

Trading Board Meeting

**G3, Rowan House, 33 Sheepen Road,
Colchester, CO3 3WG**

Wednesday, 13 January 2016 at 18:00

The role of the **Trading Board** is to consider the trading issues of the Council and to challenge and monitor the Council's trading arrangements including companies owned by the Council and joint Committee arrangements, and to make recommendations to Council and Cabinet on trading proposals.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services. Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to most public meetings. If you wish to speak at a meeting or wish to find out more, please refer to Attending Meetings and "Have Your Say" at www.colchester.gov.uk

Audio Recording, Filming, Mobile phones and other devices

The Council audio records all its public meetings and makes the recordings available on the Council's website. Audio recording, photography and filming of meetings by members of the public is also permitted. The discreet use of phones, tablets, laptops and other such devices is permitted at all meetings of the Council, with the exception of Committee members at all meetings of the Planning Committee, Licensing Committee, Licensing Sub-Committee and Governance Committee. It is not permitted to use voice or camera flash functionality and devices must be kept on silent mode. Where permitted, Councillors' use of devices is limited to receiving messages and accessing papers and information via the internet. Viewing or participation in social media is at the discretion of the Chairman / Mayor presiding at the meeting who may choose to require all devices to be switched off at any time.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please use one of the contact details at the bottom of this page and we will try to provide a reading service, translation or other formats you may need.

Facilities

Toilets with lift access, if required, are located on each floor of the Town Hall. A vending machine selling hot and cold drinks is located on the ground floor.

Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Library and Community Hub, Colchester Central Library, 21 Trinity Square,
Colchester, CO1 1JB

telephone (01206) 282222 or textphone 18001 followed by the full number you wish
to call

e-mail: democratic.services@colchester.gov.uk

www.colchester.gov.uk

Trading Board - Terms of Reference

- a) Consider and review the activities performed by:
 - the commercial services arm of the Council
 - those services generating income of approximately £250,000 or above
 - any trading arms of the Council
 - any partly or wholly owned companies of the Council
- b) Identify and develop any new commercial agreements generating significant income for the Council for approval by Cabinet or Council.
- c) Develop the composition of any new body or bodies created wholly or in part by the Council for commercial purposes including their purpose; governance; operating model; business planning function; risk factors; and to recommend approval for such new arrangements to Cabinet or Council.
- d) Ensure any Council capital investment and/or assets that are to be transferred to or used by an outside body for commercial purposes is properly specified, protected and used by the outside body and recommended to Cabinet or Council for approval.
- e) Consider any proposed new/transfer or sale/purchase of company shares and make recommendations on these for approval by Council.
- f) Identify and recommend to Cabinet or Council major strategic opportunities for procurement of services from other companies, organisations, social enterprises and the voluntary and third sector.
- g) Receive regular reports of procurement agreements entered into including financial and service performance measures against those stated in the contract and bring any concerns or risks as recommendations to Cabinet.

COLCHESTER BOROUGH COUNCIL

Trading Board

Wednesday, 13 January 2016 at 18:00

Member:

Councillor Julia Havis
Councillor Dave Harris
Councillor Kevin Bentley
Councillor Roger Buston
Councillor Robert Davidson
Councillor Andrew Ellis
Councillor Martin Goss
Councillor Justin Knight

Chairman
Deputy Chairman

Substitutes:

All members of the Council who are not Cabinet members.

AGENDA - Part A

(open to the public including the press)

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

1 Welcome and Announcements

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

2 Substitutions

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

of substitute councillors must be recorded.

3 **Minutes**

To confirm as a correct record the minutes of the meeting held on 18 November 2015.

181115 final - public

9 - 14

4 **Declarations of Interest**

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

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

5 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.

6 Have Your Say!

a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter 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.

7 Colchester Borough Council Asset Strategy Update 15 - 18
See report by the Head of Commercial Services

8 Supporting Commercial Services through Human Resources 19 - 22
See report from the Assistant Chief Executive

9 Work Programme 2015-16 23 - 26
See report by the Assistant Chief Executive

10 Exclusion of the Public (not Scrutiny or Executive)
In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

Part B

(not open to the public including the press)

11 Minutes - Not for Publication Extract

The following document contains exempt information (financial/business affairs of a particular person, including the authority holding the information) as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

To approve the not for publication extract from the minutes of the meeting held on 18 November 2015.

12 Commercial Business Development - Operational Business Report

The following report contains exempt information (financial/business affairs of a particular person, including the authority holding the information) as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

See report by the Commercial Transition Manager and the Commercial Business Manager

13 Commercial Business Development - Operational Businesses Performance and Income Report

The following report contains exempt information (financial/business affairs of a particular person, including the authority holding the information) as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

To note the contents of the Performance and Income Report.

TRADING BOARD

18 November 2015

Present :-

Councillor Julia Havis (Chairman)
Councillors Roger Buston, Kevin Bentley, Robert Davidson, Andrew Ellis, Martin Goss, Dave Harris and Justin Knight

Substitute Members:-

None

Also Present: -

Councillors Bill Frame, Paul Smith and Dennis Willetts

94. Minutes

RESOLVED that the minutes of the meeting held on 23 September 2015 be confirmed as a correct record.

95. Recharges

The Board considered a report from the Assistant Chief Executive setting out the Council's current arrangements for corporate recharges. This followed up on a report to the Board in July 2014 and provided an update on the work undertaken as part of the 2015/16 budget and how the Council's approach to recharges was developing.

The 2015/16 budget had incorporated a new approach to recharges. This had resulted in more charges going to levels below Heads of Service to individual cost centres. This increased transparency as it demonstrated more clearly where the costs were being allocated. In addition new more relevant methodologies were being used for charges. For example ICT costs were allocated on the number of e-mail accounts and employees using IT and Human Resource costs were allocated on the basis of number of employees.

The scope and scale of recharges depended on how the Council chose to organise its services. For example services such as repairs and communications had previously been delivered through the services via a direct budget, but the services had been centralised and therefore needed to be funded through recharges. Most recharges were costs that most stand-alone business would incur. Moving forward, the Council would continue to review the methodologies it used and would encourage Heads of Service to scrutinise and challenge those recharges which appeared out of line with the service they received. In terms of the work of the Trading Board, the new approach should help ensure that business cases presented to the Board contained more detail about the extent and nature of the recharges.

Members of the Board welcomed the increased transparency that would result from the new approach to recharges and stressed that it had helped with the Board's consideration of the Sport and Leisure Business Case. In discussion, members of the Board raised the following issues:-

- Whether the use of recharges held the commercial services back and whether these services could be delivered more cheaply through the market. Sean Plummer explained that some of the commercial services had identified the need for additional specific support and that this did not always need to be provided centrally. However, it needed to be borne in mind that even when support services were provided externally, certain central services would remain and needed to be accounted for. For example, if a service was to seek an external accounting service, this would not remove the need for the Council to retain a central accounts team and a Section 151 officer. It would also have an impact on the benefit the Council gained from the economies of scale that resulted from services being delivered on a Council wide basis and the Council needed to be mindful of the need to ensure value for money.
- Many large private sector organisations also operated in a similar way with centralised support services, the costs of which would be recharged to other areas of the business.
- Centralised budgets allowed a certain amount of flexibility in dealing with exceptional and unforeseen expenditure in that rather than being funded directly from a service budget, they could be covered from savings elsewhere in a larger budget.
- The need for processes and terminology to be clear and easily understood.
- How the approach to recharges could be developed further to make them even more informative and increase transparency further.

RESOLVED that the Trading Board noted:-

- (a) the developments made to the Council's approaches to recharges in the 2015/16 budget.
- (b) the next steps being taken to review the impact of recharges set out in paragraphs 4.5 to 4.9 of the Assistant Chief Executive's report.

96. Work Programme

The Board considered a report from the Assistant Chief Executive setting out the draft work programme for the 2015-16 municipal year.

It was suggested that as the bid for devolution for Greater Essex was due to be submitted shortly, the Board should be looking at the potential opportunities that would arise at a local level from devolution. Following discussion it was agreed that the Board could look at issues relating to public sector reform, such as shared services and improved use of digital communication channels at its meeting in January 2016. It was also suggested that the scope of the item on the Waste Minimisation project scheduled for March 2016 was rather narrow and should be expanded to look more generally at the work of the Essex Waste Partnership Board.

In addition, the Board should consider a first draft of the Annual Report 2015-16 at its March meeting.

RESOLVED that the draft work programme for 2015-16 be noted and that the following additions and amendments be made to the work programme:-

- (a) an item on public sector reform arising from the devolution agenda be added to the meeting on 13 January 2016;
- (b) the scope of the item on the Waste Minimisation Project scheduled for 23 March 2016 should be expanded to look at the work of the Essex Waste Partnership Board more generally;
- (c) the Annual Report 2015-16 be added to the meeting on 23 March 2016.

97. Commercial Business Development and Procurement Savings

The Board considered a report from the Head of Commercial Services providing some public background and context to the Commercial Business Development and Procurement Savings reports, which contained commercially sensitive information and were published on part B of the agenda.

RESOLVED that the contents of the Head of Commercial Services report be noted.

The Board resolved under Section 100A(4) of the Local Government Act 1972 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.

98. Minutes

RESOLVED that the not for publication extract from the minutes of the meeting held on 23 September 2015 be confirmed as a correct record.

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

99. Essex Building Control Shared Service – Host Bid

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 any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 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.

100. Commercial Business Development – Building Control

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 any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 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.

Councillor Bentley (in respect of his membership of Essex County Council) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

101. Commercial Business Development - Helpline

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 any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 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.

102. Commercial Business Development – Monitoring/CCTV

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 any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 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.

103. Commercial Business Development – Bereavement 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 any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 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.

104. Trading Services Summary

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 any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 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.

105. Commercial Business Development – Procurement Savings

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 any particular person, including the authority holding that information.)

Report of	Head of Commercial Services	Author	Fiona Duhamel
Title	Colchester Borough Council Asset Strategy Update		☎ 282252
Wards affected	Not Applicable		

This report provides an update on the strategic management of Council owned assets

1. Decisions Required

- 1.1 To note this report for information which provides an update on the ongoing strategic management of Council owned assets

2. Background information

- 2.1 The Council's property portfolio is made up of both corporate and housing assets. The corporate property portfolio is made up of a number of categories which together are currently valued at circa £45m:
- Investment Properties – Commercial buildings and shops etc. – producing an annual net rental of circa £3m
The investment portfolio is managed actively by the Estates Team with the sole purpose of producing income and identifying new commercial opportunities
 - Operational Properties – Depots, Council offices, car parks, and leisure properties such as Leisure World, bowls clubs, open space land and parks etc.
The activities taking place at the Operational and Leisure properties are managed day to day by the respective service teams with the Estates Team providing property related support on issues like leases, repairs, disposals, redevelopment etc.
 - Surplus/Redevelopment - Properties held in this portfolio are surplus to operational needs and are being held pending regeneration/redevelopment. Short term uses are identified where appropriate and the property condition allows e.g. The Waiting Room

In addition, the Revolving Investment Fund (RIF) was set up in 2014 to create a ring-fenced financial mechanism within which to recycle capital receipts from asset sales which could be used predominantly for investment into income producing opportunities. An example of the current projects within the RIF include the Sheepen Road office development and land at Northern Gateway South, both of which will bring significant levels of new income to the Council in the next couple of years. The RIF currently has a development programme over the next 5 years costing circa £16m which is being met by sales of existing Council assets and other external funding sources, and will generate in excess of £1m pa by 2018/19 which is a significant 30% increase on the Council's current total rent roll.

A key part of the management of the Council's corporate assets: the repairs and maintenance and planned maintenance programme is now outsourced to Colchester Borough Homes with Estates acting as Intelligent client. Over the last 8 years the Council has gradually been putting in place a robust regime of planned maintenance with the objective of reducing the cost of response repairs. This programme has greatly improved the condition of the Council's corporate (non-housing) building assets with 80% of buildings currently rated at condition category A or B as defined by the Royal Institution of Chartered Surveyors. The programme has also reduced the amount of capital funding spent on the Corporate stock by virtually eliminating large reactive repairs allowing capital funding to be spent instead on building improvement works.

- 2.2 In respect of Housing assets, Colchester Borough Council owns some 6,073 dwellings; properties with an existing use value of £284.2m as of 31 March 2015.
- 2.3 This part of the Estate is managed by the Council's ALMO, Colchester Borough Homes and an updated asset management strategy was adopted earlier this year that underpins effective asset management and a close working relationship between Colchester Borough Council (CBC) and Colchester Borough Homes (CBH). The core aims of this strategy include the successful delivery of services that meets organisational objectives and customer aspirations, but within the context and allowances of the Business Plan.

3. Current Strategic Overview

- 3.1 As the pressure on government resources gets greater, good strategic management of assets is key to bringing forward increased levels of income which can be put back into service delivery.
- 3.2 The Estates team are in the process of refreshing the Council's Corporate Property Asset Management Strategy and Action Plan which will review all property assets to ensure delivery of the Borough's strategic plan priorities, generate income and financial receipts and fulfil growing service needs. The Plan, which will be developed in consultation with services, will set key outputs over a 5 year period and will consider:
- An ongoing process of review for all commercial assets
 - A review of operational assets to identify opportunities for rationalisation, ensure assets are fit for service needs, surplus property and general improvement in estates practices
 - Opportunities for partnership projects
 - The mechanism for reviewing opportunities for land and investment purchases
 - A review of asset condition and planned maintenance
 - A review of Council owned community leased assets to determine condition, lease terms etc.
- 3.3 It will be closely aligned to the RIF programme, the Economic Growth Strategy and the Council's Strategic Plan.
- 3.4 In respect of Housing assets, the announcements made in the Summer Budget and the recent Housing & Planning Bill will provide additional challenges to the business plan. However with existing plans in place that include the use of the Viability Model (a tool to assess the performance of the existing assets), the development of programmes of work from asset data and procuring works and services that provide best value for money and good standards of quality, these will allow us to continue to improve the quality and condition of CBC's stock and to maintain the Government's Decent Homes Standard.

- 3.5 The Council has fully refurbished the sheltered accommodation at Worsnop House to an excellent high standard and begun similar work at Enoch House, together with an ongoing capital programme for the wider estate that includes replacement kitchen, bathroom and heating systems. It has also adopted an estate improvement strategy which includes refurbishment and upgrades to communal areas of flats and the replacement of rain water goods, soffit and fascias with upvc that not only provides and improves the aesthetical appearance but also creates ongoing cost savings of painting and repair.
- 3.6 Similar to other local authorities, the Council is also reviewing its Housing Development plans as the need to generate further income and more accommodation rises.

4. Next Steps

- 4.1 Understanding Service needs and consultation will be a key challenge to the success of the Corporate Asset Management Review if financial and operational improvements are to be achieved

Internal consultation has already taken place with a number of service areas in order to promote and build support for the Asset Management Review and this work continues to progress.

- 4.2 Estates are also working on a Housing Development Strategy and this work is likely to be completed by the summer 2016.
- 4.3 The RIF continues to be refined and the programme is continually reviewed against deliverability milestones and income targets.
- 4.4 The Corporate Asset Management Strategy is being developed in accordance with the timetable below and will be brought back to the Council's Senior Management Team initially for comment.

Timetable	
Continuation of review of service accommodation needs	Jan/March 2016
Draft Strategy produced	March/April 2016
Consultation	April/May 2016
Presentation of final report to Cabinet	June 2016
Final Strategy Published	June/July 2016

5. Consultation

- 5.1 There will be a process of consultation once the draft strategy has been finalised.

6. Publicity Considerations

- 6.1 The final strategy will be published on the Council's website.

7. Financial Implications

- 7.1 Whilst there are no direct financial implications from the final strategy, this document will set the direction of travel for using Council land and properties to generate a commercial return which can be re-invested in service delivery.

8. Standard References

- 8.1 There are no particular references to the Strategic Plan; equality, diversity and human rights; community safety; health and safety or risk management implications.

Report of	Assistant Chief Executive	Author	Jessica Douglas ☎ 282239
Title	Supporting Commercial Services through Human Resources		
Wards affected	Not Applicable		

This report looks at the Human Resources (HR) Business Support that is provided to commercial services, including the policy and legal framework that we work within when providing HR and the challenges and opportunities this context affords.

1. Decision Required

- 1.1 Trading Board is asked to note the contents of the report and comment on the HR business support provided to commercial services.

2. Introduction and Background

- 2.1 Strategic HR sits in the People and Performance Team within Corporate and Financial Management. Corporately, the team develops and is responsible for implementing the Council's (CBC) People Strategy, and it supports and delivers the HR aspects of the Council's transformation programme.
- 2.2 Each CBC service also has a dedicated HR Business Partner who works in partnership with them to achieve their goals and to be responsive to their service priorities and plans. In addition, the Business Partner supports service reviews; recruitment; remuneration; learning and development and provides advice on employment law and employee relations cases.
- 2.3 HR innovations and activities introduced to support the UCCFSR Change Programme included job re-design, recruitment, management of redundancies, consultation with UNISON; a new appraisal system; a learning and development programme to support the three organisational goals shown at 3.1 below; introduction of Career Track which is CBC's Talent Management programme; introduction of a staff recognition scheme; and introduction of new commercial contracts, including performance bonuses based on income generation targets and procurement savings.

3. Strategic HR and Organisational Development

- 3.1 One of CBC's goals is to be more commercial and business-like, and the HR Team has endeavoured to respond to the changing environment by adopting a more flexible and innovative approach. The new [People Strategy 2015-18](#) sets out how CBC will attract, nurture, empower and incentivise staff to support the delivery of CBC's Strategic Plan, business objectives and three organisational goals:

- **Customer** – To help our customers access our services and deliver on our communities' needs.
- **Business** – To become commercially focused and even more business-like in order to be free of government grant by 2017.
- **Culture** – To have inspired staff who do the right things and are proud to work for the Council.

3.2 As part of the previous People Strategy, a number of initiatives were introduced to support the transformation programme and culture change towards a more customer and commercially-focused organisation. The focus was on helping managers and staff to adapt to the new ways of working, behaviours and attitudes. These included:

- A recommitment to staff development through our Talent Management programme, Career Track.
- A Learning and Development programme aligned to our business goals.
- New appraisal process introduced, aligned to CBC's three organisational goals.
- A recruitment process that is also aligned to our three goals, cultural attitudes and behaviours.
- Staff Recognition scheme that rewards staff for their contribution to the goals.
- People Policies reviewed to reflect CBC's business needs.
- ILM5 Coaching Programme for managers is running.
- Leadership Development Programme facilitated by Senior Management Team created and implemented.
- Commercial Development Programme delivered with more planned for 2016.
- Staff involvement is encouraged through Creative Clubs and a new staff suggestion scheme.

3.3 The support to Commercial Services specifically has included:

- recruitment support for the new Commercial Managers.
- the introduction of performance-related payments for Commercial Managers in recognition of the challenges of recruiting commercial managers with the right skills and experience. Commercial Managers at CBC can earn additional payments, up to a maximum bonus, depending on the achievement of income targets and procurement savings.
- contribution to the Essex Building Control bid submission, outlining how we intend to deal with the TUPE transfer of staff to Colchester, pay and remuneration and supporting culture change.

3.4 The new People Strategy will continue to develop and support the transformation of the organisation. Alongside the Customer and Culture goals, a number of people priorities have been identified that will directly support our commercial and business ambitions. CBC will need to continue to deliver ambitious income targets within finite resources.

Our challenges are to:

- Ensure our employment practices are aligned to and deliver our commercial ambitions.
- Enhance CBC's commercial skills such as procurement, contract management, business planning, sales and marketing, and project management.
- Ensure our managers are ready and able to support the establishment of different delivery models.
- Be able to recruit and retain staff in an increasingly competitive recruitment market
- Define for staff what 'business-like' means; and to become leaner, more efficient and to deliver services with customer needs in mind.

3.5 Our People Priorities that will respond to these challenges are:

- Recruitment – respond to and compete within a challenging employment market by promoting CBC as a great place to work, reviewing where and how we advertise, exploiting social media and digitalising our recruitment process to enhance the candidate's experience.

- A Commercial Learning and Development Programme – to include procurement, contract management, business planning, sales and marketing, project management.
- Retention and Reward – review provisions within the Officer Pay Policy to ensure that CBC's recruitment, retention and performance incentives enable CBC to attract and retain talent.
- To ensure Strategic Corporate Managers have the knowledge and confidence to support the delivery of different business models and not to be risk averse.
- To review and adapt key employment policies and practices to ensure they are business-focused.
- To use customer feedback and data to shape services and to manage performance and develop staff.
- Career Track – to identify critical technical roles, and develop and nurture key employees and Future Leaders and Future Potentials to move into these roles.
- Flexible employment contracts - so staff are working when the business needs them.

3.6 We will know whether the People Strategy is working through the following indicators and outcomes:

- The need to re-advertise posts is addressed, and the time taken to fill vacant posts is reduced.
- Skill gaps are addressed and income targets are achieved.
- Key staff are retained and high staff turnover is addressed.
- Customer standards are achieved and feedback is positive for our commercial services.
- Commercial projects, programmes and business cases deliver their objectives within timescales and on budget.

4. Operating commercially in a local government context

- 4.1 HR's role is to be responsive and flexible to service requirements whilst working within legal constraints. Although CBC is becoming increasingly commercial, we have to operate within the public sector version of commercialisation which can attract a higher level of public scrutiny than a private sector business. The most obvious difference is that CBC is a democratic organisation with layers of decision making which do not exist in the private sector. As a public sector organisation funded by the public purse, we are perhaps more mindful of taking riskier decisions because this could impact on the ability to fund and deliver public services.
- 4.2 CBC would always operate within employment law, partly because as a public sector organisation the public expect us to do so and also because we work within a unionised organisation and recognise UNISON as the collective bargaining, negotiating and consultation body. The relationship with UNISON is very productive and positive, however there are a number of legislative areas in which UNISON has a particular interest including the Equality Act 2010, Equal Pay and Transfer of Undertakings (Protection of Employment) amended 2014 (TUPE).
- 4.3 The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society and applies to all employers. The public sector Equality Duty came into force on 5 April 2011. It means that public bodies have a duty to consider all individuals when carrying out their day-to-day work – in shaping policy, in delivering services and in relation to their own employees. Under the Equality Duty, CBC must have due regard to the need to:
- Eliminate discrimination
 - Advance equality of opportunity
 - Foster good relations between different people when carrying out their activities.

- 4.4 A provision of the Equality Act that CBC has to be particularly mindful of is that of Equal Pay for men and women. When introducing different pay and remuneration schemes for commercial staff, CBC has to ensure that equality issues have been considered in full, that we are not building bias or discrimination into our pay scheme, and that any changes can be justified as a genuine factor which is not based on the sex of the employee. It is an area for CBC that UNISON have already indicated is on their watch list, and will challenge and bring equal pay claims on behalf of their members.
- 4.5 Another area of difference for local government from the private sector is the provision of the Local Government Pension Scheme (LGPS), which councils need to be mindful of when considering transferring out staff out into a different service delivery vehicle. Under Transfer of Undertakings (Protection of Employment) (TUPE), staff transferring will have their terms and conditions protected and these can only be varied by agreement. In addition, under the Local Government Pension Scheme Regulations 2013, councils are scheme employers and are obliged by law to offer access to the LGPS to all existing and new employees.
- 4.6 If CBC creates a new model of service delivery which involves transferring staff who currently have access to the LGPS, then the Best Value Authorities Staff Transfers (Pensions) Direction 2007 will apply. This places a requirement on councils to either provide continued access to the pension scheme that the employee is provided with through their employment with the council, or to insist that the new employer provides a broadly comparable scheme.
- 4.7 It is also anticipated that LGPS regulations will be amended to incorporate the Fair Deal equivalent principles. Fair Deal Guidance was published by the HM Treasury in October 2013 and provides for the continued access to the Public Sector Pension Scheme for employees subject to an involuntary change of employer whether or not TUPE applies. This access continues on subsequent movements of employer (such as re-tenders of the service). If Fair Deal is incorporated into LGPS regulations, all local government transferring staff will remain within the LGPS rather than being offered access to a broadly comparable pension scheme.

5. Looking ahead

- 5.1 We are looking forward to continuing to support CBC's commercial objectives. The next opportunity is the establishment of the Essex Building Control service and we have a robust implementation plan in place already to support the new service. The aim for HR going forward is to continue to support and enable CBC's business priorities and trading ambitions in whatever form that takes.

6. Standard References

- 6.1 There are no particular references to publicity or consultation considerations, or to financial, community safety, health and safety or risk management implications. Equality and Diversity issues are considered in section 4.

Report of	Assistant Chief Executive	Author	Richard Clifford
Title	Trading Board Work Programme 2015-16		☎ 507832
Wards affected	Not Applicable		

This report concerns the work programme for the Trading Board 2015-16

1. Decision(s) Required

- 1.1 To note the Work Programme for the Trading Board.

2. Reasons for Decision(s)

- 2.1 The work programme is a standard item included on the agenda of all meetings of the Trading Board. It allows the Board to consider the scheduling of forthcoming items of business and to suggest additional items that fall within the Board's remit.

3. Alternative Options

- 3.1 It is open to the Board to agree amendments to the Work Programme.

4. Supporting Information

- 4.1 The current work programme is attached at Appendix 1. The updates on the commercial reviews of service will be the main focus of the Board's work in 2015-16 and this is reflected in the work programme.
- 4.2 In accordance with the requests of the Board at the meeting on 18 November the Annual Report 2015-16 has been added to the work programme for the March meeting and the scope of the item on waste has been expanded. However, in view of the fact that progress on devolution has been slower than expected, we are not yet in a position to provide a substantive report on public sector reform and it is proposed that this be scheduled once the outcome of devolution in Essex and how this might impact on trading issues for the Council is clearer.
- 4.3 It is open to the Board to suggest additional items that fall within the Board's remit be added to the work programme.

5. Strategic Plan References

- 5.1 The work of the Trading Board supports the key themes of Vibrant, Prosperous and Thriving in the Strategic Plan for 2015-18.

6. Standard References

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

Appendix 1

Trading Board 2015-16 Work Programme

Date of Meeting	Scheduled items of business
17 June 2015	Commercial Development and Procurement reports Future development of the Building Control Service
5 August 2015	Commercial Development and Procurement reports Events Business Case
23 September 2015	Commercial Development and Procurement reports Leisure World Colchester Business Strategy and Plan
18 November 2015	Commercial Development and Procurement reports Essex Building Control Shared Service - Host Bid Recharges
13 January 2016	Commercial Development and Procurement report Strategic Asset Management Supporting Commercial Services through Human Resources
23 March 2016	Commercial Development and Procurement report Essex Building Control Shared Service

	Essex Waste Partnership Board including the Waste Minimisation Project Annual Report 2015-16
Items to be scheduled	Trading Arrangements Public Sector Reform Commercial Opportunities arising from the Devolution Agenda