The budget approach for the HRA will continue to be fully integrated within the General Fund budget process, with the final budget report and rent setting being included within the overall budget and Council Tax decisions.
- 4.39. HRA Self-Financing has been in operation since 1st April 2012, and Cabinet have agreed a 30 year HRA Business Plan which runs to 2043. This has assisted with financial planning and the outputs from this were reflected in the 2016/17 budget, which also took account of the impact of the Government's announcement of an annual 1% reduction in social housing rents for the next 4 years. The 2017/18 budget will therefore be similarly developed within this framework.

5. Medium Term Financial Forecast

- 5.1. The Medium Term Financial Forecast (MTFF), as set out at Appendix B, shows a potential budget cumulative budget gap of c£2m by 2019/20. The key factors affecting the budget gap in later years include the assumed further reduction in Government funding, the planned reduced use of the New Homes Bonus to support the base budget and the savings and additional income already identified.
- 5.2. The forecast needs to be viewed alongside the level of significant risks and uncertainty regarding a number of key factors that will impact on the Council's finances in the medium term. Most of the key risks outlined in the MTFF could result in recurring cost pressures for the Council. This will require recurring cost savings or additional income to be identified to minimise the escalation of these pressures.
- 5.3. The EU referendum result has added further uncertainty and risk to the Council's budget assumptions. With the Council's budget funding dependant on business rates, Government grants and earned income and some costs subjects to economic factors (such as fuel and utilities) it will be necessary to be aware of the impact on the budget of any changes.
- 5.4. The MTFF also shows that the Council continues to hold reserves and balances to support the Council's budgets. The position on these reserves will be reviewed during the year as the 2017/18 budget progresses.

- 5.5. In summary, the MTFF sets out what is likely to continue to be a challenging financial outlook with a continuing level of uncertainty in future years. The budget process needs to establish that the Council's spending plans, in the medium term, are affordable and can be prudently financed.

6. Revenue Balances

- 6.1. The current balances position is set out within Appendix B. This shows that following the 2015/16 outturn including review of detailed allocations in balances and proposals for allocation to projects in 2016/17, uncommitted or unallocated balances are currently at almost £2.7m, which is £0.8m above the recommended level of £1.9m. To put this in context the General Fund gross budget is c£100m and therefore £2.7m equates to 3%, or, gross spending for 10 days.
- 6.2. As this report emphasises, the Council is expected to continue to face many underlying financial pressures in the medium term. Whilst some provisions have been made within balances for some of these, there is a recognised view that further significant reductions in public sector spending will occur over the coming years, and that there is an increased financial risk associated with many of the local government finance reforms such as localisation of business rates and the local council tax support scheme. It should also be noted that balances can by nature only be used once, and so it is not generally appropriate to use them to support ongoing budget pressures.
- 6.3. This is the first report in respect of the 2017/18 budget. The budget timetable sets out that the position on balances and other reserves and provisions will be reported later this year. It will again be necessary to review the risk assessment that informs the recommended level of balances and detailed allocations. The scope and option of using balances to support the revenue budget will therefore be considered in future reports.

7. Capital Programme Update

- 7.1. The following table sets out a summary of the total capital programme including the Revolving Investment Fund (RIF).

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
GENERAL FUND				
Shortfall / (Surplus) B/Fwd	(576)	(776)	(976)	(1,176)
New schemes	0	0	0	0
Capital receipts	(200)	(200)	(200)	(200)
Shortfall / (Surplus) C/Fwd	(776)	(976)	(1,176)	(1,376)
REVOLVING INVESTMENT FUND				
Shortfall / (Surplus) B/Fwd	12	916	(2,347)	135
New schemes	6,076	1,955	5,500	0
Capital receipts	(5,172)	(5,218)	(3,018)	(19)
Shortfall / (Surplus) C/Fwd	916	(2,347)	135	116
Overall Shortfall / (Surplus) C/Fwd	140	(3,323)	(1,041)	(1,260)

- 7.2. The table shows that for the General Fund programme there are forecast surplus resources of £1.4m by 2019/20. Whilst a large proportion of this is available now, the table shows it also indicates that future receipts are limited and as such any new capital spending proposals need to be viewed in this context.

- 7.3 On 21 June 2016 Scrutiny Panel considered the end of year capital report. This showed that there was an overall forecast underspend on the capital programme of £12k. There is one further issue to report to Cabinet.

Priory Street refurbishment project

- 7.4. This project is to plan and deliver an improved car park with a new tarmac surface, renewed lining and better circulation that will enhance not only the motorists' experience, but provide a visitor attraction with the Roman wall floodlit, interpretation panels and possible interactive facilities for the public. We have now received the tenders and the original bids were in excess of the original budget for the whole scheme. The tendering firms were asked to rework their quotes and these new bids have come in and, on examination, they do look consistent with the costs being charged for these type of projects. The main differences from the original estimate, produced about 18 months ago, is due to the general increases in construction costs and the requirements that Historic England have requested because of the proximity to the scheduled monument. This is mainly the shade of tarmac that is required and the paving to delineate the missing bastions.
- 7.5. The budget for the whole scheme was £450k, but £50k of that has been spent or committed on the consultation, archaeology investigations and purchasing the machines and equipment for the new car park. Therefore we have £400k left, but the best acceptable bid, financially and technically, is just under £500k. The Council does have £42k being returned to it from the surplus on the NEPP off-street account which the Portfolio Holder has indicated can be put towards this scheme leaving a funding gap of £58k. As shown earlier there is a current underspend on the capital programme and also a surplus of General Fund resources and therefore this can be funded.
- 7.6. An update of the RIF position is currently being produced and will be reported to the RIF Committee in due course. The position shown above reflects decisions made by the Committee in March and in total shows a shortfall in later years, however, at this stage this is expected to be 'manageable'. There remain some significant assumptions in the RIF in respect of both spending and capital receipts and any change to these may result in a need to consider borrowing to cover any shortfall. .
- 7.7. Further updates on the capital programme will be provided alongside budget reports.

8. Strategic Plan References

- 8.1. The 2017/18 budget and the Medium Term Financial Forecast will be underpinned by the Strategic Plan priorities and will seek to preserve and shift resources where needed to these priorities.

9. Financial implications

- 9.1 As set out in the report.

10. Equality and Diversity Implications

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

11. Risk Management Implications

- 11.1 As set out in the report.

12 Consultation

- 12.1. The Council is required to consult on its budget proposals. A consultation exercise took place as part of the production of the Strategic Plan agreed by Council in February 2015.
- 12.2. The budget strategy and timetable aims to ensure that information is available for scrutiny and input from all Members on proposals in the process. The aim is that detailed information will be available prior to the final budget report being submitted to Cabinet and approval by Council in February.
- 12.3. As has been the case in previous years the opportunity remains open for the leader of the opposition to meet with officers to assist with consideration of any alternative budget proposals.
- 12.4. Furthermore, we will continue with the statutory consultation with business ratepayers and will meet with parish councils in respect of grant funding.

13. Other Standard References

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

Background Papers

Revenue and Capital Outturn reports to Scrutiny Panel – 21 June 2016

Garden Communities

The North Essex Garden Communities Project is continuing to gather significant momentum with ongoing project and financial support received from DCLG as well as the continued commitment of considerable officer time across each of the partner authorities. A draft Plan has been prepared to support the evolution of the project, and the following gives an indications of the key dates and decisions going forward which include:

- Consult on Preferred Options Local Plans – July/August 2016
- Site specific concept design/master planning commenced – Summer 2016
- Site specific cost, value & viability reviews – Autumn 2016
- LDV(s) created – Late 2016
- Initial LDV Business Plan(s) in place – End 2016
- Finalise landowner agreements – End 2016
- Submit Local Plans to Planning Inspectorate – early 2017
- Adopt Local Plans – mid 2018
- Evolve detailed site specific plans – 2018-2020
- Secure project finance 2018-2020
- (First Site) start on site 2020/21

An initial project budget was agreed by the Steering Group in December 2015 and brought to the Joint Shadow Delivery Board early in 2016. This primarily related to the original grant funding secured from the DCLG (£640k) as well as an additional contribution from Essex County Council (£15k) in 2015/16. The majority of this funding is now allocated and committed, and some has already been spent.

Further discussions have been held with DCLG who have advised that additional funding is available in 2016/17 to be distributed between the current partners in the wider national Garden City Programme (Bicester, North Northants, Basingstoke, Didcot and North Essex). A bidding process has been initiated with early indication that at least £204,000 will be secured, with the potential for more. It is also anticipated that further funding would be available from DCLG for the remaining years of the Spending Review period, but any such amounts would be subject to HM Treasury approvals on a year by year basis.

It is recognised that all current partners are committing significant time and resource to the project with particular pressures on planning, transport, legal and financial staff together with senior management. An exercise is currently underway to identify the impact on existing workloads as well as against the skills/knowledge needs going forward. Through the investment from each authority towards the Garden Communities work, there will be a freeing up of some of the time and resource each authority is current committing to the project.

Due to the progress being made in relation to the Garden Communities it is important to move away from a one year budget to a three year budget. A three year work programme and project budget has therefore been evolved which sets out current position on resource requirements and external commissioned support. This provides the best estimate of resource needs based upon the current position. This resource projection will be subject to ongoing monitoring and change but includes allowances across the following key areas:

- Project Resources: Support for project and programme management and a range of focussed roles dedicated to planning, infrastructure, funding and legal inputs;
- Legal: External legal support with respect to the planning process, establishment of LDV/s and evolution of legal agreements with landowners;

- Finance: Commissioned work to investigate funding opportunities, consider tax implications;
- Planning and Infrastructure: Further concept development and master planning of selected sites, together with wider evidence gathering to support plan examinations;
- Land Agreements: Allowances for landowner professional costs associated with evolving land agreements;
- Others: Other evidence base studies, communications and consultation activities.
- Auditing and reporting to the Steering Group and Shadow Board.

At its meeting in May, the Shadow Delivery Board reiterated its support for the Garden Communities project noting that there will be further costs to the project for which funding is not yet in place and that whilst there may well be further opportunities to bid for and secure further DCLG funding, there will be a requirement for each Council to underwrite a contribution towards further work on the project.

As such, the Board resolved to request a further contribution of £250,000 from each of the four partnership authorities to enable further project resourcing. This contribution was subject to each authority gaining the necessary approvals in line with their own financial procedure rules and constitution. This contribution will ensure that the work programme can be delivered going forward and would principally enable the delivery of the project budget highlighted in the following table. The actual funding requirement will relate to the schedule of work undertaken each year, net of any residual and/or additional capacity funding support provided by DCLG. As has already been mentioned, funding requirements will be expected to change subject to working up detailed delivery arrangements and the need for formalised LDV/s.

NEGC - PARTNER ACTIVITY				
	2016/17 £'000	2017/18 £'000	2018/19 £'000	Total £'000
ESTIMATED REVENUE BUDGET				
Project Resource	144	334	376	854
Legal	200	200	80	480
Finance	35	35	35	105
Planning	215	100	0	315
Infrastructure	50	50	0	100
Land Agreements	100	140	0	240
Others	300	43	25	367
Total	1,044	902	516	2,461
FUNDING SOURCES				
DCLG - committed	655			655
DCLG - forecast	204	300	300	804
ECC	250	0	0	250
Braintree	250	0	0	250
Colchester	250	0	0	250
Tendring	250	0	0	250
Total	1,859	300	300	2,459
NET POSITION (0) = negative				
Net position	815	(602)	(216)	(2)
		213	(2)	

It is proposed that project spend will be administrated by Colchester Council as the accountable body. This will be monitored through the Finance Working Group and Steering Group. Regular updates on the resource budget will be made the Steering Group and Shadow Board. Any significant additional and currently unforeseen requirements which cannot be accommodated within the project budget will be brought back to the Board for consideration.

It is anticipated that the positive relationship with DCLG officials and the ambitious growth agenda in North Essex means that it is well placed to secure further external funding. A key part of the approach going forward will be to maintain such positive relationships, and make considerable efforts to monitor and bid for further funding as opportunities arise.

Medium Term Financial Forecast 2016/17 – 2019/20

1. Introduction

The Medium Term Financial Forecast (MTFF) sets out the Council's budget forecast for the next three years. The MTFF sets out:-

- A summary of the 2016/17 budget including an analysis of all service budgets
- The budget forecast for next three years including current cost pressures, growth items and assumptions regarding use of reserves.
- A list of key risk items for 2017/18 and beyond
- The current position on Council General Fund balances including the risk assessment for 2016
- The current position on all other reserves and balances

The MTFF will continue to be updated during the year as the budget progresses.

2. 2016/17 Budget

The Council's General Fund includes all costs and income other than those in respect of the Council housing stock

Colchester's total net revenue budget for 2016/17 is **£17.8million**.

	£'000
Net Budget (incl: New Homes Bonus)	17,797
Funded by:	
- Revenue Support (excl Transition Grant)	1,978 (11%)
- Retained Business Rates (as shown in baseline assessment)	4,760 (27%)
- Council Taxpayers (excl. parishes)	10,599 (60%)
- Use of Balances / Reserves and Collection Fund	460 (2%)
	17,797

The following table sets out a summary of the 2016/17 budget including changes made from the previous year.

2016/17 Summary Budget

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 16/17 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	213		19			(5)	227
Corporate & Financial Management	6,238		139		19	(93)	6,303
Executive Management Team	600		14			(3)	610
Community Services	5,938		208	122	25	(34)	6,258
Commercial Services	2,086	(100)	142	123	50	(339)	1,962
Customer Services	2,114		141		20	(130)	2,145
Operational Services (excl NEPP)	1,376	(6)	195			(449)	1,116
Professional Services	2,292	(38)	125	20	17	(169)	2,247
Total General Fund Services	20,857	(144)	981	265	131	(1,223)	20,867
Technical Items							
<i>Corporate Items / sums to be allocated to services</i>							
Procurement Savings	(132)		0			(8)	(140)
Journey Management	0		0				0
Investment Allowance funded by New Homes Bonus	2,335		0	1,005	88	95	3,523
IT Servers	250	(250)	0				0
Borough-Wide service pressures	200		(200)				0
EMT Local Govt Devolution	5	(5)	0				0
Welfare Reform	0		118				118
Strategic Plan (funded by 15/16 NHB)	0		0	205			205

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 16/17 Budgets
Digital Challenge	0		0	150			150
Grounds Maintenance Savings	0		0			(50)	(50)
Digital Challenge - post and print	0		0			(50)	(50)
Angel Court	50		0			(50)	0
Inflation reduction			(100)				(100)
<i>Non-Service Budgets</i>							
NHB Top-Slice	(13)	13	0				0
Parish Council Grants / LCTS	102		0			(11)	91
CLIA (net interest)	599		0			(181)	418
R&R Contribution	150		0				150
Min Revenue Provision	662		0			(9)	653
Pensions	2,143		0			(7)	2,136
C Tax Sharing Agreement	(650)		0				(650)
Heritage Reserve & Gosbecks Reserve	10		0			(7)	3
GF/HRA/NEPP Adjustment	(3,243)		8	1		(43)	(3,277)
Total Below the Line	2,468	(242)	(174)	1,361	88	(321)	3,180
Total incl Below the line	23,325	(386)	807	1,626	219	(1,544)	24,047
<i>Funded by:-</i>							
Use of balances: re carry forwards	(71)	71	0		(426)		(426)
Contribution to balances	560	(560)	0				0
Use of Reserves	0		0		(462)		(462)
Use of NNDR reserve	0		0		(1,537)		(1,537)
use of S.106 reserve	(20)		0				(20)
Government Grant (RSG / NNDR)	(7,122)		1,184				(5,938)
NNDR Growth above Baseline	(700)		0		(100)		(800)

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 16/17 Budgets
Council Tax Freeze Grant	(114)	114	0				0
Council Tax	(10,434)		0		(165)		(10,599)
Collection fund Transfer	(409)	409	0		(353)		(353)
New Homes Bonus	(4,615)		0		(1,099)		(5,714)
Transition Grant					(88)		(88)
NNDR Deficit / (Surplus)	(400)	400	0		1,890		1,890
Total	(23,325)	434	1,184	0	(2,340)	0	(24,047)

3. Budget Forecast 2016/17 to 2019/20

The following table sets out the Council's budget forecast for the next three years including key assumptions.

Medium Term Financial Forecast				
2016/17 to 2019/20				
	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Base Budget	23,325	23,959	23,660	21,580
15/16 One-off items	(386)			
Cost Pressures	827	956	678	790
Growth Items	1,714	156	(1,771)	4
Savings	(1,632)	(1,300)	(987)	(142)
Carry forward items	111	(111)		
Forecast Base Budget	23,959	23,660	21,580	22,232
<i>Funded By:</i>				
Revenue Support Grant	(1,978)	(920)	(275)	446
Business Rates Baseline	(3,960)	(4,038)	(4,157)	(4,290)
<i>SFA</i>	<i>(5,938)</i>	<i>(4,958)</i>	<i>(4,432)</i>	<i>(3,844)</i>
Increase in NNDR / taxbase above baseline	(800)	(900)	(1,000)	(1,000)
New Homes Bonus	(5,714)	(5,754)	(3,615)	(3,469)
Total Gov't grants	(12,452)	(11,612)	(9,047)	(8,313)
Council Tax	(10,599)	(11,010)	(11,429)	(11,855)
Collection Fund Deficit / (Surplus)	(353)	0	0	0
Business Rates Deficit / (surplus)	1,890	0	0	0
Use of Reserves	(2,445)	(272)	(70)	(20)
Total Funding	(23,959)	(22,894)	(20,546)	(20,188)
Budget (surplus) / gap before changes (cumulative)	0	766	1,034	2,044
Annual increase		766	268	1,010
Revised cumulative gap based on Ctax freeze		1,071	1,651	2,979

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Cost Pressures				
General Inflation	702	640	640	640
Pensions	0	250		
Elections	19	(90)	90	
Pensions - auto enrolment		200		
Local Taxation Inspection	20	(70)		
Pay award (savings)	(100)			
ICT – Digital Challenge / ICT strategy - ongoing cost				200
Community Services - Market	57			
Community Services - Zones	15			
Bank charges	18			
Operational - waste disposal charges	20			
Welfare reform	76	26	(52)	(50)
Total	827	956	678	790
Growth Items				
Food Waste (net impact)		141	368	
Locality budgets		102		
Affordable homes	74			
Growth linked to New Homes Bonus	1,025	40	(2,139)	(146)
Digital Challenge / ICT strategy - implementation	150		(150)	
Revenue contribution to NHB schemes	32	(32)		
Reduced use of NHB in base budget	188	150	150	150
Strategic plan priorities (spend in 16/17)	245	(245)		
Total	1,714	156	(1,771)	4

Savings (incl. one off adjustments)				
Council Tax sharing agreement			250	
LCTS grant to parish councils	(11)	(13)	(7)	(7)
Outturn review	(350)			
Sport & leisure	(48)	(194)	(198)	
Business process efficiencies	(286)			
Commercial income and procurement savings	(93)			
Asset income		(154)	(495)	(50)
CCTV / Community Alarms		(100)	(130)	
Events Business Case		(180)	(230)	
Bereavement services		(19)	(20)	
Procurement	(50)			
Members allowances	(50)			
Grounds Mtce Contract - estimate	(50)			
Car park income	(375)			
Accommodation savings	(50)			
Interest	(125)			

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Gov't Transition Grant	(88)		88	
Digital challenge		(640)	(245)	(85)
Technical items / GF/HRA contingency	(56)			
Total	(1,632)	(1,300)	(987)	(142)

Use of / contribution to Reserves				
Funding c/f				
S106 monitoring reserve	20	20	20	20
Use of balances for welfare reform	76	102	50	
Use of balances to support budget	236			
Funding budget carry forwards	426			
Digital challenge	150	150		
NNDR Reserve	1,537			
Total	2,445	272	70	20

4. Risk Areas / Uncertainty

There are several key risk areas or areas where the outcome is uncertain which will impact on the 2017/18 budget forecast and potentially in later years. The main areas are:-

Risk / Area of uncertainty	
Impact of EU referendum 'leave' result,	<p>At this early stage any impact from the "leave" decision is unclear. However, the uncertainty and risks include:-</p> <ul style="list-style-type: none"> Any changes to the announced public sector funding levels including NHB Any impact on the Council's business rates 'taxbase' Any impact on the Council's treasury management costs arising from interest rate changes. Any impact of economic climate on Public Sector funding
<i>Government Funding / Business Rate Retention Scheme</i>	<p>The MTFF includes the reduction in the 'SFA' for 2016/17 of 17% with further reductions thereafter in line with figures included in the settlement.</p> <p>From 2013/14 a proportion of the Council's core income that used to be provided by Government grant is now funded by the Council keeping a share of business rates income. This poses a new risk as well as a potential reward.</p> <p>The budget includes an assumption that in 16/17 we will retain an extra £800k of NNDR income above our baseline figure, with further increases in later years.</p>
<i>Welfare Reform (including Local Council Tax Support - LCTS)</i>	<p>Budget papers have previously set out some of the key risks associated with the implications of the Council having approved the LCTS scheme. The combined impact of the Government's welfare reforms and demands on Council services will need to be considered during the period of the MTFF.</p> <p>Resources have been released to provide additional staffing to</p>

Risk / Area of uncertainty	
	support residents with funding provided from the allocation for growth and the risk allocation.
<i>Government grants and partnership funding</i>	<p>The Council's budget has changed over recent years with a greater emphasis on funding from both partner organisations and Government bodies. These funding streams can rarely be guaranteed and can therefore add to our cost pressures. Provision has been made in the 2016/17 budget for the New Homes Bonus based on the notified grant. Thereafter the MTFF assumes the indicative grant figures provided by Government. These will change and the MTFF sets out any reductions will reduce the funds available for one-off investment. Provision has been made for changes in other Government grants, such as housing benefit administration, in 2016/17, however, the impact of any further reductions in these will be considered as the MTFF is reviewed.</p>
<i>Pensions</i>	An allowance has been built in for increases in pensions costs based on the results of the last actuarial review and which therefore are fixed until the end of 2016/17. An allowance of £250k for an increase arising from the actuarial review has been assumed of £250k from 2017/18, and this will need to be reviewed closer to the time.
<i>Fees and charges and other income</i>	As has been seen in the past few years we have experienced a number of pressures arising from changes in income levels. Looking ahead to 2017/18 and beyond it is difficult to estimate how income levels may continue to be affected.
<i>Inflation</i>	<p>An allowance for general inflation including pay has been built into the 16/17 forecast and MTFF.</p> <p>Not all the Council's costs are directly linked to RPI and therefore we will continue to monitor the impact of inflation on all Council costs.</p>
<i>Use of reserves</i>	<p>The budget position for 2016/17 includes proposals to use certain reserves included some general use of balances to support the budget.</p> <p>The MTFF includes some proposals to use reserves to fund digital challenge costs in 17/18.</p>
<i>Legislation</i>	There are likely to be several items of new legislation over the life of the MTFF for which any available funding may not cover costs or which may impact significantly on the Council e.g. universal credit.
<i>Impact of regeneration programme e.g. staff resources</i>	<p>The 2015/16 budget included additional resources of £100k to support work in the Northern Gateway. This is also being used in 2016/17.</p> <p>Furthermore, the recently established Revolving Investment Fund (RIF) provides a framework for managing potential pressures.</p>
<i>Property review</i>	A review of our assets was carried out and a 5-year Building Repairs and Maintenance Plan produced. There will continue to be financial implications arising from this for both the revenue budget and capital programme and these will continue to be considered in detail and included in the on-going updates of the

Risk / Area of uncertainty	
	MTFF. The 2016/17 budget forecast maintains the additional allocation of £150k in respect of planned repairs. This will continue to be reviewed to consider if it is sufficient to meet ongoing requirements.
<i>Impact of growth in the Borough and demand for services</i>	A number of Local Authority services are directly impacted by the increase of population in the Borough, such as waste services, planning, benefits etc. As part of future budgets it will be necessary to consider whether there is a need for additional resources in these or other areas in order to maintain levels of service. A financial assumption has been made that the Council's programme of service reviews will assist in identifying efficiencies to cope with changes in demand.
<i>Delivery of budget savings</i>	The 2016/17 budget includes c£1.5m of savings or increased income. These items have been risk assessed and all are considered deliverable, however, the budget report considers the risk to delivering some of the income targets and if these cannot be achieved there is the risk in the MTFF of the ongoing impact. The MTFF includes further savings from the ongoing budget and service reviews and whilst these are currently considered to be on track to be delivered these will be reviewed as part of the 17/18 budget.
<i>Net Interest earnings and investments</i>	The budget is influenced by a number of factors including interest rates and cashflow movements. The treasury management strategy for 2016/17 highlights the outlook for interest rates in the medium-term which points to continuation of unprecedented low levels into 2016/17. The Council's strategy of internal borrowing has helped minimise our interest cost, however, it is recognised that this is not a long term approach and therefore there may be future cost pressures from any need to borrow externally. This is currently not reflected in the MTFF but will be considered as part of future budget updates.

5. General Fund Balances – Risk Assessment

Introduction & Background

A risk assessment was undertaken to determine the prudent level of general fund balances as part of the 2016/17 budget process.

Historically we have maintained a strong level of balances and these have been used to:-

- Support the annual budget - particularly to fund one off items.
- Fund new initiatives identified during the year.
- Provide cover for cashflow and emergency situations.
- Provide flexibility and a resource for change management.

Risk Assessment

The risk assessment has been kept under review. The results of the current assessment are summarised below.

Factor	Assessed Risk			Comment
	High	Med	Low	
	£'000	£'000	£'000	
Cash Flow	1,000			Increased to reflect current budget
Inflation		100		
Investment Income	75			Reduced from £150k to £75k reflected in year risk
Trading Activities and fees and charges		200		
Benefits		200		Increased risk from low to medium reflecting potential risk
New legal commitments			100	
Litigation		150		
Partnerships			100	
VAT Exemption Limit			450	Increased to £450k from £350k representing current impact.
Budget Process		150		Increased by £50k to reflect removal of contingency sums
Revenue impact of capital schemes			150	
Impact of Local Government Finance reforms	300			Maintained, given funds held in earmarked reserve and balances
	1,375	800	800	

	Risk	%	Minimum provision
High Risks	1,375	100%	1,375
Medium Risks	800	50%	400
Low risks	800	10%	80
Sub total			1,855
Unforeseen factors			45
Recommended level			1,900

This shows the minimum level of balances being increased to £1.9 million. It is then a matter of judgement whether it would be desirable to hold any further level of balances beyond this, or to seek to rebuild balances above this level to provide for future flexibility.

The main issues to mention concerning the assessment are: -

- The key reason for proposing to increase balances in 2013/14 was the new risks associated with major Local Government reforms such as the creation of a Local Council Tax Support Scheme and the local retention of business rates. This remains a key risk area.
- While the possible requirement to meet capital spending from revenue resources a potential risk it is no longer shown in the assessment as it is classed as "nil" because of the current level of funds held in the capital expenditure reserve and the introduction of the Prudential Code.
- Investment income has been identified as a risk area. In last year's risk assessment this was classified as a "high risk" and due to the continuing uncertainty in the world economy this has been maintained, however, the risk sum has been reduced.
- The assessment includes the risk that the VAT exemption limit will be exceeded with a consequent loss of recoverable VAT. Regular monitoring and active management of new schemes minimises this risk, however, the cost attached to this has been increased to reflect the current level.

Implications

The risk assessment will be carried out at least annually as part of the budget process. While the current assessment indicates a minimum level it is important to recognise that there are implications of operating at this level. As noted above we have traditionally had a level of balances that have provided flexibility and enabled new initiatives to be considered outside the annual budget process. Operating at the minimum level requires an approach and a discipline to: -

- Ensure all spending aspirations for the coming year are assessed as part of the annual budget process. The continued development of the Medium Term Financial Forecast will assist in this.
- Recognise that it will not be possible to draw on balances to fund new discretionary initiatives identified in the year, however desirable they may be; an alternative source of funding would need to be identified.
- Realise future assessments could identify a need to rebuild balances

- Accept that the potential for interest earnings on balances will change depending on the level of balances held. (This will be reflected in the budget accordingly).
- Acknowledge that any balances desired for future flexibility/change management will need to be built up over and above the prudent level identified.

In addition it is acknowledged that it may be necessary for balances to fall below the recommended level. Balances are provided to mitigate unbudgeted cost pressures and as such at times they may be used to provide temporary support to the Council's budget.

6. General Fund Balances - Position

The following table sets out the General Fund balances position. This has been reviewed and presented to highlight current sums allocated within balances

In summary this shows:-

- Current balance of £10.4m
- Of which, £6m is forecast to be spent or to remain as an allocation during 16/17 (including impact of proposals within this report)
- A further £1.7m is allocated for future year costs or against specific risks
- Leaving £2.7m uncommitted or unallocated.
- The recommended level of general fund balances is £1.9m, meaning we are **£0.8m** above our recommended minimum level.

General Fund balances

	Allocated	Risk allocations	Unallocated	Total	Note
	£'000	£'000	£'000	£'000	
Opening balance 1/4/16	(6,434)	(863)	(3,065)	(10,362)	per 15/16 accounts
<i>Budget Carry Forwards:-</i>					
Service Budget c/fs	1,475			1,475	
New Homes Bonus	1,008			1,008	
New allocations agreed Cabinet	128			128	
Colchester & Ipswich Museum Service (CIMS)	188			188	Use of balances subject to decisions made by joint Committees.
North Essex Parking Partnership (NEPP)	179			179	
Council Tax Sharing agreement	271			271	Includes carry forward sum from previous years. Being held given risk / uncertainty over future income from this agreement.
Funding allocation for Borough Investment For All	143			143	Agreed by Cabinet in 15/16, some funding c/f
<i>Funding allocations held in balances</i>					
Allocations in previous years c/f	648			648	Allocations against specific projects. This will be reviewed during the year to see if all still required.
Redundancy costs	473			473	Includes pension strain costs
Right to challenge - Gov't funding	46			46	
<i>Agreed use of balances in 16/17:-</i>					
Use of earmarked balances for welfare reform	76			76	Agreed by Cabinet November 15
Use of balances to support budget	386			386	“ “ “ “
Funding budget carry forwards	426			426	“ “ “ “
Funding previously held for Street Lights	185			185	Agreed by Cabinet March 16

	Allocated	Risk allocations	Unallocated	Total	Note
	£'000	£'000	£'000	£'000	
<i>Proposed use of balances in 16/17:-</i>					
Garden communities			250	250	See report
Building Control			101	101	“ “
Total use in 16/17	5,632	0	351	5,983	
<i>Use of balances in later years or risk allocations</i>					
Community Stadium - rent adjustment	500			500	Provision for one-off reduction in rent
NNDR / Welfare reform	152	172		324	Provision for impact arising from reforms. Some funding in later years agreed.
Support for digital challenge in 17/18	150			150	Report to be submitted to Cabinet March 16
Planning appeals, legal, HR etc- risk allocation		411		411	Some costs probable in 16/17, especially in respect of planning appeals.
Housing benefit - risk allocation		130		130	Agreed in 15/16 budget
Collection Fund - risk allocation		150		150	Agreed in 15/16 budget
Total later years allocations	802	863	0	1,665	
Uncommitted / unallocated Balance	0	0	(2,714)	(2,714)	
Recommended level			(1,900)	(1,900)	Agreed level
Surplus above recommended level	0	0	(814)	(814)	

2017/18 Budget Timetable	
Budget Strategy	
March – June (SMT and Budget Group)	Budget Group Meetings Agreed Update MTFF /Budget Strategy Review potential cost pressures, growth and risks Consider approach to budget Initial budget reviews started
Cabinet – 13 July 16	<ul style="list-style-type: none"> • Review 15/16 outturn • Report on updated budget strategy / MTFF • Timetable approved
Scrutiny Panel – 19 July 16	Review Cabinet report
Detailed Budget preparation and Budget Setting Consultation	
Budget Group / Leadership Team regular sessions on progress / budget options now - December	Review budget tasks Consider delivery of existing budget savings Complete outturn review
Cabinet – 7 September 16 and /or 12 October 16	<ul style="list-style-type: none"> • Budget Update • Consider “4 year settlement” • Review of capital resources / programme
Cabinet – 30 November 16	<ul style="list-style-type: none"> • Budget update • Reserves and balances • Agree fees and charges / budget changes • Government Finance settlement (if available) • Review in year budget position
Scrutiny Panel – 31 January 17	Budget position (Detailed proposals)
Cabinet – 1 February 17	Revenue and Capital budgets recommended to Council
Council – 22 February 17	Budget agreed / capital programme agreed / Council Tax set

Leadership Team to review budget progress during year.

Report of	Assistant Chief Executive	Author	Richard Clifford
Title	Member Development Group: Annual Report to Cabinet 2015-16		
Wards affected	Not Applicable		

This report concerns the Annual Report of the Member Development Group on its work in the 2015-16 municipal year.

1. Decision(s) Required

1.1 To receive and note the report of the Member Development Group on the work of the group in the 2015-16 municipal year.

2. Reasons for Decision(s)

2.1 The Member Development Group's Terms of Reference include a requirement to report to Cabinet on an annual basis. This provides Cabinet with an opportunity to review the work of the Group.

3. Alternative Options

3.1 No alternative option are proposed.

4. Supporting Information

4.1 The Annual Report of the Member Development Group for 2014-15 is attached to this report. This sets out information about the background to the group and its terms of reference and composition. It summarises the main areas of work undertaken by the Group and provides information about the range of development activities undertaken by members of Colchester Borough Council in 2015-16.

4.2 Cabinet may also wish to note that the Council passed its 18 month interim reassessment for Charter status for Elected Member Development on 29 June 2016.

4.3. Cabinet are invited to receive and note the report.

5. Strategic Plan References

5.1 The Annual Report looks at how the priorities outlined in the Annual Training Plan have been met. The Plan identifies which of the Strategic Plan priorities development opportunities contributed to.

5.2 Member development supports all the Strategic Plan priorities by promoting the skills and knowledge members need in order to fulfil their roles effectively.

6. Financial Implications

6.1 There are no direct financial implications arising from the report. The Annual Report sets out the expenditure against budget for member development in 2015-16.

7. Equality, Diversity and Human Rights implications

7.1 An EQIA for the councillor development policy has been prepared and can be accessed via the link below.

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=2290&p=0>

8. Standard References

8.1 There are no particular references to publicity or consultation considerations; or community safety; health and safety or risk management implications.

Member Development Group: Report to Cabinet 2015/16

1. Introduction

The purpose of the Member Development Group is to provide a forum where members can advise on the planning, delivery and evaluation of member development activities. The Group is made up of a member of each political group and is chaired by the Portfolio Holder for Resources.

One of the recommendations arising from the successful bid for Charter Status in April 2011 was that the Member Development Group should be placed clearly with the Council's decision making structure to improve its accountability and visibility. In order to address this recommendation, the Group's Terms of Reference were amended to make its links to Cabinet clearer and to include a requirement that the Group report to Cabinet on an annual basis. This report meets this requirement and summarises the work of the Group during the 2015-16 municipal year.

2. Terms of Reference

The Group's Terms of Reference are as follows:-

The Member Development Group will advise on the planning, delivery and evaluation of member development activities and make recommendations to Cabinet where appropriate. The Member Development Group will report to Cabinet on an annual basis.

The membership of the Member Development Group will be the relevant Portfolio Holder with responsibility for Member Development and one member from each political group represented on the Council. The Group will be chaired by the Portfolio Holder. Members of the Group will be responsible for the promotion of Member Development within their political group.

The Member Development Group will:-

- oversee the provision of member development opportunities;
- advise on policies and procedures relating to member development; and monitor their implementation and effectiveness;
- regularly review the level and allocation of the Councillor development budget;
- oversee the evaluation of member development opportunities and assess the contribution of member development opportunities towards the Council's corporate objectives;
- ensure that Charter Status for Member Development is maintained and monitor the progress of the implementation of the recommendations from the Charter Assessment.

3. Composition

The membership of the Group in 2015-16 was as follows:-

Councillor Mark Cory, Portfolio for Resources, Chairman
Councillor David Harris
Councillor Jackie Maclean
Councillor Theresa Higgins
Councillor Gerard Oxford

The Group has been supported by Hayley McGrath, Corporate Governance Manager, and Richard Clifford, Lead Democratic Services Officer.

The Group has met on three occasions in 2015 - 16.

4. Main Areas of Work

4.1 Preparation for New Council 2016

One of the key areas of work of the Group in 2015-16 has been preparation for the welcome and induction of the new Council elected in the whole Council elections in May 2016. The Group considered the need for a comprehensive induction for new Councillors and the need to for returning Councillors to refresh their knowledge and of the need to bring together the new Council at an early point. It also looked at issues relating to succession planning.

It therefore developed and planned the New Council Conference scheduled for 12 May 2016. This was a new approach and was aimed at providing Councillors with the information they need about the Council and its services and the support available to them at an early stage. The aim was to provide an opportunity for Councillors to meet a range of key officers and to deal with a number of practical and logistical matters in one go, reducing the overall time required to address these issues for both Councillors and officers.

The Conference included sessions for members on:-

- Welcome and Introduction to the Council;
- Code of Conduct
- Handling Constituents Enquires
- Councillor IT and Digital Challenge
- Work of Essex County Council

There was also a Market Stalls event for Councillors to obtain information about the Council's Service Groups and to meet key officers.

The Conference was well attended with 32 Councillors attending for all or some of the day. In particular it was pleasing to note that of the eleven newly elected Councillors, 10 attended. Detailed feedback on the Conference will be sought, particularly from new Councillors about how well it prepared them for their role. However, initial feedback immediately after the event was very positive.

4.2 The Provision of Member Development

The priorities for Member Development are set out in the Council's Member Training Plan. The Group has continued to work towards the priorities identified in the current plan. A copy of the Plan is attached at Appendix 1 with comments included explaining the development provided this municipal year for each of the priorities.

Development has been provided for most of those issues identified as the highest priorities. Those that have not been covered will be considered for inclusion in the Training Plan for the forthcoming municipal year. A review of the Training Plan to take account of the training needs of the new Council will be a priority for the Group in the 2016-17 municipal year.

In 2015-16, forty nine councillors have attended one or more development event, either internal or external over the course of the year, with almost a third of Councillors number attending five or more sessions. Details of the attendance by Councillors at member development sessions are at Appendix 2. In addition to providing training for Borough Councillors, the Council has also provided training on planning issues for parish councillors.

Three Councillors attended the LGAs Leadership Academy programme, two on subsidised programmes, whilst another Councillor also attended the specialist Cultural Services programme, which again was fully subsidised.

Feedback provided by Councillors at member development session is collated and reported to the Group. The feedback has largely been positive.

4.3 Member Development Budget and Resources

The member development budget for 2015/16 was set at £12,000. The budget is split into two elements: a core training budget of £6000 which is used to fund core training with a council wide application such as training on licensing, planning and scrutiny. It is also used to fund a place at Leadership Academy. The remainder of the budget is split between the political groups on the basis of £100 per member.

Where possible the Council seeks to provide training and development in house and most of the training and development in 2015-16t has been provided by the Council's own officers. The spend on the budget was £4138 of which £2700 was from the core budget and £1438 from group budgets. The Group appreciates the time and effort that officers put into providing development opportunities for Councillors. Member development is supported by the Democratic Services Team. Support was also provided by the Corporate Governance Manager as and when required. Considerable time and efforts is put into providing sessions and development by officers across the organisation.

4.4 Work Going Forward

It will be for the Group to agree of work programme for the 2016 17 municipal year. However the following issues in particular will need to be considered going forward:-

- Establishing training and development needs of the new Council and revising the Council's training plan to reflect the new priorities identified;
- The Council's interim reassessment for Charter Status for Elected Member Development is due in summer 2016.

Conclusion

The Group considers that the work put into the preparation for the New Council Conference was validated by the significant attendance by Councillors and the positive feedback that has been received so far. In view of the amount of development delivered and the large number of Councillors who have taken advantage of development opportunities that the budget and resources put into member development have provided good value.

Colchester Borough Council: Annual Training Plan 2015-16

The purpose of this training plan is to outline the priorities for member development in the 2014-15 municipal year. It is based on information from the following sources:

- Information provided by Councillors about their individual training needs for example from completion of Personal Development Plans or Training Needs Assessments.
- Information provided by the Executive about their view of the priorities for Member Development in the Municipal year;
- Suggestions from the all party Member Development Group.

When arranging and delivering training and development for Councillors, consideration should be given where appropriate to including strategic partners, parish councillors and councillors from neighbouring authorities.

Subject	Objective	Delivery	Priority (scale of 1 to 3) with 1 being the highest priority	Links to Strategic Plan objectives
Knowledge based development				
Provision of information about Welfare Reform	To increase members knowledge of benefits available to constituents so that they are better able to	To be delivered through a range of methods:- <ul style="list-style-type: none"> • presentations; • circulation of information eg briefing 	1	<ul style="list-style-type: none"> • Create the right environment for people to develop and flourish in all

	<p>help and advise constituents.</p> <p>To keep members abreast of developments and changes to benefits that may be introduced.</p>	<p>notes from LGA.</p> <p>Particular consideration to be given to involving strategic partners , in particular staff from Members of Parliament offices, parish councillors</p>		<p>aspects of life both business and pleasure.</p> <ul style="list-style-type: none"> • Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life. • Be clear about the major opportunities to work in partnership with public, private and voluntary sectors to achieve more for Colchester than we could do on our own.
Universal Credit and Colchester – 1 July 2015				

Local Government Finance To include:- <ul style="list-style-type: none"> • General session for new Councillors or those with a general interest; • More advanced training to be made available for those with a particular interest eg Portfolio Holder, members of Governance Committee. 	To ensure that members have an understanding of the principles of Local Government Finance so that members are able to contribute effectively to the work of the Council, particularly in respect of the budget setting process. To ensure that members of the Governance Committee have the necessary knowledge and expertise to enable the Committee to function effectively.	To be delivered through a range of methods:- <ul style="list-style-type: none"> • presentations; • circulation of relevant written information 	2	Indirectly contributes to delivery of all Strategic plan objectives
Introduction to Local Government Finance – 9 July 2015				
Scrutiny Training To concentrate on development of useful scrutiny skills questioning,	To improve the effectiveness of the Scrutiny Panel by ensuring that Panel members have the necessary skills to act	Formal session(s) to be delivered either by external trainer or by members of Executive management Team	1	By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of Strategic Plan

interpretation of reports.	as effective members of the Scrutiny Panel.			objectives.
Skills based development				
Public speaking skills	To provide members with the opportunity to develop the necessary skills to enable them to speak in public clearly and confidently. In particular to take account of the many and varied circumstances in which Councillors may need to speak and to deal with the particular challenges involved in speaking in a political environment.	Formal training session to be delivered by external trainer	1	By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of Strategic Plan objectives.
Chairing Skills	To provide members, with the necessary skills and knowledge to enable them to chair a range of meetings effectively;. To be aimed particularly at those who are new to a Chairman's role or	Formal training session to be delivered by external trainer Coaching/mentoring by existing or experienced Chairman	1	By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of Strategic Plan objectives.

	who are looking to develop the skills necessary for that role			
Chairing Skills - 5 March 2016				
Social Media and Channel Shift	<p>To provide members with an awareness of the main social media sites and awareness of the potential advantages and risks of using such sites and their potential importance in helping councillors engage with some traditionally hard to reach groups.</p> <p>The role of social media in promoting channel shift.</p>	To be delivered through a series of workshops for small groups of Councillors, possibly according to their familiarity and confidence with social media	2	By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of Strategic Plan objectives.
Media Training – 2 July 2015 Desktop Publishing on Ipads – 13 January 2016				
IT Skills	To provide members with the opportunity to develop the necessary skills and information to utilise IT effectively	To be delivered through a range of methods such as formal presentations, drop in workshops; online courses.	3	By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of

	<p>to fulfil their roles.</p> <p>To include training on new software that Councillors may wish to use.</p>			Strategic Plan objectives.
Desktop Publishing on Ipads – 13 January 2016				
Regulatory based development				
<p>Planning</p> <p>To include:-</p> <ul style="list-style-type: none"> • General introductory session for new Councillors, ward Councillors and those new to Planning Committee; • Updates on hot topics that arise throughout the municipal year; • Advanced training for members of 	<p>To ensure that members of the Planning Committee meet the requirements of the Constitution in respect of training;</p> <p>To provide a sufficient pool of substitutes with the require training and expertise to enable the Committee to function;</p> <p>To ensure that members of the Planning Committee and substitutes have the necessary skills</p>	<p>General introductory session to be a formal presentation;</p> <p>Updates and information on more advanced topics to be delivered through a range of methods:-</p> <ul style="list-style-type: none"> • presentations; • electronic/online courses; • circulation of information by e-mail; • site visits. 	1	<ul style="list-style-type: none"> • Enhance the diverse retail and leisure mix supporting independent businesses valued by residents and visitors; • Provide opportunities to increase the number of homes available including those that are affordable for local people and

<p>Planning Committee. Subjects to be covered to decided during Municipal Year in discussion between Head of Professional Services and the Chairman of Planning Committee.</p>	<p>and expertise to make sound decisions based on planning criteria.</p> <p>To ensure that ward Councillors have the necessary knowledge of the planning system to effectively represent and champion the interests of their constituents.</p>			<p>refurbish our own Council houses for people in significant need;</p> <ul style="list-style-type: none"> • Ensure transport infrastructure keeps pace with housing growth to keep the borough moving; • Create business friendly environment, encouraging business start ups, support to small and medium sized enterprises and offer development in the right locations.
<p>Planning Committee and Planning Policy Basics – 18 June 2015 Archaeology, Urban Design, Historic Buildings and Areas – 31 July 2015 Planning Training, Section 106, CIL and Affordable Housing – 29 October 2015</p>				

Planning training – 11 January 2016 Jumbo briefings – 26 January and 1 March 2016				
Licensing To include:- <ul style="list-style-type: none"> • General session outlining the licensing system, the regulatory framework that underpins it; the role and powers of the Licensing Committee and its sub-committees and how ward Councillors can interact with the licensing system; • Training to provide members of the Licensing Committee with sufficient 	<p>To ensure that members of the Licensing Committee meet the requirements of the Constitution in respect of training;</p> <p>To ensure that members of the Licensing Committee have the necessary skills and expertise to make sound decisions.</p> <p>To ensure that ward Councillors have the necessary knowledge of the licensing system to effectively represent and champion the interests of their constituents.</p>	<p>General session to be a formal presentation.</p> <p>Updates and information on more advanced topics to be delivered through a range of methods:-</p> <ul style="list-style-type: none"> • presentations; • electronic/online courses; • circulation of information by e-mail; • site visits. 	<p>1</p>	<ul style="list-style-type: none"> • Enhance the diverse retail and leisure mix supporting independent businesses valued by residents and visitors; • Create business friendly environment, encouraging business start ups, support to small and medium sized enterprises and offer development in the right locations. • Ensure Colchester is a welcoming and safe place for residents,

<p>expertise to sit on Committee and its Sub-Committees;</p> <p>Updates on topics as they arise throughout the year, such as legislation updates, and modular units on more advanced issues.</p>				<p>visitors and uinnesses wit a friendly feel that embraces tolerance and diversity.</p>
Induction for New Councillors				
<p>Induction programme for any new Councillors elected in May 2015.</p> <p>To include:-</p> <ul style="list-style-type: none"> • Introductions to key officers; • Tour of Town Hall and key housekeeping matters (building pass; car parking, location of meeting 	<p>To provide newly elected councillors with a structured and effective induction to enable them to</p> <ul style="list-style-type: none"> • Understand their role as Councillors; and the legal obligations placed on an elected member; • Effectively represent and champion the needs of their 	<p>Formal presentations on key topics</p> <p>Meetings with key officers</p> <p>Tour of Town Hall</p> <p>Provision of key documents</p>	1	<p>By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of Strategic Plan objectives.</p>

rooms etc) • Access to Council IT systems; • Sessions on key topics: Code of Conduct, Local Government Finance, Planning, Safeguarding, Equality and Diversity	constituents; • Understand the structure and meetings processes of the Council. • Understand the resources available to support and help them			
Equality and Diversity - 24 June 2015 Introduction to Local Government Finance – 9 July 2015 Code of Conduct – 23 July 2015, 4 November 2015 and 13 November 2015 Safeguarding – 9 February 2016				

Evaluation

The following principles will apply to evaluation of the training and development delivered to Councillors;

- **Feedback from delegates should be sought from every Councillor Development session. This should be analysed and summary provided to the trainer and also reported to the Member Development Group. Feedback should also be sought from other methods of development. Again the feedback should be analysed, summarised and reported where appropriate to the person providing the development and to the Member Development Group**

Appendix 2

Attendance at Training and Development Opportunities 2015-16 Municipal Year

	Planning Committee and Planning Policy Basics	Equality and Diversity	Universal Credit and Colchester	Media Training	Intro to Local Government Finance	Code of Conduct
Dates	18-Jun-15	24-Jun-15	01-Jul-15	02-Jul-15	09-Jul-15	23-Jul-15
Attendees	Barton Buston Chillingworth Hardy Harrington Havis Jarvis Liddy Lilley Maclean, F Maclean, J Manning Martin Naish Young, J	Feltham Hardy Hazell Liddy Maclean, J Scott-Boutell	Barton Blundell Bourne Buston Chillingworth Feltham Hardy Hazell Hogg Jarvis Liddy Sykes Willetts	Cory Frame	Goss Hardy Laws Scott Young, T	Hardy Moore

Archaeology, Urban Design, Historic Buildings and Areas	Local Government and Human Rights	Developing Brownfield Sites Westminster Briefing	Planning Training - s 106 CIL, Affordable Housing - PAS	Code of Conduct	Devolution	Code of Conduct
31-Jul-15	24-Sep-15	13-Oct-15	29-Oct-15	04-Nov-15	12-Nov-15	13-Nov-15
Chillingworth	Liddy	Barton	Barton	Arnold	Barton	Havis
Chuah			Chapman	Maclean, F	Buston	Laws
Hardy			Chillingworth		Chapman	Locker
Hayes			Chuah		Chillingworth	
Hazell			Cook		Davies	
Jarvis			Cope		Feltham	
Maclean			Elliott		Graham	
Moore			Goss		Hardy	
Sykes			Hazell		Havis	
Scott-Boutell			Hayes		Hayes	
			Jarvis		Hogg	
			Liddy		Jarvis	
			Locker		Lilley	
			Maclean, J		Maclean, J	
			Martin		Scott-Boutell	
			Scott		Young, T	
			Smith			

Air Quality Action Plan and Low Emission Strategy						
Kickstart	Planning Training.	Desktop publishing on Ipad	Briefing	Jumbo briefing	Safeguarding	Jumbo briefing
27-29 November	11-Jan-16	13-Jan-16	12-Jan-16	26-Jan-16	09-Feb-16	01-Mar-16
Barton	Arnold	Oxford, B	Barton	Arnold	Chapman	Barton
Smith	Buston	Oxford, G	Chillingworth	Chpman	Chillingworth	Buston
Havis	Chapman	Harris	Cook	Cook	Chuah	Goss
	Cope		Cope	Cope	Hardy	Hazell
	Davidson		Davies	Feltham	Harris	Liddy
	Elliott		Feltham	Frame	Havis	Oxford, G
	Feltham		Frame	Hardy	Hazell	
	Hardy		Goss	Havis	Hogg	
	Hayes		Havis	Hayes	Oxford, G	
	Hazell		Hayes	Jarvis	Oxford, P	
	Higgins, T		Hogg	Knight		
	Jarvis		Knight	Laws	Also CBH	
	Laws		Laws	Lissimore	Loweman	
	Liddy		Liddy	Maclean, J	Grhamslaw	
	Lissimore		Maclean	Moore	Philp	
	Locker		Manning	Smith	Carey	
	Maclean		Moore	Willetts	Blois	
	Person		Oxford, B		Officers	
	Scott		Oxford, P		Gareth Mitchell	
	Scott-Boutell		Scott-Boutell		Mel Rundle	
	Smith		Smith		Cass Clements	
	Willetts				Roz Clough	
					Fay Mathers	

Chairing Skills

15-Mar-16

Barton
Buston
Cope
Davidson
Goss
Harris
Hayes
Hazell
Liddy
Lilley
Maclean, J
Manning
Scott
Scott-Boutell

Name	Number of development sessions attended
Christopher Arnold	3
Lyn Barton	9
Kevin Bentley	
<i>Elizabeth Blundell</i>	1
<i>Anne Brown</i>	
Tina Bourne	1
Roger Buston	6
Mark Cable	
Nigel Chapman	5
Peter Chillingworth	7
Helen Chuah	3
<i>Barrie Cook</i>	3
Nick Cope	5
Mark Cory	1
Robert Davidson	2
Beverly Davies	2
John Elliott	2
Andrew Ellis	
<i>Margaret Fairley-Crowe</i>	
Annie Feltham	6
Bill Frame	3
<i>Ray Gamble</i>	
Martin Goss	5
Dominic Graham	1
Annesley Hardy	10
<i>Marcus Harrington</i>	1
Dave Harris	3
Julia Havis	7
Jo Hayes	8
Pauline Hazell	8
<i>Peter Higgins</i>	
Theresa Higgins	1
Mike Hogg	4
Brian Jarvis	7
John Jowers	
Justin Knight	2
Darius Laws	5
Cyril Liddy	9
Michael Lilley	3
Sue Lissimore	2
Ben Locker	3
Fiona Maclean	2
Jackie Maclean	9
Jon Manning	2
<i>Richard Martin</i>	2
Patricia Moore	4
<i>Kim Naish</i>	1
<i>Nigel Offen</i>	
Beverley Oxford	2
Gerard Oxford	3
Philip Oxford	2
Chris Pearson	1
<i>Will Quince</i>	

Rosalind Scott	4
Jessica Scott-Boutell	6
<i>Peter Sheane</i>	
Paul Smith	5
Laura Sykes	2
Dennis Willetts	2
Julie Young	1
Tim Young	2

Those Councillors in italics did not stand for re-election in May 2016 election

Report of	Head of Operational Services	Author	Matthew Young
Title	North Essex Parking Partnership - Lead Authority		282902
Wards affected	Not applicable		

This report concerns the decision on whether the Council remains as lead authority for the North Essex Parking Partnership (NEPP) if a further four year extension to the Joint Agreement is offered by Essex County Council (ECC)

1. Decision(s) Required

- 1.1 That the Council confirms its willingness to act as lead authority for the NEPP if a further four-year extension to the Joint Agreement is offered by ECC. This would extend the agreement until March 2022.
- 1.2 That the Council develops, as lead authority, a separate agreement for off-street NEPP services with its partner authorities.

2. Reasons for Decision(s)

- 2.1 To ensure that the Council's position on lead authority of the NEPP is clear when the proposed new agreement from ECC is received.
- 2.2 To ensure that the costs of the off-street service are fairly allocated according to usage and need.

3. Alternative Options

- 3.1 The Council indicates that it no longer wishes to act as lead authority.

4. Supporting Information

- 4.1 The NEPP was formed in April 2011 and reports to a Joint Committee (JC) of ECC under a seven-year agreement.
- 4.2 The six District and Borough Councils in North and West Essex are Members of the JC and are represented by Councillors at the Committee meetings. These Councillors must be 'Executive Members', in other words members of the Cabinet. Essex County Council (ECC) attend the meetings as observers and this is normally the Portfolio Holder responsible for Highways & Transportation.

- 4.3 The JC meets four times a year, with its AGM in June. The NEPP JC receives operational, financial and other relevant reports from officers. The officers are employed by Colchester Borough Council which is named in the Joint Committee Agreement (JCA) as 'lead authority'. Each of the District and Borough Councils (the "client authorities" of NEPP) has a client officer with whom the NEPP officers maintain regular contact and an officer from ECC also attends.
- 4.4 ECC has an Agreement with the NEPP JC to delegate the delivery of its on-street parking function. The NEPP provides these services in the districts/borough of Tendring, Colchester, Braintree, Uttlesford, Harlow and Epping Forest. ECC has also delegated powers to make parking Traffic Regulation Orders (TRO) to the NEPP. These are the underpinning regulations for the making of parking restrictions/permissions such as "yellow lines" and parking bays and permit areas.
- 4.5 Members of the NEPP JC can also elect to have their off-street car park services provided as an annex to the JCA. This option has been taken by Colchester, Braintree, Uttlesford and Harlow and Epping Forest.
- 4.6 Following the conclusion of the on-street contract extension the discussions will commence on the arrangements for the off-street services and the plan is to no longer use an annex to the JCA and negotiate a separate agreement with the lead authority's off-street partners. This will allow an agreement to be agreed that better represents the needs and usage of the authorities involved.
- 4.7 The current JCA includes an option to extend for a further four years when it terminates in March 2018. ECC have indicated their intention to take up that option and offer both the North and South partnerships a further JCA through to March 2022.
- 4.8 The Council has invested a significant amount of staff time and energy in making the partnership work and improved the enforcement operation in all areas, both on the street and in the back office systems used. It has also created effective processes to maintain signs and lines across the partnership area and create new Traffic Regulation Orders that did not exist before the NEPP came into being.
- 4.9 Furthermore, when the Partnership commenced the on-street service it was running at a deficit of approximately £600k and predicted to increase further. This has been turned round over the five years of the existence of the NEPP to run at a significant surplus for the last three financial years.
- 4.10 These surpluses are invested back into parking schemes across the borough and district areas covered by the NEPP as well as maintaining the existing signs and lines. To give some idea of the positive impact that this has made the schemes developed and introduced in Colchester are listed in Appendix One to this report. These are addition to the major review of the Colchester Residents' Parking schemes which had been promised since 2001 and was finally delivered and part-funded by the NEPP in 2014.
- 4.11 Therefore, to maintain the stability and continuity of the service it is recommended that the Council continues to act as lead authority.
- 4.12 This also confirms the Council's reputation as a provider of efficient and effective services outside its geographical boundaries.

5. Proposals

- 5.1 That the Council confirms that it will act as lead authority for the NEPP if a further four-year extension to the Joint Agreement is offered by ECC.

6. Strategic Plan References

- 6.1 Ensure transport infrastructure keeps pace with housing growth to keep the Borough moving.

7. Consultation

- 7.1 The NEPP JC has considered this matter and is comfortable with Colchester remaining as the lead authority.

8. Publicity Considerations

- 8.1 There is no publicity required at this stage of the renewal process.

9. Financial implications

- 9.1 There are no direct financial implications as a result of the decision in this report. Any financial implications arising as a result of the contract extension will be provided in the report to the 12 October Cabinet meeting.

10. Equality, Diversity and Human Rights implications

- 10.1 An updated Equality Impact Assessment for the NEPP is available here <http://www.colchester.gov.uk/CHttpHandler.ashx?id=5106&p=0>

The decisions will not impact on the promotion of equality or discriminate in relation to gender, gender reassignment, disability, sexual orientation, religion or belief, age and race/ethnicity.

11. Community Safety Implications

- 11.1 There are no community safety implications as a result of these decisions

12. Health and Safety Implications

- 12.1 There are no Health and Safety implications as a result of these decisions

13. Risk Management Implications

- 13.1 There is no extra financial risk for the Council is being lead authority as any deficits incurred by the NEPP are shared equally amongst all partners. Furthermore, the on-street account has been in surplus for the last three financial years.
- 13.2 There is a reputational risk in running services beyond the Council's geographical boundaries as it widens the scrutiny the service receives from the partner Councils and the local media outlets. This is mitigated by ensuring that a comprehensive communications plan is in place and operating effectively.

NEPP Lead Authority Cabinet report - Appendix One

Site	Details	
Dedham-High Street	Restrictions in area of War Memorial to deter parking and preserve Memorial	
Eudo Road	Parking restrictions/bays to encourage considerate parking	
Victoria Esplanade-West Mersea	Extension of current no waiting/no loading restriction	
Villa Road	Extension of current school restriction	
Coventry Close	Intro of double yellow line in close	
Hospital Roads	Intro of residents parking zone	
School Road-Monkwick	Amendment of school restriction times	
Winstree Road	Extension of current double yellow lines	
Rawlings Crescent	Extension of current school restriction	
The Avenue-Wivenhoe	Section of no waiting/no loading to improve bus access	
Ambrose Ave/Rudsdale Way	Junction protection	
Boxted Road	Waiting/loading ban in turning hammerhead to deter parking	
New Farm Road	Junction protection in unprotected areas, amendment of current restrictions close to new build	
Mile End Road	Parking bays close to Church-issues with commuter parking close by	
Coast Road-W Mersea	Intro of permanent parking restrictions to replace seasonal ones in place	
Turner Road	Double yellow lines to improve bus access.	
Hamilton Rd school	Loading bay	
Old Ferry Road-Wivenhoe	Residents parking zone	
Ireton Road	Waiting restrictions	TBI-SUMMER 2016
Church Street (Mercury Theatre)	Loading bay	TBI-SUMMER 2016
St Christopher Road	Additional restrictions close to shops	TBI-SUMMER 2016
Lexden Rd-The Grange	Waiting restrictions	TBI-SUMMER 2016
Rosebery/Smythies Ave	Residents parking zone	TBI-SUMMER 2016
Wood Lane-EAG	Waiting restrictions	TBI-SUMMER 2016

St Johns Green school	Change to current times of School Keep Clear	TBI-SUMMER 2016
Lexden Road (Crown PH)	Intro of restrictions to improve access	TBI - With ECC as part of wider scheme
Colne Rise-Rowhedge	Junction protection	Agreed by Joint Committee
Tall Trees	Waiting Restrictions	Agreed by Joint Committee

TBI – To be installed

Report of	Head of Operational Service	Author	Brett Gooch ☎
Title	Request for Delegated Authority in connection with the Health and Fitness Refurbishment at Leisure World Colchester		
Wards affected	All		

This report concerns Cabinet delegating the responsibility for agreeing to proceed with the Health and Fitness Refurbishment building project at Leisure World Colchester to the Portfolio Holder for Business, Leisure and Opportunities

1. Decision(s) Required

- 1.1 To delegate the responsibility to agree and accept the tender for the Health and Fitness refurbishment project at Leisure World Colchester (LWC) to the Head of Operational Services in consultation with the Portfolio Holder for Business, Leisure and Opportunities.

2. Reasons for Decision(s)

- 2.1 The building project to extend and remodel the Health and Fitness facilities at LWC in accordance with the Sport and Leisure Business Case agreed by Cabinet on 14 October 2015 is currently at the design and planning stage. Tenders are expected to be over £500,000 which would normally require a Cabinet decision to proceed.
- 2.2 In order that the project can be completed in accordance with the programme, the works need to commence in November 2016 and so the decision to award the contract to the successful tenderer will need to be made between the Cabinet Meetings planned for 12 October and 30 November. Delegating authority to the Portfolio Holder will ensure that an order can be placed with the successful contractor in accordance with the project timetable.

3. Alternative Options

- 3.1 The alternative option is to seek Cabinet approval at its November meeting but this will put the project at least 4 weeks behind schedule and will mean that the targets for generating additional income as outlined within the Business Case could not be met.

4. Supporting Information

- 4.1 The agreed Sport and Leisure Business Case includes plans to extend the Activa Gym and to re-configure the first floor office space next to the current Studio, to provide a second, smaller Studio and new office area.
- 4.2 Since 2012, when the Activa gym was last expanded and new Studio created, customer use of the gym and Group Fitness Classes has increased, linked to Lifestyles membership sales rising by nearly 44% and membership income increasing by over

£206k, exceeding £1m p.a. for the first time. Live membership has increased by 19% over the same three year period. With the introduction of Les Mills classes in July 2014 average occupancy of classes increased from 34% to 62% by March 2015.

- 4.3 This excellent performance has been achieved against strong competition from other health and fitness providers in Colchester, including national chains, such as Sports Direct and Top Notch, budget gyms, the University of Essex and Clarice House. Membership levels at Leisure World have been increasing while Fitness First, LA Fitness, Ardleigh Hall and Potentia Gym have all closed in the last three years. However, we are mindful that David Lloyd will be opening a brand new club in the Colchester Northern Gateway area which will offer gym and a group fitness programme alongside pools, indoor and outdoor tennis courts. In addition, Colchester Institute and the University of Essex have plans to expand their sport and leisure facilities which mean the Council needs to respond to ensure it retains its share of the market.
- 4.4 The project will deliver a 288m² ground floor extension of Aactiva gym to accommodate the provision of the most popular cardiovascular, resistance and free-weight equipment and include new functional training and personal training areas. New equipment will be purchased for this area and some of the existing older equipment in Aactiva will be replaced.
- 4.5 The project will also deliver a new second smaller Studio created by configuring existing first floor office and staff room space next to the current Studio.
- 4.6 The project will be undertaken such that the normal operation of LWC is disrupted as little as possible and therefore any loss of existing income will be minimal.
- 4.7 This project is being managed by Colchester Borough Homes (CBH) in accordance with the Council's framework agreement with them.

5. Proposals

- 5.1 It is proposed that once the final analysis of tenders is received from CBH, a report will be prepared for the Portfolio Holder for Business, Leisure and Opportunities requesting authorisation to proceed with the building project and place an order with the successful contractor.

6. Strategic Plan References

- 6.1 The proposed refurbishment project directly links to the following objectives in the Strategic Plan for Colchester:
- VIBRANT: Enhance the diverse retail and leisure mix supporting independent businesses valued by residents and visitors
 - VIBRANT: Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life
 - VIBRANT: Create the right environment for people to develop and flourish in all aspects of life both business and pleasure
 - THRIVING: Promote Colchester's heritage and wide ranging tourism attractions to enhance our reputation as a destination
 - WELCOMING: Improve sustainability, cleanliness and health of the place by supporting events that promote fun and wellbeing

7. Consultation

- 7.1 Following a thorough consultation exercise in the sport and leisure industry, the Leisure World Colchester Strategy and Business Plan, which includes the proposed health and fitness refurbishment, sets out evidence from national, regional and local sources that demonstrate there is potential to increase Leisure World Colchester's market share even further. This was considered in full at the meeting of the Council's Scrutiny Panel on 14 October 2015.
- 7.2 Since the Cabinet meeting in October 2015, an external study has been undertaken to determine current usage of the equipment in the gym facility and to gain customer feedback on their requirements of future developments. This is being used to inform the design of the new areas and what equipment to provide. Staff have also been consulted on the planned refurbishment and have been actively engaged in the project.

8. Publicity Considerations

- 8.1 Major building projects being undertaken at a prominent building such as LWC is likely to attract press attention and as such, a communications plan is being developed detailing the works, the reasons for doing them and the positive effect that these will have upon the building. The communication will also confirm the programme for the works and any changes to the normal opening of LWC and the facilities offered.

9. Financial implications

- 9.1. At the Cabinet meeting on 14 October 2015 it was agreed to release £1.5 million from the Council's New Homes Bonus provision to fund the estimated capital costs set out in the Sport and Leisure Business case, of which £686,000 had been assigned to building works of this area.
- 9.2. It is not anticipated that tenders will exceed the agreed budget of £686,000 including consultant fees, however, an analysis of the tender returns will be considered as part of the Portfolio Holder's decision to accept the lowest acceptable tender.

10. Equality, Diversity and Human Rights implications

- 10.1 The full Equality Impact Assessment for the Health and Fitness refurbishment project can be found at the following link to the Colchester Borough Council website
<http://www.colchester.gov.uk/article/12746/Operational-Services>

11. Community Safety Implications

- 11.1 None directly arising from this report

12. Health and Safety Implications

- 12.1 Due to the nature of the works to be delivered, the project falls within the jurisdiction of the Construction Design and Management (CDM) Regulations 2015 and as such, the Council as the "Client" has appointed CBH as the Principal Designer as it is required to do in order to properly fulfil its obligations under the Regulations.

13. Risk Management Implications

- 13.1 There are no major risks associated with this building project. However, the project has its own risk management plan to ensure that potential risks are identified and mitigated wherever possible.

Background Papers

None

PETITIONS, PUBLIC STATEMENTS, QUESTIONS

(i) Have Your Say speakers

Date of Meeting	Details of Members of the Public	Subject Matter	Form of Response	Date Completed
8 June 2016	Trevor Orton	The cleanliness of the Town Centre	Verbal response provided at the meeting by Councillor T. Young, Deputy Leader of the Council and Portfolio Holder for Culture and Regeneration, Cllr Lilley, Portfolio Holder for Licensing and Safer Communities and Cllr Cory, Portfolio Holder for resources	8 June 2016

(ii) Petitions

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