

# Cabinet Meeting

**Grand Jury Room, Town Hall, High Street,  
Colchester, CO1 1PJ  
Wednesday, 16 March 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, 16 March 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 Bill Frame (Liberal Democrats) Councillor Dominic Graham (Liberal Democrats) Councillor Beverley Oxford (Highwoods and Stanway Independent) Councillor Tim Young (Labour)
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**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 27 January 2016.

**27-01-16**

**7 - 18**

**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 Community Safety, Licensing and Culture**

**7(i) Delivering Colchester's Environmental Sustainability Strategy: A New Local Authority Carbon Management Plan 2016-2020** 19 - 24

See report by the Head of Commercial Services

**8 Strategy/Business and Resources**

**8(i) 2015/16 Budget Update** 25 - 30

See report by the Assistant Chief Executive

**9 Resources**

**9(i) Digital Challenge** 31 - 60

See report by the Assistant Chief Executive and minute 51 of the Scrutiny Panel meeting on 23 February 2016

**10 Housing and Public Protection**

**10(i) Housing Development Strategy** 61 - 68

See report by the Head of Commercial Services

**11 Economic Growth and Planning**

**11(i) Colchester Northern Gateway (North) Sports Hub Development Proposal** 69 - 86

See report by the Head of Commercial Services

**12 General**

12(i) **Progress of Responses to the Public**

87 - 88

To note the contents of the Progress Sheet

13 **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)

14 **Economic Growth and Planning (Part B)**

14(i) **Colchester Northern Gateway (North) Sports Hub Development Proposal (part B)**

See report by the Head of Commercial Services

## **CABINET**

### **27 January 2016**

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

*Also in attendance:* - Councillors Davies, Knight, Laws, Lissimore, Willetts

#### **54. Minutes**

*RESOLVED* that the minutes of the meeting held on 25 November 2015 be approved as a correct record.

#### **55. Have Your Say!**

Nick Chilvers addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to request that the Portfolio Holder for Customers be involved in the development of the waste options consultation. In particular he stressed the need for it to be easy for those who were not online or did not have access to technology to give their views. This was particularly important for older residents, many of whom had strong views and would want to submit their views. He suggested that Age UK or a similar organisation be asked to look at the consultation in advance of its publication. All party leaders should ensure the consultation was promoted in their leaflets.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, stressed the importance of getting responses from residents, whether or not they had access to technology. Councillor B. Oxford, Portfolio Holder for Customers, stressed that she would ensure that she was fully involved and would ensure that all residents had an opportunity to give their views.

Councillor Dennis Willetts addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). Following the Planning Committee meeting on 17 December 2015 a website over which he had indirect control had published an allegation that Councillor Frame had asked the Chairman of the Planning Committee to resign. Councillor Frame maintained that there was no foundation to the allegation and Councillor Willetts offered an unreserved apology to Councillor Frame.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, and Councillors Frame, Portfolio Holder for Economic Growth and Planning, thanked Councillor Willetts for

his apology.

## **56. 2016/17 General Fund Revenue Budget, Council Tax and Medium Term Financial Forecast**

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member together with minutes 45 and 46 of the Scrutiny Panel meeting of 26 January 2016.

Councillor Laws attended and with the consent of the Chairman addressed the Cabinet and stressed that he was pleased to see the resources devoted to town centre heritage in the budget, such as the Roman Gate Interpretation. However, he queried the allocation of £30,000 for the development of two websites and was concerned that no funding had been allocated to repair the broken light fixtures on Trinity Church. He also suggested that All Saints Church should be illuminated.

Councillor Cory, Portfolio Holder for Resources, stressed the importance of the online records projects. The illumination of Trinity and All Saints Churches would be considered further in due course.

Councillor Cory introduced the report and explained that the Council had been able to reduce the impact of the cuts in funding by operating in a more commercial way and generating income. This had enabled the Council to bring in an additional £464,000 of income above that forecast. The New Homes Bonus was now used to support one off items, such as the improvements in waste and recycling services, locality budgets and Colchester's Big Choice. Council Tax was frozen for the sixth year in a row whilst investment in services continued. The Medium Term Financial Forecast position was difficult, as revenue grant would continue to decline and the proposals in the consultation on New Homes Bonus indicated that was likely to reduce in future. The Government proposed that these reductions in funding be offset by increasing Council Tax. He thanked officers for their help in bring forward the budget proposals.

Members of the Cabinet highlighted the growth items and investments in services contained in the proposed budget including:-

- Investment in waste services, including an additional route and an extra waste vehicle and crew;
- Phase 2 of the Fixing the Link project;
- SOS Bus grant;
- Improved street cleaning service;
- Additional funding for tourism and for the Mercury Theatre;
- Support for community enabling services;
- £1.4 million further investment in Leisure World;
- Welfare Rights service;
- Garden Settlements Project;
- Creative Business Centre;
- Housing and Health Programme.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, stressed that this was a very impressive budget which supported front line services whilst freezing Council Tax and maintaining reserves at a prudent level, despite cuts in central government funding. It also provided the basis for future growth, with investments that would deliver in future years.

*RESOLVED* that:-

(a) It be noted that the outturn for the current financial year is forecast to be within budget.

(b) The provisional Finance Settlement figures set out in Section 4 of the Assistant Chief Executive's report be noted including the required return of estimated business rates income as set out at paragraph 4.7.

(c) The summary of the consultation paper on the New Homes Bonus set out at Appendix C of the Assistant Chief Executive's report be noted and a response be made by the relevant Portfolio Holder and reported to the next Cabinet meeting.

(d) The cost pressures, growth items, proposed use of New Homes Bonus (including the allocation in 2017/18), savings and increased income options identified during the budget forecast process as set out at Appendices D, E, F and H of the Assistant Chief Executive's report be agreed.

(e) The use of New Homes Bonus allocated for Strategic Plan priorities as set out at Appendix G of the Assistant Chief Executive's report be agreed.

(f) The 2016/17 Revenue Budget requirement of £23,909k (see paragraph 5.13 of the Assistant Chief Executive's report) and the underlying detailed budgets set out in summary at Appendix I and Background Papers of the Assistant Chief Executive's report be agreed and *RECOMMENDED TO COUNCIL* subject to the final proposal to be made in respect of Council Tax.

(g) *RECOMMENDED TO COUNCIL* Colchester's element of the Council Tax for 2016/17 at £175.23 per Band D property, which represents no change from the current rate noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any changes arising from the formal Finance Settlement announcement and final completion of the business rates NNDR 1. This will be prepared in consultation with the Leader of the Council.

(h) The Revenue Balances for the financial year 2016/17 as set out at Appendix M of the Assistant Chief Executive's report be agreed and it also be agreed that the:-

- 
- the minimum level be set at a minimum of £1,900k
- £838k of balances, including sums carried forward from 2015/16, be applied to finance items in the 2016/17 revenue budget

(i) The updated position on earmarked reserves set out in section 8 of the Assistant Chief Executive's report and the release of £20k from the S106 monitoring reserve and

£1,537k from the NNDR reserve be agreed.

(j) It be agreed and *RECOMMENDED TO COUNCIL* that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 9.3 of the Assistant Chief Executive's report.

(k) The Medium Term Financial Forecast for the financial years 2016/17 to 2019/20 set out in section 11 of the Assistant Chief Executive's report be noted

(l) The position on the Capital Programme shown at section 12 of the Assistant Chief Executive's report be noted and the inclusion of the following items in the Capital Programme be agreed and *RECOMMENDED TO COUNCIL*:-

- £1.31m for the ICT strategy.
- £190k for the Local Authority Carbon Management Plan

(m) The comments made on the robustness of budget estimates at section 13 of the Assistant's Chief Executive report be noted.

(n) The 2016/17 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the background paper at Appendix S of the Assistant Chief Executive's report be agreed and *RECOMMENDED TO COUNCIL*.

## *REASONS*

The reasons for the decisions were set out in detail in the Assistant Chief Executive's report.

## *ALTERNATIVE OPTIONS*

Various options were investigated at every stage of the budget setting process.

## **57. 2016/17 Housing Revenue Account Estimates**

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member together with minute 45 of the Scrutiny Panel meeting of 26 January 2016.

Councillor Bourne, Portfolio Holder for Housing and Public Protection, highlighted the serious impact of the changes announced in the summer budget and the Housing and Planning Bill on the Housing Revenue Account. The proposed decrease in social housing rents would have a minimal impact on rent levels but would severely impact on the HRA Business Plan. It would lead to a significant drop in income and as a consequence funding for new build and investment in the housing stock had been put on hold.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, and Councillor Feltham, Portfolio Holder for Communities and Leisure Services, also expressed their disappointment about the impact of the changes announced by the government, which had been announced without consultation. This undermined the trust that would be placed

on agreements with central government in future.

*RESOLVED* that:-

- (a) The 2016/17 HRA revenue estimates as set out in Appendix A of the Head of Commercial Services report be approved.
- (b) Dwelling rents as calculated in accordance with central Government's rent policy be approved (as set out in paragraph 4.7 of the Head of Commercial Services report).
- (c) The HRA revenue funded element of £6,508,200 included within the total management fee for Colchester Borough Homes (CBH) be approved (as set out in paragraph 4.13 of the Head of Commercial Services report).
- (d) The revenue contribution of £3,902,000 to the Housing Investment Programme included in the budget be noted (paragraph 4.27 of the Head of Commercial Services report).
- (e) The HRA balances position in Appendix B of the Head of Commercial Services report be noted.
- (f) The Medium Term Financial Forecast (MTFF) set out at Appendix C of the Head of Commercial Services report and the 30 Year HRA financial position set out at Appendix E of the Head of Commercial Services report be noted.

## *REASONS*

Financial Procedures require the Head of Commercial Services to prepare detailed HRA estimates for approval by the Cabinet, setting the new rent levels for the new financial year.

## *ALTERNATIVE OPTIONS*

No alternative options were set out but it was open to Cabinet to approve different proposals to those outlined in the Head of Commercial Services report.

## **58. Housing Investment Programme 2016/17**

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member together with minute 45 of the Scrutiny Panel meeting of 26 January 2016.

Councillor Bourne, Portfolio Holder for Housing and Public Protection, explained that Housing Investment Programme would ensure that the housing stock was maintained in a safe condition and would remain fit for purpose. However in view of the position on the Housing Revenue Account some elements of the planned maintenance programme would need to be cancelled.

The continued investment in Sheltered Accommodation Improvements was highlighted. This would enable the improvements to Enoch House to be completed and work to

commence on two more schemes.

*RESOLVED* that:-

- (a) The Housing Investment Programme for 2016/17 be approved.
- (b) The Capital Medium Term Financial Forecast (CMTFF) set out at Appendix A of the Commercial Services report be noted.

#### *REASONS*

Each year as part of the process to agree the Council's revenue and capital estimates the Cabinet is required to agree the allocations to the Housing Stock Investment Programme. These allow for work to be undertaken to maintain, improve, and refurbish the housing stock and its environment.

Following the Cabinet meeting on the 30 November 2011 it was agreed in principle to accept a proposed 5 year Housing Investment Programme (HIP) as the framework for procuring housing related planned works, improvements, responsive and void works and cyclical maintenance, subject to overall budget decisions in January 2012 and annually thereafter.

It was also agreed that the proposed 5 year investment programme would be linked to the Asset Management Strategy (AMS) and reviewed annually in the light of available resources and for each annual allocation to continue to be brought to Cabinet for approval as part of the overall HIP report.

The Colchester Borough Homes (CBH) Board has been apprised of the content of the Cabinet report submitted on the 30 November 2011 and is now seeking approval for the 2016/17 Capital programme being the fifth year of the (HIP).

The Head of Commercial Services report seeks the release of funds under grouped headings as described in the AMS and supported by the Management Agreement dated 9<sup>th</sup> August 2013, which governs the contractual relationship between Colchester Borough Council (CBC) and CBH.

#### *ALTERNATIVE OPTIONS*

No alternative options were set out but it was open to Cabinet to approve different proposals to those outlined in the Head of Commercial Services report.

### **59. Review of Gateway to Homechoice Allocations Policy**

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

*RESOLVED* that the revised Allocations Policy be approved.

#### *REASONS*

To ensure that the Allocations Policy complies with current legislative requirements and changes to regulations.

To ensure that the policy remains up-to-date, relevant and contributes to the Council's ambitions for affordable housing and tackling homelessness.

#### *ALTERNATIVE OPTIONS*

The current Allocations Policy could be kept unchanged. However, this could leave Colchester Borough Council and the other council's open to legal challenge from applicants as the policy would not comply with new regulations that were introduced by the Government in April 2015.

### **60. North Essex Garden Settlements – Project Governance Arrangements**

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

Councillor Frame, Portfolio Holder for Economic Growth and Planning, explained that the Council was working with Braintree District Council, Tendring District Council, Essex County Council and the Department of Communities and Local Government to look into the potential of the garden settlements as a way of delivering new self-contained settlements. The principles underpinning the Garden Cities concept were set out in the report and particular attention was drawn to the commitment to mixed tenure homes and types that were affordable for ordinary people and to the provision of a surrounding belt of countryside which would ensure that any such developments would not be additions to existing settlements. The proposals in the report were concerned with the governance arrangements for the project.

*RESOLVED* that:-

- (a) That the Leader of the Council, the Portfolio Holder for Economic Growth and Planning and the Chief Executive (or their nominated representative) be authorised to represent and to make executive decisions on behalf of the Council, in accordance with the Council's Constitution, on the Joint Shadow Delivery Board in accordance with the Governance Structure, set out in Appendix A to the Monitoring Officer's report.
- (b) Authority be delegated to those Officers appointed by the Chief Executive to represent the Council on the Joint Steering Group and relevant delivery/project teams to make decisions in accordance with the relevant terms of reference, as set out in Appendix A of the Monitoring Officer's report.
- (c) The outcome of the recent bid for grant funding from the Department of Communities and Local Government (DCLG) to progress the Garden Settlements concept and provides on-going support and partnership working together with Braintree District Council, Essex County Council and Tendring District Council to deliver the project, be noted.
- (d) That the Council hold the DCLG grant funding on behalf of the North Essex Garden Settlements Project and that authority to approve expenditure of the grant funding be

delegated to the Joint Steering Group in accordance with the project.

(e) The desire of the Joint Shadow Delivery Board to deliver the development through a special purpose vehicle be noted and advice be commissioned.

(f) The Leader of the Council be authorised to make a decision to establish a special purpose delivery vehicle following receipt of a detailed report and dependent on no concerns being raised by either the Council's Section 151 or Monitoring Officers. Should any material changes or substantial financial investment by the Council be required, a further report be presented to Cabinet for further decisions.

## *REASONS*

To seek Cabinet's on-going support, working together with Braintree District Council, Essex County Council and Tendring District Council, to progress the concept of 'garden settlements' using the funding recently awarded by the DCLG and to approve governance arrangements for the project.

## *ALTERNATIVE OPTIONS*

No alternative options were proposed.

## **61. Waste Vision**

The Head of Operational Services submitted a report a copy of which had been circulated to each Member together with minute 38 of the Scrutiny Panel meeting of 8 December 2015.

Councillor Lissimore attended and with the consent of the Chairman, addressed the Cabinet. She did not consider that the Vision for Waste Management could be considered as a strategy for waste management and if left uncertainty as to how waste recycling and waste would be managed. There was no reason why the survey on waste should be delayed further and it should be issued shortly in an accessible format.

Councillor Davies, Chairman of the Scrutiny Panel, attended and with the consent of the Chairman addressed the Cabinet, to express her disappointment about the lack of detail or meaningful content provided in the Vision. The Scrutiny Panel had been promised that it receive a draft Strategy to scrutinise.

Councillor Graham, Portfolio Holder for Street and Waste Services, explained that since 2008 the amount of waste sent to landfill had significantly reduced and recycling rates had increased from 33% to 43%. Colchester was the best performing Council with weekly collections in Essex. He thanked the Task and Finish Group for the significant contribution it had made. The survey would be issued in March, once the Vision had been adopted by Full Council. It would be undertaken by a professional market research company, and he urged Councillors to encourage residents to engage and respond.

The Vision set out the aspirations of the Council and would provide a basis on which future decisions on waste management would be taken. It emphasised the Council's priorities, such as a commitment to producing high quality materials from recycling and the need to

consider the environmental impact of the whole system of waste management.

Councillor Cory, Portfolio Holder for Resources, explained that as a past member of the Waste and Recycling Options Task and Finish Group, he felt it had done good cross party work. The Vision provided an opportunity to refocus the Council's approach to waste management

*RECOMMENDED TO COUNCIL* that the Council adopt the Vision for Waste Management as part of the Council's Policy Framework.

*RESOLVED* that:-

- (a) The timeframe set out in section 7 of the Head of Operational Services report for carrying out a public consultation on waste collection methods be agreed.
- (b) Cabinet's thanks to the Waste Prevention and Recycling Options Appraisal Task and Finish Group for its work to date be recorded. The terms of reference of the group now being fulfilled, the Task and Finish Group will hereby come to an end.

#### *REASONS*

Cabinet received a report updating it on the work of the Waste Prevention and Recycling Options Appraisal Task and Finish Group at its meeting on 14 October 2015. Cabinet identified that the Council needed to identify its desired outcomes for the management of waste and recycling going forward and the work of the group was paused, while the Vision for how waste should be managed was prepared.

As the Waste Vision forms part of the Council's policy framework, it will require adoption by Full Council.

The existing Terms of Reference for the Task and Finish Group has been met and there are no further items of business that the group could currently contribute to.

#### *ALTERNATIVE OPTIONS*

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

The Cabinet could consider retaining a Waste Task and Finish Group, but it would need to develop and agree new tasks for it to work on.

## **62. ICT Strategy – Technology 2018**

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member together with minute 47 of the Scrutiny Panel meeting of 26 January 2016.

Councilor Davies, Chairman of the Scrutiny Panel, attended and addressed the Cabinet to

endorse the minute of the Scrutiny Panel's discussions on the ICT Strategy. She drew Cabinet's attention to a conversation she had had with a member of staff that indicated that there may be some issues with transferring calls with the new telephone system.

Councillor Cory, Portfolio Holder for Resources, introduced the report and highlighted that it was proposed to invest an additional £560,000 over and above the cost of "standing still" in new technology. This would enable officers to support residents, help residents help themselves and help Councillors receive and share information. Investment would be in new and cloud base technologies with the aim of improving both the reliability and resilience of the Council's systems. He would take part in the pilot study and ensure that members' views were represented, particularly around single access points and passwords. The need to ensure residents without access to technology were not left behind was appreciated. More efficient use of technology could free up resources for a better service for those without access to technology.

Councillor B. Oxford, Portfolio Holder for Customers, supported the proposals in the report and stressed the importance of ensuring residents were able to contact the Council in the way they wanted to.

*RESOLVED* that the Council's ICT Strategy and associated investment plan be approved.

#### *REASONS*

To enable the implementation of the ICT Strategy, which will

- enable existing systems to continue to function where appropriate
- ensure that our ICT matches our aspirations and operational service delivery
- build resilience and business continuity, reducing our reliance on complex, 'legacy' networks and systems, with clearer financial unit costs.

#### *ALTERNATIVE OPTIONS*

The alternative option would be not to approve the ICT Strategy, but that would leave some systems without appropriate support, impact on system reliability and prevent or delay the improvements which are needed to deliver the technology which will enable the Council to continue to respond effectively to its customers.

### **63. Revised Contract Procedure Rules**

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

*RESOLVED* that the revised Contract Procedure Rules contained at Appendix 1 to the Monitoring Officer's report be approved.

#### *REASONS*

Following the implementation of the Public Contracts Regulations 2015 which implements the latest EU Procurement Directive, the Council is required to update its Contract Procedure Rules to make them compliant. Other Amendments to the Rules reflect

changes to the internal responsibility for the procurement team.

#### *ALTERNATIVE OPTIONS*

No alternative options were presented.

#### **64. Request for Delegated Authority in Connection with Procurement of Planned Preventative Maintenance Contracts for CBC and CBH**

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

*RESOLVED* that authority for agreeing to enter into a contract(s) with the future Planned Preventative Maintenance (PPM) contractor(s) be delegated to the Portfolio Holder for Resources.

#### *REASONS*

Tenders for the future delivery of PPM for CBC and CBH were returned on 7<sup>th</sup> January 2016 following an OJEU tender process. 32 tenders were returned in all and they are currently in the process of being analysed. The tender returns are also being compared against the existing Property Services framework administered by Essex County Council (ECC) which could also be used by the Council to deliver PPM if it is deemed to provide better value for money than the returned tenders.

The total value of the four year PPM contract(s) is expected to be around £1m which would normally require a Cabinet decision to proceed. However, due to the unexpectedly high number of prequalification questionnaires (PQQs) received and subsequent tender returns, the full analysis of the tenders and the comparison against the ECC framework will not be complete in time for the Cabinet meeting scheduled for 27<sup>th</sup> January 2016. The following Cabinet meeting scheduled for 16<sup>th</sup> March 2016 is then too late for orders to be raised for the successful contractor(s) and for the contractor(s) to mobilise in time for the new contracts to start on 1<sup>st</sup> April 2016.

Delegating authority to the Portfolio Holder would allow an order to be placed with the successful contractor(s) by mid-February at the latest which would give sufficient time for the contractor(s) to mobilise and be ready to start on 1<sup>st</sup> April 2016.

#### *ALTERNATIVE OPTIONS*

If the contractors that currently deliver PPM for CBC and CBH are willing, then it may be possible to extend their current commissions for three months by way of separate orders issued to each. This would allow for the future provision of PPM to be agreed at the Cabinet meeting on 16<sup>th</sup> March 2016. Rates for the three month extension of each contract would have to be negotiated with each individual contractor and the new contracts would then start three months later than planned in the first year.

#### **65. Half Yearly Performance Report Including Progress on Strategic Plan Action Plan**

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member together with minute 40 of the Scrutiny Panel meeting of 8 December 2015.

Councillor T. Young, Portfolio Holder for Community Safety, Licensing and Culture, presented the report and demonstrated a good level of performance. Of the Key Performance Indicators, 12 were green, two were amber and none were red. However, Cabinet was not complacent and would continue to monitor performance closely.

*RESOLVED* that:-

- (a) The progress update of the Strategic Plan Action Plan for the period ending 30 September 2015 be noted.
- (b) The performance update on the Council's key performance measures for the period ending 30 September 2015 be noted.
- (c) The recent awards and accreditations received by the Council be noted.

#### *REASONS*

The Council has agreed a number of key performance areas which it uses as part of its Performance Management Framework to help monitor progress and improvement. This report provides an update of our indicators along with a half-yearly review of progress against our Strategic Plan Action Plan.

#### *ALTERNATIVE OPTIONS*

No alternative options were proposed.

### **66. 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.

## Cabinet

16 March 2016

Item  
**7(i)**

Report of	Head of Commercial Services	Author	Wendy Bixby ☎ 282566
Title	<b>Delivering Colchester's Environmental Sustainability Strategy: A new Local Authority Carbon Management Plan 2016-2020</b>		
Wards affected	All wards		

**This report concerns the adoption of a new Local Authority Carbon Management Plan for Colchester Borough Council**

### 1. Decision(s) Required

- 1.1 To adopt a new Local Authority Carbon Management (LACM) Plan for Colchester for 2016 to 2020.

### 2. Reasons for Decision(s)

- 2.1 A key deliverable of the Council's Environmental Sustainability Strategy (ESS) 2015-2020 is to reduce carbon emissions from the impact of Colchester Borough Council's services, buildings and operations.
- 2.2 Projects identified in the new LACM Plan 2016-2020 will help the Council to cut the use of energy and fuel, and achieve more energy efficient buildings making both carbon and financial savings.

### 3. Alternative Options

- 3.1 Not to adopt the LACM Plan (2016-2020). The Council does not have a statutory duty to produce and publish a LACM Plan. However, not having a robust plan to reduce the Council's carbon emissions would jeopardise the Council's ability to achieve its carbon reduction targets which it set out in its Environmental Sustainability Strategy. Having a plan has additional benefits such as reducing the Council's expenditure on energy and fuel costs.

### 4. Supporting Information

- 4.1 The new LACM Plan 2016-2020 builds on the significant progress already made by the Council. The previous LACM Plan 2008-2012 was successfully delivered and saved the Council 3,305 tonnes of CO<sup>2</sup> (tCO<sup>2</sup>).
- 4.2 A Project Team of Officers from across the Council and Colchester Borough Homes (CBH) developed the Plan under the supervision of expert consultants from the Carbon Trust; it therefore takes account of national guidance. It also brings together local priorities arising from previous work undertaken such as the ESS (2015); Colchester's Climate Risk Assessment (2010); Climate Local (2015) & The Nottingham Declaration (2007); The Local Authority Carbon Management

Plan (2008-2012).The LACM Plan is supported by an extensive evidence base developed for the ESS.

- 4.3 The Project Team helped to identify the key priority areas on which to focus actions. The majority of LACM projects showing greatest potential for carbon and financial savings were in corporate buildings, resource management and efficiency standards.
- 4.4 Further service efficiency opportunities to mitigate the effects of climate change were identified outside the scope of LACM Plan, and highlighted savings that could be made in waste management and recycling; sustainable transport; fleet management; green procurement; supporting our staff to access information, including information on behaviour change; and community based projects. These actions can be considered during implementation of existing key strategies.
- 4.5 An over-arching vision has been developed for the LACM Plan: *“To lead by example in securing a low carbon future for the residents and businesses of the Borough and ensuring that the impacts of climate change within our control are minimised”*
- 4.6 Work carried out during the development of the new LACM Plan concluded that:
  - At the end of the last LACM Plan in 2012, the Council had exceeded the initial target of a 25% reduction in emissions from 2008 levels, achieving a bigger 32.6% reduction which contributes towards the total 40% carbon reduction target.
  - The Carbon Trust has calculated that the Council achieved a 35.6% reduction (compared to 2008 levels) to the end of the last greenhouse gas reporting period 2013/14.
  - Implementing the projects identified in 2016/17 and 2017/18 will enable the Council to meet the 40% target.
  - If the Council wishes to exceed its 40% target there is an opportunity to do this in 2018-20 subject to the viability of the projects and financial resources being available.
  - Not all projects identified in the last LACM Plan (2008-2012) went ahead as not all early concept stage projects proved to be viable. It is highly likely that some ‘aspirational projects’ identified for delivery in 2018/19 and 2019/20 will not prove viable once a full feasibility assessment has been completed.
- 4.7 The LACM Plan is intended to be a working document with actions being implemented throughout the life of the Plan. The projects identified in the Plan aim to enable the Council to meet the 40% target. Processes are being developed to identify the impact of new projects on carbon reduction during the Plan and in the future. A report on the progress delivering the actions in the LACM Plan delivery plan will be produced on an annual basis and circulated to relevant stakeholders and the Portfolio Holder with responsibility for Sustainability.

## **5. Proposals**

- 5.1 It is proposed that the Cabinet adopt the new LACM Plan as shown at Appendix 1, and in doing so support the implementation of the delivery plan so that the

Council can aim to achieve its target of a 40% reduction in its carbon emissions by 2018. If the Council wishes to exceed its 40% target there is an opportunity to do this in 2018-20, subject to the viability of the projects and financial resources being available.

## **6. Strategic Plan References**

- 6.1 Colchester's LACM Plan 2016-2020 has several links to the Strategic Plan including:

**Vibrant** – 'Create the right environment for people to develop and flourish in all aspects of life both business and pleasure.'

**Prosperous** – 'Provide opportunities to build and refurbish our own Council buildings and houses for people in significant need.'

**Thriving** – 'Cultivate Colchester's green spaces and opportunities for health, wellbeing and the enjoyment of all.'

**Welcoming** – 'Improve sustainability, cleanliness and health of the place by supporting events that promote fun and wellbeing'; and 'Make Colchester confident about its own abilities, to compete with the best of the towns in the region to generate a sense of pride'.

## **7. Consultation**

- 7.1 No external consultation took place as the development of a LACM Plan was an action in the delivery plan of the Council's ESS which has already undergone consultation and has been adopted by Cabinet.

## **8. Publicity Considerations**

- 8.1 The new LACM Plan will be published on the Council's website. A new sustainability web page has been developed [www.colchester.gov.uk/sustainability](http://www.colchester.gov.uk/sustainability) which links projects together across the Council, including the LACM.
- 8.2 Opportunities will be sought to publicise the roll out of a new LACM Plan as Colchester is leading the way in the UK for carbon reduction.

## **9. Financial implications**

- 9.1 In order to deliver the 40% target, investment of £190k is required in 2016/17 and 2017/18 as shown in the Appendix 2. Cabinet approved funding for these projects as part of the annual budget setting process at their January 2016 meeting.
- 9.2 There are estimated recurring annual revenue savings of £88,400 from these projects once implemented
- 9.3 Further investment in LACM Plan projects for future years will be considered alongside other capital requirements and is shown in Appendix 2.

## **10. Equality, Diversity and Human Rights implications**

- 10.1 [An Equality Impact Assessment](#) was completed and published for the delivery of the Environmental Sustainability Strategy on our website, and this is an action relating to that EQIA. It is anticipated that there will be a positive benefit to Colchester residents, businesses and partners.

## **11. Community Safety Implications**

- 11.1 It is anticipated that with the implementation of the LACM Plan there will be a positive benefit for Community Safety as much of the work in relation to this project is about future proofing Council buildings and building more resilience to the effects of Climate Change.

## **12. Health and Safety Implications**

- 12.1 The adoption and approval of the LACM Plan will have positive implications on health and safety by:
- Provision of more energy efficient buildings will improve the long term well-being of Council staff and Colchester residents.
  - Provision of more efficient Council services helps build more resilient communities.

## **13. Risk Management Implications**

- 13.1 Managing and reducing the amount of carbon the Council emits from its buildings, services and operations mitigate the risks associated with Climate Change. Residents are vulnerable to overheating in summer; flooding and extreme cold weather conditions; and coastal floods, all of which influence the way in which the Council needs to adapt its ways of working. Having a LACM Plan will ensure the Council knows exactly how much carbon the Council has saved and the plan's significant contribution towards making annual financial savings.

## **Appendix 1**

[Local Authority Carbon Management Plan](#) (or follow the pathway [www.colchester.gov.uk/](http://www.colchester.gov.uk/) Your Council/Committees, Agendas and Minutes/Cabinet/16 March 2016).

## Appendix 2

Table 1: Cost of delivery for 2015-16 & 2016-17

Financial Year	Projects	Total capital cost to deliver LACM Projects	Total annual saving £	Payback Period (Years)	Total annual saving tCO2	Overall CBC carbon reduction Target achieved
2016/17	Phase 1	138,000	49,300	2.8	255	38%
2017/18	Phase 2	52,000	39,100	1.3	201	40%

### Phase 1 2016/17 projects:

- Lighting upgrade : LED conversion Leisure World
- Zonal lighting sensors installed Leisure World
- Insulate roof of sports hall in Leisure World

### Phase 2 2017/18 Projects

- LED Stairway lighting in sheltered homes
- Install new gas plaque heaters in sports hall in Leisure World
- Control valves installed on pumps and motors Leisure World
- Control valves installed on pumps Town Hall

The remaining projects remain aspirational, but it is not assumed that all projects will make it to a viable business case. The following table captures opportunity for further carbon and financial savings, but only if further savings want to be realised.

Table 2: Aspirational projects 2018 - 2020

Year	Estimated Investment Required	Total annual saving £	Payback Period (Years)	Total annual saving tCO2	Target reached
2018 Phase 3	160,000	41,900	3.8	230	42%
2019 Phase 4	90,000	9,800	9.2	51	43%
*Opportunities up to 2020 are small win projects (Phase 5)	A further 1.5 million of investment would be needed	60,000	25.0	338	46%

The following project phases 3-4 are currently being reviewed to see if the aspirational LACM projects can be brought forward for delivery, although scheduled in the plan as follows:

### Phase 3 2018/19 Projects

- Pool Covers and Heat recovery systems in Leisure world

### Phase 4 2019/20 Projects

- Replace air conditioning units in Leisure world
- Fan installation in Town hall
- Fan installation in Leisure Centre

### Phase 5 2020/21 Projects

- Electric vehicles to replace vehicles run on petrol for short journeys
- Solar PV works to Colchester Car Parks
- Replacement of gas boilers at Leisure World
- Town Hall boiler upgrade (gas or biomass)
- Replace chiller and cooling plant Town Hall
- Biomass Boiler upgrade at Mile End sports ground (or alternative renewable)
- Rationalisation of CBH offices



<b>Report of</b>	<b>Assistant Chief Executive</b>	<b>Author</b>	<b>Sean Plummer</b>
<b>Title</b>	<b>Budget Update</b>		<b>☎ 282347</b>
<b>Wards affected</b>	Not applicable		

**This report provides Cabinet with an update on specific budget issues and proposals to reallocate funding to a number of projects.**

## **1. Decisions Required**

### **1.1 Cabinet is requested to:**

- i) Agree to reallocate £185k from funding for street lights to the projects set out in Appendix A and that funding is carried forward into 2016/17 as required.
- ii) Agree that the funding allocated for the Wonderhouse project be held against a project to review museum storage issues and potential move from the Museum Resource Centre.
- iii) Agree that the additional New Homes Bonus sum of £88k be allocated to support the implementation of the Carbon Management Plan.
- iv) Agree that £33k from the 2015/16 New Homes Bonus Strategic Plan Priorities allocation be used for the Roman Circus scheme as set out in this report.
- v) Note the New Homes Bonus Consultation response.

## **2. Reasons for Decisions**

- 2.1 It was reported to Full Council as part of the budget and tax setting that a report would be brought to Cabinet certain reallocation of funds.

## **3. Alternative Options**

- 3.1 Different options for funding could be considered and the Cabinet could decide for allocated funds to be added to balances

## **4. Background and Supporting Information**

- 4.1 As part of the 2016/17 budget report to Cabinet and Full Council three issues were identified where it was proposed that Cabinet would make recommendations for changes to budget allocations. The three issues are:-

- 1) Use of funding set aside for street lighting
- 2) Funding allocated for Wonder House project
- 3) Allocation of additional Government funding received in Final Settlement

*Use of Street Lighting allocation*

- 4.2. It was highlighted in the budget report that the allocation made in respect of street lighting of £185k remains unspent, and that if unused this year it could be carried forward into 2016/17. Given the position on discussions with Essex County Council, options on how this budgetary allocation might be used to support other projects has been examined.
- 4.3. A list of proposed projects is set out at Appendix A totalling £185k. It should be stressed that these allocations are for one year only, and given that most if not all spend will now be incurred in 2016/17 the funding will be carried forward.

*Wonderhouse – New Homes Bonus allocations*

- 4.4. Following detailed feedback from the Heritage Lottery Fund (HLF) it was clear that in competition with other projects a further bid for the Wonderhouse was unlikely to be successful. As set out in the budget report for Full Council it is now proposed that the money allocated to the Wonderhouse project is now used to support alternative options for the issues that the Wonderhouse would have addressed. This will include a review of our Museums storage facilities and a potential move out of the Museum Resource Centre (MRC) that is no longer fit for purpose. The work would aim to retain some aspects of the Wonderhouse concept on a smaller scale. The table below sets out the budget allocations which have been included within the Revolving Investment Fund (RIF).

	£'000
New Homes Bonus – 14/15	30
New Homes Bonus – 15/16	40
New Homes Bonus – 16/17	200
<b>Budget</b>	<b>270</b>
Spend	(5)
<b>Balance Available</b>	<b>265</b>

- 4.5. Within the RIF it had been assumed that should the MRC be sold then the capital receipt from this would also be added to the available budget and it is proposed that this remains the case and that this scheme now shown in the non-RIF capital programme.

*Transition Grant / New Homes Bonus*

- 4.6. The final Settlement included the announcement of a grant paid to those authorities affected most by the reductions announced. For Colchester this grant is £88k for 2016/17 and 2017/18. As part of the 2016/17 budget it has been agreed that this is used to further reduce the amount of New Homes Bonus being used to support the base budget. This has therefore provided new one-off funds of £88k, and it was reported to Council that the intention was to use this funding to support projects that would reduce costs or increase income.
- 4.7. The separate report on this agenda sets out the proposed Local Authority Carbon Management Plan. Funding has been allocated in the capital programme for projects in 2016/17. These projects will deliver financial savings and it is proposed that the transition grant is added to this capital programme provision to support the implementation of the carbon management plan.

### *Roman Circus*

- 4.8. In addition to the items identified at the Council meeting, there is a further proposed investment funded through the New Homes Bonus Strategic Plan Priority allocation from which £220k remains unallocated. Through its strategic aims the Borough Council is committed to conserving and enhancing its heritage assets to promote interest in, and enjoyment of, Colchester Borough's history. To this end it is proposed that £33k be allocated for improvements to the Roman Circus.
- 4.9. The Colchester Circus is of international importance and one of only a small number of Roman circuses in north-west Europe. The improvements include a £25,500 grant to Colchester Archaeological Trust, and £7,500 for the creation of new information panels at different locations which will help people interpret the size and scale of this significant piece of Colchester's heritage.

## **5. New Homes Bonus Consultation response**

- 5.1. The Government published a consultation paper on changes to the New Homes Bonus: "New Homes Bonus: Sharpening the Incentive". The consultation seeks views on options on changes to the New Homes Bonus in order to "better reflect authorities' delivery of new housing. It also seeks views on reducing the number of years in which current and future payments are made". Responses to the consultation are required by 10 March 2016 and given the timescales a response will be sent and will be provided as a background paper by this date.
- 5.2. In summary, the issues and questions within the consultation concern:-

### ***(a) Withholding new allocations in areas where no Local Plan has been produced***

The preferred approach is to not make any NHB payment if a Local Plan has not been produced. There is also a suggestion that there might be a 50% reduction where a Plan has been published but not yet submitted.

There is a further approach based on reducing the NHB by a fixed % depending on the date the plan was published. The aim of this appears to be to encourage councils to actively review and keep up to date their plans.

### ***(b) Reducing payments for homes built on appeal***

The proposal here is to reduce the amount of new NHB paid for decisions made on appeal. The options suggested are a 50% reduction or a 100% reduction.

### ***(c) Removing 'deadweight'***

The background to this proposed change is to only reward growth above what might have been built anyway without the incentive. One option proposed is to agree a single baseline, with a possible figure of 0.25% quoted. Other alternative options suggested are setting an individual baseline or local area baseline that better represented local circumstances.

### ***(d) Changing the number of years for which payments are made***

NHB payments are currently made for 6 years. The consultation paper comments that these "legacy payments" will mean that funding will reduce the impact of other changes. The Government is consulting on reducing the number of years for payments from 6 years to 4 years. This is the preferred option but the Government is also considering moving further to 3 or 2 years. An option is presented to phase in the introduction of the change by paying for 5 years in 17/18 before the change to 4 years in 18/19.

- 5.3. The proposed changes will all reduce the level of annual grant we receive and also how long grants are paid for. Based on the Government's figures set out in the 4 year funding assessment the annual New Homes Bonus grant will reduce by over £2m. The actual impact will depend on the new agreed arrangements and could result in a greater reduction.
- 5.4. The Council's response to the consultation is to set out the impact of some of these changes and consider how different options impact on the Council's budget, with a preference made based on options which are better for the Council.
- 5.5. It is important to stress that the Government has stated that the New Homes Bonus will continue indefinitely, but in this changed form. The Council will need to consider the impact of this on the budget strategy and Medium Term Financial Forecast at a time when Revenue Support Grant is also being cut and removed entirely by 2019/20.

## **6. Proposals**

6.1 It is proposed that:-

- i) the budget allocations be made to the projects set out at Appendix A
- ii) the funds allocated for the Wonderhouse including any capital receipt from the disposal of the MRC
- iii) the £88k New Homes Bonus be allocated to support the implementation of the Carbon Management Plan
- iv) £33k be allocated from the Strategic Plan priority funds for the Roman Circus
- v) Cabinet note the New Homes Bonus consultation and response

## **7. Strategic Plan References**

- 7.1. The proposed budget allocations within this report are underpinned by the priorities set out in Strategic Plan

## **8. Financial implications**

- 8.1 Proposals within this report are within budget allocations.

## **9 Other Standard References**

- 9.1. Specific publicity, consultation and other issues will be considered as part of individual projects as appropriate.

## **Background Papers**

Government New Homes Bonus Consultation paper [New Homes Bonus: sharpening the incentive: technical consultation - Consultations - GOV.UK](#)

## Proposed Allocations from Street Lighting budget

Description	£
<ul style="list-style-type: none"> <li>Additional Community Safety Resource to support CBC with new Public duties on PREVENT / Modern Slavery agenda and support awareness and co-ordination on Gangs activities with CSP. To assist with leveraging in additional match funding.</li> </ul>	25,000
<ul style="list-style-type: none"> <li>Anti-Dog fouling Campaign activities</li> </ul>	10,000
<ul style="list-style-type: none"> <li>Zero Tolerance Enforcement Campaigns</li> </ul>	15,000
<ul style="list-style-type: none"> <li>Town Centre “blitz”, key entry point / visitor areas simple visual improvements</li> </ul>	20,000
<ul style="list-style-type: none"> <li>Colchester Presents – Community Interest Company</li> </ul>	30,000
<ul style="list-style-type: none"> <li>Small Development Grants to sports clubs &amp; people with Disabilities to encourage participation, support all the community clubs and facilities</li> </ul>	10,000
<ul style="list-style-type: none"> <li>Add to existing £20k festivals budget for 2016/17 providing additional funding to support bids.</li> </ul>	20,000
<ul style="list-style-type: none"> <li>Contribution to Colchester in Bloom to deliver more planting and maintenance</li> </ul>	6,000
<ul style="list-style-type: none"> <li>Tree Maintenance – additional revenue for specific tree activities</li> </ul>	10,000
<ul style="list-style-type: none"> <li>Modern External Lighting for key heritage sites</li> </ul>	20,000
<ul style="list-style-type: none"> <li>“Jumbo and the Squares” public realm design project – to deliver a holistic design approach for the public realm adjacent to Jumbo/Mercury Theatre and St Nicholas Square.</li> </ul>	10,000
<ul style="list-style-type: none"> <li>Renaming the Hythe Station in timetables and on the station premises</li> </ul>	9,000
<b>Total</b>	<b>185,000</b>



Report of	Executive Director	Author	Matt Sterling 282577
Title	Digital Challenge		
Wards affected	All		

**This report concerns the Digital Challenge business case and its proposals.**

## 1. Decision Required

- 1.1 To approve the Digital Challenge business case, attached at Appendix 1.

## 2. Reasons for Decision

- 2.1 To enable the implementation of the Digital Challenge proposals, which will:
- Improve customer service
  - Improve effectiveness
  - Increase productivity
  - Improve efficiency
  - Deliver significant savings.

## 3. Alternative Options

- 3.1 The alternative option would be not to approve the Digital Challenge business case, but that would fail to capitalise on the investment included in the ICT Strategy to achieve the benefits and savings in this business case.

## 4. Supporting Information

- 4.1 This Business Case builds on the investment and changes that resulted from the Fundamental Service Review of Customer Contact, approved by Cabinet in 2012.
- 4.2 The Council has made great strides over recent years by enabling flexible working, improving its processes and transparency, making our services more accessible, and offering our customers more choice.
- 4.3 The next steps will involve embracing truly paperless working, extended self-serve and more efficient sharing of information across staff, councillors, customers and partners.
- 4.4 This business case has been developed with the involvement of:
- Officers from across the organisation
  - Senior Management Team
  - Essex Online Partnership and other local authorities
  - The Portfolio Holder for Resources.

## 5. Outcomes

- 5.1 The outcomes that will be delivered by the Digital Challenge are described in Section 5 (on page 12) of the business case. They include:
- Our customer processes, billing and payments, and our outbound contact are digital by default (with face-to-face or telephone back-up to ensure accessibility)
  - Easier access for councillors and staff to all files and documents by default
  - All non-sensitive data to be searchable by the public, which will make data more accessible and enable self-serve
  - Fully electronic working is adopted by councillors and staff
  - Paper in the back office is removed
  - ICT systems that free councillors and staff from the confines of having to work in a specific location are introduced
  - Duplication in processing and storage is removed
  - The number of ICT applications we use is reduced.

## 6. Strategic Plan References

- 6.1 The proposals contribute to the vision and broad aims set out in the Strategic Plan of a vibrant, thriving, prosperous and welcoming place. Technology acts as an enabler for the delivery of the Council's Strategic Plan over the next three years.

## 7. Consultation and publicity considerations

- 7.1 Our ICT needs to meet our customers' expectation of how services are delivered in the 21<sup>st</sup> century. Times are changing fast, and many of our customers are very familiar with digital technology and expect instant or 24/7 access to services. They also expect this to be accessible from any device, at a time and place that suits them, and tailored to their needs and situation.
- 7.2 Councillors have highlighted their requirement for smarter, simpler access to the information they need to support their communities.
- 7.3 The 2015 staff survey highlighted that there was room for improvement with the equipment/software available to staff, access to information and knowledge, and ease of communication between teams. This business case addresses these needs by modernising our infrastructure, and improving the ability to share information.

## 8. Financial implications

- 8.1 The full financial implications of the Digital Challenge are described in Section 8 (on page 19) of the business case. The table below summarises the time-limited investment required and the savings that will be delivered.

	<b>Year 1 2016/17 *</b> £'000	<b>Year 2 2017/18</b> £'000	<b>Year 3 2018/19</b> £'000	<b>Year 4 2019/20</b> £'000
<b>Total savings</b>	<b>(100)</b>	<b>(740)</b>	<b>(1,065)</b>	<b>(1,120)</b>
<b>Revenue Costs</b>				
Implementation capacity	150	150	80	50
<b>Net savings</b>	<b>50</b>	<b>(590)</b>	<b>(985)</b>	<b>(1,070)</b>

## **9. Equality and Diversity Implications**

- 9.1 The screening stage for an Equality Impact Assessment has been carried out, and is available by [clicking this link](#), or following this pathway from the homepage of [www.colchester.gov.uk](http://www.colchester.gov.uk): Council and Democracy>Policies, Strategies and Performance>Equality and Diversity>Equality Impact Assessments>Corporate and Financial Management>Managing Customer Experience. We are using this EQIA as the Digital Challenge is an enabler for the achievement of these aims and outcomes, and will be supplemented by additional screening if needed during implementation.
- 9.2 By providing a flexible choice of ways to engage with the Council, we are improving the accessibility of our services for customers, and how we respond to their individual circumstances and choices. One of our key aims is to ensure that our services and resources are focused on dealing with the greatest needs of our customers. People will be supported in the accessing of the services they require.
- 9.3 The Council has a proactive approach to improving access to digital and online services. The Council's website includes free, instant online translation tools to help people who do not have English as their first language to access our services and in the completion of forms. Many people with disabilities have found IT systems to be very helpful, as specialist software enables the user to customise their online experience to their individual needs, for example font size, colour, or a physical adaptation. Much of this software is now available for free, following customer demand and significant improvements in IT.
- 9.4 A summary of resources is shown on <http://www.colchester.gov.uk/go-online>. This include local support, tips, one to one support, online drop-in sessions at venues across the borough, digital skills for life course, community champions, go online advisors, online accounts. These help to minimise or remove any negative impacts, and help to support all customers to embrace digital options and to access 21st century technological advances.
- 9.5 We are also looking to improve the opportunities for working with diverse external partner organisations to promote self-service in a range of community outlets across the borough, which should bring different customer groups together and provide an environment that enables them to support and learn from one another.

## **10. Other Standard References**

- 10.1 There are no specific Human Rights, Community Safety or Health and Safety implications at this point. As with Equality and Diversity above, the implications for these areas will be considered at the implementation stage.

## **11. Risk Management Implications**

- 11.1 Key ICT risks are already included in the Corporate Risk Register. A detailed risk assessment and register will be finalised, in line with the timescales around approval of this business case and development of the implementation plan.

## **Background Papers**

None.





## **Digital Challenge**

## **Business Case**

The over-arching vision for the Digital Challenge is to change the way we work by making our next technological leap.

For Cabinet  
16 March 2016

## Contents

Section	Page
1. Executive summary .....	3
2. Where are we now? .....	5
3. This business case .....	9
4. The situation 'as is' .....	10
5. New opportunities / 'to be' .....	12
6. Enablers .....	17
7. Customers .....	18
8. Financial implications.....	19
9. Risks .....	20
10. Communication.....	21
11. Implementation .....	21

This business case is sponsored by Pam Donnelly, Executive Director.

The resources assigned to its production include:

Project Owner: Matt Sterling, Assistant Chief Executive

Project Team: Suzanne Allen, Change and Performance Manager;

Kieran Johnston, Strategic ICT and Communications Manager;

Oliver Morley, PSU Manager; Stephen Nash, Programme and Performance

Manager; Sean Plummer, Strategic Finance Manager; Chris Reed, People

and Performance Specialist.

# 1. Executive summary

The over-arching vision for the Digital Challenge is to change the way we work by making our next technological leap.

In recent years the Council has made major investments in its ICT which have improved the way we work and delivered significant savings. For example, by introducing a 'virtual' network, we enabled staff to work from flexible locations which unlocked revenue savings by allowing us to reduce the size of our estate.

However, our existing technology and work patterns place limits on our effectiveness and on our efficiency. Our systems are still not readily available on mobile technology; our files and data are not easy to share; we under-utilise the benefits of some of our technology; and we have a large array of different ICT applications.

The pace of technological change is fast and now presents us with new opportunities to improve the way we work, and the ways we serve our customers and communities. By harnessing new technologies we can also make significant improvements to productivity. This will involve new ways of working for all our people and further culture change.

These changes will also help us achieve our ambition to earn more income from commercial trading. The changes propose creating new ways that customers can 'self-serve', further improving our workflows, automating our processes, and improving the extent to which staff can access information wherever they are. By doing this we will position ourselves well for capitalising on commercial opportunities and trading beyond our current geographic boundaries.

Much of the ICT investment included in this business case would likely be needed within the next five years to continue operating effectively regardless of these proposed changes. For example, the operating system for our ICT platform (currently Windows 7) would need updating as support for the current system is discontinued; and many of our contracts for printing, document storage and bulk mailing need renewing. By bringing these changes into one programme, we can manage them more effectively and harvest greater benefits.

This business case also builds on the work that has been started as part of the Council's whole-organisation 'Universal Customer Contact Fundamental Service Review (UCC FSR)' to introduce customer self-serve, and sets the foundation for further transformation.

## Summary of change

This business case proposes introducing new technology and making better use of existing systems so that:

- Customers benefit from convenient 24/7 access to all our appropriate services by electronic self-serve
- Correspondence with customers and partners is shifted from mail to e-mail by default; any residual mail is handled by a bulk mail supplier
- Customers can supply evidence for claims and applications more easily

- Customers no longer need to provide the same evidence more than once for different transactions
- Customers are offered more convenient electronic payment methods and encouraged to adopt paperless electronic billing.
- Councillors and staff can work on any type of device and from any location
- The public can use our website to search a wide range of our datasets
- The need for 'Freedom of Information' requests reduces
- All councillors and staff have the confidence and ability to adopt paperless and self-serve techniques
- Councillors and staff attending meetings view 'papers' electronically
- Councillors and staff can serve themselves for notifications and claims
- All our people can access appropriate data and files much more readily
- Staff can collaborate and share information more simply
- Managers can oversee recruitment processes using a paperless system
- Field workers have ICT kit that enables tasks to be 'served' to them most efficiently; and allows them to complete more tasks without the need to return to an office desk
- The full range of functionality from our applications is enabled
- By optimising our use of core systems we are able to decommission others (for example, by using Outlook for room bookings, we would no longer need a separate system for this function).

## Financial information

The Digital Challenge will capitalise on the ICT investment we have made in recent years, and the new investment we will need to make. Details of this investment are contained in the ICT Strategy for 2015-18 and have been included in the 2016/17 budget.

This business case includes details of savings to be achieved by reducing our use of print and paper, by bringing together existing contracts, and by becoming more productive.

<b>Digital Challenge</b>	<b>Year 1 2016/17* £'000</b>	<b>Year 2 2017/18 £'000</b>	<b>Year 3 2018/19 £'000</b>	<b>Year 4 2019/20 £'000</b>
<b>Total savings</b>	<b>(100)</b>	<b>(740)</b>	<b>(1,065)</b>	<b>(1,120)</b>
<b>Revenue Costs</b>				
Implementation capacity	150	150	80	50
<b>Net savings</b>	<b>50</b>	<b>(590)</b>	<b>(985)</b>	<b>(1,070)</b>

\* 2016/17 savings included in budget

## 2. Where are we now?

Colchester is one of the largest boroughs in the UK. We are growing quickly, with significant house building accompanied by a desire to complement this with improving employment, infrastructure and facilities for residents, businesses and visitors.

Colchester Borough Council is an ambitious organisation with an understanding of and aspiration to deliver high quality, accessible services for our residents, alongside a recognition that it has to be a community leader. The challenges facing local government are growing, and we are no exception in finding it harder to fund our services.

We recognise that we cannot deliver all that we want for the borough in isolation and must work proactively with partners from a broad spectrum to achieve what we want for our communities.

We know also that we need to constantly explore new ways of working, and continue to modernise to remain effective and achieve efficiencies.

### Financial challenges

In recent years the reduction in local government funding has presented us with major challenges. However, with a long term commitment to reviewing and changing the way we work, we have had a head start. Such reviews have helped achieve large savings across the organisation. We started with reviews of all our large service areas and have consolidated with an organisation-wide review during the past three years which is delivering real improvements.

We know our budget position for the next three years and are planning now to deliver projects that will deliver savings and/or income.

To date we have not made major cuts to frontline service budgets. Redesign of how we deliver services has been crucial to making the savings and efficiencies.

A few examples of how we have delivered these are:

- Introduction of a four-day collection routine for our waste and recycling service meaning less disruption and less cost from bank holidays
- Investment at Leisure World, enabling us to aim for increased revenue and a cost-neutral service, and to achieve the highest level of membership ever
- Increased use of technology for revenues and benefits, simplifying the process for customers and reducing the need for manual processes
- Moving our front-facing customer services to the Community Hub, removing cash payments from our processes and benefiting from partnership working with our County partners
- Encouraging behavioural and culture change
- Delivering channel shift to reduce the cost of transactions.

We have delivered more than £12 million in savings/additional income since 2011/12.

## Business objectives

### *Strategic Plan 2015-18*

The Council's vision for the borough is to capitalise on the borough's rich heritage, and maximise opportunities for its future. It aims to ensure Colchester is a vibrant, thriving, prosperous and welcoming place.

### *Leading our place*

As a growing borough with a population of 180,000 likely to reach 230,000 by 2031, we have been clear that housing and population growth must be accompanied not only by improvements in infrastructure but also in employment and leisure opportunities. We have an ambitious regeneration programme and are delivering a range of large-scale projects to make Colchester an exciting urban centre both in Essex and the region.

### *Three organisational goals*

The organisation has adopted three internal change goals under the themes 'Customer', 'Business' and 'Culture'. They are:

#### *Customer*

To help our customers access our services and deliver on our communities' needs:

- Self-serve: We have adopted a channel management strategy that seeks to create attractive and user-friendly options for customers to serve themselves via electronic channels. We aim to shift much of our contact with customers from 'face-to-face' and telephone to electronic.
- Shared hubs: With Essex County Council, we have introduced an innovative Community Hub based at the Library in Colchester town centre. This is a shared delivery point for face-to-face services and assisted self-serve. We aim to introduce smaller neighbourhood hubs for the larger villages in the borough.
- Community enabling: We have adopted a strategy to transform services and to encourage communities to help themselves. We believe we can make changes that protect core services, help communities achieve their ambitions, and deliver savings.

#### *Business*

To become commercially focused and even more business-like in order to be free of government grant by 2017:

- Improving existing income streams (such as community alarms, building control, Colchester Borough Homes – our housing ALMO)
- Becoming more commercial in our procurement dealings (managing existing contracts better whilst procuring others more commercially)
- Turning many of our assets from capital into revenue-generating income streams.

#### *Culture*

To have inspired staff who do the right things and are proud to work for the Council:

- Through our People Strategy, Learning and Development Programme, Talent Management programme and staff incentive scheme, we aim to change the culture within the organisation to achieve our objectives.

### *Performing highly*

By adopting a detailed budget strategy, pursuing opportunities to transform services, adopting a programme management approach, and inspiring our staff, we aim to be a high performing council.

## Technological context

Over time, the Council has invested in modernising its information and communication technology. In recent years we have delivered a wide-reaching ICT improvement programme, investing in world-class technologies and robust, reliable infrastructure, to ensure that we put in place the ICT platform to support the aspirations of the organisation.

Some notable improvements over the period 2012 to 2015 include:

- Implementation of Microsoft Dynamics CRM within Customer Services
- Investment in new top tasks website functionality
- Implementation of the MITEL Voice over Internet Protocol (VOIP) telephony system for the whole organisation
- Upgrading our operating system from Windows XP to Windows 7
- Upgrading from Microsoft Office 2003 to Microsoft Office 2010
- Upgrading our e-mail system
- Upgrading our anti-virus protection and performance
- Implementing a new back-up solution to improve resilience
- Moving our servers from a server room within Angel Court to a dedicated space with Braintree District Council's server room
- Delivery of a new self-serve solution for Council Tax, Benefits, Housing and Business Rates (NNDR).

## Impetus for change

The pace of technological innovation is relentless. New technologies already exist to allow us to be more effective, to improve customer service and to make efficiencies.

At the same time customer expectations in general, and in particular for 24/7 access to services, are increasing. And our need to become more efficient continues with further pressures on local government funding.

We have made significant investments in ICT technology over recent years which have delivered improvements and efficiencies. However, much of the technology we have bought has more potential to enable change, and we need to optimise its use to realise all of these potential benefits.

Much of the proposed ICT investment included in this business case would likely be needed within the next five years to continue operating effectively regardless of these changes. For example, the operating system for our ICT platform (currently Windows 7) would need updating within that time as support for the current system is discontinued; and many of our contracts for printing, document storage and bulk mailing need renewing. By bringing these changes into one programme, we can more manage them more effectively and harvest greater benefits.

## **Commercial activity**

The Council is seeking opportunities to develop new commercial income streams.

The changes within this business case would prepare the ground for greater commercial activity by:

- Reducing demand where appropriate for face-to-face customer service as this is our most expensive communications channel.
- An effective mobile working arrangement with collaborative capability will allow us to empower staff to work more effectively, and allow the organisation to access business opportunities and staff resources outside our traditional work area.
- Experience of delivering this overall programme will give us proven expertise in document management and workflow, which will have a commercial application.
- Experience of successfully delivering a programme of this type, building skills and confidence in delivering complex projects, will leave us well placed to deliver similar projects for ourselves and others.

### 3. This business case

The preparation of this business case has involved considering...

- The lessons learned from the whole-organisation 'Universal Customer Contact Fundamental Service Review (UCC FSR)
- The new Information and Communication Technology (ICT) Strategy
- The ICT Roadmap
- The progress made implementing customer self-serve so far as part of the Sport and Leisure FSR, the UCC FSR and across the NEPP area
- The development of the Customer Futures review
- The existing gap between our current position and our commercial and customer aspirations.

...and engaging:

- Senior managers from each of the Council's six services along with members of Executive Management Team
- Managers and officers within the Council's ICT team, Strategic Change team and Professional Support Unit
- The Council's Technical Design Authority
- Selected internal users
- Essex Online Partnership and other local authorities
- Capita ITES
- The consultancy Ignite for their experience with two other Councils which are working towards paperless working.

The work has included:

- Detailed work in the Council's individual services to consider possible changes and savings made possible by new technology
- Significant data capture in relation to key activities including:
  - centrally stored contracts, and contract documentation
  - budgets associated with print, postage and scanning activity
- A 'department by department' review of volumes of activity associated with Multi-functional devices (MFDs), postage and our outsourced bulk printers
- Review of external print suppliers such as FDM/HiMail
- Review of current use of our internal scanning and indexing team
  - gathering detailed business requirements by service for incoming and outbound correspondence
- A review of existing file storage arrangements
- Review of contact across the majority of professional services, and all allied areas such as operational and community services, in addition to some commercial services such as building control
- Researching more holistic solutions that will drive efficiencies, save costs and increase effectiveness
- Consideration of our current and anticipation of future operating practices, technology roadmaps and direction over the next five years, and internal challenge as to the outcomes which the organisation wants.

## 4. The situation 'as is'

The Council employs 925 people (798 'full-time equivalent' or FTEs) to deliver a wide range of services including:

- Direct customer services such as housing, waste and recycling collection, parks, leisure centres, helpline and car parks
- Services for communities such as our zone teams, regeneration team, CCTV service and community initiatives
- Protective and licensing services such as planning, building control, and the licensing of public houses
- Strategy work such as the development of the Local Plan, and the housing needs assessment.

The financial challenges of recent years have to date been met without significant cuts to frontline services. Services have modernised, achieved considerable efficiencies and improved their customer service.

Our investments in technology have allowed us to work more flexibly, and to achieve savings. For example, our investments in a virtual ICT environment and in VOIP telephony have freed staff from fixed-desk locations and allowed us to reduce our office estate.

However, a number of challenges impede our efficiency:

- Many staff working in our communities have little access to technology to allow them to communicate and deliver their roles more efficiently and effectively.
- The current, traditional electronic file storage structure used by staff to create and save documents makes sharing information difficult and inflates the server space we require by encouraging duplication.
- Many customer processes (for both external and internal customers) continue to require expensive and time consuming face-to-face or telephone contact; and to rely on messages being passed between teams rather than using automation.
- Our technology places limitations on how flexibly staff and councillors can work. For example, our virtual environment is only available on certain types of devices and not at all on mobile devices.
- We are under-utilising the full capabilities of several of our principal ICT applications. This increases the number of applications we need and reduces efficiency and effectiveness. We currently have more than 80 live software solutions operating within the authority.
- We continue to use a great deal of paper every year and send thousands of letters via the postal service. Our budgets still include around £340,000 to be spent on printing paper, and £400,000 for postage. This reinforces a reliance on physical rather than electronic processes.
- When working collaboratively with other local authority partners, or commercial colleagues, there isn't the ability to easily share documents.
- Our technology places restrictions on the flexibility staff have in performing their roles in different locations.
- Document storage, local print and postage, copy and scanning solutions are all either out of contract, or, coming to the end of the contract.

## **Initial achievements moving to electronic communication**

In April 2014 we set an ambitious 'channel shift' target for reducing in-person and telephone contact by 21% over two years (to April 2016) by shifting customer interactions online. The target was split into a 10% reduction for the first year and an 11% for year two. Now in year two but with another three months to go, we have already met that target and hope to exceed by the end of the financial year.

In the first year, we exceeded the target of 10% by achieving more than 15% reduction in in-person and telephony contact.

In the year ahead, we will set ambitious but realisable targets for the Digital Challenge, particularly in relation to customer telephony contact across the organisation to allow us to monitor our progress against the opportunities for change.

## **Enabling digital transformation**

Alongside an investment in technology, a review of the website and forms, and improvements in processes, this reduction in in-person and telephone contact was achieved by using the following enablers to increase use of our digital channels:

- customer and staff behaviour change techniques
- work in the community to build digital skills and enable people to self-serve
- work on our multi-agency 'Hub and spokes' programme (funded by a successful Transformation Challenge Award bid to the Department for Communities and Local Government).

Work has included:

- Establishing joint working between organisations at the central library and community hub to reduce unnecessary contact and ensure vulnerable customers and those with complex cases are given the help they need. This has been used alongside behaviour change techniques or 'nudges' to encourage customers who are able to use online services to do so.
- Setting up the first Go-Online Partnership in the East of England, with more than 30 partners from the public and private sector including Barclays, Lloyds and Argos to increase digital skills.
- Developing formal and informal community hub or 'spoke' locations for assisted self-serve (for instance, Greenstead, Prettygate and Mersea libraries, Activity Centre, YMCA, town and parish offices).
- Developing a basic digital skills course for customers and staff who have limited digital skills with Signpost and Colchester Borough Homes.
- Training Online Champions to provide help with digital skills in communities. (Champions include councillors, zone wardens, staff, community organisation leaders, town and parish clerks).
- Establishing digital 'surgeries' and 'bazaars' with community champions to teach people basic digital skills and encourage them to use our website and online services.
- Using 'nudge' techniques and early interventions for Local Council Tax Support customers who are likely to get into debt. Sending reminder text messages alone resulted in debt recovery of approximately £61,000 between April 2015 and October 2015.

## 5 New opportunities / 'to be'

By taking advantage of the opportunities new technologies present, we will change the way all our people (councillors and staff) work and further change how we serve customers. These changes will be significant and will result in improved customer service, improved effectiveness, and greater productivity. They will require us to build on the culture change work started during the last organisational review (the UCCFSR).

These changes will achieve the following 12 outcomes:

1. Customer processes are digital by default with face-to-face or telephone back-up to ensure accessibility
2. All outbound contact will be delivered digitally by default
3. More customers adopt electronic billing and payment methods to reduce the cost of our transactions and to reduce our use of paper and postage
4. All non-sensitive data will be searchable by the public
5. Fully electronic working for councillors and staff with paper in the back office removed
6. Open access for all councillors and staff to all files by default
7. An organisation-wide Document Management/Storage System
8. Easier access on any kit in any location - the place you work is no longer relevant, or constrained by systems
9. Duplication in processing and storage is removed
10. The number of applications we use is reduced
11. The principle of 'capture once and re-use' is instilled
12. To free us from the confines of our locality and allow us more easily to work with partners, and use resources from further afield. This is intended to open up wider commercial opportunities.

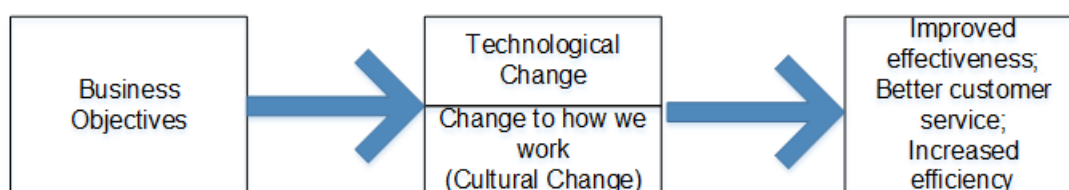
This business case will involve the introduction of new technology to change:

- The way our councillors can operate for their communities
- The way our staff work
- The way our customers serve.

Some of these changes will affect the whole organisation and will be introduced corporately. Others are opportunities to improve in particular service or services which will be delivered locally.

Technology is as an enabler and catalyst, but the changes proposed here are driven by the organisation to help us achieve our business objectives.

A major part of these changes will be the implementation across the organisation of a 'cloud-based' document storage and management system. This will incorporate a new file plan structure that delivers workflow and allows for easy document storage and access.



## Opportunities

The Digital Challenge will include 10 opportunities for change. All of these will require staff, and in some cases councillors, to adopt new ways of working. As such, they will require a significant change in our organisational culture at every level.

	Opportunity	Outcome	Description	This will mean...
1	<b>Customer self-serve</b>	1, 2	Re-engineer more of our customer processes across all our services to facilitate customer self-serve and deliver workflow and automated back-office processing.	<ul style="list-style-type: none"> <li>Customers benefit from convenient 24/7 access to all our appropriate services</li> <li>Savings are achieved throughout each customer process.</li> </ul>
2	<b>Optimisation</b>	10	Optimise our use of existing systems such as our customer relationship management system (CRM), and our MITEL telephony.	<ul style="list-style-type: none"> <li>Best value for money is achieved from each of our systems by enabling the full range of their functionality.</li> </ul>
3	<b>Smarter working</b>	4, 5, 6, 7, 8, 12	Introduce a new ICT platform (Office 365), move our storage to a cloud environment, and introduce a new document management/storage/collaboration system.	<ul style="list-style-type: none"> <li>Councillors and staff are able to work on any type of device and from any location</li> <li>Appropriate files are made much more readily available to anyone who needs them.</li> </ul>
4	<b>Paper Chase</b>	2, 5	Reduce the volume of paper we use throughout the authority and the postal costs we incur.	<ul style="list-style-type: none"> <li>Correspondence with customers and partners is shifted from mail to e-mail by default</li> <li>Residual mail is handled by a bulk mail supplier</li> <li>Councillors and staff attending meetings view 'papers' electronically.</li> </ul>
5	<b>Internal self-serve</b>	1, 4, 9	Procure and implement a new HR and Payroll system with modules to introduce self-serve paperless and automated processes for recruitment, sickness reporting, and expenses and overtime claims.	<ul style="list-style-type: none"> <li>Managers can oversee recruitment processes within their teams using a paperless system</li> <li>Councillors and staff can serve themselves for notifications and claims</li> <li>Savings are achieved by automating these processes.</li> </ul>

6	<b>Enable remote working</b>	4, 8	Identify and procure new systems and equipment to allow field staff to spend more of their time serving customers, removing the need for them to return to the office to receive and process tasks.	<ul style="list-style-type: none"> <li>Field workers have ICT kit that enables tasks to be 'served' to them most efficiently; and for them to complete more of their tasks without the need to return to an office desk.</li> </ul>
7	<b>'Capture Once and Re-use' Culture</b>	11	Re-engineer customer processes and introduce technology to allow information and evidence provided by customers once to be used for multiple tasks if required.	<ul style="list-style-type: none"> <li>Customers can supply evidence for claims and applications more easily</li> <li>Customers no longer need to provide the same evidence more than once for different applications.</li> </ul>
8	<b>Transparency</b>	3	Make the information we hold available to all staff by default and ensure our non-sensitive data is searchable by the public via our website.	<ul style="list-style-type: none"> <li>Staff can collaborate and share information more simply</li> <li>Members of the public can use our website 24/7 to search a wide range of our datasets</li> <li>The need for people to send in 'Freedom of Information' requests reduces.</li> </ul>
9	<b>Upskill the digital skills of our people</b>	All	As new technology enables new ways of working, we will provide tailored training to help all our people (councillors and staff) to make the leap akin to our 'Go Online' support for communities.	<ul style="list-style-type: none"> <li>All councillors and staff have the confidence to adopt paperless and self-serve techniques.</li> </ul>
10	<b>Rationalise our systems</b>	10	Rationalise and reduce the number of separate ICT systems we operate.	<ul style="list-style-type: none"> <li>By optimising our use of core systems we are able to decommission others (for example, by using Outlook for room bookings, and our telephony for a staff directory, we no longer need separate systems for these functions).</li> </ul>

(The outcomes shown in the third column above are those listed on page 12).

## Capitalising on these opportunities

Some of the changes which these opportunities make possible will happen across the organisation. They include:

### Smarter Working

Several of the changes introduced as part of the Digital Challenge will increase productivity across the organisation. These include the introduction of technology to make accessing information easier, and increasing the amount of internal self-serve (through, for example, our procurement of a new Payroll and HR system).

These gains may be too marginal 'per-person' to allow re-organisations within teams; but they will enable a leaner structure at a whole-organisation level. The saving assigned to this change is likely to involve a reduction in staff posts of approximately six to eight posts across the organisation.

### Paper Chase

The Council currently spends significant sums (see tables below) on printing and postage. Document storage, local print and postage, copy and scanning solutions are all either out of contract, or, coming to the end of the contract.

Source	Contract value over term	From	To
	£'000		
External printer	1,200	22/07/2010	21/07/2014
Bulk posting	111	01/04/2010	31/03/2015
Office multi-function printers	296	01/04/2011	31/03/2016
Document storage	250	01/04/2011	31/03/2015

	Courier	Postage	External printing	Other printing	Total
	£'000	£'000	£'000	£'000	£'000
<b>General Fund costs in 2016-17 budget</b>	<b>5.3</b>	<b>200.5</b>	<b>127.2</b>	<b>109.7</b>	<b>442.7</b>

We will achieve savings:

- Through a procurement exercise to renew these contracts; possibly bringing them together
- By using technology to reduce the volume of paper we generate; and
- By using technology to automate processes.

The Council's services have been planning how they will take advantage of these opportunities to increase income, improve productivity and make efficiencies.

Each service has a detailed list of initiatives to deliver the savings shown in the Section 8 financial summary. Some examples include:

Customer Services	Implement a joint services business case known as 'Customer Enterprise Programme' with Basildon Council. This will develop a self-service customer offer 'One Contact, One Service' to deliver savings of £265,000 by 2019/20.
Professional Services	Introduce new software to deliver smoother and more efficient end-to-end processing across our regulatory services. This will enable faster and more interactive processing, more intuitive and responsive electronic contact with customers, and an increase in electronic processing to reduce the volume of telephone, mail and e-mail communication required.
Community Services	Increase our use of our electronic Task Management System to work more efficiently.
Operational Services	Increase the income we earn from our Trade Waste service by making processes easier for customers, streamlining back-office processes and removing the double handling of information.
Commercial Services	Use our existing and forthcoming digital assets located in the Colchester town centre to generate extra income streams and to reduce the Council's current outgoings.
Corporate and Financial Management	Reduce the volume of printing required for public meetings by making it easier for councillors to view 'papers' electronically; review subsidies for home broadband for those working at home; and reduce the number of separate pieces of ICT and mobile telephony equipment by making it easier for people to 'bring their own kit'.

## 6. Enablers

The successful implementation of these changes will require the involvement of all parts of the organisation.

This will include the involvement of the whole of the Senior Management Team, and all of the services in identifying and implementing changes as a result of the technological leap, along with corporate resources to support these changes (such as the ICT team and the Professional Support Unit).

However, some extra time-limited resource will be required to support these changes if they are to be implemented successfully:

- Technical resource within the Corporate ICT Team and the PSU (equivalent to two full-time equivalent posts)
- Business Process Re-engineering resource (equivalent to one full-time equivalent post)
- Project Management resource (equivalent to one full-time equivalent post)
- Training resource to design and deliver tailored training for councillors and staff as well as supporting service-based change champions.

This investment has been included within the financial summary in Section 8.

## 7. Customers

### **The experience 'as is' for customers**

An increasing number of our customers are adopting our new electronic self-serve channels.

However, many customers still contact us by telephone or in-person. These channels are restricted in their hours of opening and considerably more expensive or time-consuming. Some customers approach us by telephone or in-person because they are not able to use electronic channels, or they may make this choice because:

- These channels are often perceived to deliver the quickest and most effective way for them to resolve issues, particularly complex ones.
- They can feel simpler as a result of the manual or semi-automated internal processes we still have.
- Frequently the customer will need to make contact on multiple occasions to check progress and resolve an issue.
- The current online experience is still limited and not yet universal.

### **What these changes mean for customers ('to be')**

The changes proposed in this business case will mean:

- Customers will be able to serve themselves with more of our processes available to them 24/7.
- Vulnerable customers will continue to have access to specialist face-to-face service in an appropriate environment.
- More customers will be able to access billing information and make payments electronically.
- Customers will be able to access more local information by being able to search more of the data we hold.
- Our frontline staff will be more available for customers throughout the working hours.
- Customers will receive more pro-active service as we bring together the data we hold and use it more smartly to offer service before being asked.

## 8. Financial implications

The changes proposed in this business case require capital and revenue investment to deliver recurring revenue savings. The ICT Strategy agreed by Cabinet in January 2016 includes almost £1 million of investment which is directly linked to the Digital Challenge project.

### **ICT Capital Programme – Digital Challenge**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Total</b>
	£'000	£'000	£'000	£'000
Digital challenge projects	560	0	0	560

The Digital Challenge proposes capitalising on the investment made in the ICT Strategy to deliver improved customer service, improved productivity and savings.

The table below sets out the anticipated savings and income over the next four years. It shows an estimate of recurring net savings of £1.12 million by 2019/20.

### **Digital Challenge – Revenue costs and savings projections**

	<b>Year 1 2016/17 *</b>	<b>Year 2 2017/18</b>	<b>Year 3 2018/19</b>	<b>Year 4 2019/20</b>
	£'000	£'000	£'000	£'000
<b>Savings and income projections</b>				
<b>Corporate changes</b>				
Smarter working	0	(200)	(200)	(200)
Paper Chase	(100)	(200)	(300)	(300)
<b>Service savings or income growth</b>				
Commercial Services	0	(40)	(80)	(80)
Community Services	0	(103)	(103)	(103)
Corporate and Financial Management	0	(30)	(86)	(86)
Customer Service ( <i>savings arising from the Customer Enterprise Programme</i> )	0	(75)	(170)	(225)
Operational Services	0	(27)	(41)	(41)
Professional Services	0	(65)	(85)	(85)
<b>Total savings</b>	<b>(100)</b>	<b>(740)</b>	<b>(1,065)</b>	<b>(1,120)</b>
<b>Revenue costs</b>				
Implementation capacity	150	150	80	50
<b>Net savings</b>	<b>50</b>	<b>(590)</b>	<b>(985)</b>	<b>(1,070)</b>

\* 2016/17 savings included in budget

## 9. Risks

The key risks at this stage have been identified as:

- Competing priorities in respect of budget and resource
- Need to ensure all services 'buy-in' to these changes
- Securing the purchase and installation of key new ICT within budget
- Resource availability for planning, and then for implementation across the organisation
- The effect on performance, income and customer service during transition
- Effectiveness of communications with staff and customers through the implementation phase
- Potential customer dissatisfaction with service changes, or with disruption during these changes
- Creating and embedding the new culture required to deliver objectives
- Acceptance of new ways of working and cultural change.

A risk register will be developed to include potential issues and any costs of risk reduction as part of the implementation phase.

These risks will be reviewed regularly by the Senior Management Team.

## 10. Communication

Throughout the research and preparation of this business case, there has been engagement and communication with staff across the organisation to ensure that the proposals reflect the desires of the organisation.

Involvement has included briefings and consultation with:

- Executive Management Team
- Senior Management Team
- the Portfolio Holder
- Officers from across the Council including on Windows 365 development.

In addition, fact-finding discussions have been held with a number of partner organisations and other authorities who have or are planning to embark on a change programme with similarities to ours.

Staff have been kept informed so far with articles in Spotlight and on the Hub.

A Communications and Engagement Plan will be developed during the implementation stage.

## 11. Implementation

Once the formal decision-making is complete, the Digital Challenge will move into the implementation phase, and an implementation plan will be finalised to start from June 2016.

The implementation plan will be phased over a three-year period, with investment costs needed from the first year (2016/17) and efficiency savings starting in year two (2017/18).

Implementation will also include the procurement and implementation of new technology, the re-engineering of current processes and ways of working, and the training and cultural change necessary.



## **MINUTE EXTRACT SCRUTINY PANEL 23 FEBRUARY 2016**

### **51. Digital Challenge**

Pam Donnelly, Executive Director, and Matt Sterling, Assistant Chief Executive, presented the Digital Challenge report. The report requests the Panel review and comment on the Digital Challenge business case, prior to the Cabinet meeting on 16 March 2016.

Pam Donnelly stated that the business case provides an exciting opportunity to implement many of the lessons learnt through service reviews, which gave the Council a greater understanding of the demands from customers.

The Digital Challenge represents the next significant leap for the Borough Council, and follows on from the approval of the ICT Strategy, which came to the Scrutiny Panel on 26 January 2016 and provides the investment in technology to enable the change. The Digital Challenge focuses on three audiences, members of staff, Councillors and customers. With regards to staff and Councillors, the aim is to ensure that the technology enables both groups to access information at any time and in any location, increasing the level of flexibility and reducing reliance on paper. With regards to customers, it's ensuring that the Council provides more online services that are demanded, but also identifying those who do not have internet access and providing better services for them. Pam Donnelly highlighted that the Digital Challenge will also provide an opportunity to generate income and possibly sell capacity to other organisations.

Matt Sterling provided an outline of the aims of the Digital Challenge including the ability for customers to access Colchester Borough Council services online 24 hours a day seven days a week. In addition the Council would also look to move its correspondence from post to e-mail as a default and aim for a paperless organisation. Matt Sterling also highlighted that the Digital Challenge would look to make the experience for customers who are supplying evidence to the Council easier and also implement electronic payment methods. In addition the aim is to increase the level of data available to members of the public, and for Councillors and staff to be able to work from any device in any location.

With regard to the finances included within the report, the majority of the investments will be made within the first two years, with increasing levels of savings realised over the four year programme. Matt Sterling also highlighted the current Digital Challenge examples with the recently approved Customer Enterprise Programme with Basildon District Council, on-going pilots with Office365 and the implementation of a new HR and Payroll system.

The following issues were raised by Councillors;

- Councillor Hogg – What steps are being taken to ensure members of staff and Councillors are equipped to keep up with the pace of change.
- Councillor Harrington – Asked for reassurance that Councillors would be able to retain a printed agenda.
- Councillor Hardy – Questioned where the £12m of savings came from and requested that human interaction with the Council is retained, also questioned what companies the Council would be working with in delivering the Digital Challenge.
- Councillor Young – Requested that reporting tools could be linked with Essex County Council's to help members of the public and Councillors.
- Councillor Pearson – Questioned how the assisted technology users are incorporated in to the Digital Challenge. Highlighted that the Town Hall meeting rooms do not include power points for charging mobile devices when in meetings or wired internet connections for when the Wi-Fi is not operating. In addition requested that skilled staff are used out in the community hub spokes to help provide assistance to members of the public.
- Councillor Cope – Queried whether there were members of staff who did not have access to e-mails. Also questioned use of the cloud and the ownership of file systems as well as information on developments in IT, particularly parking.
- Councillor Davies – Questioned whether the savings were realistic and achievable.

Pam Donnelly and Matt Sterling provided the following responses;


- In response to Councillor Hogg, training has been included within the Staff induction programme and training for councillors will also be provided.
- Matthew Sterling stated councillors would still be able to receive a printed agenda if requested. Receiving an electronic version would enable councillors to not only easily search through the agenda, but also annotate agendas for use at the meeting on a mobile device.
- The £12m total is compiled from the fundamental services reviews that have taken place across the organisation over the last few years. In addition the £12m includes the levels of additional income that is anticipated. In response to the query about ensuring the level of human contact being retained, Pam Donnelly stated that officers will always be available by telephone to support the work of Councillors; for members of the public the community hubs have recently been redesigned to improve the quality of the service. In addition, there will be spokes to the community hubs offering services by officers out in the Borough. With regard to the companies the Council is working with, the Council through the Digital Challenge will be looking to a range of companies who will provide tried and tested software rather than bespoke designs.
- Matt Sterling stated that Colchester Borough Council is a member of the Essex Online Partnership which is continually looking for ways to improve online integration.
- In response to Councillor Cope Pam Donnelly confirmed that there are members of staff who do not have access to e-mails, this includes refuse

collectors. Colchester Borough Council is looking into members of staff without access to e-mail accounts accessing the information on their own devices. Matt Sterling stated that file systems will be kept in the cloud with access available online from any location and password protected. This would then reduce Colchester Borough Council's reliance on physical servers and file duplication. With regard to IT developments in Parking, Pam Donnelly stated that further information could be provided after the meeting.

- Pam Donnelly confirmed that the savings are realistic and available as the savings targets come from each service area individually and then brought together. The savings and ideas identified will be monitored as part of the Medium Term Financial Forecast.

*RESOLVED* that the Scrutiny Panel reviewed and commented on the Digital Challenge.



<b>Report of</b>	<b>Head of Commercial Services</b>	<b>Author</b>	<b>Fiona Duhamel</b>
<b>Title</b>	<b>Housing Development Strategy</b>		 <b>282252</b>
<b>Wards affected</b>	All Wards		

**This report concerns the approval in principle of Housing Development Strategy which delivers a programme of new homes in the Borough over a seven year period and creates a commercial opportunity for the Council**

## **1. Decision(s) Required**

- 1.1 To approve in principle the recommended outline proposal to commence a seven year programme of direct new build housing development on Council owned sites subject to a full business case being approved by Cabinet at a later date.
- 1.2 To approve in principle the creation of a wholly owned Housing Development Company to deliver, or be capable of entering into a joint venture to deliver, the proposed programme of development, subject to approval of the full business case referred to above, to include further site pre development work, viability testing, financial modelling and specialist legal advice.
- 1.3 To authorise officers to work up the full business case including company structure, further site pre development work and viability testing.

## **2. Reasons for Decision(s)**

- 2.1 To bring forward a robust delivery programme of future homes with a range of tenures, such as private market sale homes, affordable homes, private rented homes, key worker homes, and starter homes, in the Borough over the next 7 years.
- 2.2 To stimulate economic growth and bring forward a commercial opportunity for the Council in respect of its underutilised land assets which can be used to contribute to wider Borough objectives.
- 2.3 To take a lead in meeting overall housing stock needs and raising the quality of design and delivery in the Borough
- 2.4 To play a part in the sustainable growth of the construction industry and provide high quality training opportunities through onsite developments
- 2.5 A decision in principle will allow officers to carry out more detailed work on site pre development, financial modelling and viability.

- 2.6 To generate a General Fund cross subsidy mechanism which will provide capital to fund the programme in the absence of available funding through the Housing Revenue Account.

### **3. Alternative Options**

- 3.1 Not to proceed with a further programme of housing development which will adversely affect the chance of bringing forward more affordable homes in the Borough given the current pressure on registered providers business plans.
- 3.2 To move forward another small development of Council build affordable homes similar in unit numbers to Phase 1, however this is not currently affordable given the lack of available borrowing headroom in the Housing Revenue Account. (HRA)

### **4. Supporting Information**

- 4.1 Having completed the first new Council homes for many years in 2015, the Council appointed Ridge Property Consultants to produce a development strategy for Colchester spanning the next ten years. Ridge was appointed as they have recently completed the HRA Asset Management Strategy for the Council and Colchester Borough Homes and have a good understanding of Colchester stock profile. This work is now complete and the strategy has identified a number of asset opportunities which could be used to bring forward new homes.
- 4.2 The report that Ridge produced highlighted that this represents a commercial opportunity for the Council should it wish to develop the homes directly and explore future revenue sources e.g. private rented and or generate capital receipts. It also identified that in order to create more affordable homes, private homes would need to be developed in order to cross subsidise at a time when the HRA is under pressure and grants are diminishing.
- 4.3 The sites that Ridge appraised as part of the development strategy were a combination of both HRA and General Fund assets and ranged from garage sites, to larger areas of land broadly spread across the borough. These sites have been tested in terms of viability at a high level however they require more due diligence in terms of detailed site studies, financial viability, general feasibility and consultation. It is envisaged from the original work carried out by Ridge that up to 860 new homes of varying tenures could be delivered over a seven year period, with an affordable homes contribution of over 25%, taking into account latest guidance from the Housing and Planning Bill, including starter homes and self-build plots.
- 4.4 As part of this initial feasibility process carried out by Ridge, research was carried out to explore the various delivery vehicles available to the Council should it wish to develop mixed tenure housing. Experiences from other local authorities were reviewed alongside legal advice from Pinsent Mason and financial advice from the Chartered Institute of Housing.

#### **4.5 Models for delivery**

Based on research, taking initial legal advice, taking advice from the Chartered Institute of Housing and reviewing the best practices of other Local Authorities the following solutions for delivery were explored by officers:

Delivery Vehicle	Advantages	Disadvantages
<p>HRA Direct Development</p> <p>In the same way that the thirty four Council homes were built earlier in the year,</p>	<ul style="list-style-type: none"> <li>• Development can be made through the HRA by borrowing up to the debt cap limit and by using right to buy receipts.</li> </ul>	<ul style="list-style-type: none"> <li>• This is hugely constrained not only by the borrowing cap but by the supply of land within the HRA.</li> <li>• HRA Borrowing headroom is exhausted so no finances left to consider this delivery vehicle</li> <li>• Development is restricted to affordable housing so no possibility for cross subsidy/profit from private sale</li> </ul>
<p>Wholly Owned Company</p> <p>By establishing a WOC the Council will create a special purpose vehicle (SPV) a limited liability company in which the shares are owned by the Council</p>	<ul style="list-style-type: none"> <li>• Provides a robust commercial opportunity as the Council would use the Company to develop, rent and dispose of housing units and retain developers profit and residual land value which could be recycled to provide more money for future land buying or a higher provision of affordable units or provision of other Borough services</li> <li>• Company can stimulate economic growth in the construction sector through the creation of employment and training opportunities</li> <li>• Can include General Fund land and HRA land transferred/appropriated to the GF</li> <li>• The company could be incorporated on a lean structure with limited directly employed staff but could have management agreements with the Council and its partners to utilise existing services and procure development team and contractors to deliver programme as required</li> <li>• Tried and tested vehicle for Councils to deliver commercial opportunities and housing units</li> </ul>	<ul style="list-style-type: none"> <li>• Uncertainty in respect of central government support for Councils acting as developers</li> <li>• Peak Finance/borrowing would place additional cost into the schemes but this is no different to any other commercial development</li> </ul>
Joint Ventures	<ul style="list-style-type: none"> <li>• Risk is split between the</li> </ul>	<ul style="list-style-type: none"> <li>• Rewards are split between</li> </ul>

<p>The council partners with a private investor to create a development vehicle. This model could be set up so that the council provides land to the vehicle and the partner could support the finance and carry out the development.</p>	<p>parties depending on the contractual arrangements, usually split on value of assets and actual funding put into the development.</p> <ul style="list-style-type: none"> <li>• Partner may bring existing team &amp; expertise and save time</li> <li>• This could be arranged as a Limited Partnership or a Local Housing Company with a House Builder or a partnership with a Housing Association.</li> <li>• A partner may be able to bring their own development sites to the programme.</li> <li>• Tried and tested route for housing delivery in both private and public sectors</li> <li>• Speed of delivery could be introduced tapping into an existing team.</li> <li>• Economic growth opportunities within the construction sector for employment and training</li> </ul>	<p>the parties depending on the contractual arrangement, this could represent a loss of some profit for the Council</p> <ul style="list-style-type: none"> <li>• Council will have reduced control over development quality and numbers of affordable homes etc.</li> <li>• Risk of lengthy procurement process for a development partner</li> </ul>
<p><b>Charitable Arrangements</b> The council could set up a charity and use this as a vehicle for development.</p>	<ul style="list-style-type: none"> <li>• Possible taxation advantages</li> <li>• Possible ethical advantages around reinvestment of profits</li> </ul>	<ul style="list-style-type: none"> <li>• Complex governance arrangements mean that it would be difficult to separate the charities activities from the objectives of the council thus meaning that the benefit of having charitable status would be lost.</li> <li>• It might also be difficult from a profit/surplus angle.</li> </ul>
<p><b>Site Disposals</b> Gain planning permission and remove constraints and de risk sites or packages of sites and sell on the open market</p>	<ul style="list-style-type: none"> <li>• No development risk to the Council</li> <li>• No development or construction costs</li> <li>• Receipts generated more quickly</li> </ul>	<ul style="list-style-type: none"> <li>• Upfront costs for gaining planning consent and removing constraints &amp; risks</li> <li>• No future commercial opportunity once sites are sold and no benefit of additional development profit for recycling into Borough services.</li> <li>• Lack of control over what is developed and when</li> </ul>

## **5. Proposals**

- 5.1 It is proposed that in principle the Council commences a 7 year pipeline of housing delivery to stimulate economic growth in the Borough, maximise land assets in its ownership and provide high quality affordable homes for its residents.
- 5.2 It is recommended that the development would be delivered through a wholly owned Council company, either through the company directly or through the company entering into a joint venture, set up to maximise capital receipts and seek income generating opportunities for reinvestment into wider Borough objectives. Subject to a full business case being brought back to Cabinet as outlined earlier in this report.
- 5.3 The business case will also examine in more detail the prospects for the Council in relation to joint ventures to establish if they would be appropriate for any elements of this programme.
- 5.4 Delivery would be based upon a cross subsidy model to ensure sufficient funding is secured for the provision of a high percentage of affordable homes through the development and subsequent disposal of private market housing.
- 5.5 It is proposed that as part of the development of the full business case, specialist legal advisers in this field are appointed to provide advice and guidance to the Council on the creation of a housing company and to assist in the formation of the company structure.
- 5.6 It is proposed as part of the full business case that officers will carry out more rigorous testing in terms of financial viability, feasibility, consultation and risk assessment on the sites that were appraised as part of the original work carried out by Ridge
- 5.7 In order to complete the more detailed work required to produce a full business case, it is proposed that a budget of £80,000 is approved to be allocated from the New Homes Bonus affordable housing fund. Through research into work that Local Authorities have commissioned this is an appropriate benchmark figure for the first phase of works. The work will be tendered on a competitive basis using an established framework arrangement to obtain Legal and Financial advice, we will seek to reduce costs where possible by working with other Local Authorities and using the Local Government Association where appropriate.
- This first phase of funding would be allocated to develop the full business case and would cover the following key tasks:
- Agree the development proposals, costs and value assumptions for in principle sites to be taken forwards
  - Develop a detailed financial model for the proposed commercial funding structure
  - Model the impact of various scenarios around ratios of affordable homes within developments
  - Assess the options for the WOC constitutional structure
  - Develop detailed governance arrangements, outline constitutional documents and articles of association
  - Consider the accounting implications of the WOC

- Undertake a detailed assessment of the Councils ability to provide the necessary equity to the WOC
- Consider in detail the corporation tax, VAT and Stamp Duty Land Tax impact of the proposals, and also whether the activities of the WOC impact on the tax status of the Council
- Detailed financial modelling of the projected impact of the WOC on the accounts of the Council
- The outputs from this work would cover the following:
- A financial model that illustrated the viability of sites, the business plan of the Company and the financial impact on the Councils General Fund
- Papers to cover:
  - Financial modelling overview, methodology and results on initial programme
  - Accounting treatment of the Company including balance sheet effects
  - General Fund financial analysis
  - Land transfer position
  - Legal position comprising:
    - i. Establishing the company
    - ii. Governance and the duties of directors of the company
    - iii. The transfer of land to the company
    - iv. The power of entities involved to borrow
    - v. The provision of financial assistance to the company
    - vi. Undertaking of housing management and other day to day activities by the Council on behalf of the Company
    - vii. State aid
    - viii. Competition law
    - ix. Procurement law in relation to the establishment of the company

It is expected that should the business case be approved there will be further work to facilitate the set up of the WOC, the costs of which will be outlined in the forthcoming business case.

## **6. Strategic Plan References**

6.1 This proposal contributes directly to the following Strategic Plan priority area:-

- Provide opportunities to increase the number of homes available including those that are affordable for local people and to build and refurbish our own Council houses for people in significant need

## **7. Consultation**

- 7.1 Initial consultation has taken place with finance officers, planning officers and spatial policy officer. A consultation plan will be required if the project progresses.
- 7.2 All individual developments would require planning permission and appropriate consultations with the local community would be carried out.

## **8. Publicity Considerations**

- 8.1 The proposals are likely to attract significant press and public interest; therefore consultation will be a key consideration.

- 8.2 A communication plan would be developed for the whole programme to include proactive marketing. The delivery of this plan would need to be suitably resourced and this may involve external resource.
- 8.3 Clearly if the Council were proposing to develop the private sector housing then further resource would need to be assigned to the marketing of products during the delivery phase.

## **9. Financial implications**

- 9.1 There are a number of financial matters which will need to be considered in detail as part of the full business case to be brought back to Cabinet. These will include areas such as:-
- The Council's need to borrow and terms of any funding requirement to enable this housing development and the impact of any borrowing on the Council's overall capital plans and treasury management arrangements.
  - The impact on the Council's General Fund of any borrowing costs, including State Aid issues.
  - Consideration of accounting arrangements, tax issues and financial structure of any new company.
  - Assessment of financial returns.
  - Consideration of financial risks and sensitivity of overall financial forecast and business case.
- 9.2 In relation to procurement there may be the opportunity to join new frameworks for the procurement of services and delivery of the properties. This will require further more detailed analysis once the vehicle for delivery has been confirmed. However any company with shares wholly owned by the council will need to comply with the Councils procurement structure.
- 9.3. As highlighted earlier in the report to progress this project there is a need to consider an additional budget allocation and this has been included in the budget update report on this agenda.

## **10. Equality, Diversity and Human Rights implications**

- 10.1 The Equality Impact Assessment for the Housing Development Strategy can be found [here](#) or by following the pathway [www.colchester.gov.uk/ Your Council/ How the Council Works/ Equality and Diversity / Equality Impact Assessments/ Commercial Services/ Housing Development Strategy](http://www.colchester.gov.uk/YourCouncil/HowtheCouncilWorks/EqualityandDiversity/EqualityImpactAssessments/CommercialServices/HousingDevelopmentStrategy).

## **11. Community Safety Implications**

- 11.1 Not applicable

## **12. Health and Safety Implications**

- 12.1 Not applicable

## **13. Risk Management Implications**

- 13.1 A full risk register will be appended to the business case when a recommendation is presented to Cabinet.

<b>Report of</b>	<b>Head of Commercial Services</b>	<b>Author</b>	<b>Fiona Duhamel</b> ☎ <b>282252</b> <b>Lois Bowser</b> ☎ <b>282573</b>
<b>Title</b>	<b>Colchester Northern Gateway (North) Sports Hub development proposal</b>		
<b>Wards affected</b>	<b>Mile End, Highwoods, Fordham and Stour</b>		

**This report seeks approval of the proposed development to create a new leisure and community sports hub on land north of the A12 at the Northern Gateway together with an enabling development on part of the Mill Road site.**

## **1. Decisions Required**

- i. To approve the recommended proposal including layouts and concept building designs, to create a community sport and leisure hub at Northern Gateway North which will provide a new high quality home for Colchester Rugby club, dedicated cycling facilities including a learn to ride offer, two 3G artificial pitches and a central sports building suitable for use by a range of clubs and individuals.
- ii. To note there is a confidential decision required on Part B of this Agenda to approve the full business case for the proposed development including the capital and revenue assumptions and financial implications for the Council's budget and Medium Term Financial Forecast.
- iii. To agree in principle that the capital proceeds from the disposal of part of the Mill Road site for residential development can be used as enabling funding for the scheme and agree that further work in reducing the risks associated with this funding mechanism will be reported back to Cabinet at a later date.
- iv. To note the potential capital contributions to the scheme from a range of funders including Sport England and sports governing bodies and to agree that the required funding applications be pursued.
- v. To note the recommendation in the Confidential Part B of this agenda that the Council should make provision to support any interim borrowing of capital required during the development of the scheme.
- vi. To note the emerging management options for the site detailed in the confidential Part B Agenda and endorse further examination of the most appropriate model with a

view to bringing the details of the preferred option(s), together with agreed heads of terms for key users of the site, back to Cabinet for approval.

## **2. Reasons for Decisions**

- i. To ensure the development of the Northern Gateway as a key sports/leisure destination within a quality parkland setting will be designed and built in an economical and sustainable manner.
- ii. To ensure that the scheme proceeds in accordance with good planning principles and with the benefit of planning approval as an essential milestone in the project.
- iii. To ensure that a robust business case supports the delivery of the proposed scheme including financial sustainability, funding mechanisms and operational business planning before progressing to the detailed design stage.
- iv. To ensure that all risks and financial implications from capital recycling and interim borrowing are fully assessed and monitored in accordance with the Council's financial management arrangements.
- v. To ensure that the full capital funding required for the scheme is secured from a range of external funders.
- vi. To ensure that the scheme is managed effectively and in a sustainable way whilst retaining Council control in order to ensure the scheme meets the requirements of the Council's Sports Strategies.
- vii. To provide jobs and economic growth to a key growth location within the Borough.

This decision is brought to Cabinet for approval because of the level of financial commitment and its strategic significance for the economic growth for the Borough.

## **3. Alternative Options**

- 3.1 Different options have been explored during the development of the scheme over the past 18 months and it is intended that the layout and building proposals are adaptable should other sports clubs become key participants in the future. The site layout, building design and business case presented here represent the only viable option at this stage.
- 3.2 It is possible that the scheme could be halted and the land could continue to be leased for agriculture with attendant implications for the Borough in meeting the Sports Strategy outputs and for the Rugby Club in not being able to expand and grow its community offer.
- 3.3 Any delay in bringing forward the proposed scheme may impact upon the levels of external funding to be secured as key funders may decide to invest in other opportunities.

## **4. Supporting Information**

- 4.1 The Vision for the Northern Gateway Masterplan in 2012 was developed following consultation with key stakeholders, market research, and an assessment of the feasibility of options for the most appropriate mix of leisure and sports uses within the area. The key elements to create are:
- A new gateway for Colchester
  - A cutting edge destination for sport and leisure
  - A distinctive place defined by memorable buildings and spaces
  - An exemplary approach to sustainability.
- 4.2 The development of the Community Stadium provided the first phase of delivery against the Masterplan. Construction is underway to create a new David Lloyd centre and the advancing proposals by Turnstone to develop a commercial leisure scheme anchored by a regional cinema form the next stage of progress. The sports hub proposals bring forward a new and exciting phase towards the achievement of the Masterplan vision.
- 4.3 The proposals involve the co-ordination of a range of key stakeholders ranging from possible users to potential funders. There has been a considerable amount of interest generated in the project from local sports clubs and (national) governing bodies such that the business case can demonstrate a high degree of confidence in facility usage and rental streams. There is commitment in principle from some users at this stage, reflecting the need for additional sports facilities in the Borough. The business case outlines the key user and financial elements which will contribute to a successful project and which demonstrably serve to increase participation in sport and physical activity. The project thereby is aligned to and meets some of the gaps identified in the Borough's sports and leisure facilities strategy.
- 4.4 The Council has recently set up a strategic Sports Board to co-ordinate the activity and plans of the major sports facilities providers across the borough. This includes the Garrison, University and Colchester Institute and follows a suggestion from Sport England who is concerned to see sports facilities across the borough as a whole improved, and not just those run through the Council. The Sports Board will be taking the strategy forward and co-ordinating the most effective way to upgrade and maintain a good sport and leisure offer.
- 4.5 The Council appointed Leisure Consultants, FMG, and architects, GTA, in June 2015 to assist in project development and feasibility. Subsequently other studies have been commissioned to facilitate in the planning aspects of the proposals (ecology, archaeology, transport, public realm/landscape, sustainable energy generation) and feasibility aspects (architects, valuation). These studies have been reported separately to Members through the RIF Committee on 11 November 2015 and 1 February 2016. The project has also benefitted significantly from the input of Sport England experts in project development, sports facility provision, feasibility and management. In addition, the contribution from local clubs and sports governing bodies has been invaluable in helping to develop feasible proposals and in commenting on the practicalities of building and site layout designs.

- 4.4 The outline business case reported to RIF in November 2015 was developed around three related themes which continue to guide the project as illustrated below:



## 5.0 The Proposal

- 5.1 To develop approximately 100 acres of agricultural land to the north of the A12 at Cuckoo Farm for community sport and leisure purposes enabling the relocation of the Rugby club to facilitate its growth and expansion and to provide the opportunity to expand the wider sports offer within the Borough to meet the objectives of the Council's Sports Strategy.
- 5.2 The scheme will create a top quality sports and leisure destination that meets the recognized gap in local provision. The proposed Core Scheme would use about three quarters of the site (See Appendix 1) and will include the following:

Sports Hub Building	Rugby Pavilion	Outdoor Facilities
4 Court Sports Hall	Two storey pavilion	2 Full Size 3G AGP's
30 Station Cycling Fitness Suite	Changing facilities	Cycling Road Floodlit Track (1.6km)
Velo Studio and Fitness Studio	Bar and Restaurant	Cycling Learn to Ride Area
Multi-Purpose Room	Meeting rooms	American Football
Café and Vending area	Kitchen	Archery Area
		Dog Training Area
		7 Full Size Rugby Grass

		Pitches
		3 Junior Grass Rugby Pitches
		BMX Track (Phase 2)
		Car Parking for 350 cars

The project will provide for the semi-professional, higher performing athlete as well as those aspiring to improve, beginners or recreational participants from the local community, local clubs and match leagues. Although some of the commercial elements of the earlier scheme were felt to be attractors, without a critical mass and compatibility of a range of attractions there was a higher risk attached. It was difficult to provide a financially sustainable scheme because of the high capital outlay and depreciation cost. The current Core Scheme has also undergone affordability checks with a simplified design which provides scope to extend and to increase activities on site as the destination becomes more popular.

## 5.2 In summary the proposed Core Scheme delivers:

- Relocated rugby club with which it has been agreed to create ten new pitches including two which are 3G artificial surfaced together with a new club building (Appendix 3). The 3G pitches would be available for club and community use. The rugby pavilion would include a 200 seater function room designed for adaptability and a viewing gallery looking over the pitches, most of which would be located on the southern side of Salary Brook.
- A multi sports building with a four court sports hall, cycling and club fitness gym and flexible meeting space for clubs, health providers and wellbeing sessions (Appendix 2). The sports hall would be designed to accommodate a range of indoors sports and some for which an interest has already been expressed include rugby for people with disabilities, archery, indoor cricket subject to continuing negotiation with the Essex County Cricket Board, table tennis and badminton club and league matches. Several local clubs have expressed an interest in locating their base within the sports hall complex. There would also be external storage facilities usable by cyclists, running groups etc or for equipment to hire, including tricycles and bicycles for those learning to ride or wishing to try a racing model on the cycle track. A centrally positioned café sits within the main sports building.
- A 1.6km Closed Road racing circuit, together with a BMX track and Learn-to-Ride area overlooked by the cafe in the main sports hall supported by local clubs and British Cycling with bespoke indoor cycling-focused health and fitness facilities in a 'Cyclogym'.
- A landscaped route to cater for walking, equestrian and casual cycling users, linking to the highway and National Cycling Route 1, Severalls Lane and to the Boxted Road. This will allow casual and free access across the site and provide public benefit from the parkland setting. The proposed 'Village Green' on the Mill

Road Site supported by Myland Parish Council will provide additional informal recreational facilities to link with the proposed 'boulevard' westwards to the Community Stadium that is an essential component of the masterplan and public realm strategy.

- Archery in a landscaped and multipurpose space located close to the sports hall which the club would intend to access for indoor practice and nearby car parking to help facilitate the growing number of archers with disabilities.
- Relocation of the dog training area from the Mill Road ground.
- Accommodation of American Football on a grass pitch as currently with scope for training indoors or on one of the 3G pitches
- Car parking for around 350 vehicles on an appropriate surface to reduce visual impact. Discussions are underway with Essex County Highways in respect of use of the Park and Ride site by sports hub users at appropriate times.
- Land set aside that could be used for a variety of activities at a later date but which in the meantime would be used for passive recreation and outdoor amenity space.
- Following early discussions with some health providers it is hoped that sports hall and facilities will provide a base for well-being activities in the widest sense, for example U3A, and complement some of the more sport focused elements of the site and multisport building.
- The Cavaliers Cricket Club is based at Mill Road along with occasional use by a second club. It is proposed to relocate this to a new pitch to be prepared by the council at the Mile End recreation ground.

5.3 It is proposed to bring forward land from the Mill Road site and surrounding Northern Gateway for enabling development and to recycle the capital proceeds from these schemes towards the capital costs of the sports facility, subject to further works to reduce risks associated with this enabling mechanism. Residential proposals will include affordable housing and will consider some self-build. An area of land within the existing rugby club area will become public open space as identified in the Myland Neighbourhood Plan.

5.4 It is proposed that the core scheme will be fully financially sustainable which is likely to be attractive to external operators. Further work on management models will be carried out and a recommendation brought back to Members at a later date.

#### 5.5 Borough Playing Pitch and Sports Facilities Strategy

In 2013–14, the Council commissioned KKP Consulting to prepare an indoor sports facilities strategy and an outdoor playing pitch strategy. The Council endorsed the strategies in July 2015. The scope of the indoor sports facilities study included sports halls of at least 3 badminton court size, swimming pools, indoor bowls, and health and

fitness (gyms) as well as the less traditional sports of cycling, water sports and squash. The aim was to assess the current supply and demand for each facility type, the quantity and quality, and the opportunities for new or rationalised provision. The Playing Pitch Strategy (PPS) applies the Sport England Guidance in a supply and demand assessment of playing pitch facilities. The scope includes football, rugby union, rugby league, cricket, hockey, tennis, outdoor bowls and athletics.

5.6. The early stages in the development of the project sought to integrate:

- the Sports Strategies
- consultation with other strategic sports providers about their future plans – the University, Garrison and Colchester Institute
- consultation with local sports stakeholders who expressed their interest in the scheme and who expressed preference for different kinds of provision
- the requests of the existing users to replace or to access improved facilities or over a wider time span
- FMG consultants' examination of other major leisure developments across the country including specialist cycling venues
- The outcome is the scheme presented in this report which complements other provision and meets clearly identified gaps in his market.

5.7 It is important to bear in mind that the opportunity to secure Sport England capital funding rests in part on how the project relates to and delivers the Borough strategies, in association with other partners such as The Garrison, University and Colchester Institute. The newly created Borough Sports Board will help to achieve this co-ordination and across the Borough there is a need to upgrade some of the quality and quantity of provision at local club level; this project endeavours to meet some of this need.

## 5.8 Milestones

The project plan aims for construction to commence in Spring 2018 with completion during 2019. The projected milestones are:

<b>Milestone</b>	<b>Target Date</b>
Cabinet considers detailed business case	March 2016
Submission of a planning application for both sites to include residential on Mill Road	Summer/Autumn 2016
Further report to Cabinet on management models and risk assessment of delivery of Mill Road Housing Development	Summer/Autumn 2016
First capital receipt from enabling land	2017/18
Core Scheme commences	Spring 2018

Core Scheme completion	Summer 2019
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## 5.10 Management Options

The FMG study looked at management options for the site as a whole and for the multi-sports centre and these are outlined in the confidential section of this report. A soft marketing exercise is currently underway to determine the appetite for this scheme from private sector operators and their views on management models.

It is recommended that a further paper detailing management options is brought back to Cabinet at a later meeting to include agreed Heads of Terms with key users of the site.

## 5.11 Procurement

The council has made several appointments of specialists to help develop the project and the planning application. All have been carried out in accordance with the Council's formal procurement procedure. Public realm consultants, Gillespies, are the most recent and were appointed in mid February. At a later stage there will be a procurement process to appoint a build contractor for the scheme. This will be procurement by way of an open tender process.

## 6. **Strategic Plan References**

6.1 The wider context for the CNG North project is national policy and guidance relating to sport, health, physical activity and participation.

6.2 The project meets the Council's Strategic Plan in a number of ways:

### 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.
- Create the right environment for people to develop and flourish in all aspects of life both business and pleasure.

### PROSPEROUS

- Promote Colchester to attract further inward investment and additional businesses, providing greater and more diverse employment and tourism opportunities.
- Provide opportunities to increase the number of homes available including those that are affordable for local people and to build and refurbish our own Council houses for people in significant need.

### THRIVING

- Promotes Colchester's heritage and wide ranging tourism attractions to enhance our reputation as a destination.
- Be clear about the major opportunities to work in partnership with public, private and voluntary sectors to achieve more for Colchester than we could on our own.

- Cultivate Colchester's green spaces and opportunities for health wellbeing and the enjoyment of all.

## WELCOMING

- Improves sustainability, cleanliness and health of the place by supporting events that promote fun and wellbeing.
- Make Colchester confident about its own abilities, to compete with the best of the towns in the region to generate a sense of pride.

- 6.3 The proposal contributes to the Council's aim to "Become commercially focused and even more business-like in order to be free of government grant by 2017" by delivering a modest income stream and reducing current maintenance costs for pitches.

## 7. Consultation

- 7.1 The project has been subject to a consultation process as part of the wider Northern Gateway Master Plan. All key stakeholders are engaged in the emerging proposals and relocation requirements. Officers attend the local parish council meetings to share understanding of the plans and to invite comment. It is intended to hold a stakeholders' meeting after the Cabinet meeting with a view to establishing regular meetings of a stakeholders' steering group, this will include representatives from local schools and colleges.
- 7.2 Officers will hold a wider consultation on the pre-submission planning application and public realm proposals in order to encourage public engagement. This will be followed by the period of statutory consultation when all aspects of the scheme including the transport and access proposals, layout, building design concepts, landscaping and environmental concerns will be subject to public scrutiny.
- 7.3 The Sports Board will ensure strategic engagement of key organisations on a regular basis also.

## 8. Publicity Considerations

- 8.1 The Colchester Northern Gateway seeks to create a new sports/leisure led destination in the Borough and this economic growth investment has a number of positive key messages. The creation of a leisure destination with quality sports facilities, sustainable design and exciting recreational and community activities can be promoted locally and to a wider audience. The public realm consultants appointed for the wider Northern Gateway growth area will work in conjunction with the Council's communications team and will begin to portray key images that will help mark out the area as a destination; it will become increasingly attractive to potential investors, visitors and local people alike.

## 9. Financial implications

9.1 The detailed financial implications and the business plan are addressed in the confidential business case. The key financial elements are:

- The capital cost of the scheme.
- The recycling of the proceeds from the proposed enabling development sites including Mill Road into the Sports Hub development cost
- External funding opportunities from Sport England and other sports National Governing bodies
- Short term cash flow management
- The operational net revenue taking into account the running costs, maintenance costs, depreciation and management of the site

## **10. Equality, Diversity and Human Rights, Community Safety and Health and Safety**

10.1 The underlying ambition for the leisure proposals is to encourage participation from a wide a range of people as possible including children, older people, people with disabilities, and people who have health or recuperation needs that would benefit from increased physical activity and related well-being programmes, as well as high performing athletes and sports people. The scheme is designed to address these needs.

The design of the sport and recreational facilities will comply fully with health and safety standards, and in the design of the landscaping, outdoor spaces and routes, and buildings will ensure that community safety implications are fully addressed. The Full Equality Impact Assessment may be found by clicking on the link below:

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=20664&p=0>

## **11. Risk Management Implications**

11.1 The CNG programme as a whole scheme has a risk register. Key risks to the project are identified in the confidential business case attached to this report.

### **Appendix 1: Proposed Site Layout**

### **Appendix 2: Sports facility concept design**

### **Appendix 3: Rugby club building concept design**

## **Background papers**

Master Plan for Colchester Northern Gateway Area – Allies and Morrison 2012

Borough Leisure Facilities and Playing Pitch Strategy 2015

RIF Committee report 11 November 2015

RIF Committee report 1 February 2016





# **APPENDIX 1**

## **Masterplan - Draft**



## COLCHESTER NORTHERN GATEWAY

### Masterplan

@A2 March 2016











# 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
Cabinet, 27 January 2016	Nick Chilvers	Waste Options Consultation	Verbal response provided at the meeting by Councillor Smith, Leader of the Council and Portfolio Holder for Strategy and Councillor B. Oxford, Portfolio Holder for Customers	27 January 2016
Council, 17 February 2016	The High Steward, Sir Bob Russell	Age UK, Colchester Branch	Verbal response provided at the meeting by Councillor Feltham, Portfolio Holder for Communities and Leisure	17 February 2016
Council, 17 February 2016	Member of Al-Anon	The work of Al-Anon	Comments were acknowledged by the Mayor	17 February 2016
Council, 17 February 2016	Caroline Higgins, Adrian Chira and David Beales	Welcoming Syrian Families	Verbal response provided to Caroline Higgins and Adrian Chira by Councillor Bourne, Portfolio Holder for Housing and Public Protection. Comments raised by all speakers were addressed in the debate on the motion on Welcoming Syrian Families	17 February 2016

**(ii) Petitions**

<b>Date petition received</b>	<b>Lead Petitioner</b>	<b>Subject Matter</b>	<b>Form of Response</b>	<b>Date Completed</b>
10 February 2016	Joseph Turner	Save Salary Brook Valley	Petition under consideration and a response is due by 23 March 2016.	Response due by 23 March 2016