

SCRUTINY PANEL

8 JULY 2014

<i>Present :-</i>	Councillor Beverly Davies (Chairman) Councillors Mark Cable, Dominic Graham, Jo Hayes, Marcus Harrington, Peter Higgins and Chris Pearson.
<i>Apologies :-</i>	Councillor Sue Lissimore Councillor Mike Hogg
<i>Substitute Member :-</i>	Councillor Pauline Hazell for Councillor Sue Lissimore Councillor Jon Manning for Councillor Mike Hogg
<i>Also present :-</i>	Councillor Tina Bourne Councillor Paul Smith

3. Minutes

The minutes of the meeting held on the 18 March 2014 were confirmed as a correct record.

4. Work Programme 2014-15

Councillor Manning (in respect of being an employee of an Essex County Council School) declared a non-pecuniary interest in this item pursuant to the provisions of Meetings General Procedure Rule 7 (5).

The Panel considered a report by the Assistant Chief Executive confirming the completed Work Programme for 2013-14.

Councillor Davies introduced the report, and asked for contributions to the work programme for the municipal year. It was highlighted that for items to be added to the work programme, it must be an item which the Panel could effectively scrutinise, following the terms of reference and avoiding duplication. Councillor Davies encouraged members of the Panel to e-mail through any suggestions for the work programme.

In addition, Councillor Davies highlighted the potential value in utilising Task and Finish Groups to delve deeper into particular scrutiny items. Following a brief meeting with fellow members of the Panel the possibility of scrutinising Firstsite and its role within Colchester was identified. It was suggested that Firstsite be scrutinised over a series of Scrutiny Panel meetings and using a virtual Task and Finish Group to help gather evidence and collate research.

Councillor Hayes suggested the inclusion of scrutinising how the conditions to planning applications are enforced. Councillor Bourne put forward that the performance of Essex County Council regarding Schools could be scrutinised, along with an invitation to the North Essex quadrant commissioner to attend the meeting.

RESOLVED that the completed Work Programme 2014-15 be noted.

5. Review of Colchester Borough Homes' Performance 2013/14

Councillor Tina Bourne, Portfolio Holder for Housing and Public Protection, introduced the report from Greg Falvey, Colchester Borough Homes Chief Executive. Gareth Mitchell Head of Commercial Services and Mark Wright Director of Property Services at CBH were also in attendance.

Councillor Tina Bourne stated that the reports highlight the good performance of Colchester Borough Homes, particularly with homelessness prevention and also noted in particular the new housing arrangements and ten year management agreement which had been agreed by the Council in August 2013 following the Local Housing Review. This is the last year that the Annual Delivery Plan will be used, as CBH will now be moving to a Medium Term Delivery Plan which came into force in April. This will be scrutinised by the CBH Board and Portfolio Holder every month.

Greg Falvey then gave the Panel a presentation summarising Colchester Borough Homes performance and developments over the past year. This included providing information on the new management agreement, and the vision for the next ten years of the Council's Arms Length Management Organisation. Under the terms of this new agreement the Council has transferred a number of additional housing functions to CBH, including the housing options and homelessness service. CBH have also recently recruited a new Chair and a new independent board member, both of whom bring important new skills to the CBH Board.

Focusing on the Annual Delivery Plan highlights from the previous year, Greg Falvey stated that CBH has established a new Trading Strategy to address commercial business opportunities, and has also worked proactively with Colchester Borough Council to help those affected by welfare reform. CBH has also had an increasing satisfaction rate over the last three years from 76% to 83%, measured by a STAR survey, which allows for comparisons with other ALMO's. There is also the refurbishment of sheltered housing at Worsnop House, totalling £4m, and a reduction in the time for re-letting council homes to 15 days. The organisation has also worked with the Council to establish a new website with a new supplier.

There were issues to note regarding the delivery of ICT projects, and the time taken in answering calls from tenants within CBC, but both issues are now the subject of joint working between the two organisations and progress has already been made. The Green Deal was no longer a feasible option for social housing due to the reduced funding, but despite that CBH have employed a grants officer, who has been successful in gaining funding for a number of projects, most notably a grant for £485,000 worth for the refurbishment of the Worsnop House sheltered housing scheme. There are also still plans for support to sheltered residents for personalised budgets.

As part of the presentation, Greg Falvey stated that the targets and aims for rents, service charges and arrears were largely met in a challenging environment. In addition the repairs and repair satisfaction targets were also achieved. However, the pre-tenancy workshops did not meet the target for attendance, and it is now planned to make it obligatory as part of the tenancy. A further area where the target was not met was the first call resolution, reaching 83 in contrast to a target of 85.

The financial outturn of Colchester Borough Homes is split into three categories, management fee, Capital, and Revenue. The management fee is the running costs of the

organisation, and also includes the newly transferred functions from Colchester Borough Council. As part of this category, CBH has a £114k surplus, mainly made up of £55k Net trading profit, and £52k returned by the Council to support any future CBH revenue maintenance overspend. The savings made in this area include a £110k Fundamental Service Review saving, as well as a £32k saving in the additional responsibilities from the Borough Council. The savings from the latter were returned to the Borough Council.

The Capital Budget for CBH saw £9.7m in works completed to target on £10.3m budget. The remaining carry forward has been allocated to 14/15 for specific agreed work. The Revenue budget for property saw £4m spent but a saving of £50k to the overall budget. This included an additional spend of £345k on fences as a result of the bad weather. As part of the Medium Term Delivery Plan, next year will see a £12m turnover, with an additional spend of £15m.

The following issues were identified by Panel members:

- Councillor Manning – With regard to the Decent Homes standard, do all CBH properties have the correct windows/doors,
- Councillor Hayes – Questioned how the Grade II listed social housing properties are maintained?
- Councillor Hayes – How is homelessness prevention measured?
- Councillor Davies – Asked how the success in homelessness prevention figures contrasted with the figures that state that Colchester has an increasing rate of rough sleepers?
- Councillor Pearson – Questioned the detail behind the homeless decisions and acceptance chart included in the presentation slides, and what the age range is for young persons required to attend the tenancy workshops.
- Councillor Pearson – Queried whether the £34k saving on General Fund activities impacted on front line services and whether the IT provision for Colchester Borough Homes is joined with that of Colchester Borough Council?
- Councillor Higgins – Requested further information comparing the properties that require additional works, and those that have been completed during a year. As part of the Fundamental Service Review was every role, including management, scrutinised to ensure value for money?
- Councillor Cable – Requested an update about an issue in Dedham where solar panels which were recently installed are now being removed. In addition Councillor Cable asked about the comparative benchmarking of Colchester Borough Homes and the star survey.
- Councillor Graham – Asked for further information about the initial applications or approaches for homelessness, and whether the grant officer role could be expanded due to its success.
- Councillor Hayes – Could there be further information provided regarding the listed building social housing that may be sold?

In response to the issues raised, the following information was provided by Greg Falvey, Mark Wright, Tina Bourne and Gareth Mitchell:

- In response to Councillor Manning, Colchester Borough Council follows the Decent Homes Standard as set by Government. Which state that a property can be deemed decent if there is a kitchen and working boiler. CBH also operates its own higher standard for properties. There are still properties which require further work, and are currently part of a planned programme. These properties do not fail the decent

homes test, but work still needs to be carried out. Colchester Borough Council and CBH takes a 30 year view, with a 5 year investment programme. This has been developed following the formal adoption of the Councils Asset Management Strategy. The programme of improvements is noted by the Asset Management Group as part of capital monitoring, which reports on a monthly basis, and uses a priority system to ensure those most urgent upgrades are dealt with first. There are also sometimes residents in properties who do not wish for improvements to be made.

- Regular conversations with conservation officers and the Planning department are held to ensure that any maintenance completed on listed buildings in the town centre is sympathetic to the original design.
- Homelessness prevention has a national definition, and the statistics reference the action taken which has helped individuals to people return home. This is with the assistance from the voluntary sector partners. Information with regards to the national guidance can be provided to Panel members.
- With regard to the difference in Homelessness prevention and the number of rough sleepers, the latter is an annual count of those who are already homeless. The Homelessness Strategy is in place to work with the voluntary sector and with partners to proactively help to prevent homelessness before individuals get into crisis or end up rough sleeping. The Council is currently going through a Housing and Homelessness peer review with four other local authorities in Essex.
- The Homelessness decisions and acceptance chart in the presentation, is the recording of figures where an individual has signed a document declaring themselves as homeless and this is investigated by the Council. This is counted as a decision. If the person meets the legal criteria for the Council to have a duty towards them, this is recorded as an acceptance. The age range for young persons is between 16 and 21; however this may be extended to mid-twenties depending on circumstances.
- The £34k saving comes from improved usage of two schemes, the rent deposit and rent guarantee scheme and not from frontline services. The IT provision between the Council and CBH is a very close relationship. There are challenges for Colchester Borough Council to reflect the different business processes of Colchester Borough Homes. There has been a recent focus on improving the customer experience with the ability for tenants to access their rent account online, and a text messaging reminder service for repairs.
- The Fundamental Service Review was undertaken by the same company that ran Colchester Borough Council's FSR. As part of this rigorous process the management structure of CBH was scrutinised.
- A total of 750 solar panels went in to social housing properties last year. Even though there has been a reduction in the feed in tariffs, there is still the provision of cheaper electricity for tenants. Installing the Solar Panels involves leasing out the roofs rather than purchasing the Panels. CBH are unaware of any solar panels on social housing in Dedham being removed, but it maybe that the solar panels are removed for repair or are no longer deemed to be returning sufficient benefits.
- With regard to the benchmarking of Colchester Borough Homes, this can be shared with the Panel. There is currently a report being finalised, and a presentation will be held on the 7th of August which Councillors are invited to.
- In response to Councillor Graham, Greg Falvey stated that more information could be made available to the Panel; however this current form provides useful information for managers of the service comparing the gap between decisions and acceptances. With regard to the grants officer, this position has now been appointed to permanently.

- Councillor Bourne stated that the decision to sell any of the listed building social housing will be taken through the proper and appropriate procedures. In addition this will be looked at by the Joint Colchester Borough Council / CBH Asset Management Group which will look at each individual case.

RESOLVED that:

1. The Scrutiny Panel reviewed the performance of Colchester Borough Homes' Performance 2013/14.
2. The Chairman with approval from the Panel will prepare a letter to Colchester Borough Homes Chief Executive outlining the issues raised at the meeting and requests for further information.
3. That the performance of Colchester Borough Homes' Performance be added to the next municipal years' work programme in June/July.

6. Year End 2013/14 Performance Report including progress on Strategic Plan Action Plan

The Assistant Chief Executive Matthew Sterling introduced the Year End 2013/14 Performance Report, which comes to the Scrutiny Panel twice a year, providing an overarching view of the performance of the Colchester Borough Council. This current year is the last year of this particular Strategic Plan Action Plan.

As part of the Performance Management Framework, the report highlights a number of successes, and areas of improvement for the Council. The overall position was that 17 (85%) of the measures were rated as green, and 3 (15%) were rated as red and had not met the target set.

Out of those that were rated green, there were a number of successes which included the processing of planning applications. In all categories, major, minor and other, Colchester Borough Council exceeded its targets, achieving the highest percentage recorded. The number of homelessness cases prevented also exceeded the target by double the amount over the past year. Another highlight for Colchester Borough Council was the reduction in missed bins over the past year, achieving a missed bin rate of 0.035%.

Matthew Sterling then proceeded to present the areas which had been highlighted by a red flag. The time to process housing benefit new claims and changes missed the target by just over half a day. It was stated that the reason behind the missed target was an IT failure which caused significant delays due to downtime. In addition the target for the average time for re-let council sheltered housing was missed by 22 days. This is due to the on-going Sheltered Housing improvement programme improving the properties in the housing stock. The third red flag was the sickness rate at 8.21 workday days, which missed the agreed target of 7.5 days. It was stated that this sickness rate was a reduction on the previous year's totals, and the majority of the 8.21 days consisted of long term sickness, instead of short term.

The following issues were identified by Panel members:

- Councillor Jon Manning – Questioned the guidelines for the Red, Amber, Green (RAG) flag system, considering there are areas where the target has nearly been met but still categorised as red rather than amber.

- Councillor Chris Pearson – Queried why there are circumstances where next year's targets are below the current years achievements as stated in the targets for planning applications which is set at 70% for 2014/15, whilst achieving 90% in 2013/14.
- Councillor Harrington – Whilst the level of participatory sport is mentioned in the report along with supporting evidence, Councillor Harrington queried whether there could be more work undertaken for promoting spectator sport, with the number of sports clubs that Colchester has in the Borough?
- Councillor Davies – Requested information about whether reported missed bin collections are from the same properties.
- Councillor Hayes – Noted that there were occasions where bin collections took place prior to the 7am time slot. In addition questioned whether the target for affordable housing was ambitious enough at 22% rather than 35%.
- Councillor Cable – Queried whether there was a lack of ambition with regards to the provision of IT at Colchester Borough Council. Is there a possibility of increasing cost savings by utilising cloud based services such as Gmail?
- Councillor Hazell – Is the redevelopment of the Tennis Centre in Shrub End being considered?
- Councillor Manning – Highlighted the case for sporting facilities outside of the town centre, particularly the number of sports teams and variety of sports.
- Councillor Graham – Questioned the Transport Strategy and the level of joined up thinking, given the significant development plans in the north of Colchester. The impression provided by the report is that this has only been considered individually for each scheme rather than as a whole.
- Councillor Davies – Requested a report on the £18m funding from the South East Local Enterprise Partnership and the benefits for Colchester.
- Councillor Pearson – Stated that a number of the topics discussed today could be extended into items for the work programme of the Panel including tourism, transport, and sport and leisure.

In response to the issues raised, the following information was provided by Matthew Sterling, Assistant Chief Executive, with contributions from Councillor Smith and Councillor Bourne:

- In response to Councillor Manning, the Amber flag category is only used during the year in the 6 month review to indicate areas where the Council may not reach its target. At the end of the year only red and green indicators are used to identify whether the Council has been successful or has missed the target.
- In response to Councillor Pearson in this circumstance whilst the target is lower than the result achieved, it is higher than the previous target and the Council must be realistic about its target setting.
- Colchester Borough Council does promote spectator sport, with the investment to help the Colchester Community Stadium, and work to develop the rugby clubs facilities. Councillor Smith added that Essex County Cricket club has continued its support in Colchester, and the Council is helping the School of Gymnasium.
- Information regarding the missed bin collections and whether they are the same properties will be provided to the Panel at a later date.
- In response to Councillor Hayes, regarding the targets for affordable housing development. Councillor Smith stated that the Government had reduced the level for affordable homes and in its place Colchester Borough Council is building its own social housing. Councillor Bourne stated that the developer contribution is down to 20%, and negotiating this total provides for a larger return on housing than insisting

on a return of 35%. Across Colchester it maybe that the percentage of social housing varies on developments across the Borough. In Colchester there are now 700 affordable homes built since 2010.

- Regarding IT provision at Colchester Borough Council, Matthew Sterling stated that there have been significant infrastructure changes behind the scenes to make the IT more resilient. This includes the implementation of a new telephony system, a new customer services software package and the movement of the data centre to another authority. As part of the IT Capita contract Colchester currently has a partnership with four other authorities. There are restrictions in the development of IT services due to the requirements of the Public Services Network. The IT team has also altered its approach for providing services to Councillors which make the process simpler and quicker.
- There are currently no plans to redevelop the Tennis Centre in Shrub End. No private providers have come forward to run the centre either.
- Regarding the Transport in Colchester and linking the new developments in the north of the town the plans are more connected than apparent in the report. Recently the South East Local Enterprise Partnership announced £18m worth of funding to improve transport links in the area.
- A briefing or report on the issue of funding from the SELEP can be organised.

RESOLVED that the Year End 2013/14 Performance Report including progress on Strategic Plan Action Plan be noted.

7. Financial Monitoring Report – End of Year 2013/14

Sean Plummer, Finance Manager, introduced the Financial Monitoring Report, and provided a brief introduction of the Borough Councils budget for the purposes of new members. Financial performance reports come to the Scrutiny Panel on a quarterly basis, and include information on the Housing Revenue Account and the General Fund. The HRA budgets is used by Colchester Borough Homes, and the General Fund is used by Colchester Borough Council to provide services.

The figures contained in the report are provisional as work is still on going to complete the accounts for 2013/14; they are also subject to external audit. With regard to the General Fund at year end, there is a £222,000 net underspend, and £1,102k in approved carry forward requests for specific projects. This includes additional grants from the Government received towards the end of the year. The Housing Revenue Account is due to be underspent in line the forecast of £975k, however this does include a number of carry forwards.

The following issue was identified by a Panel member:

- Councillor Higgins – Questioned the £6m variance in the Housing Revenue Account budget due to revaluation, and why it was so variable?

In response to the issue raised, the following information was provided by Sean Plummer with a contribution from Darren Brown:

- The variance in the budget for the Housing Revenue Account Capital Financing costs are as a result of the revaluation of the housing assets for 2013/14. This doesn't materially affect the bottom line of the budget, as they are reversed out within the Inter Account Transfers and reflect the value of the asset rather than the

budget. This situation does not occur within the General Fund because it is service based. The reason why this issue shows up as 'Red' is because of an accounting adjustment.

RESOLVED that the Financial Monitoring Report – End of Year 2013/14 be noted.

8. Capital Expenditure Monitor 2013/14

Steve Heath introduced the Capital Expenditure Monitor 2013/14, stating that the accrued capital spending during the year was £22.7 million, which represents 87% of the projected spend for the financial year.

The report highlights that some of the projects specified in the Capital programme

For the end of the financial year the Capital programme is current overspent by £203,600 as a result of four different projects. These are:

- Town Hall DDA Sensory Project
- Carbon Management Programme
- Site Disposal Costs
- Sheltered Accommodation Review

Each of these projects may mitigate the overspend reported, but subject to the final figures these items will be referred to a future Cabinet for consideration alongside an updated forecast of capital receipts.

Steve Heath then highlighted that within the Capital Programme there are currently no schemes identified as red, ten as amber and the remainder green.

The following issues were identified by Panel members:

- Councillor Harrington - What is the definition of red, green and amber with regard to Capital projects, is it the same as the categorisation for the General Fund?
- Councillor Harrington – Asked for information about the Statue that is being built in Layer Road.
- Councillor Higgins – Questioned the reasoning behind both the Disabled Facilities Grant, and the ICT Customer Contact funding having not been spent.
- Councillor Davies – Potential inclusion of the Disabled Facilities Grant and its speed to be assessed at the Scrutiny Panel.
- Councillor Hayes – Queried when the recycling would be implemented for flats in Colchester as this would help to reduce the landfill figures.

In response to the issues raised, the following information was provided by Steve Heath:

- For a scheme to be designated red, there must be a significant amount overspend or deviation from planned spend. There is no specific criteria, but a variance that depends on the size of the project. An amber scheme must have a slight deviation from spend, but could be mitigated from current resources. This is not the same criteria used for the General Fund indicators.
- Councillor Hazell, Local Councillor for the area, stated that the statue was going to be of a local retired footballer, and has been paid for by approximately £5,000 from Locality Budgets from Councillors Offen, Barton and Councillor Hazell, and £10,000

from section 106 monies as well as other sources. The statue is in place to commemorate those who had their ashes spread onto the Layer Road pitch, so that families have a place to visit and remember.

- Steve Heath, in response to Councillor Higgins stated that he would seek an update to the circumstances around the Disabled Facilities Grant as the assessments are undertaken by Essex County Council. With regard to the ICT budget, this is due to the timings in making payments, the project is still on schedule.
- In response to Councillor Hayes, Steve Heath confirmed that he would seek further information from the service as to the progress of implementing recycling in flats.

RESOLVED that the Capital Expenditure Monitor 2013/14 be noted.